



START-UPS & CORPORATES COLLABORATION

Establishing a partnership between start-ups and corporates is neither an easy task nor necessity, and it could be good or bad. Whether it can be beneficial for you and your company depends on the type of business you are building and your personal characteristics as a founder. If you wonder, whether or not you should look for a corporate partner, what are the pros and cons, and how to proceed, this article is for you.

Collaboration

In case of B2B or B2B2C start-ups, establishing a collaboration with a corporate partner is a rather obvious choice. Think about Handprint, for instance. It connects responsible and sustainable companies with consumers who also care about particular sustainability aspects. Handprint offers a plug-in, applicable to ecommerce sales, which helps to attract more conscious and value-driven customers. Customers who want to support the reduction of CO2 or plastic pollution, or inequality alleviation, or any other sustainability-related challenges can easily find a company that cares about them as well.

This example shows that building a start-up-corporate collaboration can be not only beneficial for both sides but also necessary. If you run a B2B or B2B2C business and corporates are your clients, you certainly need to partner with them. But even when corporates are not your clients, a corporate partnership can help you to grow, increase your customer base and value proposition.

Types of Partnership

There are multiple ways you can benefit from a collaboration with corporates, i.e. through working and learning from their managers, field experts or executives as well as via their acceleration programs. In addition, corporates can buy your products and services, support growth of your entrepreneurial ecosystem through angel networks and coworking spaces.

Learning from corporates, however, may not be a fast and easy, or well-structured process as one may initially assume. Most often it resembles a conversation, receiving a feedback as to your business model and value proposition. In many instances, corporates have designated teams responsible for establishing corporate-start-ups cooperation, so you may also consider contacting them directly. Throughout such a collaboration you can also benefit from receiving support in implementation or corporate investments.

If you aim at selling your products and services to corporates, implementation of them should be the main goal of such a collaboration. But even if you sell directly to customers, implementation of your solutions to selected corporate customers or corporate employees and gaining an initial feedback on MVP can be a great benefit to you. The goal of implementation, thus, is to test both your start-up as an organization as well as solutions offered.

An investment-based partnerships are the rarest but numbers are impressive. In the past decade, we have seen a tremendous CVC growth, with the last year record of \$120B in invested capital, the number of corporate investments in start-ups tripled and their value has risen 10 times, according to GCV Analytics. Keep in mind that corporates investing in start-ups, not always do this only for profit. Often times start-ups are sources of innovation in corporate products and processes, leading to achieving a competitive advantage on the market.

Establishing Partnership

If you decide that you want to give a try and build a corporate partnership, then how should you proceed? Based on my experience, I can distinguish 5 steps, covering this process:

Sourcing. This step needs to be made by both sides. Corporate innovation labs usually source thousands of potential start-up partners, while ultimately choose to cooperate with a few only. Thus, look for potential corporate partners very broadly, learn if and how you can benefit, and choose wisely.

Analysis. It is all about getting to know each other. For you as a start-up, the key is to understand what are the business needs and challenges of a partnering corporation, and what they specifically look for. Here, you need to present your products or services well, and show how a corporate partner can benefit from you.

Preparation. This is the key phase for establishing partnership, where you need to specify hypotheses to be tested during the pilot stage, define goals and key metrics, scope, and what you need to deliver and when.

Pilot. This phase may take as long as one week, but in some cases it may take even up to six months as well. If this phase is well prepared, you will learn a lot and be able to decide on next steps.

Full Cooperation. It takes place only if the pilot goes well. It covers negotiating a full contract and defining conditions of a wider implementation of your products or services.

When you consider a corporate partnership, the key aspect is understanding that even though a start-up realm and corporate world differ significantly in terms of a scale, speed of decision-making or even type of people what work for/with them, both sides can benefit from working together. Corporates become more agile and innovative, while start-ups - scale further and become more professional and mature as an organization.

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