

# Corporate Funding

**Corporate Venture Capital –  
Leveraging corporate strengths for investment  
return**

**Nokia Growth Partners**

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# Background

- **Nokia Venture Partners (Since 1998)**
  - Early stage, global, IT & mobile technology focus
  - Not a corporate VC fund
  - Close connections with Nokia on various levels & areas
  - Rebranded to BlueRun Ventures
  - Currently around 1BUSD under management
- **Nokia Growth Partners (Starting 2004)**
  - 100MUSD Fund (Nokia as sole LP)
  - Late stage, global, “Nokia” technology focus
  - Corporate VC
  - Clear strategic link to Nokia business

# Nokia Growth Partners Deal Metrics

- Average deal size \$2-8m
- Target 4-6 deals / year
- Targeting 2x-4x return
- Likely exit window in 18-24 months
- “Active observer” role
- Deal characteristics:
  - Product commercially available
  - Significant revenue growth
  - Proof of industry adoption (Nokia)

# Corporate connection – “Unfair advantage”

- Technology due diligence network
  - Research units, Platform & Product development
- Business case due diligence network
  - Business ecosystem understanding
- Market & Competitor intelligence
  - Business units, Sales & Marketing units, Regions
- Strategic partnering / licensing
  - Sourcing units, Technology/Product strategies
- Brand

# Corporate connection – “Other side of the coin”

- Maintaining the Chinese walls
- Potentially slow decision making process
- Timing challenge
  - Technology adoption
  - Investment
- Changes do happen...
  - Products / Technologies get killed
  - Organizational shuffle
- Managing the expectation level
  - Corporate
  - Start-up
  - Fund

# Benefits to the start-up company

- Access to right places
  - Corporate VC should be the “compass & map”
- Opportunity window knowledge
  - What is the right timing for using the sparse cycles
- Clear commitment from the corporate
  - Relationship on multiple levels helps
  - Reference, which accelerates other businesses
  - Valuation boost

# Nanotechnology from corporate VC point of view

- Still in early stages
  - Investment span is long
- Business model(s) not clear
  - Hard to say where the value really is
- Risk vs. return not in balance
  - Risks are high, but what is the return upside?
- Multiple application areas
  - Which ones really make sense?
- IPR minefield
  - Who in the end has the right IPR?

# Corporate VC strengths - Summary

- Potentially, there are lots of benefits...  
BUT, life is not that simple!
- Ingredients for success:
  - Full top management support
  - Extremely well networked investment team
  - Well defined investment model
  - Positive attitude in the rest of the organization
  - Clear, agreed way to measure success (or failure)

**Thank You for Your  
attention!**