Corporate Innovation Programming
Benefits for Scaleups

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Scaling companies need customers. The closer those customers are to the scaling companies, the better the opportunity to collaborate and develop relationships. There are significant challenges in creating long term relationships between scaling companies and the large organizations who are looking to partner with them. How can accelerators not only foster these types of collaborations, but also improve the long term viability of these types of collaborations? How does this support the scaleup community and give them opportunities that wouldn't necessarily exist without this type of programming?

Communitech has been heavily involved in corporate innovation programming for over 5 years. It started with Canadian Tire joining Communitech and building a small lab in the middle of the Communitech Hub. This 500 square feet of open lab space ultimately became the model which many of the other innovation labs were built on, not only at Communitech, but from Halifax to British Columbia. This model has certainly benefitted the large organizations by providing them a dedicated space and team to collaborate with startups and scaleups, but also to attract a new type of employee to the organization; one that is more closely aligned with startup culture than corporate culture. It has also come with some pretty significant challenges.

Some of the challenges that come to mind include level setting expectations on both side. From the startup perspective, helping them understand enterprise timelines and deployment support, and post-sales support. The large organizations have to understand what/who they are buying, and how much influence this one contract could have on the life and trajectory of the startup. Then there is this common practice of going to visit the 'startup petting zoo'. Executives will come to 'meet with startups', listen to their pitch, and provide feedback (or not) to the current issues the large organization has. But there is no expectation of giving back to the startup after this 'advice'. It is expensive for startups to invest the time and resources to build a pitch, prepare the documentation, etc. We have to ensure the expectations of the corporate visits are set ahead of time to ensure we reduce the chance of negative interactions.

Where are we today? Communitech now has 20+ corporate innovation labs set up and operation in their space. We have seen over 100 collaborations between technology companies (the majority of these are scaleups), including more than $10 Million in investment directly to the scaleups, and much more than that in revenue for the scaleups from commercial agreements. We still look to make this process more efficient and focused for all parties,

without sacrificing the accidental collisions that can happen as companies of all sizes live inside the Communitech Hub.

We continue to build programming for both parties to improve the quality of interactions between large and small companies. Specifically, our corporate innovation programming built upon our 'Innovation Basecamp' that teaches the large organizations the basics of design thinking, lean startup, and agile methodologies, has helped build a better understanding of the culture of startups. We've also been spending time coaching the scaleups on how to structure their presentations based on what the corporate executive point of view.
Here are a few lessons we've learned.

1. Scaleups and large organizations speak different languages. It's beneficial to try to get them on the same page as quickly as possible, and in writing.
2. Our experience would suggest that a company that is very young, no matter how good the technology, is rarely a good fit to work with a large organization. Scaleups with a dedicated sales team, and is financially ready to manage some of the unique scenarios and timelines
3. Ensure the large organization knows what they want to do re: startup engagement. We see 4 normal scenarios: Partnership. Sales. Investment. Acquisition. Before they engage in a specific startup program, they must know what the most likely outcome will be.
4. It is very beneficial for all parties involved to have enterprise organizations who are engaged and knowledgeable about technology and the ecosystem. This engagement can mean many things, but they must be there to benefit the ecosystem first, and themselves later.