

# The Success of a Corporate-Startup Program from a High-Technology Perspective

**To achieve a successful corporate-startup program is a difficult yet a crucial task to master in order to harness the benefits that such a collaboration can bring. For a successful program, it is critical that the hosting company adjusts the offering of the program to attract the right startups, enable them to develop and grow whilst creating benefits for the company itself. The critical success factors identified in the study works as a guide for such programs within the Internet of Things (IoT)-sector.**

Since there is a large difference in nature between startups and established companies, they have great potential to complement each other and create synergies. Therefore, a corporate-startup program can be vastly beneficial for both parties, but it is a difficult task to pursue. In order to understand how a beneficial collaboration can be achieved, ten critical success factors are identified.

The critical success factors are derived specifically for global high-technology companies and mature startups in the IoT-sector. They aspire to give guidance to such companies aiming to refine or launch a corporate-startup program with these startups. The critical success factors are: (1) provide an initiation process that is simple and in which expectations and objectives are aligned; (2) align intentions and consequences of providing financial support; (3) balance the terms of the program; (4) provide a high degree of customization; (5) ensure a low degree of interference with the competitive edge of the startup; (6) focus the program around the unique selling point of the hosting company and IoT-specific support; (7) support the startup to gain legitimacy and credibility; (8) provide learning opportunities; (9) provide a business context; and (10) provide access to IoT- markets.

The rise of corporate-hosted programs as a mean to collaborate with startups stems from the competitive environment of today, characterized by globalization and digitalization, and the increased importance for established companies to engage in open innovation activities.

Startups face many challenges as they grow, and their survival is dependent on factors such as accessing specific assets and resources which is something established companies usually have. However, despite the many barriers to overcome, startups have a competitive edge towards established companies: they are fast, agile, creative and have the ability to radically innovate. Therefore, established companies have much to learn from startups.

IoT is one of the most rapidly emerging technologies that will impact all sectors. Therefore, corporate-hosted programs with startups that are focusing on IoT-solutions are important to understand, since these startups face many challenges related to the high complexity and newness of the field.

**Q: What is a *mature startup in the IoT-sector*?**

**A:** A startup that fulfills the following criteria:

1. The business concept is defined and validated
2. The startup has started to generate revenue from paying
3. The startup has generated less than one MSEK in revenue from the last twelve months
4. The startup has lost less than 20% of its equity to external investors
6. The startup is active developing a product or service based on IoT

*Authors: Ebba Rundquist and Amanda Österling*