

UNDERSTANDING AND DESIGNING CORPORATE INNOVATION: CORPORATE VENTURE CAPITAL, INTERNAL R&D, AND M&A

Professor Ilya A. Strebulaev
Graduate School of Business
Stanford University

Each day brings more disruption and challenges to established companies across all industries worldwide. Too many established companies fail to address the innovation challenges. For corporate innovation to succeed, it is critical for the company leaders to understand why innovation in large companies so often fails and how to design corporate innovation more efficiently.

In this workshop, we will start by identifying major of reasons of why mature companies so often fail in disruptive innovation and succumb to new entrants. We then explore ways to foster innovation and innovative culture and brainstorm on the best ways to apply it to your company.

We will explore internal innovation, corporate venture capital, and acquisitions. We will discuss cultural, organizational, and financial mechanisms to foster innovation.

In discussing internal innovation, we will introduce the successful innovation matrix that will enable the leaders to benchmark their company against peers and innovation leaders. In discussing corporate venture capital (CVC), we will discuss strategic reasons behind setting up CVC units and the variety of ways CVC units are designed. We will also discuss typical mistakes made by companies in designing such units, and the issues that company's leaders should resolve in setting up and evaluating CVC arms.

In our discussion, we will use many examples of companies that succeeded by adapting to the incoming disruption waves. We will also use results of the most recent research outcomes on corporate innovation and brainstorm about the best ways to apply the results of our discussion to your company.