

# How Do Corporates Interact Effectively with the Startup Ecosystem?

Kendall Square Innovation Ecosystem Conference

12.1.21

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## > About us

We've built the **largest** community of corporate innovators, strategy execs, and R&D leaders – and we work hard to help them achieve **real impact** in their organizations.

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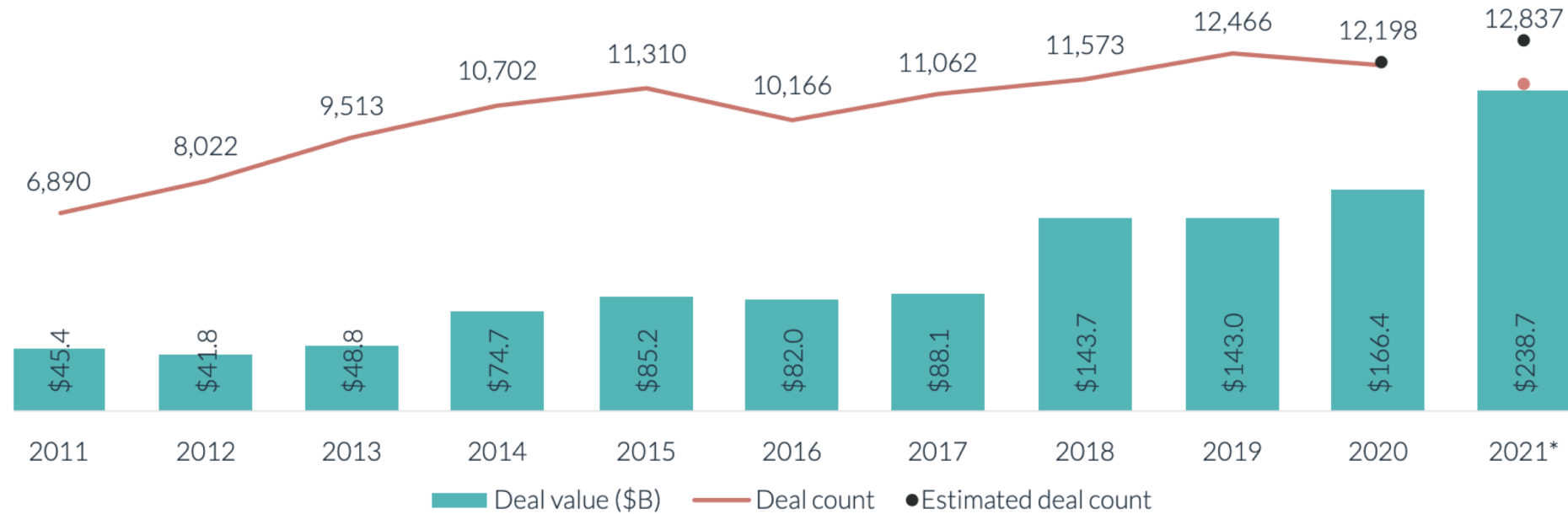




# > 2021 will set a record for startup funding

## Capital investment hits new record through just three quarters

US VC deal activity

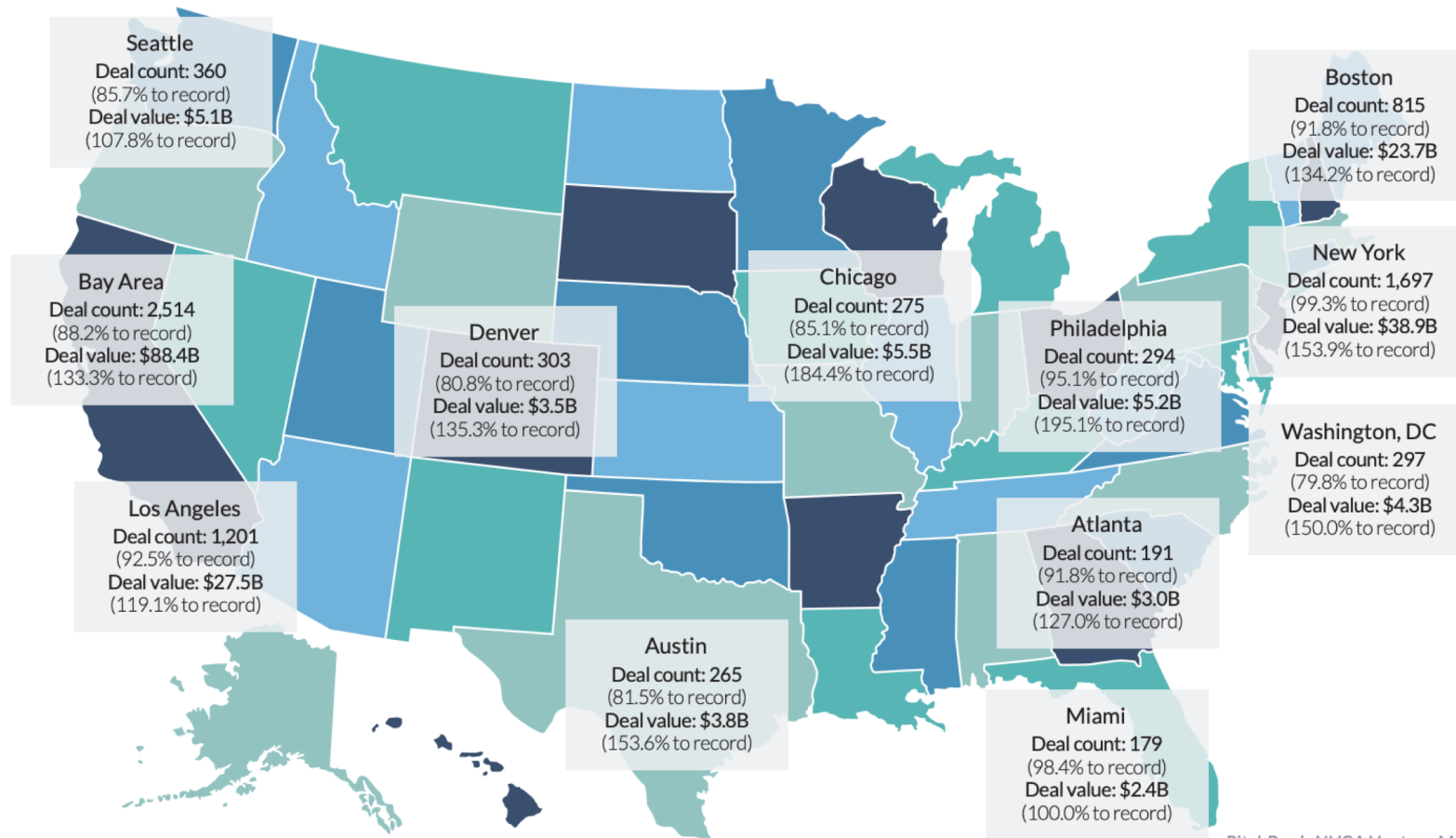


PitchBook-NVCA Venture Monitor

\*As of September 30, 2021

# > In the US, 4 dominant cities

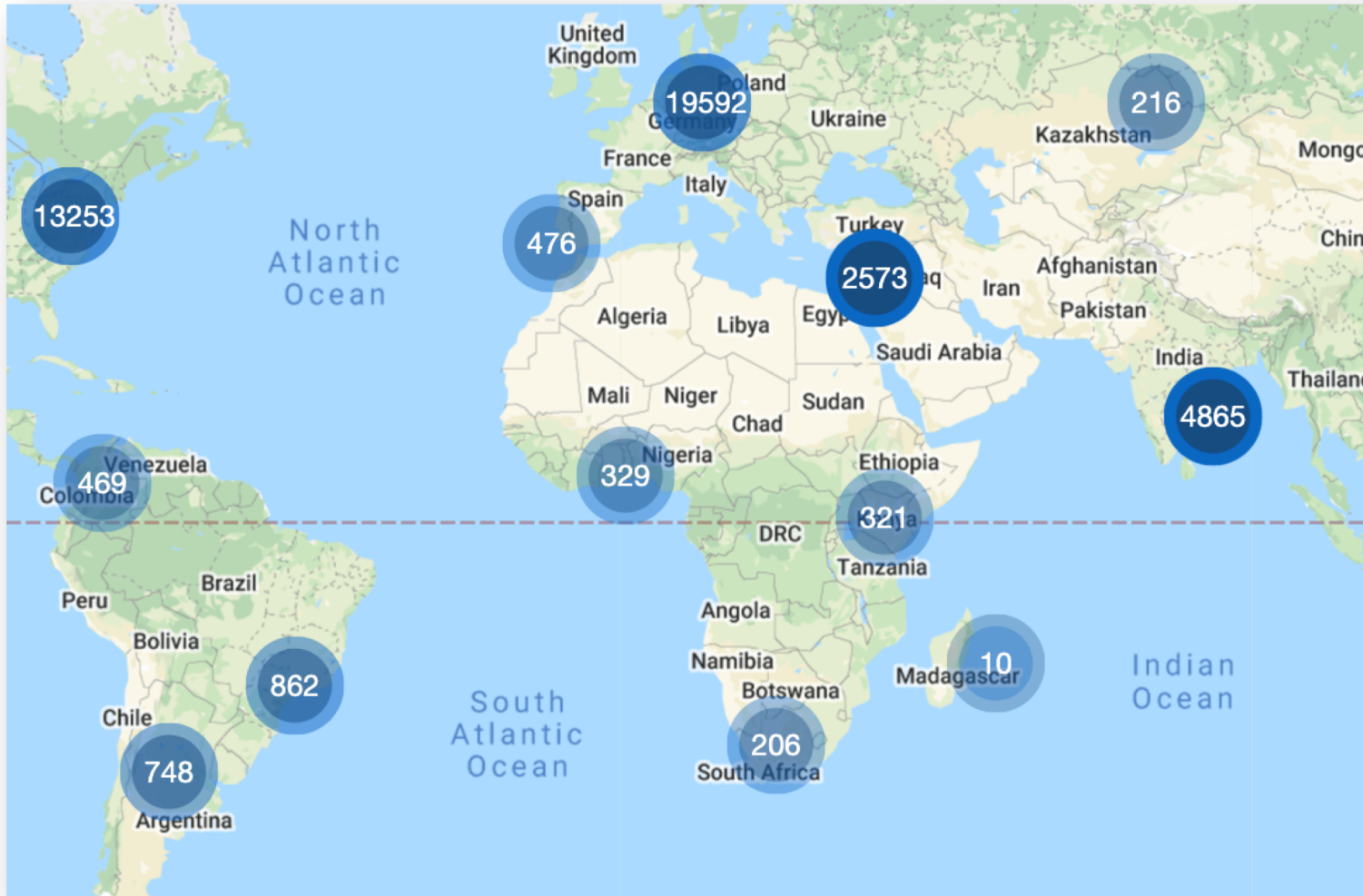
2021 deal activity by ecosystem



PitchBook-NVCA Venture Monitor  
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## > But there's lots of activity globally



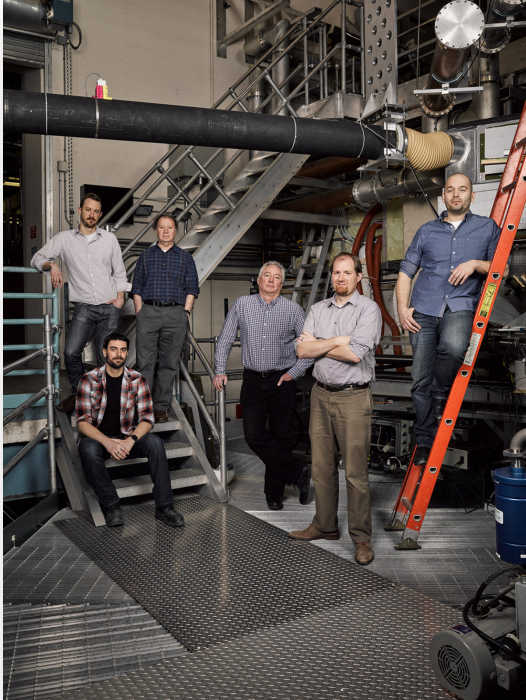
Source: StartupBlink.com/startups

## > ...And ecosystems may be getting remade

Pre-COVID	Now
Accelerators attracted startups to specific cities	Most accelerators are either fully virtual or hybrid; limited "residency" requirement
In-person conferences and networking events facilitated information flow, deals, recruiting	Meetings and networking happen via Zoom
Talent was accustomed to commuting in to a city to show up at an office; easy to recruit people who already had jobs in Cambridge/Seattle/SF	People are getting accustomed to working remotely, from where they want to live
VCs wanted to meet founders face to face, attend in-person board meetings (without needing to travel too much)	VCs comfortable investing without F2F meeting; will attend board meetings via Zoom
Startups invested in physical office space, with perks, to foster culture & collaboration	Startups shedding or reducing office space, planning periodic off-sites (and not necessarily in "cluster" cities)



# > A few big exceptions: Universities, life sci, hardware



## > **Going forward, ecosystem strategy for corporates needs to be:**

- More global
- More focused on well-defined business problems
- More open, clear and communicative
  - What are you looking for?
  - Who is the key contact?
  - What are the modes of interaction?
  - How does your process play out?
- More respectful of startups' time

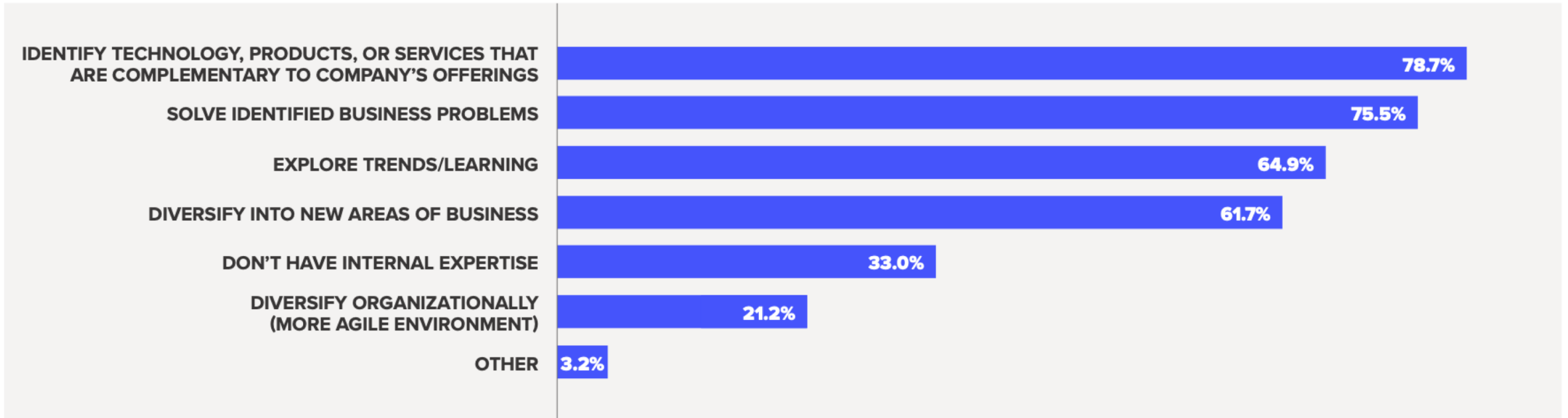


# > Recent research from IL & MIT Corporate Relations



# > Defining the 'why' is key

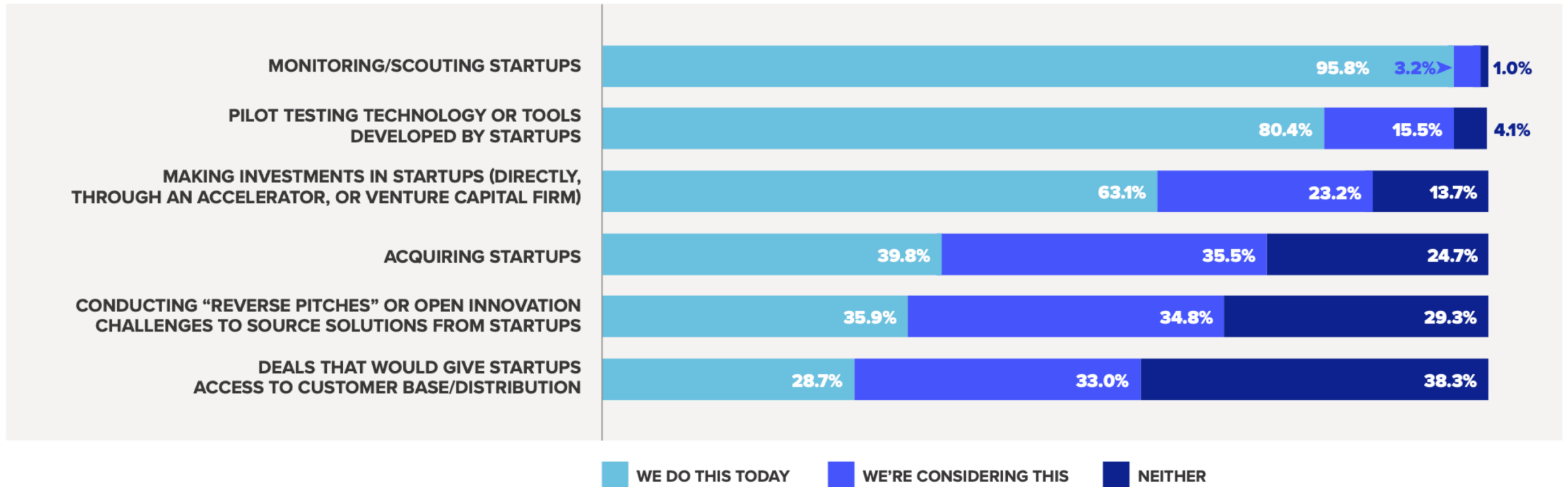
## Key Drivers of Your Organization's Efforts to Interact with Startups





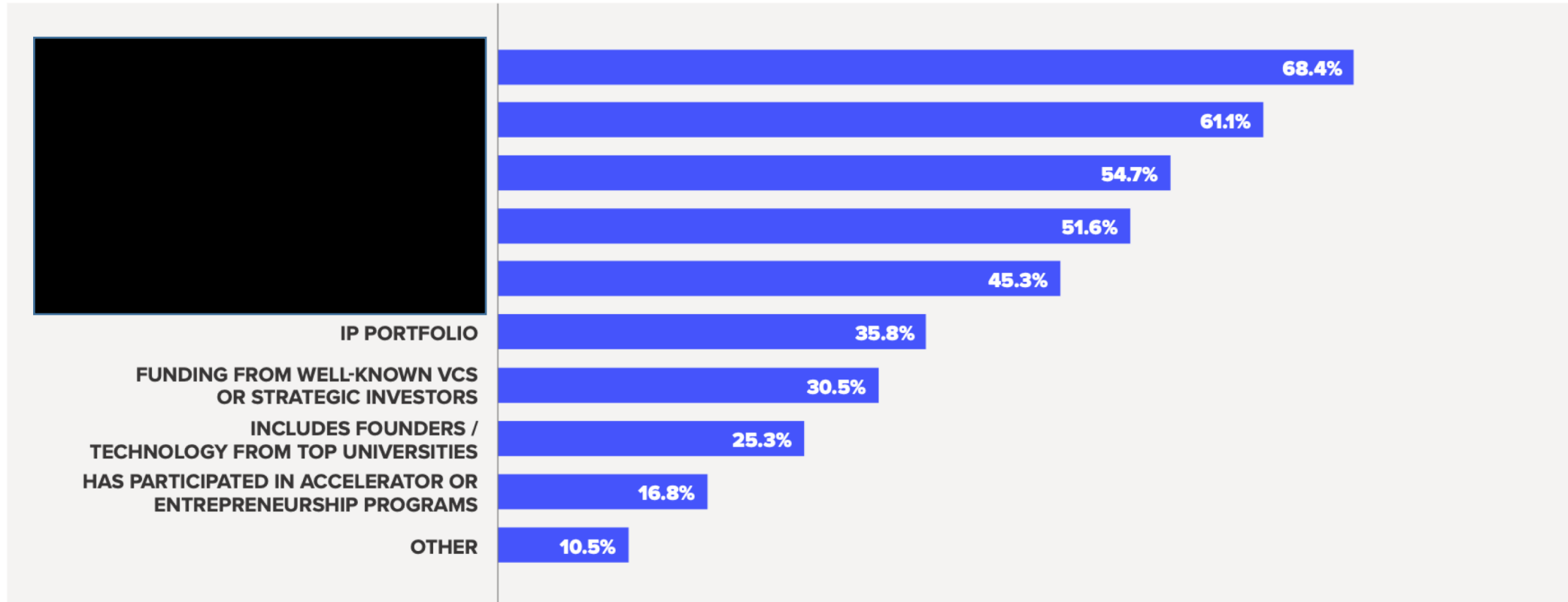
# > What are corporates doing?

## How Organizations Interact, or Consider Interacting, with Startups



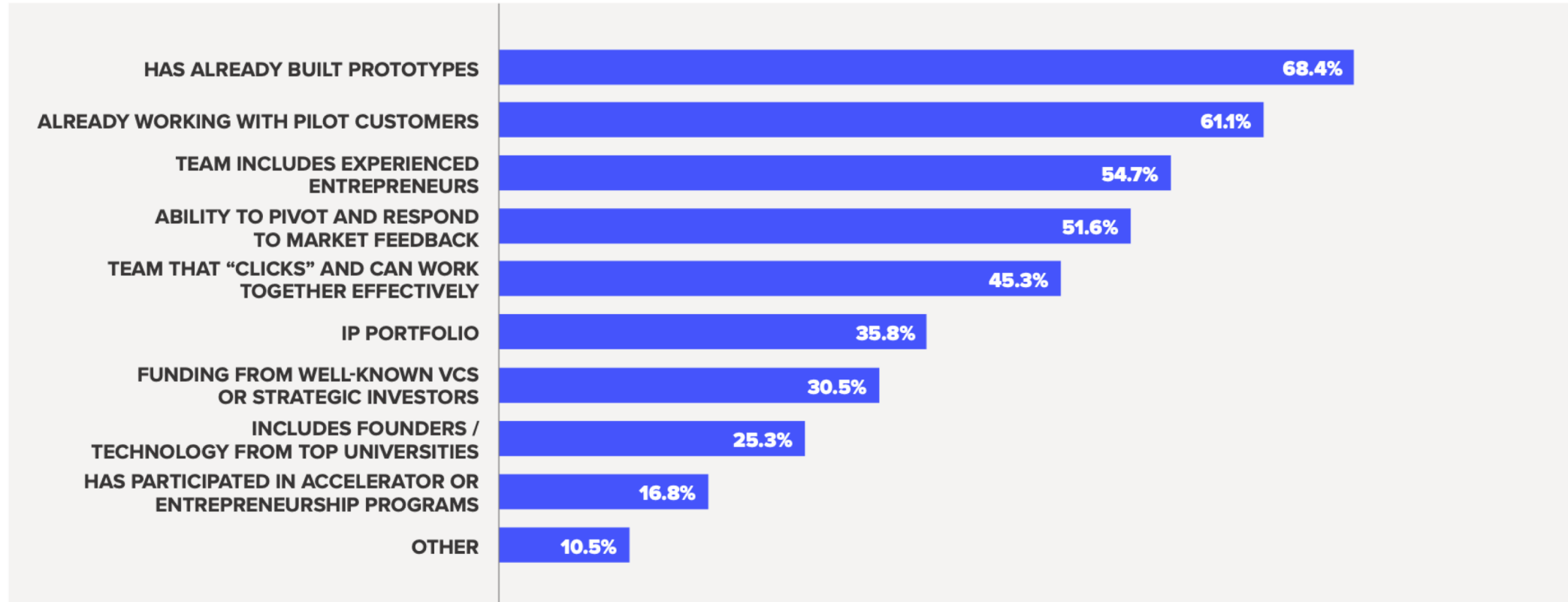
# > What is a 'quality' startup?

How Corporates Define a "Quality" Startup to Collaborate With or Invest In



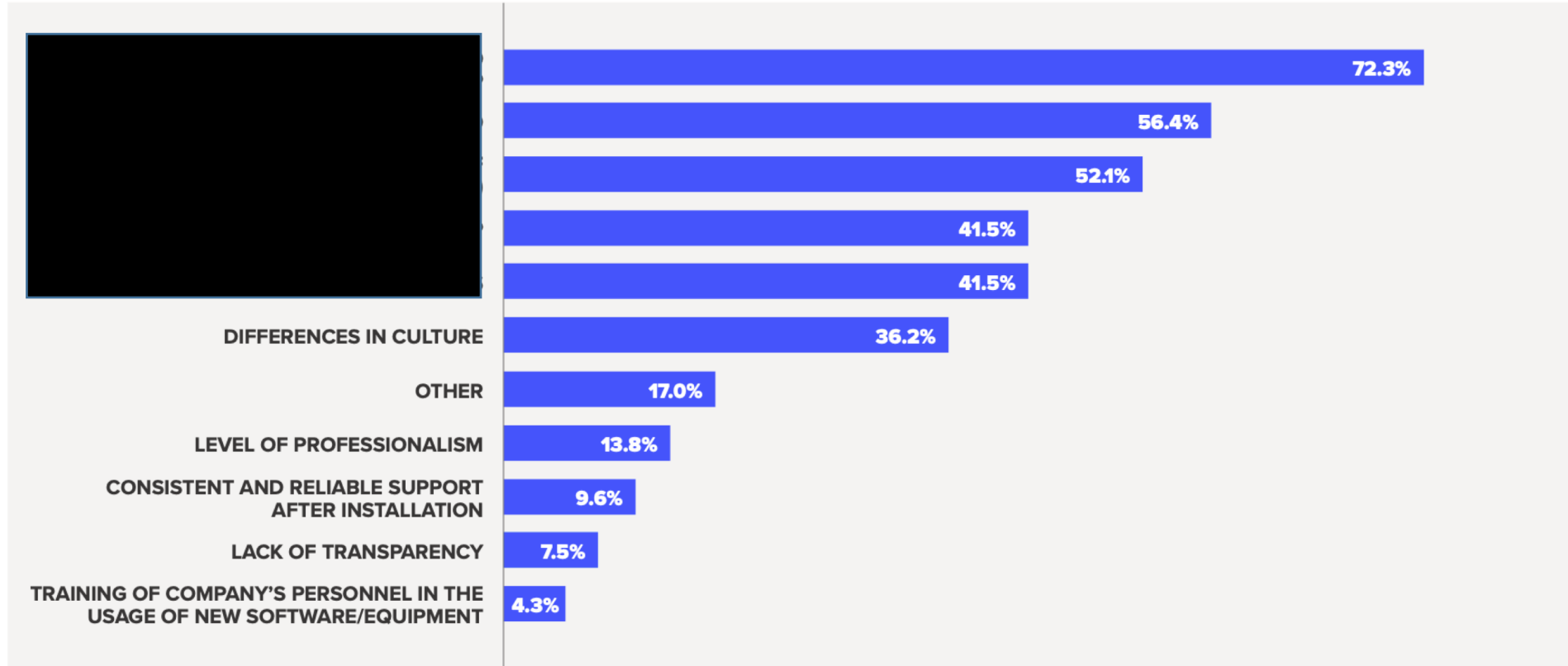
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# > Biggest challenges, according to corporates

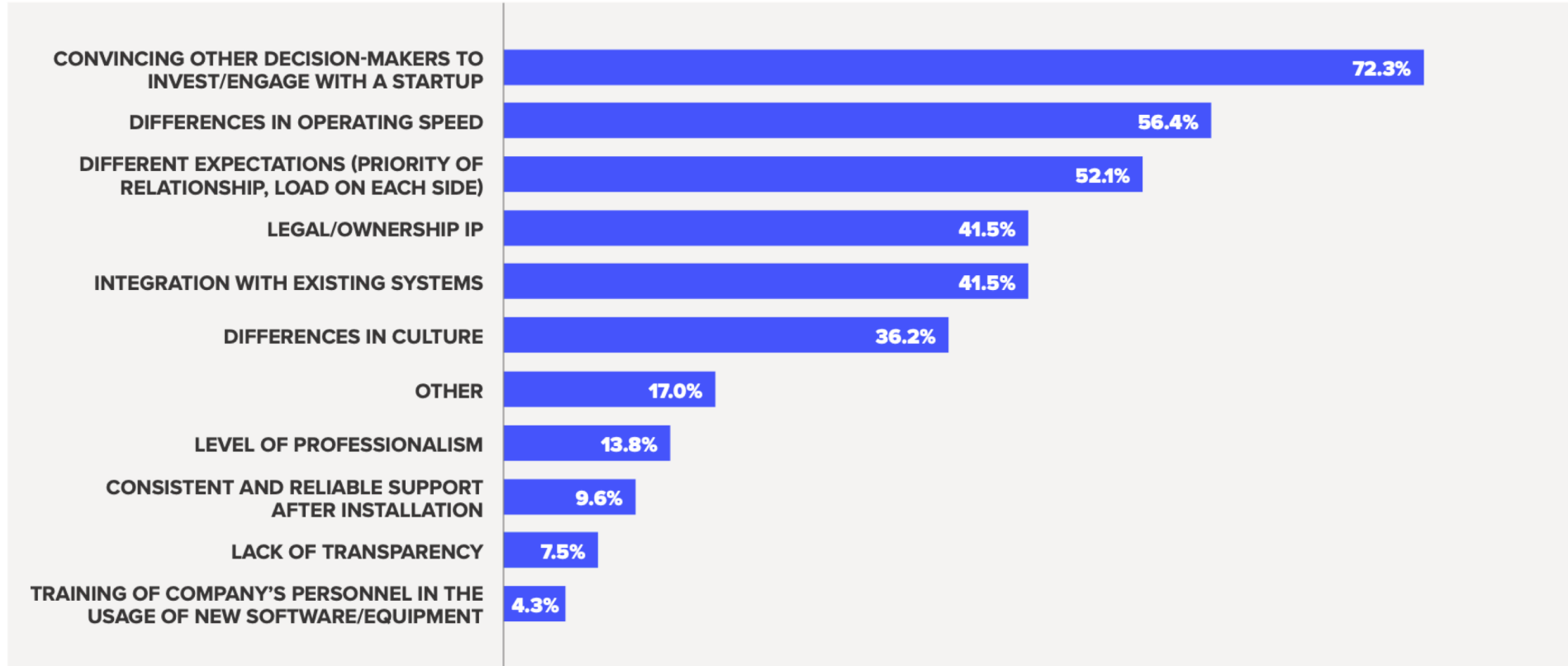
Most Challenging Aspects of Working with Startups, for Corporates





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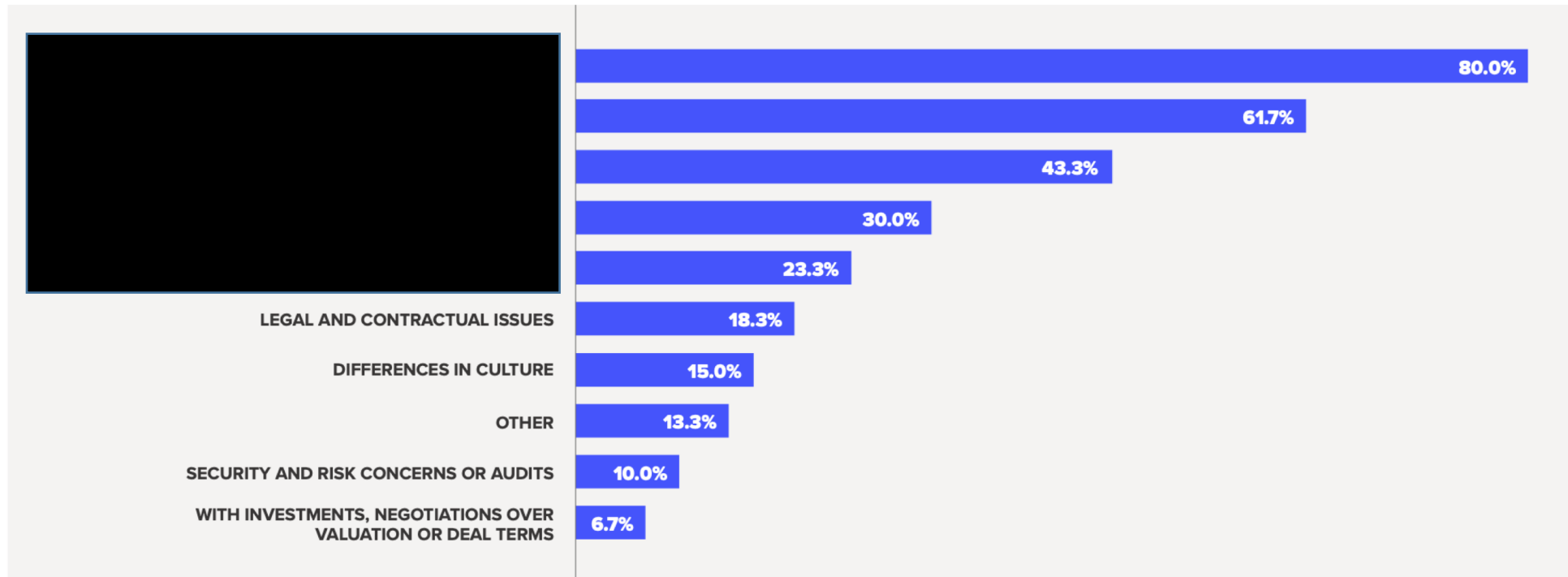
## Most Challenging Aspects of Working with Startups, for Corporates



# > Biggest challenges, according to startups

**What are the most challenging aspects of initiating a formal engagement with a large company, such as a pilot test?**

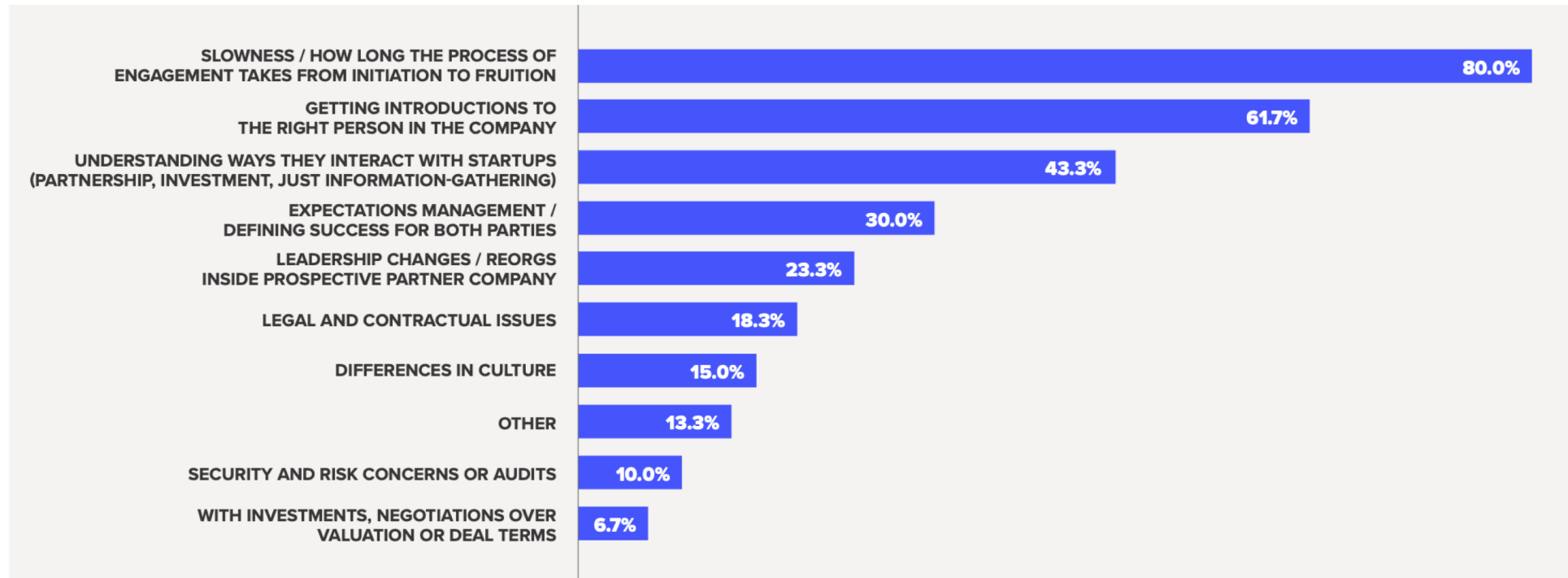
Other challenges cited by entrepreneurs included: problem discovery; “vision management” and “getting appropriate mind-share for something different”; and getting funding allotted for pilot tests.



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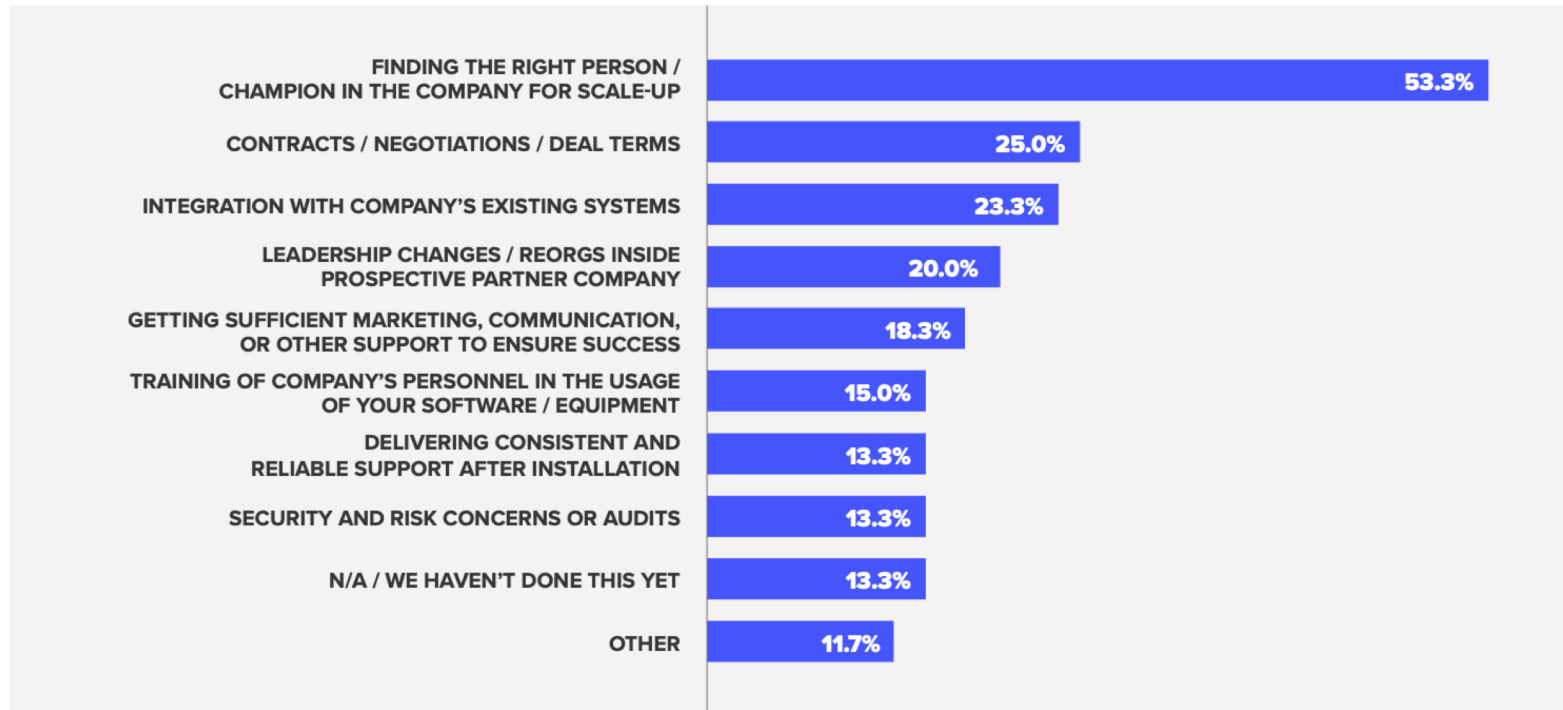
Other challenges cited by entrepreneurs included: problem discovery; “vision management” and “getting appropriate mind-share for something different”; and getting funding allotted for pilot tests.



# > Biggest challenges of scaling, according to startups

**What are the most challenging aspects of scaling up engagement with a corporate partner, post-pilot?**

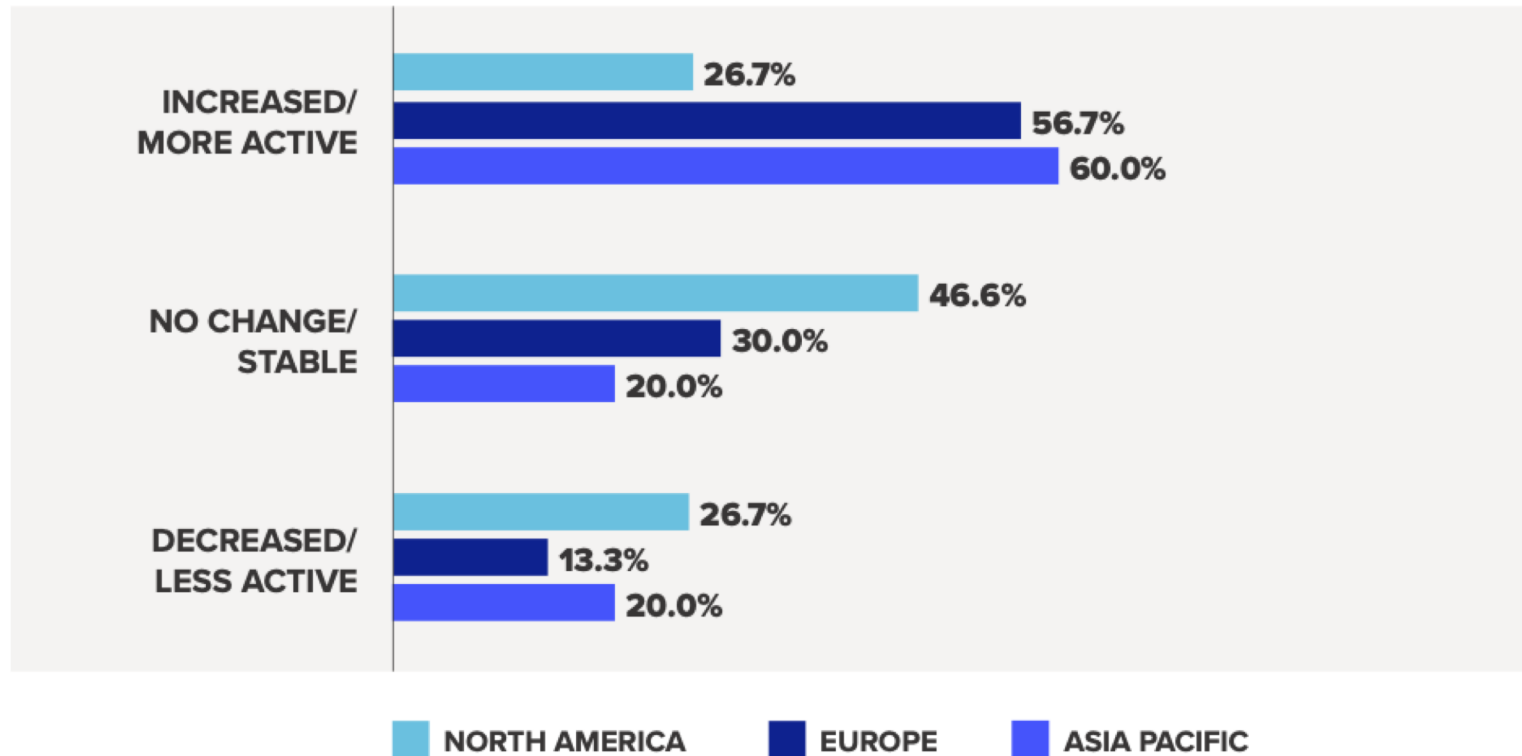
Navigating the complexity of a large organization is far and away the top challenge for startups seeking to scale up a successful early test or proof-of-concept. A distant second: negotiating the contract.





# > Startup engagement increasing in Asia & Europe

## Change in Startup Engagement by Geography



## > Questions and contact info

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