Corporate Venture Capital

**CVC firms are corporately-owned investment firms that provide startups with capital in exchange for equity.**

Is your brand ready to share equity?

**Finally, corporate venture capital investment firms bring to an investment in CVCs a more strategic interest in investing in companies. CVCs may have to make strategic changes to align with their corporate parent’s interests.**

**CVC investments often include resources, such as marketing expertise, that accelerate startup success.**

Globally, corporate venture capital groups contributed $52.95 billion across 2,740 deals in 2018—-a dramatic increase from $29.1 billion across 1,705 deals in 2014.

There are also built-in mentoring relationships between the investing firm and the startup, where investors can learn from the startup cultures and vice versa.

Whereas between corporate venture capital and traditional venture capital are often seen as separate entities, CVCs can be a valuable asset to startups:

- CVCs can help startups navigate the often-difficult process of working with large established brands.
- CVCs can offer unique insights and resources that traditional VCs may not be able to provide.
- CVCs can often offer a more patient capital approach, allowing startups to grow and scale over a longer period.

**“CVCs limit a startup’s long-term options.”**

“CVCs and traditional VCs don’t mix.”

Some entrepreneurs incorrectly believe that accepting CVC funding limits their long-term options. The truth is that CVCs are uniquely positioned to help entrepreneurs build prosperous, long-term ventures.

It’s true that Google, Intel, Qualcomm, Salesforce, and other industry giants dominate the CVC landscape. However, smaller, private, and less-known companies are now in the ranks of CVCs. Twitter, Slack, and Workday now have venture funds, each with a unique focus.

**To review expert perspectives and industry examples that illustrate the ways Corporate Venture Capital is changing the world of startup funding and marketing, read the ANA Marketing Futures full report.**

In the meantime, here are 3 myths that need debunking:

1. **“You can’t create a startup with a CVC.”**
   
   CVCs are interested in startups that align with their corporate parent’s strategic goals. Therefore, startups that are aligned with those goals have a better chance of success.

2. **“CVCs are built on a startup’s long-term success.”**

   “CVCs and traditional VCs don’t mix.”

   Some entrepreneurs incorrectly believe that accepting CVC funding limits their long-term options. The truth is that CVCs are uniquely positioned to help entrepreneurs build prosperous, long-term ventures.

3. **“CVCs are built on a startup’s long-term success.”**

   While these entities may have different objectives, there is enough overlap to enable co-investing. Traditional VC firms have expertise in due diligence and valuation, while CVC units bring access to new markets, technological expertise, and connections to large established brands.

Recommended STEPS

1. **Is your brand ready to implement a CVC strategy?**

   While these entities may have different objectives, there is enough overlap to enable co-investing. Traditional VC firms have expertise in due diligence and valuation, while CVC units bring access to new markets, technological expertise, and connections to large established brands.

2. **“CVCs are built on a startup’s long-term success.”**

   While these entities may have different objectives, there is enough overlap to enable co-investing. Traditional VC firms have expertise in due diligence and valuation, while CVC units bring access to new markets, technological expertise, and connections to large established brands.

3. **“CVCs are built on a startup’s long-term success.”**

   While these entities may have different objectives, there is enough overlap to enable co-investing. Traditional VC firms have expertise in due diligence and valuation, while CVC units bring access to new markets, technological expertise, and connections to large established brands.

**“CVCs are built on a startup’s long-term success.”**

While these entities may have different objectives, there is enough overlap to enable co-investing. Traditional VC firms have expertise in due diligence and valuation, while CVC units bring access to new markets, technological expertise, and connections to large established brands.