



Terry Howerton
*Founder & CEO,
TechNexus Venture
Collaborative*

Corporate CEOs, your next big revenue stream won't cost as much as you think.

Key points in this article:

- Most corporate CEOs already know they need to embrace innovation and engage with entrepreneurs — but there's a more effective way to do it than what's been done in the past. Successful collaboration requires a framework that defines success metrics early and stays engaged beyond the initial investment.
- Collaboration between entrepreneurs and large companies is challenging due to differences in language, risk profiles, timelines, and DNA, but a nimble strategy can be executed quickly.
- Brunswick Corporation demonstrated how an ecosystem of entrepreneurial activity could be leveraged to drive innovation.

When I meet with corporate CEOs, they're already yearning to embrace external innovation.

And they recognize the urgency of doing so. They understand their internal teams may have a "not invented here" problem, where they resist looking externally for new ideas. They're also aware of the innovator's dilemma, where they are so focused on the way things are done today that they're blind to the disruptions that could come tomorrow.

What we're doing is helping CEOs see that there is an effective way to engage with entrepreneurs without incurring high costs. It's about more than sponsoring pitch contests, hosting entrepreneur days, or investing without a thoughtful plan for collaboration. These are all innovation theater and produce few tangible results. A more powerful and productive way to engage with entrepreneurs than they've done in the past is to partner with people who have an entrepreneurial mindset and can not just invest, but know how to collaborate with all parties involved.



Instead, it's about setting up a framework that allows for successful collaboration beyond the initial investment.

It's about defining success metrics early and staying engaged beyond the first 18 months. The CEOs who are ahead of the game embrace this approach, tap into a wealth of innovative ideas, and stay ahead of the curve in ever-changing markets.

They already understand the importance of being more innovative and open to new market opportunities. They recognize that how they've done business before isn't guaranteed to work in the future. They come to us when they're ready to have a conversation about effective ways to engage entrepreneurs.

Brunswick Corporation is an example of a business understanding the importance of bringing entrepreneurial activity and insights into their team to create urgency and drive innovation.

Entrepreneurs and large companies have realized the value of doing business with each other, but creating meaningful outcomes is an art form.

Corporate venture capital profiles are not always effective, and collaboration is challenging because entrepreneurs and large corporations don't speak the same language — or have the same risk profiles, timelines, or DNA. But they know engaging with one another is an important thing to do. It's just not an easy one.

A mini case study in driving innovation: Brunswick Corporation

Last month, Brunswick announced that their first group of electric outboards shipped to global customers. Reaching this milestone required vision from their leaders.

Six years ago, then-CTO David Foulkes asked TechNexus to curate an ecosystem of global entrepreneurs working on essential themes to Brunswick, including electrification in the marine industry so that he could engage them. Dave himself didn't need convincing about the importance of innovating in a changing market, but he had to lead his enterprise to understand it. Our ecosystem strategy was an important tool in his toolbox, providing a diverse pulse on the market and the technology around electrification, and supporting his vision for Brunswick's internal innovation.

Dave soon became Brunswick's CEO, leading the 177-year-old company with a storied history, and continued to collaborate with the entrepreneurs we curated, including many that we invested in together.

Today, Brunswick Corporation has full teams of employees focused on electrification, and they are bringing market-leading solutions with the scale of the largest boat and motor manufacturer in the industry. Dave saw this vision six years ago. He leveraged the ecosystem of entrepreneurial activity that we curated to help bring urgency to their internal products and markets.

Dave and his team propelled Brunswick as the market leader — and Brunswick's recent milestone on electrification is the first of many.