



HELSINKI UNIVERSITY OF TECHNOLOGY  
Institute of Strategy and International Business

# **CORPORATE VENTURING**

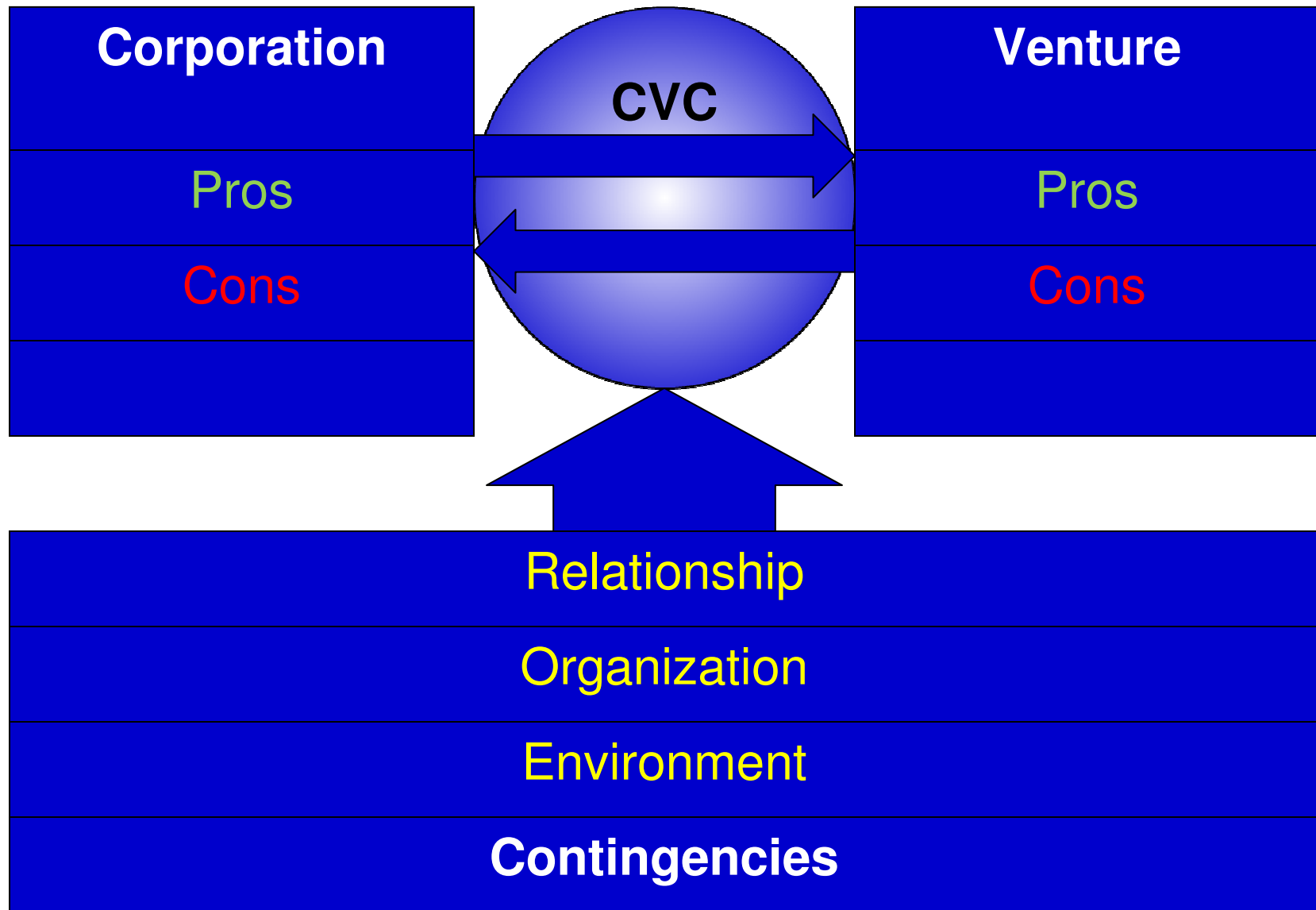
## **State of the Art and Developmental Workshop**

**Academy of Management Meetings 2008  
Professional Development Workshop**

**Anaheim, August 9, 2008**

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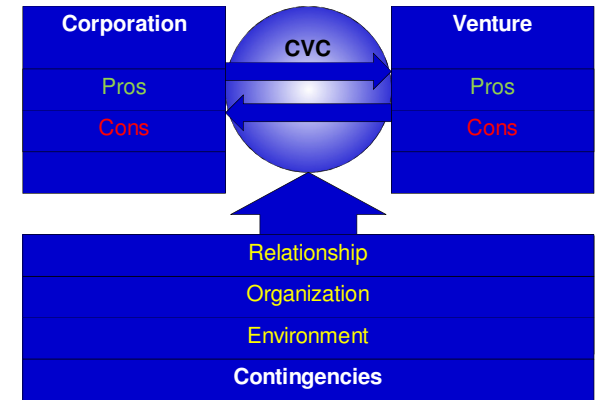
# MAPPING MY RESEARCH ON CORPORATE VENTURE CAPITAL (CVC)...



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## Journal articles

1. Hill, S., Maula, M.V.J., Birkinshaw, J. & Murray, G.C. 2008. Transferability of the Venture Capital Model to the Corporate Context: Implications for the Performance of Corporate Venture Units. Forthcoming in *Strategic Entrepreneurship Journal*.
  - *Corporate venturing unit performance influenced by the adoption of VC practices, differences in strategic vs. financial performance*
2. Keil, T. & Maula, M.V.J., Wilson, C., 2008. Unique Resources of Corporate Venture Capitalists as a Key to Entry into Rigid Venture Capital Syndication Networks. Forthcoming in *Entrepreneurship Theory & Practice*.
  - *Corporate resources help CVCs become central in VC syndication networks*
3. Keil, T., Maula, M.V.J., Schildt, H.A. & Zahra, S.A. 2008. The Effect of Governance Modes and Relatedness of External Business Development Activities on Innovative Performance. *Strategic Management Journal* 29(8): 895-907.
  - *CVC, alliances, JVs and acquisitions influence innovative performance differently, moderated by relatedness*
4. Maula, M.V.J., Autio, E., & Murray, G.C. 2005. Corporate Venture Capitalists and Independent Venture Capitalists: What Do They Know, Who Do They Know, and Should Entrepreneurs Care? *Venture Capital* 7(1): 3-21.
  - *CVC and VC investors provide different but complementary value added for portfolio companies*
5. Maula, M.V.J., Autio, E., and Murray, G.C. 2003. Prerequisites for the Creation of Social Capital and Subsequent Knowledge Acquisition in Corporate Venture Capital. *Venture Capital: An International Journal of Entrepreneurial Finance* 5(2): 117-134.
  - *Complementarity and incentives influence learning by ventures from corporations*
6. Schildt, H.A., Maula, M.V.J. & Keil, T. 2005. Explorative and Exploitative Learning from External Corporate Ventures. *Entrepreneurship Theory & Practice*: 493-515.
  - *CVC, alliances, JVs, and acquisitions have different effects on explorative and exploitative knowledge transfer from ventures*
7. Uotila, J., Maula, M.V.J., Keil, T. & Zahra, S.A. 2008. Exploration, Exploitation and Financial Performance: Analysis of S&P 500 Corporations. Forthcoming in *Strategic Management Journal*.
  - *Balance of exploration and exploitation influences corporate performance, moderated by industry dynamism*



## Papers under review & working papers

8. Keil, T., Zahra, S.A. & Maula, M.V.J. 2008. Explorative and Exploitative Learning from Corporate Venture Capital: A Model of Program Level Determinants.
  - *Corporations can adjust the balance of explorative and exploitative learning from CVC by program design*
9. Maula, M.V.J., Autio, E. & Murray, G.C. 2008. Corporate venture capital and the risks and rewards for portfolio companies.
  - *Ventures have tradeoffs in risks and rewards gained from CVC, complementarity between the corporation and the venture matters*
10. Maula, M.V.J., Keil, T. & Zahra, S. 2008. Corporate Venture Capital and the Recognition of Technological Discontinuities.
  - *CVC can help corporations recognize technological discontinuities, centrality in VC syndication networks critical*

## Book chapters and proceedings

11. Maula, M.V.J. 2007. Corporate Venture Capital as a Strategic Tool for Corporations. In Landström, H. (Ed.) *Handbook of Research on Venture Capital*. Cheltenham, UK: Edward Elgar Publishing Ltd., 371-392.
  - *A review of CVC literature from corporate perspective*
12. Maula, M.V.J., Autio, E. & Murray, G.C. 2006. How Corporate Venture Capitalists Add Value to Entrepreneurial Young Firms. In: Dimov, D., Katz, J.A, Shepherd, D., Wiklund, J. 2006. *Entrepreneurship: Frameworks and Empirical Investigations from Forthcoming Leaders of European Research, Advances in Entrepreneurship, Firm Emergence and Growth, Volume 9*: Greenwich, CT: JAI Press, 267-309.
  - *A model of the mechanisms through which CVC investors add value to portfolio companies + factors influencing the mechanisms*
13. Maula, M. V. J., Keil, T. & Salmenkaita, J-P. 2006. Open Innovation in Systemic Innovation Contexts. Chesbrough, H. Vanhaverbeke, W. & West, J. (eds.), *Open Innovation: Researching a New Paradigm*. Oxford, UK: Oxford University Press, 241-257. (see <http://www.openinnovation.net/Book/NewParadigm/>)
  - *An overview model of corporate venturing and other tools for open innovation over different time horizons*
14. Maula, M.V.J. & Murray, G.C. 2001. Corporate Venture Capital and the Creation of U.S. Public Companies: The Impact of Sources of Venture Capital on the Performance of Portfolio Companies. In: M.A. Hitt, R. Amit, C. Lucier & R.D. Nixon (Eds.). *Creating Value: Winners in the New Business Environment*. Oxford, UK: Blackwell Publishers, 164-187.
  - *CVC investments positively related to portfolio company IPO valuations*



# SOME LEARNINGS

## From corporate perspective...

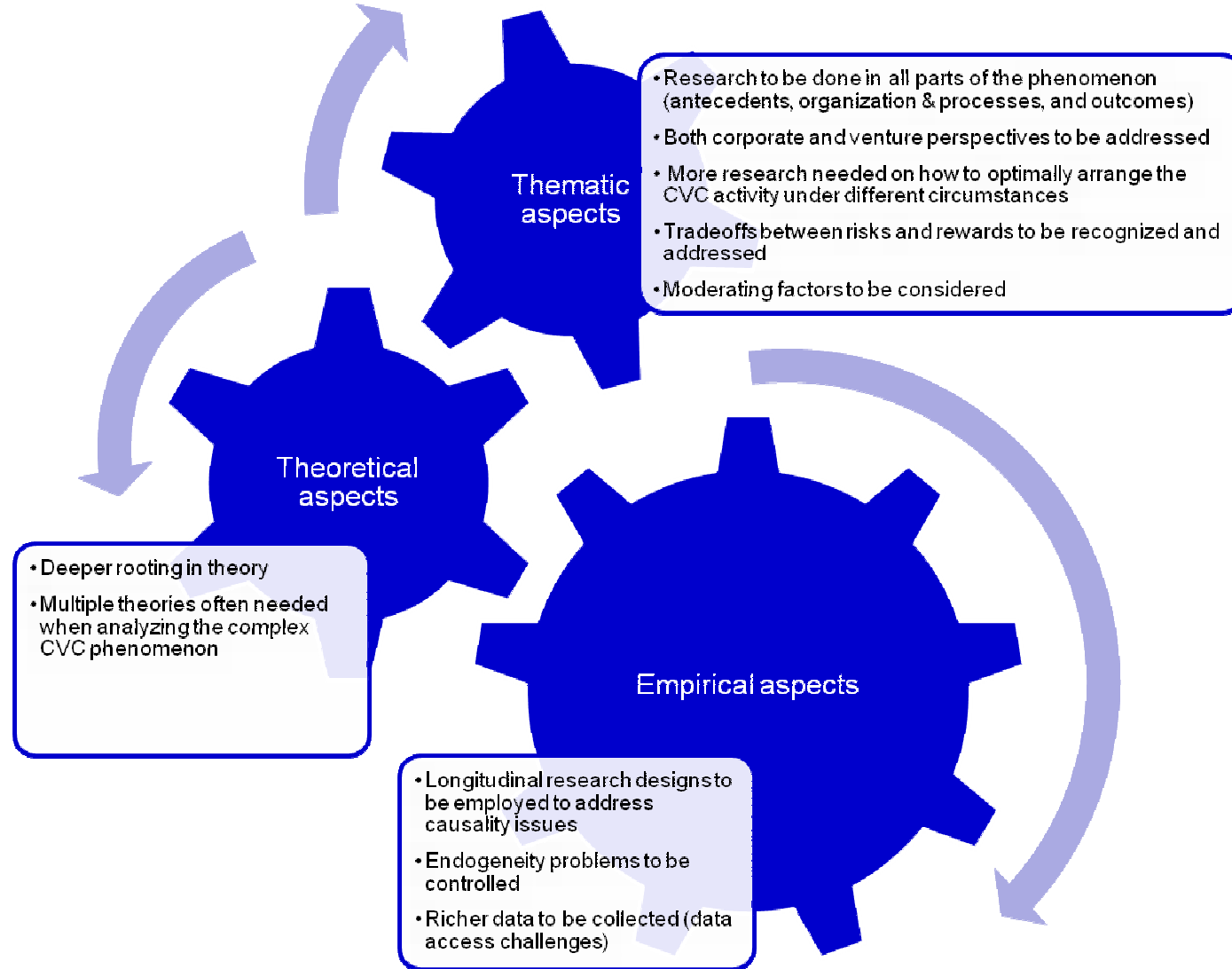
- CVC is one tool in the corporate venturing 'toolbox'
  - Different tools for different purposes!
- CVC is an important tool for learning and developing new business
- CVC is challenging to be done successfully
- Broad perspective is needed
  - Focus on program, portfolio and network level issues in addition to single ventures
- Optimal strategies are context-specific
  - Environmental, organizational and venturing portfolio related contingencies influence the outcomes of venturing
- Strategy and external venturing are dynamically interrelated
  - Top management team role to align venturing activities to support strategy needs

## From entrepreneurs' perspective...

- There are pros and cons in dealing with large corporations as investors
- Suitable corporate investors may be very valuable
- Selecting right CVC investors is very important
- Entrepreneursh face a trade-off between improving learning from corporate investor and limiting risks
- The value added roles of independent VCs and CVC investors are different and complementary



# FUTURE RESEARCH ON CORPORATE VENTURE CAPITAL (CVC)



- **CVC research will continue to flourish!**
  - Despite of high recent research activity, only the surface has been scratched so far
  - CVC is very interesting and complex phenomenon in the intersection of strategy, entrepreneurship and finance





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# THANK YOU!

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