



Harnessing corporate venturing

A strategic pathway
to sustainable growth



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Executive summary

Corporate venturing plays an important role in driving growth for companies across all sectors and sizes. Firms should consider integrating corporate venturing into their overall growth model through innovation and strategic partnerships with innovative startups to aim to gain a competitive edge. This approach not only help stimulates internal innovation but also help improve research capabilities, allowing companies to stay ahead of the competition.

Successful corporations may gain a significant growth edge by combining scale and reputation with innovation, accelerating their pathway toward disruption before competitors do so and create new offerings that resonate with their customers.

To contextualize these findings and show how these issues can be avoided, we present a case study featuring a leading Asean condiment and sauce provider that built a digital platform to improve consumer engagement. This example demonstrates how a well-structured venture strategy, grounded in alignment, discipline and economic analysis, may result in significant success.

Ultimately, corporate venturing is a vital component of modern business strategy and should be a core component of business operations rather than a peripheral project.

Introduction

Corporate venturing, as defined by Global Corporate Venturing community platform, involves investing in and supporting entrepreneurs through minority stakes or venture capital, as well as fostering “intrapreneurship,” i.e., the development of internal innovation capabilities. This envisions a symbiotic relationship between established businesses and incoming entrepreneurs.¹ While larger corporations can leverage technological capabilities and know-how for internal innovation, incoming players can take advantage of larger players’ expansive market reach and resource pool to develop and test solutions.²

Corporate venturing has the potential to deliver significant benefits for both established incumbents and new entrants. This is especially the case when businesses are seeking to improve their agility in an ever-changing market landscape. The benefits include a constant inflow of innovation, access to relevant talent and technology and expansion into adjacent niche markets.

By pursuing corporate venturing strategies, firms can diversify not only their growth potential but also the perspectives and expectations that guide the formulation of their business models.³

This white paper aims to provide a concise yet comprehensive account of the process, benefits and challenges of corporate venturing for growth. It will first highlight examples that underscore the relevance of corporate venturing in today’s market, particularly recognizing the challenges faced by companies that failed to innovate.

It will then explore the key elements of successful corporate venturing strategies to gain a competitive edge for growth. Finally, the white paper will examine the reasons behind corporate ventures failures and apply these findings to a real-life case of a leading Asean condiment and sauce producer’s experience in the food and beverage (F&B) sector.



^{1,2} Global Corporate Venturing “What is Corporate Venturing?” Global Corporate Venturing, (n.d.), accessed on 22 August 2025, <https://globalventuring.com/corporate/what-is-corporate-venturing/>

³ Vi E. “Corporate Venturing: How Big Companies Stay Ahead of the Curve,” BYVI, 17 August 2024, accessed on 22 August 2025, <https://byvi.co/2024/08/17/corporate-venturing/>

Corporates that wait to innovate are already behind

Corporations with noticeably successful growth strategies are those that can stimulate innovation from within. They do not wait for disruption; instead, they build new ventures to stay ahead. These ventures create growth beyond the core and deliver returns faster than large-scale transformation programs, which typically take years to yield results. Real commitment – time, capital and patience – is essential, but for those who persevere, the payoff is substantial.

In 2017, a leading global apparel brand saw this early. It pushed hard into direct-to consumer digital, data-led product activation and owned channels. That shift helped move its market cap 2.5x in five years. Similarly, a major retail pharmacy chain expanded its role in healthcare access, adding 20% in value. Separately, between 2021 and 2024, a major American department store operator added 40% in market cap by investing in data and insight products, repositioning itself from a traditional retailer to a scaled data-and-services platform. These are not tech unicorns.⁴ They are large incumbents using venture-led growth to change their category position.

The pattern holds true in financial services. In 2018, a major Indian financial institution launched a platform that unified banking, payments, and e-commerce into a single digital experience. Since then, their market cap has grown 3x, and deposits have doubled.⁵ This platform did not replace their core service provisions. Instead, it expanded its value by building a new channel for consumer engagement and growth.

The distinction between leaders and followers is evident in their speed of adaptation to change. From the early 2000s to today, major industries such as mobility services, media distribution, and imaging technology have undergone sweeping transformation as digital platforms, on-demand access, and new consumption models reshaped customer expectations and competitive dynamics. Traditional players in these sectors—once defined by physical assets, established networks, and strong brand presence—found themselves left behind. Delay erased optionality. In each case, the market moved faster than the incumbent's willingness to build.

Speed now separates survivors from stories told in hindsight. As Alex Rampell from venture capital firm, Andreessen Horowitz, puts it, “The battle between every startup and the incumbent comes down to whether the startup gets distribution before the incumbent gets innovation.⁶” Incumbent still controls scale, trust, data, and channels. Startups move faster. The gap between the two is time, specifically how quickly an incumbent can translate advantage into a new offering that matters in the market.

Corporate venture building is the operating answer to that timing gap. It gives leaders a way to assess, launch, and scale new businesses on compressed timelines. Waiting for disruption to clarify itself is no longer a viable approach. The companies that build now will shape the categories everyone else will compete in later.

^{4,5} S&P Global Market Intelligence “Capital IQ Database,” S&P Global, (n.d.), accessed on 22 August 2025, <https://www.capitaliq.com>

⁶ Rampell, A. “Distribution vs. Innovation.” Andreessen Horowitz. 5 November 2015, accessed on 22 August 2025. <https://a16z.com/distribution-vs-innovation/>

Venture building gives corporates a growth edge

When venture building is done in a structured way, it becomes one of the most reliable ways for large companies to create growth outside their core. Internal ventures routinely outperform startups on outcomes that matter, i.e., funding access, scale velocity, survivability and success rate. That advantage is structural, not situational. Combine those factors, and internal ventures end up achieving 30% higher success rates than traditional startups.⁷

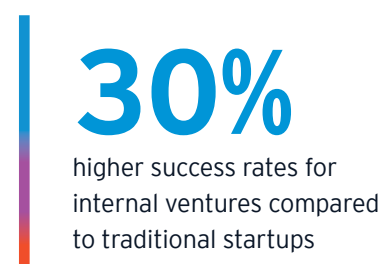
There are good reasons for why ventures outperform startups. Corporates can fund ideas to proof-of-concept stages faster because they have stronger balance sheets. Early-stage internal ventures receive, on average, 20% more peak funding than comparable independent startups.⁸ With established brand trust, procurement history, and regulatory standing, internal ventures backed by their corporate parents start with a credibility advantage. Customers and partners already know the parent, so conversions move faster.

The scale curve looks different too. Internal ventures scale two to three times faster than startups because they are already plugged into existing

channels such as distribution fleets, store networks, digital subscriber bases, customer databases and enterprise sales teams.⁹ The corporate parent can smooth access to shared data, introductions, and bundled offers. Time-to-market shortens because some of the hardest early-stage barriers – e.g., trust, reach and compliance – are more easily solved.

Survivability extends the edge. Corporate ventures last longer on average because they are less exposed to external fundraising cycles and can flex internal support while searching for product-market fit. That extra runway is often the difference between iterating to a working model and shutting down too early. The result is a more resilient pathway to scale, one that is built to weather volatility, not just chase momentum.

The upside is large in capital markets terms as well. Corporate venture building is expected to drive over US\$1 trillion in S&P 500 market capitalization growth over the next five years.¹⁰ That estimate is driven by two factors: incumbents gaining market



value as they enter new areas of growth, and the added impact when digital or data-driven ventures are built on top of existing scale.

Execution plays a crucial role in how fast ventures scale. It is not about beating startups at their own game; it is about using what corporates already must build businesses that stick. When done with discipline, venture building turns scale from a burden into an advantage. It lets large companies move faster, test smarter, and back ideas with staying power. For leadership teams looking beyond the core, the message is clear: venture building is not a sideline. It is a serious growth engine.

⁷ Suazo, R. "Why Venture Studio Startups Have Higher Long-Term Success Rates," Bundl.com, (n.d.), accessed on 22 August 2025, <https://www.bundl.com/articles/why-venture-studio-startups-have-higher-long-term-success-rates>

⁸ Palmer M. "Startup Funding Rounds Involving Corporate Investors Rise 20% by Value," Global Corporate Venturing, 2025, accessed on 24 July 2025, <https://globalventuring.com/corporate-investors-trends-2025>

⁹ Suazo, R. "Why Venture Studio Startups Have Higher Long-Term Success Rates," Bundl.com, (n.d.), accessed on 22 August 2025, <https://www.bundl.com/articles/why-venture-studio-startups-have-higher-long-term-success-rates>

¹⁰ Arivazhagan, P. "What Type of Corporate Venture Builder Are You?" EY.com, 20 June 2025, accessed on 24 July 2025, https://www.ey.com/en_us/insights/strategy/what-type-of-corporate-venture-builder-are-you

Most corporate ventures fail for predictable reasons

Though corporate ventures have a better success rate compared to startups, over 90% of corporate ventures fail albeit for different reasons.¹¹ The resource advantage is not enough. Failure patterns repeat because the underlying causes are structural and cultural, and they tend to surface easily.

The first and most common issue is the assumption of product-market fit.¹² Many ventures move forward because senior leaders believe in the concept, not because customers confirmed the problem. Corporate data sets can create hubris, giving executives the mindset of “we serve this segment already, so they will adopt.” Without direct testing, that assumption collapses upon contact with the market. Misfits slow adoption, drain budgets and hinder progress before real learning occurs.

The second issue is the inconsistent process, where venture building is treated as a side activity.¹³ Ventures that operate outside regular planning and funding cycles often lack the necessary structure needed to move forward. Teams may have unclear milestones, ad-hoc reporting, uneven leadership engagement and delayed decision-making. When stage gates are not explicit, everything feels like a pilot, and pilots rarely scale effectively.

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Venture building is about engineering those special outcomes and not leaving them to chance.

Culture compounds process gaps. In many corporates, pivots are treated as failures.¹⁴ Teams internalize that message and resist the changing course even when their data suggests that they should do so. Startups pivot to survive; corporates converge to satisfy governance. That inversion kills momentum. A working venture team needs psychological safety to adjust before scaling.

Another reoccurring pitfall is the lack of partnerships.¹⁵ Internal teams try to build every part in-house, even where external technology, distribution or data partners would be significantly faster and cheaper. The result is duplicated effort, slower builds and solutions that do not meet market standards. Tapping into external ecosystems helps ventures move faster, while ignoring them slows progress and drives up costs without making the business any stronger.

Focus drift also erodes performance.¹⁶ Ventures often start with a clear aim, then during the process, they get weighed down by added requests internally, such as new features, extra use cases or expanded markets.

Layering these internal agendas onto an immature business dilutes the core value proposition and strains already limited resources. Early-stage ventures need to focus on solving one problem very well before expanding their scope.

Even when product and focus hold, the venture can fail on unit economics.¹⁷ Many teams delay pricing, acquisition cost modeling, or channel margin work until after building. However, by then customer expectations are set and cost structures are locked. As a result, the leadership pushes back on rising costs, confidence fades and funding gets pulled.

These failure patterns are avoidable with structure: clear gates, customer validation, unit economics analysis and partnership planning. Without them, ventures stall before they can scale. As seasoned investor Andy Rachleff puts it, “When a great team meets a lousy market, market wins... But when a great team meets a great market, something special happens.” Venture building is about engineering those special outcomes and not leaving them to chance.

¹¹ Howarth J. “What Percentage of Startups Fail? 80+ Statistics (2025),” Exploding Topics, 5 June 2025, accessed on 22 August 2025, <https://explodingtopics.com/blog/startup-failure-stats>

^{12, 13, 14, 15, 16, 17} CB Insights “The Top 20 Reasons Startups Fail,” CB Insights, 2019, accessed on 24 July 2025, <https://s3-us-west-2.amazonaws.com/cbi-content/research-reports/The-20-Reasons-Startups-Fail.pdf>

Case study spotlight: Building a digital platform in F&B in the Philippines

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Structured, insight-led venture building can deliver real market impact when backed by discipline, alignment and a clear path to scale.

Venture building delivers best when it is anchored in sharp customer insight and business alignment. EY-Parthenon supported a leading condiment and sauce provider in Asean in launching a digital venture: a direct-to-customer food community platform. The goal was to move beyond a business-to-business model and brick-and-mortar formats, building stronger engagement with end-consumers and uncovering deeper insights into evolving food habits. This was not just about launching an app; it was about building a platform with structure and scale in mind.

To bring the concept to life, the company's fragmented outreach across retail and digital channels was unified. This was accompanied by a structured process to identify consumer pain points and convert them into actionable opportunities. Over 100 use cases were explored, ranging from content and community features to interactive experiences. These were narrowed

to a focused feature set tailored to community building and commercial value, including videos, live streams, games, forums, polls and surveys. These were not standalone features; they formed the core of a platform designed to gather insights while fostering loyalty. Throughout the process, it was crucial to ensure a tight alignment between the venture concept and the broader strategic objective of understanding consumer behavior more deeply. One core platform concept was selected for development.

The subsequent phase involved the development of guidelines to reflect customer positioning and local context. A customer validation sprint evaluated desirability and willingness to pay across key segments, including consumers and partners. A detailed go-to-market strategy outlined to platform lifecycle investment, critical metrics like monthly active users, average revenue per user and long-term strategic focus. The idea





was not to scale fast for vanity; it was to grow with intent and resilience. The scalability of this solution was a core consideration, especially when modeling projected app volume thresholds and future technology requirements.

The final phase, minimum viable product (MVP), launch and scale, emphasized operational readiness and commercial traction. Different fulfillment models were supported by the creation of a robust route-to-market plan and partner shortlist. A five-year business plan was created with projections for cash flow and earnings before interest, taxes, depreciation and amortization (EBIDTA), benchmarked against international peers. More than 20 use cases were

selected for the MVP and over US\$1 million in funding was secured.

The results were significant. E-commerce grew 20-fold, rising from 0.2% to 4-5% of sales, and a digital community of over 25,000 users was built. This was not an innovation theater; it is proof that structured, insight-led venture building can deliver real market impact when backed by discipline, alignment and a clear path to scale.

The pioneering venture team that built this initiative went on to become the core venture team for the organization, having built and launched multiple new ventures since then.

Conclusion: Building with intent wins

Corporate venture building is no longer a side bet. It has become one of the clearest ways for incumbents to find new growth, fast. The companies moving ahead are the ones treating venture building as a core business function; anchored in insight, governed with structure, and built to scale.

This does not mean companies have to abandon what already works, it means building alongside it - using assets, brand reach, data and trust to

create something new. When done well, internal ventures outperform on spend, survivability and return. But the work only delivers when it is grounded in a clear process and market signals.

Success does not come from flashy pilots, it comes from structured design, type validation and a disciplined path to launch. Venture building is not about guessing the future; it is about evaluating it, building it and shipping it, before someone else does.

Next steps: Understanding venture building methodology

Most corporate venture failures do not stem from bad ideas; they stem from weak execution. EY-Parthenon teams have built a structured sprint-based method to address the execution gaps that derail most internal ventures. It helps corporates move fast without losing focus and test big bets without taking on unnecessary risk. The process has applied across industries and is refined through years of practice.

The model moves through three key phases: learn and ideate; validate and prototype; MVP and launch. Scaling is introduced as a potential fourth phase. Each phase is tied to a clear goal and anchored by decision gates.

In the learn and ideate phase, the goal is to generate a pipeline of ideas that are grounded in market need and aligned to strategy. EY-Parthenon teams help clients identify opportunity spaces based on market megatrends consumer shifts, tech enablers and adjacency plays. Through fast sprints, teams develop early adopter personas, explore concept directions, and prioritize ideas using a desirability-viability-feasibility framework. The top ideas are sharpened and pitched to internal sponsors, with the top one or two selected for validation.

Next comes the validate and prototype phase. Teams apply a 10-point validation framework covering market sizing, problem framing, user research, pricing models, value proposition testing and early go-to-market design. Early conceptual prototypes are built using wireframes, landing pages and clickable demos. These are then shown to real users, where planning and operational feasibility are mapped. Teams develop a light but investable business case. Critically, this is where the venture proves it can generate interest, solve a real problem and make money. If the case does not hold, the idea is paused or pivoted.

The final key phase, MVP and launch, focuses on getting commercial traction. EY-Parthenon teams support clients in building a functional product and introducing it into the market with clearly defined key performance indicators. Early customers are onboarded while teams test acquisition channels, pricing sensitivity and churn drivers. Alongside customer-facing work, the venture completes a governance model, evaluates options for spin-out or integration and sets long-term success metrics. The priority at this stage is not scale but proving that the business can stand up commercially.

When the venture shows clear signs of product-market fit, repeatable traction, and strategic alignment, the fourth phase, scaling, may follow. This optional next step focuses on ramping up the business with increased investment and reach. It is not automatic. The decision to scale is made deliberately based on data and readiness.

The methodology is designed for speed and resilience. Weekly sprints keep momentum high and surface blockers early. Monthly boards give senior stakeholders visibility without micromanagement. Legal, compliance and IT teams are brought in upfront so they can enable progress rather than stall it. Each decision gate ensures the venture is ready before more capital or effort is committed.

This approach is built to deliver tangible results - not just appearances. It helps corporations move with startup agility while using incumbent strengths. By anchoring each phase to business value and measurable progress, the model ensures ventures are not just launched but positioned to scale when the time is right.

Corporate venturing with EY-Parthenon

EY-Parthenon is an official partner of the EDB Corporate Venture Launchpad 3.0. EY-Parthenon corporate venture teams are full-cycle venture building units, helping future-focused companies to create new businesses and products and achieve success at every stage, from seed to scale. For further information regarding corporate venturing, please visit:

ey.com/en_sg/services/strategy/CVL-venture-creation

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