When Innovations Bloom: 
Analysing Corporate Venturing in the UK

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Abstract: Firms in the UK have begun to look at the creation of new businesses as a method to manage the flow of innovations and this has led to increased interest in corporate venturing. Corporate venturing is defined as growing a business from inside out and involves the establishment of new ventures inside existing organisations (Thornhill & Amit, 2001). Likewise the study of corporate venturing is becoming a focus of interest within the US research community. Researchers have recognised the links between corporate ventures and profitability (Zahra, 1991), the effects of ventures on strategic renewal (Guth and Ginsberg, 1990), on fostering innovation (Baden-Fuller, 1995) and on gaining future revenue streams (McGrath, Venkataraman & MacMillan, 1994). Within the UK, corporate venturing as a method of growth is rising, a survey by Edengene for example illustrated that at least 50% of the FTSE100 were planning to invest in corporate ventures and the development of dedicated venturing activities, such as incubators, is growing.

This conference presentation will introduce an exploratory study of corporate venturing in the UK. The study has begun to track both longitudinally and historically, ventures using social constructionism, critical incident interviews (CIT - Chell & Pittaway, 1998a) and historical methods. The paper will include some initial historical data about cases of corporate venturing, will explore the current themes in the literature and will discuss the study underway. The data collection, analysis and interpretation processes will be discussed in some detail, to assist the construction of the research design.

INTRODUCTION

As Kanter (1988) illustrates in her work many organisations have sought to benefit from innovations by becoming more enterprising, by speeding-up their capacity to act, to innovate and to exploit commercially business ideas. The growth of interest in corporate entrepreneurship, corporate venturing and intrapreneurship has followed this trend (Thornhill & Amit, 2001). Corporate enterprise, as represented by business philosophies, is evident in Hewlett-Packard’s 'returning to the garage', 'invent' and Sony’s ‘what if’ advertising campaigns. Although the concepts are becoming embedded in these organisations it is not clear what is meant by ‘enterprise’ and ‘entrepreneurship’ as it relates to innovation. A number of organisations have begun to conceptualise enterprise in terms of corporate venturing and have used different forms of venturing to renew the organisation. A recent survey of FTSE 250 companies indicated that 93% of firms believed that organic growth through internal venturing was important and other firms, for example BAE Systems, have created a formal corporate venturing role. Companies
that have invested heavily in new ventures with differing degrees of success can also be highlighted. Exhibit 1 indicates FTSE 100 companies who have invested and Exhibit 2 indicates some notable successes\(^1\) at the time of the survey.

**Exhibit 1: FTSE 100 invested £5bn in ventures in 2000**

<table>
<thead>
<tr>
<th>Parent</th>
<th>Venture</th>
<th>Investment</th>
</tr>
</thead>
<tbody>
<tr>
<td>CGNU</td>
<td>e-enable wealth management</td>
<td>£41m</td>
</tr>
<tr>
<td>Reed Elsevier</td>
<td>Reed Elsevier Ventures</td>
<td>£68m</td>
</tr>
<tr>
<td>United Business Media</td>
<td>Portfolio of online businesses</td>
<td>£370 over 2 years</td>
</tr>
<tr>
<td>Carlton</td>
<td>ONDigital</td>
<td>£500m</td>
</tr>
<tr>
<td>Vodaphone</td>
<td>Vizzavi</td>
<td>Ecu 1.6bn by 2002</td>
</tr>
</tbody>
</table>

**Exhibit 2: Corporate venturing successes**

<table>
<thead>
<tr>
<th>Parent</th>
<th>Venture</th>
<th>Date</th>
<th>Benefit</th>
</tr>
</thead>
<tbody>
<tr>
<td>Prudential</td>
<td>Egg</td>
<td>12/00</td>
<td>£1.3bn</td>
</tr>
<tr>
<td>Reuters</td>
<td>Tibco Software</td>
<td>7/99</td>
<td>£881m</td>
</tr>
<tr>
<td>CMGi</td>
<td>Engage</td>
<td>7/99</td>
<td>£690m</td>
</tr>
<tr>
<td>T</td>
<td>T Online</td>
<td>4/00</td>
<td>£900m</td>
</tr>
<tr>
<td>BTG</td>
<td>Torotrak</td>
<td>7/98</td>
<td>£400m</td>
</tr>
<tr>
<td>Dixons</td>
<td>Freeserve</td>
<td>7/99</td>
<td>£1.45bn</td>
</tr>
<tr>
<td>Securicor</td>
<td>SafeDoor</td>
<td>3/01</td>
<td>Share price rose 4% on announcement</td>
</tr>
</tbody>
</table>

While there are clearly notable investments and some success, corporate ventures have also failed spectacularly. Edengene's survey, for example, illustrated that only 14% of FTSE 250 companies were undertaking practices that were appropriate to corporate venturing and there have been a number of notable failures. A high profile example was the collapse of Motorola's and Psion's Odin venture that was terminated leading to a 15% decline in Psion's shares\(^2\). Such a low confidence in internal venturing processes would indicate a need for further understanding, development and research with regard to corporate venturing and the more general strategic
influence of corporate entrepreneurship particularly within the UK context. The perspective that UK firms lag behind their US counterparts in this area was outlined by Stephen Timms, Secretary to the Treasury in November 1999 when he launched the CBI's report on Corporate Venturing in the UK (CBI, 1999). He argued that:

Compared to the US, corporate venturing in this country barely skims the surface of the investment pond. When I was in Silicon Valley, in September, I met Stephen Nachtsheim, the Vice President for Corporate Business of Intel. He told me that Intel had invested over $3 billion dollars in more than 250 companies - most of them start-ups - some working from the owners' garage. Corporate venturing is having a big impact on they way Intel does business and is as integral to their corporate strategy… but examples like these outside the US are scarce. The report says, many large firms still don't really know what corporate venturing is. And that worries me.

CORPORATE VENTURING

A realisation in the US that firms must both look to the creation of new business, as well as, mergers, acquisitions and joint ventures to manage the flow of innovations and the pace of growth, has led to greater interest in the study of corporate venturing. The term has principally been used to mean the process whereby a business is grown from inside out (Zahra, 1991) although in the UK it has also been used to mean venture partnerships between small and large firms. The reasons for corporate venturing are considered to be wide ranging and include improving corporate profitability (Zahra, 1991), generating strategic renewal (Guth & Ginsberg, 1990), fostering innovation (Baden-Fuller, 1995) and gaining knowledge that may be converted into new revenue streams (McGrath, Venkataraman & MacMillan, 1994). It is recognised that these factors when combined can have a positive effect on industrial productivity (CBI, 1999). Recently Thornhill and Amit, (2001) undertook a comprehensive review of corporate venturing and discovered a number of points about it on which many researchers agree.

1. That corporate venturing does have a helpful impact on financial performance (Zahra, 1991; 1993; Zahra & Covin, 1995) although the benefits may take a long time to emerge (Thornhill & Amit, 2001).
2. Ventures are typically considered to go through a series of stages of a dynamic nature (Garud & Van de Ven, 1992; McGrath et al. 1994; Schrader & Simon, 1997).
3. Some agreement appears to exist that due to the evolutionary nature of such ventures particular milestones appear to be the best way of evaluating performance (Block & MacMillan, 1993; Block & Ornati, 1987).

Although there does appear to be some agreement about certain aspects of corporate venturing there are inevitably areas of disagreement. For example, disagreement occurs with regard to the degree of autonomy in the relationship between parent and venture (Sykes, 1986; Schrader & Simon, 1997; Thornhill & Amit, 2001). Further differences exist regarding the nature of corporate venturing and the forms that it can take (Miles & Covin, 2002). In relation to the other aspects of the subject of corporate enterprise it is evident that corporate venturing concentrates specifically on the process of venture creation, the extent to which this can impact on firm
performance and the complexity of the relationship between a new venture and its parent. Contemporary study has made considerable conceptual and practical advances, however, the concept of corporate venturing does not explain how organisations can become enterprising in a more general sense. It provides a sound understanding of the processes involved, which is useful for organisations where the culture stimulates new opportunities, but is of little use to many organisations where few opportunities emerge as a consequence of prior culture and organisational design. As a consequence in recent years the subject of corporate entrepreneurship or corporate enterprise has emerged to take a more strategic and holistic view of the process of enterprise in larger organisations (Russell & Russell, 1992; Birkinshaw, 2000; Gibb, 2000).

Despite these criticisms, corporate venturing has provided some useful insights in the US. Hoskisson and Busenitz (2002) studying market uncertainty and learning needs associated with corporate venturing identified four different forms of venturing based on the degree of market uncertainty and the extent of learning distance between the venture and the organisation’s core business activity. Thornhill and Amit (2001) analysing venture performance concluded that the fit between the corporate parent and its venture had a positive association with venture performance. Miles and Covin (2002) presented a typology of corporate ventures based on the focus of entrepreneurship and the presence of investment intermediation. They further classify the literature according to the type of venture analysed. When reviewing the growing literature on this subject Thornhill and Amit (2001) and Miles and Covin (2002) provide a rationale on which this exploratory study is based. The aims of the research study are designed to address the following issues:

1. The research to date in corporate venturing and corporate entrepreneurship has been dominated by study in the US and where international studies have been undertaken they are generally linked to the internationalisation of US companies (Filatotchev, Wright, Buck & Zhukov, 1999).
2. Research has been dominated by positivist meta-theoretical frameworks and methodologies.
3. Promising research objectives include the identification of contextual factors that encourage or discourage the use of particular venturing options (Miles and Covin, 2002).
4. There remains a pressing need for longitudinal studies of corporate venturing (Thornhill & Amit, 2001)
5. There is a need for studies that capture the dynamic processes underlying the growth of corporate ventures (Thornhill & Amit, 2001).

The proposed methodological design outlined in this conference paper will seek to provide a preliminary research design based on interpretive and qualitative principles that will allow for a different form of research on corporate venturing and start to examine the issues outlined.
METHODOLOGY

Discourse on entrepreneurship has been criticised for being inherently functionalist (Grant & Perren, 2002) and study in the subject does appear to be embedded and contextualised in its historical and cultural context (Agger, 1991). The subject has been critiqued for using discourse that perpetuates the ‘heroic’ myth of the dominant, rational European/North American male model (Fondas, 1997) and has been recently lambasted for being unable to recognise these assumptions (Ogbor, 2000). A detailed analysis of the philosophical assumptions guiding study can comfortably conclude that the subject is dominated by functionalist enquiry and by assumptions of social control (Pittaway, 2000; Ogbor, 2000; Grant & Perren, 2002). A cursory analysis of study in corporate venturing as a subject within entrepreneurship can also illustrate a demand for research approaches that are dominated by realist, positivist, determinist, and nomothetic philosophical assumptions. Expanding the meta-theoretical assumptions on which research in corporate venturing is based to include interpretive assumptions and techniques, it can be argued, will assist greater understanding of the contextual, behavioural and dynamic features of activity directed at corporate venturing.

Social Constructionism is one form of interpretive philosophical framework that does offer opportunities to expand knowledge in this subject. Social constructionism is viewed as an interpretive approach within Burrell and Morgan’s paradigms of social science (Burrell & Morgan, 1979). The social constructionist perspective in entrepreneurship was developed initially by Chell, Haworth and Brearley (1991) as a new explanation of the entrepreneurial personality. It drew principally from the social construction of personality (Hampson, 1982) and has more recently built upon concepts drawn from the social construction of reality (Berger & Luckman, 1982). Chell (2000, Allinson, Chell & Hayes, 2000), Bouchikhi (1993) and Pittaway (2000) have all sought to expand on the usefulness of social constructionism within the study of entrepreneurship. Seven key features of social constructionism can be highlighted (Chell & Pittaway, 1998b).

1. Past experiences and language can enable processes of pattern recognition for labelling purposes, and pattern assembly for the creation of perceived reality.
2. This enables individuals (and groups) to give meaning to social reality.
3. To explain their social environment people use words to describe (or label) behaviour in the context of types of situation.
4. These types of situation are also socially constructed.
5. The ‘matching’ of patterns of behaviour to social situations enables people to ‘judge’ which behaviours are ‘appropriate’ in situations amongst certain groups of people.
6. Viewing ourselves as actors in social situations, the labelling of our own and other people’s behaviour results in the externalisation of consciousness.
7. This in turn supports the development of social interaction and language construction.

Understanding in corporate venturing could be improved via the use of methods linked into social constructionism. By exploring the meaning ascribed to the venturing process amongst actors within a corporate context, how these behaviours are described and valued, and consequently embedded in the organisation’s culture would provide useful insights into the contextual and dynamic factors involved in venturing (Thornhill & Amit, 2001). An approach of
this nature could also illustrate the values and beliefs in particular organisations and show how these influence the forms of venturing favoured (Miles & Covin, 2002). Studies based on social constructionism within this domain would, however, be more qualitative and case orientated, requiring a detailed and in-depth case analysis, utilising multiple qualitative methods and be both historical and longitudinal in nature.

METHODS AND RESEARCH DESIGN

The methods and research design proposed for this study will require a more expansive and detailed knowledge of the venture, knowledge of the participants perceptions of the venturing process and an understanding of the dynamic nature of the relationships embedded over a period of time. Exhibit 31 highlights the research design as it is currently conceptualised.

The research design as outlined is viewed as an inductive process. It utilises snowballing concepts from Actor Network Theory to facilitate the identification of key actors on the particular venture in question and provides opportunities for research participants to engage in the formulation of the data analysis and interpretation (Harrison & Laberge, 2002). Snowballing is used during the early stages to identify other cases as recommended by the research participants. Stage one of the research focuses principally on issues of access. Access to current and historical corporate ventures can be problematic for a variety or reasons. Confidentiality, corporate secrecy and internal political and external commercial sensitivities can have a direct limiting influence on research of this nature, even where the case study is historical and the corporate venture is a success. Liaison with organisations including intermediaries such as corporate venturing consultancies is crucial in the initial research design and the time and effort involved should not be under-estimated.

In stage two the research will conduct Critical Incident Interviews (CIT) with ‘corporate entrepreneurs’ as identified in stage one. The term ‘corporate entrepreneur’ is viewed in social constructionist terms to be those individuals involved in corporate venturing initiatives that are viewed by the intermediaries as having entrepreneurial influences on the ventures concerned. In practice these individuals may be the lead executives, members of the venturing team or other individuals involved within the process including key stakeholders not directly employed by the company. CIT interviews conducted will concentrate on the individual’s perceptions of critical moments or episodes during the venture process (Chell & Pittaway, 1998a) these will be linked to key corporate venturing milestones as outlined in prior research (Block & MacMillan, 1993; Block & Ornati, 1987).
Stage three of the research process will explore in detail the historical background of the parent and of the venture, exploring documentary evidence to analyse external influences and key milestones. The purpose of this stage is to fully inform the researcher about the case history prior to more detailed qualitative intervention within the company. Depending on access case analysis may be entirely historical in nature in order to address issues of confidentiality if access to ongoing ventures proves problematic. In stage four a detailed case intervention will take place on a longitudinal basis. This will include regular interviews with team members and other participants and snowballing techniques to generate a complex picture of the interactions and networks that are impacting on the venturing process. E-mail discourse will be utilised to maintain contact on a longitudinal basis while removed from direct contact with the venture and focus groups will be used to expand or delve more deeply into aspects of the venturing process. Although performance will not feature as a key element of the research process, some measures of performance will be sought to provide anchors on which to compare the performance of cases.

The study will seek four case studies according to the following types:
1. **Direct-internal** where new ventures are funded without financial intermediation (directly through the operating or strategic budgets) and developed within the domain of the corporation by corporate employees

2. **Direct-external** where the corporation without using a dedicated new venture fund, acquires or takes an equity position in an external venture

3. **Indirect-internal** the corporation invests in a venture capital fund designed to encourage corporate employees to develop internal ventures. The venture capital fund typically originates and operates within the corporation and is managed by corporate employees

4. **Indirect-external** the corporation invests in a venture capital fund that targets external ventures in specific industries or technology sectors. The venture capital fund may originate outside the corporation and be managed by persons who are not corporate employees, or the fund may originate within the corporation and be managed by corporate employees.

   i. (Source: Miles & Covin, 2002).

The following case examples illustrate the type of organisations that will be involved within the detailed research to be undertaken.

**CASE EXAMPLES**

**BT Bright Star – Psytechnics**

Brightstar is BT’s corporate technology incubator based at Adastral Park, Ipswich. The incubator provides opportunities for BT employees to develop their own businesses based on technological applications. It provides an example of Miles and Covin’s **Indirect-internal** type of corporate venturing because it uses an internal venture fund, as well as, attracting external venture finance and is designed to assist the development of internal ventures which may be separated from the parent. Initially BT employees are invited to share ideas with the incubator team in an informal way and these ideas are worked on to turn them into full business propositions that are presented to the Brightstar Executive Board. If the proposition is considered attractive the venture team are invited to move into the incubator. The incubator team also spend time seeking out new technologies in BT and ‘entrepreneurial’ people internally and externally to promote potential venturing opportunities. During incubation the venture is fully funded and supported by BT and project funds are made available to the incubating business to develop their business plan and seek out customers, suppliers and potential investors. During the acceleration stage the incubating business may attract external venture finance and begins to enact the business plan. The aim of the acceleration process is to ‘spin-out’ the incubating business aiming at a market capitalisation of £100 million in two or three years from incubation. Returns are split between BT, the venture capital investors and the team/founders. BT usually takes a minority holding. In February 2003 BT announced that it had teamed up with Coller Capital and New Venture Partners to create a new corporate venturing partnership known as NVP Brightstar. NVP Brightstar will have exclusive rights to BT’s intellectual portfolio and the overall investment of the partners is £61m. The move shifts BT's corporate venturing focus from Indirect-Internal to Indirect-External.
PsyTechnics one of BT’s ventures incubated by Brightstar recently won the corporate venturing award at the National Business Awards 2002. The founders of the business pioneered perceptual engineering by using hundreds of volunteers to build a model of human hearing; the volunteers were played distorted conversations and were asked to respond when they could not hear something. This was used to build a computer replica of human hearing. Mike Hollier, CEO of PsyTechnics explains that the technology is in an early stage but that its commercial applications are expanding into many new areas. The team used the BT incubator to turn the technology into a commercial opportunity. The technology they have created enables users to make calls over the internet without interruptions because it can sense when internet lines are becoming congested and can supply more capacity when needed. They have designed software algorithms to measure voice quality in telecommunications systems, the algorithms are used to test equipment and network monitoring devices and can predict the voice quality as it would be perceived by users. The business licenses speech quality assessment technologies to manufacturers for testing telecoms equipment and software. It has recently completed the venturing process and has been spun-out from BT.

**Orbian**

Orbian based in London and the South West is owned jointly by Citigroup, SAP and DCE. Citigroup is the majority owner but the concept was developed by DCE Ltd., a five year old, London based R&D company serving the financial industry. DCE was created to study delayed payment and settlement problems between companies, Citigroup provides Orbian with expertise on security and other issues, while SAP AG a German software company specializing in electronic business applications provides the software to make Orbian work. As such, it is an example of Miles and Covin’s (2002) direct-external form of corporate venturing. The firm offers channel finance and payment solutions that allow businesses to trade on better terms, providing a global electronic financial and e-commerce system for credit management. Companies involved with Orbian platform contract and transact with each other via credit management systems, which enable the buyer to issue an Orbian Credit for an approved invoice with a supplier providing the buyer undertakes to remit the payment to Orbian on an agreed maturity date. A supplier receiving an Orbian Credit can discount it immediately to receive cash. Orbian executive VP John MacDonald explained “You’d like to be paid as quickly as possible, and I’d like to pay as late as possible. Using Orbian, you get 100% of your cash at term, get your cash at a discount immediately, or instruct Orbian to pay your suppliers for you”. The company, therefore, provides firms with a new method to manage cash-flow and releases value locked-up in the supply chain via an innovative financial services model. The system provides improved liquidity, a solution for late payment and a tool for improving trading relationships between buyers and suppliers. Gartner Group’s Avivah Litan concludes “They’re basically creating their own currency – that’s how they’ll be making money… it’s an innovative system, and it’s filling a need out there in the B2B space”. To protect itself financially, Orbian is issuing credit to only a limited number of large, well-established businesses, typically investment-grade companies, however, their strategy is to use Orbian Credit to spread to smaller businesses that supply larger firms. Although other online payment systems do exist, for example, Paypal.com, PaymentWave and Actrade International Plc., Orbian is different because it offers a solution to a cash flow and credit management problems.
Cahoot

Abbey National’s venture Cahoot is an example of a direct-internal form of corporate venturing because the venture was fully financed by Abbey National and has become a wholly owned subsidiary remaining within the corporation. Cahoot is Abbey National’s version of an online bank that launched in 2000 with an investment of £50m. At launch the online division employed 56 employees and Marketing Director Tim Sawyer explained, “We’re going very much on individualised pricing, offering rates on credit history”\(^\text{9}\). The business strategy was to attract customers by being the lowest-cost firm in the market and developing services individualised to customers, for example, by rewarding customers with APRs relevant to their credit rating\(^\text{10}\). In 2002 Abbey National’s Cahoot division had secured 240,000 customers\(^\text{11}\) and the aim for 2003 is to have 5% of the online banking market, with 300,000 customers and 630,000 accounts. Cahoot in 2002 moved to offering online mortgages\(^\text{12}\) and is aiming to be the lowest cost distribution channel for selling mortgages. Tim Sawyer the marketing director, however, explains that Cahoot’s strategy is to concentrate on ‘digital banking’ including using cash machines, the internet, mobile phones (including text and WAP), contact centres and interactive voice responses but is not currently intending to enter the Digital TV or 3G markets\(^\text{13}\). He further explains that introducing and managing content will become critical to Cahoot’s range of services in future\(^\text{14}\), including allowing writers to add content to Cahoot’s website, which illustrates further diversification away from the core banking product.

Adobe Ventures

A US example of indirect-external corporate venturing is Adobe Ventures. Adobe Systems develop software and Internet solutions and have been involved with Internet technologies for over 19 years. They launched a venture capital partnership with Granite Ventures in 1994 directed at investing in new businesses that were of strategic value to Adobe. Adobe Ventures has invested in enterprise software, networking and communications, digital imaging, media and publishing and Internet business services and infrastructure\(^\text{15}\). They have typically invested in eight to ten companies a year ranging from $1 million to $5 million and there are four venture funds totalling $275 million. They tend to work directly with companies to assist the development of the business model and seek to leverage financial returns from their investments, operating as a normal venture capital fund would operate. In 2002 half of the investment portfolio had made an initial public offering and $300 million profit had been generated for the company. Typical firms that Adobe has invested in include MFactory, Tumbleweed and Cascade. MFactory created MTropolis an object oriented tool for creating cross-platform multimedia rifles that can be used on CD-ROMS and on the Internet\(^\text{16}\) in 1996 Adobe Ventures invested $8.5 million. Tumbleweed creates content focused security systems for the Internet and they provide secure messaging for large US companies\(^\text{17}\) Adobe's investment in 1997 was $8 million. Cascade a company employing 105 people in Andover, MA, which also has subsidiary in the UK provides services and software for information management. Adobe invested $1 million in the first stage and $2 million in the second stage (1996) for a minority shareholding\(^\text{18}\).

These cases provide examples of the type of organisations that may feature as part of the study outlined. The first access stage of the research will begin shortly and consequently the specific organisations that will be researched will emerge in February 2003. The purpose of the paper is
to explore the research design and methods to be used during the study, in order to encourage discussion and encourage recommendations for improvement.

**SUMMARY**

This paper highlights the importance of corporate venturing in the UK. It is becoming a major form of organic growth for many companies in the FTSE 250 and current evidence suggests that only limited ‘best practice’ information is currently available to UK firms despite the fact that many companies are creating and utilising their own models. A review of UK academic research in the subject confirms that understanding within the academic domain is also limited and there is little evidence of detailed studies focusing on the experience of companies in this country. When compared to the relatively extensive study of corporate venturing, corporate entrepreneurship and intrapreneurship in the US it is possible to conclude that there is a need for further effort in this subject within the UK context.

From the analysis of (mainly US) academic study conducted a number of issues and areas for consideration were identified. For example, evidence collected so far illustrates that corporate venturing can have a positive impact on the parent’s financial performance and profitability, that ventures go through identifiable stages and that certain milestones can be used as effective ways to judge and evaluate performance. This paper identified, however, that research conducted to date has been predominately positivist in nature, which has limited its ability to be aware of the dynamic processes; including behavioural and contextual factors that impact on corporate venturing and venture performance. It was concluded that there was a need for more longitudinal and historical study and that research utilising interpretive assumptions and qualitative methods could begin to address this knowledge deficit.

The purpose of the proposed research is to address this identified hole in current understanding. This conference paper has outlined the methodology and research design proposed for the study. It argued that using social constructionism would assist the development of new and different knowledge about corporate venturing by highlighting the key assumptions and explaining how these would be used in the study. The paper proceeded to explain the research design in some detail; outlining that the research would use a number of identifiable stages and a range of qualitative methods. It was explained that the main purpose of the conference paper was to explore and discuss this research design. Finally, the paper provided four case examples, which described the forms of the corporate venturing used and the types of company’s that might feature in the study.

In conclusion it is argued that the research as proposed will have a number of outcomes, the study will:

1. Provide examples and detailed cases of corporate venturing in the UK
2. Begin to explore the dynamic processes and behavioural implications associated with ‘successful’ and ‘unsuccessful’ corporate venturing.
3. Develop models that will expand on current theory and provide more complex qualitative data on the different forms of corporate venturing.
4. Examine core ‘entrepreneurial’ behaviours and their perceived value within specific
cultural and corporate contexts.
5. Develop longitudinal and historical interventions that will capture in greater detail the
dynamic processes associated with corporate venturing
6. Enable dissemination of current ‘best practice’

If innovations derived from corporate venturing are to have a substantial influence on UK
productivity, as is suggested, it can be concluded that the essence of corporate venturing
‘success’ needs to be carried elsewhere to spread and academic study and dissemination plays an
important role in this nurturing process (Kanter, 1988).

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NOTES

1 Data made available by, Edengene, 10 Fenchurch Avenue, London, EC3M 5BN
2 Which has declined substantially since the publication of the survey
4 As applied in the Department of Industry's initiative Corporate Venturing UK, http://www.corporateventuringuk.org/
6 ‘Citigroup-backed services lets sellers in E-markets get paid in real-time’, Bank Systems and Technology, Vol. 37, Iss. 10, 10/2000, Source: Business Source Premier
7 ‘Citigroup, SAP launch payment system’, informationweek.com, 10/7/2000, p. 139, Source: Business Source Premier
8 ‘Is Citi printing its own currency?’, Future Banker, 9/2000, p. 20, Source: Business Source Premier
10 ‘Rewards for the way you run your account’, New Statesman, 09/18/2000, Source: Business Source Premier
14 ‘UK’s Cahoot picks Documentum product’, American Banker, 15/08/2000, Source: Business Source Premier
15 For example, see Adobe's website: http://www.adobe.com/aboutadobe/adobeventures/main.html
19 In a comprehensive review of the subjects of corporate venturing, corporate entrepreneurship and intrapreneurship only a small number of UK academics appeared to have published on the subject. These include Baden-Fuller, Birkinshaw, Gibb and Stopford. Miles and Covin's recent article (2002) was based on work sponsored by the University of Cambridge, Judge Institute of Management and part of the work was carried out in the UK. The CBI, Henley Incubator, Edengene and Accenture have published reports in 1999, 2000 and 2002 that has raised awareness of the subject in UK government and industry.