



# Startup activities of established Finnish companies

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MASTER'S THESIS

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# THE RESEARCH SHORTLY

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# Perspective of large companies

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(1) HOW

(2) WHY OR WHY NOT

(3) HOW EXTENSIVELY

...do established companies engage in startup activities?



**STARTUP ACTIVITY** is all activity that established companies conduct in collaboration with startups, related to startups and as startups.

**A STARTUP** is a temporary and expansionary organization, which does not possess a ready business model and therefore it is searching for **one** (Blank & Dorf, 2012; Ries, 2011; Graham, 2012).

# Qualitative study: 11 companies on varied industries

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- **15 SEMI-STRUCTURED INTERVIEWS**  
in 11 established companies.
- **INDUSTRIES**

building products	pharmaceuticals
electronics	recycling
energy	retail
forest	technology
machinery	
IT services and solutions	
- **ORGANIZATIONAL LEVEL**
  - management group members (8)
  - upper or middle management (3)
  - lower management (4)
- **LOCATION IN THE ORGANIZATION**
  - Technology or R&D (6)
  - Business responsibility (5)
  - Business Development or Innovations (2)
  - CEO (1)
  - Communications (1)

# FINDINGS

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## EXTERNAL STARTUP ACTIVITY

pilot projects  
investments

collaboration  
accelerator programs

partnerships  
screening

## INTERNAL STARTUP ACTIVITY

acquisitions

change of modus operandi  
internal entrepreneurship  
internal accelerator programs

internal startups  
venturing  
growth initiatives

*(inside own organization)*

collaboration programs competitions

events

*(outside own organization)*

## Favorable aspects

1. Keeping up in the changes of business environment
2. Developing the business
3. Developing the organization
4. Repute advantages
5. Social responsibility

## Challenges

1. Encountering and finding the startups
2. Risky partners
3. Financial matters
4. The effect of industry
5. Cultural challenges
6. The impact of management guidelines



## 1. NO STARTUP ACTIVITY (1/11)

Interested in startups.

Has had negotiations on collaboration.

However, has not found suitable partner startups.

## 2. OPPORTUNISTS (2/11)

Making first trials.

Finding out how to exploit the advantages of startup activity.

## 3. SPECIAL KNOW-HOW EXPLOITERS

(5/11)

Exploiting special knowledge which is not found in other organizations.

Experienced in startup activities.

Management group responsibilities for startup activities.

## 4. STRATEGIC EXPLOITERS (3/11)

Startup activity is on a strategic level.

An important source of strategic resources.

Most extensive and most varied activities.

Recognize most benefits.

Management group responsibilities for startup activities.

# Startup activities of established Finnish companies

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- The **impact on the business is currently very small** in terms of revenue.
- In some companies it is **considered very important in terms of growth initiatives and renewal**.
- The engagement seems to be **increasing** in volume and becoming **more versatile**.
- Companies have begun to consider startup activity **as an entirety**. Earlier it has been about occasional, single activities.
- Finnish companies are taking their **first steps in systemizing** and making their startup activity continuous.
- Extending startup activity **demands examples on success** of current activities.

# PRACTICAL MANAGERIAL IMPLICATIONS

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# 1. EXPRESS WHAT YOU ARE LOOKING FOR

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- Established companies should express how they engage in startup activities, e.g. on their websites.
- This would help the *most suitable startups* approach the established companies with *most suitable propositions*.

## 2. ARE YOU SYSTEMATIC?

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- What are your purposes in the startup activities?
- What are your long-term plans?
- Follow-up? How do you measure it?

# 3. LEARN FROM INTERNATIONAL EXAMPLES

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- BBVA, Cisco, GE, Siemens, Telefonica, Unilever...
- Management group visits to Silicon Valley

## 4. HOW TO ENCOUNTER STARTUPS?

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- Events, hackathons, competitions
- Screening (yourself or with a third party)
- Accelerator programs
- Good availability and channels in your own organization
  - e.g. a contact person and a website contact form for startups

# THANK YOU!

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