

OPEN INNOVATION REPORT 2023

Surviving the Storm: how corporate-startup collaboration is the key to thriving amid economic turbulence



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Executive Summary

Economic slowdowns, supply chain breakdowns, unprecedented competition for talent, not to mention a plethora of game-changing tech solutions hitting the market: today's corporates must navigate an intimidating array of challenges.

Add to that a consumer base with ever-growing expectations combined with ever-shrinking loyalty: welcome to today's hyper-competitive commercial marketplace, where corporates are caught in a constant battle to not only grow but expand their competitive advantage – all with smaller budgets.

As successive economic data confirms, Europe is unnervingly close to tipping into recession and pressure on company finances throughout the value chain has never been greater.

Amid such a gloomy economic outlook, corporates traditionally prioritise short-term projects over long, and downscale innovation plans that lack concrete financial benefit. Companies become more risk averse, and R&D projects with their unpredictable and long-term ROIs become frequent casualties, losing out to traditional, core business activities in the battle for budget allocation.

However, an increasing number of corporates are now leveraging the power of Open Innovation to supercharge their R&D projects and work with smaller, agile startups, allowing them to pioneer new solutions and steal a march on rivals, without losing control of costs.

Working with Ipsos and INSEAD professors, we carried out a comprehensive survey of some 1,648 startups and corporate organisations, both

public and private, from 10 European countries to evaluate how the corporate-startup collaboration phenomenon across Europe is evolving.

The results show that such collaborations are now mainstream. Almost 3 in 4 (72%) European corporates that responded to our survey have launched Open Innovation projects with startups. Furthermore, two-thirds (67%) rated startup collaboration as Important or Mission Critical for their organisation's strategy.

The rapidly growing interest in Open Innovation is likely due to a combination of factors, including a higher awareness of Open Innovation models and a general surge in demand for innovation, combined with a new familiarity with collaboration tools since the Covid-19 pandemic normalised remote working.

Open Innovation is no longer simply a marketing exercise. It has become mainstream, already reshaping the products, services and business practices of some of the world's largest conglomerates.

A total of 69% of corporates say they want to collaborate with startups within the next 18 months. Companies that fail to recognise and take advantage of the Open Innovation phenomenon risk finding their most promising potential startup partner already working with their most fierce rival.

Other key Survey findings

- ▶ 50% of corporate-startup collaborations launched during or after the pandemic.
- ▶ Italy and Benelux show most enthusiasm for Open Innovation (80%) while Germany shows least (57%), surprising due to Berlin's position as a leading European startup capital.
- ▶ 89% of corporates who managed collaborations using a dedicated business unit always achieved their objectives.
- ▶ Collaboration is most popular in the aerospace industry, with 100% of corporates having already collaborated with startups.
- ▶ The desire to discover unknown business opportunities is the most popular objective driving corporates to work with startups (46%).
- ▶ The biggest blockers to collaboration were perceived incompatibilities between corporates and startups due to *legal and regulatory* issues (14%) and *low risk tolerance* (13.7%).
- ▶ 55% of corporates used third-party intermediaries to manage Open Innovation projects, and their involvement dramatically boosts project success.
- ▶ Sustainability, Artificial Intelligence and Cybersecurity are the top three topics corporates aim to explore in collaboration with startups.

01. Opening up to Open Innovation

Open Innovation means opening up business challenges to external partners. This can happen through challenge-based invitations, hackathons, meet-ups, or round tables with expert groups. Collaborations are often managed with the assistance of third-party intermediaries experienced in working with both small and large organisations.

For corporates, Open Innovation is a way to boost innovation capabilities while avoiding the risks and expenses commonly associated with in-house innovation. In some cases, corporates can save considerable time and money by partnering with a startup that has already developed a concept that matches their needs. For startups, Open Innovation offers a chance to scale, with easier access to markets, financial investment and scalable delivery mechanisms plus market credibility.

According to our research, 58% of Open Innovation initiatives in Europe involve project-based collaboration. In this format, partners try to overcome a discrete challenge, such as developing proofs of concept (POC), prototype testing, minimal viable products (MVP), or research projects. The format is highly successful with 78% of corporates and 81% of startups reporting they were satisfied or very satisfied with the results of this type of collaboration.

Open Innovation within this report will thus focus specifically on project-based collaboration between startups and corporates in both the public and private sector.

58%

Proportion of project-based collaborations

78%

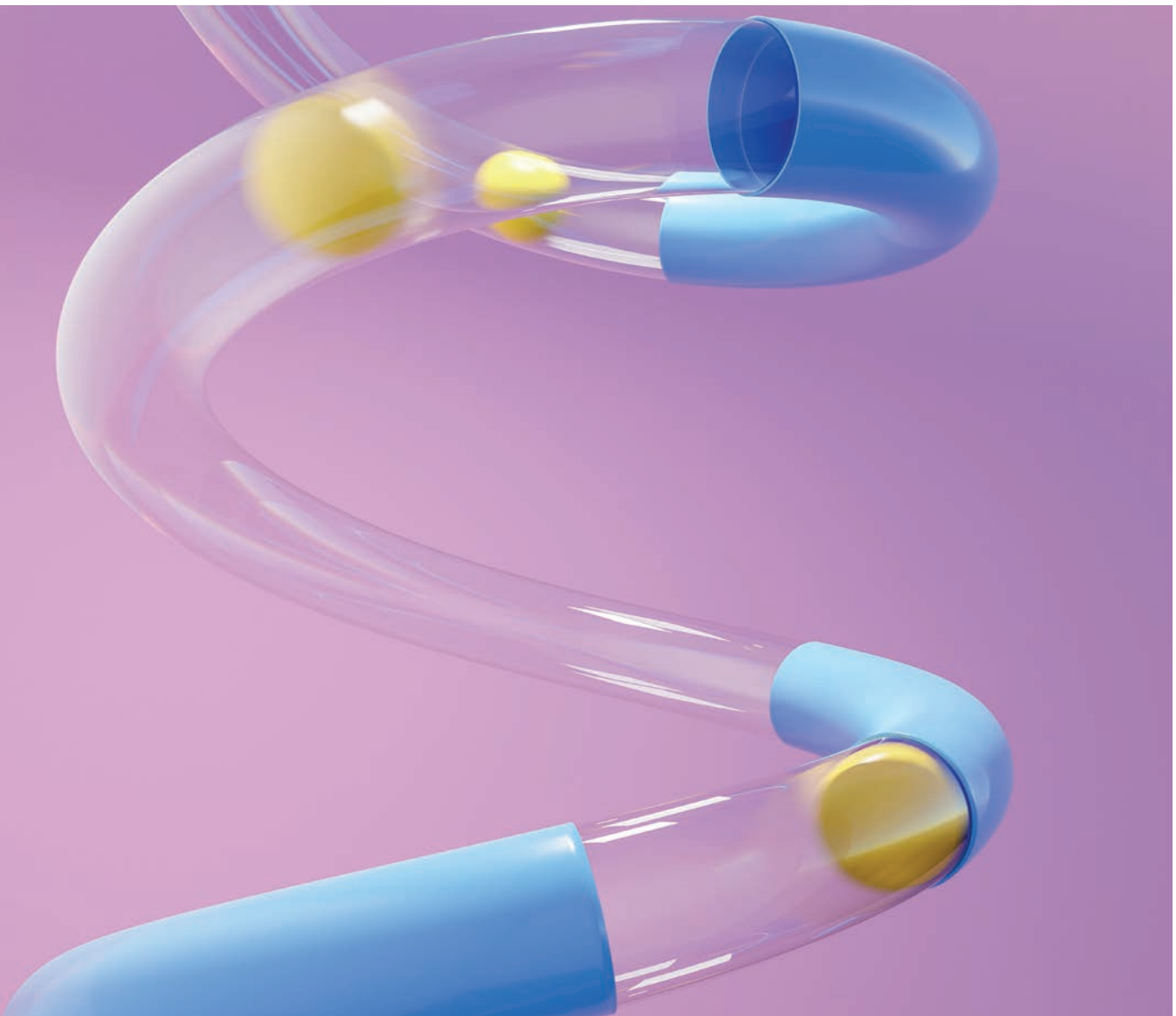
Corporates satisfied with project collaborations

Why Open Innovation?

- ▶ Decrease R&D costs and risks through shared development
- ▶ Accelerate time-to-market by drawing on external and existing technology and expertise
- ▶ Increase differentiation and new-to-market factors through a higher degree of innovation

02. Corporate-startup collaboration in Europe

A little-known phenomenon only a decade ago, Open Innovation is rapidly becoming a core strategy for corporates, boosted in part by the Covid-19 pandemic, which familiarised companies with how to work remotely with both internal and external partners.



More recently, as a succession of gloomy economic metrics lays plain, Europe is teetering unnervingly close to recession as the war in Ukraine, high energy prices and inflation put pressure on corporate and consumer budgets.

To take the temperature of Open Innovation across Europe, we conducted a survey of 1,648 corporates and startups in 10 European countries: UK, France, Italy, Spain, Germany, Sweden, Norway, Belgium, the Netherlands and Luxembourg, with the three latter countries grouped as Benelux.

COLLABORATION AS A STRATEGIC PRIORITY

Almost three-quarters (72%) of the 443 corporates surveyed had collaborated with startups, with 50% reporting they had started collaboration during or after the Covid-19 pandemic. Local language and proximity still play a key role in collaboration selection for corporates, with 62% favouring partnerships with companies from their own country.

Italy and Benelux showed most enthusiasm for Open Innovation (80%) while Germany showed least (57%), surprising due to Berlin’s position as a leading European startup capital.

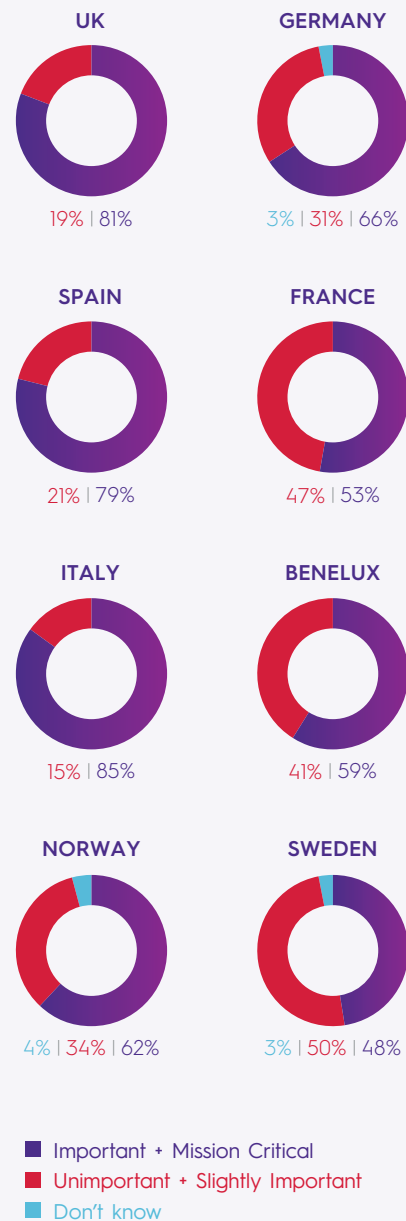
A total of 84% of corporates believe in the value of leveraging external knowledge. Rather than just a nice-to-have, Open Innovation is judged as either Important or Mission Critical by two-thirds (67%) of corporates, with UK and Italian corporates giving it the highest premium. Very few, only 6%, find it unimportant.

72%
Corporates that have launched Open Innovation projects

67%
Corporates rating collaboration as Important or Mission Critical

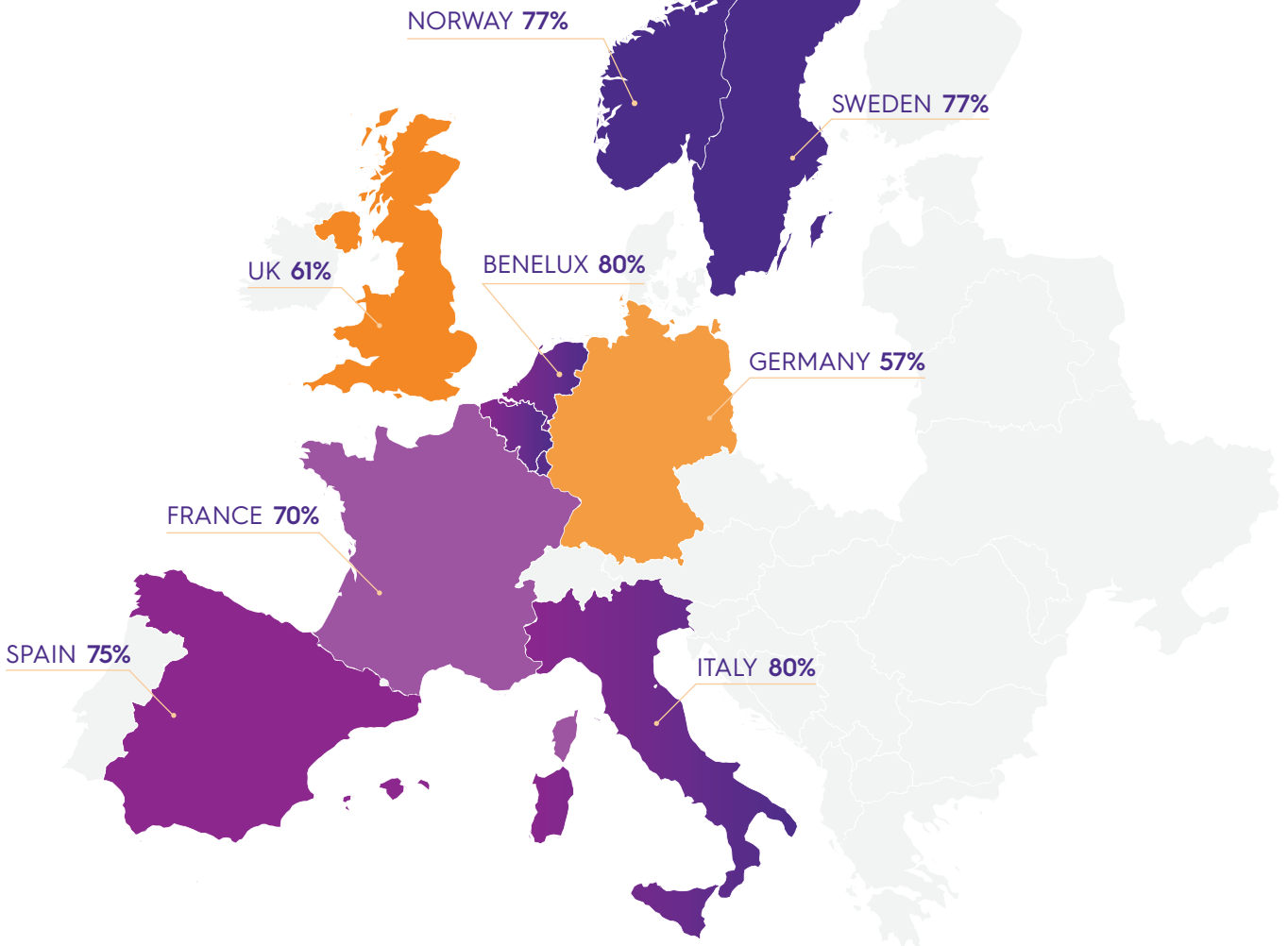
How important is startup collaboration for corporates?

Figure 1: The importance of startup collaboration for corporates in different countries.



How popular is Open Innovation among surveyed firms in Europe?

Figure 2: Corporates who have collaborated with startups by country.



UPWARD CURVE

The rapidly growing interest in Open Innovation likely stems from a combination of factors, including a higher awareness of Open Innovation models, a general surge in demand for innovation, and a new familiarity with collaboration tools since the Covid-19 pandemic normalised remote working.

Of those corporates who have collaborated with startups, 50% of them started to collaborate during or after the pandemic, with the other 50% having collaborated for 3 years or more, although a long experience with collaborations appears to be no guarantee of success.

50%

Corporates who have launched collaborations during or after the Covid-19 pandemic

58%

Proportion of corporates achieving objectives all or most of the time

The success rate of collaborations would also seem to have improved, with 58% of corporates involved in startup collaborations saying they are satisfied with the outcome and have achieved their objectives. This is a significant rise compared to the 50% success rate recorded in our 2021 Open Innovation report, Mind the Gap, which focused on corporate-startup collaboration in Norway.

NO LONGER NICHE

As Open Innovation becomes ever more mainstream, successful collaborations are becoming the norm. Our data shows that 81% of corporates are satisfied with the experience of collaboration projects and almost two-thirds (58%) say they have achieved their objectives all or most of the time, while 41% categorise it as half of the time or sometimes.

However, achievement rates vary by region, with collaborations in Italy getting the highest level of success, with corporates here succeeding in

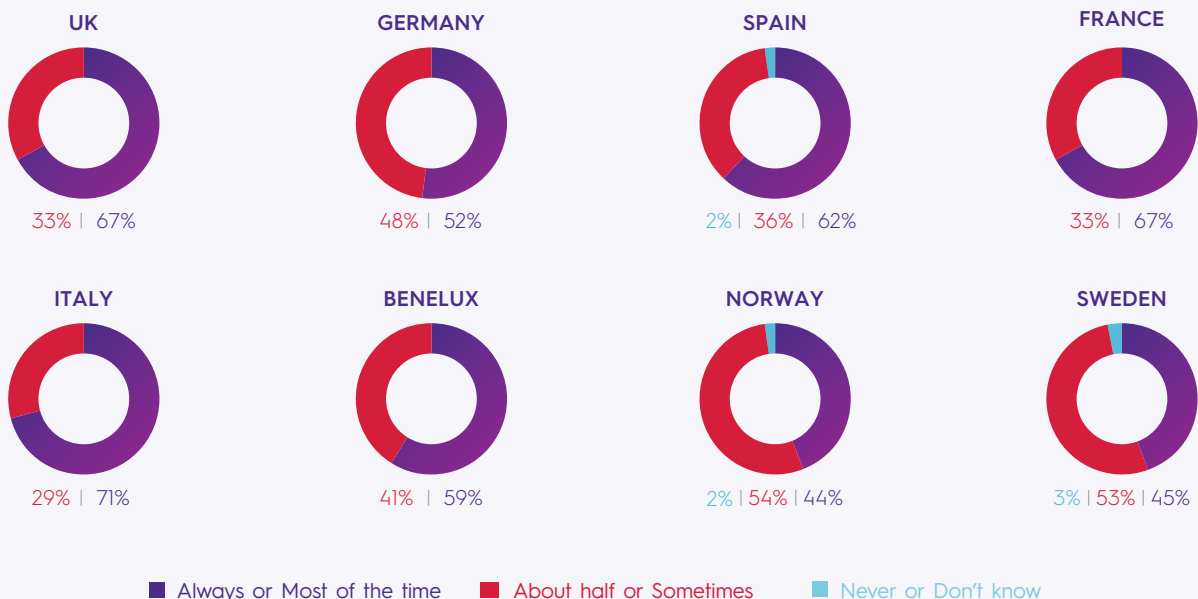
their goals more than two-thirds of the time (71%), while Norway has the lowest level of objectives achieved, with only 44% of collaborations achieving their goals.

A key factor in achieving goals appears to be the mechanism used to manage the relationship between the corporate and the startup. Almost 90% of corporates who always achieved their objectives had a dedicated department or business unit to manage the interaction. Startups and corporates work in radically different ways and a facilitator – either internal or external – ensures partnerships achieve maximum potential (see Chapter 5).

Using external partners such as Sopra Steria to help facilitate Open Innovation projects can also have a significant impact on success. Only half of corporates who did not use an external partner reported meeting their objectives all or most of the time, compared to more than two-thirds for corporates who did use a third-party intermediary.

Objectives achieved by region

Figure 3: How often corporates in different countries have achieved their objectives



APPETITE FOR OPEN INNOVATION VARIES

The popularity and success of corporate-startup collaborations are not consistent across all industries. Aerospace leads the charge in Open Innovation collaboration, with 100% of corporates quizzed reporting to have collaborated with startups, closely followed by insurance (95%) and energy and utilities (88%).

Public sector organisations reported the least collaborations (58%), with defence and homeland security second-lowest at 65%.

58% Public sector organisations reported least enthusiasm for Open Innovation

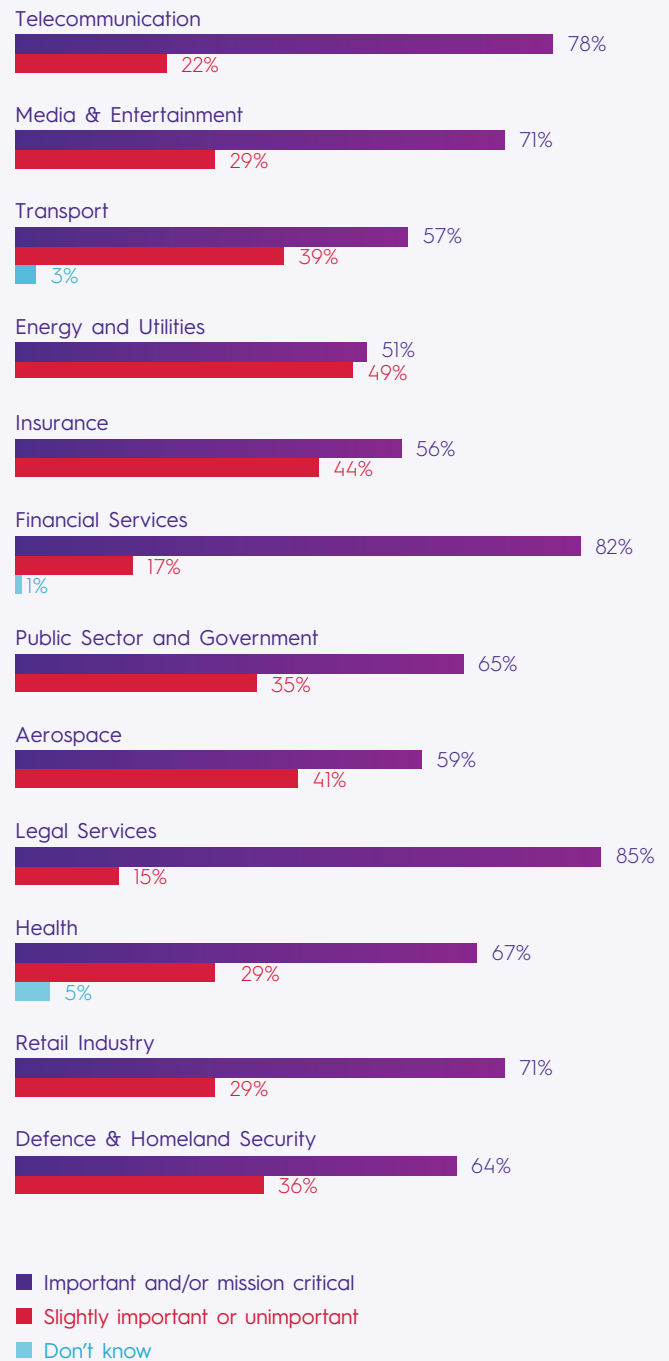
In terms of strategic importance, legal and financial services are the industries which rate collaboration most highly, at 85% and 82% respectively, closely followed by telecoms at 78%.

Our research cannot explain what is driving these differing appetites, but we do see a correlation between the reported success of collaborations and a high strategic importance rating, at least for the legal and telecoms sectors.

Legal services and telecoms reported the highest level of success in their startup collaborations, with 75% and 69% reporting that they achieve their objectives all or most of the time. Financial services were an outlier (second from the bottom on this scale), with corporates always or mostly achieving their goals only 61% of the time.

Importance of collaboration by industry sector

Figure 4: The importance of startup collaboration for corporates in different industries



CASE STUDY

The corporate view: Learning from and supporting Norway's startups



Maria Archontoulis
Lead Startup Partnerships and Accelerator,
Partnerships & Innovation, DNB

"Startup collaboration is becoming more and more important for us. We can't build everything ourselves. Working with startups is key to achieving our targets," says Maria Archontoulis, Lead Startup Partnerships and Accelerator, Partnerships & Innovation, DNB, Norway's largest financial services group.

DNB works regularly with startups and in her opinion, success relies on three key factors: competence, dedicated resources, and long-term perspective.

"We have a central team of partnership experts that work across the bank to professionalise external innovation," she explains.

"Startup partnerships is one of our priority areas because of the high level of talent and technological development. Teaming up with startups and identifying win-win opportunities has led to new features in our channels, increased innovation in our products, as well as enabling the acceleration of our green shift. We see that through partnerships we can in some cases have a faster time-to-market than building in-house."

DNB has systemised its corporate-startup collaboration process through an accelerator

program together with StartupLab, allowing the company to select companies that have a strategic fit with DNB and a potential for a future partnership.

"For three months, the startups work closely with relevant domain experts from the bank to overcome hurdles and explore opportunities," continues Maria.

"It is critical for us to identify an internal lead for every case that has the mindset of being curious, bold, and collaborative."

After six years of corporate-startup partnerships, DNB has seen that there are four key areas to be aware of: technical capabilities, buy-in, process, and cultural fit.

"Flexibility of IT systems, the level of buy-in, the human factor and level of trust are all going to impact your chances to create results and the over-all process," says Maria, adding: "If you are still considering if you should start working with startups, just do it!"



CASE STUDY

The startup view: Reconciling corporate-startup business styles in France



Zuzanna Stamirowska
CEO at Pathway

The two key challenges in corporate-startup collaboration concern people and budgets, says Zuzanna Stamirowska, CEO of Pathway, a Paris-based programming framework for delivering smart and reactive data products in real-time.

The first challenge is in finding the right person to talk to, i.e. someone who combines a hands-on approach with a good understanding of the technology.

Second, making sure that this person has a budget to launch collaboration swiftly, ideally with a lighter procurement process.

“The cycles of decision-making take up to a year within the big corporations. When you know that a startup should gather funds every 18 months, it becomes complex to match these two, very different, timelines.”

The biggest pain point in startup-corporate collaboration is a lack of predictability. Some projects may fail simply for internal political reasons. Small companies cannot afford to have a legion of lobbyists and salespeople to work on navigating labyrinthine corporation organisational charts.

“The key to successful collaborations lies in transparency from the corporates in terms of alignment on the common objectives and clarity on how to move forward,” she concludes.”

The logo for Pathway, featuring the word ".pathway" in a blue, lowercase, sans-serif font. The period is a small dot. The logo is centered within a white rectangular box.

03. What is driving Open Innovation?

Innovation is a key mechanism for preserving and growing market share and profitability, always essential and even more closely monitored amid periods of economic pressure.

According to our report findings, the lure of discovering unknown business opportunities is the most common draw for corporates seeking out startup partnerships (46%), with creation of new solutions a close second at 45%. The third most popular objective was the goal of improving internal business practices (38%).

EXPLORE UNEXPECTED OPPORTUNITIES THROUGH TECH

Through collaborating with startups, corporates can become exposed to completely new technologies and unexpected ideas. This exposure can help them identify new market opportunities. In our study, we found that 84% of corporates are driven by this desire to leverage external knowledge. They find it valuable to broaden their horizons by looking outside the organisation's boundaries for fresh ideas, knowledge, and competence.

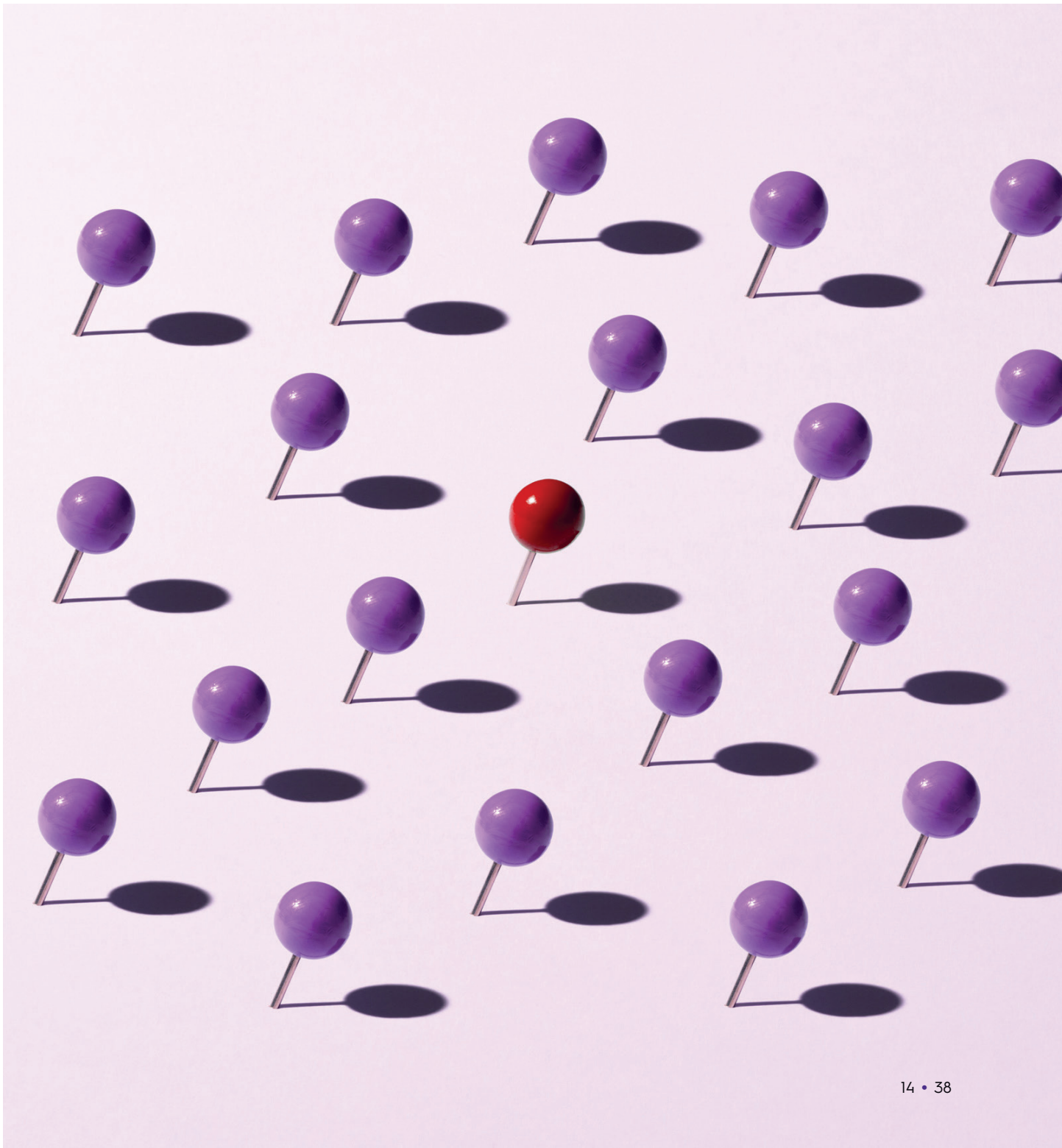
84%

Corporates seeking collaborations to leverage external knowledge



Johnson & Johnson's mission is to unlock the potential of life sciences innovation, no matter where it originates. Through collaboration, we seek to identify, empower, and enable potential breakthrough healthcare ideas from SMEs across the globe.

Mohammed Hannan
Head of Digital Innovation, Johnson & Johnson



CREATE AND EXPERIMENT WITH NEW SOLUTIONS

With an Open Innovation approach, corporates seek to fill the knowledge gaps with immediate access to expertise. Instead of starting from scratch, they can partner with a startup that has already developed the solution they need. This will significantly reduce time-to-market given that a startup may already have spent a number of years developing a product or technology.

OPTIMISE INTERNAL PROCESSES

Startups often expose corporates to new ways of working. Unencumbered by traditional company structures, startups tend to be characterised by a hyper-creative and entrepreneurial mindset with high levels of autonomy and agility. In addition, their culture is often one of transparency, trust, and shared values. There are exceptions to the rule of course, but a key reason why our respondents are engaging in startup collaboration is to allow inspirational culture and ways-of-working to add value to their own organisation.

What's in it for the startups?

ACCESS TO MARKET

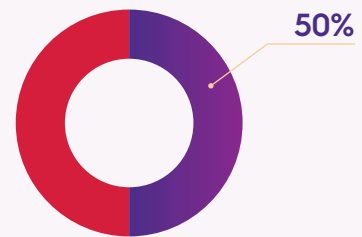


Figure 5: Access to market (customers & partners) 50%.

ACCESS TO FINANCIAL CAPITAL

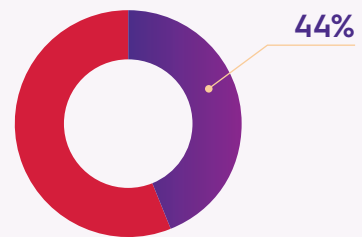


Figure 6: Access to financial capital (funding & investors) 44%.

ACCESS TO HUMAN CAPITAL

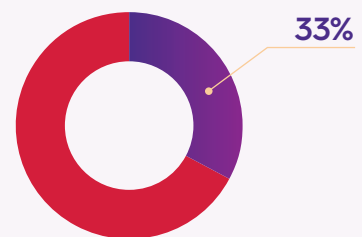


Figure 7: Access to human capital (mentors, experts & employees) 33%.

04. Mind the collaboration pitfalls

When a large hierarchical organisation where hundreds or thousands of employees have learned to navigate cumbersome systems, protocols and interdepartmental decision-making requirements decides to work with a flat-structure, fast-paced and creative startup, used to a rapid decision-making team, the journey is not always smooth.

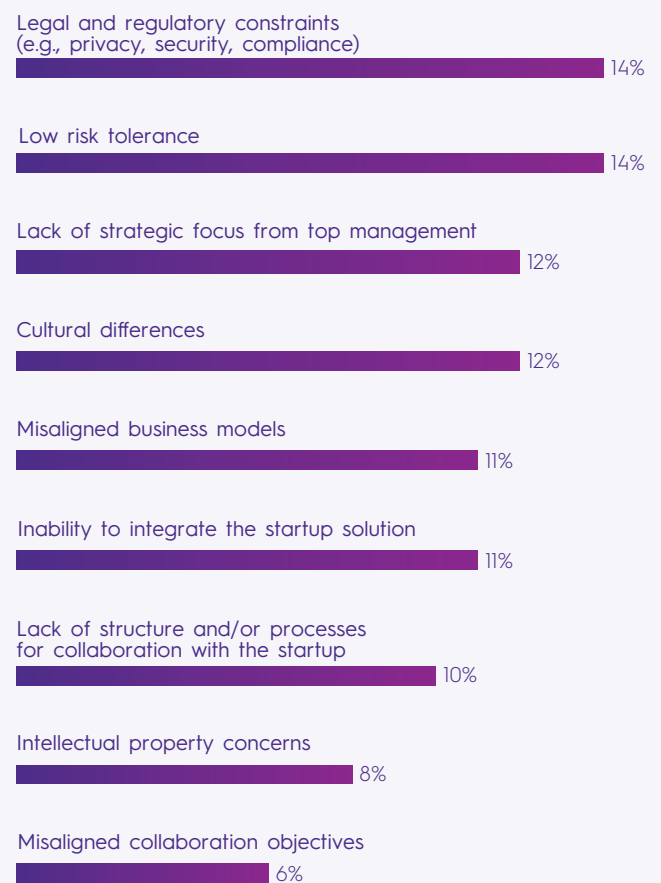
However, forewarned is forearmed, and by launching any collaboration aware of the likely challenges you can better manage them and reduce their impact, especially with the help of a third-party intermediary who understands the way both organisations operate and can facilitate the relationship.

Corporates' opinions were quite evenly split on their view of the most significant barriers. The top four collaboration challenges most often cited by corporates were legal and regulatory (14%), low risk tolerance (13.7%), a lack of strategic focus from top management (12.1%), and cultural differences (11.5%).

14% Legal and regulatory challenges is the barrier most often cited by corporates

What are the biggest collaboration blockers?

Figure 8: Biggest barriers for corporates when collaborating with startups.



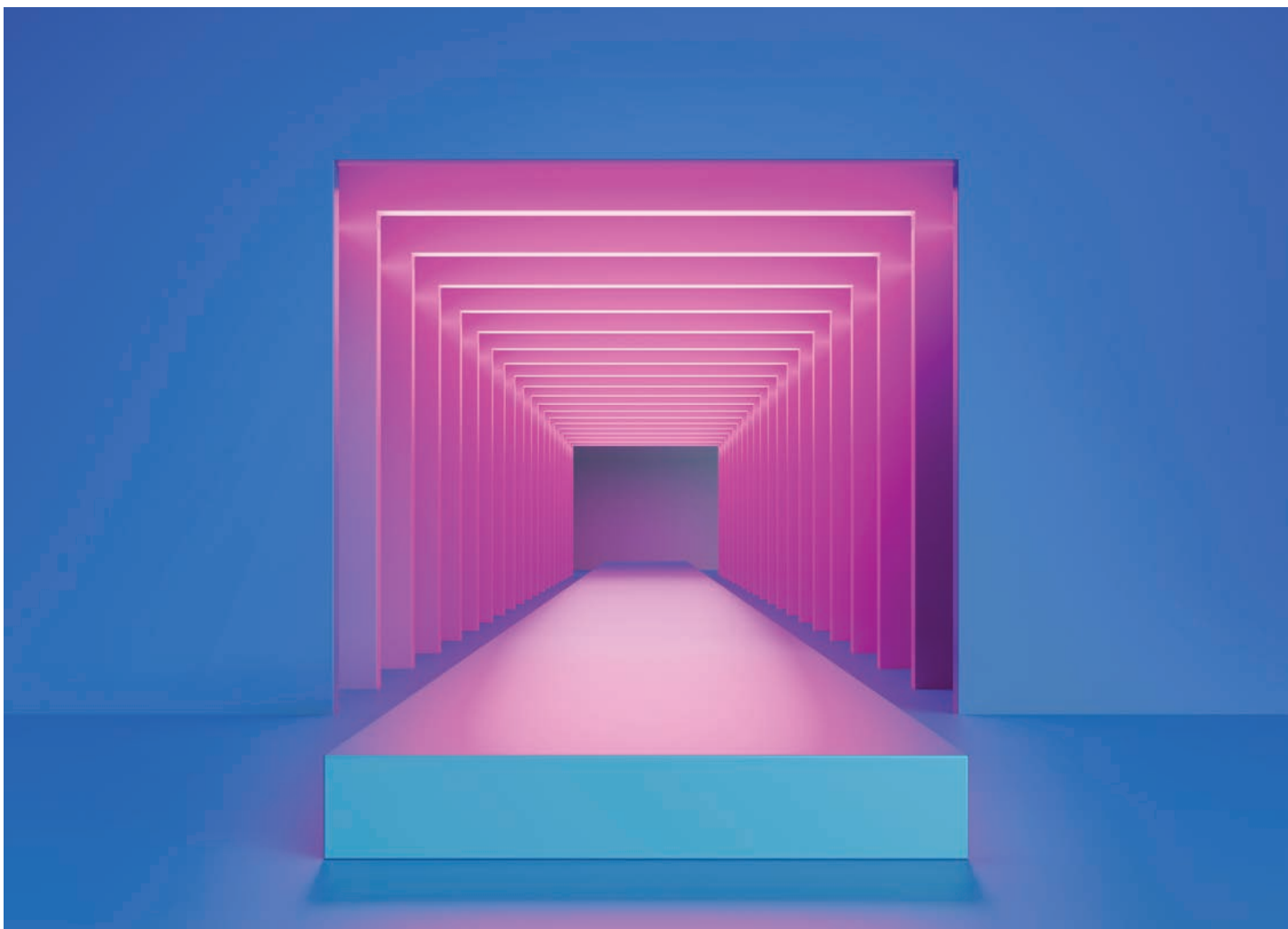
LEGAL AND REGULATORY CONSTRAINTS

The differing resources and needs of small startups versus large corporates can easily become a friction point. Compliance demands from corporates can easily overwhelm small startups, as can security and privacy requirements, which may seem essential for large corporates with, in many cases, large legal teams.



There is a lack of pragmatism and competences on the side of big corporations to be able to adjust their expectations towards startups on the legal axis of collaboration.

Mathieu Le Gac
CEO, Startup Palace

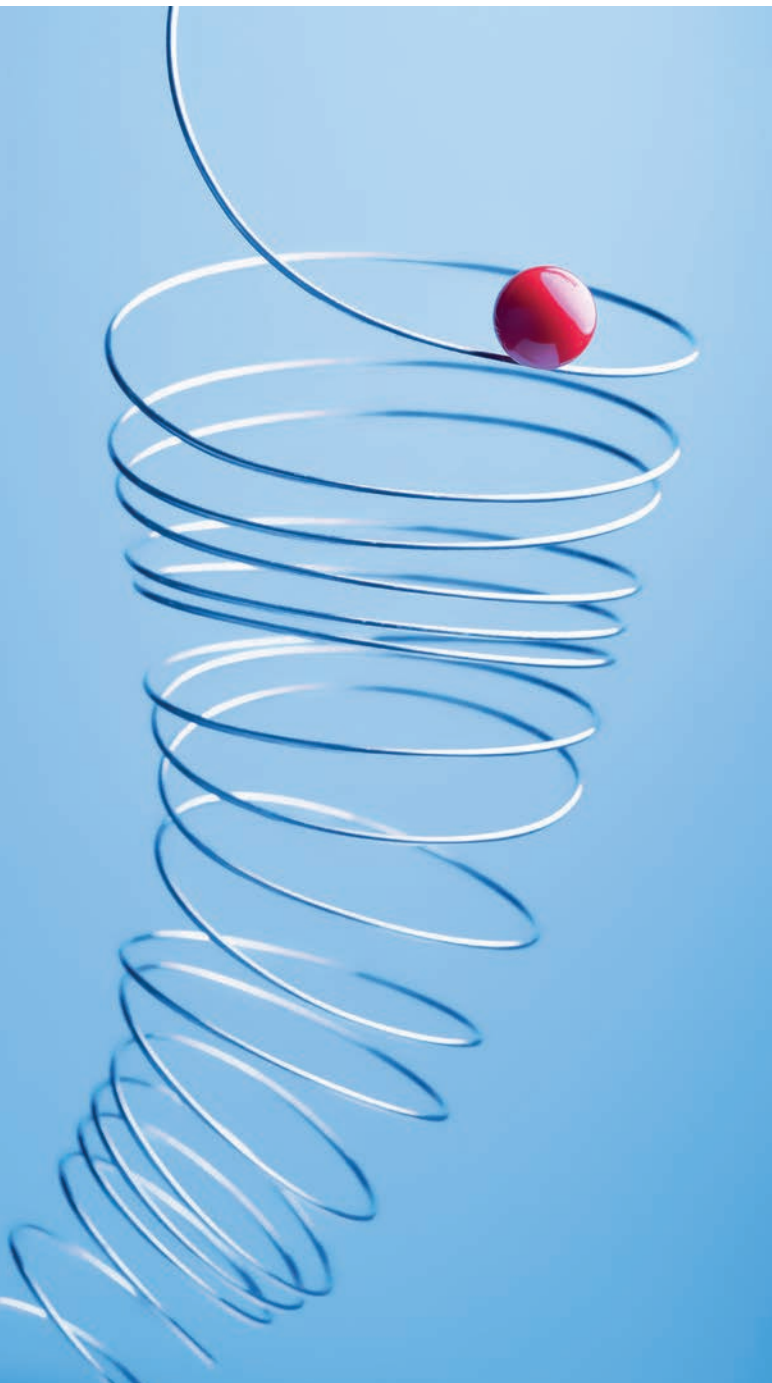




At Co-pace we partner up with startups to solve identified needs and challenges for Continental. We have good experience in scouting and finding the best-fitting startups. However, the most challenging is to successfully move from proof of concept to implementation of the solution in the operational part of the business.

Christian Beuther

Head of Operations, Co-pace, powered by Continental



LOW RISK TOLERANCE

Appetite for risk can be a large stumbling block for collaborations, with startups' and corporates' different growth stages being a key factor in their different approaches to risk. Corporates, with well-established business structures or products and often shareholders to satisfy, are routinely risk averse. They may want to innovate but without making dramatic changes which may threaten their market position, not to mention the logistical challenges of rolling out large-scale change to a workforce that may number several thousand. Startups, on the other hand, have everything to prove, they are ready to take chances and pivot dramatically as they test their businesses and seek their place in the market. For corporates, this agility is both alluring and unnerving and is precisely why Open Innovation is thriving, as it allows corporates to test out new ideas in a controlled environment.

LACK OF STRATEGIC FOCUS FROM TOP MANAGEMENT

Lack of strategic prioritisation can lead to failure for multiple reasons. When startup collaboration is seen as a side-dish activity, there can be a lack of willingness to apply sufficient resources and capital to the collaboration. This in itself can result in slow progress and poor performance for the partnership. Low strategic prioritisation often results in poor assignment of responsibility, which in turn slows down decision-making, and the entire project loses a sense of urgency. The risk can be minimised by making sure the collaboration is strategically important, and that there is the right level of accountability across the organisation, particularly leadership.



The cycles of decision-making take up to a year within the big corporations. When you know that a startup should gather funds every 18 months, it becomes complex to match these two, very different, timelines.

Dr. Zuzanna Stamirowska
CEO of Pathway

CULTURAL DIFFERENCES

Managing the often-conflicting working styles of corporates and startups needs to be handled with a high level of awareness, planned routines for onboarding, and cultural alignment. Transparency is a number-one ingredient for risk reduction and needs to be complemented by a constructive approach to communication and documentation of expectations from the outset. If done well, each side of the relationship can benefit by learning new ways of working and valuing the other party's strengths.

If we break down corporate collaboration with startups into four phases: identifying a suitable startup, evaluating the startup's capabilities, experimenting with their solutions and scaling these solutions, then corporates are divided on which step presents the most challenges.

What stage of collaboration is most challenging

40%

FINDING THE RIGHT STARTUP

44%

EVALUATING STARTUP'S CAPABILITIES AND SOLUTION

38%

EXPERIMENTING WITH STARTUPS

17%

SCALING THE SOLUTION

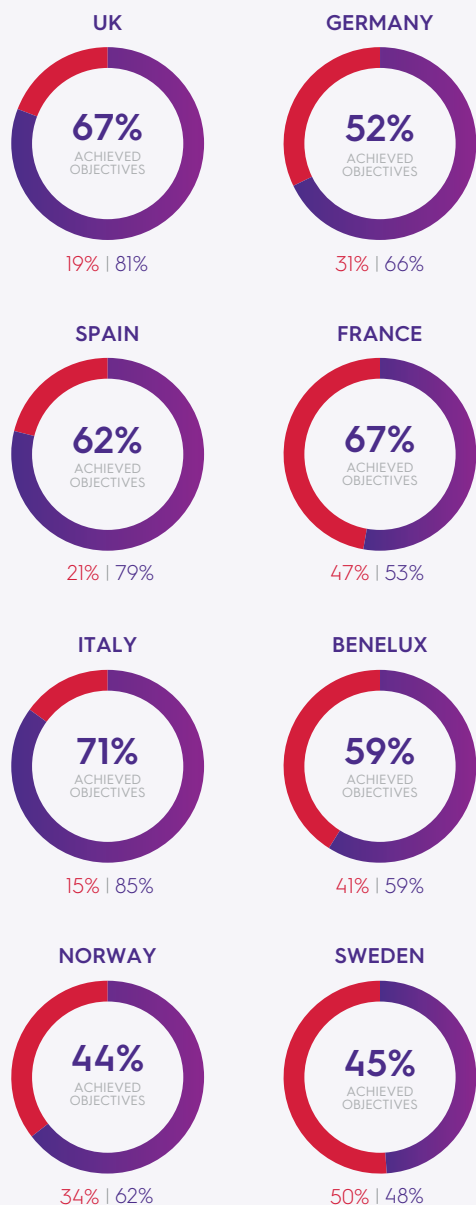
05. The keys to success

With ever more corporates choosing Open Innovation as a way of innovating amid this challenging economic climate, we have identified four key factors that contribute to successful collaboration and navigating the financial storm.



Corporates' rating of strategic importance of collaboration and success

Figure 9: The importance of startup collaboration together with success rate for corporates in different countries.



■ Important and/or Mission Critical
 ■ Slightly Important or Unimportant

STRATEGIC PRIORITISATION

Corporates that are most successful with startup collaboration have made Open Innovation and leveraging external knowledge a central part of their strategic plan. This means these initiatives are regarded as strategic priorities, rather than being innovative for the sake of novelty and optics. Prioritisation of Open Innovation at the top level will ensure the right level of support and accountability for the project, improving the chances of success.

DEDICATED RESPONSIBILITY AND LEADERSHIP INVOLVEMENT

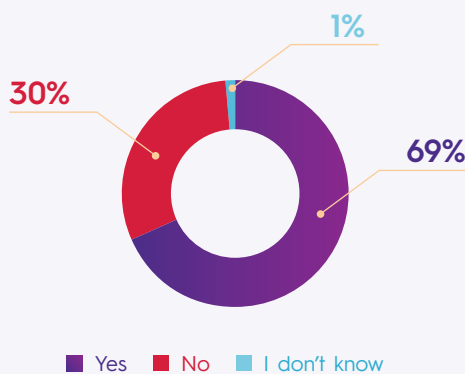
Creating a dedicated innovation collaboration department or business unit to work with startups has a powerful impact on success. These units are often led by middle management with an assigned C-level sponsor who has provided a clear mandate to launch startup partnerships. With a clear line of internal accountability, those in the dedicated unit serve as internal ambassadors, preserving the link between core business needs and innovation outcomes.

BUILDING OPEN INNOVATION CAPABILITIES

A total of 69% of corporates want to collaborate with startups within the next 18 months. However, many corporates lack experience in setting up collaboration models. 40% of those surveyed felt that lack of internal capabilities for collaboration management was a reason for either poor support or failure of the initiative. Build out your Open Innovation resources to create an ever-growing database of best practices, processes and learnings so your collaboration systems are always improving.

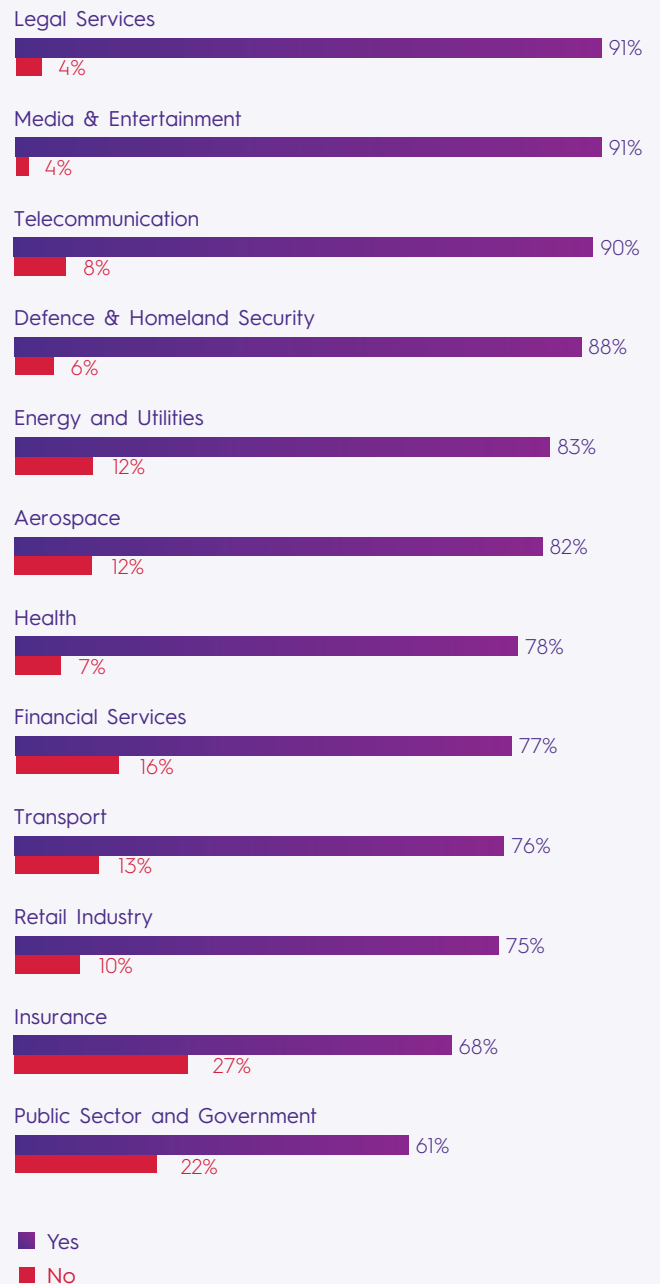
Corporates with a dedicated collaboration team

Figure 10: Corporates who have a dedicated department or business unit that works with startups.



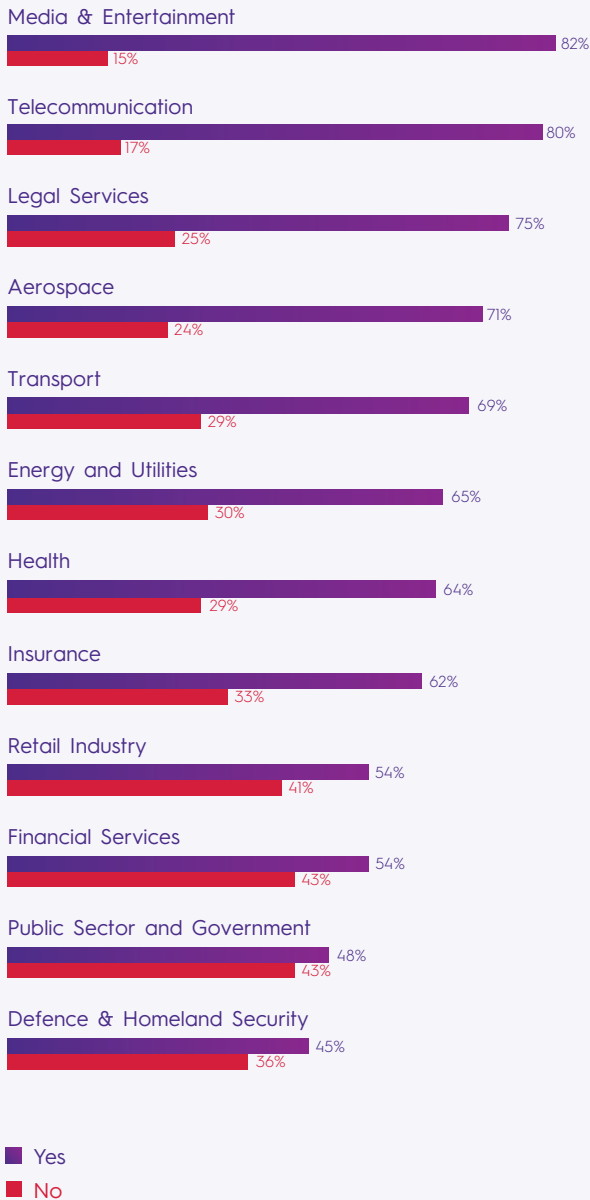
Corporates planning to work with startups in the next 18 months

Figure 11: Corporates in different industries who want to collaborate with startups in the next 18 months



Corporates employing third-party intermediaries, by industry

Figure 12: Corporates in different industries who have experience from engaging a third-party intermediary.



ENGAGE A THIRD-PARTY EXPERT TO SUPPORT STARTUP COLLABORATION

Do not expect to be an expert the first time you try. Startup collaboration offers considerable benefits but not without challenges. Do not be afraid to seek support from an experienced Third-Party Intermediary (TPI) to help turn your collaboration ambitions into a reality and manage the relationship.

Of the corporates surveyed, an average of 55% had engaged a TPI such as accelerators, incubators or consultants acting as ecosystem orchestrators.

The impact of employing third-party intermediaries on the success of collaboration projects is profound. According to our data, more than two-thirds of corporates who hired a third party achieved their objectives all or most of the time (67%), compared with 51% of corporates who did not use such external support.

External experts, such as Sopra Steria, are used for a range of services including pre-vetting of startups, match-making, expectation alignment, and contract negotiation. They are also used for supporting cultural alignment, establishing processes, collaboration structure, reporting and evaluation. For many collaborations, they become a broker of trust.

06. Open Innovation: today and tomorrow

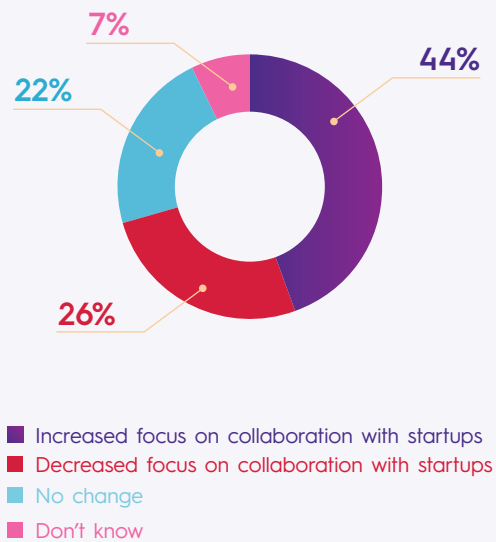
Open Innovation is emerging as one of the most dynamic trends currently shaping business. Combining the agility and creativity of startup culture with the finance and scale of corporate business is a recipe for success.

Set against the backdrop of the current economic downturn, corporate-startup collaboration represents a way for multinationals to achieve their innovation objectives, surpassing rivals and enhancing revenue generation.

Collaboration can be a key to success when time-to-market is critical to protecting and expanding market share. It provides an opportunity to leverage value creation, by accelerating and scaling concepts developed by startups, with limited financial exposure. This collaboration model does have challenges, but they can be minimised by lessons learned through experience or by engaging external experts.

Future startup collaboration plans

Figure 13: Corporates expectations for collaboration with startups in the future.





We have a business development team that is responsible for our more disruptive product and business model innovation. This team is building an external network with universities, suppliers, startup companies, making sure we have a solid working process and that we involve our core organisation through the innovation stages.

Johan Hallin
Director of Strategy & Business Development, Lindex

Top three future collaboration topics

36%

SUSTAINABILITY

30%

CYBERSECURITY

28%

ARTIFICIAL INTELLIGENCE

FUTURE STARTUP COLLABORATION PLANS

A total of 44% of corporates quizzed reported planning to increase their focus on startup collaboration.

Our planet is facing an urgent climate crisis. Sustainability is one sector where Open Innovation can provide much-needed dynamism to help corporates meet the challenge.

There is a rapidly expanding green tech sector offering a variety of much-needed solutions to these environmental challenges, and by collaborating with ambitious sustainability-minded corporates, some of these revolutionary ideas can scale and make a truly positive impact, while helping organisations comply with a host of new EU sustainability regulations.

Open Innovation is no longer simply a marketing exercise, it has become mainstream, already reshaping the products, services and business practices of some of the world’s largest conglomerates.

Corporates which fail to recognise and take advantage of the Open Innovation phenomenon risk finding their most promising startup partner already working for their fiercest rival.

07. About our survey

We conducted surveys among 1,648 startups and corporates from 10 European countries. The countries involved were UK, France, Spain, Italy, Germany, Sweden, Norway, Belgium, The Netherlands, and Luxembourg (the latter three grouped together as Benelux). The organisations completed the survey from the country where they are based, meaning respondents answered questions from their country's perspective, not necessarily from the perspective of the country where their headquarters are based.

On average, there were 54 corporates and 96 startups participating in each country. Corporates were asked to respond to one survey and startups to another. The two surveys were conducted in September 2022, with support from Ipsos. Surveys were sent to corporates and startups through accelerators, networks in the ecosystem, European database client lists of Sopra Steria and lists from Ipsos.

We selected startups established after 2017. As a qualifying criterion, startups had to identify with this statement: "A young independent company founded by one or more entrepreneurs to develop a unique product or service and bring it to market. In doing so the entrepreneur(s) behind the startup seek, effectively develop, and validate a scalable business model. A startup is established with the intention of growing beyond the entrepreneur and entrepreneurial team."

The startups vary in maturity, with some being seed stage with no or few paying customers (19%) and most being early stage with good customer traction (38%), or in the growth stage with international scaling (30%). A few startups are also later stage and have a large customer base (9%).

Size of the corporates:

- ▶ 1-49 employees: 3%
- ▶ 50-99 employees: 15%
- ▶ 100-249 employees: 14%
- ▶ 250-499 employees: 15%
- ▶ 500-999 employees: 12%
- ▶ 1000-5000 employees: 21%
- ▶ More than 5000 employees: 17%

Size of the startups:

- ▶ 1-3 employees: 20%
- ▶ 4-9 employees: 28%
- ▶ 10-19 employees: 30%
- ▶ More than 20 employees: 22%

Acknowledgement of contributors

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- ▶ StartOff
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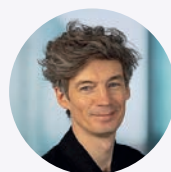
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Sopra Steria Scale up is Sopra Steria Group’s global innovation initiative focusing on Open Innovation and ecosystem collaboration. Sopra Steria Scale up is the ecosystem orchestrator helping incumbent organizations and startups collaborate and safely explore, experiment and scale new solutions together under clear governance. The objective is to help the incumbents to drive radical innovation and build the right mindset and internal capabilities in order to harvest business value from Open Innovation and startup collaboration.



Appendix

BENELUX

Benelux corporates' appetites for Open Innovation surges post Covid-19

Open Innovation projects in Benelux countries has surged in the post-Covid-19 era, according to the results of the Sopra Steria Open Innovation Report 2023, with the region recording the second largest number of collaborations in Europe in the last two years.

A total of 80% of Benelux corporates reported having launched collaboration projects – second only to Italy, with 80.4%.

The popularity of Open Innovation has grown rapidly with 75% of corporates having launched startup collaborations during or since the Covid-19 pandemic, which likely explains why Benelux corporates have so few dedicated business units to manage such partnerships – 34% of companies did not have such a team, second only to Germany which had the fewest.

This trend looks set to grow, with 80% of corporates interested in launching collaborations with startups in the next 18 months, with blockchain technology identified as the area of most interest.

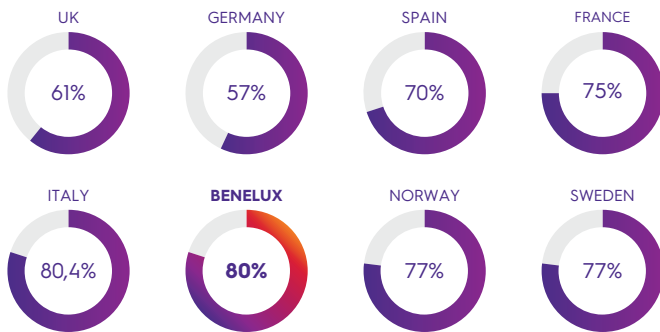


80%
of Benelux corporates want to work with startups in the next 18 months – second-highest in Europe

75%
of Benelux corporates launched collaborations during or since the Covid-19 pandemic

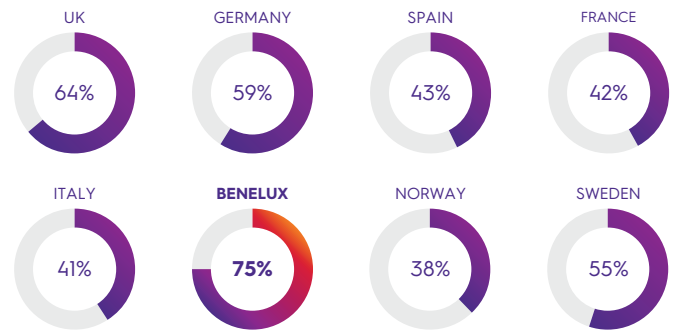
80%
Corporates in Benelux who have collaborated with startups – second-highest in Europe

01 Second highest number of corporates that have collaborated with startups



Q: Has your organisation ever collaborated with a startup?

02 Highest level of corporates who have started to collaborate with startups during or after the pandemic



Q: How many years has your organisation collaborated with startups?

03 Second highest level of countries, together with Germany, without a dedicated department or business unit to manage startup collaboration

UK	31%	Italy	22%
Germany	34%	Benelux	34%
Spain	21%	Norway	32%
France	40%	Sweden	28%

34%

Q: Does your organisation have a dedicated department or business unit that works with startups? Companies answering "No"

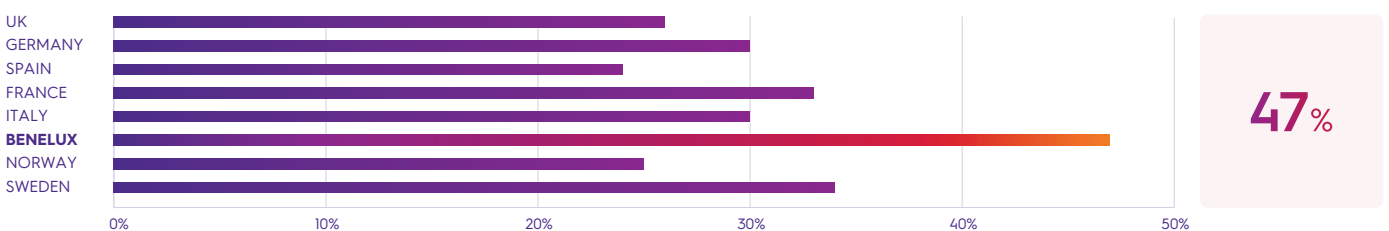
04 Second highest level of corporates who are interested in collaborating with startups again within the next 18 months

UK	58%	Italy	92%
Germany	59%	Benelux	80%
Spain	68%	Norway	74%
France	68%	Sweden	56%

80%

Q: Are you interested in (or will again) collaborate with startups within the next 18 months?

05 Highest level of corporates who want to collaborate with startups in the area of blockchain in the future



Q: Which area(s) would you be most interested to collaborate with a startup in the future?

FRANCE

French corporates rate Open Innovation least important in Europe

French corporates are furthest behind the curve in embracing the corporate-startup collaboration trend, according to the results of the Sopra Steria Open Innovation Report 2023.

Despite the open innovation surge, French corporates are least enthusiastic of all the countries surveyed about the possibilities of collaboration with startups, having the largest proportion of respondents judging corporate-startup collaboration unimportant (14%) or only slightly important (33%) for their companies' strategy.

France also has the highest level of corporates that do not have a dedicated department to work with startup collaborations (40%) and the lowest level of corporates who are interested in collaborating with startups in the area of sustainability in the future (33%).

However, regardless of these numbers, France is joint second highest among the European companies polled in terms of satisfaction with collaboration outcomes (67%), and also second highest in involving top management in collaboration projects (40%), a key factor of success.



14%

View corporate-startup collaboration as unimportant – highest in Europe

67%

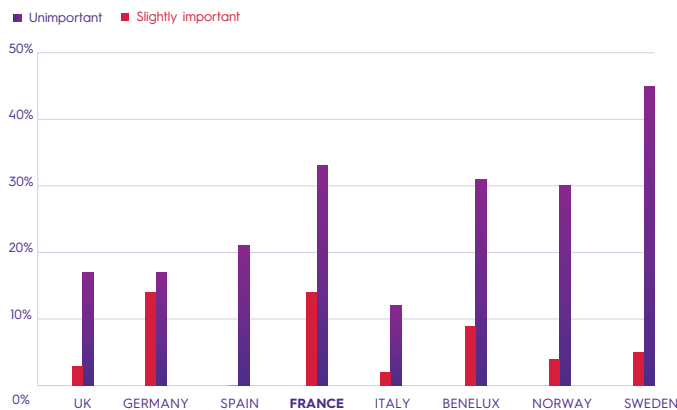
Satisfaction with collaboration project – joint second highest in Europe

40%

Proportion of corporates without a dedicated startup collaboration department – highest in Europe

01 Highest level of corporates

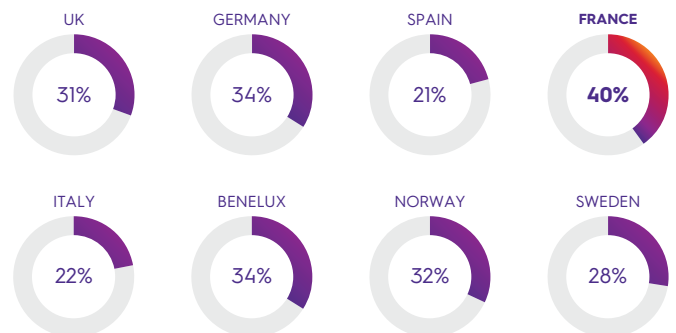
that either find startup collaboration unimportant (14%) or slightly important (33%) for their organisation's strategy



Q: How many years has your organisation collaborated with startups?

02 Highest level of corporates

that do not have a dedicated department to work with startup collaborations



Q: Does your organisation have a dedicated department or business unit that works with startups? Companies answering "No"

03 Second highest level of successful collaborations (together with UK) Always or Most of the time

UK	67%	Italy	71%
Germany	52%	Benelux	59%
Spain	62%	Norway	44%
France	67%	Sweden	45%

67%

Q: Overall, how often in your collaborations with startups did you achieve your objectives?

04 Second highest level of corporates with startup collaboration as a responsibility at top management level

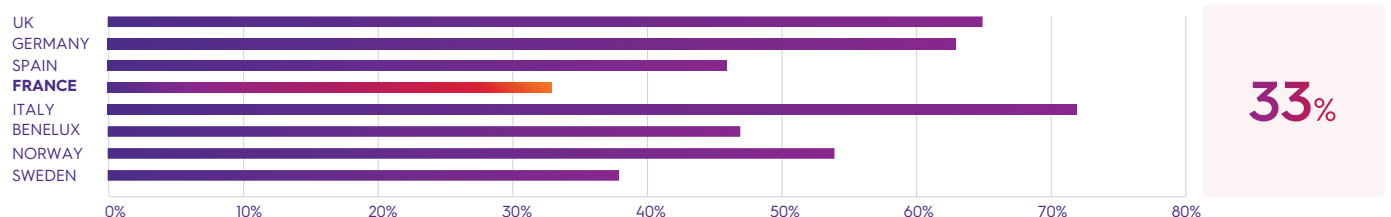
UK	19%	Italy	44%
Germany	24%	Benelux	25%
Spain	21%	Norway	22%
France	40%	Sweden	10%

40%

Q: Overall, how often in your collaborations with startups did you achieve your objectives?

05 Lowest level of corporates

who are interested in collaborating with startups in the area of sustainability in the future



Q: Which area(s) would you be most interested to collaborate with a startup in the future?

GERMANY

German corporates lowest level of startup collaboration in Europe

Germany has the lowest level of corporate-startup collaboration compared to European rivals, according to the results of the Sopra Steria Open Innovation Report 2023, surprising due to Berlin's position as a leading European startup capital.

German corporates showed themselves to be unexpectedly cool on Open Innovation, recording the lowest level of collaboration in Europe (57%) and also the second highest number of companies which rated collaboration as unimportant (13.8%).

They also had the third-lowest level of success in Open Innovation projects, with 48% only achieving their goals half the time, or sometimes.

German corporates also showed little enthusiasm for future collaborations, recording the second highest level of respondents not interested in collaborating with startups in the coming 18 months (27%).



57%

of German corporates have collaborated with startups – lowest in Europe

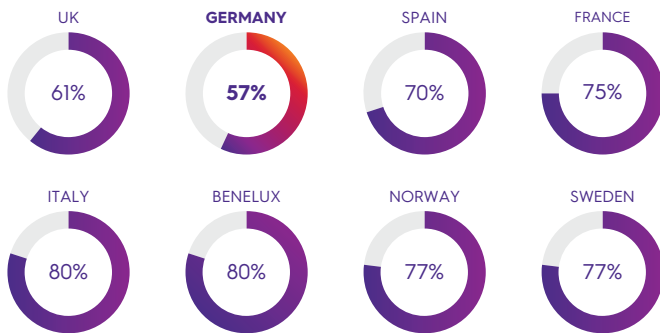
13.8%

of German corporates rated collaboration unimportant – second highest in Europe

27%

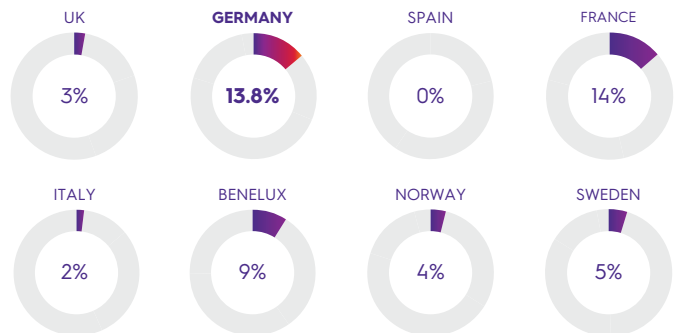
of corporates in Germany are not interested in launching collaborations in the next 18 months – second-highest in Europe

01 Lowest level of corporates that have experience from collaboration with startups before



Q: Has your organisation ever collaborated with a startup?

02 Second highest level of corporates that find startup collaboration unimportant



Q: How many years has your organisation collaborated with startups? Companies answering "No".

03 Second highest level of corporates that have placed responsibility for startup collaboration at middle management

UK	53%	Italy	44%
Germany	66%	Benelux	59%
Spain	60%	Norway	52%
France	40%	Sweden	88%

66%

Q: Where in your organisation is the responsibility for the startup collaboration placed?

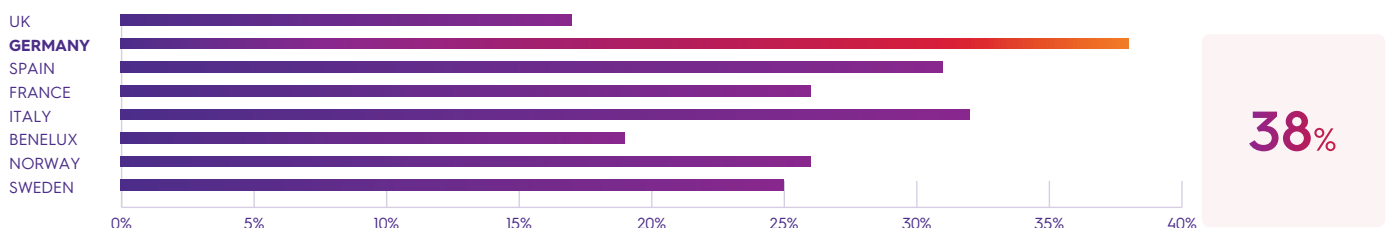
04 Second highest number of corporates not interested in collaborating with startups within the next 18 months

UK	31%	Italy	2%
Germany	27%	Benelux	10%
Spain	12%	Norway	12%
France	18%	Sweden	23%

27%

Q: Are you interested in (or will again) collaborate with startups within the next 18 months?

05 Highest level of corporates that find misaligned collaboration objectives to be the biggest barrier of startup collaboration



Q: Which are the top 3 biggest barriers (obstacles) for your organization when collaborating with startups?

ITALY

Italian corporates lead the charge in Europe in embracing Open Innovation

Italian corporates powerfully lead the charge amongst their European rivals in embracing startup collaboration, according to the results of the Sopra Steria Open Innovation Report 2023.

Corporates in Italy reported the highest level of startup collaboration projects across Europe (80.4%), and also the highest number judging it Mission Critical to their organisation's strategy (56.1%).

Italy was also the country with the highest level of successful collaborations (71%), the highest level of corporates who want to collaborate in sustainability (72%), and also the largest level of satisfaction with such projects (38%).

Almost all of the corporates quizzed reported that they planned to collaborate in the next 18 months (92%) – again the highest level in Europe.



92%

of Italian corporates planned collaborations in the next 18 months – highest in Europe

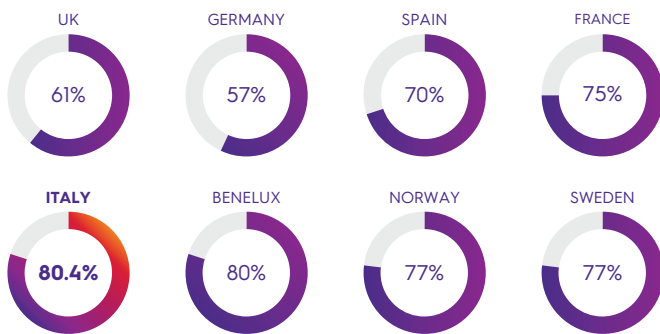
80.4%

of Italian corporates have collaborated with startups – highest in Europe

56.1%

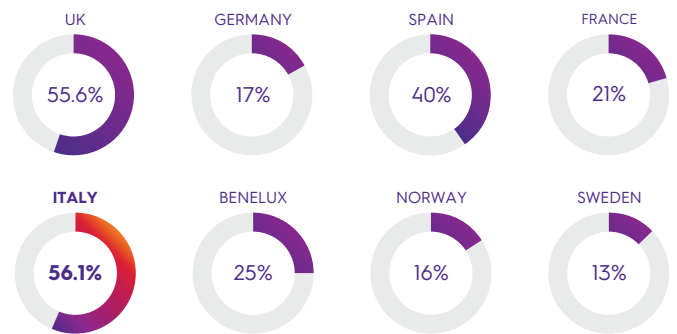
Corporates judging Open Innovation as Mission Critical – highest in Europe

01 Highest number of corporates that have collaborated with startups



Q: Has your organisation ever collaborated with a startup?

02 Highest number of corporates that find startup collaboration mission critical for their organisation's strategy



Q: How many years has your organisation collaborated with startups?

03 Highest level of successful collaborations

UK	67%	Italy	71%
Germany	52%	Benelux	59%
Spain	62%	Norway	44%
France	67%	Sweden	45%

71%

Q: Overall, how often in your collaborations with startups did you achieve your objectives?

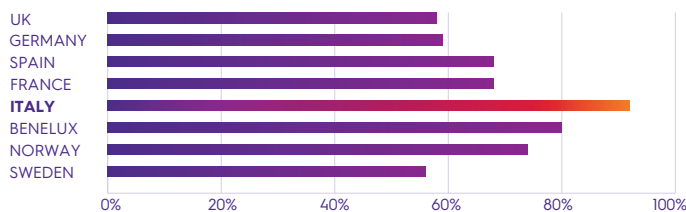
04 Highest level of corporates who are very satisfied with their experience of collaborating with startups through collaboration projects

UK	27%	Italy	38%
Germany	7%	Benelux	13%
Spain	30%	Norway	16%
France	21%	Sweden	23%

38%

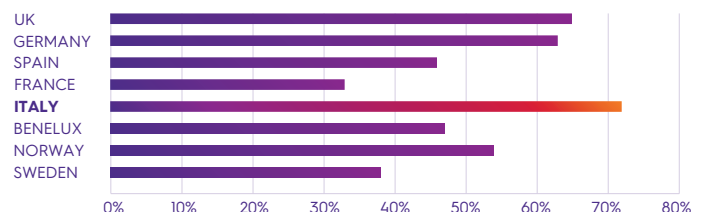
Q: How would you rate the experience of collaborating with startups through collaboration projects?

05 Highest level of corporates who want to collaborate with startups again within the next 18 months



Q: Are you interested in (or will again) collaborate with startups within the next 18 months?

06 Highest level of corporates who want to collaborate with startups in the area of sustainability



Q: Which area(s) would you be most interested to collaborate with a startup in the future?

NORWAY

Norwegian corporates have the lowest level of successful Open Innovation projects in Europe

Only 44% of Norwegian corporates judged their Open Innovation projects to have achieved their objectives all or most of the time, according to the results of the Sopra Steria Open Innovation Report 2023.

Despite Norway having the largest number of corporates who have run Open Innovation projects for five years or more (36%), it also has the second-lowest number of companies who find collaboration a Mission Critical strategic priority (16%).

Norwegian corporates also struggle most among their European rivals in scaling solutions discovered during Open Innovation projects (28%), and also have the highest number of corporates who launch collaborations to create and experiment with new products and services (62%).



62%

Norwegian corporates who collaborate with startups to create new products – highest in Europe

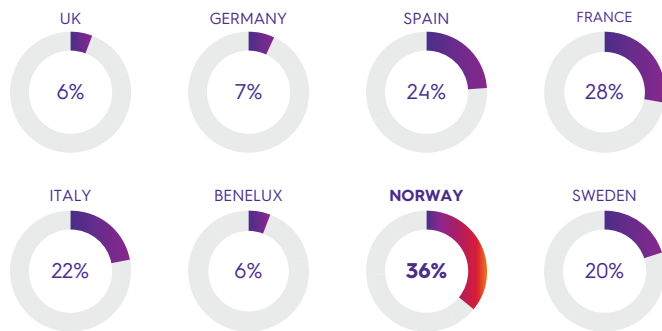
16%

of Norwegian corporates judge Open Innovation as Mission Critical – second-lowest in Europe

36%

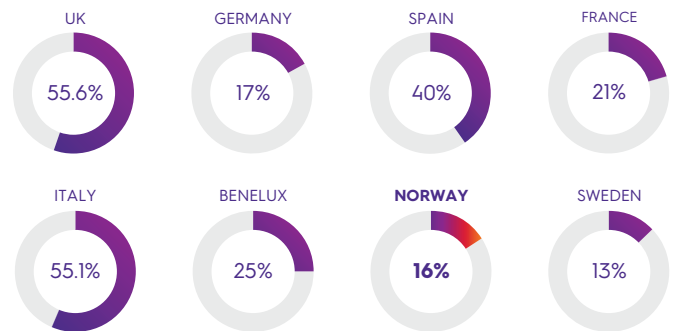
of Norwegian corporates have run Open Innovation projects for 5 years or more – highest in Europe

01 Highest level of corporates with more than 5 years of experience with startup collaboration



Q: How many years has your organisation collaborated with startups?

02 Second lowest level of corporates who find startup collaboration strategically important – only 16% finds it mission critical for their organization's strategy



Q: How many years has your organisation collaborated with startups?

03 Highest level of corporates who collaborate to create and experiment with new products and/or services

UK	39%	Italy	41%
Germany	41%	Benelux	34%
Spain	52%	Norway	62%
France	37%	Sweden	40%

62%

Q: What are your organisation's objectives for collaborating with startups?

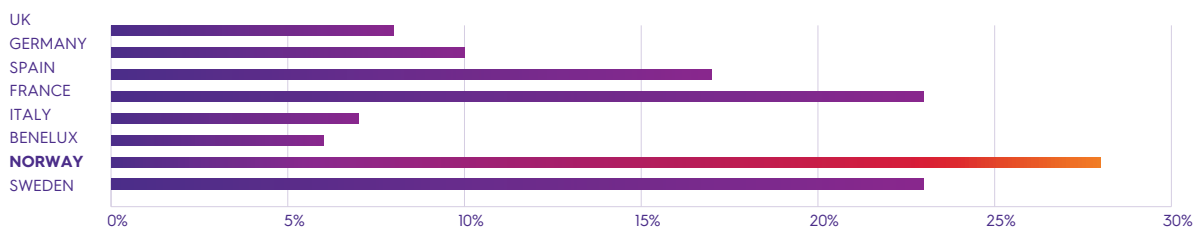
04 Lowest level of successful startup collaborations with only 44% of the corporates achieving their objectives always or most of the time

UK	67%	Italy	71%
Germany	52%	Benelux	59%
Spain	62%	Norway	44%
France	67%	Sweden	45%

44%

Q: Overall, how often in your collaborations with startups did you achieve your objectives?

05 Highest level of corporates who find the phase of scaling the solution as most challenging



28%

Q: Which phase(s) of startup collaboration do you find the most challenging?

SPAIN

Spanish corporates most keen in Europe for help combatting cybersecurity threats

Spanish corporates emerge as most enthusiastic in Europe in collaborating with startups in the field of cybersecurity, according to the results of the Sopra Steria Open Innovation Report 2023.

A total of 51% of Spanish corporates identified cybersecurity as the area of most interest in collaboration with startups, the highest level in Europe, with support leveraging the metaverse a close second at 49%.

Reducing the time to market was the most-commonly cited objective for Spanish corporates (40%) and the region also emerged as the one best organised to manage collaborations, with the highest number of respondents having a dedicated internal business unit to manage Open Innovation projects (79%).

However, despite the successes, challenges remain. Spanish corporates reported the second-highest level of extreme disappointment with collaborations in Europe, with 5% judging themselves to be Very Dissatisfied with collaborations.

50%

of Spanish corporates reported low risk tolerance as the biggest blocker to collaboration - highest in Europe

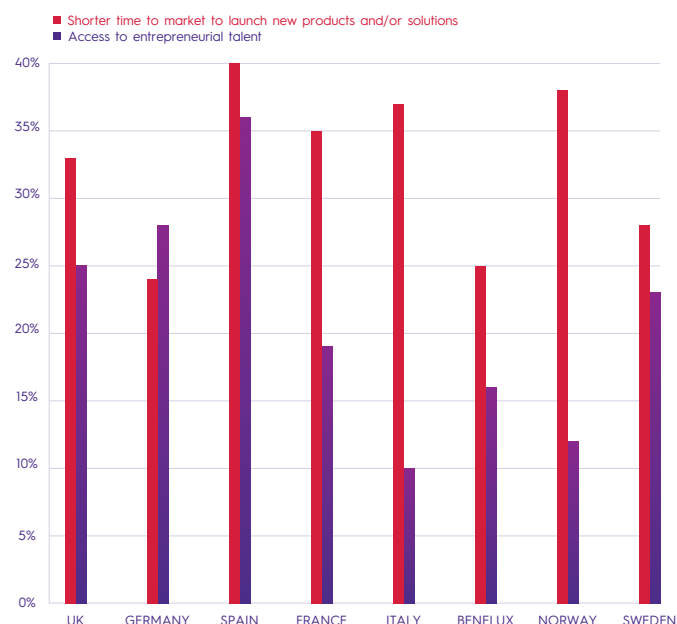
79%

of Spanish corporates have a dedicated collaboration business unit - highest in Europe

51%

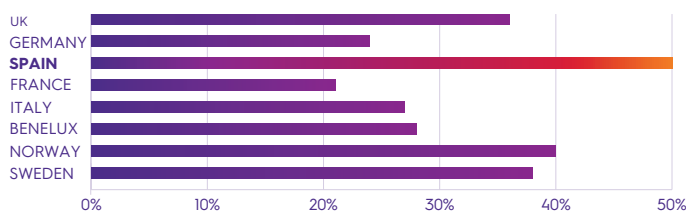
Corporates in Spain interested in collaborating with startups in the future on cybersecurity - highest in Europe

01 Highest level of corporates who collaborate to shorten time to market and to access entrepreneurial talent



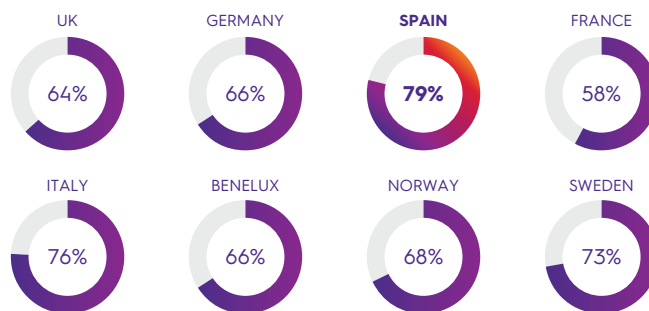
Q: What are your organisation's objectives for collaborating with startups?

04 The highest level of corporates who find low risk tolerance to be the biggest barrier for startup collaboration



Q: Which are the top 3 biggest barriers (obstacles) for your organization when collaborating with startups?

02 Highest level of corporates who have a dedicated department or business unit that works with startup collaboration



Q: Does your organisation have a dedicated department or business unit that works with startups?

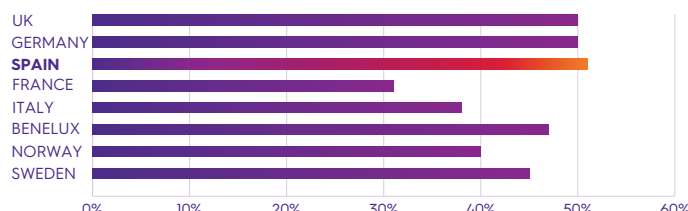
03 Highest level of corporates who find the third phase of startup collaboration, experimenting with startups, most challenging

UK	28%	Italy	46%
Germany	38%	Benelux	41%
Spain	50%	Norway	28%
France	40%	Sweden	40%

50%

Q: Which phase(s) of startup collaboration do you find the most challenging?

05 Highest level of corporates who want to collaborate with startups in the area of cybersecurity in the future



Q: Which area(s) would you be most interested to collaborate with a startup in the future?

SWEDEN

Sweden has lowest level of corporates rating Open Innovation as Mission Critical

Swedish corporates rate collaboration with startups as least Mission Critical in Europe, according to the results of the Sopra Steria Open Innovation Report 2023.

In contrast to Open Innovation's growing popularity across Europe, only 12.5% of corporates in Sweden judged such projects as Mission Critical, while success rates for collaborations also remained low, with only 45% of projects achieving their objectives all or most of the time.

Swedish corporates also had the lowest level of respondents who classified themselves as satisfied with collaboration projects (46%) and also had the lowest number of companies interested in launching Open Innovation projects in the next 18 months (56%).



56%

Swedish corporates wanting to work with startups in the next 18 months - lowest in Europe

13%

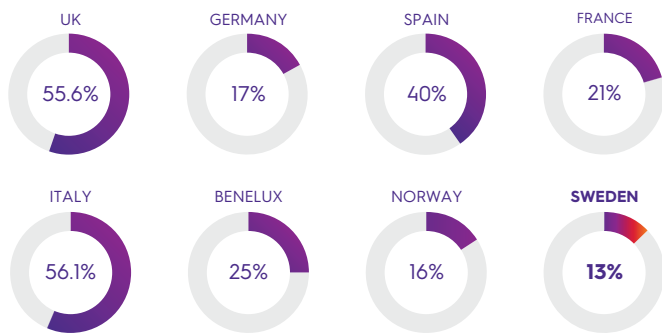
of Swedish corporates judge Open Innovation as Mission Critical - lowest in Europe

46%

of Swedish corporates report being satisfied with collaborations - lowest in Europe

01 Lowest level of corporates

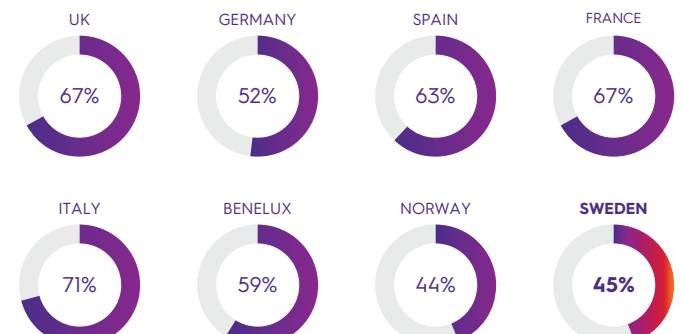
who find startup collaboration strategically important - only 13% finds it mission critical for their organization's strategy



Q: How many years has your organisation collaborated with startups?

02 Second lowest level of successful startup collaborations,

after Norway, with only 45% of the corporates achieving their objectives always or most of the time.



Q: Overall, how often in your collaborations with startups did you achieve your objectives?

03 Highest level of corporates

who have placed responsibility for startup collaboration at middle-management level (88%)

UK	53%	Italy	44%
Germany	66%	Benelux	59%
Spain	60%	Norway	52%
France	40%	Sweden	88%

88%

Q: Where in your organisation is the responsibility for the startup collaboration placed?

04 Lowest level of corporates

who are satisfied with their experience of collaborating with startups through collaboration projects (46%)

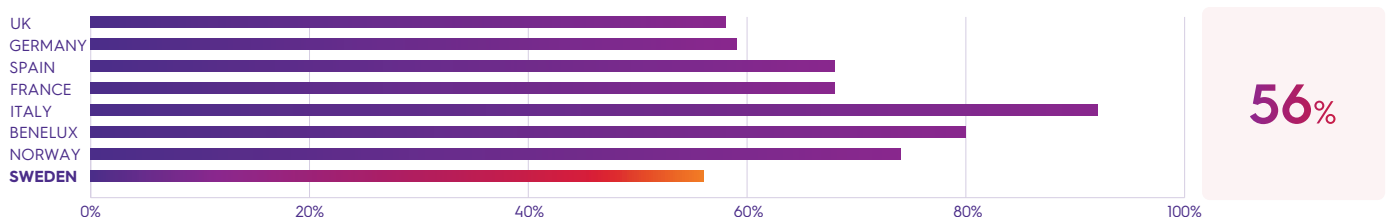
UK	50%	Italy	50%
Germany	64%	Benelux	69%
Spain	55%	Norway	59%
France	47%	Sweden	46%

46%

Q: How would you rate the experience of collaborating with startups through collaboration projects?

05 Lowest level of startups

who are interested in collaborating with startups within the next 18 months



Q: Are you interested in (or will again) collaborate with startups within the next 18 months?



UK corporates least interested in Europe in future Open Innovation collaborations

UK corporates are the least enthusiastic in Europe on future startup collaborations, according to the results of the Sopra Steria Open Innovation Report 2023.

Despite this the popularity of Open Innovation across Europe, the trend, UK reported the highest proportion of corporates that did not plan to collaborate with startups in the coming 18 months (31%), and also had the largest number of corporates that felt that responsibility for collaboration projects was ill-defined within their organisation (28%).

However, paradoxically, 55.6% of UK corporates judged that collaboration should be a strategic priority, the second highest number in Europe.

The UK also has the second lowest level of Open Innovation projects in Europe (61%), according to our findings, and the least well-established tradition of corporate-startup collaboration, with only 6% of corporate organisations having collaborations dating back five years or more.



31%

of UK corporates not interested in collaborations in the next 18 months - highest in Europe

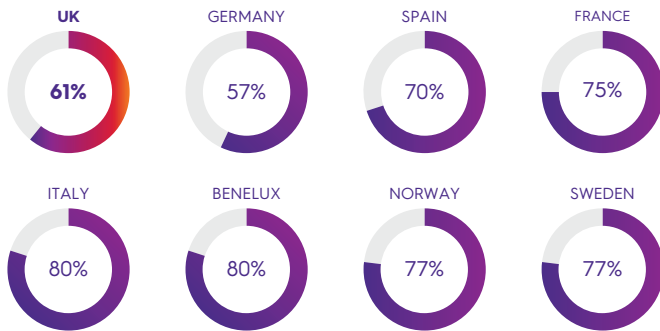
28%

Proportion of UK corporates finding responsibility for collaborations ill-defined in their organisations

55.6%

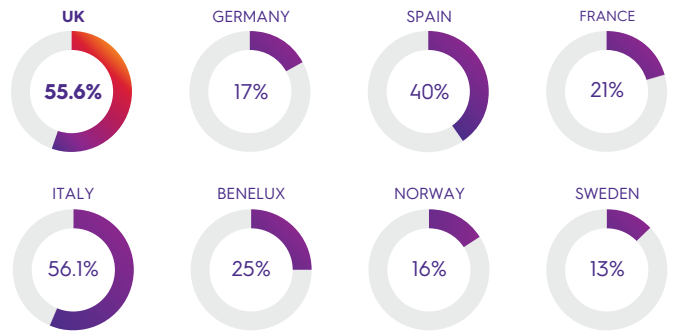
Corporates judging Open Innovation as strategically important - second-highest in Europe

01 Second lowest number of corporates who have engaged with startups



Q: Has your organisation ever collaborated with a startup(s)?

02 Second highest level of corporates who find startup collaboration strategically important for their organisations strategy



Q: How many years has your organisation collaborated with startups?

03 Second highest level of successful collaborations (together with France)

UK	67%	Italy	71%
Germany	52%	Benelux	59%
Spain	62%	Norway	44%
France	67%	Sweden	45%

67%

Q: Overall, how often in your collaborations with startups did you achieve your objectives?

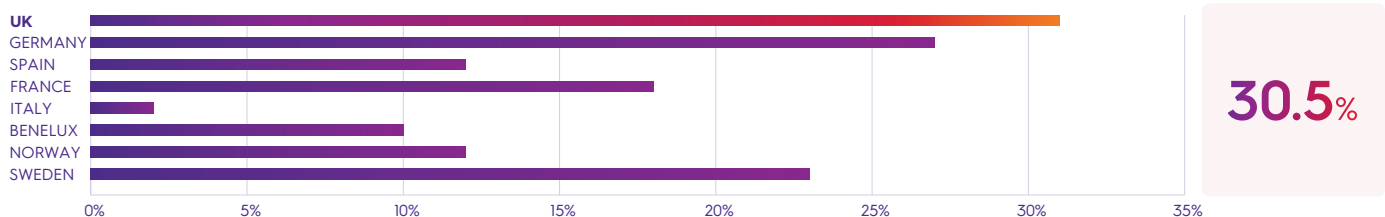
04 Highest level of corporates with startup collaboration to not be a well-defined area of responsibility in the organisation

UK	28%	Italy	12%
Germany	10%	Benelux	16%
Spain	19%	Norway	26%
France	21%	Sweden	3%

28%

Q: Where in your organisation is the responsibility for the startup collaboration placed?

05 Highest level of corporates who do not want to collaborate with startups in the next 18 months



Q: Are you interested in (or will you again) collaborate with startups within the next 18 months? Companies answering "No"



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