



PRESS RELEASE

CORPORATE VENTURING EMERGING IN LATIN AMERICA WITH OVER 460 COLLABORATION PROGRAMS BETWEEN LARGE CORPORATIONS AND START-UPS IN 2019

- **130+ innovation leaders took part in IESE Business School and Wayra's report "[Corporate Venturing Latam](#)", revealing over 184 companies actively linking with start-ups**
- **Open innovation challenges, start-up scouting and corporate incubators/accelerators are the most common programs deployed by large corporations**
- **Brazil, Mexico and Colombia are the main Latin American corporate innovation hubs in the region with nearly 75% of the region's analyzed activity**

Madrid, 16th March 2020.- [IESE Business School](#) and [Wayra](#), Telefónica's open innovation hub, release today a new report on corporate venturing in Latin America – a promising region for the practice of linking established firms with innovative start-ups, but where, until now, there has been scant information available.

The report [Corporate Venturing Latam](#), sheds light for the first time on regional adoption of the practice in Latin America, analyzes the companies and mechanisms at work in the region, and makes site-specific recommendations, supported by interviews with 133 chief innovation officers and equivalents.

Latin America's Corporate Venturing Hubs:

To zero in on the region's corporate venturing hubs, the study focuses on larger companies (with at least \$4 billion in annual revenues) operating in six countries -- Brazil, Mexico, Colombia, Argentina, Chile and Peru -- where the most corporate venturing activity was found, in that order. In this group, the report found that:

- There are 184 corporate subsidiaries in 19 Latin American cities running 460 initiatives such as challenge prizes, scouting missions, corporate accelerators, coworking spaces, corporate venture capital, venture builders, and start-up acquisitions.
- Companies with revenues over \$25 billion are adopting corporate venturing at a higher level than firms with revenues between \$4 and 25 billion.
- Financial services, information technologies, management consulting and telecommunications were the hottest industries in this field.



PRESS RELEASE

Still, while adoption of the practice is increasing in Latin America there is room to grow. The study found only 16% of the larger companies analyzed in the region had any sort of corporate venturing mechanism. That's surprising, given that 75% of the Fortune 100 list is reported to use corporate venture capital (i.e., just one of the mechanisms).

This is happening in a region where:

- Venture capital funding for the local start-ups more than tripled between 2015 and 2018.
- Start-up accelerators also proliferated (including state-driven and private initiatives).
- The subsidiaries participating in corporate venturing were headquartered in Europe (45% of all cases), followed by Latin America (25%) and then the United States (24%).

For more on the study's findings see:

<https://www.ieseinsight.com/doc.aspx?id=2273&idioma=2>

This study was authored by IESE Business School (Julia Prats and Josemaria Siota), in collaboration with Wayra, and supported by CORFO (the Economic Development Agency of the Chilean Government).