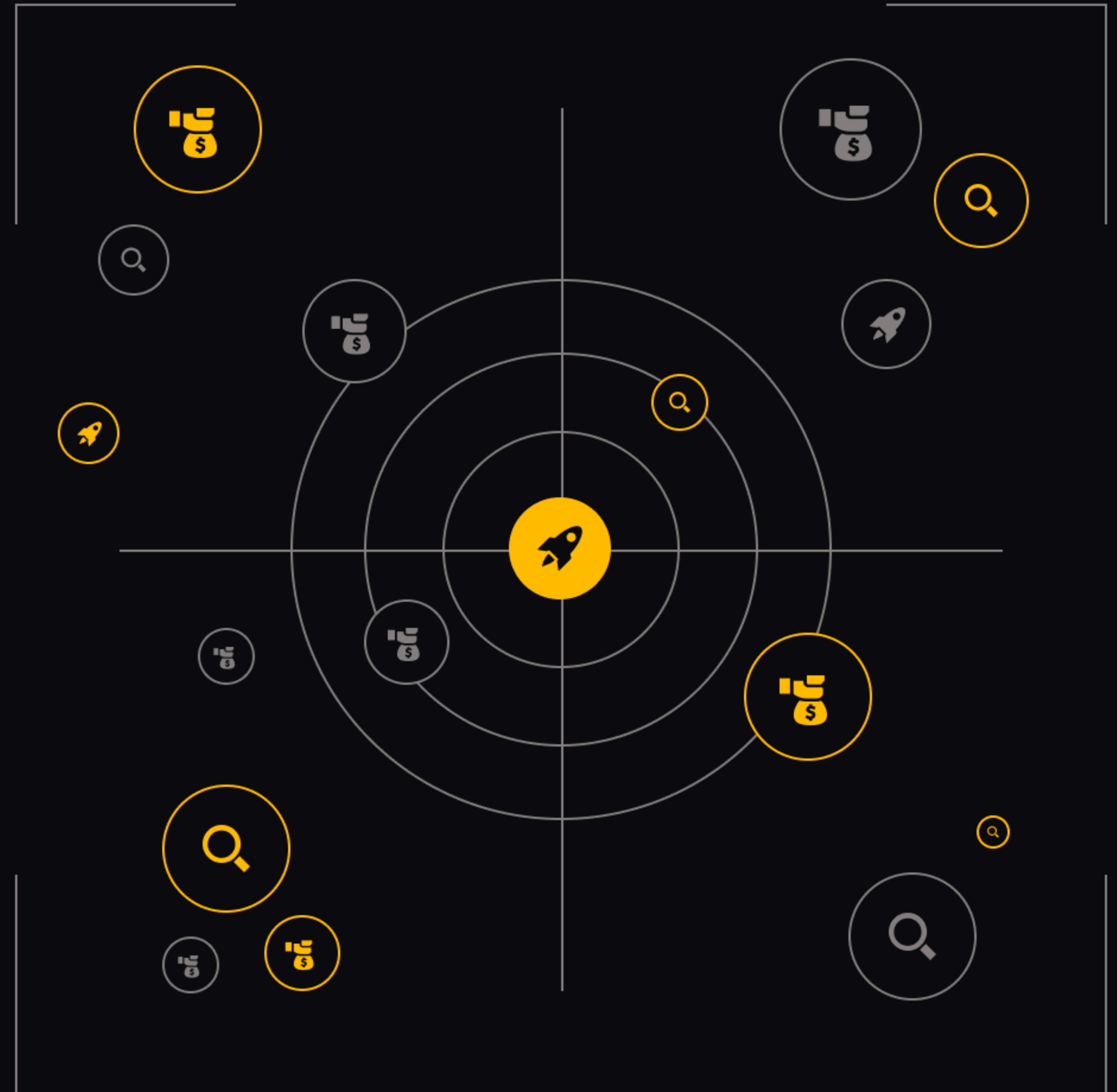


How do I balance exploration and exploitation in my venture scope?

Roundtable recap



Peer power for venturing success.

Connecting senior corporate entrepreneurs, across industries and borders, to share valuable insights and level up your venturing expertise.

Members attending



Philip Hague
Innovation Leader at 3M



Jeroen Cant
R&D Team Lead at Agfa
Radiology Solutions



Hrvoje Patajac
Member of Supervisory Board
at Croatia osiguranje d.d.



Lennart Weichert
Venture Architect at SQUARED,
innovation factory by OBI



Thomas Van Halewyck (Host)
CEO at Bundl

Discussion overview

We discussed strategies for achieving a balance that satisfies the board, mitigates venture risk, unlocks funding for exploratory ventures, and effectively measures growth potential during early venture stages.

Example scenarios:

- Allocating resources for exploratory ventures in cost-sensitive environments
- Establishing clear "hard stop" criteria based on technology readiness and market maturity levels
- Mitigating risks associated with exploration
- Tracking and assessing the impact of ventures on overall corporate revenue and growth goals



What the conversation centred around:

- Frameworks for balancing exploration and revenue in corporate venturing
- Risk management when undertaking exploratory ventures
- Visualising KPI progress transparently to build trust and credibility with leadership
- Effectively measuring the success of your ventures during the early stages

Member focus areas



Philip Hague

How do I set the right expectations on when to consider revenue and profits as valid metrics?



Lennart Weichert

How can I successfully navigate uncertainty in business cases?



Jeroen Cant

How can I build a corporate venturing strategy in a cost sensitive environment?



Hrvoje Patajac

How can I strike a balance between high ambition, risks, and available resources?

Common challenges faced.

?

Resource Allocation

Misallocating resources can not only derail new ventures but also impact the core business. It's a zero-sum game where poor decisions can have cascading effects.

?

Short-term vs Long-term Focus

The pressure to deliver immediate returns can often overshadow long-term strategic goals. This tension can lead to missed opportunities and can even compromise the core business.

?

Cultural Friction

A misalignment between the entrepreneurial culture of the venture arm and the more conservative, process-driven culture of the parent company can lead to internal conflicts, slowing down innovation.

?

Governance and Accountability

Without clear governance structures and relevant KPIs, ventures can become rudderless. This lack of direction can result in financial losses and wasted resources.

?

Market Cannibalisation

The internal resistance generated by the fear of new ventures taking market share from existing products can be a significant roadblock. This can stifle innovation and create a toxic internal environment.

?

Brand Risk

A failed venture can tarnish the parent brand's reputation, affecting customer trust and potentially impacting revenue streams across the board.



5 key insights on gaining and maintaining support.

"Early engagement, through strategies like smoke testing and exclusive early access, grant us the opportunity to tap into initial customer reactions and carve out a pathway grounded in real insights."

1. **Balancing Traditional and Customer-Centric Metrics:** Leveraging customer feedback, Amazon star ratings, and other qualitative metrics can provide a more rounded view of early-stage ventures, supplementing traditional revenue-focused metrics.
2. **Customer-Driven Metrics:** Consider metrics like Net Promoter Score (NPS) and customer lifetime value as early indicators of future success, focusing on customer satisfaction and retention.
3. **Visualise your KPIs:** Creating transparent visual representations of KPIs can be pivotal in building trust and credibility with leadership teams, fostering a culture of transparency and accountability.
4. **Defining “Hard Stop” Criteria:** Setting clear checkpoints based on technology readiness and market maturity helps you know when to terminate, preventing the unnecessary continuation of low-potential projects.
5. **Leveraging Board Influence and Corporate Politics:** Setting up an efficient governance structure from the outset, with a focus on long-term objectives, is key in successfully navigating the corporate landscape and ensuring the success of a venture.



What metrics can I use to realistically assess the growth potential of early-stage ventures and satisfy stakeholder expectations?



Traditional revenue-focused metrics tend to fall short. Customer-centric metrics like retention rates, Amazon star ratings, and qualitative stakeholder feedback can help close the assessment gap.

Customer-driven metrics like Net Promoter Score (NPS) and customer lifetime value can also be useful alternatives during the early stages of a venture.

These metrics can potentially act as early indicators of customer retention and satisfaction, offering a glimpse into the venture's future growth potential.



How can I set realistic yet ambitious goals without exceeding available resources and taking on avoidable risks?



Establish clear decision points guided by market and technology readiness to strike a balance between ambition and feasibility. Early risk mitigation, coupled with an adaptive approach, can help in steering the project without overshooting available resources.

Using iterative development, feedback loops and pilot testing, can also aid in continuously aligning the project's trajectory with set goals while mitigating avoidable risks.



How can companies manage uncertainty in innovation projects when they are held to business cases constructed for traditional projects?



Addressing critical uncertainties early on and adopting an iterative strategy can help manage the ambiguity inherent to innovation projects. This involves verifying customer reception and continually refining project parameters through different progressive stages. It's a nuanced endeavour that heavily depends on each project's individual circumstances.

ROUNDTABLE SNAPSHOTS



How should targets be defined in innovation projects, and what criteria should be used to judge their success?



While initial stages can prioritise customer-centric metrics, later stages can shift focus to conventional markers like revenue.

Meeting predetermined milestones within set timelines is also a good success indicator.



What strategies can facilitate a collaborative culture with startups in cost-sensitive environments?



Start by pinpointing specific challenges in the corporation that can be addressed through startup collaborations.

If you align these problems with solutions that startups can offer and provide data on the potential benefits (e.g. profits, operational efficiencies), stakeholders might be more open to endorsing.



How can companies foster transparency and establish credibility in their innovation processes?



The creation of KPI dashboards on platforms like SharePoint enables teams to visually showcase the project's progress transparently, helping to foster trust and establish credibility with leadership.



How can companies shield young corporate ventures from the pressures of external scrutiny and criticism?



A possible strategy is to designate a senior stakeholder as a "ring-fencer" who shields the young venture from external pressures, facilitating growth while focusing on achieving long-term goals.

This gives the venture the time and space to substantiate its business case with actual market data.



What strategies can companies use to objectively address project termination decisions, especially when influenced by individual stakeholders or corporate politics?

The personalisation of projects (e.g. stakeholder attachment, corporate politics) can hinder objective decision-making.



Establish a strict “pivot, kill, proceed” system from the outset, focusing on financial drivers and pre-established KPIs.

This approach minimises personal or political sway by providing a clear path forward, averting unnecessary expenditure and fostering rational, customer-focused evaluation.



Customer feedback is vital in discerning a project's potential. What are effective strategies to get early customer insights?

Analysing click-through rates and granting exclusive pre-launch access are useful ways to gauge early customer responses.

While these strategies don't fully guarantee the customer's payment readiness, they are effective in delivering preliminary insights and shaping the venture's pathway grounded on customer preferences.



How can an optimal governance set up facilitate the success of a corporate venture?

Establishing the right governance set up facilitates the success of a corporate venture by clearly defining roles and responsibilities, ensuring efficient resource allocation, and guiding the strategic direction of the venture.



It aids in mitigating risks and fostering a culture of innovation while maintaining compliance with legal and regulatory requirements.

The process involves astute manoeuvring through corporate politics and leveraging board influence positively, keeping sight of long-term objectives to nurture and guide the venture, backed by a supportive and aligned board.



Innovation Space X Venture Stage

The graph in the following slide will give you an overview of a corporate venturing setup, with internal and external innovation vehicles.

Use it to map out which ones are best suited to your target innovation horizon, venture stage and venturing goals (i.e. exploration vs. revenue).

Venturing Scope

Balancing exploration and revenue generation requires a clear view of the entire corporate innovation landscape.

Key considerations to find balance:

- 1. Connection to corporate ambition and group strategy
- 2. Positioning of vehicles is flexible with its boundaries adjustable to ideal setup
- 3. Ability to openly connect vehicles and efforts, ultimately sharing knowledge and allowing for ventures to move between vehicles
- 4. Clear ROI reporting for each vehicle and as an entire corporate venturing effort

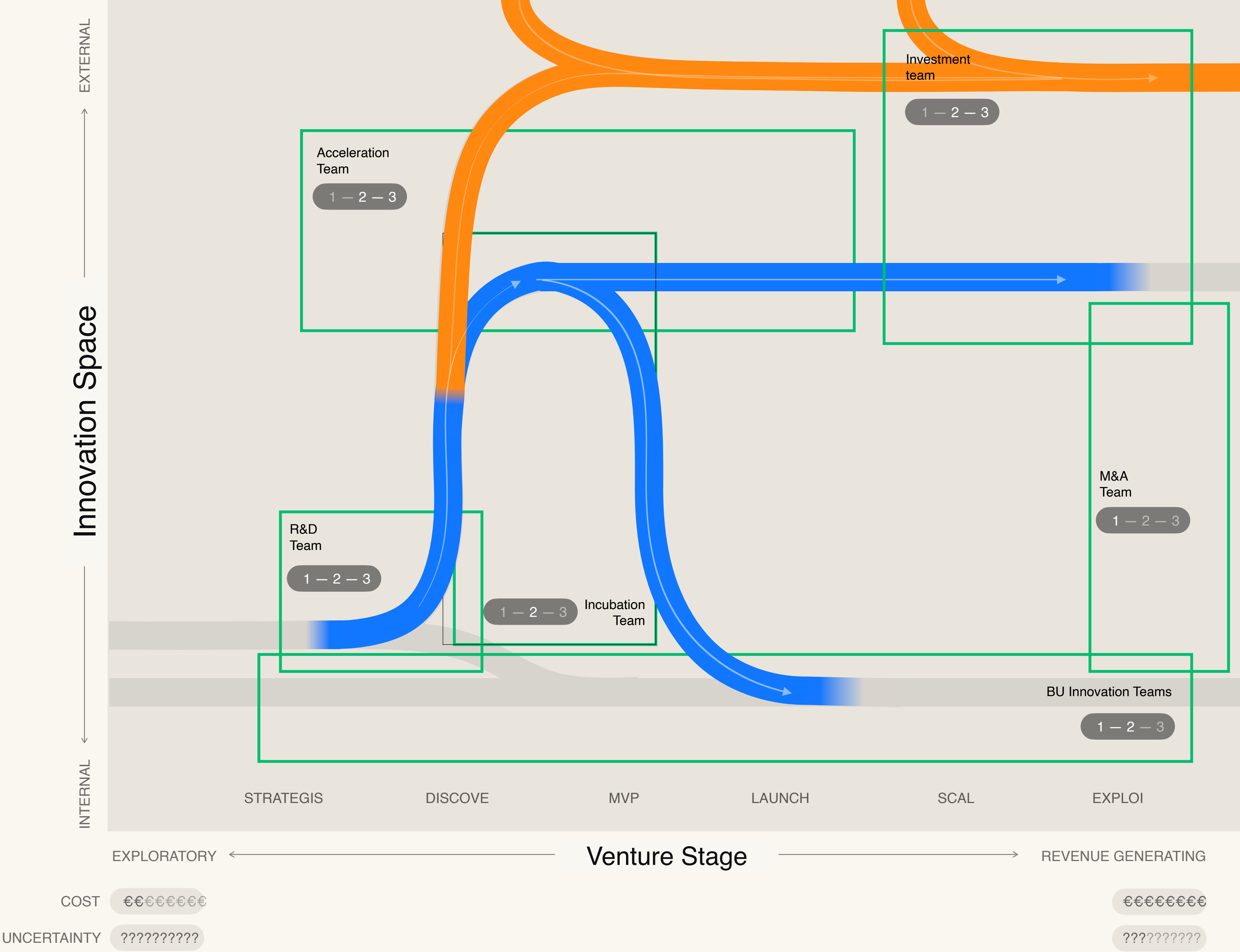
INNOVATION VEHICLES

EXTERNAL ECOSYSTEM

INTERNAL DEVELOPMENT

INNOVATION HORIZON

BUSINESS UNIT OWNERSHIP



CASE STUDIES

A program to solve tomorrow's business threats



The program is focused on solutions that address sustainability challenges such as water stewardship, agriculture, circular packaging, and climate action. They provides startups with mentorship, resources, funding, and access to AB InBev's global network of experts and partners.



A program to find new brands for the existing stable



An in-house incubator that explores new brands in the consumer packaged goods space. They operate by providing ventures with guidance in different areas, including branding, manufacturing, sales, legal and distribution with the goal of bringing them into the portfolio.



A hybrid vehicle combining discovery and exploitation



Internal and external teams have full access to Nestlé R&D's infrastructure and science, technology, and business expertise. Utilising these capabilities, teams in the program develop and validate product solutions in a six-month immersive 'idea to shop' program.



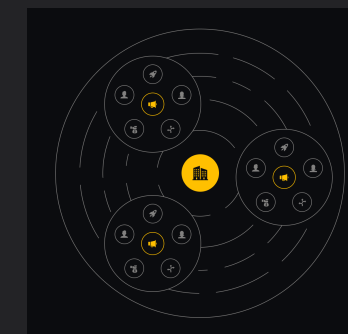
Want to dive deeper into the topic?

Reach out to me to start the conversation



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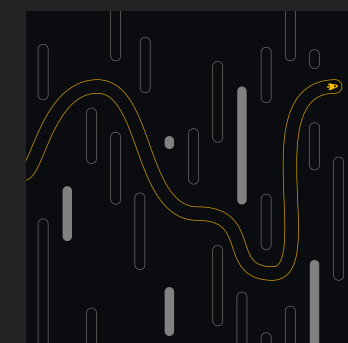
Upcoming roundtables:



21/09 - 17:00 (CET)

BOOK YOUR SEAT

“How can I help startups work effectively within corporate environments?”



05/10 - 15:00 (CET)

BOOK YOUR SEAT

“How can I overcome compliance hurdles to maintain venture speed?”

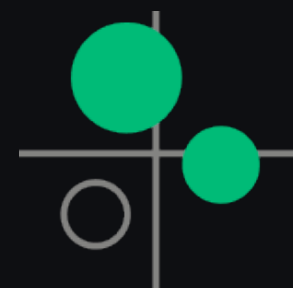


The New Model of Innovation

Leading corporations choose us to help them effectively leverage their capabilities with our entrepreneurial experience.

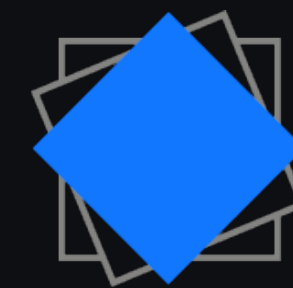
Our global team brings years of strategy, insight, and founder mentality to deliver end-to-end services from structuring the foundations of your venturing activities to building, partnering, and accelerating.

How we can help you:



Venturing Framework

Define the key foundations for your corporate venturing activities.



Venture Building

Incubate, launch & scale new ventures that leverage & build corporate assets.



Venture Partnering

Partner with and invest in external startups to drive new growth.

BOOK A CALL

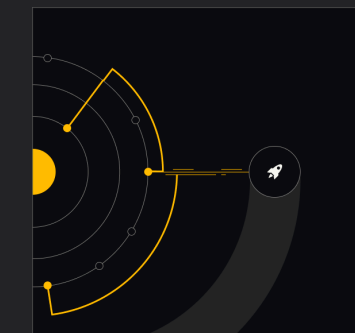
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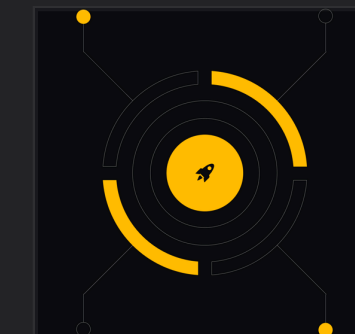
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Previous roundtable recaps:



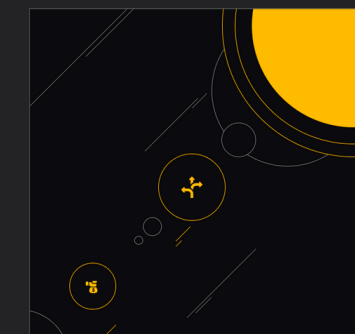
Effectively Proving ROI
of Venturing Activities to
Exco

GET INSIGHTS



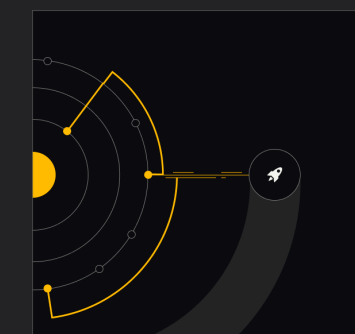
The Corporate Assets
You Should Offer Startup
Partners

GET INSIGHTS



How You Can Turn Your
MVP Into a Scale-Ready
Product

GET INSIGHTS



How to Unlock Corporate
Assets to Boost Venture
Portfolio Growth

GET INSIGHTS