

Corporate Venturing: Preliminary Assessment for Start-Up Scouting*

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Abstract: This working paper represents an additional step in a broader initiative to better understand corporate venturing ecosystems. Chief Innovation Officers (CINOs) often face the dual challenge of identifying promising startups and strategically allocating resources across multiple regions. In navigating this complex terrain, a key question emerges: What factors should CINOs consider when refining scouting strategies to align with corporate objectives and maximize impact? Through an extensive review of academic literature, technical reports, and semi-structured interviews, this working paper provides insights to enhance scouting strategies and maximize the impact of corporate innovation efforts. It introduces a novel 4-layer checklist designed to guide CINOs in refining their scouting approaches. This comprehensive framework encompasses factors such as corporate general characteristics, corporate venturing unit dynamics, scouting targets, and regional ecosystem dynamics. Moreover, the paper presents 4 country factsheets (China, Kenya, Mexico, and the United Kingdom) alongside 4 real-world cases, shedding light on nuanced preferences guiding ecosystem selection. Cultural diversity, language, geographical location, financial system structure, and manufacturing potential emerge as some of the factors shaping scouting strategies and partnership evaluations.

Keywords: corporate venturing, startup, scouting, ecosystem, open innovation, chief innovation officer, technology innovation, venture capital, China, Kenya, Mexico, the United Kingdom.

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Executive Summary

In the fast-paced world of corporate venturing (CV), understood as the collaborative framework that acts as a bridge between innovative start-ups and established companies,¹ Chief Innovation Officers (CINOs) lead the task of driving innovative solutions for their company's challenges in an increasingly interconnected world.

This task becomes particularly nuanced against the backdrop of market uncertainties, such as those witnessed last year, including central bank rate hikes and the collapse of Silicon Valley Bank.

This most probably has affected all levels of CV mechanisms, including venture builders or venture clients. For instance, in the case of corporate venture capital (CVC), deal numbers have surged back to levels akin to those seen four years ago, indicating more of a normalization rather than a crash.² Interestingly, amidst tactical retreats by some corporate teams in 2023, only 56% of investors returned to back start-ups compared to the previous year.³ However, this caution was counterbalanced by the formation of 65 new CVC units, such as Chilean paper company CPMP, US ride-hailing company inDrive, and Korean steel company POSCO.⁴

Taking a broader perspective, the global landscape of active CVCs has grown by a remarkable 10x over the past decade,³ yet dissatisfaction looms large, with a majority of both corporates and start-ups reporting varying degrees of discontent with their partnerships.⁵⁻⁷

Within this context, CINOs often face the dual challenge of identifying promising start-ups and strategically allocating resources across multiple regions. Their need to cast a wide net for potential collaborations contrasts with the pragmatic reality of managing limited resources or fully optimizing efficiency.

A critical question arises amid this challenge: What factors should CINOs consider when refining scouting strategies to align with corporate objectives and maximize impact?

This working paper addresses this question by providing actionable insights tailored to CINOs' dynamic needs, offering a comprehensive yet flexible checklist.

Drawing from academic literature, technical reports, and semi-structured interviews with corporate executives, the paper explores 4 key layers—corporate general characteristics, the corporate venturing unit, scouting goals, and regional dynamics—to equip CINOs with a tool to facilitate resource allocation when scouting start-ups.

A Tool to Navigate the Scouting Landscape: A Four-Layer Checklist for CINOs

Embarking on our exploration, the paper presents a comprehensive framework consisting of four layers, each presenting relevant elements for strategic decision-making:

- 1. Corporate general characteristics:** Scouting endeavors rarely commence on a clean slate. Interviewees highlighted the pivotal role played by two factors: the existing networks established by the corporation and the markets it operates within. These factors can wield considerable influence over the scouting strategy, shaping the allocation of resources. The

corporate structure can also play a relevant role. For example, whether the corporation is multinational or domestic.

2. **Corporate venturing unit:** Companies may naturally emphasize scouting efforts in regions where their corporate venturing units are based, leveraging their proximity to local start-up ecosystems. The size and whether the corporate venturing unit is centralized or decentralized should also be considered when designing the scouting strategy. The decision to conduct scouting internally or through external agents involves a nuanced balance of factors such as global presence, knowledge acquisition, and alignment with corporate goals.
3. **Start-up scouting targets:** Companies may seek start-ups with business models or technologies tailored for specific markets. Considerations for scouting goals may also include targeting particular start-ups for collaborations or identifying emerging industry trends. Sector-focused scouting enables access to specialized ecosystems and knowledge hubs, enhancing the chances of identifying high-potential start-ups.
4. **Regional ecosystem dynamics:** The final layer of the proposed checklist focuses on regional dynamics, presenting 51 elements or variables connected to the corporate venturing ecosystem. These variables are organized into three distinct categories. The initial category pertains to control variables, while the subsequent two categories encapsulate the dual dimensions of corporate venturing: the supply aspect (group two) and the demand or competitive aspect (group three).

Understanding Regional Ecosystem Dynamics Through a Threefold Lens

Our analysis of the fourth layer of the proposed checklists, focusing on regional dynamics, unveils three distinct clusters of variables:

- **Control variables:** Providing a concentrated overview of domestic circumstances, serving as potential risks or facilitators within the ecosystem that could impact scouting outcomes. In contrast to other reports like the Global Innovation Index or the World Bank's Worldwide Governance Indicators, this proposal specifically focuses on determinants most likely connected to corporate venturing, recognizing the broader context in which corporates and start-ups operate.
- **Corporate venturing supply:** The second group breaks down the start-up supply in the ecosystem. It covers the current start-up scene as well as the country's potential to generate and sustain start-ups.
- **Corporate venturing competition:** The third group delves into the ecosystem's demand or competition for start-ups. Employing a maritime metaphor, the second group characterizes the abundance and types of fish (start-ups) in the sea (ecosystem). In contrast, the third group goes beyond, providing a detailed examination of not only the quantity and categories of fishermen (competitors such as other corporates and venture capital firms) vying for these start-ups but also the tools at their disposal—fishing rods and other utensils, symbolizing corporate venturing mechanisms.

The metaphor vividly illustrates the broader ecosystem dynamics, portraying not only the richness of start-up opportunities but also the potential competition among entities seeking to capitalize on the innovation and potential these start-ups offer.

Insights from Ecosystem Factsheets: Unveiling Regional Dynamics in China, Kenya, Mexico, and the United Kingdom

This paper examines the practical application of the fourth layer of our checklist—the regional perspective—across 4 ecosystem factsheets. The analysis relies on reputable data sources and local expert reviews to ensure accuracy and reliability.

In contrast to conventional perspectives that center on the "usual suspects"—the most mature ecosystems, such as the United States or Israel—the analysis unveils a broader spectrum of opportunities.

- The **United Kingdom (UK)** is an illustrative case, showcasing a remarkably mature corporate venturing ecosystem.
- Moving beyond the traditional hubs, **China** stands as a distinctive example within Eastern Asia, with unique characteristics and potential for corporate venturing, denoted by its strategic international reach.
- **Mexico**, on the other hand, represents one of the regional leaders in Latin America, defying the notion that opportunities are solely concentrated in more established ecosystems.
- **Kenya**, though not among the conventional frontrunners, emerges as a compelling case study. Despite its lower positions in international rankings, Kenya's distinctive ecosystem presents potential for corporate venturing in specific scenarios.

Insights into Real Decision-Making Preferences through Four Real-World Cases

While this research offers insights into the factors shaping scouting strategies, the interviewed experts also underscored the pivotal role of management decisions influenced by specific preferences.

By integrating interactive evaluation across the four layers of our checklist—corporate general characteristics, corporate venturing unit, scouting targets, and regional dynamics—we present four real-world corporate cases that emphasize the necessity for customized scouting strategies.

Departing from diverse starting points, a unique ecosystem ranking emerges for each corporation:

- Consider a **German clothing giant** that opts for China over the United Kingdom, Mexico, and Kenya. Why? It is driven by factors such as manufacturing potential and global integration.
- Meanwhile, an **Egyptian healthcare heavyweight** singles out Kenya, highlighting the importance of tailoring strategies to specific regional needs.
- A **Chilean consumer products leader** leans towards Mexico, revealing the significance of markets where the company is actively involved.
- And let's not overlook the **Spanish energy player**, which favors the United Kingdom based on geographical proximity and the CEO's global market strategy.

1. Introduction

1.1. Navigating the Start-Up Seas: The Challenge of Maximizing Impact with Limited Resources

Corporate Innovation Officers (CINOs), as leaders in corporate venturing efforts, navigate the dynamic landscape of start-up scouting, with increasing opportunities to go global if their strategies require it.

Their challenge lies not only in identifying promising start-ups but also in allocating resources (e.g., budgets and teams) across multiple regions. The need for CINOs to cast a wide net for potential collaborations contrasts with the pragmatic reality of either managing limited resources or fully optimizing efficiency.

Financial constraints pose a primary challenge, as companies allocate finite budgets for innovation initiatives. Simultaneously, to effectively cover multiple regions for potential collaborations, CINOs must tactically deploy their human capital. The process of identifying, evaluating, and engaging with start-ups demands a significant time investment. Amidst rapid technological advancements, CINOs must stay ahead in the scouting game. This temporal constraint adds complexity, necessitating that CINOs prioritize efforts and streamline processes for seizing emerging opportunities.

1.2. Seizing Global Scouting Opportunities

In today's global economy and the widespread growth of start-up ecosystems worldwide, CINOs naturally lean towards adopting global scouting practices. Going beyond local borders is a strategic move that lets them access diverse talent pools and innovative ecosystems around the globe.

This approach recognizes the practical differences among various company types. Large multinational companies, with their considerable scale and market influence, are natural contenders for global scouting. Conversely, resource constraints and specific operational focuses make global scouting less common for small and medium-sized enterprises (SMEs). National government agencies, leveraging influence and resources, also enter the scene as potential global scouts.

At the core of this strategy is the understanding that talent is not confined by borders, a paramount principle in navigating the realms of start-ups, disruptive technologies, and, in general, corporate venturing.

Moreover, the evolution of advanced digital platforms and data analytics tools highlights a shift from resource-intensive practices, like extensive travel for scouting, that once could restrict access to international opportunities. Platforms like Crunchbase, Dealroom.co, and PitchBook offer comprehensive databases, helping CINOs identify and assess start-ups globally. Artificial intelligence (AI)-powered algorithms streamline pattern recognition, and virtual collaboration platforms like Zoom and Slack have further facilitated cross-border communication, making it easier for corporations to engage with start-ups irrespective of geographical distances. International conferences, such as CES, Web Summit, SXSW Conference, 4YFN, or VivaTech, provide unique fora where start-ups from all

corners gather, providing corporations a practical opportunity to spot emerging talent and innovation trends. Government agencies also play a crucial role in supporting international efforts by providing funding, networking opportunities, and resources for corporations engaging in global scouting.

These technological and organizational advancements can open avenues for collaboration with start-ups from diverse regions, favoring an interconnected innovation landscape.

1.3. Sector as a Compass: Maximizing Scouting Initiatives for Strategic Impact

Within this borderless scenario, the sector or industry becomes a critical compass guiding CINOs in the design of their scouting initiatives.

For instance, if focusing on fintech, London stands out as the prime European destination. The vibrant fintech ecosystem in the British capital, with its concentration of innovative start-ups, established financial institutions, and supportive regulatory environment, makes it an ideal hub for fintech scouting. In the field of biotech, Boston emerges as a center of innovation. With leading research institutions, renowned universities, and a collaborative ecosystem, CINOs exploring biotech ventures often gravitate toward this region.

These examples underscore the effectiveness of a sector-focused scouting strategy. By aligning their interests with specific industry hubs, CINOs can leverage these locations' unique ecosystems to identify, engage with, and collaborate with start-ups.

1.4. Region as a Factor: Integrating Geographic Insights into Scouting Initiatives

Corporations also grapple with challenges that extend beyond specific sectors. Take the rapid advances in AI and data analytics, a broad challenge impacting various industries. Corporations choose to explore the global start-up ecosystem to find emerging technologies that can boost their AI capabilities and analytical capacities, no matter the industry. Another transversal challenge is the push for sustainable practices and environmental innovation. Fueled by a growing emphasis on corporate responsibility, companies globally seek eco-friendly solutions. Global scouting becomes important to spot start-ups leading the way in sustainable practices, dealing with a challenge that stretches across industries.

Secondly, the decision of where to establish corporate venturing mechanisms can extend beyond the company's headquarters. For example, corporations often position their corporate venture capital (CVC) arms or accelerators in specific regions to capitalize on the unique advantages offered by those locations.

For example, the CVC arm of Porsche—Porsche Ventures—is located in Stuttgart, Ludwigsburg, Berlin, Palo Alto, Tel Aviv, and Shanghai.⁸ BMW i Ventures has offices in Silicon Valley, San Francisco, and Munich.⁹ TDK Ventures has team members in San Jose, Boston, Bengaluru, and Tokyo.¹⁰ Samsung Next, a venture capital and start-up acceleration arm of the Samsung Group, is headquartered in San Francisco, with offices in New York, Tel Aviv, and Suwon.¹¹ Intel Ignite, the acceleration program for

early-stage deep tech start-ups launched in 2019 by Intel, is located in Tel Aviv, Munich, Boston, and London.¹²

The rationale behind these decisions is often multifaceted. Corporates seek regions with not only thriving start-up ecosystems but also favorable regulatory environments and industry concentrations that align with their goals. These examples underscore that the region's relevance in global scouting is not arbitrary but driven by a calculated assessment of the unique advantages of specific locations.

Thirdly, corporate scouts acknowledge the influence of regional factors on global scouting decisions. Insights from an interviewee at a major automotive corporation with a turnover exceeding 100 billion USD revealed that her corporation collaborates with specialized suppliers for a dedicated background check of start-ups under assessment, which includes a risk assessment of their country. This practice underscores the recognition that regional dynamics can play a significant role in the corporate venturing decision-making process.

For instance, the rule of law, characterized by fair trials and robust intellectual property (IP) protection, is essential for fostering trust and encouraging investments and collaborations between corporates and start-ups.

A legal system that's going to actually give you a fair trial. (INT3)^a

(...) the legal frameworks and protections, especially with respect to intellect, like dual property are robust in that particular country. From a venture capital perspective... that the documents that we are signing... if they're subject to local law... that there is a relatively solid legal framework in place from that perspective. (INT6)

1.5. Refining Scouting Strategies: Exploring Multifaceted Considerations

When corporate venturing strategy demands a global approach, CINO's face the challenge of seeking collaborations with start-ups across different regions while efficiently managing limited resources. Prioritization becomes pivotal for CINO's to stay ahead in the scouting game.

However, the question arises: What elements should be taken into account? While sector-specific scouting strategies prove effective (e.g., London for fintech or Boston for biotech), transversal challenges, such as the rapid advances in AI and the push for sustainable practices, call for a broader approach to regions. The positioning of corporate venturing mechanisms (e.g., CVC or corporate accelerator) further emphasizes the calculated assessment of unique advantages offered by specific locations. Additionally, corporate scouts acknowledge the impact of regional factors in their decision-making processes, spanning considerations like taxation, legal frameworks, and financial system structures.

To understand better and refine corporate scouting strategies, this paper will delve deeper into the multifaceted considerations faced by CINO's. By exploring the intersection of 4 layers —the corporate

^aInterviewees are identified by "INT" and the interviewee number.

general characteristics, the corporate venturing unit, the scouting goals, and the region ecosystem—we aim to uncover insights that can inform more sophisticated approaches to corporate international scouting.

2. Main Contributions: Exploring Ways to Refine Corporate Scouting Strategies

2.1. Existing Tools for Start-up Scouting in Corporate Venturing

Our initial contribution centers around a comprehensive exploration of some tools at the disposal of corporate scouts. These tools encompass a range of resources, including databases, start-up ecosystem rankings, and other technical reports within the fields of innovation and entrepreneurship (See **Tables 1** and **2**). Our review aims to assess their relevance and applicability to the dynamics of corporate venturing. This examination reveals essential gaps and limitations, setting the stage for new approaches.

Several key platforms and databases offer valuable insights, facilitating cross-country comparisons to enhance global scouting efforts. Notable providers like Bloomberg, LSEG Data & Analytics, and CB Insights specialize in delivering financial markets data, including corporate venturing mechanisms such as CVC and start-up acquisitions. Databases like PitchBook, Crunchbase, and Dealroom.co offer multifaceted information on start-up ecosystems, including company specifics, funding details, and industry trends. Furthermore, platforms like Global Corporate Venturing (GCV) provide a relevant space for CINOs to stay informed about global developments, trends, and opportunities in the field of corporate venturing.

Table 1. Key platforms/databases covering corporate venturing (CV) mechanisms

Title/Name	Description	Covered CV mechanisms
Bloomberg, LSEG Data & Analytics, CB Insights, etc.	Providers of financial markets data.	CVC, start-up acquisitions
PitchBook, Crunchbase, Dealroom.co, etc.	Platforms that provide information on various aspects of start-up ecosystems, including company details, funding details, and industry trends.	CVC, start-up acquisitions, corporate acceleration and incubation
Global Corporate Venturing	A media and networking platform aiming to foster open innovation through news, insights, analysis, and events related to corporate venturing. ^b	CVC ^c

Source: Prepared by the authors.

^b Corporate venturing defined activity that involves larger companies investing in and supporting entrepreneurs, such as taking minority equity stakes, either directly or through venture capital funds, as well as other innovation tools, including incubators, accelerators and developing internal innovation—‘intrapreneurship’.¹¹⁰

^c Their deals data page provides all their data on companies that have received investments, and which corporations are making these investments.

In innovation and entrepreneurial research, several invaluable technical reports have emerged for better comprehending the complexities inherent in global economies.^{13–21} Some reports cover the entire innovation ecosystem,²⁰ while others focus on evaluating the performance of specific investment vehicles, such as private equity and venture capital.¹⁸

Table 2. Key technical reports on innovation, entrepreneurship, and venture capital*

Title	Author	First year / latest available edition**
The Global Entrepreneurship Monitor Global Report (GEMGR)	The Global Entrepreneurship Monitor (GEM)	1999/2023
The Venture Capital and Private Equity Country Attractiveness Index (VCPE)	Groh et al. (IESE Business School)	2006/2023
The Global Innovation Index (GII)	Launched by INSEAD and now compiled by the World Intellectual Property Organization (WIPO)	2007/2023
The Global Entrepreneurship Index (GEI)	Global Entrepreneurship and Development Institute (GEDi)	2009/2019
The Global Startup Ecosystem Report (GSER)	Startup Genome	2012/2023
Entrepreneurial Ecosystems around the Globe and Early-Stage Company Growth Dynamics – the Entrepreneur’s Perspective	World Economic Forum in collaboration with Stanford University, Ernst & Young, and Endeavor	2014/2014
The Global Start-Up Ecosystem Index (GSEI)	StartupBlink	2017/2023
The European Index of Digital Entrepreneurship Systems (EIDES)	Autio et al.	2018/2020
The Digital Platform Economy Index (DPE)	Global Entrepreneurship and Development Institute (GEDi)	2020/2020

*Appendix 5.1 provides a brief exploration of their methods, objectives, and specific areas of focus.

** As of February 2024.

Source: Prepared by the authors.

Still, when examined through the corporate venturing lens, several gaps emerge, as the tools exclusively tailored to this domain are quite scarce. These findings shed light on the unmet needs of CINOs, extending beyond the scope of merely venture capital perspectives.

2.1.1. Gap 1: Disparity in Coverage of Corporate Venturing Mechanisms

Previous research^{22–25} has distinguished up to 11 corporate venturing mechanisms: scouting team, hackathon, challenge prize, sharing resources, venture builder, venture client, strategic partnerships, corporate incubator, corporate accelerator, CVC, and start-up acquisition. These mechanisms differ in their speed and cost of implementation, as well as the maturity stage of start-ups engaged (See Table 3.).

A notable gap identified in the existing tools for scouts pertains to the limited coverage of these corporate venturing mechanisms, with CVC and start-up acquisitions relatively well covered. Corporate incubators and accelerators are also partially covered, but the remaining seven mechanisms lack easily accessible information in databases or reports suitable for ecosystem comparisons.

For CINOs interested in these less-covered mechanisms, alternative approaches are necessary, likely involving qualitative methodologies such as expert interviews or a focused analysis of specific cases.

For instance, in the IESE report "How Corporate Giants Can Better Collaborate with Deep-Tech Start-Ups: The Case of East and Southeast Asia,"²⁶ the identification of the top 20 companies by annual revenue in selected territories led to a focus on companies actively participating in corporate venturing. A similar methodology was employed by Boston Consulting Group (BCG) in their reports on corporate venturing, analyzing the 30 largest companies in seven innovation-intensive industries.^{12,77}

Table 3. Mechanisms available for corporate venturing

Scouting mission	Venture builder
A mission undertaken by professionals from an industry in which a company is interested. The professionals are tasked with holding meetings with start-ups, inventors, or university researchers. They look for interesting innovations that are aligned with the company's strategy. Companies gain insights and valuable information from leading innovation hubs around the world. Start-ups are exposed to potential financing opportunities and business deals.	Corporations aim to fast-track start-ups' growth through several tools (e.g., corporate incubators and corporate accelerators). In practice, a venture builder functions as such for a company. While start-ups develop tailor-made prototypes to solve a corporation's problem, entrepreneurs gain access to facilities, expertise, technical support, and skilled mentorship, increasing their chances of getting funding.
Hackathon	Corporate incubator
A hackathon is a focused, intense workshop in which software developers collaborate, either individually or in teams, to find technological solutions to a corporate innovation challenge within a restricted time frame. Start-ups solve specific technical problems for companies or produce a particular piece of code in a short period of time. In return, they gain access to new segments, markets, and financing opportunities.	A corporate incubator is a program in which entrepreneurs are provided with a set of value-added mentoring services (centralized legal or marketing support) and working spaces to build viable opportunities and business models ready to go to market in exchange for a share of equity. Corporations get a cost-effective and outsourced R&D function, while start-ups access facilities, expertise, and technical support.
Sharing resources	Strategic partnership
Sharing resources is a simple form of collaboration between corporations and start-ups. It allows companies to improve corporate branding, attract and keep talent, and gain visibility. Meanwhile, start-ups get access to cost-effective or free corporate resources, increase their visibility, and are able to network with other similar ventures.	A strategic partnership is an alliance between corporations and start-ups that enables them to define, develop, and pilot innovative solutions together. It allows both sides to build relationships and synergies.

Challenge prize

A challenge prize is an open competition that focuses on a specific issue. It incentivizes innovators to provide new solutions based on new opportunities and technological trends to foster internal learning. Companies get to adopt external opportunities, improve corporate branding, and gain visibility, while start-ups get access to new segments, markets, and financing opportunities.

Corporate accelerator

A corporate accelerator is a program that provides intensive short or medium-term support to cohorts of rapid-growth start-ups via mentoring, training, physical working space, and company-specific resources. These resources can include money invested in a start-up, generally in exchange for a variable share of equity. Through corporate accelerators, firms and start-ups get benefits similar to those of a corporate incubator.

Corporate venture capital

In the case of corporate venture capital, corporations target equity investment at start-ups that are of strategic interest beyond a purely financial return. Companies become more diversified and gain access to products, services, and technology, while start-ups gain access to financial resources, know-how, and advice from experienced corporations.

Venture client (or client accelerator)

A venture client involves a specific type of strategic partnership and a highly integrated tool companies can use to purchase the first unit of a start-up's product, service, or technology when the start-up is not yet mature enough to become a supplier. While corporations get access to start-ups with a ready minimum viable product (MVP), start-ups get revenue and a consolidated company as their client.

Acquisition

Acquisitions involve the purchase of start-ups by companies to access the start-ups' commercially ready products, complementary technology, or capabilities that solve specific business problems or to enter new markets. The buyer benefits from acquiring talent, skills, and knowledge, while the start-up receives monetary rewards and a reputational advantage.*

*Note that this mechanism does not include the acquisition of large corporations. In those cases, these units usually move the opportunity to another department, such as that in charge of mergers and acquisitions.

Source: Prepared by the authors.

2.1.2. Gap 2: Measuring Networks to Assess the Corporate Venturing Ecosystem

Based on a comprehensive review of entrepreneurship ecosystems literature,^{16,27–36} and considering that corporate venturing refers to the collaborative framework that acts as a bridge between innovative start-ups and established companies,¹ the corporate venturing ecosystem could be defined as:

A collaborative framework comprising a network of stakeholders and resources (e.g., social, political, economic, cultural) within the broader entrepreneurship ecosystem that fosters partnerships between established companies and innovative start-ups.

To holistically understand this ecosystem, at least 3 dimensions should be considered: available resources, the dynamics of interactions, and the system of governance in place.²⁸ Networks play a critical role by influencing how interactions happen and where resources go.^{37–40} For start-ups, securing

essential resources like funding, talent, and testing spaces depends on their connections within the ecosystem.

The relevance of networks within the ecosystem was highlighted by most of the interviewees:

Definitely, some of the start-up hubs are more attractive for us (...). [T]hey attract conferences, VC money, and there is an ecosystem for these start-ups to sort of grow faster in a way through the networks that are present. (INT2)

Those start-up founders often had exits where they had money and started investing into new start-ups, and all of a sudden it was this kind of flywheel effect that happened. (...) So it's not a country per se, but it's often people within an ecosystem that start investing after their previous success into new companies and then that multiply. (INT5)

Local venture capital network... You know that they're able to raise capital and scale, but also (...) from a networking perspective, I think that's always helpful (...). The network of universities and it just... in general like the academia. (INT6)

(...) mechanisms that can basically support the survival of the top-performing start-ups in the ecosystem (...) the infrastructure... also the more government-funded or public-private partnerships that can bring the entire innovative ecosystem working together. (INT8)

(...) platforms for these companies to be found: e.g., accelerators, incubators, international events... (INT10)

... in terms of the ecosystems, platforms that actually elevate these companies, there could be a lack of visibility. (INT11)

I think something that is always underrepresented in all these areas and all these strategies is platform management (...). You find people that are interested in finding new technology, but... always building those bridges between the start-ups within the open innovation customers as an open platform. (...) [This] is something that has a huge potential (...). (INT15)

A second notable gap emerges in the absence of tools that measure the strength or intensity of these networks and allow for ecosystem comparisons. The focus extends beyond merely counting the number of actors (e.g., founders, VCs, corporates, private accelerators, universities, etc.). Instead, the interest lies in gauging the quantity and, where feasible, the quality of interactions among those actors.

While some data covers specific aspects, such as collaborative efforts between businesses and universities in research and development,^d certain authors¹⁷ and technical reports (e.g., GESEI by StartupBlink, GSER by Startup Genome) have used proxies like the number of networking events or

^d Indicator used in the Global Innovation Index 2023 ("university–industry R&D collaboration"), using data from World Economic Forum, Executive Opinion Survey 2022.

groups extracted from the social platform Meetup.^e These proxies may offer some insight into the networking aspects of entrepreneurial ecosystems, but their limitations^f underscore the need for more sophisticated tools.

One way to explore this further is by studying innovation as a “result of inter-firm interactions supported by social networks,” a methodology exemplified by Ferrary and Granovetter in their examination of Silicon Valley's ecosystem.⁴⁰ They used complex network theory, a perspective inspired by real-world networks like the World Wide Web, social networks, collaboration networks, and various biological networks. This method is valuable for understanding phenomena that result from multiple interactions between diverse agents characterized by the non-linearity of their interactions.⁴¹

In parallel, the Aretian team, composed of Harvard affiliates from various schools at the university, has introduced a new city science methodology.⁴² This approach examines how a city's spatial design influences urban life quality. Among others, it employs social network dynamics to identify elements crucial for economic development.

Alternatively, future research could focus on creating a composite indicator that gauges the strength or intensity of these networks. This would provide a quantitative way to evaluate how these networks impact start-up ecosystems.

In our endeavor to enhance scouting strategies within corporate venturing, our analysis of existing tools has uncovered significant gaps in the coverage of corporate venturing mechanisms and the measurement of network dynamics within the ecosystem. These insights underscore a pressing need for more nuanced tools and tailored approaches to meet the intricate demands faced by CINOs.

2.2.A Tool to Navigate the Scouting Landscape: A Four-Layer Checklist for CINOs

This section presents a checklist encompassing essential elements for CINOs to ponder while shaping their scouting strategies. The construction of this checklist is based on the following:

- A comprehensive review of academic literature.
- What is commonly referred to as “grey literature” or technical reports on innovation, entrepreneurship, start-up ecosystems, corporate venturing, and venture capital.
- Semi-structured interviews with 17 corporate executives actively involved in scouting start-ups on an international scale, either as decision-makers or integral participants in the process (e.g., CINOs, Strategic Ventures Directors, Senior Director, M&A^g or Corporate Ventures, Global R&D,^h Venturing

^e Meetup (<https://www.meetup.com/>) is a social networking platform that facilitates the creation and joining of groups focused on various interests, activities, and topics. The platform allows people to find and participate in events, both online and in person, organized by individuals or groups within their local communities or around the world. It has been widely used for organizing gatherings, workshops, social events, and more, making it a popular tool for both individuals and organizations to build and engage communities.

^f For instance, the mere quantity of networking events or groups does not necessarily reflect the quality or depth of interactions among key stakeholders. Moreover, relying on social platform data may introduce biases, as not all relevant networking activities may be accurately represented (e.g., certain vital interactions and collaborations may occur offline).

^g Merge and acquisitions.

^h Research and development.

and Tech Scouting, Head of Investments). Participants were asked about the motivations behind and methodologies used in corporate international start-up scouting and the criteria influencing their choice of countries for such initiatives.

Appendix 5.2 provides a comprehensive breakdown of the research methodology, including details on expert selection and the inductive content analysis that yielded qualitative insights.

The checklist is structured across four layers (See **Figure 1.**):

- **Corporate general characteristics:** This layer provides insights into the broader objectives and strategic direction of the corporation, incorporating elements such as existing networks, operational regions, and corporate structure.
- **Corporate venturing unit:** This layer provides insights into the broader objectives and direction of the corporation, incorporating elements such as existing networks, operational regions, and corporate structure.
- **Scouting goals:** Delving into specific objectives and targets set for the scouting initiative, this layer aligns scouting goals with the overarching corporate strategy.
- **Region:** The regional layer is further subdivided into 3 elements:
 - **Control variables:** Factors that provide a concentrated overview of domestic circumstances, serving as potential risks or facilitators within the ecosystem that could impact scouting outcomes.
 - **Start-up supply:** Pertaining to the availability and characteristics of start-ups in the region.
 - **Start-up demand/competition:** This element explores the competitive landscape within the region, considering both corporate and non-corporate actors and the mechanisms they use to engage with start-ups.

While the specific impact of each element will not be explored here, our checklist aims to serve as a guide—a comprehensive yet flexible tool empowering CINOs to refine their regional priorities within the ever-evolving world of corporate venturing.

4 th Layer: Region			
		Control variables	Corporate venturing supply
1st Layer: Corporate general characteristics 1. Corporate structure (multinational or domestic; large conglomerate...) 2. Networks already established 3. Specific markets in which the company operates 2nd Layer: Corporate venturing unit 4. Location 5. Size 6. Structure (centralized or decentralized) 7. In-house or external corporate venturing enablers 3rd Layer: Scouting goals 8. Market(s) to implement and scale the solution. 9. Seeking for industry innovative trends vs specific collaboration with startups 10. Sector	DOMESTIC CIRCUMSTANCES Cultural 1. Cultural diversity 2. Language 3. English level Economic 4. Economic growth 5. Market size 6. Manufacturing potential Political/legal 7. Political stability 8. Government effectiveness 9. Rule of law Geographical 10. Location DOMESTIC ENTREPRENEURIAL DETERMINANTS Entrepreneurial environment 11. Attitudes towards entrepreneurship 12. Entrepreneurial activity 13. Entrepreneurial regulations and public support 14. Tax system Foreign investment 15. Financial system access and familiarity 16. Investment regulation 17. Volume foreign investment		STARTUP OFFERING Startup offer 18. Startups 19. Startups with seed and early venture capital round 20. Startups with later venture capital round 21. Initial public offerings (IPOs) Structure of the startup market 22. Level of centralization 23. Density of startups STARTUP POTENTIAL Knowledge creation and diffusion 24. Knowledge creation 25. Research and development investment Human capital for startups 26. Government support for high-skilled immigration and entrepreneurship 27. Labor cost 28. Talent Infrastructure for startups 29. ICT development
			Corporate venturing competition STAKEHOLDERS 30. Multinationals 31. Venture capital (VC) investors 32. Private accelerators 33. Private incubators 34. Business angels 35. Family offices 36. Government 37. University MECHANISMS Corporate 38. Corporate venture capital (CVC) 39. Startup acquisition 40. Corporate acceleration 41. Corporate incubation 42. Scouting team 43. Sharing resources 44. Strategic partnership 45. Hackathon 46. Challenge prize 47. Venture builder 48. Venture client Non-corporate 49. Venture capital (VC) 50. Private acceleration 51. Private incubation

Figure 1. A tool to navigate the scouting landscape: A four-layer checklist for CINOs

Note: **Bold** letters indicate that expert interviews have confirmed the variable. Source: Prepared by the authors.

2.2.1. Corporate General Characteristics

Scouting activity is not generally initiated from a blank slate. Interviewees consistently highlighted the role played by two factors: the networks already established by the corporation and the specific markets in which the company operates. These determinants are anticipated to influence the overall scouting strategy significantly, shaping the region prioritization.

Existing corporate networks, example:

(...) I think it's also just a product of where our network is strongest, and maybe it's a little bit chicken and egg, right? (...) Our network is [the] strongest because that's where we see the most opportunities coming out of and therefore, we invest more time in those countries (...) I'm not sure that we've ever... apart from maybe the US and China, that we ever have made like a conscious decision. (...) In scouting companies... it's a little bit organic. (INT6)

Where the corporation operates or if it has a strategic plan outlining its operational regions, examples:

In 90% of cases, we will invest in Latin American start-ups, given that our business is here. (INT4)

First and foremost, for us is whether [corporate name] has a presence, right? From there... well, that's where [corporate name] focuses more. And the last strategic plan emphasized a lot on Brazil, Spain, [the] UK, and Germany. (INT13)

In connection with this, the **corporate structure** can also play a role in shaping the international scouting strategy. For example, whether the corporation is multinational or domestic. In the context of large conglomerates that house diverse companies, including those acquired over time, the relationship between the scouting efforts of the group and the innovation initiatives of its individual entities also becomes a relevant point of analysis.

2.2.2. Corporate Venturing Unit

The corporate venturing unit's current **location** can significantly influence the design or refinement of scouting strategies. Several factors contribute to the team's location's impact on scouting priorities, including the convenience of utilizing existing resources, the advantage of geographical closeness, linguistic considerations, and access to local events, networking opportunities, and industry gatherings.

For example, a company's corporate venturing unit based in Munich may naturally emphasize scouting efforts in Germany, leveraging its proximity to the local start-up ecosystem. This geographical closeness facilitates deeper engagements with German start-ups and aligns with the team's regional influence. Therefore, there may be a natural inclination to focus on closer regions, a tendency that should be acknowledged and utilized in scouting endeavors.

(...) spent quite some time in Israel because... we find it's a very good ecosystem (...) we spend a lot of time, of course, in the US (...) and then it gets a bit skewed because... our corporate venturing team for the partnerships which I'm part of (...) is very spread. So, I would say it's natural that we focus on France, Switzerland, and [the] UK because that's where we are located personally. But our corporate venturing team (...) are based out of Munich (...). They have a tendency to bring in a lot of German start-ups, and so I see some favoritism based on that. (INT2)

[We use] a lot the [local offices of our corporate incubator program] that also position us there, right? [Our corporate incubator program] has an office in São Paulo, it has offices in [Latin America] it has an office in [the] UK, and in Germany. So, we leverage a lot on their network. (INT13)

Additionally, the **size** and whether the corporate venturing unit is **centralized or decentralized** can also influence the scouting dynamics.

(...) that might be interesting to understand is what kind of structure is behind... in these companies. To understand...Is it centralized? Is it decentralized? Some people have built physical offices... they have an innovation center in London or something, or they have an innovation lab in Silicon Valley, and everyone goes there. (...) [It] might be interesting to understand their geographical split. (...) [O]n top of that and see if there's any... how many people you have... because it's a very intense work (...) [Y]ou have to see a lot and follow up a lot and scout a lot of topics and, at least in my role... because we are horizontal so we serve all the business units... with one or two people you're gonna be super limited and then sometimes you just decide to go like deep into whatever local market you can find. (INT2)

Whether in-house or through external corporate venturing enablers, the decision to conduct scouting is pivotal in shaping an effective corporate venturing strategy. This choice is often influenced by several factors, each with its own advantages and considerations.

An **in-house approach** to scouting involves relying on the company's internal team to spearhead the scouting process. This becomes particularly compelling for corporations endowed with middle-to-large corporate venturing units and a multinational presence. Managing an in-house scouting team demands a commitment of resources, including talent acquisition, training, and ongoing team development. Additionally, the team must possess a diverse skill set to navigate the complexities of different markets and industries.

Several factors contribute to the decision to keep scouting activities in-house:

Corporations with a global footprint and direct access to multiple markets through their extensive branches or subsidiaries may find in-house scouting advantageous. This approach allows them to harness the collective strength of their internal team and resources to explore diverse markets.

If we have a direct presence in those markets, we use our own colleagues... It depends on which markets we are trying to address and do we have direct coverage or indirect coverage. (INT1)

The in-house scouting model also becomes relevant for corporations aiming to foster internal knowledge and thought leadership. Emphasizing the importance of understanding markets from within, these companies seek a broader perspective on market trends through their internal teams.

We wanted to build up the knowledge of the market internally. One of my KPIs is the number of start-up collaborations with our business units, but another very important KPI is thought leadership, which is difficult to build if you outsource everything. (INT2)

Clearly, the value lies in that one because that's where the synergy is, but we see a lot of value in the 99 that were not invested in... those 99 that we did not delve into because in those 99... (...) It delves deeply into the trend, delves deeply into different models. (INT4)

The decision for in-house scouting can also be rooted in strategic considerations, particularly for corporations seeking to be the primary driver of their scouting strategy. This approach ensures that scouting decisions align seamlessly with the overarching corporate goals.

This approach is highlighted by an executive's perspective, emphasizing that positioning the decision-making process directly within the company ensures control and alignment with overarching corporate goals.

Because it's a strategic decision at the end, and we need to drive the decision directly inside the company so we can have some subsidiary to help us, but we need to be the only driver of this kind of axis of strategy. (INT7)

By being the sole driver, the corporation can seek subsidiary support while maintaining autonomy over the scouting strategy.

There are also variations in this strategic focus. In some cases, the scouting strategy is developed internally, but its execution can be outsourced depending on the specific markets targeted, as demonstrated by the following Egyptian example:

(...), but the scouting strategy is centralized, so the team here in Cairo put the strategy but the execution depends on which market we address. (INT1)

Moreover, internalizing scouting activities is justified by the corporation's ability to stay closely attuned to its business and technical needs. This internal approach facilitates strategy renewal, primarily aiming to reduce noise within the global start-up innovation ecosystem.

We would also do that internally because we've got years of expertise. We're very close to our business needs and our technical needs and so we're able to work internally (...). [T]he key point for us is to reduce the noise in the system... I tend to find there's a lot of noise in the global start-up innovation ecosystem. (INT8)

In-house scouting often involves tapping into internal networks and relying on recommendations to identify potential collaborations or opportunities. This can facilitate the scouting process and lead to a more cohesive integration of start-ups into the company's operations. For example, one potential challenge of the corporate venturing unit is capturing the interest and support of various business units or other departments. If suggestions from these areas are included from the start, it can align external opportunities with internal needs, increasing the chances of successful integration.

For us, we don't have like... any dedicated consultants (...). But for us, it's mainly network opportunities. So we get our start-ups from either direct reach out, we get them from recommendations from other VCs, other CVCs... but also from internal recommendations so... Actually, a lot of our deal flow happens by a business unit talking to our start-up. They're interested. They're looking for funding, so they're connecting us to them, where we then take up an independent communication flow by talking to those start-ups for an investment purpose, and vice versa. The same thing applies when we, for example, reach out to companies where we think they're interesting investment targets. And then we realize the technology can also apply for the organization. So what happens is that we connect them with a business unit. Often, they then with [the corporate accelerator program], conduct a POC and actually move on to... get a contract in or basically work with the organization in a larger side. So it's

really both-sided. Either we get recommendations from anything within the Group or we have completely external conversations and dialogues with companies and connect them to their organization at the end. (INT5)

While in-house scouting provides corporations with direct control and the opportunity to leverage internal expertise, **external scouting** involves collaborating with enablers within the ecosystem that facilitate a resource or activity in the collaboration between an established company and a startup.

According to a previous IESE study,⁴³ the most notable advantages of such an approach include obtaining independent knowledge, opportunities for enhanced deal flow, cost de-risking, and network effects. Other benefits include regulatory lobbying, recognized credibility, talent acquisition, or prototyping speed.

Our interviewees' answers are coherent with previous findings,⁴³ mentioning the following types of corporate venturing enablers:

Knowledge institutions, such as research centers and think tanks, serve as fertile grounds for knowledge creation and dissemination, with a focus on deep-tech entrepreneurship.

Boosting institutions, including private incubators and accelerators like Plug and Play, 500 Global, and Rainmaking, play a crucial role in providing entrepreneurs with support services and physical resources.

Investment institutions, comprising business angels, venture capitalists, and private equity firms, serve as common funding sources for start-ups in various phases. Some interviewees underscored the advantage of becoming a Limited Partner (LP) in investment institutions. By taking on this role, corporations can leverage these institutions' due diligence and assessments during the start-up screening process. This approach not only streamlines the scouting process but also enables corporations to tap into seasoned investors' collective knowledge and experience, ultimately contributing to more successful and mutually beneficial corporate venturing initiatives.

So in the past, we've definitely used agencies, you know, partnerships with accelerators, and also we make investments as an LP into other venture funds as a source of deal flow. (INT6)

You get the venture firms because they do a lot of due diligence, and they bring to you an assessment of start-ups that already have been screened for you. (INT8)

So, for example, if we decide to go into China, what we do is we search for the best VC that is active in China and we invest as a limited partner in a significant amount so that we can share or that they share the deal flow with us (...). It's always that we argue within our internal organization in terms of opportunity costs, right? (INT15)

The venture capital funds are specialists; they are in the ecosystem, familiar with start-ups, and have a very relevant deal flow that is challenging to build. In other words, as a corporate entity, I dare say it would take at least five years... (INT16)

Public institutions, represented by government branches and embassies, contribute to start-up growth through funding initiatives and acting as bridges for market access.

Business institutions, such as large corporations and chambers of commerce, collaborate, while service institutions, such as consultancy firms, provide innovative solutions to business challenges. These

enablers collectively shape and support the corporate venture landscape, facilitating start-up innovation and growth.

In this sense, interviewees emphasized the relevance of active participation in renowned global conferences. Major conferences like CES in the US (owned and produced by the Consumer Technology Association), the international events organized by the event and the software company Web Summit, or the start-up event at the Mobile World Congress, called 4YFN Barcelona and organized by the Global System for Mobile Communications Association (GSMA), act as global hubs, uniting thousands of start-ups in the same place. This facilitates access to the worldwide start-up market from a centralized venue.

[W]e go to the very targeted conferences, and we're all based from home, literally from home.
(INT2)

[W]hat we are doing to find a way into the ecosystem is either attend events, so we are quite often at international events. (INT5)

In summary, the characteristics of corporate venturing unit may influence scouting strategies. The team's location, whether centralized or decentralized, can shape priorities, emphasizing factors like resource convenience, geographical closeness, and access to local networks. The size and structure of the corporate venturing unit further impact scouting dynamics. The decision between in-house and external scouting, explored through various corporate venturing enablers, involves a nuanced balance of factors such as global presence, knowledge acquisition, and alignment with corporate goals.

2.2.3. Scouting Goals

From the considerations of the corporate venturing unit, we now delve into a more granular level—the specific goals of the scouting activity based on the corporate challenge that needs to be solved.

The interviewees emphasized the need to tailor their scouting strategy to **effectively tackle corporate challenges**. This approach becomes particularly salient when implementing solutions in diverse markets, where each region's unique issues demand a customized approach.

Here, the conventional notion that “more is better” in terms of the maturity of the start-up ecosystem loses part of its relevance. Instead, the emphasis shifts towards identifying start-ups with business models or technologies specifically crafted for the dynamics of their home regions, aligning with the unique challenges faced in similar ones. An example is highlighted by INT1, focusing on Egypt's significant population of unbanked customers, particularly in rural areas.

In Egypt, we are facing a significant population of unbanked customers, particularly in rural areas. (...) If a start-up possesses a business model tailored to the dynamics of their own country that aligns with the challenges in Egypt, we express a keen interest in bringing those models into our country.
(INT1)

This strategy is intricately linked to the scalability of the solutions offered by start-ups, steering away from a one-size-fits-all strategy. In this example, INT1's scouting focus was redirected from the usual suspects, such as the United States or Israel—very mature start-up ecosystems—to predominantly Sub-Saharan African countries.

Secondly, another significant consideration in shaping the approach to scouting is whether the company is specifically **seeking out particular start-ups for collaborations or is primarily focused on identifying industry innovative trends**. Take, for example, the case of INT4, which distinguishes between these two objectives. When aiming to discern emerging trends, the company analyzes Silicon Valley and Israel, recognizing them as trendsetting ecosystems. However, their objective in these regions is not primarily investment; instead, it serves as an exploratory phase. Subsequently, they turn their attention to China, as it mirrors Latin America's structural and contextual dynamics. Returning to the Latin American scene, the emphasis shifts to actively seeking start-ups that align with the identified trends.

The third consideration in shaping the approach to scouting revolves around the **sector or industry in which the corporate challenge is based**. As commented in the Introduction, within a borderless scouting scenario, sector or industry can serve as a compass for CINOs.

Sector-focused scouting enables CINOs to tap into specialized ecosystems and knowledge hubs associated with particular industries. For instance, targeting fintech start-ups in London or biotech ventures in Boston leverages the concentration of expertise, resources, and support networks available in these sectors. This alignment increases the likelihood of identifying high-potential start-ups and fostering meaningful collaborations. Additionally, sector-focused scouting may allow CINOs to stay ahead of industry trends and developments, providing valuable insights into emerging technologies, market dynamics, and competitive landscapes.

2.2.4. Region

The fourth and last layer of the proposed checklist for scouting strategies focuses on regional dynamics.

Revisiting the working definition of the corporate venturing ecosystem, it is a collaborative framework embedded within the broader entrepreneurship ecosystem. This framework involves a network of stakeholders and resources, encompassing social, political, economic, and cultural elements.

In the preceding Section 2.1, attention was directed towards 3 dimensions: available resources, interaction dynamics, and governing structures. Shifting focus, the fourth layer centers on another pivotal aspect: the geographical context framing this collaborative framework.ⁱ

Authors like Isenberg have proposed six categories of elements presumed to catalyze entrepreneurship, namely policy, finance, culture, support, human capital, and markets.^{32,44} Other researchers have undertaken systematic reviews, proposing and categorizing alternative ecosystem attributes that, although distinct, bear striking similarities.^{28,36}

ⁱ The examination of the geographical scale of the corporate venturing ecosystem inserts certain complexity from the analytical perspective. Different reports and authors use varying criteria and definitions, making it challenging to compare or generalize findings. See more information about this in Appendix 5.2.2.

The qualitative results from semi-structured interviews combined with the extensive literature review generated a pool of 51 elements or variables connected to the corporate venturing ecosystem (see Appendix 5.2 for more details).

These 51 variables are categorized into 3 distinct groups according to their common themes and characteristics (See **Table 4.**). The first group encompasses control variables, while the second and third groups encapsulate the dual dimensions of corporate venturing: the supply aspect (group 2) and the demand or competition aspect (group 3).

Table 4. The proposed variables of the corporate venturing ecosystem (regional dynamics)

Group	Sub-group	Number of Variables
Control	Domestic circumstances	10
	Domestic entrepreneurship determinants	7
Corporate venturing supply	Start-up offering	6
	Start-up potential	6
Corporate venturing competition	Stakeholders	12
	Mechanisms	10
		51

Source: Prepared by the authors.

2.2.4.1. Control Factors

Control factors provide a concentrated overview of domestic circumstances, serving as potential risks or facilitators within the ecosystem that could impact scouting outcomes.

In contrast to other reports like the Global Innovation Index or World Bank's Worldwide Governance Indicators, this proposal specifically focuses on determinants most likely connected to corporate venturing, recognizing the broader context in which corporates and start-ups operate.

This first group of variables focuses on the country's general domestic ecosystem, examining the impact of cultural, economic, geographical, political, and legal factors. It then explores the domestic entrepreneurship determinants, highlighting factors shaping a favorable business environment, such as entrepreneurial attitudes, start-up regulatory frameworks, taxes, and foreign investment (See **Table 5.**).

2.2.4.2. Corporate Venturing Supply

The second group breaks down start-up supply in the ecosystem. It covers the current start-up scene as well as the country's potential to generate and sustain start-ups. Information about the number and different stages of start-ups is offered to determine whether a country is attractive for corporate venturing. It also includes start-up potential, considering factors such as knowledge, talent, and infrastructure (See **Table 6.**).

2.2.4.3. Corporate Venturing Competition

The third group delves into the ecosystem's demand or competition for start-ups. Employing a maritime metaphor, the second group characterizes the abundance and types of fish (start-ups) in the sea (ecosystem). In contrast, the third group goes beyond, providing a detailed examination of not only the quantity and categories of fishermen (competitors) vying for these start-ups but also the tools at their disposal—fishing rods and other utensils, symbolizing corporate venturing mechanisms.

The metaphor vividly illustrates the broader ecosystem dynamics, portraying not only the richness of start-up opportunities but also the potential competition among entities seeking to capitalize on the innovation and potential these start-ups offer.

A competitive landscape for start-ups means a region likely hosts a wealth of innovative technologies and entrepreneurial talent. Corporations aim to tap into this resource to stay at the forefront of technological advancements. It also often indicates a sustainable entrepreneurial ecosystem, vital for corporations looking to build lasting partnerships and investments. They want assurance that the ecosystem will continue to thrive and offer ongoing collaboration and innovation opportunities. The intensity of competition is also relevant because it directly influences the start-up deal flow available to corporations. In essence, the more competition there is, the more choices start-ups have, allowing them to be more selective in their partnerships.

Continuing with the maritime metaphor, this group gathers information on two crucial aspects: 1) categories of fishermen (competitors), and 2) the tools at their disposal—fishing rods and other utensils (See **Table 7**).

As explained in Section 2.1 when introducing the gaps identified in the literature, most corporate venturing mechanisms lack easily accessible information in databases or reports suitable for international comparisons. Consequently, it becomes imperative to differentiate between the checklist encompassing all corporate venturing mechanisms (51 elements) and the operationalized iteration presented in this paper (40 elements), briefly outlined in **Table 8**. This operationalized version focuses on specific mechanisms, namely CVC, start-up acquisitions, corporate incubators, and corporate accelerators.

Table 5. Corporate venturing ecosystem: Control variables

Domestic circumstances				
Cultural				
#	Variable name	Source	Description	Extract from expert interview transcripts
1	Cultural diversity	Experts, Literature	Cultural aspects beyond entrepreneurship are also relevant in assessing a country's suitability for corporate venturing.	The second aspect refers to cultural codes. In Hispanic cultures, we are relatively similar; Chileans, Colombians, Mexicans—our codes are very alike. In Brazil, although the joy is the same, the modus operandi differs. (INT4)
			Investing in a foreign country usually comes with the added cost or risk of assimilating into that country's business and operational culture. In general, all things being equal, aspects of culture that make investments safer abroad, increase profitability, and reward performance will attract foreign direct investment. ⁴⁵	(...) and working with the Japanese is just very difficult because of the cultural difference. (INT8)
			Some experts expressed a preference for regions that prioritize swift and decisive action. This is particularly evident in the corporate venturing sector, where the emphasis is on quickly fostering collaborations. Prominent examples of such countries include the United States and Israel.	I feel the pace goes much faster in the US or Europe in terms of collaborations, in terms of progress, and so... in Japan, yes, we also are doing some things, but the pace... so the challenge there is the speed of making things happen in terms of collaborations. (INT2)
			Moreover, certain experts emphasized their inclination toward start-ups that harmonize with the corporate culture of their own country, viewing this alignment to facilitate more effective collaboration.	[France] ...very interesting ecosystem. Totally different. (...) entrepreneur culture is super-fast moving, going big or go home mentalities. (INT15)
2	Language	Experts, Literature	Corporations may select countries based on linguistic alignment. For example, Spanish corporations might venture	(...) one of the most advanced start-up ecosystems. We do have collaborations and we are in touch with, for example, the Israeli Insurtech Association. (...) But (...) they have a very American approach to the business, which sometimes can be difficult to work with some of these start-ups. (INT17)
				We find the market for opportunities very interesting in the Middle East (...) but it's very, very personal network based. (INT2)
				In fact, I believe that there is still a certain handicap with the language, not with the innovation team, but yes when it comes to carrying out projects within the corporation (...). It's true that

Table 5. Corporate venturing ecosystem: Control variables

			into Latin American countries where a shared language streamlines communication and collaboration.	we are now starting to consider some start-ups from London (...) Latin America because of the language issue... so I think it's a bit, it's the reason. (INT16)
3	English level	Experts, Literature	Effective communication is crucial, and a population's proficiency in English provides insights into how a country fits into the global marketplace. ⁴⁶ Additionally, the language skills of non-native English-speaking executives and investors have significant implications for capital markets. ⁴⁷ This aspect should be considered when engaging in corporate venturing activities.	Japan but the language barrier in Japan is really high (...) we have to make sure that we speak English language. (INT8) That's why we started [in] Luxembourg, to have people on the ground who are more familiar with the French culture and also from the language perspective, which is, as you may know, quite challenging with our French colleagues. (INT15)
Economic				
#	Variable name	Source	Description	Extract from expert interview transcripts
			A country's economy greatly influences how attractive its corporate venturing scene is. The size of the economy and the number of jobs available are signs of how well it's doing. This, in turn, reflects the number of corporates and start-ups and how likely they are to work together using mechanisms like CVC.	
4	Economic growth	Literature	Overall economic growth, among other variables, affects venture capital fundraising. Entrepreneurs find more opportunities to start businesses when the economy is thriving, leading to increased demand for venture capital. ⁴⁸ In this direction, a quantitative study based on a panel dataset of 16 OECD countries from 1990 to 2000 also confirmed the cyclical nature of venture capital with respect to gross domestic product (GDP) growth. ⁴⁹ This phenomenon is exemplified by the diminished perception of business opportunities during recessions, dampening the inclination to establish new firms. ⁵⁰	
5	Market size	Experts	Experts highlighted the proximity to potential customers and the availability of a market considered "big enough" for testing and scaling.	(...) we find the market for opportunities with customers very interesting in the Middle East, so we're trying to see: is there an ecosystem we can become part of? (...) (INT2)

Table 5. Corporate venturing ecosystem: Control variables

			While this variable is particularly relevant for consumer products, its applicability to tech products or similar ventures may vary. In such cases, while geographical proximity remains a consideration, other factors, such as online accessibility and target audience demographics, may hold greater significance. Nevertheless, the core principle remains vital: ensuring the market is substantial enough to provide a meaningful testing ground and scalability prospects for the start-up's solutions.	We're still looking into... is there an ecosystem that gives them access to customers (...), and this is typically not a problem within the geographies we're investing in. (INT5) (...) there's a big enough market there that you (...) can kind of test and grow and scale from there. (INT6) (...) they [start-ups] are also closer to potential future customers (...). We want them to also work with our potential customers or potential competitors because it helps them to survive. (INT8)
6	Manufacturing potential	Experts	The pivotal factor in assessing manufacturing potential lies in the resources and infrastructure that a country offers to non-digital start-ups, enabling effective testing and scaling of their solutions. This includes the availability of essential manufacturing resources, a skilled workforce, efficient supply chains, and supportive infrastructure, both domestically and through connections to global manufacturing hubs such as China.	(...) we have manufacturing scale, making things very quickly and very cheaply. (INT8) (...) where they sit... sort of relative to their supply chain. You know, if they're actually gonna be owning manufacturing facilities (...) does it make sense that they're building the factories in the home country? (...) So for example, if the product of the start-up needs access to manufacturing sites and this is China is like... how well connected is, how close this country is to China or India. (INT6)
Political/Legal				
#	Variable name	Source	Description	Extract from expert interview transcripts
7	Political stability	Literature	Political stability refers to the enduring nature of laws and regulations governing businesses, even amidst political transitions. Rapid shifts in government priorities, whether due to new administrations, evolving economic and political landscapes, or program cutbacks, can create uncertainty and instability.¹⁵ A stable political environment, on the other hand, cultivates business confidence by providing a consistent regulatory framework.	
8	Government effectiveness	Literature	Government regulation, bureaucratic efficiency, business support, and legislative conditions significantly influence the decision to start a business.⁵¹ Companies tend to be more willing to invest in corporate venturing when they can	

Table 5. Corporate venturing ecosystem: Control variables

			reasonably expect steadfast policies and reduced risks associated with abrupt regulatory alterations.	
			Regulation can be a barrier for foreign entrepreneurs and facilitators. ⁵² A divergent and unharmonized governmental system opens room for bureaucracy and corruption, destroying the effectiveness of entrepreneurial activities within an ecosystem. ³⁰	
			A study on 18 countries in the Asia-Pacific economies demonstrated that the quality of economic and political institutions exercises a substantial influence on both formal and informal entrepreneurship. ⁵³	
9	Rule of law	Experts, literature	A strong rule of law ensures fair trials and robust intellectual property (IP) protection. Fair trials instill confidence, assuring corporations that legal matters will be resolved justly. Effective IP protection safeguards intellectual capital and fosters an environment where companies can confidently invest and collaborate without the fear of unauthorized use or replication of intellectual property.	A legal system that's going to actually give you a fair trial. (INT3) How safe are the jurisdiction and legal requirements? (INT5) (...) the legal frameworks and protections, especially with respect to intellect, like dual property are robust in that particular country. From a venture capital perspective... that the documents that we are signing... if they're subject to local law... that there is a relatively solid legal framework in place from that perspective. (INT6)
Geographical				
10	Location	Experts	Time differences can be a barrier due to communication, coordination, and operational efficiency challenges. Significant time gaps can delay decision-making, hinder real-time collaboration, and complicate meeting scheduling.	Very likely, the best start-ups, the most technological start-ups... are in San Francisco. But there's a time difference, a cultural difference... and a difference in the perceived value of these start-ups compared to a Spanish or European company. (INT13) (...) closer in proximity to headquarters only because it makes life easier in terms of, like, travel, and scheduling meetings. If they're in the same time zone, those types of things. (...). New Zealand... is super far away. You know, there's probably very limited ability to do, you know, in-person meetings, scheduling meetings... (INT6)

Table 5. Corporate venturing ecosystem: Control variables

Domestic entrepreneurship determinants				
Entrepreneurial environment				
#	Variable name	Source	Description	Extract from expert interview transcripts
11	Attitudes towards entrepreneurship	Literature	Culture and informal institutions regulate individual-level attitudes towards entrepreneurship as a career choice. A culture that encourages collaborative innovation, tolerates failure, and provides a good social status for entrepreneurs is considered essential in Isenberg's entrepreneurship ecosystem model.⁴⁴ Empiric cross-country studies have confirmed how culture influences entrepreneurship, trying to answer why levels of entrepreneurial activity differ even between countries with similar levels of economic development.^{54–57}	
12	Entrepreneurial activity	Literature	It directly gauges a country's overall business creation landscape, providing a holistic perspective on the potential for economic growth and innovation. Formal institutions and regulatory frameworks also affect entrepreneurial choices through their effect on the cost of doing business.	
13	Entrepreneurial regulations and public support	Literature	Some studies have found a negative relationship between start-up regulations and entrepreneurial entry.^{58,59} Entrepreneurs are deterred from initiating ventures when they encounter excessive rules and procedural demands, must report to multiple institutions, and are burdened with significant time and financial investments to meet documentation requirements.⁶⁰ Startup costs may influence not only the quantity of entrepreneurship but also the quality and type of entrepreneurship, with high startup costs leading to a	

Table 5. Corporate venturing ecosystem: Control variables

			positive selection of those individuals who are highly motivated and expect high incomes from entrepreneurship.	
			In this sense, a cross-country analysis, which included 43,223 entrepreneurs from 53 countries, showed that high startup costs have a positive relationship with innovative entrepreneurship. ⁶¹	
			Taxes constitute recurring costs that diminish the returns derived from innovation and entrepreneurial profitability. They possess a discouraging effect, negatively affecting the decision to become self-employed. ⁶² More specifically, corporate taxes have a negative relationship with innovative entrepreneurship, while there seems to be little effect of income taxes. ⁶¹	Taxation is a big one, and this is one of the reasons why I think Europe has a lot of problems is because nobody knows how to get in (...). But what happens with taxation if I'm gonna pull out money? (INT3)
			An empirical study covering 85 countries shows that corporate taxes substantially adversely affect gross fixed capital formation, foreign direct investment, the number of business establishments, and the rate of new business registration in a country. ⁶³	The public sector can have a significant influence on the capital supply. For example, in Chile, pension funds lack incentives to invest in capital. Consequently, the Chilean capital supply is very poor, exceedingly poor (...). I would like to see how the government promotes corporate venturing. For instance, encouraging M&A between corporations and start-ups with tax benefits, considering these are ultimately research and development projects (...). (INT4)
14	Tax system	Experts, Literature	A lower capital gains tax rate may encourage corporations to invest in start-ups, as it can enhance the potential return on their investments when they eventually exit the investments. Even if the bulk of venture capital funds are from tax-exempt investors, lower capital gains taxes seem to have a particularly strong effect on the amount of venture capital supplied by these tax-exempt investors.⁶⁴ Finally, countries often provide tax incentives to encourage corporate investments in start-ups and research and development (R&D) activities, fostering corporate venturing. For example, tax credits or deductions for corporate	We are super interested to understand India and also the business opportunities because they are moving so fast. And it is super challenging for us as a CVC unit to do investments over there from a legal, financial and controlling perspective. Also from a tax perspective and stuff like that... (...) if we're not speaking about Western countries, it is something that is a challenge for us (...). (INT15)

Table 5. Corporate venturing ecosystem: Control variables

			investments in qualified start-ups can make CVC more attractive. These incentives would reduce the after-tax cost of CVC, leading to increased investment.		
			The experts also emphasized the diversity in tax structures, such as the distinction between Western and other countries.		
			The nuanced nature of tax regulations can impact corporate decisions, particularly in matters related to fund withdrawal.		
Foreign investment					
#	Variable name		Source	Description	Extract from expert interview transcripts
15	Financial access and familiarity	system and	Experts	Experts highlighted the importance of having the right data, particularly financial information. Being close to their own financial system and having legal familiarity with market regulations ensures confidence in decision-making.	And then, of course, there you also have pretty significant legal frameworks to consider, you know [talking about a country]. Foreign entities can't have an interest in certain companies or certain technology areas that are restricted by the government. (INT6)
				Furthermore, the significance of having access to important information is highlighted, especially in regions where regulatory or legal constraints may impede public disclosure. This access, particularly when it comes to pertinent start-up data, aligns closely with market preferences and facilitates a more nuanced and informed approach.	(...) in some countries in Africa and Asia...when you are thinking in terms of partnership (...) or investment, yeah... we need to have the right data in terms of financial information (...). We have a more confident... in the start-ups based in Europe and North America... maybe closer to our market and closer to our way of thinking in terms of the financial system. (INT7)
				In their discussions, experts also shed light on the principle of reciprocity, underscoring its influence in the careful selection of entities for agreements such as non-disclosure agreements (NDAs).	We are super interested to understand India and also the business opportunities because they are moving so fast. And it is super challenging for us as a CVC unit to do investments over there from a legal and financial and controlling perspective. (...) Also, from a tech perspective... you have for example the Indian company and you say... we are a shareholder (...) from a business partner check to understand... because we are publicly listed company... to understand who is part of this (...) company. It's quite challenging because there is no need for them to tell

Table 5. Corporate venturing ecosystem: Control variables

				us (...). So as a risk mitigation, our legal colleagues always say, "Okay, then we cannot do the transaction." (INT15)
				(...) we tried to go under NDA with the company in Namibia (...). [W]e have specific engineers in the area to evaluate this kind of technology and from our legal guys within the group innovation: "We have the feedback guys, we cannot go under NDA (...) because (...) we cannot choose as an entity for the NDA." (INT15)
			Investor protection is a cornerstone of a thriving entrepreneurial ecosystem in any country. Several studies show that the legal environment greatly affects the size and breadth of capital markets across countries.	A legal system that's going to actually give you a fair trial. (INT3)
			A robust legal environment, which safeguards potential investors, significantly enhances their willingness to invest. ⁶⁵	How safe are the jurisdiction and legal requirements? (INT5)
16	Investment regulation	Experts, Literature	A cross-country analysis, including Poland, Romania, Russia, Slovakia, and Ukraine, found that firms' investment decisions are affected by the perceived security of property rights. ⁶⁶	
			An analysis of 12 Asia-Pacific countries showed that a country's legal system mitigates agency problems between outside shareholders and entrepreneurs, thereby fostering the mutual development of IPO and venture capital markets. ⁶⁷	
17	Volume investment	foreign Literature	A high volume of foreign investment often signals a robust and attractive business environment, indicating trust and confidence from global investors. For corporate decision-makers engaged in start-up scouting, understanding the level of foreign investment serves as an indicator of a country's openness to external collaborations and its potential for fostering successful corporate venturing.	

Source: Prepared by the authors.

Table 6. Corporate venturing ecosystem: Supply

Start-up offering				
Start-up offer				
#	Variable name	Source	Description	Extract from expert interview transcripts
18	Total number of start-ups	Experts, literature	To evaluate how appealing a country is for corporate venturing, corporates should consider the different start-up stages.	We are very interested also in the Middle East, but there's just not that many start-ups at the moment that we feel have the caliber of what we're looking for. (INT2)
19	Start-ups with seed and early venture capital round		Early-stage start-ups may be rich in innovative ideas and intellectual capital but lack the financial and operational resources required for rapid scaling. Late-stage start-ups, on the other hand, tend to possess a more developed infrastructure and a proven track record, making them suitable for different types of collaboration.	Ease of doing business in the country, connected to venture capital (VC)... more opportunities as the ecosystem becomes more dynamic, with more start-ups, talent, and capital. The quantity of start-ups is highly influenced by the availability of capital. (INT4)
20	Start-ups with later venture capital round		Additionally, companies must consider the transaction costs associated with various stages of start-ups. Early-stage start-ups, often characterized by uncertainty and information asymmetry, may entail higher transaction costs due to the need for more intensive monitoring and coordination. Late-stage start-ups, in contrast, may offer lower transaction costs as their operations are more transparent and their business models are better established.	Number of unicorns, number of start-ups per 1,000 inhabitants... Well, you can imagine all the ratios we use there to understand the attractiveness of each country... (INT13)
			Finally, a low presence of businesses at an advanced stage might also signal a shortage of innovation and fresh concepts, or it could imply the existence of barriers preventing new firms from entering the market sustainably, thereby limiting competition. ¹⁹	

Table 6. Corporate venturing ecosystem: Supply

Exits				
#	Variable name	Source	Description	Extract from expert interview transcripts
21	Initial public offerings (IPOs)	Experts	Exits, including initial public offerings (IPOs) and other forms of divestment, can provide insights into the ecosystem's maturity.^j When start-ups reach a stage where they can go public, it often suggests that the ecosystem has provided the necessary support, including funding, mentorship, and a favorable business environment. While a start-up going public can indicate a certain level of maturity and success within the ecosystem, it is not a perfect measure. Some mature start-ups may choose not to pursue an IPO for strategic reasons, such as maintaining control or pursuing alternative funding. Additionally, fluctuations in the IPO market can impact start-ups' decisions, with some opting to wait for more favorable conditions or exploring alternative exit strategies. Despite these limitations, IPOs remain a valuable proxy for assessing ecosystem maturity, reflecting the availability of funding, mentorship, and a conducive business environment.	(...) we're just looking at which of those five companies [start-ups] from 5 different countries, for example, is just the most attractive one [country] where we believe this [the start-up] can scale up to a really successful company that can IPO in the end. (INT5).
Structure of the start-up market				
#	Variable name	Source	Description	Extract from expert interview transcripts
22	Level of centralization	Experts	The centralization or decentralization of the start-up market. A centralized market, often concentrated in a country's capital or within a specific city, may offer distinct advantages such as increased networking opportunities and easier access to resources. On the other hand, a decentralized market, spread across	If you look at Chile, Argentina, Peru... All start-up activity happens mainly in the capitals. In other words, in Chile, you won't find start-ups outside of Santiago, and in Peru, you won't find quality start-ups outside of Lima (...). Mexico is slightly decentralized, and Colombia is very slightly decentralized, while Brazil is highly

^j Start-up acquisitions are also a significant exit strategy alongside IPOs and other forms of divestment. When a larger company acquires a start-up, it typically provides the start-up's founders and investors with a financial return, effectively exiting their investment in the start-up. Acquisitions can occur for various reasons, including acquiring technology, talent, customer base, or market share. The proposed checklist also includes acquisitions, but since they are considered a corporate venturing mechanism, they are categorized under group 3 (corporate venturing competition).

Table 6. Corporate venturing ecosystem: Supply

			various regions, could bring diversity and varied opportunities.	decentralized. (INT4)
				It was a very small team (...) and then the market is huge, and it was lacking some focus. (INT2)
23	Density of start-ups	Experts	The density of start-ups within a given market provides insights into the entrepreneurial vibrancy of a region. A high density indicates a robust and competitive start-up ecosystem, while a lower density might suggest a more nascent or specialized landscape.	Number of unicorns, number of start-ups per 1,000 inhabitants... Well, you can imagine all the ratios we use there to understand the attractiveness of each country... (INT13)
Start-up potential				
Knowledge creation and diffusion				
#	Variable name	Source	Description	Extract from expert interview transcripts
24	Knowledge creation		In addition to considering the actual start-up offer, it is also interesting to examine the components that will determine the start-up potential of an ecosystem, namely knowledge creation and diffusion, human capital, and infrastructure. ^{17,27,28,34,35,44}	More government-funded or public-private partnerships that can bring the entire innovative ecosystem working together. (INT8)
25	Research and development investment	Experts, Literature	The capacity of a country to foster knowledge creation and diffusion is a fundamental determinant of its start-up potential. Technical and business incubators/accelerators, professional associations and networking groups, research and development centers, universities, and technical colleges contribute to a robust ecosystem. These components encourage the generation of cutting-edge ideas and the dissemination of knowledge, facilitating the emergence of innovative start-ups.	I think in general what we have rather are mature innovation ecosystems, there are governmental, let's say support funding and there are, let's say other CVC's around... that kind of nurture the whole full cycle. (INT12)
Human capital for start-ups				
#	Variable name	Source	Description	Extract from expert interview transcripts
26	Government support for high-skilled immigration and entrepreneurship	Experts, Literature	The quality and availability of human capital are paramount in the corporate venturing ecosystem. Start-up founders need a skilled workforce to	Work visas for "digital nomads"... that a person from Estonia can come to work in Chile or Brazil to launch their start-up here... [T]here are ecosystems that have

Table 6. Corporate venturing ecosystem: Supply

27	Labor cost	establish and grow their businesses successfully.³⁵ For example, a two-phase study in the Boulder ecosystem (the United States), which included interviews with 15 founders, revealed that most of them attributed their founding and success to the availability of a talent pool.⁶⁸	better-prepared entrepreneurs, with more experience... and if the government incentivizes importing entrepreneurial talent, it will enrich the opportunities for the corporate venturing ecosystem. (INT4) (...) this ecosystem is incredible in terms of getting a lot of great talent in there... who also have a reasonable salary level. So from a cost perspective and competition perspective, this was a really essential pool. (INT5) I guess that the cost of labor is, you know, kind of commensurate with their business model and that ultimately, they can kind of... scale and make money with it. (INT6)
28	Talent		So the most important factor is access to talent, by far. (...) [W]e made an investment in Bulgaria last year. One of the key discussion points was: how good is the ecosystem? It actually turns out that for IT professionals, and this was a purely software-based company, this ecosystem is incredible in terms of getting a lot of great talent (...). We invest in companies that are often in the earlier stages, so often Series A and they're growing into stages where the most critical part is hiring fast enough and hiring good enough talent to reach the next stages of growth. (INT5) (...) you know that there is a solid talent pool there, right? (...) That they can hire from to the extent that they don't have... you know... kind of a crazy working remote policy (...). [T]here's like, good engineering talent, good technical talent to draw from locally (...). (INT6) Availability of research institutes and researchers. (INT10)

Table 6. Corporate venturing ecosystem: Supply

Infrastructure for start-ups				
#	Variable name	Source	Description	Extract from expert interview transcripts
29	ICT development	Literature	A supportive infrastructure is crucial for start-ups to thrive, regardless of their location. This includes physical components such as reliable internet connectivity and efficient transportation networks. These elements provide the foundation for start-ups to operate efficiently, collaborate effectively, and access vital resources.	

Source: Prepared by the authors.

Table 7. Corporate venturing ecosystem: Demand

Stakeholders				
#	Variable name	Source	Description	Extract from expert interview transcripts
30	Multinationals	Experts, Literature	Insights into corporate peers' actions can yield valuable industry insights, inform market intelligence, and support informed decision-making. Simultaneously, non-corporate actors such as venture capitalists, business angels, family offices, and government agencies can play a fundamental role in supporting start-ups and entrepreneurial ventures, offering collaboration opportunities.	Definitely, some of the start-up hubs are more attractive for us (...) they attract conferences, VC money, and there is an ecosystem for these start-ups to sort of grow faster in a way through the networks that are present. (INT2)
31	Venture capital (VC) investors			(...) two metrics that need to be differentiated as deal count and deal volume because... you can have geographies where a lot of, for example, angel investments are happening. So deal count is really high and deal volume is actually low. And then you have other markets like the UK where growth equity is also a thing. So you have less deals, for example, but actually a high deal volume. So those are two measures that we look at in a combined way. (INT5)
32	Accelerators		For instance, venture capital plays a pivotal role in the growth and development of start-ups. Based on their analysis of Silicon Valley, Ferrari and Granovetter emphasize the underestimated importance of venture capitalists in the innovative complex network, citing their five key functions: financing start-ups, selecting promising projects, signaling the best start-ups to the business community, accumulating and disseminating knowledge, and embedding the network agents. ⁴⁰	Local venture capital network... You know that they're able to raise capital and scale, but also (...) from a networking perspective, I think that's always helpful (...). The network of universities and it just... in general like the academia. (INT6)
33	Incubators			
34	Business angels			
35	Family offices		In this sense, empirical research found that CVCs and VCs have different but strongly complementary value-added profiles. CVCs are more effective in attracting foreign customers and providing technological advice, while VCs seem better at arranging finance, recruiting key employees, advising on competition, and developing start-up organizational resources. ⁶⁹	So at the end we are investing a lot in the same area where the VCs are present. (INT7)
36	Government		Recognizing these differences is important as it can impact the types of start-ups each group invests in and their contributions to the local entrepreneurial ecosystem.	(...) platforms for these companies to be found: e.g., accelerators, incubators, international events... (INT10)
37	University			Our deal flow, which is accelerator partners, networks, etc. and then our external outreach by event communities, (INT11)

Mechanisms			
Corporate			
38	Corporate venture capital (CVC)	Experts, Literature	Secondly, the competitiveness of the corporate venturing ecosystem can be measured by considering the activity levels of the different corporate venturing mechanisms. Previous research ^{22–25} has distinguished up to 11 mechanisms (previously described in Table 3). These mechanisms differ in their speed and cost of implementation, as well as the maturity stage of start-ups engaged (i.e., discovery, start-up, or scaleup).
39	Start-up acquisition		
40	Corporate acceleration		
41	Corporate incubation		
42	Scouting team		
43	Sharing resources		
44	Strategic partnership		
45	Hackathon		
46	Challenge prize		
47	Venture builder		
48	Venture client		
Non-Corporate			
49	Venture capital (VC)	Experts, Literature	(...) So what we do if we move into one of those areas, we invest into venture capital, financial driven VC fund that is already very active in this area and has the know-how and also the legacy (...). So for example, if we decide to go into China, what we do is we search for the best VC that is active in China and we invest as a limited partner in a significant amount so that we can share or that they share the deal flow with us. (INT15)
50	Private acceleration		(...) we have relationship with an ecosystem of partners being these... you know, platforms, intelligence providers... associations, VCs, accelerators and so on (...). (INT17)
51	Private incubation		

Source: Prepared by the authors.

Table 8. Corporate venturing ecosystem: Demand

#	Complete list—challenged by data availability	Operationalized iteration	
		Stakeholder	
30	Multinationals	30	Multinationals
31	Venture capital (VC) investors	31	Venture capital (VC) investors
32	Accelerators	32	Accelerators and incubators
33	Incubators	33	Business angels
34	Business angels	34	Family offices
35	Family offices	35	Government
36	Government	36	University
37	University		
Mechanism			
38	Corporate venture capital (CVC)	37	Corporate venture capital (CVC)
39	Start-up acquisition	38	Start-up acquisition
40	Corporate acceleration	39	Venture capital (VC)
41	Corporate incubation	40	Acceleration and incubation
42	Scouting team		
43	Sharing resources		
44	Strategic partnership		
45	Hackathon		
46	Challenge prize		
47	Venture builder		
48	Venture client		
49	Venture capital (VC)		
50	Private acceleration		
51	Private incubation		

Source: Prepared by the authors.

3. Examples

3.1. Ecosystem Factsheets

This section endeavors to showcase the practical implementation of the fourth layer of the proposed checklist—the regional one—along with its 40 distinct operational variables.

Four cases are described, providing a comprehensive understanding of their domestic circumstances (control variables), start-up supply landscape, and start-up demand or competition dynamics.

The chosen cases, representing diverse regions—China (Eastern Asia), Kenya (Eastern Africa), Mexico (North America), and the United Kingdom (Western Europe)—have been meticulously selected to offer insightful perspectives.

Despite primarily utilizing a national-level framework, the proposal acknowledges the significance of subnational dynamics (see Appendix 5.2.2). To address this subnational diversity, each factsheet incorporates 3 key structural insights: the concentration factor, the distance factor, and the density of start-ups. See Appendix 5.2.2 for more details.

These 4 factsheets result from an exhaustive search of data sources, exclusively relying on reputable organizations such as the World Bank, the International Monetary Fund, and the Organisation for Economic Co-operation and Development (OECD).

Additionally, each factsheet underwent review by local experts who addressed inconsistencies and assessed data sources for accuracy. This collaborative effort enhances analysis reliability, stressing the need to complement international databases like PitchBook with expert insights to comprehensively understand the corporate venturing scenario. Appendix 5.2.3 provides more details about the research methodology.

In contrast to conventional perspectives that center on the "usual suspects"—the most mature ecosystems, such as the United States or Israel—the analysis unveils a broader spectrum of opportunities.

- The **United Kingdom** is an illustrative case, showcasing a remarkably mature corporate venturing ecosystem that consistently ranks among the top five globally across multiple international comparisons.^k
- Moving beyond the traditional hubs, **China** stands as a distinctive example within Eastern Asia, with unique characteristics and potential for corporate venturing, denoted by its strategic international reach.
- **Mexico**, on the other hand, represents a regional leader in Latin America, defying the notion that opportunities are solely concentrated in more established ecosystems.^l

^k For instance, according to the GSEI (2023) ranking, it secures the 2nd position, while the GSER (2023) places it at 2nd, GII (2023) at 4th, and VCPE (2023) at 2nd.

^l It consistently holds a position among the top three Latin American ecosystems, as evidenced by its rankings in GSEI (2023) at 3rd, GSER Emerging Ecosystems ranking (2023) at 2nd, GII (2023) at 3rd, and VCPE (2023) at 2nd.



- **Kenya**, though not among the conventional frontrunners, emerges as a compelling case study. Despite its lower positions in international rankings,^m Kenya's distinctive ecosystem presents potential for corporate venturing in specific scenarios.

This diversity in regional and contextual considerations underscores the importance of adopting a savvy and interactive approach to international start-up scouting. Ready to navigate the twists and turns? Let's dive in.

^m GSEI (2023) at 62nd, GSER emerging-ecosystems ranking (2023) at 51st-60th, GII (2023) at 68th, and VCPE (2023) at 100th.



China (1/3)

Region	Surface area (sq. km)	Population (bn)	GDP (\$bn)	GDP per capita (\$)
East Asia	9,562,910	1.42	12,323	12,916.9

Ecosystem structural key insights	<i>Concentration factor</i>	56.6% start-ups are concentrated in Beijing, Shanghai, Hong Kong, and Shenzhen
	<i>Distance factor</i>	1,243.8 km / 772.9 miles, the average distance between these top 4 areas
	<i>Start-up density</i>	2.4 start-ups / 100,000 pop. 15–64

CONTROL VARIABLES

DOMESTIC CIRCUMSTANCES

CULTURAL

1 Cultural diversity

1.1 Hofstede's revised 2-dimensional country cultural model ■ & Collectivism (low), flexibility (moderate) ♦

2 Language

2.1 Language(s) spoken in the country & (See Note 6.) Mandarin, Cantonese (Yue), other

3 English level

3.1 English proficiency & Low (464/647)

ECONOMIC

4 Economic growth

4.1 Real GDP growth, % change annually & 5

5 Market size

5.1 Final consumption expenditure, % GDP & 53
5.2 Population size, m 1,411.4

6 Manufacturing potential

6.1 Manufacturing, value added, % GDP & 28
6.2 High-technology exports, % manufactured exports & 23

POLITICAL/LEGAL

7 Political stability

7.1 Political stability and absence of violence/terrorism index* & (See Note 7.) Moderate instability (-0.44/2.5)

8 Government effectiveness

8.1 Government effectiveness index* & Moderate effective (0.50/2.5)

9 Rule of law

9.1 Rule of law index* & Moderate confidence (-0.04/2.5)

GEOGRAPHICAL

10 Location

10.1 UTC offset & UTC+8

DOMESTIC ENTREPRENEURSHIP DETERMINANTS

ENTREPRENEURIAL ENVIRONMENT

11 Attitudes towards entrepreneurship

11.1 Entrepreneurship perceived to be a good career choice, % population Δ & (See Note 8.) 79.1

12 Entrepreneurial activity

12.1 Entrepreneurs, % pop. 18-64 Δ & 6.8

13 Entrepreneurial regulations and public support

13.1 Taxes /regulation size-neutral or encourage entrepreneurship, expert score Δ & Mostly true (6.4/9)

13.2 Government programs supporting entrepreneurship, expert score Δ & Somewhat present/adequate (5.4/9)

14 Tax system

14.1 Corporate income tax (CIT) rate, % & 25
14.2 Corporate capital gains tax (CGT) rate, % & 25

FOREIGN INVESTMENT

15 Financial system access and familiarity

15.1 Financial system family ■ & n/a

16 Investment regulation

16.1 Investor protection ■ & n/a

17 Volume foreign investment

17.1 Foreign direct investment inflows, % GDP & 1

Source: Prepared by the authors.

China (2/3)

	Region	Surface area (sq. km)	Population (bn)	GDP (\$bn)	GDP per capita (\$)
	East Asia	9,562,910	1.42	12,323	12,916.9

SUPPLY				
START-UP OFFERING				
START-UP OFFER				
18	Total number of start-ups			
18.1	Number of start-ups † (See Note 9.)			
18.1	23,787			
19	Start-ups with seed and early-stage venture capital round			
19.1	Number of start-ups with seed/early-stage venture capital round †			
19.1	14,059			
20	Start-ups with late venture capital round			
20.1	Number of start-ups with later stage venture capital round †			
20.1	3,957			
20.2	Number of unicorns			
20.2	175			
20.3	% total global			
20.3	14.3			
EXITS				
21	Initial public offering (IPO), Jan.-Dec. 2023 (See Note 10.)			
21.1	IPO issuer, deals			
21.1	407			
21.2	IPO issued, value, \$bn			
21.2	54.3			
21.3	IPO issued, value, % GDP			
21.3	0.3			
STRUCTURE OF START-UP MARKET				
22	Level of centralization			
22.1	Concentration factor, 4 top cities, % start-ups*			
22.1	46			
22.2	Distance factor, 3 top cities, km*			
22.2	1,243.8			
23	Density of start-ups			
23.1	Start-ups /100,000 pop. 15–64			
23.1	2.4			
START-UP POTENTIAL				
KNOWLEDGE CREATION AND DIFFUSION				
24	Knowledge creation			
24.1	Patent resident applications/m population &			
24.1	1,037			
25	Research and development (R&D) Investment			
25.1	R&D expenditure, % GDP &			
25.1	2.43 ♦			
HUMAN CAPITAL FOR START-UPS				
26	Government support for high-skilled immigration and entrepreneurship			
26.1	Measures to foster talent/entrepreneurs’ entry &			
26.1	Present			
27	Labor cost			
27.1	Average monthly earnings, \$ &			
27.1	1,336			
28	Talent			
28.1	Tertiary-educated population, % gross* &			
28.1	44.29			
28.2	Graduates in science, engineering, mathematics, % &			
28.2	41 ♦			
28.3	Highly skilled employment share, % pop. +15 &			
28.3	7.28 ♦			
INFRASTRUCTURE FOR START-UPS				
29	ICT development			
29.1	ICT development index* &			
29.1	Optimal (84.4/100)			

Source: Prepared by the authors.



China (3/3)

Region	Surface area (sq. km)	Population (bn)	GDP (\$bn)	GDP per capita (\$)
East Asia	9,562,910	1.42	12,323	12,916.9

COMPETITION

STAKEHOLDERS

30 Multinationals

30.1	Number of subsidiaries > \$200 m (See Note 11.)	3,593
30.2	Number of foreign subsidiaries > \$200 m (See Note 12.)	1,848

31 Venture capital (VC)

31.1	Number of VC investors	6,207
31.2	VC investors/1,000 start-ups	260.9

32 Accelerators and incubators

32.1	Number of accelerators and incubators ■† (See Note 13.)	595 / 13,000
32.2	Accelerators and incubators/1,000 start-ups † (See Note 14.)	185.7 / 546.5

33 Business angels

33.1	Number of business angels †	582
33.2	Business angels/1,000 start-ups †	24.5

34 Family offices (see Note 15)

34.1	Number of family offices †	4,000 ~
34.2	Family offices/1,000 start-ups †	174.9

35 Government investors

35.1	Number of government investors †	544
35.2	Government investors/1,000 start-ups †	22.9

36 University investors

36.1	Number of university investors †	73
36.2	University investors/1,000 start-ups †	3.1

MECHANISMS

37 Corporate venture capital (CVC), Jan.-Dec. 2023 (See Note 16.)

37.1	Deals	194 / 2,050
37.2	Received, value, \$bn	16.6 / 31.4
37.3	Received, value, % GDP	0.0 / 0.0

38 Start-up acquisitions, Jan.-Dec. 2023

38.1	Deals	247
38.2	Received, value, \$bn	31.6
38.3	Received, value, % GDP	0.2

39 Venture capital (VC), Jan.-Dec. 2023

39.1	Deals	4,332
39.2	Received, value, \$bn	42.8
39.3	Received, value, % GDP	0.2

40 Acceleration and incubation, Jan.-Dec. 2023

40.1	Deals †	26
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Source: Prepared by the authors.



China factsheet's notes:

1. Composite indicators are marked with an asterisk (*), survey questions with a triangle (Δ), and indicators derived from academic analyses published in peer-reviewed journals with a square (■).
2. Indicators referring only to China mainland are denoted by ampersand (&). Otherwise, the data involves aggregated data from China mainland and Hong Kong SAR.
3. A red diamond (♦) signals older data than the main dataset (which spans 2022-2024); readers should check Appendix 5.2.3 for the specific year.
4. Indicators of lesser reliability, which require cautious interpretation, are marked with a dagger (†).
5. In assessing the concentration factor and the top 3 cities, Hong Kong and Shenzhen are tied for the 3rd position, with 2,584 and 2,503 start-ups respectively. Given Shenzhen's reputation as "China's Silicon Valley," characterized by rapid economic growth and strong innovation culture,⁷⁰ the authors deemed this adjustment to the indicator pertinent for gaining key insights into China's ecosystem structure. Local sources estimate that Hong Kong had 4,257 start-ups in 2023.⁷¹ Hangzhou follows in the 4th position with 1,668 start-ups. The start-up ecosystem map of China by StartupBlink, encompassing a sample of 5,709 start-ups, significantly corroborates these findings.ⁿ According to their rankings, Beijing takes the lead with 1,550 start-ups, followed by Shanghai (971 start-ups), Shenzhen (711 start-ups), Hangzhou (490 start-ups), and Hong Kong in the 5th position with 411 start-ups.⁷²
6. The Chinese Constitution stipulates in Article 19 that the state promotes the national use of Putonghua (known as standard Mandarin Chinese).
7. The indicator spans from around -2.5, indicating weak governance (a high risk of political instability or violence, including terrorism), to 2.5, suggesting strong governance (a low risk of political instability or violence, including terrorism). Among all countries, China holds a percentile rank of 28.30 (ranging from 0, indicating the lowest political stability, to 100, representing the highest rank). For context, Hong Kong SAR presents an estimated value of 0.61 and holds the 67th rank, while Macao SAR has a value of 1.13 and holds the 90th rank. The position of China in this indicator, created by the World Bank, may be subject to interpretation, as highlighted by interviews. This indicator is constructed using data from various sources, including but not limited to the Economist Intelligence Unit (EIU), Human Rights Measurement Initiative (HRMI), International Peace and Development (IPD), Political Risk Services (PRS), and World Justice Project (WJP), among others. These sources contribute individual variables that are aggregated to measure aspects of governance, including political stability. Furthermore, it is important to note the resulting percentile rank, with the Cayman Islands holding the highest position. Also, other territories with high ranks (e.g., Jersey, Andorra, Aruba, Niue, Brunei Darussalam) may not perform as well when subjected to similar societal loads as China. Additionally, the scoring criteria within these sources may not fully align with China's unique political and social dynamics. The expert's broader definition of political stability includes considerations such as governance effectiveness, international positioning, economic stability, diplomacy, law enforcement, and sustained wealth creation among the population over time. Thus, while the indicator provides a snapshot, it may not fully capture the complexity of political stability, particularly in contexts like China.
8. GEM data spanning from 2003 to 2023 indicates an average rate of 70.3% for China, with a minimum of 60.8% in 2008 and a maximum of 79.6% in 2023. Despite these reported figures, interviews suggest that the actual percentage of Chinese individuals viewing entrepreneurship favorably may be lower. This perspective considers historical and cultural factors, where aspirations for careers in international corporations have traditionally been more desirable. Disparities in pay and career opportunities between international and local companies may also influence perceptions. While successful entrepreneurs like Jack Ma, co-founder of Alibaba Group, have gained prominence, entrepreneurship may not be as widely embraced as portrayed. Hong Kong SAR numbers provided by GEM align more closely with this perspective, with an average of 55.6% and a minimum of 44.8% in 2009 and a maximum of 65.7% in 2007.
9. Data from PitchBook. According to the Chinese Ministry of Industry and Information Technology, in 2022, 23,800 new companies were established daily, pushing the total number of micro, small, and medium-sized businesses beyond 52 million. Within this vast landscape, around 70,000 companies were described as "specialized, refined, special, and innovative," referring to companies with strong business specialization, refined management, specialized processes, and a high level of innovation. Notably, among these enterprises were 8,997 "little giants"—pioneering firms that held sway over specific market segments and showed promising innovation prospects.^{73,74}

ⁿ Start-up is defined as "any business that applies an innovative technology-enabled solution that has the potential to achieve scalability." StartupBlink samples start-up ecosystem data based on their StartupBlink Global Map. They estimate that the core map dataset has a representative sample covering 10-15% of total relevant entities in global start-up ecosystems. In addition, tens of thousands of entities and data integrations are considered via their global data partners.²¹

10. Region allocation pertains to the geographic location of the issuer or borrower, specifically referring to the location in which the start-up conducting the IPO is headquartered, rather than the location of the stock exchange where the IPO is listed. Within the sourcing group, IPOs can play a pivotal role in assessing the maturity of the start-up ecosystem. When start-ups reach a stage where they can go public, it serves as an indicator that the ecosystem has provided the necessary support, including funding, mentorship, and a favorable business environment.
11. Active corporate entities located in the country with a minimum operating revenue of 200 million USD. It specifically focuses on subsidiaries whose ultimate owners have operating revenue of at least 1 billion USD. This criterion positions the indicator as a valuable tool for stakeholders aiming to navigate the corporate landscape, providing insights into companies with significant potential for corporate venturing.²⁶
12. Similarly to the preceding indicator, except these subsidiaries must be under ultimate ownership with a minimum of 51% ownership by foreign shareholders. This criterion selection serves as a proxy for assessing the country's attractiveness to foreign companies, particularly those with the potential for corporate venturing.
13. Hu et al. (2023) cite an approximate figure of 13,000 incubators in 2022 derived from Chinese government data.⁷⁵ According to a 2022 report from the Ministry of Science and Technology of China, the number of business incubators was 6,227 by 2021, marking an annual growth rate of 20.83% since 2015.^{76,77} Also according to the same Ministry, by the end of 2018, there were 4,069 incubators in China.⁷⁸ PitchBook reports a total of 245 accelerators/incubators, while StartupBlink Ecosystem Map lists 595 accelerators.⁷⁹ For detailed clarifications, see Appendix 5.2.4.
14. The ratio of 546.5 incubators/accelerators per 1,000 start-ups appears strikingly high, particularly when compared with other ecosystems, such as the UK, with a ratio of 17.8. However, these figures are contingent upon the sources used. For instance, if we substitute the number of start-ups with government estimations (70,000 start-ups; See Note 9.), the ratio would adjust to 185.7. Furthermore, using the number of accelerators provided by the StartupBlink Ecosystem Map, which reported 595 as of April 2024, the ratio would translate to either 25.01 (with 23,787 start-ups) or 8.5 (with 70,000 start-ups).
15. PwC estimates the number of family offices in Asia-Pacific is 1,061 as of March 2024.⁸⁰
16. Data for CVC was sourced from two distinct databases. The initial figure is derived from the Global Corporate Venturing deal database,⁸¹ while the subsequent number originates from PitchBook. Additional details are provided in Appendix 5.2.3.



Kenya (1/3)

Region	Surface area (sq. km)	Population (m)	GDP (\$bn)	GDP per capita (\$)
Eastern Africa	580,370	51.5	113.42	2,200.7
Ecosystem structural key insights	<i>Concentration factor</i>	89.3% of all start-ups are concentrated in Nairobi, Mombasa, Kisumu		
	<i>Distance factor</i>	468.6 km / 291.2 miles, the average distance between these top 3 areas		
	<i>Start-up density</i>	2.9 start-ups / 100,000 pop. 15–64		

CONTROL VARIABLES

DOMESTIC CIRCUMSTANCES

CULTURAL

1 Cultural diversity

1.1 Hofstede's revised 2-dimensional country cultural model ■ Collectivism (high), monumentalism (high) ◆

2 Language

2.2 Language(s) spoken in the country English, Kiswahili, other

3 English level

3.1 English proficiency High (584/647)

ECONOMIC

4 Economic growth

4.1 Real GDP growth, % change annually 5

5 Market size

5.1 Final consumption expenditure, % GDP 88.7

5.2 Population size, m 51.5

6 Manufacturing potential

6.1 Manufacturing, value added, % GDP 7.8

6.2 High-technology exports, % manufactured exports 2.3

POLITICAL/LEGAL

7 Political stability

7.1 Political stability and absence of violence/terrorism index* Moderate instability (-0.94/2.5)

8 Government effectiveness

8.1 Government effectiveness index* Moderate ineffective (-0.30/2.5)

9 Rule of law

9.1 Rule of law index* Low confidence (-0.32/2.5)

GEOGRAPHICAL

10 Location

10.1 UTC offset UTC+3

DOMESTIC ENTREPRENEURSHIP DETERMINANTS

ENTREPRENEURIAL ENVIRONMENT

11 Attitudes towards entrepreneurship

11.1 Entrepreneurship perceived to be a good career choice, % population Δ n/a

12 Entrepreneurial activity

12.1 Entrepreneurs, % pop. 18-64 Δ n/a

13 Entrepreneurial regulations and public support

13.1 Taxes /regulation size-neutral or encourage entrepreneurship, expert score Δ n/a

13.2 Government programs supporting entrepreneurship, expert score Δ n/a

14 Tax system

14.1 Corporate income tax (CIT) rate, % 30

14.2 Corporate capital gains tax (CGT) rate, % 15

FOREIGN INVESTMENT

15 Financial system access and familiarity

15.1 Financial system family ■ English/common law ◆

16 Investment regulation

16.1 Investor protection ■ Strong ◆

17 Volume foreign investment

17.1 Foreign direct investment inflows, % GDP 0.4

Source: Prepared by the authors.



Kenya (2/3)

Region	Surface area (sq. km)	Population (m)	GDP (\$bn)	GDP per capita (\$)
Eastern Africa	580,370	51.5	113.42	2,200.7

SUPPLY

START-UP OFFERING

START-UP OFFER

18 Total number of start-ups (See Note 5.)

18.1	Number of start-ups	914
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19 Start-ups with seed and early-stage venture capital round

19.1	Number of start-ups with seed/early-stage venture capital round	147
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20 Start-ups with late venture capital round

20.1	Number of start-ups with later stage venture capital round	38
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20.2	Number of unicorns	0
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20.3	% total global	-
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EXITS

21 Initial public offering (IPO), Jan.-Dec. 2023 (See Note 6.)

21.1	IPO issuer, deals	0
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21.2	IPO issued, value, \$bn	-
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21.3	IPO issued, value, % GDP	-
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STRUCTURE OF START-UP MARKET

22 Level of centralization

22.1	Concentration factor, 3 top cities, % start-ups*	89.3
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22.2	Distance factor, 3 top cities, km*	468.3
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23 Density of start-ups

23.1	Start-ups /100,000 pop. 15–64	2.9
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START-UP POTENTIAL

KNOWLEDGE CREATION AND DIFFUSION

24 Knowledge creation

24.1	Patent resident applications/ m population	6.8
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25 Research and development (R&D) Investment

25.1	R&D expenditure, % GDP	0.7 ♦
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HUMAN CAPITAL FOR START-UPS

26 Government support for high-skilled immigration and entrepreneurship

26.1	Measures to foster talent/entrepreneurs' entry	Present
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27 Labor cost

27.1	Average monthly earnings, \$	634 ♦
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28 Talent

28.1	Tertiary-educated population, % gross*	2.5 ♦
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28.2	Graduates in science, engineering, mathematics, %	30.4 ♦
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28.3	Highly skilled employment share, % pop. +15	54.2 ♦
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INFRASTRUCTURE FOR START-UPS

29 ICT development

29.1	ICT development index*	Moderate (54.2/100)
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Source: Prepared by the authors.

**Kenya (3/3)**

Region	Surface area (sq. km)	Population (m)	GDP (\$bn)	GDP per capita (\$)
Eastern Africa	580,370	51.5	113.42	2,200.7

COMPETITION**STAKEHOLDERS****30 Multinationals**

30.1 Number of subsidiaries > \$200 m (See Note 7.)

4

30.2 Number of foreign subsidiaries > \$200 m (See Note 8.)

4

31 Venture capital (VC)

31.1 Number of VC investors

29

31.2 VC investors/1,000 start-ups

31.7

32 Accelerators and incubators (See Note 9.)

32.1 Number of accelerators and incubators ■ †

51

32.2 Accelerators and incubators/1,000 start-ups †

55.8

33 Business angels

33.1 Number of business angels †

21

33.2 Business angels /1,000 start-ups †

23

34 Family offices (See Note 10.)

34.1 Number of family offices †

0

34.2 Family offices/1,000 start-ups †

-

35 Government investors

35.1 Number of government investors †

8

35.2 Government investors/1,000 start-ups †

8.8

36 University investors

36.1 Number of university investors †

2

36.2 University investors/1,000 start-ups †

2.2

MECHANISMS**37 Corporate venture capital (CVC), Jan.-Dec. 2023 (See Note 10.)**

37.1 Deals

6 / 14

37.2 Received, value, \$bn

0.3 / 0.4

37.3 Received, value, % GDP

0.0 / 0.0

38 Start-up acquisitions, Jan.-Dec. 2023

38.1 Deals

17

38.2 Received, value, \$bn

0.0

38.3 Received, value, % GDP

0.0

39 Venture capital (VC), Jan.-Dec. 2023

39.1 Deals

54

39.2 Received, value, \$bn

0.5

39.3 Received, value, % GDP

0.4

40 Acceleration and incubation, Jan.-Dec. 2023

40.1 Deals †

48

Source: Prepared by the authors.

Kenya factsheet's notes:

1. Composite indicators are marked with an asterisk (*), survey questions with a triangle (Δ), and indicators derived from academic analyses published in peer-reviewed journals with a square (■).
2. A red diamond (◆) signals older data than the main dataset (which spans 2022-2024); readers should check Appendix 5.2.3 for the specific year.
3. Indicators of lesser reliability, which require cautious interpretation, are marked with a dagger (†).
4. It is noteworthy that Nairobi itself concentrates 67.3% of all start-ups.
5. The Africa Big Deal Start-up Database, suggested by the local expert, serves as a complementary data source. This database documents all funding deals exceeding \$100,000 secured by start-ups in Africa from 2019 to the end of February 2024. For Kenya, it lists approximately 450 start-ups, a figure consistent with the 914 start-ups covered in the factsheet. The factsheet encompasses start-ups founded from January 1, 2014, with headquarters in Kenya, including all ownership statuses except those labeled as "out of business."
6. Region allocation pertains to the geographic location of the issuer or borrower, specifically referring to the location in which the start-up conducting the IPO is headquartered, rather than the location of the stock exchange where the IPO is listed. Within the sourcing group, IPOs can play a pivotal role in assessing the maturity of the start-up ecosystem. When start-ups reach a stage where they can go public, it serves as an indicator that the ecosystem has provided the necessary support, including funding, mentorship, and a favorable business environment.
7. Active corporate entities located in the country with a minimum operating revenue of 200 million USD. It specifically focuses on subsidiaries whose ultimate owners have operating revenue of at least 1 billion USD. This criterion positions the indicator as a valuable tool for stakeholders aiming to navigate the corporate landscape, providing insights into companies with the significant potential for corporate venturing.²⁶
8. Similarly to the preceding indicator, except these subsidiaries must be under ultimate ownership with a minimum of 51% ownership by foreign shareholders. This criterion selection serves as a proxy for assessing the country's attractiveness to foreign companies, particularly those with the potential for corporate venturing.
9. According to interviews, there is a lack of formal documentation regarding the number of accelerators/incubators in Kenya. Estimates are based on rough approximations. If adopting a broad definition, the count could reach 51. However, a more conservative approach, considering only those fitting a stricter definition, could result in a count as low as 20. For detailed clarifications, see Appendix 5.2.4.
10. There are no family businesses headquartered in Kenya according to Pitchbook. According to PwC's recent report, there are 42 family offices in Africa as of March 2024.⁸⁰
11. Data for CVC was sourced from two distinct databases. The initial figure is derived from the Global Corporate Venturing deal database,⁸¹ while the subsequent number originates from PitchBook. Additional details are provided in Appendix 5.2.3.

**Mexico (1/3)**

Region	Surface area (sq. km)	Population (m)	GDP (\$bn)	GDP per capita (\$)
North America	1,964,38	131.2	1.47	11,170.1

Ecosystem structural key insights	<i>Concentration factor</i> 68.3% of all start-ups are concentrated in Mexico City, Monterrey, Guadalajara <i>Distance factor</i> 600.86 km / 373.4 miles, the average distance between these top 3 areas <i>Start-up density</i> 2.9 start-ups / 100,000 pop. 15–64
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CONTROL VARIABLES**DOMESTIC CIRCUMSTANCES****CULTURAL****1 Cultural diversity**

1.1 Hofstede's revised 2-dimensional country cultural model ■ Collectivism (low), monumentalism (high) ◆

2 Language

2.1 Language(s) spoken in the country Spanish, Mayan, Nahuatl, other

3 English level

3.1 English proficiency Low (451/647)

ECONOMIC**4 Economic growth**

4.1 Real GDP growth, % change annually 3.2

5 Market size

5.1 Final consumption expenditure, % GDP 81.8
5.2 Population size, m 131.2

6 Manufacturing potential

6.1 Manufacturing, value added, % GDP 21.5
6.2 High-technology exports, % manufactured exports 19.4

POLITICAL/LEGAL**7 Political stability**

7.1 Political stability and absence of violence/terrorism index* Moderate instability (-0.69/2.5)

8 Government effectiveness

8.1 Government effectiveness index* Moderate ineffective (-0.28/2.5)

9 Rule of law

9.1 Rule of law index* Low confidence (-0.87/2.5)

GEOGRAPHICAL**10 Location**

10.1 UTC offset UTC-8, -7, -6, -5

DOMESTIC ENTREPRENEURSHIP DETERMINANTS**ENTREPRENEURIAL ENVIRONMENT****11 Attitudes towards entrepreneurship**

11.1 Entrepreneurship perceived to be a good career choice, % population Δ 65.2

12 Entrepreneurial activity

12.1 Entrepreneurs, % pop. 18-64 Δ 16.8

13 Entrepreneurial regulations and public support

13.1 Taxes /regulation size-neutral or encourage entrepreneurship, expert score Δ Somewhat false (3.1/9)
13.2 Government programs supporting entrepreneurship, expert score Δ Neutral/undecided (3.6/9)

14 Tax system

14.1 Corporate income tax (CIT) rate, % 30
14.2 Corporate capital gains tax (CGT) rate, % 30 (Mexico resident), 25 (non-resident)

FOREIGN INVESTMENT**15 Financial system access and familiarity**

15.1 Financial system family ■ French civil law ◆

16 Investment regulation

16.1 Investor protection ■ Weak ◆

17 Volume foreign investment

17.1 Foreign direct investment inflows, % GDP 2.7

Source: Prepared by the authors.

**Mexico (2/3)**

Region	Surface area (sq. km)	Population (m)	GDP (\$bn)	GDP per capita (\$)
North America	1,964,38	131.2	1.47	11,170.1

SOURCING**START-UP OFFERING****START-UP OFFER****18 Total number of start-ups**

18.1	Number of start-ups	2,453
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19 Start-ups with seed and early-stage venture capital round

19.1	Number of start-ups with seed/early-stage venture capital round	373
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20 Start-ups with late venture capital round

20.1	Number of start-ups with later stage venture capital round	76
20.2	Number of unicorns	8
20.3	% total global	0.7

EXITS**21 Initial public offering (IPO), Jan.-Dec. 2023 (See Note 5.)**

21.1	IPO issuer, deals	1
21.2	IPO issued, value, \$bn	0.4
21.3	IPO issued, value, % GDP	0.0%

STRUCTURE OF START-UP MARKET**22 Level of centralization**

22.1	Concentration factor, 3 top cities, % start-ups*	56.7
22.2	Distance factor, 3 top cities, km*	600.9

23 Density of start-ups

23.1	Start-ups /100,000 pop. 15–64	2.9
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START-UP POTENTIAL**KNOWLEDGE CREATION AND DIFFUSION****24 Knowledge creation**

24.1	Patent resident applications/m population	7.7
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25 Research and development (R&D) investment

25.1	R&D expenditure, % GDP	0.3 ♦
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HUMAN CAPITAL FOR START-UPS**26 Government support for high-skilled immigration and entrepreneurship**

26.1	Measures to foster talent/entrepreneurs' entry	Present
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27 Labor cost

27.1	Average monthly earnings, \$	1,006
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28 Talent

28.1	Tertiary-educated population, % gross*	31.9 ♦
28.2	Graduates in science, engineering, mathematics, %	24.3 ♦
28.3	Highly skilled employment share, % pop. +15	16.6

INFRASTRUCTURE FOR START-UPS**29 ICT development**

29.1	ICT development index*	High development (78/100)
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Source: Prepared by the authors

**Mexico (3/3)**

Region	Surface area (sq. km)	Population (m)	GDP (\$bn)	GDP per capita (\$)
North America	1,964,38	131.2	1.47	11,170.1

COMPETITION**STAKEHOLDERS****30 Multinationals**

30.1 Number of subsidiaries > \$200 m (See Note 6.) 152

30.2 Number of foreign subsidiaries > \$200 m (See Note 7.) 118

31 Venture capital (VC)

31.1 Number of VC investors 97

31.2 VC investors/ 1,000 start-ups 39.5

32 Accelerators and incubators (See Note 8.)

32.1 Number of accelerators and incubators † 39

32.2 Accelerators and incubators/1,000 start-ups † 15.9

33 Business angels

33.1 Number of business angels † 111

33.2 Business angels/1,000 start-ups † 45.3

34 Family offices (See Note 9.)

34.1 Number of family offices † 50

34.2 Family offices/1,000 start-ups † 20.4

35 Government investors

35.1 Number of government investors † 11

35.2 Government investors/1,000 start-ups † 4.5

36 University investors

36.1 Number of university investors † 5

36.2 University investor /1,000 start-ups † 2.0

MECHANISMS**37 Corporate venture capital (CVC), Jan.-Dec. 2023 (See Note 10.)**

37.1 Deals 10 / 21

37.2 Received, value, \$bn 0.2 / 0.4

37.3 Received, value, % GDP 0.0 / 0.0

38 Start-up acquisitions, Jan.-Dec. 2023

38.1 Deals 66

38.2 Received, value, \$bn 4.9

38.3 Received, value, % GDP 0.3

39 Venture capital (VC), Jan.-Dec. 2023

39.1 Deals 127

39.2 Received, value, \$bn 0.7

39.3 Received, value, % GDP 0.0

40 Acceleration and incubation, Jan.-Dec. 2023

40.1 Deals † 34

Source: Prepared by the authors.

Mexico factsheet's notes:

1. Composite indicators are marked with an asterisk (*), survey questions with a triangle (Δ), and indicators derived from academic analyses published in peer-reviewed journals with a square (■).
2. A red diamond (◆) signals older data than the main dataset (which spans 2022-2024); readers should check Appendix 5.2.3 for the specific year.
3. Indicators of lesser reliability, which require cautious interpretation, are marked with a dagger (†).
4. In relation to the concentration factor and the top 3 cities, please note that Monterrey's calculation includes San Pedro Garza García, a city-municipality within the Monterrey Metropolitan area. Similarly, Guadalajara's calculation encompasses Zapopan, a city located within less than 10 km. Puebla claims the 4th position with 50 start-ups. Queretaro holds the 5th position with 38 start-ups and, according to local experts, should be included among the top Mexican cities. According to interviews, most start-ups progressing from the seed stage to round A are located within these three cities. Also, that the reported concentration may be conservative, with Mexico City potentially concentrating as much as 80% of start-ups. The start-up ecosystem map of Mexico provided by StartupBlink, covering a sample of 709 start-ups, significantly supports these observations. According to their rankings, Mexico City leads with 374 start-ups, followed by Monterrey (66 start-ups), Puebla (10 start-ups), and Guadalajara securing the 4th position with 64 start-ups.⁷²
5. Region allocation pertains to the geographic location of the issuer or borrower, specifically referring to the location in which the start-up conducting the IPO is headquartered, rather than the location of the stock exchange where the IPO is listed. Within the sourcing group, IPOs can play a pivotal role in assessing the maturity of the start-up ecosystem. When start-ups reach a stage where they can go public, it serves as an indicator that the ecosystem has provided the necessary support, including funding, mentorship, and a favorable business environment. This explanation is exemplified by the inclusion of one IPO from Mexico, that of Vesta, a real estate company that owns, manages, develops, and leases industrial properties in Mexico. Vesta announced its IPO in July 2023 on the New York Stock Exchange.⁸² For broader context, there have not been IPOs on the Mexican Stock Exchange since 2017, and within the last 4 years, 17 companies have left.⁸³
6. Active corporate entities located in the country with a minimum operating revenue of 200 million USD. It specifically focuses on subsidiaries whose ultimate owners have operating revenue of at least 1 billion USD. This criterion positions the indicator as a valuable tool for stakeholders aiming to navigate the corporate landscape, providing insights into companies with significant potential for corporate venturing.²⁶
7. Similarly to the preceding indicator, except these subsidiaries must be under ultimate ownership with a minimum of 51% ownership by foreign shareholders. This criterion selection serves as a proxy for assessing the country's attractiveness to foreign companies, particularly those with the potential for corporate venturing.
8. According to Pitchbook (2024), the number of accelerators/incubators headquartered in Mexico is 39. However, alternative local sources indicate a higher number, citing 258 (2021; see Appendix 5.2.4). The interviewed local experts tended to agree with the smaller figures. If a broad definition is considered (e.g., including university-affiliated programs), then the higher number aligns. However, when applying a stricter definition, the number of accelerators becomes significantly lower. As one expert pointed out, accelerators with a strict definition can be counted on one hand and their numbers are dwindling. Furthermore, another expert highlighted a broader trend within the industry. Notably, some well-known accelerators no longer operate under the traditional model and have transitioned into venture capital funds. Moreover, there is a notable trend among Mexican start-ups: an increasing number are seeking opportunities abroad rather than within the domestic ecosystem. For instance, many are applying to traditional accelerator programs abroad, such as Techstars in Miami. For detailed clarifications, see Appendix 5.2.4.
9. The differing opinions among the interviewed local experts may stem from the multitude of models and the potential for broader or stricter definitions to be applied.⁸⁴ For instance, one expert suggests that the current count could be closer to 100. Conversely, others lean towards a more formal and institutionalized definition, estimating the current number to fall between 30-40. These discrepancies underscore the complexity of defining and quantifying such entities within the ecosystem.
10. Data for CVC was sourced from two distinct databases. The initial figure is derived from the Global Corporate Venturing deal database,⁸¹ while the subsequent number originates from PitchBook. Additional details are provided in Appendix 5.2.3.



United Kingdom (1/3)

Region	Surface area (sq. km)	Population (m)	GDP (\$bn)	GDP per capita (\$)
Western Europe	243,610	68.1	3.09	45,346.2
Ecosystem structural key insights	<i>Concentration factor</i>	47.4% of all start-ups are concentrated in London, Manchester, Edinburgh		
	<i>Distance factor</i>	358.4 km / 222.7 miles, the average distance between these top 3 areas		
	<i>Start-up density</i>	99.9 start-ups / 100,000 pop. 15–64		

ECOSYSTEM

DOMESTIC CIRCUMSTANCES

CULTURAL

1 Cultural diversity

1.1 Hofstede's revised 2-dimensional country cultural model ■ Individualism (moderate), flexibility (low) ♦

2 Language

2.1 Language(s) spoken in the country English, Scots, Scottish Gaelic, Welsh, Irish, Cornish

3 English level

3.1 English proficiency Native

ECONOMIC

4 Economic growth

4.1 Real GDP growth, % change annually 0.5

5 Market size

5.1 Final consumption expenditure, % GDP 82.9

5.2 Population size, m 68

6 Manufacturing potential

6.1 Manufacturing, value added, % GDP 8.3

6.2 High-technology exports, % manufactured exports 26.5

POLITICAL/LEGAL

7 Political stability

7.1 Political stability and absence of violence/terrorism index* Moderate stability (0.50/2.5)

8 Government effectiveness

8.1 Government effectiveness index* Moderate effective (1.24/2.5)

9 Rule of law

9.1 Rule of law index* High confidence (1.42/2.5)

GEOGRAPHICAL

10 Location

10.1 UTC offset UTC +0

DOMESTIC ENTREPRENEURSHIP DETERMINANTS

ENTREPRENEURIAL ENVIRONMENT

11 Attitudes towards entrepreneurship

11.1 Entrepreneurship perceived to be a good career choice, % population Δ 67.3

12 Entrepreneurial activity

12.1 Entrepreneurs, % pop. 18-64 Δ 11.7

13 Entrepreneurial regulations and public support

13.1 Taxes /regulation size-neutral or encourage entrepreneurship, expert score Δ Somewhat true (5.2/9)

13.2 Government programs supporting entrepreneurship, expert score Δ Neutral/undecided (4.1/9)

14 Tax system

14.1 Corporate income tax (CIT) rate, % 25

14.2 Corporate capital gains tax (CGT) rate, % 25

FOREIGN INVESTMENT

15 Financial system access and familiarity

15.1 Financial system family ■ English/common law ♦

16 Investment regulation

16.1 Investor protection ■ Strong ♦

17 Volume foreign investment

17.1 Foreign direct investment inflows, % GDP 1.4

Source: Prepared by the authors.



United Kingdom (2/3)

Region	Surface area (sq. km)	Population (m)	GDP (\$bn)	GDP per capita (\$)
Western Europe	243,610	68.1	3.09	45,346.2

SOURCING

START-UP OFFERING

START-UP OFFER

18 Total number of start-ups

18.1	Number of start-ups	42,376
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19 Start-ups with seed and early-stage venture capital round

19.1	Number of start-ups with seed/early-stage venture capital round	5,218
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20 Start-ups with late venture capital round

20.1	Number of start-ups with later stage venture capital round	1,590
20.2	Number of unicorns	53
20.3	% total global	4.3

EXITS

21 Initial public offering (IPO), Jan.-Dec. 2023

21.1	IPO issuer, deals	23
21.2	IPO issued, value, \$bn	7.26
21.3	IPO issued, value, % GDP	0.2

STRUCTURE OF START-UP MARKET

22 Level of centralization

22.1	Concentration factor, 3 top cities, % start-ups*	48.4
22.2	Distance factor, 3 top cities, km*	358.4

23 Density of start-ups

23.1	Start-ups/100,000 pop. 15–64	99.9
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START-UP POTENTIAL

KNOWLEDGE CREATION AND DIFFUSION

24 Knowledge creation

24.1	Patent resident applications/ m population	252
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25 Research and development (R&D) Investment

25.1	R&D expenditure, % GDP	2.9 ♦
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HUMAN CAPITAL FOR START-UPS

26 Government support for high-skilled immigration and entrepreneurship

26.1	Measures to foster talent/entrepreneurs' entry	Present
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27 Labor cost

27.1	Average monthly earnings, \$	3,387
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28 Talent

28.1	Tertiary-educated population, % gross*	54.9 ♦
28.2	Graduates in science, engineering, mathematics, %	22.3 ♦
28.3	Highly skilled employment share, % pop. +15	50.6

INFRASTRUCTURE FOR START-UPS

29 ICT development

29.1	ICT development index*	Optimal (92.8/100)
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Source: Prepared by the authors.



United Kingdom (3/3)

Region	Surface area (sq. km)	Population (m)	GDP (\$bn)	GDP per capita (\$)
Western Europe	243,610	68.1	3.09	45,346.2

COMPETITION

STAKEHOLDERS

30 Multinationals

30.1	Number of subsidiaries > \$200 m (See Note 5.)	1,886
30.2	Number of foreign subsidiaries > \$200 m (See Note 6.)	1,301

31 Venture capital (VC)

31.1	Number of VC investors	1,285
31.2	VC investors/1,000 start-ups	30.3

32 Accelerators and incubators

32.1	Number of accelerators and incubators †	754
32.2	Accelerators and incubators/1,000 start-ups †	17.8

33 Business angels

33.1	Number of business angels †	2,654
33.2	Business angels/1,000 start-ups †	62.6

34 Family offices (See Note 7.)

34.1	Number of family offices †	347
34.2	Family offices/1,000 start-ups †	8.2

35 Government investors

35.1	Number of government investors †	259
35.2	Government investors/1,000 start-ups †	6.1

36 University investors

36.1	Number of university investors †	190
36.2	University investors/1,000 start-ups †	4.5

MECHANISMS

37 Corporate venture capital (CVC), Jan.-Dec. 2023 (See Note 8.)

37.1	Deals	266 / 588
37.2	Received, value, \$bn	6.1 / 8.8
37.3	Received, value, % GDP	0.0 / 0.0

38 Start-up acquisitions, Jan.-Dec. 2023

38.1	Deals	2,228
38.2	Received, value, \$bn	65.2
38.3	Received, value, % GDP	2.1

39 Venture capital (VC), Jan.-Dec. 2023

39.1	Deals	1,997
39.2	Received, value, \$bn	13.2
39.3	Received, value, % GDP	0.4

40 Acceleration and incubation, Jan.-Dec. 2023

40.1	Deals †	417
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Source: Prepared by the authors.

The United Kingdom factsheet's notes:

1. Composite indicators are marked with an asterisk (*), survey questions with a triangle (Δ), and indicators derived from academic analyses published in peer-reviewed journals with a square (■).
2. A red diamond (◆) signals older data than the main dataset (which spans 2022-2024); readers should check Appendix 5.2.3 for the specific year.
3. Indicators of lesser reliability, which require cautious interpretation, are marked with a dagger (†).
4. Regarding the concentration factor and the top 3 cities, after Edinburg, Bristol secured the 4th position with 548 start-ups, followed by Cambridgeshire in the 5th position with 525 start-ups, and Birmingham in the 6th position with 512 start-ups. It is noteworthy that London itself concentrates 43.9% of all start-ups. The start-up ecosystem map of the United Kingdom by StartupBlink, encompassing a sample of 10,931 start-ups, significantly corroborates these findings. According to their rankings, London takes the lead with 7,121 start-ups, followed by Cambridge (194 start-ups), Manchester (331 start-ups), Oxford (156 start-ups), and Bristol in the 5th position with 170 start-ups.⁷²
5. Active corporate entities located in the country with a minimum operating revenue of 200 million USD. It specifically focuses on subsidiaries whose ultimate owners have operating revenue of at least 1 billion USD. This criterion positions the indicator as a valuable tool for stakeholders aiming to navigate the corporate landscape, providing insights into companies with significant potential for corporate venturing.²⁶ For context, it is noteworthy that the total number of businesses in the UK with 250 or more employees in 2023 amounted to 8,000.⁸⁵
6. Similarly to the preceding indicator, except these subsidiaries must be under ultimate ownership with a minimum of 51% ownership by foreign shareholders. This criterion selection serves as a proxy for assessing the country's attractiveness to foreign companies, particularly those with the potential for corporate venturing.
7. According to researchers from Goldsmiths, University of London, and Newcastle University the number of single-family offices in the UK was around 1,000 in 2016.⁸⁶ PwC estimates the number of family offices in Europe is 3,178 as of March 2024.⁸⁰
8. Data for CVC was sourced from two distinct databases. The initial figure is derived from the Global Corporate Venturing deal database,⁸¹ while the subsequent number originates from PitchBook. Additional details are provided in Appendix 5.2.4.

3.2. Strategic Scouting: Unveiling Corporate Priorities Through Four Real-World Cases

Based on the data provided in the previous four factsheets, under standard circumstances and without additional context, CINO's would typically allocate their scouting team's presence and resources in the following order: 1) United Kingdom, 2) China, 3) Mexico, and 4) Kenya.

However, no two corporations are identical. In the fast-paced corporate venturing world, adopting a one-size-fits-all strategy proves inadequate. It is akin to navigating a complex maze where understanding your corporation's unique traits is the linchpin for success.

This section brings these concepts to life by exploring four real-world corporate cases.[°] Each case serves as a distinct starting point, shaped by the 3 layers of our checklist: 1) corporate general characteristics, 2) the corporate venturing unit, and 3) the specific targets of their scouting efforts.

Departing from these diverse starting points, a unique ranking emerges for each case, underscoring the proposed approach's value.

- Consider a **German clothing giant**, opting for **China** over the United Kingdom, Mexico, and Kenya. Why? It is driven by factors such as manufacturing potential and global integration.
- Meanwhile, an **Egyptian healthcare heavyweight** singles out **Kenya**, highlighting the importance of tailoring strategies to specific regional needs.
- A **Chilean consumer products leader** leans towards **Mexico**, revealing the significance of markets where the company is actively involved.
- And let's not overlook the **Spanish energy player**, which favors the United Kingdom based on geographical proximity and the CEO's global market strategy.

These real-life examples underscore a crucial point: conventional approaches fall short. A model that integrates interactive evaluation across the four layers of the checklist emerges as pivotal for designing impactful strategies.

3.2.1. Case 1. Clothing Manufacturing and Retailer in Western Europe: Going to China

This German-based clothing manufacturer and retailer generates \$20 billion in operating revenue and employs almost 60,000 individuals. The company operates in markets such as EMEA, the United States, and China. The CVC arm, headquartered in Germany, comprises a scouting team of five individuals spread across Germany and the Netherlands. With a portfolio boasting 25 invested start-ups, their strategic focus aligns with five pillars: athlete innovation, manufacturing innovation, digital and

[°] These cases are based on real-world examples shared by the interviewed experts and include actual strategies, goals, resources, and challenges. To protect the confidentiality of the involved corporations, certain details like turnover, number of employees, and headquarters location have been slightly altered. These modifications are made to keep the core elements and implications of the original characteristics intact, ensuring that the examples stay informative without compromising their authenticity. Furthermore, to enrich our examples and uphold confidentiality, the research team combined specific strategies or corporate venturing actions from different entities into a single case study.

experience innovation, sustainability innovation, and responsible business practices. This entails a commitment to cutting-edge product development, advanced manufacturing technologies, digital initiatives, and sustainable practices, reflecting the company's dedication to innovation and responsibility in the industry. This corporate's factsheet is **Table 9**.

Table 9. Corporate factsheet

(Case 1: Clothing manufacturer and retailer in Western Europe)

First layer: Corporate general characteristics	
General information	
Activities and industry	Clothing manufacturer and retailer
Headquarters location	Germany
Operating revenue (turnover), \$bn	20
Number of employees	60,000
Geographic coverage	
Key markets the company is actively engaged in	EMEA, the United States, China
CEO's strategy geographic focus	-
Second layer: Corporate venturing unit	
General	
Mechanism(s)	Corporate venture capital arm
Location(s) of the open innovation unit or corporate venturing unit	Germany
In-house or external	In-house
Scouting team	
Size	5
Location(s)	Germany, the Netherlands
Portfolio	
Number of invested start-ups	25
Investment ticket, \$m	-
Number of investments per year	-
Third layer: Scouting goals	
Scouting main goal	CVC's strategy centers on five pillars: athlete innovation, manufacturing innovation, digital and experience innovation, sustainability innovation, and responsible business practices. The focus is on cutting-edge product development, manufacturing technologies, digital advancements, and sustainable practices.

Source: Prepared by the authors.

This corporate's ranking is as follows: China, United Kingdom, Mexico, and Kenya (See **Table 10**.).

The German corporate's top choice for start-up scouting is **China**, despite the geographical distance and the potential cultural barriers. The attractiveness of China lies in its offering of a compelling synergy—a mature ecosystem for disruptive technologies paired with unparalleled access to the Chinese manufacturing hub. The corporate, with experience in piloting non-digital start-ups, places significant importance on a country's manufacturing potential and its integration into global

manufacturing networks. China's established position in global manufacturing makes China an attractive option for the corporate, offering access to a diverse range of production capabilities.

The **United Kingdom** is the second preference for the scouting efforts. The decision is informed by the UK's status as the most mature European corporate venturing ecosystem. Cultural alignment is another critical factor influencing this choice and the mere one-hour time difference further facilitates real-time coordination between the German corporate and potential UK-based start-ups.

In contrast, **Mexico** and **Kenya** are designated as the last preferences. In this scenario, neither ecosystem holds significant strategic relative value. The corporate's decision is likely influenced by a combination of factors, including cultural misalignment, distance, and the perceived lack of alignment with the corporate's industry focus.

Table 10. Country ranking (case 1)

Nº	CV Ecosystem	Variables			Categories
1	China	Cultural diversity	≠	CORP ECOS	Individualism (moderate), flexibility (low) Collectivism (low), flexibility (moderate)
		Language	≠	CORP ECOS	German, others Mandarin, Cantonese (Yue), other
		Geographical location	≠	CORP ECOS	UTC+1 UTC+8
		Financial system structure	≠	CORP ECOS	German civil law N/A
		Manufacturing potential	✓	ECOS	Manufacturing, value added, 28% GDP; High-technology exports, 23% manufactured exports
2	United Kingdom	Cultural diversity	=	CORP ECOS	Individualism (moderate), flexibility (low) Individualism (moderate), flexibility (low)
		Language	≠	CORP ECOS	German, others English, Scots, Scottish Gaelic, Welsh, Irish, Cornish
		Geographical location	=	CORP ECOS	UTC+1 UTC+0
		Financial system structure	≠	CORP ECOS	German civil law English/common law
		Manufacturing potential	≠	ECOS	Manufacturing, value added, 8.3% GDP; High-technology exports, 26.5% manufactured exports
3	Mexico	Cultural diversity	≠	CORP ECOS	Individualism (moderate), flexibility (low) Collectivism (low), monumentalism (high)
		Language	≠	CORP ECOS	German, others Spanish, Mayan, Nahuatl, other
		Geographical location	≠	CORP ECOS	UTC+1 UTC-8, -7, -6, -5
		Financial system structure	≠	CORP ECOS	German civil law French civil law
		Manufacturing potential	≅	ECOS	Manufacturing, value added, 21.5% GDP; High-technology exports, 19.4% manufactured exports
4	Kenya	Cultural diversity	≠	CORP ECOS	Individualism (moderate), flexibility (low) Collectivism (high), monumentalism (high)
		Language	≠	CORP ECOS	German, others English, Kiswahili, other
		Geographical location	≅	CORP ECOS	UTC+1 UTC+3
		Financial system structure	≠	CORP ECOS	German civil law English/common law
		Manufacturing potential	≠	ECOS	Manufacturing, value added, 7.8% GDP; High-technology exports, 2.3% manufactured exports

Note: In this context, CORP refers to corporation, while ECOS signifies the corporate venturing ecosystem.

Source: Prepared by the authors.

3.2.2. Case 2. A Healthcare Corporate in North Africa: Going to Kenya

Operating within the healthcare domain, this Egyptian-based corporation has demonstrated financial prowess with an operating revenue of \$2.8 billion and a robust workforce of 20,000 employees. It is geographically focused on its home market, Egypt, both in terms of crucial market engagement and the CEO's strategic vision. The company has created an investment fund and accelerator housed within

the parent entity. This unit, located in Egypt, maintains a scouting team of five professionals dedicated to identifying and partnering with start-ups poised to introduce and scale their innovative models within the local landscape. With a portfolio encompassing 12 start-ups, specifics regarding investment ticket values remain undisclosed. This corporate venturing unit's core objective concentrates on the local market to attract start-ups capable of contributing to the company's comprehensive digital transformation program. The emphasis is on leveraging innovative approaches and cutting-edge technology, positioning the corporation at the forefront of healthcare advancements within Egypt. This corporate's factsheet is **Table 11**.

Table 11. Corporate factsheet
(Case 2: Healthcare corporate in North Africa)

First layer: Corporate general characteristics	
General information	
Activities and industry	Healthcare
Headquarters location	Egypt
Operating revenue (turnover), \$bn	2.8
Number of employees	20,000
Geographic coverage	
Key markets the company is actively engaged in	Egypt
CEO's strategy geographic focus	Egypt
Second layer: Corporate venturing unit	
General	
Mechanism(s)	Investment fund/accelerator within the parent company
Location(s) of the open innovation unit or corporate venturing unit	Egypt
In-house or external	In-house
Scouting team	
Size	5
Location(s)	Egypt
Portfolio	
Number of invested start-ups	12
Investment ticket, \$m	-
Number of investments per year	-
Third layer: Scouting goals	
Scouting main goal	Strategic objective, focused on the local market, the aim is to attract start-ups capable of introducing and scaling their models within the country. The emphasis lies in seeking contributions to the corporate's comprehensive digital transformation program, integrating innovative approaches and cutting-edge technology.

Source: Prepared by the authors.

This corporate's ranking is as follows: Kenya, Mexico, China, and the United Kingdom (See **Table 12**).

Despite **Kenya's** relatively lower standing in global innovation and start-up rankings, as discussed earlier, it emerges as the first option. According to the expert interview, they are scouting start-ups

with business models capable of navigating the unique dynamics of Egypt. These dynamics encompass challenges such as literacy rates, unbanked population percentages, and ICT development. In response to these specific needs, the corporate actively engages in international scouting, intentionally excluding the United States and Western Europe from their considerations. The scouting efforts are concentrated in Africa, South America, Asia, and the Middle East. The decision is also influenced by shared cultural affinities and the close geographic proximity between Kenya and Egypt, with just a one-hour time difference.

Applying a similar rationale, **Mexico**, **China**, and the **United Kingdom** are sequentially ranked as the second, third, and last preferences despite the geographical distance.

The company's strategic approach highlights the limitations of popular rankings that use a one-size-fits-all approach and draws attention to the often-overlooked needs of corporates in certain regions, such as Africa or Latin America. Global reports, which tend to be more focused on the most mature ecosystems, may inadvertently neglect the unique dynamics and opportunities present in emerging ones. This case illustrates that a country's strategic value can vary based on the context, underscoring the importance of our proposed model, which includes an interactive evaluation.

Table 12. Country ranking (case 2)

Nº	CV Ecosystem	Variables		Categories
1	Kenya	Cultural diversity	=	CORP Collectivism (moderate), monumentalism (moderate)
				ECOS Collectivism (high), monumentalism (high)
		Language	≅	CORP Arabic (official), English, and French widely understood by educated classes
				ECOS English, Kiswahili, other
		Geographical location	=	CORP UTC+2
				ECOS UTC+3
		Financial system structure	≠	CORP French civil law
				ECOS English/common law
2	Mexico	Cultural diversity	=	CORP Collectivism (moderate), monumentalism (moderate)
				ECOS Collectivism (low), monumentalism (high)
		Language	≠	CORP Arabic (official), English, and French widely understood by educated classes
				ECOS Spanish, Mayan, Nahuatl, other
		Geographical location	≠	CORP UTC+2
				ECOS UTC-8, -7, -6, -5
		Financial system structure	=	CORP French civil law
				ECOS French civil law
3	China	Cultural diversity	≠	CORP Collectivism (moderate), monumentalism (moderate)
				ECOS Collectivism (low), flexibility (moderate)
		Language	≠	CORP Arabic (official), English, and French widely understood by educated classes
				ECOS Mandarin, Cantonese (Yue), other
		Geographical location	≠	CORP UTC+2
				ECOS UTC+8
		Financial system structure	≠	CORP French civil law
				ECOS N/A
4	United Kingdom	Cultural diversity	≠	CORP Collectivism (moderate), monumentalism (moderate)
				ECOS Individualism (moderate), flexibility (low)
		Language	≅	CORP Arabic (official), English, and French widely understood by educated classes
				ECOS English, Scots, Scottish Gaelic, Welsh, Irish, Cornish
		Geographical location	=	CORP UTC+2
				ECOS UTC+0
		Financial system structure	≠	CORP French civil law
				ECOS English/common law

Note: In this context, CORP refers to corporation, while ECOS signifies the corporate venturing ecosystem.

Source: Prepared by the authors.

3.2.3. Case 3. A Consumer-Products Retail Corporate in Latin America: Going to Mexico

This consumer products retail company, headquartered in Chile, operates with an annual turnover of \$15 billion and boasts 120,000 employees. The company is positioned for global success with a strong presence in markets such as Chile, Argentina, Brazil, Peru, Colombia, and the United States. As part of its corporate venture activities, the company has established a CVC arm based in Argentina. The CVC unit, comprising a scouting team of 9 individuals across Brazil, Argentina, and Chile, focuses on investing in disruptive technologies within the retail, eCommerce, fintech, logistics, and supply chain sectors. With a portfolio of five invested start-ups and an investment ticket ranging between \$0.3 million and \$0.5 million, the CVC arm aims to bolster the company's strategic objectives, amplifying advantages, and nurturing innovation within the business units. This corporate's factsheet is **Table 13**.

Table 13. Corporate factsheet

(Case 3: Consumer products retail corporate in Latin America)

First layer: Corporate general characteristics	
General information	
Activities and industry	Consumer products retail
Headquarters location	Chile
Operating revenue (turnover), \$bn	15
Number of employees	120,000
Geographic coverage	
Key markets the company is actively engaged in	Chile, Argentina, Brazil, Peru, Colombia, United States
CEO's strategy geographic focus	-
Second layer: Corporate venturing unit	
General	
Mechanism(s)	Corporate venture capital arm
Location(s) of the open innovation unit or corporate venturing unit	Argentina
In-house or external	In-house
Scouting team	
Size	9
Location(s)	Brazil, Argentina, Chile
Portfolio	
Number of invested start-ups	5
Investment ticket, \$m	Between \$0.3 – \$0.5
Number of investments per year	Between 2 and 4 investments per year
Third layer: Scouting goals	
Scouting main goal	Mostly strategic goal, generating and strengthening the business units' core competitive advantages. Looking for disruptive technologies in retail, eCommerce, fintech, logistics and supply chain.

Source: Prepared by the authors.

This corporate's ranking is as follows: Mexico, China, the United Kingdom, and Kenya (See **Table 14**.).

Mexico stands out as the top strategic choice. The CVC team diligently seeks start-ups that can fortify the core competitive advantages of the business units, particularly those interested in operating within Latin America. Their value proposition revolves around fostering strong relationships with country managers to facilitate the scaling of start-ups. Furthermore, notable parallels exist between the countries where the scouting team is stationed and where the corporate operates. These include shared national culture, language, a similar time zone or a relatively small time difference, and a common financial system family.

China emerges as the second preferred choice. According to the expert interview, when aiming to discern emerging trends, the team places emphasis on analyzing Silicon Valley and Israel, acknowledging them as trendsetting ecosystems. However, their objective in these regions is not primarily investment; instead, it serves as an exploratory phase. Subsequently, they turn their attention to China, as it mirrors Latin America's structural and contextual dynamics. Returning to the Latin American landscape, the emphasis shifts to actively seeking start-ups that align with the identified trends.

The **United Kingdom** is the third choice, recognized for possessing the most mature ecosystem according to standard metrics. Finally, **Kenya** is designated as the last preference. In this scenario, the Kenyan ecosystem holds no strategic relative value for the Chilean corporate.

Table 14. Country ranking (case 3)

Nº	CV Ecosystem	Variables		Categories
1	Mexico	Cultural diversity	=	CORP ECOS Collectivism (low), monumentalism (high)
		Language	=	CORP ECOS Spanish, Portuguese, other Spanish, Mayan, Nahuatl, other
		Geographical location	≅	CORP ECOS Chile (UCT-3, -5); Brazil (UCT-5, -4,-3) Argentina (UCT-3) UTC-8, -7, -6, -5
		Financial system structure	=	CORP ECOS French civil law
2	China	Cultural diversity	≠	CORP ECOS Collectivism (low), and monumentalism (high) Collectivism (low), flexibility (moderate)
		Language	≠	CORP ECOS Spanish, Portuguese, other Mandarin, Cantonese (Yue), other
		Geographical location	≠	CORP ECOS Chile (UCT-3,-5); Brazil (UCT-5,-4,-3) Argentina (UCT-3) UTC+8
		Financial system structure	≠	CORP ECOS French civil law N/A
3	United Kingdom	Cultural diversity	≠	CORP ECOS Collectivism (low), monumentalism (high) Individualism (moderate), flexibility (low)
		Language	≠	CORP ECOS Spanish, Portuguese, other English, Scots, Scottish Gaelic, Welsh, Irish, Cornish
		Geographical location	≠	CORP ECOS Chile (UCT-3,-5); Brazil (UCT-5,-4,-3) Argentina (UCT-3) UCT+0
		Financial system structure	≠	CORP ECOS French civil law English/common law
4	Kenya	Cultural diversity	≅	CORP ECOS Collectivism (low), monumentalism (high) Collectivism (high), monumentalism (high)
		Language	≠	CORP ECOS Spanish, Portuguese, other English, Kiswahili, other
		Geographical location	≠	CORP ECOS Chile (UCT-3,-5); Brazil (UCT-5,-4,-3) Argentina (UCT-3) UCT+3
		Financial system structure	≠	CORP ECOS French civil law English/common law

Note: In this context, CORP refers to corporation, while ECOS signifies the corporate venturing ecosystem.

Source: Prepared by the authors.

3.2.4. Case 4. An Energy Corporate in Southern Europe: Going to the United Kingdom

Last but not least, the corporate in the 4th case is a prominent player in the energy sector, headquartered in Spain, with a robust operating revenue of \$40 billion and a workforce comprising 100,000 employees. The company is actively involved in markets such as Spain, Germany, the United Kingdom, and Brazil, aligning with the CEO's strategic geographic focus on Spain, Brazil, the United Kingdom, Germany, Colombia, Peru, and Mexico. Operating as a CVC arm, the organization has a dedicated unit located in Spain, consisting of a scouting team of five professionals. Their scouting efforts are geared towards strategic investments, addressing significant challenges within the energy industry while fostering the creation of new businesses and verticals. With a diverse portfolio

comprising 18 invested start-ups, the CVC arm allocates investment tickets ranging from \$0.4 million to \$5.4 million, emphasizing a commitment to cutting-edge technology and alignment with the company's core strategy. This corporate's factsheet is **Table 15**.

Table 15. Corporate factsheet
(Case 4: Energy corporate in Southern Europe)

First layer: Corporate general characteristics	
General information	
Activities and industry	Energy
Headquarters location	Spain
Operating revenue (turnover), \$bn	40
Number of employees	100,000
Geographic coverage	
Key markets the company is actively engaged in	Spain, Germany, United Kingdom, Brazil
CEO's strategy geographic focus	Spain, Brazil, United Kingdom, Germany, Colombia, Peru, and Mexico.
Second layer: Corporate venturing unit	
General	
Mechanism(s)	Corporate venture capital arm
Location(s) of the open innovation unit or corporate venturing unit	Spain
In-house or external	In-house
Scouting team	
Size	5
Location(s)	Spain
Portfolio	
Number of invested start-ups	18
Investment ticket, \$m	Between 0.4 and 5.4
Number of investments per year	-
Third layer: Scouting goals	
Scouting main goal	Strategic investment, address the big challenges facing the energy industry and create new businesses and verticals aligned with the company's core strategy, leveraging cutting edge technology.

Source: Prepared by the authors.

This corporate's ranking is as follows: United Kingdom, Mexico, China, and Kenya (See **Table 16**.).

The **United Kingdom** stands out as a top choice, serving as a key market and one of the seven countries prioritized in the CEO's strategy. This is crucial, considering the CVC's goal of strategic investment to address major challenges in the energy industry and create new businesses aligned with the company's core strategy, leveraging cutting-edge technology. Both countries share a similar geographic location, as a one-hour difference has almost no impact on business activity. With low individualism and flexibility, the corporate's strategy aligns well with the cultural traits of the UK. While there is no language match, Spain boasts a moderate proficiency level in English.

Mexico emerges closely in second position, featuring in the CEO's comprehensive strategy, despite not currently serving as a strategic market actively engaged by the company. This inclusion underscores the commitment to explore opportunities and align with the overarching goals of the CVC. While Mexico presents a distinct cultural landscape according to Hofstede's model, historical ties provide a nuanced connection. The shared language is a notable advantage, facilitating communication and collaboration. The primary drawback lies in the considerable geographic distance (a 7-hour time difference between Madrid and Mexico City).

China arises as the third option, characterized by its mature corporate venturing ecosystem and the potential to offer disruptive technologies. However, the appeal is counterbalanced by significant challenges arising from cultural disparities, language differences, and a notable time difference. While the territory presents opportunities for innovation and cutting-edge technologies, the collaborative aspect may pose considerable challenges.

Kenya is designated as the last preference. In this scenario, the Kenyan ecosystem holds no strategic relative value for the Spanish corporate.

Table 16. Country ranking (case 4)

Nº	CV Ecosystem	Variables			Categories
1	United Kingdom	Cultural diversity	=	CORP	Individualism (low), flexibility (low)
		Language	≠	ECOS	Individualism (moderate), flexibility (low)
		Geographical location	=	CORP	Spanish, Catalan, Galician, Basque, others
		Financial system structure	≠	ECOS	English, Scots, Scottish Gaelic, Welsh, Irish, Cornish
2	Mexico	Cultural diversity	≠	CORP	UCT+1, +0
		Language	=	ECOS	UCT+0
		Geographical location	≠	CORP	French civil law
		Financial system structure	≠	ECOS	English/common law
3	China	Cultural diversity	≠	CORP	Individualism (low), flexibility (low)
		Language	=	ECOS	Collectivism (low), monumentalism (high)
		Geographical location	≠	CORP	Spanish, Catalan, Galician, Basque, others
		Financial system structure	≠	ECOS	Spanish, Mayan, Nahuatl, other
4	Kenya	Cultural diversity	≠	CORP	UCT+1, +0
		Language	=	ECOS	UTC-8, -7, -6, -5
		Geographical location	≠	CORP	French civil law
		Financial system structure	≠	ECOS	N/A
5	India	Cultural diversity	≠	CORP	Individualism (low), flexibility (low)
		Language	=	ECOS	Collectivism (high), monumentalism (high)
		Geographical location	≠	CORP	Spanish, Catalan, Galician, Basque, others
		Financial system structure	≠	ECOS	English, Kiswahili, other
6	Brazil	Cultural diversity	≠	CORP	UCT+1, +0
		Language	=	ECOS	UTC+3
		Geographical location	≠	CORP	French civil law
		Financial system structure	≠	ECOS	English/common law

Note: In this context, CORP refers to corporation, while ECOS signifies the corporate venturing ecosystem.

Source: Prepared by the authors.

4. Consequences: Now What?

4.1. How Can These Results Help Chief Innovation Officers?

As leaders tasked with driving innovative solutions, CINOs must grapple with identifying promising start-ups and strategically allocating resources across multiple regions. The need to cast a wide net for potential collaborations intersects with the pragmatic reality of managing limited resources and optimizing efficiency.

This working paper addresses how CINOs can refine their scouting strategies to align with corporate objectives and maximize impact. It does so by drawing from a wide range of sources, including academic literature, technical reports, and 17 semi-structured interviews with professionals actively scouting start-ups internationally.

Representing a preliminary approach, the study provides a starting point with actionable insights tailored to the dynamic needs of CINOs. In brief, it offers two key takeaways:

- A tool to navigate the scouting landscape: a 4-layer checklist for CINOs.
- Insights into actual decision-making preferences through 4 real-world cases.

4.2. A Tool to Navigate the Scouting Landscape: A 4-Layer Checklist for CINOs

A comprehensive framework consisting of four layers is presented, with each offering relevant elements for decision-making:

- **Corporate general characteristics:** This foundational layer provides a holistic view of the corporation's overarching objectives, strategic direction, and operational footprint. It encompasses factors such as existing networks, corporate structure, and geographical presence. By understanding these characteristics, CINOs can better contextualize their scouting efforts and prioritize regions or markets where the corporation has a significant presence or interest.
- **Corporate venturing unit:** Companies may naturally emphasize scouting efforts in regions where their corporate venturing units are based, leveraging their proximity to local start-up ecosystems. The size and whether the corporate venturing unit is centralized or decentralized should also be considered when designing the scouting strategy. The decision to conduct scouting in-house or through external corporate venturing enablers involves a nuanced balance of factors such as global presence, knowledge acquisition, and alignment with corporate goals.
- **Scouting targets:** Companies may seek start-ups with business models or technologies tailored for specific markets. Considerations for scouting goals may also include targeting particular start-ups for collaborations or identifying emerging industry trends. Sector-focused scouting enables access to specialized ecosystems and knowledge hubs, enhancing the chances of identifying high-potential start-ups.

- **Regional ecosystem dynamics:** The final layer of the proposed checklist focuses on regional dynamics, including 51 elements or variables connected to the corporate venturing ecosystem. These variables are organized into three distinct categories.
 - **Control variables:** Providing a concentrated overview of domestic circumstances, serving as potential risks or facilitators within the ecosystem that could impact scouting outcomes. In contrast to other reports like the Global Innovation Index or the World Bank's Worldwide Governance Indicators, this proposal specifically focuses on determinants most likely connected to corporate venturing, recognizing the broader context in which corporates and start-ups operate.
 - **Corporate venturing supply:** The second group breaks down the start-up supply in the ecosystem. It covers the current start-up scene as well as the country's potential to generate and sustain start-ups.
 - **Corporate venturing competition:** The third group delves into the ecosystem's demand or competition for start-ups. Employing a maritime metaphor, the second group characterizes the abundance and types of fish (start-ups) in the sea (ecosystem). In contrast, the third group goes beyond, providing a detailed examination of not only the quantity and categories of fishermen (competitors such as other corporates and venture capital firms) vying for these start-ups but also the tools at their disposal—fishing rods and other utensils, symbolizing corporate venturing mechanisms.

4.3. Insights into Actual Decision-Making Preferences Through 4 Real-World Cases

While this research offers insights into the factors shaping scouting strategies, the interviewed experts also underscored the pivotal role of management decisions influenced by specific preferences.

This paper has presented 4 real-world corporate cases to illustrate this, highlighting the nuanced nature of these preferences. The most common preferences influencing ecosystem selection are centered on the following regional factors:

- **Cultural diversity:** Assessing a country's suitability for corporate venturing extends beyond entrepreneurship to encompass cultural aspects. Investing in a foreign country entails assimilating into its business and operational culture, adding costs or risks to the venture. Generally, aspects of culture that make investments safer abroad, increase profitability, and reward performance tend to attract foreign direct investment. Some CINOs prioritize regions that value swift and decisive action, which is essential in rapidly fostering collaborations. Others prefer start-ups that align with their own country's corporate culture. Thus, cultural diversity can significantly shape scouting strategies and influence decisions on market selection and potential business partners.
- **Language:** Corporate scouts can also select ecosystems based on linguistic preferences. For instance, Spanish corporations may venture into Latin American countries where a shared language streamlines communication and collaboration. Effective communication is paramount,

also considering a population's proficiency in English. This factor must be carefully considered when engaging in corporate venturing activities, as highlighted by experiences such as those in China or Japan, where the language barrier has presented challenges.

- **Geographical location:** Time differences can be a barrier due to communication, coordination, and operational efficiency challenges. Significant time gaps can delay decision-making, hinder real-time collaboration, and complicate meeting scheduling. For instance, despite the appeal of start-ups in ecosystems like Silicon Valley for their technological advancements, factors such as time differences and cultural disparities may deter engagement from European companies. Proximity to headquarters can also be favored to streamline travel and meeting schedules.
- **Financial system structure:** The financial aspect plays a pivotal role in corporate venturing decisions, with experts emphasizing the significance of access to accurate and pertinent data. Proximity to one's own financial system and legal familiarity with market regulations instill confidence in decision-making processes. Moreover, the importance of having access to crucial information is underscored, especially in regions where regulatory constraints may hinder public disclosure. Restrictions on foreign entities' interests and limited transparency can also hinder investment decisions and partnership evaluations.
- **Manufacturing potential:** The pivotal factor in assessing manufacturing potential lies in an ecosystem's resources and infrastructure to non-digital start-ups, enabling effective testing and scaling of their solutions. This includes the availability of essential manufacturing resources, a skilled workforce, efficient supply chains, and supportive infrastructure domestically and through connections to global manufacturing hubs such as China.

In general, the complex nature of corporate venturing means there is no one-size-fits-all approach to scouting start-ups. Strategic fit, ease of collaboration, and scalability are inherently subjective and contingent upon many factors that vary from company to company.

5. Appendixes

5.1. Summary of Key Articles and Technical Reports on Innovation, Entrepreneurship, and Venture Capital

Table A-1. Summary of key articles and technical reports on innovation, entrepreneurship, and venture capital

	Global Entrepreneurship Monitor Global Report (GEMGR)	Venture Capital and Private Equity Country Attractiveness Index (VCPE)	Global Innovation Index (GII)	Global Entrepreneurship Index (GEI)	Global Start-up Ecosystem Report (GSER)	Entrepreneurial Ecosystems around the Globe and Early-stage Company Growth Dynamics	Global Start-up Ecosystem Index (GSEI)	European Index of Digital Entrepreneurship Systems (EIDES)	Digital Platform Economy Index (DPE)
Author	The Global Entrepreneurship Monitor (GEM)	Groh et al.	World Intellectual Property Organization (WIPO)	Global Entrepreneurship and Development Institute (GEDI)	Start-up Genome	World Economic Forum, Stanford University, Ernst & Young, Endeavor	StartupBlink	Autio et al.	Global Entrepreneurship and Development Institute (GEDI)
Year of the first edition	1999	2006	2007	2009	2012	2014	2017	2018	2020
Year of latest available edition	2023	2023	2023	2019	2023	2014	2023	2020	2020
What do they measure (term)?	Entrepreneurship and entrepreneurship ecosystems	Attractiveness to receive institutional VC and PE allocations	Innovation performance or "innovation ecosystems"	Entrepreneurial ecosystem	Start-up ecosystem	Entrepreneurial ecosystems	Start-up ecosystems (countries and cities - or clusters of cities)	Digital entrepreneurship system	Digital entrepreneurship ecosystem
Geographical limit of the ecosystem	National	National	National	National	Sub-national (60-mile radius)	National	National and sub-national (cities)	National	National

Source: Prepared by the authors.

5.2. Methodology

The research methodology employed in this study encompasses a multifaceted approach (See **Figure A-1.**).

Firstly, an extensive review of both academic literature and technical reports was conducted. This examination focused on key domains such as innovation, entrepreneurship, start-up ecosystems, corporate venturing, and venture capital. Over 100 references were prioritized and analyzed, providing a robust foundation for the study.

Secondly, semi-structured interviews were conducted with 17 professionals actively engaged in scouting start-ups on an international scale. These individuals, serving as either decision-makers or integral participants in the process, offered qualitative insights, enriching the study's depth and breadth.

Lastly, a thorough inquiry into data sources was undertaken to identify reliable indicators for each element within the ecosystem factsheets. This meticulous approach ensured the utilization of accurate and credible information, contributing to the overall rigor of the research. Additionally, each factsheet underwent review by at least one local expert who addressed inconsistencies and assessed data sources for accuracy.

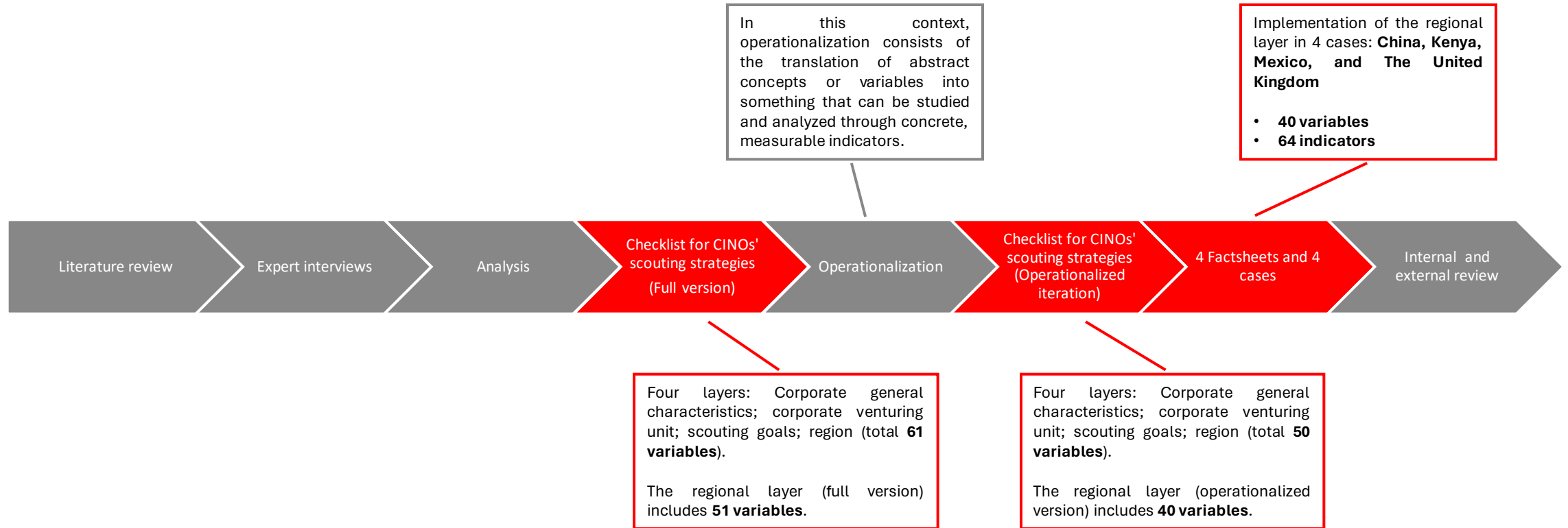


Figure A-1. Methodology

Note: Grey boxes denote research processes, while red ones signify outputs.

Source: Prepared by the authors.

5.2.1. Expert Semi-Structured Interviews

Relying exclusively on existing models available in academic literature or technical reports might not fully encapsulate the diverse aspects of the corporate venturing ecosystem. To address this limitation, the research team conducted expert interviews.

These interviews were instrumental in unveiling potential new dimensions and pertinent aspects of the corporate venturing ecosystem. These discussions drew upon the experiences of professionals actively involved in scouting start-ups on an international scale, either as decision-makers or integral participants in the process (e.g., CINOs, Strategic Ventures Directors; Senior Director, M&A^p or Corporate Ventures, Global R&D^q, Venturing and Tech Scouting, Head of Investments). Participants were asked about the motivations behind and methodologies used in corporate international start-up scouting and the criteria influencing their choice of countries for such initiatives.

The face-to-face online semi-structured interviews were carried out with participants selected via a purposive sampling technique. Following 12 interviews, a point of repetition among interviewee responses was noted—an initial indication of theoretical saturation. In total, 17 interviews were conducted and analyzed.^r Previous studies have commonly employed a similar interview sample size (ranging from 8 to 20 participants) to construct item pools.^{87–91}

The diversity of the sample encompassed various dimensions, including geographical location, industry sector, company turnover, role, years of experience, and sex (See **Table A.2.**). Participant selection was predicated on the study's conceptual and informational requirements. The focus was on avoiding quantitative assumptions and instead prioritizing the recruitment of experts willing to articulate their experiences and possessing the time to share essential information.^{92,93}

^p Merge and acquisitions.

^q Research and development.

^r Additionally, 17 experts with comparable profiles were consulted, although their engagement did not strictly adhere to the interview protocol. It is crucial to highlight that, even though their contributions were excluded from the inductive content analysis, their insights and perspectives were considered in the comprehensive analysis of the study. The total number of experts consulted within this research amounts to 43.

Table A-2. Description of interview participants

Interview	Location*	Industry sector**	Company turnover** (\$bn) ⁹⁴	Years of experience***
INT1	North Africa	Banking, insurance & financial services	Less than 10	30
INT2	Central Europe	Industrial, electric & electronic machinery	Between 50-100	6
INT3	North America	Banking, insurance & financial services	n/a	25
INT4	South America	Consumer products retailing	Between 10-50	5
INT5	Central Europe	Transportation: manufacturing	Between 100-200	4
INT6	Central Europe	Textiles & Clothing manufacturing and retailing	Between 10-50	7
INT7	Western Europe	Construction	Between 10-50	10
INT8	North America	Food manufacturing	Between 10-50	17
INT9	South Asia	Computer software	Between 10-50	8
INT10	North America	Chemicals, petroleum, rubber & plastic	Between 10-50	17
INT11	Southeast Asia	Food manufacturing	Less than 10	10
INT12	Nordic Europe	Business and Industrial services	Less than 10	20
INT13	Southern Europe	Communications	Between 10-50	10
INT14	North America	Gas and Oil	More than 200	3
INT15	Central Europe	Transportation: manufacturing	Between 10-50	10
INT16	Southern Europe	Banking, insurance & financial services	Less than 10	6
INT17	Southern Europe	Banking, insurance & financial services	Between 50-100	8

* The geographical site where the expert carries out their job.

**In case of CVC arm, company turnover refers to the parent company (the global ultimate owner of the corporate group). To ensure confidentiality and avoid the inadvertent identification of specific corporate entities, turnover figures have been presented in ranges rather than exact values.

***In response to the question: "Before we begin, please tell me the number of years you have been involved in innovating with start-ups."

Source: Prepared by the authors.

The interviews were conducted in both Spanish (INT4, INT13 and INT16) and English, ranging in duration from 24 to 46 minutes, and were recorded after obtaining informed consent from the participants. Subsequently, the digital recordings of these interviews were transcribed to facilitate further analysis.

An inductive content analysis approach was employed, allowing for the creation of data-driven categories and subcategories that fulfilled criteria such as unidimensionality, mutual exclusiveness, and exhaustiveness.⁹³ To ensure coding consistency, two rounds of coding were conducted by a single

coder at different points in time. Verbatim quotes, reflecting the natural language used by the interviewees, were derived from the transcripts whenever feasible.

5.2.2. The Geographical Level of the Corporate Venturing Ecosystem from an Analytical Perspective

Based on a comprehensive review of entrepreneurship ecosystems literature,^{16,27–36} and considering that corporate venturing refers to the collaborative framework that acts as a “bridge between innovative and disruptive start-ups and established corporations,”¹ the corporate venturing ecosystem could be defined as:

A collaborative framework comprising a network of stakeholders and resources (e.g., social, political, economic, cultural) within the broader entrepreneurship ecosystem that fosters partnerships between established companies and innovative start-ups.

The entrepreneurship ecosystem typically encompasses various components situated within a defined geographic area, yet the question of scale introduces complexity.

National-level references to innovation and entrepreneurship ecosystems are frequent. Seven of the nine key reports highlighted in our review refer to national boundaries.⁵ Similarly, analyses of corporate venturing mechanisms, such as CVC, tend to adopt a national perspective, as seen in CB Insights and Global Corporate Venturing (GCV) reports.

However, insisting that ecosystems strictly adhere to national boundaries lacks justification, especially considering the notable diversity observed within countries.⁹⁵ The intuitive approach to understanding entrepreneurship ecosystems gravitates toward specific cities or regions known for innovation and economic vibrancy. In the case of the US ecosystem, attention tends to gravitate toward well-known areas like Silicon Valley, Boston, New York, or Boulder rather than encompassing more remote or less conducive environments, such as rural areas in the southern states.

Yet, analytical consensus is lacking at the sub-national level, resulting in diverse approaches.

In the innovation domain, the European Regional Innovation Scorecard (RIS) covers 47 major socio-economic regions[†] and 192 basic regions,[‡] presenting significant differences in the average size of regions.

In the entrepreneurship ecosystem field, some authors mention region, city, and campus levels.⁹⁶ Start-up Genome defines a start-up ecosystem as a shared pool of resources within a 60-mile (100-kilometer) radius around a center point and includes exceptions based on local reality. StartupBlink

⁵ The Global Entrepreneurship Monitor Global Report (GEMGR), the Global Innovation Index (GII), the Global Entrepreneurship Index (GEI), the Entrepreneurial Ecosystems around the Globe and Early-stage Company Growth Dynamics report, the European Index of Digital Entrepreneurship Systems (EIDES), and the Digital Platform Economy Index (DPE).

[†] NUTS 1 regions, according to the NUTS classification (Nomenclature of Territorial Units for Statistics), a hierarchical system for dividing the economic territory of the EU.

[‡] NUTS 2 regions.

offers rankings of city ecosystems, but sometimes clusters cities together when they are part of the same urban environment^v or considered part of the same ecosystem.^w

To overcome this predicament, a dual approach, offering data at both national and sub-national levels, proves valuable. For example, the European Innovation Scoreboard (EIS) includes a regional extension (RIS) on several indicators. Similarly, StartupBlink adopts a dual perspective by providing rankings for entire countries and individual city ecosystems within those countries.

Somewhere in between, this proposal recognizes that cities or regions contribute unequally to a country's entrepreneurial and, more specifically, corporate venturing dynamics but still proposes keeping a national analytical perspective.

- Maintaining the national framework becomes particularly compelling when considering international comparisons and data availability. This helps explain why seven of nine key reports maintain this framework.
- To address sub-national diversity, the proposal incorporates 3 key structural insights into the analytical framework. This strategic inclusion seeks to overcome challenges arising from the absence of a standardized sub-national framework, such as variations in defining regions (e.g., city, city clusters, 60-mile radius, major regions, basic regions, etc.), which may hinder precision and comparability.

The first structural insight introduces the “concentration factor,” a metric assessing the distribution of start-ups across cities within a country, specifically emphasizing the top 3 cities with the highest start-up counts. This metric offers valuable insights into the degree of concentration of start-up activities in select urban centers versus a more evenly spread distribution. This factor provides a nuanced understanding of the ecosystem's concentration by comparing the combined start-up count of the top 3 cities to the total start-up count across all cities. For instance, a concentration factor of 0.73 implies that a substantial portion (73%) of start-ups are concentrated in the top 3 cities relative to the entire country.

The second insight, the “distance factor,” calculates the average distance in kilometers between the top 3 cities with the highest start-up numbers in a given country. This metric aids in gauging the geographical proximity of major start-up hubs, offering a spatial perspective on the distribution of start-ups.

The third structural insight introduces the “density of start-ups,” a metric that divides a country's total number of start-ups by its de facto population. This measure provides a normalized understanding of start-up density, offering a more nuanced perspective on the entrepreneurial landscape in relation to population size.

Despite acknowledging the inherent limitations of this approach, it attempts to offer comprehensive insights into the ecosystem's structure. Balancing the need for a national-level overview with the necessity of providing actionable information for corporate start-up scouts, this approach equips

^v An example is the San Francisco Bay Area, which includes multiple cities, like San Jose and Palo Alto.

^w The used criteria are not specified within the report, but some examples are Sydney in Australia (clustered with Darlinghurst, North Sydney, and several other cities) and The Hague in the Netherlands (clustered with Leiden, Wassenaar, and Zoetermeer).

decision-makers with valuable data to allocate resources within national boundaries, focusing on areas with heightened corporate venturing potential.

5.2.3. Indicators Description and Sources

A comprehensive inquiry into data sources and specific indicators was undertaken, guided by 4 criteria:

1. Sources authored by reputable organizations, including but not limited to the World Bank, International Monetary Fund, and Organization for Economic Co-operation and Development;
2. they provide recent and comparable global cross-country data, with a preference for the period spanning 2002 to 2024;
3. they are regularly updated, and
4. they are aligned with previous literature findings and the methodological frameworks outlined in key technical reports, such as the Global Innovation Index.

The main data source for indicators within group 2 (corporate venturing supply) and group 3 (corporate venturing competition) was PitchBook, a financial data and technology company that provides information about private and public markets.

PitchBook tracks the lifecycle of private capital worldwide, collecting information from multiple sources. A 1,500-person data operations team curates this information through the application of over 100 proprietary processes. Their global dataset has 4.1 million companies, 2.3 million investments, and 0.5 million investors.⁹⁷

Like similar databases,⁹⁸ PitchBook exhibits sampling biases regarding geography (See **Figure A.2** for regional distribution.) and may potentially include inaccurate data.⁹⁹ Therefore, each factsheet was reviewed by at least one local expert, who addressed inconsistencies and assessed data sources for accuracy. This collaborative effort enhanced analysis reliability, complementing PitchBook data with expert insights.

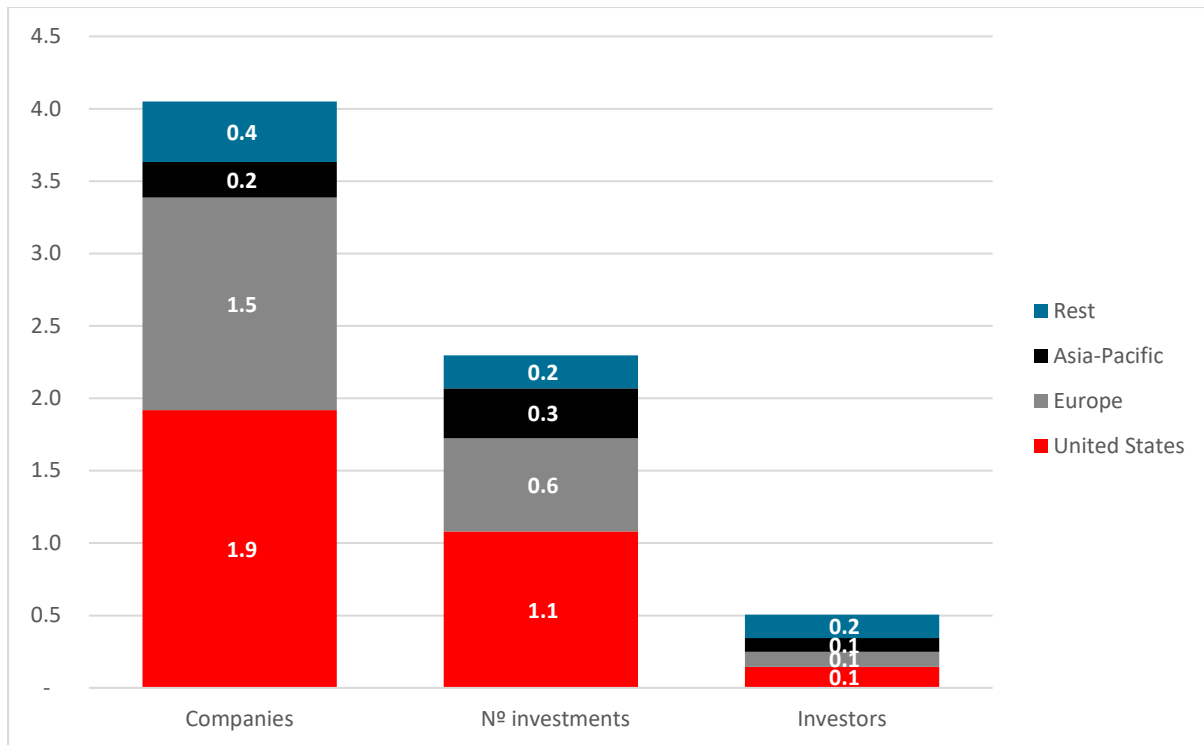


Figure A-2. PitchBook dataset size by country/region (millions)

Source: Prepared by the authors based on data from PitchBook.⁹⁷

The final selection resulted in 64 indicators: 50 are hard data, 6 are composite indicators, 4 are survey questions from the Global Entrepreneurship Monitor (GEM)'s National Expert Survey (NES) and Adult Population Survey (APS), and 4 are indicators derived from academic analyses published in peer-reviewed journals. (See **Table A-3.**)

Table A-3. Indicators description and sources

Nº	Indicator (title, unit)	Description / Unit of measurement	Source	Year	Group
1	Surface area, square kilometer	A country's total area.	World Bank	2021	-
2	Population, million ^B	Total population of a country.	International Monetary Fund (IMF)	2023	-
3	GDP, billions of \$ ^B	Gross domestic product in international dollars.	World Bank, International Comparison Program, World Development Indicators database, Eurostat-OECD via World Bank	2022	-
4	GDP per capita, \$	GDP divided by the population.	Calculated by the authors: see other indicators	2022	-
5	Hofstede's revised 2-dimensional country cultural model	Minkov's cultural indicator, a revision of Hofstede's model, categorizes national cultures based on two dimensions: individualism-collectivism (IDV-COLL) and flexibility-monumentalism (FLX-MON).	Minkov & Kaasa ¹⁰⁰	2020	Control
6	Language(s) spoken in a country	All languages spoken are considered, not only official languages.	Central Intelligence Agency (CIA) The World Factbook. For China, Jones. ¹⁰¹	2024	Control
7	English proficiency, score	Level of English proficiency according to EF test.	EF English Proficiency Index	2022	Control
8	Real gross domestic product (GDP) growth, % change annually	GDP annual percentage change; reflects the growth of this economic activity from one year to the next.	International Monetary Fund	2023	Control
9	Final consumption expenditure, % of GDP	The sum of final consumption expenditure and general government final consumption expenditure.	World Bank	2022	Control
10	Manufacturing, value added, % of GDP	Percentage of manufacturing value added as a share of GDP.	World Bank	2022	Control
11	High-technology exports, % of manufactured exports	High-technology exports are products with high R&D intensity. Calculated as percentage of manufactured exports.	United Nations via World Bank	2022	Control
12	Political stability and absence of violence/terrorism index, score	Index that reflects perceptions of the likelihood that the government will be destabilized or overthrown by unconstitutional or violent means.	World Bank	2022	Control

Table A-3. Indicators description and sources

Nº	Indicator (title, unit)	Description / Unit of measurement	Source	Year	Group
13	Governance effectiveness index, score	Index that captures perceptions of the quality of public services, the quality of the civil service and the degree of its independence from political pressures, as well as the quality of policy formulation and implementation, and the credibility of the government's commitment to such policies.	World Bank	2022	Control
14	Rule of law index, score	Index that captures perceptions of the extent to which agents have confidence in and abide by the rules of society.	World Bank	2022	Control
15	Coordinated universal time (UTC) offset	A measure of the difference in time between a specific location's observed time and UTC.	Bureau international des poids et mesures (BIPM)	2024	Control
16	Entrepreneurship perceived to be a good career choice, % of population	The percentage of the population aged 18-64 who agree with the statement that in their country, most people consider starting a business as a desirable career choice.	The Global Entrepreneurship Monitor (GEM)	2023, Kenya: no data	Control
17	Entrepreneurs, % of population, 18-64 years old	The percentage of the population aged 18-64 who are either a nascent entrepreneur or owner-manager of a new business.	The Global Entrepreneurship Monitor (GEM)	2023, Kenya: no data	Control
18	Taxes/regulation size-neutral or encourage entrepreneurship, score	The extent to which public policies support entrepreneurship, taxes or regulations are either size-neutral or encourage new and SMEs.	The Global Entrepreneurship Monitor (GEM)	2023, Kenya: no data	Control
19	Government programs supporting entrepreneurship, score	The presence and quality of programs directly assisting SMEs at all levels of government.	The Global Entrepreneurship Monitor (GEM)	2023, Kenya: no data	Control
20	Corporate income tax (CIT) rate, %	The headline CIT rate is generally the highest statutory CIT rate, inclusive of surtaxes but exclusive of local taxes.	PricewaterhouseCoopers International (PwC)	2024	Control

Table A-3. Indicators description and sources

Nº	Indicator (title, unit)	Description / Unit of measurement	Source	Year	Group
21	Corporate capital gains tax (CGT) rate, %	The headline CGT rates are generally the highest statutory rates.	PricewaterhouseCoopers International (PwC)	2024	Control
22	Financial system family	Level of investor protections, categorized in 4 legal families, measured by both the character of legal rules and the quality of law enforcement.	La Porta et al. ⁶⁵	1996, China: no data	Control
23	Investor protection	The legal families ranked from 1 to 3, with 1 as strong protection and 3 as weak protection.	La Porta et al. ⁶⁵	1996, China: no data	Control
24	Foreign direct investment inflows, % of GDP	Investment from foreign entities (at least 10% of voting stock) relative to the overall economic output of a country.	International Monetary Fund, World Bank, and OECD via World Bank	2022	Control
25	Total number of start-ups ^{B,C}	Number of start-ups	PitchBook	2024	CV Supply
26	Start-ups with seed and early-stage venture capital round, number ^{B,C}	Number of start-ups with deal types with seed and early-stage VC rounds. Early stage is usually a Series A to Series B financing.	PitchBook	2024	CV Supply
27	Start-ups with later stage venture capital round, number ^{B,C}	Number of start-ups with deal types with later VC rounds. Later stage is usually Series B to Series Z+ rounds.	PitchBook	2024	CV Supply
28	Unicorns, number ^B	A private company with a valuation over \$1 billion.	CB Insights	2024	CV Supply
29	Number of unicorns, % of total global ^B	Number of unicorn companies by the total global number, expressed as a percentage.	CB Insights	2024	CV Supply
30	Initial public offering (IPO) issuer, deals ^B	Number of IPOs between January to December 2023, where shares of a private company are made available to the public for the first time. Country allocation uses the nation of the issuer/borrower.	London Stock Exchange Group of companies (LSEG) Workspace	2023	CV Supply

Table A-3. Indicators description and sources

Nº	Indicator (title, unit)	Description / Unit of measurement	Source	Year	Group
31	IPO issued, value, billions United States dollar (USD) ^B	Total proceeds generated in an IPO, between January and December 2023. Country allocation uses the nation of the issuer/borrower.	London Stock Exchange Group of companies (LSEG) Workspace	2023	CV Supply
32	IPO issued, value, % of GDP ^B	Total IPO proceeds generated, as a percentage of GDP.	London Stock Exchange Group of companies (LSEG) Workspace	2023	CV Supply
33	Concentration factor, 3 top cities, % of start-ups	The distribution of start-ups across cities within a country, with a specific focus on the 3 cities with the highest number of start-ups.	Prepared by the authors from PitchBook data	2024	CV Supply
34	Distance factor, 3 top cities, kilometers	This measure calculates the average distance in kilometers between the 3 cities with the highest number of start-ups in a country.	Prepared by the authors from PitchBook data and Google Maps	2024	CV Supply
35	Start-ups per 100,000 population, 15-64 years old ^B	This indicator assesses the density of start-ups within a given population between the ages of 15 to 64.	PitchBook database and World Bank and United Nations via World Bank	2024	CV Supply
36	Patent resident applications, per million population	Patent resident applications, the formal request for IP rights at an IP office, per million population.	World Intellectual Property Organization (WIPO)	2022	CV Supply
37	Research and development expenditure, % of GDP	Gross domestic expenditures on research and development (R&D), expressed as a percent of GDP.	United Nations Educational, Scientific and Cultural Organization (UNESCO) via World Bank	China: 2021, Kenya: 2010, Mexico: 2020, United Kingdom: 2021	CV Supply
38	Measures to foster talent/entrepreneurs entry	Assesses whether a government has implemented measures to encourage the entry of high-skilled employees and/or entrepreneurial founders.	Hong Kong SAR's Government Immigration Department. Kenya's Ministry of Interior and Coordination of National Government, State Department for Immigration Services. Mexican Government, Identity, passport and migration. United Kingdom Government.	2024	CV Supply

Table A-3. Indicators description and sources

Nº	Indicator (title, unit)	Description / Unit of measurement	Source	Year	Group
39	Average monthly earnings, USD	Average wage earned in a month per individual in a country.	CEIC database	China: 2022, Kenya: 2021, Mexico: 2024, United Kingdom: 2023	CV Supply
40	Tertiary-educated population, % gross	The number of graduates from first degree tertiary expressed as a percentage of the population of the theoretical graduation age of the most common first-degree program.	United Nations Educational, Scientific and Cultural Organization (UNESCO)	China: 2022, Kenya: 2001, Mexico: 2021, United Kingdom: 2021	CV Supply
41	Graduates in science, engineering, and mathematics, %	The share of all tertiary-level graduates in science, engineering, and mathematics programs as a percentage of all tertiary-level graduates.	United Nations Educational, Scientific and Cultural Organization (UNESCO) ^D	China: 2020, Kenya: 2001, Mexico: 2021, United Kingdom: 2021	CV Supply
42	Highly skilled employment share, % of population +15	Sum of people in high skill levels as a percentage of total people employed.	International Labour Organisation ^E	China: 2021, Kenya: 2019, Mexico: 2022, United Kingdom: 2023	CV Supply
43	Information and communication technology (ICT) development index, score	Measures the level of development of the ICT sector. At its core, this index hinges on the notion of universal and meaningful connectivity, embodying two pivotal pillars that encapsulate these dimensions.	International Telecommunication Union (ITU)	2023	CV Supply
44	Subsidiaries, number ^B	The number of active corporate entities located in the country with 1) a minimum operating revenue of 200 million USD in the most recent	Bureau van Dijk's Orbis database	2024	CV Competition

Table A-3. Indicators description and sources

Nº	Indicator (title, unit)	Description / Unit of measurement	Source	Year	Group
		fiscal year and 2) whose ultimate owners have operating revenue of at least 1 billion USD			
45	Foreign subsidiaries, number ^B	The number of active corporate entities located in the country with 1) a minimum operating revenue of 200 million USD in the most recent fiscal year, 2) a minimum of 51% ownership by foreign shareholders, and 2) whose ultimate owners have operating revenue of at least 1 billion USD.	Bureau van Dijk's Orbis database	2024	CV Competition
46	Venture capital (VC) investors, number ^B	The number of active VC investors headquartered in a specific country.	PitchBook	2024	CV Competition
47	VC investors, per 1,000 start-ups ^B	The number of active VC investors per 1,000 start-ups (founded from 2014).	PitchBook	2024	CV Competition
48	Accelerators and incubators, number ^B	The number of active accelerators and incubators in a specific country, encompassing various affiliations and funding sources such as corporate-affiliated, publicly and privately funded, non-profit, etc.	The Centre for Entrepreneurs (UK); ¹⁰² Economic and Commercial Office of the Spanish Embassy in Mexico; ¹⁰³ Kinya et al. (Kenya); ¹⁰⁴ Hu et al. (China) ⁷⁵	China: 2022, Kenya: 2021, Mexico: 2021, United Kingdom: 2022	CV Competition
49	Accelerator and incubators, per 1,000 start-ups ^B	The number of active accelerators and incubators per 1,000 start-ups, not affiliated with a corporate.	PitchBook; The Centre for Entrepreneurs (UK); ¹⁰² Economic and Commercial Office of the Spanish Embassy in Mexico; ¹⁰³ Kinya et al. (Kenya); ¹⁰⁴ Hu et al. (China) ⁷⁵	2024	CV Competition
50	Business angels, number ^B	The number of active business angels (group and individual) headquartered in a specific country.	PitchBook	2024	CV Competition
51	Business angels, per 1,000 start-ups ^B	The number of active business angels per 1,000 start-ups.	PitchBook	2024	CV Competition
52	Family offices, number ^B	The number of active family offices headquartered in a specific country.	PitchBook; HKUST Business School and Ernst & Young (China); ¹⁰⁵ Deloitte (Hong Kong SAR); ¹⁰⁶ AMEXCAP, Credit Suisse, Ernest and Young, Universidad Panamericana (Mexico) ¹⁰⁷	2024	CV Competition

Table A-3. Indicators description and sources

Nº	Indicator (title, unit)	Description / Unit of measurement	Source	Year	Group
53	Family offices, per 1,000 start-ups ^B	The number of active family offices per 1,000 start-ups.	PitchBook; HKUST Business School and Ernst & Young (China); ¹⁰⁵ Deloitte (Hong Kong SAR); ¹⁰⁶ AMEXCAP, Credit Suisse, Ernest and Young, Universidad Panamericana (Mexico) ¹⁰⁷	2024	CV Competition
54	Government investors, number ^B	The number of active government investors headquartered in a specific country.	PitchBook	2024	CV Competition
55	Government investors, per 1,000 start-ups ^B	The number of government investors per 1,000 start-ups.	PitchBook	2024	CV Competition
56	University investors, number ^B	The indicator refers to the number of active university investors headquartered in a specific country.	PitchBook	2024	CV Competition
57	University investors, per 1,000 start-ups ^B	The number of university investors per 1,000 start-ups.	PitchBook	2024	CV Competition
58	Corporate venture capital (CVC), deals ^B	The number of venture capital deals with a primary investor of corporations' investment arms (CVC), corporation or holding company, between January and December 2023.	PitchBook; Global Corporate Venturing ^F	2023	CV Competition
59	CVC received, value, billions of USD ^B	The total deal size in venture capital deals with a primary investor of corporations' investment arms (CVC), corporation or holding company, between January and December 2023.	PitchBook; Global Corporate Venturing ^F	2023	CV Competition
60	Corporate start-up acquisitions, deals ^B	The number of start-up acquisitions deals with a corporate as primary acquirer between January and December 2023.	PitchBook	2023	CV Competition
61	Corporate start-up acquisitions, received, value, billions of USD ^B	The number of investment transactions where total capital invested in start-up acquisitions deals with a corporate as primary acquirer between January and December 2023.	PitchBook	2023	CV Competition

Table A-3. Indicators description and sources

Nº	Indicator (title, unit)	Description / Unit of measurement	Source	Year	Group
62	VC, deals ^B	The number of venture capital deals with a primary investor of VC, angels (group and individual), family office, government, and university between January and December 2023.	PitchBook	2023	CV Competition
63	VC, received, value, billions of USD ^B	The total capital invested in venture capital deals with a primary investor of VC, business angel (group and individual), family office, government, and university between January and December 2023.	PitchBook	2023	CV Competition
64	Accelerator and incubators, deals ^B	The number of deals involving accelerator/incubator services, with an investor that is a CVC, a VC, a business angel (individual and group), a family office, a government, or a university between January and December 2023. The services were provided to start-ups headquartered in that country.	PitchBook	2023	CV Competition

^A In the case of Chinese data, all indicators specifically pertain to China mainland, unless expressly noted otherwise.

^B This indicator encompasses data from both China mainland and Hong Kong SAR. The authors aggregated the data as provided by the original source.

^C The figures represent the count of start-ups founded from January 1, 2014, with headquarters in the specified territories. All ownership statuses are included, except those labeled as "out of business." The notable divergence between the reported total number of start-ups and the corresponding figures when considering their stages (seed and early or later stage venture capital (VC) rounds) arises from the necessary exclusion of start-ups lacking available information about VC round deals in PitchBook.

^D Recent data for Kenya was not available in UNESCO or similar databases. However, a study from 2013-2017 suggests that approximately 23% of bachelor graduates in Kenya pursued science and technology programs, reinforcing the credibility of the initial UNESCO data.¹⁰⁸

^E Data for the United Kingdom same source but obtained from Global Innovation Index (GII).

^F Data for CVC was sourced from two distinct databases. The initial figure is derived from the Global Corporate Venturing deal database,⁸¹ while the subsequent number originates from PitchBook.

Source: Prepared by the authors.

5.2.4. Note on Accelerators and Incubators Data

A warning requiring cautious interpretation is necessary concerning some figures included in the ecosystem factsheets, such as those related to the numbers of accelerators and incubators.

Databases like PitchBook have inherent limitations in accurately capturing the true count of active accelerators and incubators within a country. Primarily designed for evaluating venture capital activity, these databases tend to underestimate the actual count (See **Table A-4.**).

Hence, it was deemed necessary to supplement or even substitute PitchBook data with alternative sources that offer a more nuanced and comprehensive perspective. Such sources may include country-specific platforms like Startup Nation Central's Finder in Israel, regional¹⁰⁹ or national technical reports, among others.

Nevertheless, the available data is still constrained by certain limitations and imposes specific restrictions, including:

- Lack of distinction between accelerators and incubators, presenting them solely in an aggregated manner.
- Absence of differentiation for accelerators/incubators affiliated with corporations.

The situation becomes even more restricted when attempting to measure the volume of activity of these accelerators/incubators. For cross-country comparisons, it appears that data is only accessible through platforms such as PitchBook, which primarily focuses on the number of deals and their sizes.^x As illustrated in Table A-4, a significant portion of accelerator/incubator deals lacks financial details. Consequently, the research team has opted to exclude indicators related to the value of accelerator/incubator deals in the factsheets.

^x According to PitchBook—the selected database—in an accelerator/incubator a start-up joins a temporary program that offers funding, office space, technological development, and/or mentorship, often in exchange for equity in the company.

Table A-4. Summary of data about accelerators/incubators (number, deals, value) according to several sources

Source	Year	Number of accelerator/incubators				Deals completed from Jan. to Dec. 2023							
						Number				Received, value, \$m*			
		China	Kenya	Mexico	United Kingdom	China	Kenya	Mexico	United Kingdom	China	Kenya	Mexico	United Kingdom
PitchBook	2024	245	27	39 ^y	360	26	48	34	417	0.8 (7 deals)	4.4 (28 deals)	3.3 (25 deals)	33.6 (224 deals)
The Centre for Entrepreneurs ¹⁰²	2022	-	-	-	754	-	-	-	-	-	-	-	-
Economic and Commercial Office of the Spanish Embassy in Mexico ¹⁰³	2021	-	-	258	-	-	-	-	-	-	-	-	-
Kynia et al. ¹⁰⁴	2021	-	51 ^z	-	-	-	-	-	-	-	-	-	-
Hu et al. ⁷⁵	2022	13,000 ^{aa}	-	-	-	-	-	-	-	-	-	-	-

* Between brackets, indicate the number of deals considered to calculate the total value. For instance, in 2023, according to PitchBook, there were 360 deals in the United Kingdom; however, only 224 of these deals include information about the deal size.

Source: Prepared by the authors.

^y The interviewed local experts tended to agree with the smaller figures. If a broad definition is considered (e.g., including university-affiliated programs), then the higher number aligns. However, when applying a stricter definition, the number of accelerators becomes significantly lower. As one expert pointed out, accelerators with a strict definition can be counted on one hand and their numbers are dwindling. Furthermore, another expert highlighted a broader trend within the industry. Notably, some well-known accelerators no longer operate under the traditional model and have transitioned into venture capital funds. Moreover, there is a notable trend among Mexican start-ups: an increasing number are seeking opportunities abroad rather than within the domestic ecosystem. For instance, many are applying to traditional accelerator programs abroad, such as Techstars in Miami.

^z Lokal Capital, a community-based venture capital model based in Nairobi, provided a similar number for 2023.¹¹¹ According to interviews, there is a lack of formal documentation regarding the number of accelerators/incubators in Kenya. Estimates are based on rough approximations. If adopting a broad definition, the count could reach 51. However, a more conservative approach, considering only those fitting a stricter definition, could result in a count as low as 20.

^{aa} Hu et al. (2023) cite an approximate figure of 13,000 incubators in 2022 derived from Chinese government data.⁷⁵ According to a 2022 report from the Ministry of Science and Technology of China, the number of business incubators was 6,227 by 2021, marking an annual growth rate of 20.83% since 2015.^{76,77} Also according to the same Ministry, by the end of 2018, there were 4,069 incubators in China.⁷⁸ PitchBook reports a total of 245 accelerators/incubators, while StartupBlink Ecosystem Map lists 595 accelerators.⁷⁹

5.2.5. Looking Ahead

This working paper represents the initial step in a broader initiative to comprehensively understand corporate venture ecosystems. Looking ahead, numerous opportunities for further exploration and refinement emerge.

Firstly, existing tools exhibit a gap in covering corporate venturing mechanisms, suggesting the need for alternative methodologies like qualitative analyses or focused city-case studies to address this deficiency. Secondly, tools for measuring network dynamics within the ecosystem are lacking, requiring more sophisticated approaches such as complex network theory or innovative city science methodologies.

A key question remains: What approach provides better results in fostering successful collaborations between corporates and start-ups? Is it adopting a systematic framework designed to enhance the scouting process or prioritizing a few preferences, such as cultural, linguistic, and location considerations? This inquiry underscores the complexity of decision-making in corporate venturing, prompting further investigation into CINO strategies.

In conclusion, the journey towards enhancing corporate venturing practices is ongoing, with continued research pivotal for unlocking new opportunities and fostering more effective collaborations between corporates and start-ups.

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Name	Company
Achyut Chandra	n/a
André Cardoso	Kooalys Insurtech, Admiral Group Plc
Arnaud de Coninck	Trusted Family
Carolina García	Prosegur
Cristina Ventura	White Star Capital
Damaris Mendoza	500 Global
Dario Bocchetti	Grimaldi Group
David Tendian	Sinar Mas Digital Ventures
Edouard Thijssen	Trusted Family
Eric Cardeña	MassChallenge Mexico
Filippo Maria Stefania	Generali
Francis Pun	Lenovo PCCW Solutions
Grace Njoki Gitonga	IESE Business School
Hans Poulis	IGC International
Hector Shibata	EGADE Business School at Tecnológico de Monterrey
Javier Villacampa	Grupo Antolin
Jie Ai Lim	Dole Sunshine Company
Laura Cots Miguel	Grupo Catalana Occidente Ventures
Lito Villanueva	Yuchengco Group of Companies
Luiz Mandarino	Energy Hub Ventures
Madhusudan Patel	Former International Flavors and Fragrances
Matthieu Horgnies	Holcim
Miguel Angel Cabrero	Mahou San Miguel
Mika K. S. Tienhaara	Technip Energies
Nassir Habboubi	Stemline Therapeutics, Inc.
Ozan Isinak	Trendwell Ventures Inc.
Pablo Moro	Telefónica Ventures
Patricia Kroondijk	n/a
Pedro Vicuña Zauschkevich	Cencosud Ventures
Ricardo Latournerie	Llama Invest / Tecnológico de Monterrey
Sethapong Sethakarn	Singha Venture (BKK, Thailand)
Stefan Björk	Greencarrier
Thomas Molleker	BMW i Ventures
Titus Mwaura	East Africa Breweries PLC
Utku Gokkaya	Vestel Ventures
Vanessa Bello	Leap Global Partners

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