APPENDIX

Bridging the corporate and start-up world by creating “raise-up” companies

The development of a model that supports the creation of new ventures for corporate opportunities
Appendix

The following section of this report includes the appendices, which provide in-depth knowledge and background on topics touched upon in the main text. There is an overview provided of the appendices that are referred to make searching for it easier. Audio recordings and the original transcripts are not included for confidentiality purposes. For access to the material, please contact the author.

**APPENDIX A**: External analysis p.56-59
**APPENDIX B**: Background on start-ups p.60-61
**APPENDIX C**: Research findings p.62-64
**APPENDIX D**: Start-up characteristics p.65
**APPENDIX E**: Requirements p.66
**APPENDIX F**: Proposition model Testing p.67
**APPENDIX G**: AIA integration p.69
**APPENDIX H**: Opportunity Generator p.70-71
**APPENDIX I**: Matchmaking Cloud p.72
**APPENDIX J**: Business Model Prototyping p.73
**APPENDIX K**: Innovation programs p.74-75
**APPENDIX L**: Offering p.76-79
**APPENDIX M**: Literature p.80
The following transcripts can be found in Appendix X,

Transcript 1: Corporate 1 Enterprise Architect & Digital Innovation Manager

Transcript 2: Corporate 2, Manager Disruptive innovation studio’s

Transcript 3: Corporate 2, Foods Category Open Innovation Manager

Transcript 4: Rockstar, Co-founder Rockstar

Transcript 5: Yes-Delft, Strategy coach, and private investor

Transcript 6: StartupBootcamp, Director of Partnerships

Transcript 7: Accenture, Senior manager Accenture Digital

Transcript 8: Accenture, Senior manager Accenture consulting

Transcript 9: Accenture, Strategy Manager and program manager AIA

Transcript 10: Accenture, Consultant Client value team

Transcript 11: Accenture, Senior Manager Accenture Digital

Transcript 12: Accenture Innovation Centre Lead

Transcript 13: Venture Generator, Founder

Transcript 14: Paperwise, Founder

Transcript 15: Kudos Tic Tac, Founder

Transcript 16: Peeeks Power, Founder

Transcript 17: Accenture, Senior manager Accenture Strategy

Transcript 18: Accenture, Managing Director Accenture Strategy

Transcript 19: Corporate1, Enterprise Architect & Digital Innovation Manager

Transcript 20: Corporate 2, Foods Category Open Innovation Manager
External analysis

Competitor analysis
The innovation landscape is constantly changing and an increasing number of innovative start-up companies arise changing the fundamental rules of the business. This transition into a more start-up based competitive landscape effects the market position of the corporate clients of Accenture. Direct competitors of Accenture for example, Capgemini, and KPMG developed programs to help their corporate clients to innovate by offering start-up programs (figure A1). The Conclusion that can be drawn by researching the competitive offerings is that all consultant companies feel that their market is changing and react by actively investing in offering new innovative services to their clients. New market entrants arise in bridging the world of start-ups and corporates. These new market entrants focus on the facilitation of new value creation, partner with corporates and start-up hubs to strengthen their position. These smaller companies differentiate themselves by price and developed innovation capabilities. Since the creation of the innovation Awards, Accenture did not invest in the creation of innovation capabilities causing a delay in the development of innovation offerings in comparison to their competitors.

<table>
<thead>
<tr>
<th>Start-up connection</th>
<th>Start-up program</th>
<th>Partners</th>
<th>Offering</th>
</tr>
</thead>
<tbody>
<tr>
<td>Innovators race</td>
<td>Innovation lab</td>
<td>Iterate studio</td>
<td>Link start-ups to enterprises</td>
</tr>
<tr>
<td>IBM start-up competition</td>
<td>Innovation space, IBM global entrepreneur</td>
<td>StartupBootcamp, Innoleaps</td>
<td>Connect with startups, work like startups</td>
</tr>
<tr>
<td>Technology fast 50</td>
<td>The garden, The Bridge</td>
<td>Venture café Rotterdam (CIC)</td>
<td>Connecting, Solving problems, Create offerings</td>
</tr>
<tr>
<td>Department innovative start-ups</td>
<td>Innovate with Startups, KPMG Venture program, innovation Lab</td>
<td>The Next Web, Yes, Deft, Startup Juncture en Holland Fintech</td>
<td>Matching, Solution development with customers, incubating</td>
</tr>
<tr>
<td>1 million start-up fund, Social impact lab, Slush event</td>
<td>Emerging technology companies</td>
<td>StartupBootcamp, Slush, B.Amsterdam Venture café (CIC)</td>
<td>Start-up to scale up, Connecting</td>
</tr>
<tr>
<td>Strengths</td>
<td>Weaknesses</td>
<td></td>
<td></td>
</tr>
<tr>
<td>-----------</td>
<td>------------</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cross industry expertise and internal company network</td>
<td>Decentralized innovation department &amp; weak communication</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Broad range of offerings from strategy to execution and outsourcing</td>
<td>Layered organisation</td>
<td></td>
<td></td>
</tr>
<tr>
<td>80% of clients within fortune 500 companies</td>
<td>Chargeability culture &amp; WBS structure</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Knowledge organisation</td>
<td>Room for creativity</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Variety of partners</td>
<td>No business value in follow AIA</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Positioning client account leads at clients</td>
<td>Centralized decision making</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Innovation centre offering</td>
<td>Small scale execution power</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Knowledge on scale up of projects and process control</td>
<td>Start-up ecosystem partner</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Community of Practice information sharing</td>
<td>Internal communication on innovative concepts</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Working with structured methods to deliver constant quality</td>
<td>CAL is risk averting</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Familiar with start-up methodology</td>
<td>Core at Traditional consultancy methods</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Knowledge from start-ups due to 9 years experience at AIA</td>
<td>Start-up selection by students</td>
<td></td>
<td></td>
</tr>
<tr>
<td>AIA has changeable organisational structure</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Jury process by network of industry experts</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Client account teams on client value</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Opportunities</th>
<th>Theaths</th>
</tr>
</thead>
<tbody>
<tr>
<td>Change toward a start-up culture of corporates</td>
<td>Start-up companies will chose existing eco-systems.</td>
</tr>
<tr>
<td>Corporates open up their innovation system</td>
<td>Talented people do not want to work for corporate</td>
</tr>
<tr>
<td>Corporates have trouble implementing start-ups</td>
<td>New market entrants</td>
</tr>
<tr>
<td>Start-ups need external expertise and knowledge</td>
<td>Shift in demand of traditional consulting</td>
</tr>
<tr>
<td>Growing start-up scene in Europa</td>
<td>Start-ups culture and corporate culture do not match</td>
</tr>
<tr>
<td>Corporates lack innovation capabilities</td>
<td>Corporates want certainty in outcome of projects</td>
</tr>
<tr>
<td>More incubators and accelerators in Europe</td>
<td>Corporate resources are replicable</td>
</tr>
<tr>
<td></td>
<td>Start-ups stages are hard to define</td>
</tr>
<tr>
<td></td>
<td>Start-ups are high risk</td>
</tr>
</tbody>
</table>
Trend analysis
Analysing the market involves looking with a sharp eye at global as well as local developments. Which are the developments that have the potential influence the status quo? What consultancy trends might impact business activity? Trends are always hard to predict however they can be identified and named so that the development in the market can be integrated into the company strategy. The trends that are related to this thesis are searched for in the start-up, the consultant and corporate.

• Young talent wants to work for start-ups
Human resources are seen as the most important factor in sustaining the knowledge level at large corporates and start-ups. When it comes to adopting and embedding digital new talent should be attracted to work for the company. At the moment, there is a talent war going on to attract the best people. Finding and retaining the best people will be a top agenda for about one in four management consulting firms (24%) (Wietheger, 2010). Talentism is the new capitalism and attracting top talent, in a world where independence, autonomy, and creativity are embraced, will be the only way to win. (McConomy, 2016).

• Entrepreneurship at University
The weak economic outlook for Europe as a whole and the increase in youth unemployment in many parts of Europe have prompted many governments. The European Commission and the OECD to emphasise the necessity for higher education to respond to economic and social needs, enhance the employability of graduates, including via a stronger focus on entrepreneurship and innovation and on strengthening university-business partnerships (Sursoc, 2015). As a result, today’s start-up entrepreneurs are better prepared for the challenges they face. However, those who enter large firms rather than starting their own businesses often experience culture shock. Primed by both education and affinity to innovate, they are often frustrated by organizational structures that seem to them unnecessarily restricting (Weiblen, 2015).

• More small deals
Many corporations are choosing to invest in small companies to inspire their innovation process. They get rewarded in many other ways than pure financial returns—including creating stronger suppliers, putting control levels in their industry, testing products, de-risking innovation, and engineering less expensive acquisitions (Calhoung 2015).

• Cooperation (especially with start-ups) will grow
The future of corporate innovation will require a direct connection to the global start-up community. Corporations need to be on the forefront of the start-up world to anticipate trends, drive innovation, embrace new models, and avoid disruption. They must find a way to work with start-ups, otherwise, they stand to lose their business model and customers at an unprecedented pace. In order to do this effectively, corporations must create a fluid and seamless process for capitalizing on insights gained, and fast (McConomy, 2016).

• Birth of start-ups within big corporations
In the year 2016, we can expect more corporations to follow in the footsteps of Coca-Cola, GE, and MasterCard who have created start-up-like spin-off companies to accelerate innovation. Whether the goal is to increase agility, attract young talent or promote entrepreneurial thinking, this trend highlights critical must-dos for any company looking to avoid disruption (McConomy, 2016).
Background on start-ups

Development of start-up
To provide the reader more background on the development of a start-up a short overview is provided on how a start-up, in general, evolves over time. The first stage of a start-up is called the "seed" stage. In this phase, there is no clear product-market combination and the team consist out of the entrepreneurial founders with an idea. There is a market opportunity discovered where the team works towards. By prototyping their product or service the team is testing the technical and economic feasibility of their idea.

The second phase is called the start-up phase where a Minimum Viable Product (MVP) is tested in the market. In this phase, the start-up has one or two clients that often act as launching customer.

In the third phase, the start-up receives some orders and has a product (often Beta version) that is ready to enter the market. Internally the start-up team is growing due to new capabilities that are needed in the team. The manufacturing capabilities are increased and the start-up grows towards a break-even cash flow. If this moment is reached the start-up has managed to survive the so-called valley of death. The valley of death is the period in which the start-up is searching for their product market combination and tries to survive financially until the first revenues are earned.

In reaching a more stable phase, stage four, the start-up company invests in a more in the ramp-up to increase and stabilise the production process. In this phase, more...
capital is attracted to scale the business. Capital can be attracted by stage a funding followed by second round on third round investments.

The start-up is now called a scale-up and has proven itself in the market. The last stage is often referred to as IPO (Initial Public offering) and is the stage where the scale-up is a mature company with a product portfolio and an increasing volume of sales. (Figure B1)

**Team**

Nikolaus Franke (2008) writes in the article Venture Capitalists Evaluations of Start-Up Teams about the importance of the right team to execute a project. The decision to use Venture Capitalist (VC) criteria’s to rates start-ups on is based on the fact that the evaluation of venture proposals is one of the key activities of a VC. Research from (MacMillan, 1986) indicates that five of the top ten most important criteria had to do with the entrepreneur and its qualities. The criteria used for start-up team evaluations, by different experience levels of VCs, are described to provide insights into a “winning” team composition. Experience in relevant industry (network), the field of education, university degree, leadership experience, the mutual acquaintance, the age of team members, prior job experience.

**Developing entrepreneurial skills**

In the time the start-up is becoming more mature, different internal capabilities in an entrepreneur are needed to proceed towards the next start-up phase. Figure B1 indicates the stretch of an entrepreneur when his company is going through a different development phases. In the figure, it is clearly indicated that the entrepreneur is stretching with his feed in the clay and its head in the clouds. The personal development of the entrepreneur makes that his body can adapt, however not all entrepreneurs are capable of this development. The story is adapted from Hans Streng, former CEO of Epyon. This supports the argument that different people are needed in a different phase of a start-up.

**Serial entrepreneurs**

There is a group of “serial entrepreneurs” who are experienced in building start-up companies. These persons know what it takes to be an entrepreneur and how the process can develop over time. The fact that not all start-ups become successful companies means that there is a large group of entrepreneurs that are still searching for unique business opportunities. When an entrepreneur creates a start-up company it is a well-estimated risk to explore the opportunity and translate it into business. Most of the time, an entrepreneurial person, chose not to work for a corporate where structured processes and hierarchical structures negatively influence entrepreneurial behaviour. There is currently no in between model known where people can work for corporates keeping their entrepreneurial characteristics. This makes the decision to choose for a corporate or starting an own business hard for young entrepreneurial professionals.

---

**Figure B1, the stretch of an entrepreneur.**
Research findings

This appendix provides the reader with background information on building the theory out of the conducted interviews. As mentioned Action learning is executed in which design research is conducted to create a deep understanding of the situation and gain insights on corporate and start-up behaviour. The insights from the interviews are coded and supported by quotes. To triangulate findings from the recorded and transcribed interviews lots of conversations were held on start-up and corporate events. The insights of the interviews are clustered in codes that relate to the several sub-research questions. All the codes are described on an abstract level to support the main insights.

Sample
In order to research the problem from a multi-angle approach, experts are questioned parallel to researching corporates and start-ups. The insights that experts provided proved to be an extremely useful addition validating the problems that were experienced by the interviewees. The criteria for an interviewee from a corporate were; being a manager or higher career level and in charge of the Innovation Department. From the start-ups that were approached, the founder was questioned. As part of the action learning approach, the solution was constantly mirrored to Accenture employees to intergrade the solution space. There was tried to target the highest career level to reach decision makers. Questioning employees of Accenture are part of the integration steps named; intuiting and interpreting in the organisation learning framework by Crossan et al. (1999).

From a start-up perspective
Collaboration phases
Looking at the collaboration phases of a start-up, two phases can be identified; collaboration in the start-up phase, and collaboration towards the scale-up phase of the business. Collaboration needs with external companies are in the start-up the highest when it comes to supporting R&D and product development and expertise. When the start-up found its product market combination, corporates as customers offer them financial benefits and brand recognition. “We want to have more corporate clients, their name is important for us” (founder start-up)

Product market combination
The overall experience from start-up companies about collaboration with corporates is that their product is only taken serious if it if fully developed. “When they found out that we did not finish our product they directly became skeptical” (founder start-up). From a start-up perspective, a collaboration with corporate during their development phase can result in a loss of their idea and the end of their business. The experience from start-up companies in collaboration with large corporations is that their product is only taken serious if it if fully developed. “The more concrete, the more I can do with the product” (open innovation manager corporate) From a start-up perspective a collaboration with corporate during their development phase can result in a loss of their idea and
the end of their business. “If a corporate wants to kill the start-up they can always do that; the question is however what they win with that” (founder start-up).

**Entrance at corporate**
For a start-up, it is often impossible to find the right persons in a corporate to engage with. There are only view individuals in a corporate capable of making decisions, these are the people needed for the conversation. Finding an entrance and maintaining the discussion cost a start-up precious time that they cannot invest in development. Start-up companies do not have the time to wait for several months on a decision. This can result in the end of the start-up. “Some entrepreneurs keep ringing the wrong door to enter the corporate, and if they have an appointment they pivot” (expert)

**Lack of corporate insights**
It is often impossible to get information from the value chain of a large corporation. “Our product is not developed for a corporate because it is our product, it is impossible to have a perfect match” start-up founder. Within this value chain, there are interesting opportunities. This is why a start-up can never link its technology to a corporate opportunity because cannot identify the right opportunity. This will result in a more general solution that needs to be adjusted to a specific situation causing, even more, implementation problems to occur. “When we finally had an entrance at the corporate we discovered a unique opportunity discussing their value chain” (entrepreneur)

**Transition phase**
Insights from the interviews that were executed with different start-ups show that the transition phase between different start-up phases (indicated in appendix A) is hard to indicate. The soft boundaries between the phases make it difficult to indicate progression. Constant explorative behaviour makes developments hard to prove. The more a start-up company is developed towards maturity the more the opportunities of success show, resulting in a more specific formulated question for support. The unspecific formulated question makes it hard to find partners, even when these partners are Accelerators or Incubators. “It is extremely difficult to explain to someone in what phase you are in as a start-up” (start-up founder). “We are now in a phase that we can find our own market, that took us more than a year” (start-up founder).

**From a corporate perspective**
**Culture based on avoiding risk**
The Open-innovation model favours the companies’ ability to explore more external knowledge. The innovative products that are scouted or the ones that are offered to the corporate by start-ups should be fully developed to meet the company criteria. If this is not the case, the products will not be selected. The systems and processes of a corporate are not created to cooperate with innovations that are still in the explorative phase. This is supported by the following quote “we do not have room for failure here, there is no sandbox environment”. In working together with start-ups it is inevitable that failure will occur along the way.

**Internal owner**
The corporate culture can be seen as the opposite of the start-up and has a negative effect on value creation and can even result in the end of an innovative the start-up. This happened in the example when an early stage start-up tried to cooperate with a corporate. The fact that the corporate could not find an internal owner to implement the product delayed and even stopped the development of the start-up. An internal owner is a defined area where the corporate can link the innovation to so company resources can be allocated to the project. “you need a landing zone to springboard to an internal owner” (innovation manager corporate) Since the start-ups only have a prototype or an MVP it became impossible to convince the board of directors to allocate the resources. After all, it took the responsible innovation manager more than one year to arrange budget to the project. It is not hard to imagine what happens with a start-up that should wait such a long time. “I try to sell something internally that costs 200.000 Euro to develop, however, they cannot see it” innovation manager corporate.

**Product market combination**
“By scouting innovate products and try to connect the product internally to a use case”. This happens a lot at corporates that outsource all processes that function around their core business. The innovations that are bought belong to start-ups or small companies that are in the phase of selling their product to the market. In other words, the start-ups passed the explorative phase in finding a product market combination and are now scaling their sales model by sales activities. Corporates acknowledge that working together with start-up causes difficulties because no internal owner can be assigned to a start-up that is searching for its product market combination. It is possible much more easy to work with a scale-up that has a defined product. “We do not have a sandbox environment” “we do not have a budget to fail”

**Legal**
Another challenge was found for start-ups in asking the corporate to cooperate in the development phase. The innovation manager explained that the corporate had a large legal department that should go through the start-up to investigate the cooperation. In other words, the
The start-up should explain their idea to the corporate before there was room to discuss a possible cooperation. The innovation manager described the interaction with start-ups as “arrogant” and explained that due to the fact that there was no time and money invested in a good opportunity assessment lots of innovative start-ups were missed. “If a start-up knocks on our door, we only open if they filled in a form where they should sign off their idea to us. This is insane!”

**Stage gate models**

A corporate often works with a linear stage gate model where all innovations are tested by the use of stage gate procedures. By doing this, corporates makes sure that the innovation will be aligned to their internal processes. These criteria are not made public resulting in a guaranteed miss-match between the company and the product offered by a start-up. This paradox is holding corporates back to innovate by implementing new products or services and is one of the reasons corporates start new businesses to avoid internal misalignment. “Nothing is more frustrating for a start-up than developing something outside the organisation without knowing what connects to the corporate. You should have someone that knows what the corporate needs and who can translate the product into the organisation.” Manager corporate

**From an expert perspective**

**Risk averse**

Corporates are great in the execution of a proven business model that makes them so successful. Risk and corporates turn out to be not the best combination. The internal project can have a “controlled” risk, when it comes to external cooperation’s the corporate is often not capable of controlling the risk. This often results in so many agreements that limit the space for exploration. “Nobody here can take a risk, at the end you need a lot of courage and that is why you always get an average result, I hate it!” (Manager corporate)

**Control**

Is almost impossible for a corporate to invest resources in a start-up and wait until the start-up develops. However, the corporate can support the start-up the most by not interfering in their explorative behaviour. “Corporates are not used to having no control, this is the most important factor. When someone in the corporate invests financial resources he or she should report this, however, the start-up can not report profits.” (Expert) This urge for control limits the possibility for start-ups to pivot from their solution and explore new opportunities.

**No strategy for internal program**

There should be a strategy formulated for a corporate how to deal with innovation and radical start-ups. Think about this example of a start-up takes over an entire business unit from a corporate. “An angry manager walks into the office of the CEO, he argues that the start-up of 6 people are taking over his clients with a lower margin” (Expert). This means the end of is business unit were 100 people are working. The CEO has the decision to kill the start-up or to transfer all 100 people in a different business unit. At the end, he should kill the start-up because shareholder pressure. After two years an external start-up rises that will do exactly the same and the CEO should at the end close the department anyway.

This happens if the corporate does not develop a strategy how to work with radical start-ups teams. They will disrupt internal business units and cannibalize markets with lower margins that cause the urge for corporates to react.

**Lack of innovation capabilities**

Internal capabilities are related to different aspects such as company knowledge, integrated processes, and knowledgeable people. A requirement to work with start-ups is that knowledge about the start-up characteristics should be fully integrated into the organisation as the basis of a successful cooperation. Besides knowledge Innovation capabilities also relate to the creation of innovation KPI’s and processes that consist out of adjusted criteria to determine the success of a start-up. If the corporate lacks innovation capabilities, chances are high the collaboration will end in failure. “We work with MODE 1 in this organisation, MODE 2 will be innovation. These methodologies are not yet fully developed” (Manager corporate).
Start-up Characteristics

It is important to understand what kind of characteristics belongs to the development of start-ups. It is already discussed that the characteristics of the team change over time so do the characteristics of the organisation. Also, the financial needs of a start-up change over time, developing the product with the lowest cost and investment possible. A start-up is characterised by agile and explorative behaviour and a high uncertainty level. Or in other words, a start-up is in pursuit of opportunities beyond the resources they control.

Design research shows that there are 6 factors that contribute to the success of a start-up and if one of the characteristics is violated by an external factor, there is a higher chance of failure. The characteristics are discovered in the process of coding all the interviews. The characteristics are made explicit with special thanks to Jan van Kranendonk of the Venture Generator.

- Decision power
  The founders of a start-up are the owners of the business and can, therefore, make all decisions themselves. This gives them the power to make decisions fast and act towards discovered opportunities that take the start-up in a different direction. With having decision power the start-up can act agile in the market.
- Multidisciplinary team
  A start-up needs smart people to execute their ideas. Without talented people with a complementary skill set the start-up would have a lower chance to survive. A complementary team that has a history working together functions even better and will experience less internal team conflicts.
- Incentive
  When working for in a start-up, the team is actively involved in the creation of their own future. The founders of the start-up invest their own money, time, and resources to make the start-up grow and become successful. They are fully responsible for making the project work. This provides enough incentive to work 70 hours a week and chose carefully were to spend the budget on.
- Focus
  Having a start-up is like playing a constant squash competition. The start-up needs the full attention of the founders that should invest in, finding customers, building the product, and running the start-up at the same time. The task of the start-up is to grow the business and learn as fast as possible.
- Culture
  The start-up culture is all about learning, exploring and using the latest methods and techniques to learn and explore more. The trough culture of a start-up is built on entrepreneurial people who have a vision and work in an iterative way, almost without external restrictions.
- Freedom
  Freedom is about the opportunity to make own decisions. Start-ups are free to do all possible actions to reach their final goal. Pivoting a solution after an investment also belongs to this freedom.
Requirements

Comparing the development of a physical product with a model, different requirements should be created. Researching the problem area resulted in a design challenge that should be solved for the company Accenture. To build theoretical knowledge, main- and sub-research questions were composed that delivered product criteria for design and process criteria for implementation in the form of the generated answers. The workshop delivered design and implementation requirements as well that were iteratively integrated into the model during further development. The requirements (insights) from the workshop are shown in appendix F.

It is important to understand that all collaboration projects between start-ups and corporates are situational and therefore unique. The outline of the model that is created should be generic and offer the possibility to adapt to each new project and situation.

**Generic requirements Accenture**
- The model should create business value
- The model should be integrated into the current organisational structure of Accenture
- The model should fit within the management system
- The model should make use of current capabilities
- The model should be supported by a financial overview
- The model should take into account the risk factors when offering the model

**Generic requirements Entrepreneurs**
- The model should facilitate entrepreneurs their characteristics to be successful
- The model should facilitate legal structures
- The model should facilitate an innovation climate
- The model should protect confidential information sharing

**Generic requirements Corporate**
- The model should provide the corporate in their own characteristics
- The model should provide corporates with explorative capabilities
- The model should be supported by a corporate vision and understanding of start-ups
- The model should be supported by appropriate KPI’s for measuring progression
- The model should facilitate legal structures for sharing resources
- The model should facilitate the conversation between the corporate and start-up
- The model should surpass the hierarchical decision-making structure

**Generic requirements research**
- The model should protect from the corporate hug of death
- The model should facilitate a corporate landing zone
- The model should facilitate seamless implementation
Proposition model testing with experts Workshop with PhD candidates

After developing the first prototype of the solution to the design challenge a workshop was organized at the TU Delft. The goal of the workshop was to test the developed solution from a theoretical corporate and start-up perspective. The candidates that participated in the 2-hour workshop were both PhD students researching related topics. The following elements were part of the program: discussing research findings, defining characteristics of corporates and start-ups and prototyping “raise-up” company in 4 phases.

Insights (requirements)
1. Scale up model: if the start-up company is scaled up by a corporate most of the time the start-up is stripped of the technology resulting is cutting the network of the start-up. This is hard for the start-up and for the corporate.

2. Define searching better, there are different levels of searching. You can search for a new market with your current product. You can search new opportunity with your current knowledge.

3. Corporates like Unilever R&D department have an enormous lack in searching for external opportunities.

4. The question of the start-up is that why he should work together with corporates and if he knows the opportunity he can do it himself. The start-up does not believe in that the cooperation is working better when there is an external party like a Consultant or Accelerator involved.

5. Internal capability development for working together with start-ups. This knowledge can be bought by corporates by hiring someone with knowledge.

6. There is a bigger need from a corporate to scout, bigger than the need of the start-up

7. There should be trust within the Yes-Delft community; you should be friends with start-ups.

8. A new form of working as young people for, create a new playground where this is possible. This should be discussed with HR however these people are really conservative.

9. The financial model and the decision-making should be really clear for the corporate. The corporate will always win from a start-up. This because there is a large legal department.

10. Use of corporate assets is hard when the assets are deeply integrated into the system.

11. Corporate as an institution, the difference between the system and the people that operate in the system. On the one side, there is focus, incentive, culture, freedom,
talent and decision power, based on human needs. On the other side, there is Customer, Product, Team, Business Model and Financials. Look at change agent within a company.

12. Internal communication within a corporate should be clean on how the model works. This requires a product champion or change agent that can help translating the information.

13. The people that work in a corporate should work in a construction where they receive only their travel costs and a basic income for example. Make a scale where you indicate the two extremes, working for the start-up and working for a corporate. Both are in between. Test how people can experience the feeling of being in control within a corporate and how entrepreneurs in a start-up can feel in control.

14. Internal knowledge in fluid what makes that the corporate has a dilemma in placing this knowledge.
Scouting entrepreneurial start-up teams can also be executed with the use of different other methods, for example by incubating different start-up teams. The Joint-IF can in this way be combined with Accenture innovation Labs where existing start-up companies are connected to problems and needs of clients of Accenture. The Accenture innovation Lab will facilitate existing start-ups with office space and expertise, helping them to solve client’s problems. The Accenture innovation lab is created as a transition program towards building “raise-ups”. Start-up teams can in this program be scouted to become teams that can operate in the Joint-IF. Figure x indicates how scouting entrepreneurs to build “raise-up” teams can be integrated into the current building blocks of the AIA program.
Opportunity Generator

The formulation of corporate opportunities should be done with a multidisciplinary team that combines opportunities and directly tests critical assumptions in the market. This multidisciplinary team consists of Accenture industry experts and market experts from clients and even consumers, depending on the market of the client. The method Business Model Prototyping (explained in appendix J), executed in a lean way in combination with the iterative learning cycles of Kolb (1985, 2005), can be used to assess the value of each opportunity. Figure x explains the flow from scouting opportunities towards the formulation of corporate opportunity. There should be a direct feedback loop between testing assumptions in the market the possibility to generate new corporate opportunity ideas. This feedback loop reaches back to the market where new market opportunities or technology applications can be found.

To use the full potential of business model prototyping a creative environment should be created where the innovation team members have access to prototype facilities. After the first round of checking critical assumptions in the market, the corporate opportunity should be translated into a concept business plan. The business plan should address the concept business model, market analysis, and a solution opportunity frame. The go to market strategy, financial projections, operations, and organisation structure are integrated into the business model as concepts. Due to the fact there is no solution found yet. This corporate opportunity business plan should be treated classified by all involved parties.

The funnel that is created by testing the opportunity in multiple steps will result in a step-by-step approach in working towards a corporate opportunity. Each phase has its own assessment tool for generating a constant level of abstraction to feed in the next level. The conversion rate in phase two is high, ideas are constantly tested in the market, which has a positive influence on generating new ideas. This conversion rate can be around 1000 per year. To reach the third level the idea has to pass the assessment test lowering the conversion rate to 50 on a yearly basis. All the 50 ideas are tested in the market using the business model prototyping methodology. A maximum of 10 corporate opportunities are the result of funneling abstract information into concrete business plans. To create the most benefit from in-house resources the assessment tool rates opportunities on the use of unique resources to create a competitive advantage.

The 10 most promising opportunities are shared with the client to involve them into the process. Not all corporate opportunities that are found during the process are based on a radical future opportunity; some will result in opportunities that solve already existing problems. These corporate-problems business models are separated from the corporate opportunity business models and handed over to the Accenture Innovation Lab where they are developed further. This model is explicated in appendix K, however, is not part of the scope if this project.
Corporate opportunity

Corporate Problem --> Innovation Lab

Creative session

Business model development

Market feedback

Creative session

Technology Scout

Market opportunity Scout

Market
In the first matching round, corporate opportunity business plans are organized on characteristics such as; industry, market, technology and required expertise. In the database the entrepreneurial teams are rated on; expertise, individual team role, skill sets and industry experience. By looking for similarities hypothetical matches can be created. These hypothetical matches on corporate opportunities are open for exploration of the “raise-up” team towards finding a solution.

The second step in the matching cloud relates to the investigation of the corporate opportunity by exploring the solution field. This is done confidentially with the agreement of the corporate, “raise-up” team and Accenture. The abstraction level in the corporate opportunity and the fact that building a “raise-up” company without the resources and the facilitation of Accenture is impossible is balancing out the confidentiality level between the team and the corporate. It should be acknowledged that this point in handing over a valuable opportunity to a raise-up team is not without any risk. Good facilitation skills and clear regulations support in this important exchange moment.

The pre-acceleration workshop is created to let the “raise-up” team research and prototype towards a possible solution within the opportunity. The workshop duration is spread out over multiple weeks were the “raise-up” team can do market research and start early stage prototyping. This acceleration time is to connect the team with the opportunity in forming the perfect “raise-up”. The team works with several approaches using rapid prototyping and design thinking models. The process is facilitated by Accenture and executed in an external workspace. During the workshop period, the team has the full freedom to experiment and pivot towards a possible new opportunity.
Business Model Prototyping

Business model prototyping is based on the Business Model Canvas developed by Erik Ries (2011). The business Model Prototype methods will be used after a pre “raise-up” is created by the Matchmaking Cloud. The goal of the model is to prototype each element of the business model to search to explore and validate assumptions. The process of validating assumptions is done by constant feedback loops towards the market.

For the Business model Prototyping, a program should be developed together with a partner like StartupBootcamp or Rockstart. The program should have the building blocks that are integrated into Accelerator programs. The pre “raise-up” has in total 15,000 Euro to validate and prototype their business model in the market.
Innovation programs

**Level one: Innovation Exchange**
The first level of partnership is marketing based and is an investment in a good client relation. The Client Value team that is closely related to the AIA is responsible for offering and organizing marketing events such as the Innovation Exchanges. The goal of the Innovation Exchanges is to inspire clients to innovate by connecting them to start-ups. For Start-ups, this is a great opportunity to directly connect to corporates. Each client can request one Innovation Exchange on yearly bases, free of charge.

**Level two: Innovation Labs**
In level two-innovation partnership start-ups that are selected in the Innovation Awards are selected for client needs and problems. This offering is focussed on selecting and approaching specific start-ups that have a product market idea that can help clients of Accenture solving a specific challenge. After connecting possible start-up solutions to the client, Accenture supports in tailoring the solution the needs of the client. The development of the solution Accenture offers their support in facilitating and prototyping. The price of this offering will be decided on a case-to-case basis.

**Level three: Joint-IF**
The Joint-IF is a radical new way of supporting corporates with their innovation process. This program supports clients to disrupt their own markets by building “raise-up” companies. For the client, the project consists of three parts, strategy & scouting, develop and deploy. The first part consists out of a 6-week innovation strategy project executed by the innovation team supported by the CAL of the client. This innovation strategy segment is supported by three workshops. The first workshop provides in-depth information on the difference between corporate and start-up innovation approaches and introduces the "raise-up" approach for the transition between exploration and exploitation. The second workshop discusses the internal and external market analysis made by Accenture consultants. The in-depth analysis is the basis to determine the innovation growth terrains of the client. Innovation growth terrains are the foundation of scouting market and technology opportunities. In the third and final workshop, the scouting results are presented and a specific innovation growth terrain is chosen. Besides creating an innovation strategy based on the growth
terrain the client commits on either one or two market opportunities to build a “raise-up” for.

Several weeks after the third workshop a creative session is organized where scouted opportunities are shared in more detail with a multidisciplinary team of Accenture innovation team members and industry experts of the client and customers.

The second part of the program is dedicated to the creation of the “raise-up” using the following methods; Opportunity Generator, Matchmaking Cloud and Business Model Prototyping. The sequence of the models works toward the creation of a “raise-up” that after six weeks is presented to the client. In the third part of the program, the client is involved as knowledge and resource provider for the “raise-up” to develop. The “raise-up” is accelerated, with the facilitating support of Accenture and the resources of the client. Scouting market opportunities is a service that is offered by Accenture and runs throughout the year.

<table>
<thead>
<tr>
<th>Program elements</th>
<th>Program elements</th>
<th>Assigned persons</th>
<th>Days</th>
<th>Total Days</th>
<th>Pice</th>
<th>Details</th>
</tr>
</thead>
<tbody>
<tr>
<td>Phase 1</td>
<td>Phase 1</td>
<td>Assigned persons</td>
<td>Days</td>
<td>Total Days</td>
<td>Pice</td>
<td>Details</td>
</tr>
<tr>
<td>Innovation strategy</td>
<td>Innovation strategy</td>
<td>3</td>
<td>15</td>
<td>45</td>
<td>9.000€</td>
<td>Based on 6 weeks</td>
</tr>
<tr>
<td>Workshop 1</td>
<td>Workshop 1</td>
<td>6</td>
<td>1.5</td>
<td>9</td>
<td>18.000€</td>
<td>0.5 for preparation, 1 day for execution</td>
</tr>
<tr>
<td>Workshop 2</td>
<td>Workshop 2</td>
<td>6</td>
<td>1.5</td>
<td>9</td>
<td>18.000€</td>
<td>0.5 for preparation, 1 day for execution</td>
</tr>
<tr>
<td>Workshop 3</td>
<td>Workshop 3</td>
<td>6</td>
<td>1.5</td>
<td>9</td>
<td>18.000€</td>
<td>0.5 for preparation, 1 day for execution</td>
</tr>
<tr>
<td>Phase 2</td>
<td>Phase 2</td>
<td>Assigned persons</td>
<td>Days</td>
<td>Total Days</td>
<td>Pice</td>
<td>Details</td>
</tr>
<tr>
<td>Scout market opportunities</td>
<td>Scout market opportunities</td>
<td>1</td>
<td>10</td>
<td>10</td>
<td>20.000€</td>
<td>Based on three parallel projects on one fulltime scout</td>
</tr>
<tr>
<td>Scout technology opportunities</td>
<td>Scout technology opportunities</td>
<td>1</td>
<td>10</td>
<td>10</td>
<td>20.000€</td>
<td>Based on three parallel projects on one fulltime scout</td>
</tr>
<tr>
<td>Opportunity Generator</td>
<td>Opportunity Generator</td>
<td>3</td>
<td>3</td>
<td>9</td>
<td>18.000€</td>
<td>Testing assumptions in the market by prototyping</td>
</tr>
<tr>
<td>Creative session</td>
<td>Creative session</td>
<td>3</td>
<td>2.5</td>
<td>7.5</td>
<td>15.000€</td>
<td>Based on 0.5 for preparation, 2 days for execution</td>
</tr>
<tr>
<td>Match Making Cloud</td>
<td>Match Making Cloud</td>
<td>3</td>
<td>1</td>
<td>3</td>
<td>6.000€</td>
<td>Support entrepreurs</td>
</tr>
<tr>
<td>Business model Prototyping</td>
<td>Business model Prototyping</td>
<td>2</td>
<td>15</td>
<td>30</td>
<td>60.000€</td>
<td>Support entrepreurs</td>
</tr>
<tr>
<td>Seed investment</td>
<td>Seed investment</td>
<td></td>
<td></td>
<td></td>
<td>15.000€</td>
<td></td>
</tr>
<tr>
<td>Loan entrepreneurs</td>
<td>Loan entrepreneurs</td>
<td>4</td>
<td></td>
<td></td>
<td>32.400€</td>
<td>Based on 3 months, 2700€ monthly fee</td>
</tr>
<tr>
<td>Office space</td>
<td>Office space</td>
<td></td>
<td></td>
<td></td>
<td>2.000€</td>
<td>Based on 18 weeks CIC office space</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>332.400€</td>
<td></td>
</tr>
</tbody>
</table>
Offering

Corporate perspective
The Joint-IF program that is offered to the corporate is a unique opportunity to radically innovate and to invest in the future of their company by building “raise-ups”. It offers the opportunity to explore the future proposition of the company (horizon three) by experimenting with expanding their product portfolio. The Joint-IF benefits the corporate in multiple practical ways. First, the corporate has the opportunity to explore opportunities to innovate radically outside the company. Second, the scale-up that is offered is aligned with their innovation strategy and is based on a valuable market opportunity. Third, the return on investment consist out of, a new business unit, financial income from the scale-up, first right of refusal with a low due diligence cost if sold and an innovative culture that attracts new talent.

Entreprenurial perspective
The team of the raise-up is given the opportunity to build a company with a higher success rate due to a corporate opportunity, coaching and access to important resources such as finance and market access. They are offered a unique opportunity where they are supported through the valley of death, an opportunity between working for a start-up and for a corporate. The start-up characteristics such as incentive, focus, culture and freedom are protected creating an exciting work environment. When delivering the raise-up as a scale up to the corporate the team succeeded their mission.

Accenture perspective
From the perspective of Accenture the Joint-IF method generates a broad spectrum of opportunities. Besides the low investment due to the use of current building blocks in the organisation return on investment is high. The innovation partnership that is closed with clients by selling the Joint-IF offers a great opportunity to build a well-funded relationship. Besides the revenues that are generated from the innovation partnership and selling the Joint-IF project, offerings from the core business from Accenture could be sold due to a better relationship. Developing new offerings and working with radical models related to innovation is positive for the image of Accenture and attracts new talent.
**Accenture Innovation**

Your Innovation partner

---

### Disruption in the industry

"The key is to embrace disruption and change early. Don’t react to it decades later. You can’t fight innovation."

- **Market disruptions 2015**
- **Reaction of corporates**
  - Open innovation
  - Partnerships
  - Connect with start-ups

---

### Position of solution

Accenture acts as a bridge maker between start-ups and corporates by combining their unique characteristics

---

### (Client_name) current start-up connection

*Gains for (Client_name)*
- Latest technology developments
- Agile and low cost
- Fast learning cycle
- Innovation culture
- Tracking future developments

*Challenges for (Client_name)*
- Exploitation to exploitation
- Solution-problem match
- Internal landing zone
- Corporate "fog"
- Cross-industry technology scouting

---

### (Client_name) is connecting with start-ups to support innovation. Cooperation with start-ups brings challenges and high risk of failure.
Creating "raise-ups" companies based on corporate opportunities and powered by resources of industry leaders.

**Solution**

Create "raise-ups" based on unique corporate opportunities.

- Moving from problem-based innovation to opportunity-based innovation
- Identify market and technical opportunities and scout potential entrepreneurial teams
- Match entrepreneurial team to corporate opportunity by business model prototyping
- Facilitate the development of the "raise-up" towards scale-ups and exit

---

"Raise-ups" with the power to innovate radically are created and developed in a multiple-phase program.

**Accenture offers**

Accenture Collaborative Innovation Foundry

- Build high potential "raise-ups"
- Scout, develop and deploy facilities
- Based on corporate opportunities
- Transition from exploration to exploitation
- New way of radical corporate innovation

**Strategy, Scout, Develop, Deploy**

Phase 1: Strategy workshop, shaping innovation strategy
Phase 2: Scouting of market opportunities and creation of "raise-up"
Phase 3: Investing resources to develop the "raise-up"
Phase 4: Deploy "raise-up" reaching competitive advantage

---

The Accenture innovation program includes multiple activities to boost corporate innovation radically.

**Overview of project**

Innovation program

- Partnership options; partner Innovation Awards, Accenture Innovation Lab (solve challenges with start-up), Collaborative Innovation Foundry (generate "raise-ups")
- Financial projections x amount of money for initial phase incl. 6 week strategy workshop. Second phase investment decided on case-by-case basis
- Non-disclosure agreement

---

An Innovation strategy is created by in-depth research followed by a breakthrough innovation workshop.

**Scouting**

**Strategy**

- Build innovation roadmap for guiding strategic decisions
- Create innovation KPIs and culture
- Discuss innovation budget and projections
- Define innovation growth areas
- Knowledge transfer on "raise-up" development

**Scouting by Accenture**

- Teams of trained consultants scout potential technologies
- Teams of trained consultants scout experimented entrepreneurial teams
- Identifying market opportunities
- Direct opportunity testing using short feedback cycles and prototyping
- Final delivery; unique "raise-up" incl. business plan

---
Develop “raise-up” for (Client_name)

- Resources and knowledge facilitate “raise-up” growth exponentially
- Facilitation and coaching by Accenture
- Governance on “raise-up” shares, % “raise-up”, % (Client_name)
- Funding model is decided on case-by-case basis
- (Client_name) and Accenture involvement in the team on a case-by-case basis

“Raise-up”

- “Raise-up” preserves its characteristics: decision power, focus, incentive, culture and freedom
- Minimum Viable Product (MVP) testing by direct market access
- Corporate offers (financial) resources, market access, knowledge and network

Scale-up

- Scaling the “raise-up” supported by Accenture
- (Client_name) invests as a Corporate Venture
- World-wide roll-out knowledge support
- Direct connection with disruptive technologies
- Low risk on cannibalisation existing business units

Return on investment

- Exit strategy of “raise-up”
- Revenues generated by “raise-up”
- New (radical) innovation model
- Start-up culture, knowledge and talent

Accenture Innovation Program offers a unique opportunity to create radical innovations and boost innovation competitiveness

Development of radical innovations

- Transition from exploration to exploitation
- Use of own capabilities to scale “raise-up”
- Close interaction with latest technology
- Creation of directors based on own resources and market opportunity
- Front runner in radical innovation

Boost innovation competitiveness

- Long term business value generation
- Fast innovation cycle development
- Low implementation failure rate
Literature


Branscomb, L., & Auerswald, P. E. (2002). Between invention and innovation an analysis of funding for early-stage technology development. NIST GCR, 02-841.


collaboration: Antecedents to potential absorptive capacity in cross-industry innovation. Technovation, 34(4), 242-260.


Smulders, F. (2014). The IDER-model towards an


