

GGG: Generating Greater Gains from collaboration with **startups**

1.

CREATE the collaboration facilitating organizational structure

– assure that your Chief Innovation Officer or Head of Open Innovation has the power to make decisions as well as resources to follow the startup collaboration end-to-end in the speed that is necessary. Startups work much faster than corporates and corporates need to adjust their relevant resources to faster working modes.

3.

Follow through from cradle to grave

– engage in the collaboration only if you are ready to commit end-to-end. Don't run in case of first hindering obstacles. That's the time to tighten the grip and to get through jointly. Biggest obstacles are likely to rise after successful proof-of-concept implementation, as taking it from PoC (Proof-of-Concept) to full scale is never an easy task. Don't forget that you hold the upper hand in the market knowledge, and startup holds the upper hand in agile development. Combine the two and you can jointly overcome the hurdles.

2.

Be ready for long-term relationship

– successful startup collaboration is a long-term journey and engage in it only, if you are willing to be in it for the long-run. In general, you don't go into short few-month contracts with suppliers in your key strategic areas. Nor do you go for joint ventures or M&As without being ready for long-term relationship. Why should it be any different with startup engagements? Just because startups are agile, does not make the collaboration a quick win game as you are putting face-to-face two very different animals and need time for them to adjust to each other. Any collaboration, be it on a supplier, joint venture, M&A or startup level is a long-term relationship effort and should be viewed as such.

4.

Open your culture to making and learning from mistakes

– develop culture that is open to making mistakes and to learning from them. If highly regulated aviation industry can nurture black-box think, so can financial industry. It's a matter of mindsets and your corporate culture. Don't forget that progress comes through mistakes and through the organizational learning that is gained from those mistakes. PoC is lean and concrete way to explore the potential of startup-corporate collaboration.

5.

Kill the “not invented here” syndrome

– overcome the cognitive dissonance in your people’s mindsets and set the scenery for the organization to embrace the collaboration. Make sure your innovation teams are not working in silos and open your organization’s eyes to the power of collaboration

7.

Stop wasting time on scouting

– outsource the scouting and filtering to third parties that are following the landscape closely and have the expertise in the startup space. Focus on end-to-end integration of the few selected startups and dedicate your open innovation resources fully to it.

9.

Bring the Business Units on board from day one

– Business Units are the final decision makers and ultimate adopters of the innovation coming from the startup world. Keep them in the loop and involve them already in the selection.

6.

Set up regular check points on the Board level

– follow the progress on a regular basis with attention from the Board level. Board level engagement may take its time, yet there are some quick wins on how to open the mindsets, like engaging your Board members with startups through mentoring.

8.

Focus on later stage scaleups

– unless you are one of the few corporates who has the luxury of time and deep pockets, focus on the later stage scaleups. Look at the innovation that has the proof-of-concept from the market.

10.

Align on expectations beforehand

– there is notable gap between startup and corporate expectations, which need to be openly discussed before deep engagement. If there is too large of a gap, the collaboration road will be rocky and might not be the best way forward.