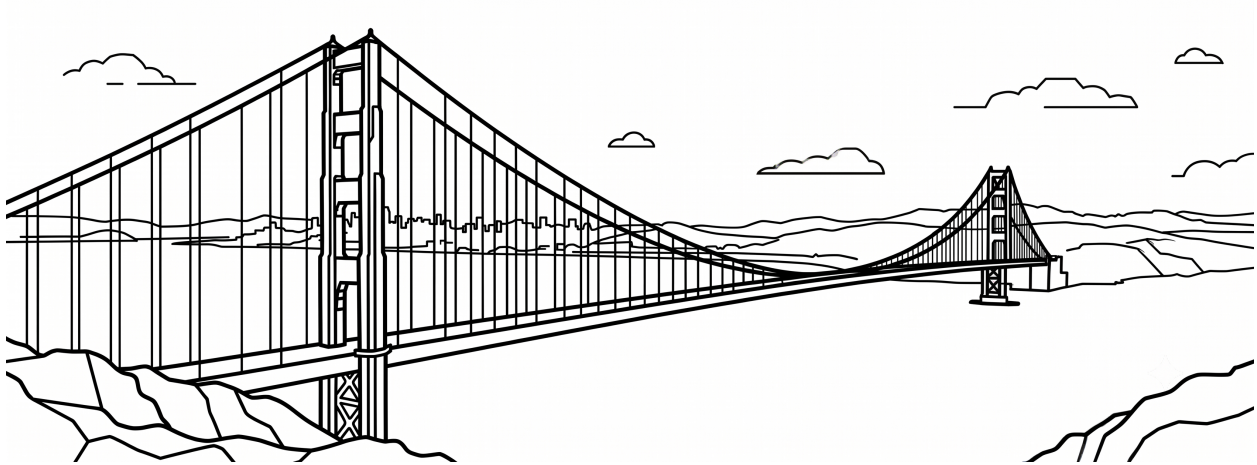




CHALMERS
UNIVERSITY OF TECHNOLOGY



Strategizing Corporate LP Positions

Strategic Rationale, Governance, and Measurement of Strategic Value
for Corporate Venture Capital Units Investing in VC Funds

Master's thesis in Management and Economics of Innovation

Daniel Alsén
Carl Lingström

Department of Technology Management and Economics
Division of Entrepreneurship and Strategy

CHALMERS UNIVERSITY OF TECHNOLOGY
Gothenburg, Sweden 2026
www.chalmers.se

MASTER'S THESIS 2026

Strategizing Corporate LP Positions

Strategic Rationale, Governance, and Measurement of Strategic Value for Corporate
Venture Capital Units Investing in VC Funds

Daniel Alsén
Carl Lingström

Department of Technology Management and Economics
Division of Entrepreneurship and Strategy
CHALMERS UNIVERSITY OF TECHNOLOGY
Gothenburg, Sweden 2026

Strategizing Corporate LP Positions

Strategic Rationale, Governance, and Measurement of Strategic Value for Corporate Venture Capital
Units Investing in VC Funds

DANIEL ALSÉN

CARL LINGSTRÖM

© DANIEL ALSÉN, 2026.

© CARL LINGSTRÖM, 2026.

Supervisor: Anders Isaksson, Entrepreneurship and Strategy, Department of Technology Management
and Economics

Examiner: Anders Isaksson

Master's Thesis 2026

Department of Technology Management and Economics

Entrepreneurship and Strategy

Chalmers University of Technology

SE-412 96 Gothenburg

Telephone +46 31 772 1000

Typeset in L^AT_EX

Printed by Chalmers Reproservice

Gothenburg, Sweden 2026

Strategizing Corporate LP Positions
Strategic Rationale, Governance, and Measurement of Strategic Value for Corporate Venture Capital
Units Investing in VC Funds
DANIEL ALSÉN & CARL LINGSTRÖM
Department of Technology Management and Economics
Chalmers University of Technology

Abstract

Strategically motivated corporate venture capital (CVC) units increasingly operate through limited partnership (LP) positions in venture capital (VC) funds, yet the CVC literature concentrates almost exclusively on direct investments, leaving this indirect investment mode theoretically under-explored. This thesis addresses the gap through an exploratory study of the strategic rationale, governance, and measurement of strategic value that corporate LP positions generate.

The study draws on 35 semi-structured interviews across four respondent groups, analyzed using an adapted Gioia methodology. Four strategic rationales for LP positions are identified, each of which reflects a distinct VC advantage the corporation cannot match internally at equivalent cost or speed. Governance operates across two levels. At the GP-LP interface, contractual mechanisms establish the baseline, while relational mechanisms unlock value realization, sustained by mutual value creation. At the internal corporate level, absorptive capacity determines how much value the organization captures, shaped by how information flows between the VC fund, the CVC unit, and the parent company. Measurement follows a two-tiered framework: activity-based metrics track engagement quality as leading indicators, while outcome-based metrics carry greater weight but are harder to attribute to the position itself.

The thesis advances the CVC literature by establishing that LP positions function differently from direct investments and demand tailored approaches to rationale, governance, and measurement. The findings are translated into three practitioner instruments: a classification matrix that converts the rationales into fund-selection criteria, governance guidelines specifying design choices and organizational structure, and a practical measurement framework for demonstrating strategic value to parent companies. Together, these instruments enable CVC units to manage LP positions as a deliberate component of their broader CVC strategy.

Keywords: corporate venture capital, venture capital funds, strategic value, limited partner positions, governance, absorptive capacity, venture clienting, innovation ecosystem.

Acknowledgements

We would like to thank our supervisor, Anders Isaksson, for his guidance and constructive feedback throughout this thesis project. We are also grateful for all the interviewees who generously shared their time and expertise, several of whom went out of their way to support the study with further discussion.

Daniel Alsén & Carl Lingström, Gothenburg, May 2026

Contents

List of Figures	xi
List of Tables	xiii
1 Introduction	1
1.1 Background	1
1.2 Problem discussion	2
1.3 Research aim and research questions	4
1.4 Delimitations	4
2 Theoretical framework	6
2.1 The venture capital model	6
2.2 Corporate venture capital	7
2.2.1 Strategic rationale of CVC	7
2.2.2 The dual mandate and organizational design	9
2.2.3 Investment modes and typologies	9
2.3 LP positions	12
2.4 Governance of LP positions	13
2.4.1 External governance: GP selection, contractual design, and relationship management	14
2.4.2 Internal governance: information absorption and strategic action	16
2.5 Measuring strategic value	17
2.6 Conceptual framework	19
3 Methodology	21
3.1 Research design	21
3.2 Data collection	22
3.2.1 Pre-study and context mapping	22
3.2.2 Theoretical framework	22
3.2.3 Primary data and selection	23
3.3 Data analysis	25
3.3.1 The Gioia methodology	25
3.3.2 Practitioner validation and positional analysis	26
3.4 Research quality	26
3.5 Ethical considerations	27
4 Empirical findings	29

4.1	Strategic rationale for corporates taking LP positions	30
4.1.1	Convergent strategic rationales	31
4.1.2	Contested strategic rationale	33
4.2	Governance of corporate LP positions	33
4.2.1	External governance: the LP-GP relationship	34
4.2.2	Internal governance: the CVC-parent company relationship	37
4.3	Measurement of strategic value	39
4.3.1	KPI categories	40
4.3.2	Framework-level findings	42
5	Analysis	44
5.1	Strategic rationales	44
5.1.1	Rationale typology consequential of CVC market opportunities	44
5.1.2	M&A optionality as a conditional rationale	46
5.2	Governance design	46
5.2.1	External governance: the GP-LP interface	47
5.2.2	Internal governance: information architecture	48
5.2.3	Internal governance: organizational preconditions on people-dependency and longevity	50
5.2.4	Synthesis	51
5.3	Strategic value measurement	52
5.3.1	Measurement as survival, not epistemics	52
5.3.2	Goal alignment converts rationale into targets	53
5.3.3	Activity and outcome as a two-tier hierarchy	53
5.3.4	Developing a KPI framework	54
5.3.5	The distribution of strategic value over the fund lifecycle	57
5.4	Summary and conceptual framework	58
6	Discussion	60
6.1	Classifying VC funds	60
6.2	Informational value of strategic KPIs	63
6.2.1	Implications	64
6.3	Measurement systems under different conditions	65
7	Conclusion and Contributions	68
8	Limitations and future research	70
	Bibliography	70
A	Appendix	II

List of Figures

2.1	Mapping your corporate VC investments. Adapted from Chesbrough (2002).	10
2.2	Categorizing corporate LP positions by strategic proximity. Proposed by the authors.	11
2.3	Conceptual framework for analyzing corporate LP positions. Proposed by the authors.	20
4.1	Simplified Gioia Data Structure.	29
4.2	Gioia structure of strategic rationale dimension.	30
4.3	Gioia structure of governance dimension.	34
4.4	Gioia structure of measurement dimension.	40
5.1	Revised conceptual framework for corporate LP positions. Proposed by the authors. .	59
6.1	VC fund classification matrix. Proposed by the authors.	61
A.1	Gioia data structure.	III

List of Tables

3.1	Respondent summary.	24
5.1	Measurement and rationale categories to evaluate. Proposed by the authors.	55
A.1	Respondent overview	VI

1

Introduction

The rapid pace of technological disruption has transformed open innovation from a corporate luxury into a strategic necessity. For incumbent firms, internal R&D often struggles to maintain pace with the agility of the startup ecosystem, leading to the rise of corporate venture capital (CVC) as a vital sensor for innovation (Chesbrough, 2002; Counterpart Ventures & Silicon Valley Bank, 2025). CVC units, which are dedicated divisions tasked with monitoring the startup ecosystem on behalf of the parent corporation, have for decades invested in startups. More recently, they have also begun investing as limited partners (LPs) in venture capital (VC) funds, which gives indirect exposure to a portfolio of startups instead of holding equity in specific ones (Palmer, 2024). This study investigates the strategic rationale, governance, and measurement of strategic value from these indirect investments.

A VC fund is a financial vehicle that raises capital from investors and invests in early-stage private companies. These companies are typically technology-driven startups whose risk profiles and intangible assets make them unsuitable for conventional debt financing (Hall & Lerner, 2010). The VC fund is typically structured as a partnership, with a general partner (GP) entity managing the fund and being the primary decision-maker. This GP entity typically consists of a number of senior fund managers. The VC fund raises capital from LPs, which have no operational role in the fund's day-to-day activity. Returns from VC funds are generally generated when the equity of the portfolio companies, the startups in the VC fund's portfolio, appreciates and is sold through an acquisition or an initial public offering (IPO) (Sahlman, 1990). A VC firm typically provides what is called "smart money", which implies that the investment comes with additional resources such as managerial expertise, strategic advice, and network access (Sørensen, 2007).

Corporate venture capital (CVC) refers to investments made by non-financial corporations, typically through a dedicated unit operating with both strategic and financial objectives (Chesbrough, 2002). Historically, CVC unit's main focus has been to make direct equity investments in startups. In addition to the direct mode, CVC units have begun investing indirectly, as LPs in VC funds (Palmer, 2024). In the indirect mode, corporations commit capital to a VC fund and delegate the activity of investing in individual startups to the fund manager. Delegating investment decisions also changes the structural conditions of information access, creating an arm's-length relationship with the underlying portfolio companies.

1.1 Background

Corporate venture capital (CVC) has evolved through several cycles of expansion and contraction since its inception in the US during the 1960s. The first three waves were mostly financially motivated and collapsed during macroeconomic downturns. This resulted in short average lifespans for CVC

programs, which limited development of the industry and long-term value creation for their parent companies (Gompers & Lerner, 2000; Bielesch et al., 2012). The current fourth phase, which began in the mid-2000s, shows signs of greater resilience, though CVC programs continue to be discontinued at significant rates (Bielesch et al., 2012; Ma, 2020). A reason for the increased resilience could be that most modern CVC programs operate with a strategy-first mandate, which logically limits the effect of macroeconomic downturns (Bielesch et al., 2012; Counterpart Ventures & Silicon Valley Bank, 2025). Rather than acting as independent financial vehicles, CVC units are increasingly integrated into the parent corporation's long-term innovation and R&D strategy (Dushnitsky & Lenox, 2006). By functioning as technology sensors, they help the parent company to identify and understand emerging trends (Chesbrough, 2002).

Despite direct investing in startups remaining the primary mode, indirect investments through LP positions in VC funds have become increasingly common (Palmer, 2024). The most recent annual report from Counterpart Ventures and Silicon Valley Bank (2025) indicates that 65% of strategically focused CVC units now use LP positions as a part of their strategy. However, it is worth mentioning that the report is based on survey data from self-selected CVC units already established and actively investing. This possibly overstates LP adoption relative to the broader population of CVC programs, including nascent or smaller units.

While the rationale for direct CVC investments has received academic attention, primarily as a mechanism for technology sensing and external R&D (Chesbrough, 2002; Dushnitsky & Lenox, 2005), the theoretical basis for why corporations choose to take LP positions in VC funds remains underdeveloped. Industry data suggests that there is a wide array of motivations, ranging from gaining market intelligence to accessing new markets and increasing deal flow (Counterpart Ventures & Silicon Valley Bank, 2025). However, these motivations have not been systematically theorized in academic literature.

This shift from only doing direct investment to adding indirect investments in the portfolio introduces a different set of conditions. For indirect investments, the corporation does not hold equity in startups but invests through an intermediary whose incentive structure is anchored in financial performance (Sahlman, 1990). This may create issues for the strategically motivated corporate LP, raising questions about how the relationship should be governed and the resulting strategic value should be measured.

1.2 Problem discussion

Strategic rationales for corporate LP positions are arguably multifaceted and, unlike the direct mode (Chesbrough, 2002; Dushnitsky & Lenox, 2005), theoretically underdeveloped. This presents consequences beyond the rationale itself. Governance design and strategic performance measurement are both connected to the investment rationale. The former should ideally be configured to enable the strategic objective to be achieved, and the latter should measure value along the dimensions that the rationale defines. A CVC unit seeking market intelligence about emerging technologies through an LP position may require different engagement routines, information rights, and success criteria than one pursuing co-investment access. Without an understanding of why corporations take LP positions, the subsequent questions of how to govern and measure would lack a clear reference point.

When the strategic rationale for an LP position has been established, a CVC unit is likely to become

concerned with determining a governance structure for managing the fund relationship. Governance choices, including the contractual terms between LP and GP and integration pathways into the parent company, may affect the success of the indirect investment. The governance model influences both which strategic objectives a CVC unit can credibly pursue and the likelihood that strategic outcomes will be realized (Jeon and Maula, 2022). In the context of direct investments, the CVC unit manages the relationship with the startup directly, typically through board representation or observer rights, giving it first-hand access to information and engagement intensity (Dushnitsky & Lenox, 2006; Maula et al., 2005). In the LP mode, this relationship is mediated by a GP whose fiduciary duty extends to the full LP base and whose incentive structure is anchored in the financial performance of the fund (Sahlman, 1990). The corporate LP should therefore attempt to extract strategic value through an intermediary that is not mandated to prioritize an individual corporate LP's strategic objectives.

The dynamic described above is best understood as a principal-agent problem. A natural mitigation element to reduce the impact of misaligned objectives is contracting. Contractual rights can establish what information and access the LP is entitled to (de Fontenay & Nili, 2023), but the strategic value extracted from those rights arguably depends on the ongoing engagement between the corporate LP and the GP. Whether contracting is enough to mitigate the agency issue is an open question. Moreover, the internal capacity to absorb and act on fund-sourced information is likely to be an important factor (Cohen & Levinthal, 1990). Existing literature offers fragments on each dimension, but has not synthesized them into governance guidelines adapted to the structural conditions of corporate LP positions (Sahlman, 1990; de Fontenay & Nili, 2023; Cohen & Levinthal, 1990; Jeon & Maula, 2022).

Strategic value is inherently hard to measure (Dushnitsky & Lenox (2006); Jeon & Maula (2022)). The core challenge is connected to attribution. Strategic outcomes are not always easy to trace to a specific investment because the relevant counterfactual, what would have occurred otherwise, is unobservable. This difficulty is compounded by the position the CVC unit occupies between the parent company's corporate logic and the VC ecosystem's logic. Exploration and exploitation operate on different time horizons and success criteria, making it harder to agree on how to define success. Where rationales are well-articulated, measurement can be anchored in them, and where they are not, measurement loses the reference point that would otherwise discipline it (Jeon & Maula, 2022).

Several studies have been conducted on the topic of measuring strategic value in the CVC context (Napp et al., 2009; Chiang, 2018; Dunér & Olsson, 2022). However, as in the context of governance, these were developed for the direct investment mode. So why is this important? Why can a CVC unit not only measure its fund investments by typical fund performance metrics like IRR, TVPI, and DPI (Carta, 2025)? In general, for strategically focused CVC units, their financial results have a small impact on the parent company's profitability. Their *raison d'être* is typically to provide strategic returns that give the rest of the organization an advantage in the market. From this perspective, it is barely worth measuring financial success. However, the inherent difficulty of producing a rigid and objective framework for measuring strategic value has left financial metrics as the default basis for evaluation, even though they only capture a fraction of the CVC unit's intended contribution.

In summary, LP positions in VC funds are an increasingly common investment mode for strategic CVC units. Yet three interconnected gaps limit effective management. First, the strategic rationale for taking LP positions has not been systematically mapped in the literature. Second, governance frameworks for the corporate LP context, addressing both the GP-LP agency problem and the internal absorption

issue, remain underdeveloped. Third, the existing measurement literature addresses direct investments and is arguably not developed for the structural conditions of corporate LP positions. These gaps can be argued to be interconnected. Without a clear rationale, governance and measurement risks lack direction; without appropriate governance, strategic outcomes are less likely to be realized; and without comprehensive measurement, realized outcomes may remain invisible for senior decision-makers within the parent company. This study addresses all three.

1.3 Research aim and research questions

The primary aim of this study is to identify the strategic rationale for taking corporate LP positions in VC funds, establish guidelines for how it should be governed, and develop a practical framework for measuring the strategic value that these positions generate. Ultimately, the study aims to provide a decision-useful model that enables CVC units to manage their indirect portfolios effectively, realized through three research questions:

- **RQ1:** What strategic rationales drive corporations to take LP positions in VC funds?
- **RQ2:** How should a corporate LP position be governed to create strategic value?
- **RQ3:** How can strategically focused CVC units assess and measure strategic value from LP positions in VC funds?

1.4 Delimitations

Firstly, the perspective of the corporate LP is taken when investigating the CVC-VC relationship. However, incentives and constraints from the VC fund's perspective are considered to the extent that they contribute to the CVC's strategic objectives and enable sustainable partnerships. The empirical findings should not be considered as a comprehensive account of GP perspectives, even where the perspective of the GP shapes the analysis.

Secondly, the empirical scope of the study is concentrated on mobility, heavy industry, and adjacent transformation sectors. While the conceptual framework draws on literature spanning multiple industries, the empirical findings are mostly applicable to CVC units operating in these areas. This sectoral focus reflects both the high relevance of CVC in industries affected by CASE-related disruption and the practical access available to the authors. Therefore, the findings of this study should be applied in other sectors than the ones mentioned with appropriate caution.

Lastly, the study focuses on CVC units with a primarily strategic objective, or those pursuing a dual objective combining strategic and financial returns. CVC units with a purely financial objective are excluded. For such units, strategic value is not part of the investment rationale, which means neither the governance framework nor the measurement approaches developed in this study would apply. Within this strategic and dual-objective scope, a large majority of CVC units invest directly from the parent company's balance sheet, and the study is therefore further limited to balance-sheet CVCs. The other type of CVC, which invests through a dedicated fund vehicle, is more common among financially oriented units (Counterpart Ventures & Silicon Valley Bank, 2025). Moreover, since a large majority of CVC units within this set invests from the parent company's balance sheet, it is reasonable to exclude the CVC units' structure as a dedicated fund vehicle from the study. These CVC units are

also more inclined to be financially motivated (Counterpart Ventures & Silicon Valley Bank, 2025).

2

Theoretical framework

This chapter establishes the theoretical foundation for the study. Since corporate LP positions are an under-theorized research area, the chapter draws on adjacent domains to construct a theoretical framework. The chapter progresses from general VC theory, through CVC, to applied concepts regarding corporate LP positions. In the concluding section, a conceptual framework to analyze corporate LP positions is presented. It integrates strategic rationale, governance, and measurement into a holistic framework that serves as the analytical lens for the empirical investigation.

2.1 The venture capital model

A typical VC structure contains three main components: the management company, which is the operating business that employs investment professionals, the general partner (GP) entity that is the primary decision-maker of the fund, and the fund entity, which is the core investment vehicle. In practice, the terms GP and management company are often used interchangeably, and this study uses “GP” to refer to fund managers unless the legal distinction is relevant. The fund is commonly structured as a limited partnership with a fixed lifespan of around ten years. The GP raises capital from limited partners (LPs) and invests it across a portfolio of companies over a pre-defined investment period that typically spans three to five years. The investment period is followed by a post-investment phase where the VC firm actively engages with the portfolio companies to develop their business and if necessary, makes follow-on investments. The concluding phase is the harvesting phase, where the primary focus is to exit the positions. Exits are usually achieved by IPOs, acquisitions, or secondary transactions (Sahlman, 1990; Metrick & Yasuda, 2010).

The GP’s compensation follows a well-documented structure that includes two main components: management fee and carried interest. The management fee, which is conventionally around 2% of committed capital per year, is designed to cover the fund’s operating costs. The carried interest constitutes the GP’s primary performance incentive and is conventionally around 20% of net profits exceeding a pre-defined return hurdle (Sahlman, 1990; Gompers & Lerner, 1999). A key aspect of carried interest is that it is asymmetric, meaning that GPs participate in fund upside but bear limited downside beyond reputational damage and possibly a loss of a relatively small personal commitment. However, a VC firm’s reputation is critical for its long-term success, and can have a significant effect on capital raises for future funds (Gompers & Lerner, 1999).

The investment process through which VC funds deploy capital is sequential and highly selective. From a broad universe of potential investment opportunities, the GP applies successive filters before committing capital. A foundational model proposed by Tyebjee and Bruno (1984) describes the activities carried out by VCs as a process involving five sequential steps: deal origination, deal

screening, deal evaluation, deal structuring, and post-investment activities. The process is commonly referred to as the VC funnel, since a broad initial sample of potential opportunities is progressively narrowed. A large-scale survey by Gompers et al. (2020) covering 885 VC professionals from 681 firms provides contemporary evidence of this funnel logic. For context, the median VC firm screens roughly 100 opportunities for every deal it closes, indicating the importance of an effective funnel approach.

This funneling process means that at each phase, the GP gathers considerable proprietary knowledge, not only about the startups it selects for investment, but also about the larger set of startups it evaluates and rejects. This enables gathering insights regarding technology trajectories and market trends (Gompers et al., 2020). Prior research has established that when corporations access such knowledge through direct investments into startups, it functions as a strategic sensing mechanism that can enhance decision-making (Chesbrough, 2002; Dushnitsky & Lenox, 2005; Benson & Ziedonis, 2009). To examine this, the following section reviews how corporations engage with the venture ecosystem through CVC, the organizational context from which corporate LP positions emerge.

2.2 Corporate venture capital

Having established how the VC ecosystem is structured, how it operates, and generates proprietary knowledge, this section turns to the organizational vehicle through which corporations participate in that ecosystem: CVC. The section begins with a description of the strategic rationale for CVC and is followed by a description of its dual mandate and organizational design. The concluding section is about investment modes and typologies through which corporations deploy capital.

2.2.1 Strategic rationale of CVC

CVC is one of several mechanisms through which corporations access external innovation. Within the broader open innovation model, corporations utilize a wide range of boundary-spanning activities, such as strategic partnerships, joint ventures and acquisitions. These activities complement internal R&D with externally generated knowledge to increase the innovative capacity of the firm (Chesbrough, 2002). CVC has a distinctive difference among these mechanisms in that it provides a sustained, portfolio-based exposure to the startup ecosystem rather than a discrete transaction. By taking equity positions in several early-stage ventures, the CVC unit establishes a continuous flow of information about emerging technologies, emerging business models, and competitive dynamics (Keil, 2004).

Dushnitsky and Lenox (2005) provide empirical evidence that firms engage in CVC specifically when they seek a “window on technology”, and that the strategic rationale is strongest in industries characterized by a high degree of technological ferment and weak intellectual property protection. This sensing function, which is the capability of the CVC unit to provide the parent company with access to relevant market intelligence, is foundational to the strategic rationale for CVC. By extension, it is also foundational for the corporate LP positions that this study investigates.

Apart from being a corporate function that creates a window on technology and thereby creates value for the parent company, CVC has a unique value-adding capability in the venture ecosystem. Maula et al. (2005) demonstrate that CVC and VC provide different value-adding profiles to startups, and can be complementary. A CVC investor brings access to the parent company’s industry expertise,

customer base, and operational infrastructure, while a VC firm arranges financing, gives advice on the competitive landscape, and develops the organizational resources of the startup. This shows that a CVC is not only a valuable function to have from the corporate parent's perspective, but also an actor that provides unique value to the entire venture ecosystem. While Maula et al. (2005) studied co-investment settings, the logic suggests that the VC-CVC relationship may also create value in an LP-GP context, but through different mechanisms. If governed appropriately, there are opportunities to create more value together than in isolation.

An additional justification for why corporations organize this sensing function through a structurally separated venture unit is rooted in the concept of organizational ambidexterity. Tushman & O'Reilly (1996) argue that exploration and exploitation have two different organizational demands regarding structures, processes, and cultures. This indicates that exploration in some cases requires structural separation from the exploitation-oriented structural core. CVC units operate with clear mandates to enable exploratory activities while, at least partly, operating outside the constraints of the parent company's exploitative logic. Hess et al. (2025) extend this argument to the CVC context specifically, demonstrating how CVC activity generates positive performance spillover for the parent company's core business through strategic search, which is closely related to the sensing function.

Dushnitsky and Lenox (2006) strengthen this conditionality with a different approach, demonstrating that having a CVC unit is associated with higher parent company value. This connection primarily holds when the CVC unit invests with a dual motive, both strategic and financial, instead of a purely financial one. Together, this body of research implies that strategic value is CVC's main purpose, but it is not an automatic outcome of doing corporate investing. It depends on the alignment between the CVC unit and the parent company, as well as the ability to act on insights gathered. This ability depends on what Cohen and Levinthal (1990) define as absorptive capacity: a firm's ability to recognize, assimilate, and exploit external knowledge. The conditionality for strategic value creation and the ability to act on resulting insights have direct implications for this study. If the strategic value of CVC depends on the proximity between startups and the parent company's absorptive capacity, then the LP mode, which inserts an additional intermediary between the corporation and the startup, faces a challenge in maintaining that proximity.

The current strategic orientation of CVC has slightly reduced the tendency of CVC units to be cyclical and increased the stability of CVC units (Bielesch et al., 2012; Counterpart Ventures & Silicon Valley Bank, 2025). This institutional stability has an implication that the existing literature has not explicitly addressed. CVC units are often relatively short-lived: Ma (2020) finds a median lifespan of about four years and a mean of roughly six years. This estimate is based on a sample covering 1980-2006 and likely reflects the fragility of earlier-phase CVC units that were predominantly financially motivated. Whether this holds for strategically motivated modern CVC units remains an open question. Nevertheless, even if modern CVC units are more durable, the data raises the question of whether a CVC unit can credibly commit to the 10-year lifecycle of a typical VC fund. When a CVC unit is discontinued, its capital commitment to the fund remains, but its personnel may be absorbed into another function. This means that the LP-GP relationship is likely to change. This suggests that LP positions are primarily viable, at least long-term, for more resilient and strategically anchored CVC units. The practical implications for both governance design and GP willingness to accept corporate LPs are explored further in the analysis.

2.2.2 The dual mandate and organizational design

The previous section established that the strategic value of CVC is connected to the alignment between CVC unit and parent company, as well as the corporation's ability to absorb and act on externally sourced insights. These conditions are arguably connected and shaped by the organizational design choices that determine how the CVC unit is structured, governed, and incentivized. A central aspect within this design is the positioning of the unit along the strategic-financial spectrum (Chesbrough, 2002). On one end of the spectrum are CVC units that primarily function as financial vehicles, which are evaluated with financial metrics. At the other end are CVC units that serve as strategic instruments tasked with technology sensing, market intelligence, and ecosystem access for the parent company (Chesbrough, 2002). Most modern CVC units have an intermediate position and pursue both objectives simultaneously, commonly referred to as the dual mandate by practitioners (Counterpart Ventures & Silicon Valley Bank, 2025).

This dual orientation creates a set of tensions that Jeon and Maula (2022) identify as arising from the CVC unit being embedded in two different logics: the parent company's corporate logic that emphasizes control, planning, and strategic alignment and the venture ecosystem's logic that rewards speed, risk tolerance, and autonomy. These tensions manifest across several organizational dimensions: time horizons, decision-making, risk appetite, and talent incentives, and are handled by the design of the CVC unit. Schückes et al. (2025) provide evidence that these tensions do not have a single optimal solution and highlight the importance of treating CVC design as a dynamic process to respond effectively to these tensions.

The degree of autonomy granted to a CVC unit represents a design variable that affects the conditions and outcomes of corporate venturing (Jeon & Maula, 2022). This structural decision is closely linked to the financing mechanism of the CVC unit: investing from the corporate balance sheet or utilizing a dedicated fund vehicle. Investing from the corporate balance sheet results in an "evergreen" CVC fund, meaning it operates without a predetermined lifespan. Strebulaev and Wang (2021) find that the large majority of CVC units invest from the balance sheet, and especially strategic CVC units (Counterpart Ventures & Silicon Valley Bank, 2025), which is why the study focuses on balance-sheet CVC. Furthermore, a strategic CVC typically has an investment committee (IC) composed of corporate executives from the parent company. This means that investment decisions are often filtered through a corporate lens, which can increase strategic fit. However, introducing corporate logic into investment decisions may decrease speed (Strebulaev & Wang, 2021).

2.2.3 Investment modes and typologies

The most widely cited classification of CVC investments is Chesbrough's (2002) four-field typology, which categorizes investments along two dimensions: the degree of strategic versus financial rationale and the tightness of operational linkage between the investing corporation and the portfolio company. The resulting quadrants provide a framework for classifying how each investment serves the parent company.

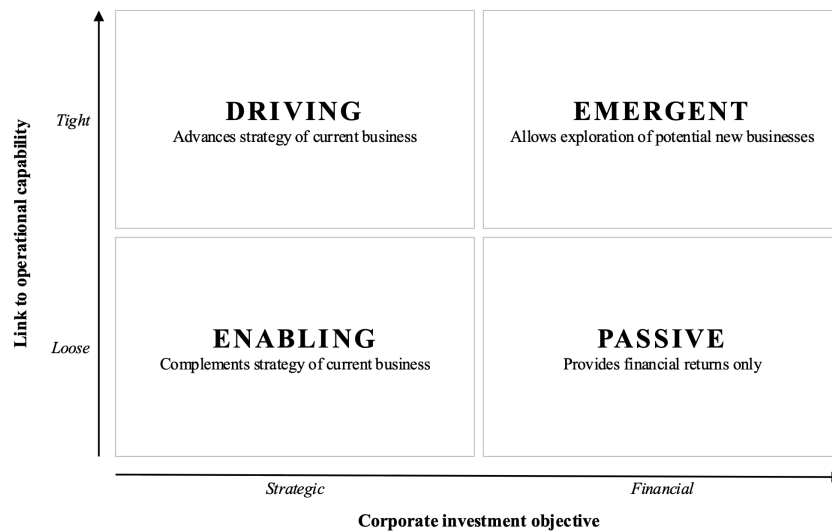


Figure 2.1: Mapping your corporate VC investments. Adapted from Chesbrough (2002).

Chesbrough's (2002) matrix visualizes the four different modes of CVC investment, and by extension, the different rationales a CVC unit may have when making an investment. It covers most types of direct investments a CVC unit may do, from investing in a startup with synergistic capabilities, a Driving investment, to extending the core and preparing for disruption (Enabling and Emergent), and lastly a pure financial investment (Passive). This classification enables a CVC unit to assess the success of the investment by connecting back to the original objective.

This typology was designed for, and remains most applicable to, direct investment. It is for this investment mode that the existing CVC literature has developed performance measurement approaches (Napp et al., 2009; Dunér & Olsson, 2022). However, the typology does not fully extend to indirect investments in VC funds. When a corporation commits capital to a VC fund, it may do it with a strategic objective, but the operational linkage to individual portfolio companies is hard to observe. The corporate investor does not hold any equity in the startup, does not have board representation, and accesses the portfolio through the GP. Under Chesbrough's (2002) classification, this places the indirect mode in the Enabling quadrant at best. Yet this placement is arguably imprecise: the Enabling quadrant assumes the corporation has chosen a specific startup to invest in for identifiable strategic reasons, whereas an LP position delegates both the selection and the governance of portfolio companies to the GP. The LP position is therefore a structurally distinct mode that operates through a different mechanism and requires another typology.

The LP mode introduces a governance challenge that is mostly absent in the direct investment context. When a CVC invests directly into a startup, the information and value pathway flow from the startup directly to the CVC unit and subsequently to the parent company. The CVC unit controls information access, manages the relationship, and determines how insights are routed internally (Dushnitsky & Lenox, 2006; Maula et al., 2005). Conversely, in the LP mode, this pathway is mediated by the GP. The

GP's incentive structure is rooted in financial performance via carried interest, and their fiduciary duty extends to all LPs equally, absent side letter agreements (Gompers & Lerner, 1999). Consequently, the corporate LP must attempt to extract strategic value through an intermediary whose core objectives are fundamentally misaligned with the corporate parent's strategic objectives (Chesbrough, 2002). This tension between the corporate LP's strategic ambition and the GP's financial objective creates a complex principal-agent problem that will be addressed in the following sections.

Since Chesbrough's (2002) typology does not extend to LP positions in VC funds, an alternative analytical framework is needed. Given that LP positions are predominantly taken by strategically motivated CVC units (Counterpart Ventures & Silicon Valley Bank, 2025), the strategic-versus-financial dimension in Chesbrough's framework is less relevant. However, the second dimension, operational linkage, can be reconceptualized for the LP mode as strategic proximity: the degree to which a fund's investment focus maps to specific operational divisions within the parent company. At one end of this spectrum sits a VC fund whose investment scope maps directly to a single business unit's technology domain. At the other end, a VC fund with a broad investment scope that covers multiple technology areas. This distinction matters because the information pathways differ structurally: a narrowly focused fund generates signals that are immediately interpretable and actionable for a specific internal audience, whereas a broad fund produces more diffuse signals that should be filtered, interpreted, and routed across the parent company.

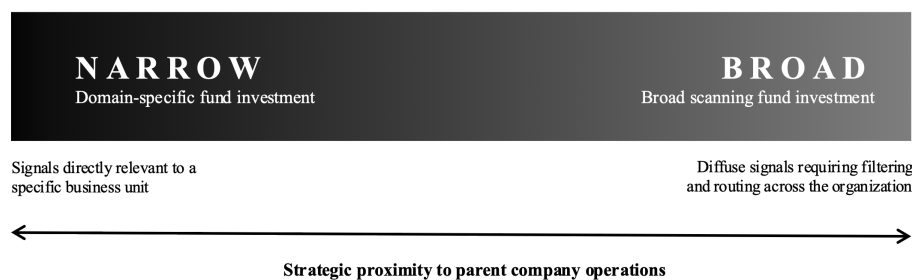


Figure 2.2: Categorizing corporate LP positions by strategic proximity. Proposed by the authors.

The location of an LP position along this spectrum should shape both the governance of the fund relationship and the evaluation of strategic value. This categorization will be used when analyzing the empirical data and serves as the equivalent of Chesbrough's typology for corporate LP positions.

2.3 LP positions

The VC fund model delegates investment discretion to a GP operating under information asymmetry, with fund economics only partially aligning incentives across the LP base (Jensen & Meckling, 1976; Metrick & Yasuda, 2010). When a corporation, either independently or through a CVC entity, invests as an LP, it supplies capital without obtaining any operational control over the fund or the portfolio companies (Metrick & Yasuda, 2010; Fama & Jensen, 1983). This separation of capital provision and operational control is the structural premise that makes the LP position an indirect exposure to innovation (Sahlman, 1990; Metrick & Yasuda, 2010).

The GP's comparative advantage lies in screening, contracting, governance, and exit execution, with LPs structurally restricted from day-to-day intervention. Governance can therefore mainly be addressed through contracting design at the point of commitment and periodic reporting thereafter. Standard covenants limit GP discretion in some areas but do not transfer investment decision rights to the LP (Sahlman, 1990; Kaplan & Strömberg, 2001; Metrick & Yasuda, 2010). The LP-GP arrangement is designed for delegated investment under information asymmetry. Agency theory predicts monitoring costs, bonding costs, and residual loss when owners delegate discretion to agents under asymmetric information (Jensen & Meckling, 1976; Fama & Jensen, 1983). Venture investing amplifies this logic through opaque assets, path-dependent outcomes, and the manager's informational advantage being difficult to offset through monitoring alone (Kaplan & Strömberg, 2004; Da Rin, Hellmann, & Puri, 2013). Fund economics partly align incentives through management fees and carried interest, but may not resolve heterogeneous LP preferences (Metrick & Yasuda, 2010; Metrick & Yasuda, 2011).

Despite these challenges, the indirect investment mode is still used by CVC units (Counterpart Ventures & Silicon Valley Bank, 2025). The strategic rationale for taking LP positions remains under-researched, but this study draws together three perspectives from adjacent literatures: sensing, ambidexterity, and specialization, synthesizing them into rationales applicable to the corporate LP case. A central argument advanced in this section is that none of the three rationales is sufficient on its own. Each operates only under a specific boundary condition, treated implicitly by the underlying literature and explicitly in this study.

The first concerns the scope of the sensing function. As discussed in Section 2.2.1, direct investments provide a window on technology towards the CVC unit's chosen domain (Chesbrough, 2002; Dushnitsky & Lenox, 2005). The breadth of that window is constrained by the CVC team's own sourcing capacity, geographic presence, and domain coverage. An LP position extends the sensing function by layering the GP's deal flow and screening infrastructure on top of the CVC unit's own investment process. This is particularly relevant when corporate teams are geographically concentrated or limited in thematic coverage, as the GP's network can surface opportunities that the CVC unit would not encounter through its own channels (Teece, 2007). Benson and Ziedonis (2009) find that venture ecosystem exposure is associated with improved corporate acquisition performance, suggesting that broadening the information surface can generate strategic value. However, the boundary condition this study attaches to the sensing rationale is that a wider information surface only generates strategic value if the corporation can absorb and act on the broader signal set. The mechanism is bounded by absorptive capacity (Cohen & Levinthal, 1990), an internal condition the direct-CVC sensing literature does not address for the indirect mode.

The second rationale is operational. Direct investments require the CVC unit to manage each portfolio

relationship actively: board participation, follow-on decisions, and ongoing strategic engagement with the startup (Gompers et al., 2020). For a CVC unit already navigating the tensions of dual embeddedness between corporate and VC ecosystem logics (Jeon & Maula, 2022), each additional direct position increases the operational burden on a team that is typically small relative to its mandate. An LP position allows the CVC unit to maintain exploratory exposure to a broader set of startups without assuming the governance and management responsibilities that accompany direct equity ownership (Keil, 2004). In ambidexterity terms, the LP mode outsources part of the exploratory workload to a specialized external actor, freeing internal capacity for the direct investments where hands-on engagement is most valuable (O'Reilly & Tushman, 2004; Jeon & Maula, 2022). Despite using LP positions as operational leverage, the CVC unit must maintain sufficient engagement with the fund to receive, filter, and route relevant signals to the parts of the parent company that can act on them (Ocasio, 1997). If the LP position is treated as a passive allocation, the operational relief it is aimed to provide comes at the cost of informational disconnect.

The third rationale is about specialization and comparative advantage. VC funds have developed routines for screening, staged capital allocation, and portfolio governance under uncertainty that are difficult and costly for a corporate investor to replicate in-house (Kaplan & Strömberg, 2004; Da Rin, Hellmann, & Puri, 2013). A direct CVC investment requires the corporate team to perform all stages of the investment process, from sourcing to exit, within domains where the GP may hold a deeper expertise advantage. By taking an LP position, the CVC unit effectively purchases access to the GP's search-and-selection capability in areas where building equivalent internal competence would be disproportionately expensive or slow (Kaplan & Strömberg, 2004; Keil, 2004). The study attaches that this mechanism, however, is conditional on the GP's willingness to accommodate strategic engagement beyond standard LP reporting. If the GP treats all LPs uniformly and limits interaction to quarterly financial updates, the corporate investor gains financial exposure but not the differentiated access that justifies the strategic rationale (de Fontenay & Nili, 2023; Abuzov et al., 2025).

None of these rationales eliminates the tradeoff inherent in delegation. The same structure that expands search also limits investment control, creating misalignment risk when a corporate LP seeks strategic value while the GP's payoff is anchored in financial realizations through fund economics (Sahlman, 1990; Metrick & Yasuda, 2010). The resulting principal-agent problem shifts the value-capture challenge from investment control to governance design and internal integration (Jensen & Meckling, 1976; Jeon & Maula, 2022). Because strategic value depends on both information access and the corporation's capacity to use that information, governance should address contracting and information pathways jointly (Cohen & Levinthal, 1990; de Fontenay & Nili, 2023). The following section examines how this governance challenge can be addressed. It is organized around two interdependent levels: the external governance between a corporate LP and a GP, and the internal governance within the parent company.

2.4 Governance of LP positions

The governance gap identified in Section 2.3 requires a response on two levels. The following two subsections develop the constructs and mechanisms through which that response is organized. However, neither level is sufficient in isolation. Contractual access without internal readiness produces unused information, while internal readiness without information access leaves the organization

without signals to absorb.

In venture capital, delegation is reinforced by the nature of the underlying assets. Screening and post-investment governance rely on specialized information and contracting routines, and valuations and outcomes are staged and path-dependent (Kaplan & Strömberg, 2001; Kaplan & Strömberg, 2004). As mentioned, VC fund economics do not fully eliminate information asymmetry or heterogeneous LP objectives (Metrick & Yasuda, 2010). The corporate LP, therefore, faces a governance gap. Strategic objectives must be pursued through contractual rights, relationship governance, and internal integration mechanisms, not through operational control of portfolio decisions (Jensen & Meckling, 1976; Fama & Jensen, 1983; Jeon & Maula, 2022).

This study draws on two different analytical lenses to organize the governance response. Contracting and legal research treat VC fund governance primarily as an *ex ante* design problem that substitutes for direct control (Jensen & Meckling, 1976; Litvak, 2009; de Fontenay & Nili, 2023). Strategy and organization research treats governance as an information-production and information-transfer system, because access is not valuable unless the corporation can interpret and use it (Cohen & Levinthal, 1990; Ocasio, 1997; Jeon & Maula, 2022). The contracting lens identifies the specific contractual tools available to the corporate LP, while the organizational lens identifies the conditions under which those tools generate strategic value. Together, they structure the two governance levels examined below.

2.4.1 External governance: GP selection, contractual design, and relationship management

External governance encompasses the decisions and arrangements that shape the corporate LP's relationship with the GP. To varying extent, these mechanisms determine the quality, scope and limit of the information surface available to the corporate LP. Before any investment, a corporate LP should evaluate whether the fund's investment thesis, portfolio construction approach, and engagement model align with the corporate parent's strategic objectives and learning goals (Jeon & Maula, 2022).

Where financial LPs evaluate managers primarily through return metrics, corporate LPs must also assess strategic fit. These include industry focus, technology exposure, geographic coverage, and willingness to accommodate non-financial engagement, which makes GP selection an active governance choice, not a passive allocation decision. Selection is also constrained by GP choice of LPs. Abuzov et al. (2025) show that disclosure concerns shape VC choice of LPs. When public LPs could not credibly guarantee confidentiality after court rulings, the best-performing VCs responded by excluding them from new funds (Abuzov et al., 2025). Access to high-performing funds, therefore, also depends partly on whether the LP can credibly manage disclosure, a constraint that should be designed for early and maintained throughout the relationship (Abuzov et al., 2025; de Fontenay & Nili, 2023).

Corporate LP positions are also situated within what McCahery and Vermeulen (2016) describe as an evolving "partnering" model, a shift from internal venturing toward collaborative models, including corporates acting as LPs, where some VCs explicitly accommodate corporate interests through co-investment arrangements and structured engagement. Strategic value capture is therefore conditional on the chosen GP's willingness to provide engagement compatible with both fiduciary and strategic constraints (McCahery & Vermeulen, 2016; Jeon & Maula, 2022).

Contractual governance is seen as the primary substitute for control in corporate LP positions. The Limited Partner Agreement (LPA) sets baseline economics and governance procedures, while the side letter tailors investor-specific rights. Standard fee and carry structures in venture capital funds, including common fee-basis changes after the investment period, formalize how incentives evolve across the fund lifecycle (Metrick & Yasuda, 2010). However, Litvak (2009), drawing on hand-collected LPA samples, shows that standard economics understate total compensation complexity. Distribution rules and ancillary provisions can materially shift GP payoffs beyond what headline fee-and-carry figures suggest. Implicit interest-free loans are embedded in the management fee structure. LP's capital commitment is upfront, but GPs draw on it gradually over the investment period. The GP effectively receives free income on capital yet to be deployed, a time-value transfer from LPs to GP, potentially significant over a fund's lifetime.

The most central agreement in the LP-GP relationship is the LPA. It provides the baseline governance and information package, but VC fund structure and associated exemptions afford LPs limited control and information rights relative to public market investors (Spindler, 2009). This is a governance constraint for corporate LPs; the LPA can define periodic reporting and consent rights within limited categories, but it does not grant the LP discretion over portfolio decisions (Fama & Jensen, 1983; Spindler, 2009).

To allow some modification, side letters are central for investor-specific tailoring. de Fontenay and Nili (2023) provide a large-sample empirical analysis and conclude that side letters are often granted to most investors, with aggregate side letter length frequently exceeding the LPA itself. They also find that side letters rarely reallocate core fund economics through fee discounts; instead, side letters primarily accommodate investor-specific needs and supply additional governance and disclosure rights (de Fontenay & Nili, 2023). Strategic value extraction often requires customized provisions that do not fit a uniform LPA structure, including information-sharing formats and constraints related to conflicts or competitors (de Fontenay & Nili, 2023; McCahery & Vermeulen, 2016).

For the corporate LP specifically, information rights represent a critical design variable. de Fontenay and Nili (2023) find that baseline LPA reporting can be sparse and that investors often use side letters to obtain reporting on fees, valuation, and material events. Their coded term sets include categories directly relevant to corporate LPs such as inspection rights, fee and conflict reporting, and confidentiality exceptions for compliance-driven disclosure (de Fontenay & Nili, 2023). Information rights are therefore a contract design variable, not a byproduct, and they should be paired with credible confidentiality protocols to preserve GP and portfolio trust (Abuzov et al., 2025; de Fontenay & Nili, 2023). Beyond information rights, side letter negotiations may also yield limited partner advisory committee (LPAC) seats, which provide oversight on conflicts and governance matters without conferring operational control (de Fontenay & Nili, 2023; ILPA, 2019). Additionally, co-investment rights, which offer the corporate LP the option to increase exposure to strategically relevant portfolio companies, is a clause that may be included in side letters. Co-investment deserves particular attention because it represents a point where the external and internal governance levels intersect. The empirical literature is, however, mixed, with limited coverage of CVC-specific co-investments.

Fang et al. (2015) analyze direct investments by institutional investors and report substantial underperformance of co-investments relative to solo direct deals. They attribute the gap to GP information advantage, compressed diligence windows, and a lemons problem in GP-offered deals.

Performance may also deteriorate when co-investment offers become concentrated during periods of elevated valuations (Fang et al., 2015). Braun et al. (2020) reach a different conclusion using a larger deal-level dataset. They find no evidence of adverse selection in gross return distributions and simulate that co-investment portfolios can outperform net fund returns due to lower fees, subject to portfolio construction and diversification. However, Braun et al. (2020) highlight operational constraints. Co-investing requires internal skills and authorization processes, and GPs may use co-investments selectively to differentiate across LP relationships or to strengthen ties with key investors, particularly in oversubscribed funds (Braun et al., 2020).

Given these divergent findings, co-investment is henceforth best understood as a governance design choice rather than a generic benefit. For a corporation, it requires explicit internal process design and clear rules for when strategic value justifies incremental exposure, with awareness that co-investment can alter the LP-GP relationship and the LP's internal resource allocation (Fang et al., 2015; Braun et al., 2020; Jeon & Maula, 2022). Rapid diligence capabilities, conflict screening, and investment committee pathways must be in place before the right has practical value. For a corporation, this makes co-investment a mechanism that is negotiated through external governance but can only be exercised through sufficient internal capabilities, a connection that underscores why the two levels must be designed jointly.

2.4.2 Internal governance: information absorption and strategic action

External governance determines the scope and quality of information available to the corporate LP. However, contractual access does not guarantee strategic value capture. This section addresses the second governance level: the internal arrangements through which fund-level signals are received, interpreted, and converted into strategic action within the parent company. It is at this level that the boundary conditions identified in Section 2.3, absorptive capacity, and internal integration design become operational requirements for strategic value creation through a CVC's fund investments.

Firm behavior depends on how organizations channel decision-maker attention (Ocasio, 1997). In a CVC context, unfiltered deal flow and fund reporting compete for attention against ongoing business-unit priorities, and the filtering problem is magnified by the tension between exploration and exploitation and by divergent interests across firms' internal audiences (Jeon & Maula, 2022). Effective governance, therefore, requires explicit routines such as thematic tagging, internal routing rules, and documented thresholds for escalation to business units and R&D owners. This means the CVC unit needs a defined process for translating reports and deal flow updates into categorized signals that map onto the parent company's technology roadmap.

The ability to recognize, assimilate, and apply external knowledge depends on prior related knowledge and sustained internal investment in learning. As mentioned before, commonly referred to as a firm's absorptive capacity in organizational theory (Cohen & Levinthal, 1990). Without domain specialists able to interpret fund signals and business-unit counterparts with both technical competence, incentives and organization mandate to act on them, even high-quality external information goes unused. In practice, the governance should therefore extend beyond securing access. It requires hiring for domain expertise, training internal teams to work with venture-sourced intelligence, and designing interface routines between the CVC unit and the business units that are expected to act on insights.

Adoption and implementation of innovation within firms depend on individuals who mobilize organizational support through influence and sustained advocacy (Howell & Higgins, 1990). Drawing on this logic, corporate LP governance is no different, as it could benefit from assigning internal sponsors to priority technology themes. These sponsors carry defined responsibilities for evaluation, piloting, and follow-through, which reduces the risk that fund-level insights stall before reaching operational decisions (Howell & Higgins, 1990; Cohen & Levinthal, 1990).

Three design questions connect the external and internal layers: (i) who filters and routes fund signals, (ii) how confidentiality constraints are maintained while enabling internal learning, and (iii) how internal sponsors convert signals into experiments, partnerships, or capability investments. The answers determine whether contractual information rights translate into strategic outcomes (Cohen & Levinthal, 1990; de Fontenay & Nili, 2023; Abuzov et al., 2025).

2.5 Measuring strategic value

A prerequisite for measurement is a clear definition. Strategic value in CVC is not a residual category, and it should not be defined as “non-financial value”. Rather, it should be specified by what it constitutes. Chesbrough (2002) frames strategic value as the contribution of a CVC investment to the parent company’s competitive position through access to new technologies, markets, and business models. Dushnitsky and Lenox (2006) demonstrate empirically that CVC is associated with increased firm value, but only when the investment is motivated by a dual objective, both strategic and financial. This conditionality implies that strategic value creation for a corporation is a function of deliberate design. Furthermore, the definition implies that strategic value is not inherent in the information itself, but requires absorption by the parent company.

For the purposes of this study, strategic value from corporate LP positions is defined as the contribution to the parent company’s competitive position that results from information, relationships, and capabilities accessed through the fund investment. This working definition is intentionally broad enough to encompass the range of value pathways discussed in earlier sections: sensing, co-investment, and ecosystem access, while remaining specific enough to distinguish strategic value from financial return.

Throughout management literature, a strong conviction that financial metrics alone are insufficient to capture organizational and strategic performance is established. As a response, Kaplan and Norton (1992) introduced the Balanced Scorecard framework, complementing financial indicators to provide a more complete assessment of performance. This logic has been applied to measure strategic value in the CVC context in several articles (Napp et al., 2009; Dunér & Olsson, 2022). The adapted frameworks provide a useful foundation, but were developed for direct CVC investments. In the LP context, where information is mediated by the GP, additional modification is required. In the following paragraphs, concepts for measuring strategic value from direct CVC investments are presented, followed by a synthesis for the indirect mode.

The first category of CVC measurement approaches focuses on the activity of the sensing function. Napp et al. (2009) propose a framework that distinguishes between exploratory value, market

knowledge, window on technology, and optionality, and exploitative value; access to complementary technologies, leveraging internal technology, and market expansion. This notion is reinforced by Dunér and Olsson (2022), who studied CVC units in the automotive industry. They found that process-based metrics are among the most commonly used in practice, partly because they are observable and partly because they require less causal inference than outcome-based metrics. Chiang (2018) reports a similar pattern, carrying out his cross-industry study of prominent CVC units. While most CVCs claim strategic value creation, very few have implemented systematic measurement, and those that do measure tend to rely on activity-based indicators rather than impact measures.

Process-based metrics are necessary, but insufficient on their own. While capturing the effort and breadth of the sensing function, they do not establish whether the accessed information influenced any corporate decision or contributed to a successful outcome. A CVC unit might gather extensive technology information and screen hundreds of opportunities without any part of that intelligence being absorbed by the parent company or diffused into its business units. The distinction between access and absorption, identified by Cohen and Levinthal (1990) as central to the concept of absorptive capacity, directly applies to the challenge of measurement. Process metrics capture the CVC unit's access, but not the absorption that determines whether that access translates into any competitive advantage.

The second category of CVC measurement addresses realized outcomes attributed to the CVC investment. Throughout literature, primarily Napp et al. (2009), metrics such as joint development agreements signed, pilot projects launched, and commercial partnerships formed between the parent company and the startup have been identified. These outcome-based metrics capture the “seizing” dimension of the sensing-seizing-transforming framework implicit in the CVC literature, measuring whether intelligence accessed through the investment has been converted into actual strategic actions (Teece, 2007).

Even in direct CVC, however, outcome attribution is not straightforward. A commercial partnership between a parent company and a portfolio startup may have originated from the equity relationship, from a pre-existing industry connection, or from independent business development. The CVC unit's proximity to the startup, determined through board seats, reporting, and interaction, improves observability but does not resolve the underlying causal question of whether the outcome would have occurred without the investment. The LP context intensifies this difficulty. Additional mediation lengthens the attribution chain and reduces the observability of how and why a given outcome materialized, making it harder to isolate the fund position as the causal mechanism behind a specific strategic action.

A third perspective is to frame CVC investments as real options. They are relatively small, reversible commitments that purchase the right, but not the obligation, to make larger resource commitments as uncertainty is resolved (Tong & Li, 2011). Under this logic, the strategic value of a CVC investment lies not in its immediate payoff but in the growth and indirect strategic opportunities it creates. Viewing LP positions from the perspective of real options has some theoretical appeal, since a fund commitment could be viewed as an option on a portfolio of opportunities, compared to a commitment to a specific startup. However, since the evidence chain is characterized by uncertainty and requires assumptions about causality, it is best used as an underlying concept in the context of LP positions.

The reviewed measurement approaches taken by researchers in this section were developed for direct CVC investment. Despite this, as the preceding discussion illustrates, direct investments present attribution and absorption challenges not yet systematically resolved by CVC units (Chiang, 2018; Dushnitsky & Shaver, 2009). The LP context faces an adjacent problem, it intensifies these challenges through information mediation by the GP, reduced observability of individual portfolio companies, and longer attribution chains involving more independent actors with distinct objectives.

Referring to the definition of strategic value, the limitations of measurement require an approach adapted to the structural characteristics of the LP mode. The empirical analysis that follows investigates how the responding practitioners navigate these measurement constraints in practice, and uses their experience to develop a framework adapted to the governance realities of corporate LP positions. Before turning to that analysis, the following section presents the conceptual framework that acts as the analytical lens for the empirical investigation.

2.6 Conceptual framework

The preceding sections have established three problems that a corporate LP faces: defining why the position is taken (rationale), designing how to manage the relationship and internalize learnings (governance), and evaluating the performance from a strategic perspective (measurement). It has been suggested that these problems are interconnected, and a conceptual framework should therefore capture their interdependence. This final section integrates the concepts reviewed into a three-layer conceptual framework that serves as the analytical lens for the empirical data.

Layer 1: Strategic rationale. The LP position serves three main functions: sensing, operational outsourcing and access to VC capabilities. The first mentioned incorporates the fact that the GP's deal funnel extends to the corporate LP's technology surveillance. The second, operational outsourcing, concerns the operational relief that a CVC unit can gain by taking an LP position. The unit can capitalize on the indirect investment by being exposed to a broad set of startups, while keeping internal resource utilization low. The third, access to VC capabilities, includes the advantage of getting access to pre-screened deal flow and learning from the GP as a specialist. Furthermore, these rationales can shift as the CVC unit matures and gains a larger internal mandate.

Layer 2. Governance design. Governance enables rationale into becoming realized strategic value. The framework includes two interfaces: external governance between LP and GP, and internal governance between the CVC unit and the parent company. The first concerns mainly information rights, participation rights, and relationship management. The latter is centered on the conversation of value creation to value capture. This is done by filtering information, developing absorptive capacity, and engaging internal sponsors. It is first when the strategic value has been internalized within the parent company that an LP position actually provides value, making internal governance a critical bottleneck.

Layer 3. Measurement of strategic value. Section 2.5 established that existing measurement approaches are insufficient for the indirect mode. The framework proposes that measurement operates along a hierarchy of increasing attribution burden: activity-based metrics, which capture engagement efforts and information flow, and outcome-based metrics, which provide stronger evidence of value

capture. As established, there is a problem of attribution when measuring strategic value, which should be taken into account. Furthermore, the measurement layer feeds back into Layer 1, since demonstrated or undemonstrated value reshapes the rationale for subsequent commitments.

Analytical use. The framework presented in Figure 3 constitutes the analytical lens that will be used during data analysis. By combining the three layers into a single framework, it visualizes the interconnected nature of the three problem areas while providing structure to the analysis. The framework serves as the initial analytical structure, and the empirical analysis will repopulate, refine, and extend its categories based on interview data.

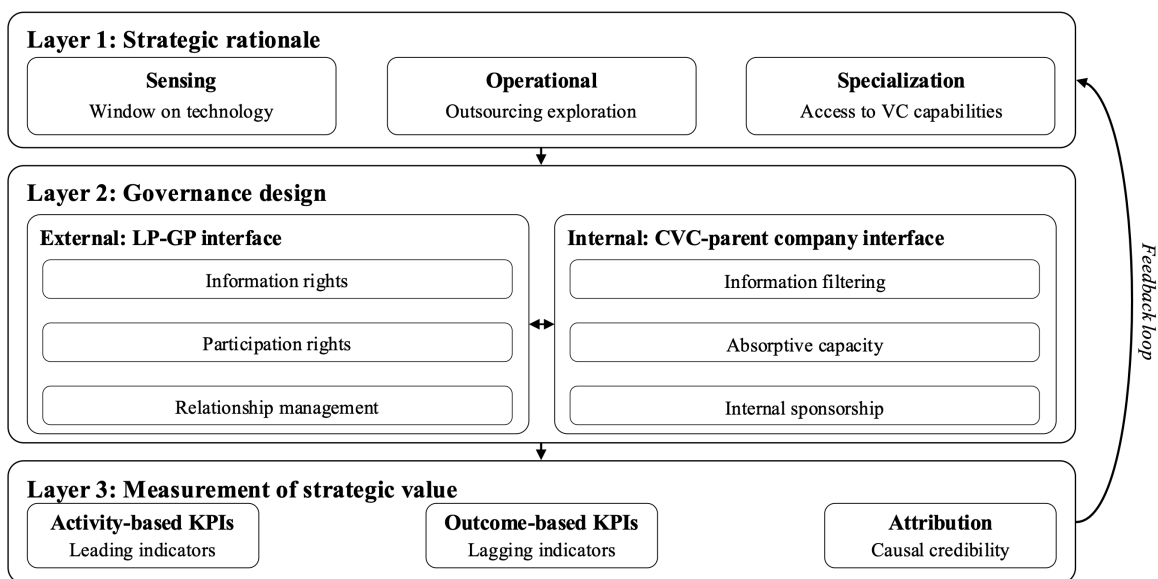


Figure 2.3: Conceptual framework for analyzing corporate LP positions. Proposed by the authors.

3

Methodology

This chapter includes the research design and methodological choices employed to address the aim of the study. Given the explorative nature of the research questions, a qualitative approach is adopted. The research followed an iterative process, alternating between theoretical framework building and empirical data collection, to ensure that the resulting deliverables are both academically grounded and applicable to practitioners. The analytical strategy is inspired by the Gioia methodology (Gioia et al., 2013), selected for its progression from raw informant data to theoretical concepts, which is well-suited to the under-researched domain of corporate LP positions.

3.1 Research design

The study is designed as a qualitative interview study focused on CVC units investing in VC funds and their counterpart, VC funds with corporate LPs. Semi-structured interviews constitute the primary data source, supported by literature synthesis (Blomkvist & Hallin, 2015). The empirical design consisted of 35 interviews across 20 unique organizations, including CVC units, VC funds, organizational stakeholders, and industry experts.

The three research questions are addressed through a unified analysis of the answers from all four respondent groups, but with some groups carrying greater analytical weight in some areas. RQ1 (strategic rationale) draws primarily on CVC and VC respondents, with industry experts providing cross-cutting validation and organizational stakeholders providing the perspective of the parent company. RQ2 (governance) draws on all four respondent groups. CVC and VC respondents addressed both the external LP-GP interface and the internal CVC unit-parent company interface, while organizational stakeholders provided the internal perspective of the corporation. Respondents from the industry experts group provided an external view and validated findings. RQ3 (measurement) is mostly addressed by CVC units and organizational stakeholders, where measurement of strategic value is the most relevant. VC respondents gave a different perspective on the questions, while helping to set the boundaries for what is possible in terms of measurement. Industry experts acted once again as validators and provided examples of strategic measurement from other forms of indirect investing.

To address the lack of established theory, the study adopts an abductive research approach. This implies a continuous interplay between empirical observations and theoretical concepts (Blomkvist & Hallin, 2015; Dubois & Gadde, 2002). While both the Gioia methodology and abductive methodologies emphasize systematic movement between empirical insights and existing theoretical constructs, adding the abductive stance is complementary and governs the broader logic. Initial empirical patterns prompted consultation of theory, which in turn sharpened the lens for subsequent data collection and analysis (Dubois & Gadde, 2002).

The research process is divided into four main phases:

1. **Exploratory pre-study:** Informal interviews to map the CVC context, relevant stakeholders, and data availability.
2. **Theoretical framework:** Gathering relevant theories on adjacent research areas.
3. **Main data collection:** Semi-structured interviews with CVC units, VC funds, organizational stakeholders, and industry experts.
4. **Iterative analysis:** Developing, testing, and refining the strategic rationales, governance guidelines, and measurement framework with CVC practitioners.

3.2 Data collection

The data collection methodology was designed to capture multiple perspectives of the research problem to get a nuanced view and reduce bias. Below is a more in-depth explanation of each phase of the data collection process.

3.2.1 Pre-study and context mapping

Given the limitations regarding information access on the topic of strategic LP positions, an effort towards a fundamental understanding of the industry was made. Initial exploratory engagement included unstructured interviews and continuous interaction with CVC stakeholders, complemented by direct exposure to processes such as investment discussions, deal flow screening, and governance-related evaluation materials. This phase aimed to develop a grounded understanding of the operating context, map relevant stakeholders, and assess data availability. It also ensured alignment between academic objectives and industry relevance. The pre-study identified strategic rationales for corporate LP positions, existing informal performance metrics, clarified governance structures surrounding LP positions, and established the practical boundaries for the measurement framework.

3.2.2 Theoretical framework

During the pre-study and primary data collection phases, a theoretical framework was developed. It covered the structure and function of the VC ecosystem, the strategic rationale for CVC, the agency dynamics and investment logic of corporate LP positions, governance mechanisms for LP positions, and approaches to measuring strategic value. Since the literature addressing corporate LP positions was limited, the theoretical framework was constructed by synthesizing concepts from adjacent domains and applying them to the specific conditions of the study (Blomkvist & Hallin, 2015). This theoretical framework provided the foundation for the interview guides and for the analysis of empirical findings.

Literature was identified primarily through Scopus, supplemented by direct searches in the Chalmers library catalog and Google Scholar. Search keywords were structured around a set of CVC-specific terms and a set of terms from adjacent domains such as: “venture capital”, “corporate venture capital”, “CVC”, “limited partner”, “LP positions”, “indirect investments”, “agency theory”, “absorptive capacity”, “open innovation”, and “organizational ambidexterity”. These keywords were typically used in a Boolean search along with “corporate venture capital” or “CVC” to find relevant concepts. These searches were complemented by backward and forward citation snowballing from seminal articles in each topic area. The literature base includes mostly peer-reviewed journal articles, but

books, working papers, industry reports, and prior master's theses were used when directly addressing under-researched areas or offering evidence not found in peer-reviewed sources. Lastly, the temporal scope reflects the emergence of the different research areas. Foundational VC and CVC theory draws mostly on articles from the 1990s and 2000s, while more specific literature concerning corporate LP positions is typically more recent, reflecting the relative novelty of this investment mode as a research area.

3.2.3 Primary data and selection

The main empirical data were gathered through semi-structured interviews. This format suited the aim of the study since it allowed for the collection of comparable data while providing flexibility to explore novel insights. In addition, this research method is suitable when there is an interest in developing a deeper understanding of a new phenomenon, and there is a desire to discover new dimensions of a research area (Blomkvist & Hallin, 2015). Interviews lasted between 30 and 60 minutes, with the semi-structured approach allowing flexibility when using the interview guide.

A majority of the interviews were conducted via Teams and were recorded and transcribed with Microsoft Teams's built-in recording and transcription tool. The rest of the interviews were conducted in person and were transcribed in the same manner, leading to a consistent data collection methodology. After each interview, the key takeaways were written down to simplify the following data analysis.

The empirical data collection, which consisted of a total of 35 interviews, targeted the following groups:

- **CVC units with LP positions:** Deep-dive interviews with investment teams to understand operations, current challenges related to the subject of the study, and proposed solutions. Interview themes are organized around the strategic rationale behind LP positions, governance design, strategic value capture, information flows between the CVC unit and its parent company, and measurement practices of strategic value.
- **VC funds with corporate LPs:** Interviews with VC funds to determine the rationale behind having corporate LPs and their perspective regarding governance, mutual value creation and measurement of strategic value.
- **Organizational stakeholders:** Relevant individuals within adjacent functions of CVC with practical experience about how strategic value can be realized inside the parent company. Respondents within this group had roles within venture clienting, strategy, market intelligence, M&A, and procurement.
- **Industry experts:** Interviews with professionals holding cross-cutting perspectives on the CVC and the VC ecosystem, including individuals with backgrounds in CVC advisory, venture capital associations, and institutional fund-of-funds investing. These interviews served to verify findings, gather additional insights, and stress-test proposed hypotheses.

Table 3.1: Respondent summary.

Respondent group	Number of interviews	Role types
CVC	13	CFO, CVC lead, Investment Director
Organizational Stakeholder	11	Head of Business Intelligence, Head of Venture Client unit, Head of M&A, Innovation Manager, Innovation/Purchasing, Corporate Strategy
VC	8	General Partner, Investor
Industry Expert	3	Head of Research, CVC advisor, CEO
Total	35	

Respondent selection within these categories followed a purposive sampling strategy, designed to capture different perspectives of the research problem (Blomkvist & Hallin, 2015). The initial set of respondents, approximately 5 of the 35 interviewees, was identified through the authors' professional network within the CVC and VC ecosystem. These individuals were selected for their expertise in the research area and their extensive network. The remaining 30 respondents were reached through snowball sampling (Blomkvist & Hallin, 2015), where the initial five respondents introduced additional relevant individuals from their network. Interviewing the initial respondents and describing the four-group respondent structure allowed them to identify individuals matching the desired profiles.

This sampling approach risks introducing bias if not mitigated appropriately. The authors' professional networks were concentrated in industrial CVC contexts, and snowball sampling naturally amplifies entry-point bias. With the majority of respondents reached through snowball sampling, the concentration of industrial and mobility-connected respondents is high. Several design choices were made to counteract this selection bias. First, respondents from four different groups were interviewed. This led to receiving answers from different perspectives, which arguably decreases the risk of selection bias damaging the validity of the findings. In particular, the inclusion of VC funds as counterparts to CVC units provided a cross-check of findings from two actors with different incentives. Moreover, organizational stakeholders provided a cross-cutting view less tied to a single position in the LP-GP relationship. Additionally, the snowball sampling was actively steered towards a geographically diverse respondent base spanning different organizational types.

The concentration of respondents in automobility, logistics, and transportation has implications for the generalizability of the findings. These are industries undergoing a radical transformation with a push towards connected, autonomous, shared, and electrified, which are likely to redefine the entire industry. The pace and degree of technological disruption is arguably what create the strategic need for external innovation scanning via LP positions. Therefore, it is reasonable to argue that the implications of the study will have limited transferability to stable industries not undergoing significant change.

Prior to the interview phase of the study, several interview guides were developed, as recommended for semi-structured interviews (Blomkvist & Hallin, 2015). The guides were organized around thematic areas derived from the theoretical framework: (i) strategic rationale for taking and accepting corporate

LP positions, (ii) agency dynamics in the GP-LP relationship, (iii) governance mechanisms, (iv) strategic value transmission and information flows, and (v) current and desired measurement practices of strategic value. Consistent with the Gioia methodology, the guides include open-ended questions designed to elicit informant-centric language rather than impose theoretical concepts, thereby enabling the emergence of first-order concepts during analysis (Gioia et al., 2013). Standardized guides were developed for the CVC and VC respondent groups, respectively, with a shared set of core questions maintained to preserve cross-case comparability. For organizational stakeholders and industry experts, interview guides were tailored to each respondent's specific role and expertise, while sharing a common thematic structure.

3.3 Data analysis

The primary analytical method draws on the Gioia methodology (Gioia et al., 2013), selected for its structured progression from raw informant data to theoretical concepts in under-theorized domains. The Gioia-derived thematic structure was complemented by iterative practitioner validation and practical application of the frameworks on past indirect investments.

3.3.1 The Gioia methodology

The analytical approach draws on the Gioia methodology, but with one deliberate adaptation. Strict Gioia methodology derives aggregate dimensions inductively as the most abstract theoretical constructs (Gioia et al., 2013). This study aligned aggregate dimensions with the research questions from the outset. This was motivated by the practitioner-oriented deliverable structure and the clarity this approach provides. Inductive coding logic was preserved at the first-order and second-order levels, where concepts and themes were allowed to emerge from the empirical data without predetermined categories. The result is therefore an abductive approach (Blomkvist & Hallin, 2015).

After each interview, key takeaways were discussed and written down. First-order codes were then extracted from these takeaways and the interview transcript by both authors collectively. These first-order codes were developed with language close to the respondents' own expressions (Gioia et al., 2013). This manual coding constituted the first step. Because both authors coded each transcript jointly, intercoder reliability in the conventional statistical sense does not apply. Instead, interpretive disagreements were resolved at the point of coding by returning to the source recording. In the second step, the transcript was anonymized and submitted to the AI assistant Claude along with a detailed prompt instructing it to apply Gioia's first-order coding. The manually extracted codes were then compared to the AI-generated codes. If any relevant AI-generated code was not in the original code collection, it was discussed and validated against the transcript before being accepted, modified, or rejected.

After a couple interviews, second-order themes began to be constructed inductively from clusters of first-order codes. The second-order themes were constructed to be theoretically meaningful and to represent a higher level of abstraction than the first-order codes (Gioia et al., 2013). These second-order themes were then connected to one of the three aggregate dimensions. Each new interview either populated existing themes with additional first-order codes or led to the creation, splitting, or modification of second-order themes. This process was applied throughout the entire interview study. The coding continued until additional interviews ceased to extend the second-order

theme structure, indicating empirical saturation (Blomkvist & Hallin, 2015).

The analysis resulted in 168 first-order concepts, which were distilled into 15 second-order themes, and further abstracted into 3 aggregate dimensions: strategic rationale, governance, and measurement of strategic value. Excel was used to maintain the Gioia data structure, with each first-order code tagged with (i) a supporting quote, (ii) the second-order theme it populated, (iii) the aggregate dimension, (iv) the respondent(s) it originated from, and (v) the respondent groups endorsing the first-order code. This tagging architecture supports the cross-group weighting described in Section 3.3.2, where particular analytical weight was given to findings endorsed by several respondent groups.

3.3.2 Practitioner validation and positional analysis

The methodology produces a thematic structure grounded in informant language, but translating that structure into actionable insights or practical frameworks requires an additional analytical step. The second-order themes derived from the coding process were therefore subjected to iterative validation through feedback sessions with CVC stakeholders. These sessions served two purposes: testing whether the proposed strategic rationales, governance guidelines, and KPI categories resonated with practitioner experience, and identifying gaps or misrepresentations that the coding process alone could not surface. In total, six practitioner validation sessions were conducted with multiple CVC professionals. The sessions were conducted bi-weekly and initiated in combination with the construction of the first second-order theme clusters.

In parallel, statements needed to be systematically contextualized against the respondent's interest position and role. This positional analysis accounts for the fact that the same phenomenon, the perceived value of co-investment rights or the adequacy of fund reporting, for instance, may be described in fundamentally different terms depending on the informant's perspective and incentives. Where divergence was identified, the analysis aimed to explicitly note and interpret the disagreement rather than forcing convergence. This is particularly relevant given that the study's research questions concern a relationship (CVC-GP) where interests are structurally misaligned, meaning that conflicting accounts are data.

The cross-group tagging described in Section 3.3.1 also supported the positional analysis. When respondent groups diverged on the same phenomenon, the tagging made it visible, which allowed for nuanced analysis. Themes supported by codes from a single respondent group were treated as perspective-specific findings. These were potentially still valid but carry less analytical weight than themes supported by multiple groups independently. The iterative validation and positional analysis jointly shaped the deliverables prior to final synthesis.

3.4 Research quality

In a qualitative study, the research quality depends on scientific legitimacy (Blomkvist & Hallin, 2015). With limited options to validate findings against available literature, additional emphasis was placed on data integrity and quality. Source triangulation, evidence chains, and clear distinctions between evidence and inferred information were used, while being explicit about limitations that risk affecting downstream interpretations (Shenton, 2004).

The central mechanism for ensuring scientific legitimacy was the inclusion of four respondent groups with different perspectives and incentives. Beyond providing a holistic view of the research problems, the four-group structure enabled cross-group triangulation. Two characteristics of each statement were tracked: frequency and origin. This implies that both the number of respondents and the number of respondent groups that backed a claim were given analytical consideration. The tagging of each first-order code and second-order theme by respondent group enabled critical evaluation of single-group findings, even when within-group frequency was high. Where a finding appeared to be shaped by a specific group's perspective, the analytical weight was reduced. Conversely, findings that were both frequently endorsed and converged across respondent groups carried higher analytical weight. This procedure arguably reduced empirical bias and supported the scientific legitimacy of the findings (Blomkvist & Hallin, 2015). The geographic and organizational breadth of the respondent base also broadens the conditions under which the findings may be considered relevant.

The same coding workflow was used across all 35 interviews, with key takeaways recorded jointly immediately after each interview to limit recall bias before transcript-based coding. The resulting Gioia data structure functioned as an audit trail through which empirical findings could be traced back to their origin. Divergent and uncertain findings were further reviewed in the practitioner feedback sessions described in Section 3.3.2.

AI was used as a supplementary tool in the coding process. First-order codes were initially extracted manually from the key takeaways and transcripts, anchored in respondent quotes. Anonymized transcripts were then submitted to the AI assistant Claude with instructions to apply Gioia's first-order coding. The suggested first-order codes from the AI assistant were compared to the authors' codes. Where the AI surfaced a code not previously identified, the underlying transcript was reviewed, and a decision to accept the code was made. AI was therefore used as a check for missed patterns, and human oversight was applied to protect research quality.

3.5 Ethical considerations

Given the sensitive nature of CVC and the strategic importance of the data collected, this study adheres to the principles of "Good Research Practice" (Vetenskapsrådet, 2024), focusing on informed consent, confidentiality, and the responsible handling of sensitive information. Additionally, particular care was taken to clarify the distinction between respondents' personal views and formal corporate positions.

Prior to all interviews, respondents were informed of the study's purpose and the voluntary nature of their participation. Informed consent was strictly required to record and transcribe interviews, with assurances that transcripts would only be used for academic analysis. In compliance with GDPR (European Parliament & Council of the European Union, 2016), the collection of personal data was minimized to what was necessary for the research aim. Furthermore, individual respondents and their employers are anonymized in all publicly available material, including this thesis report. All personal data will be permanently deleted following the thesis defense and grading process, in accordance with the storage limitation principle.

Two further considerations required dedicated safeguards to adhere to the ethical framework of the

3. Methodology

study. First, AI was used to support the coding process, and transcripts were anonymized prior to any third-party processing. This anonymization functioned as the primary safeguard to align AI-assisted analysis with the consent framework above. Second, the authors were granted access to commercially sensitive information, such as internal investment data, and therefore a non-disclosure agreement was signed. In addition to this, potentially sensitive information was reviewed by the relevant party before any third-party disclosure.

4

Empirical findings

The empirical findings presented in this chapter are derived from 35 semi-structured interviews with informants across four respondent groups: CVC practitioners with fund investments in their portfolio, VC fund managers with corporate LPs, organizational stakeholders, and industry experts, and from a subsequent iterative analysis with CVC practitioners. The findings are presented in the same order as the research questions: strategic rationales for corporate LP positions, followed by governance-related findings, and measurement of strategic value. In each section, the second-order themes are presented in order of the most connected first-order codes.

The second-order themes and aggregate dimensions from the Gioia analysis are presented in Figure 4 below. Each second-order theme is mapped to an aggregate dimension corresponding to one of the study's research questions.

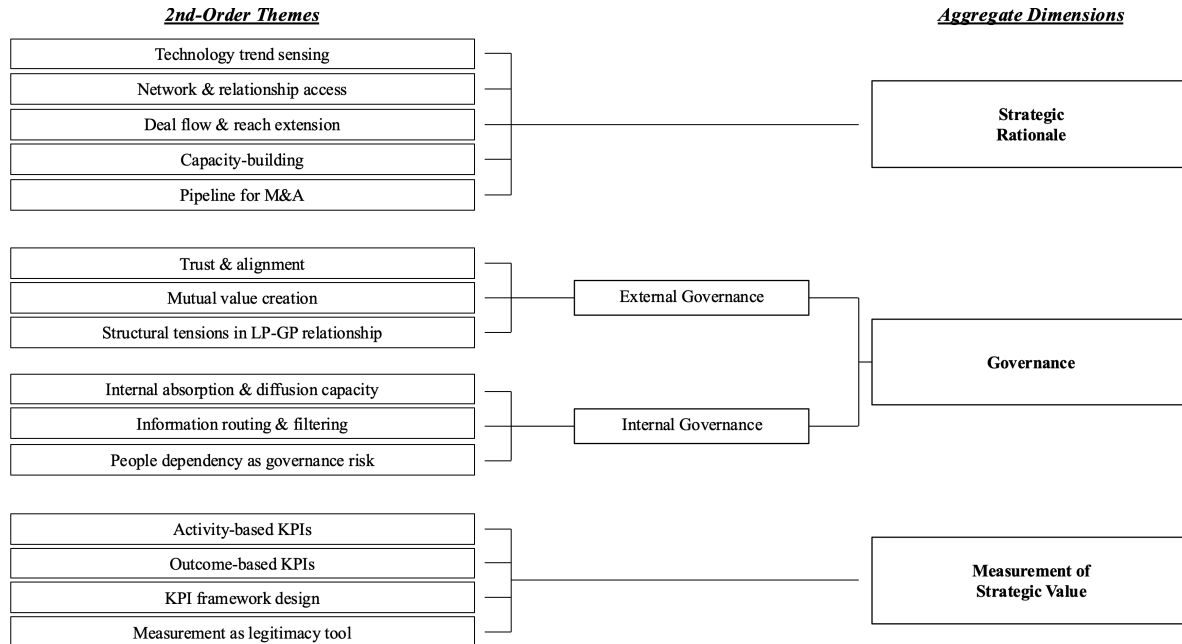


Figure 4.1: Simplified Gioia Data Structure.

4.1 Strategic rationale for corporates taking LP positions

The strategic rationale dimension includes 44 first-order codes across five second-order themes. The data support four strategic rationales for corporations to take LP positions in VC funds. For context, it is important to mention that all respondents articulated several rationales when asked and indicated that there is not an isolated reason for taking LP positions. The identified strategic rationales are: technology trend sensing, network and relationship access, deal flow and reach extension, and capacity-building. Across all four respondent groups, there is broad convergence around the four rationales. The remaining theme concerning M&A synergy is treated separately in Section 4.1.2 as a contested finding.

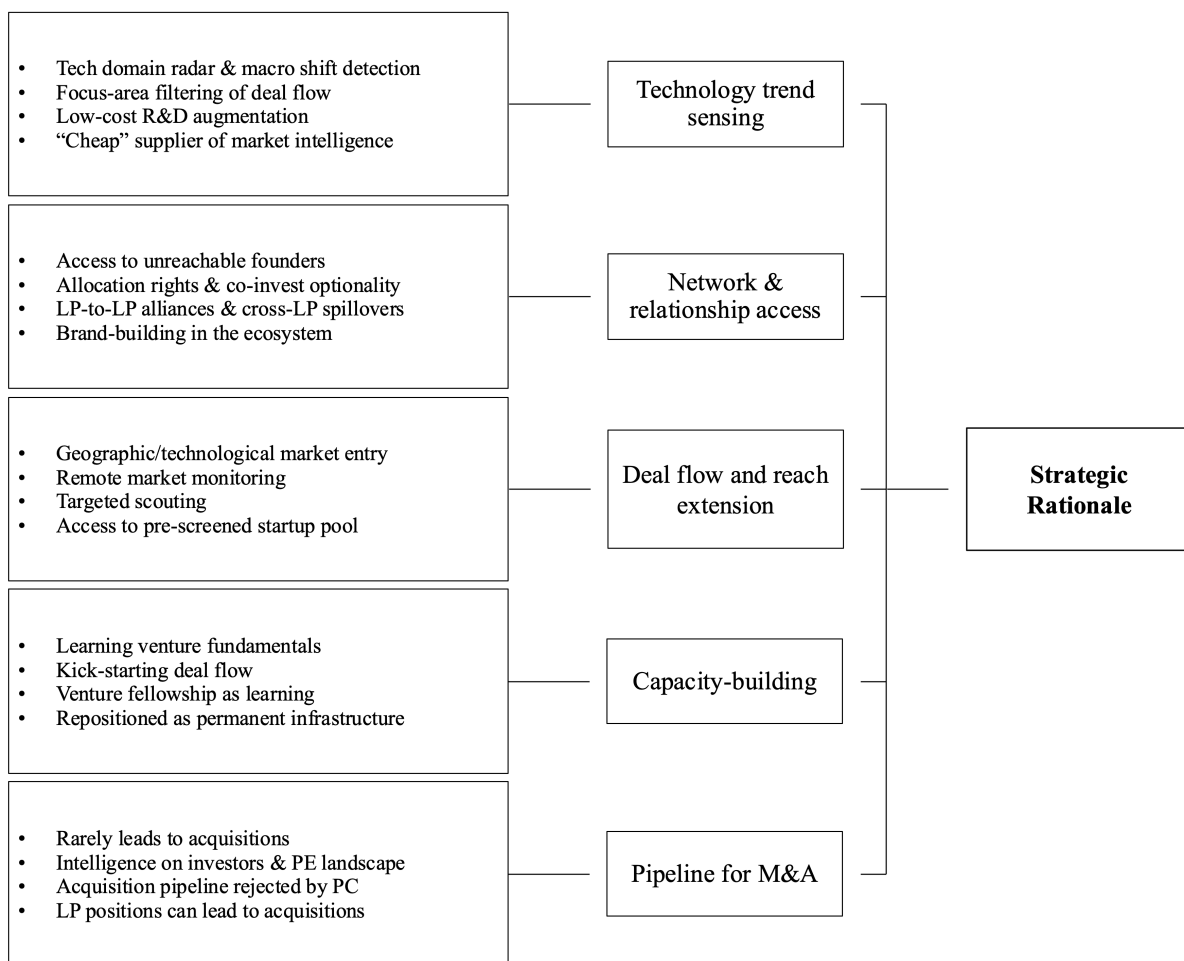


Figure 4.2: Gioia structure of strategic rationale dimension.

4.1.1 Convergent strategic rationales

The most broadly endorsed strategic rationale across all four respondent groups is the use of LP positions as a **technology-sensing mechanism**. The core logic is consistent: by committing capital to a VC fund, the corporation gains access to market intelligence and information regarding emerging technologies. A consistent value-add across several CVC respondents and organizational stakeholders is getting information about how and where the capital flows in the venture ecosystem. With that information, the corporation can distinguish between “hot” and “cold” technology domains, which supports their internal decision-making.

This rationale operates at two levels. At the macro level, respondents describe fund investments as instruments for detecting shifts in technology trajectories that are difficult to observe from inside a large corporation. For example, one CVC respondent noted that the decline of electric vehicle investment was difficult to perceive from within the corporation, but visible through the VC fund’s startup lens. At the micro level, several CVC respondents describe how a deliberate choice of VC fund to cover specific business units or technology domains enables targeted market intelligence that directly informs specific business units within their organizations.

The role of LP positions as a technology sensor is supported by all respondent groups. CVC practitioners value the breadth of early-stage market intelligence and the ability to track technology development without committing internal R&D resources. VC fund managers describe providing this intelligence as a core part of the value proposition they offer corporate LPs. Organizational stakeholders in adjacent parent company divisions, such as procurement and strategy, report using fund-sourced insights as forward-looking indicators of technology trajectories in their domains. Industry experts corroborate the descriptions given by the other respondent groups.

Both CVC and VC respondents draw an explicit contrast between LP positions and alternative intelligence sources. They frame an LP position in a VC fund as a superior alternative to consultant services because it provides ongoing intelligence rather than a single report. Furthermore, the effective cost of the intelligence is low or net-positive, since the committed capital is typically returned at the end of the fund lifecycle. As one CVC respondent described the corporate LP experience: “funds are going to teach us over a long period of time, and then they are going to give us the money back”.

The second strategic rationale concerns the **network and relationships an LP position can generate**. Like the previous rationale, it was supported by all four respondent groups. The core finding is that LP positions grant access to relationships within the VC ecosystem that are difficult to establish without such a commitment. These relationships with actors such as startup founders, other investors, and peer LPs are described as valuable and create opportunities in the venture ecosystem. Multiple GPs articulate this directly. One GP mentioned that top founders are unlikely to contact a corporation first, but will engage with the GP who invested at an early stage. By taking an LP position, the corporation gains access through that intermediation. From the CVC side, respondents report that LP positions provide a deeper relationship with VC funds that would not be possible without a monetary commitment.

A sub-finding within this theme concerns the LP-to-LP network. Multiple respondents, both VCs and CVCs, describe alliances forming among corporate LPs within the same VC fund. The respondents give examples of joint initiatives emerging organically from shared fund participation. This positions

4. Empirical findings

the VC fund as a network-building platform and suggests that network value extends beyond the LP-GP relationship. A CVC respondent provided another qualifying observation about the network rationale. They report that some of their strongest VC fund relationships are with funds they have not invested in. Whether this indicates that LP positions are not a necessity for network expansion or an additional layer of value on top of ecosystem-level relationships that an LP position enables was not addressed in the data.

Multiple CVCs and organizational stakeholders describe LP positions as instruments for receiving **validated deal flow and extending the CVC unit's reach** into new geographies and technology domains. In this context, validated means that the VC has already screened the startups it shares with the corporate LP, which reduces evaluation workload for both the CVC unit and the venture client unit. Furthermore, multiple organizational stakeholders state that LP positions reduce reliance on paid external scouting services.

For the geographical expansion of a CVC unit's scope, an LP position grants concrete advantages. A CVC manager cited the difficulty of monitoring Middle Eastern startup activity from their home region as a specific motivation for making a fund investment in that area. Furthermore, an expansion into a new geographical territory was initiated by taking an LP position in a fund based in that region, accompanied by a local hire. Another CVC respondent describes how they utilize LP positions to expand into new technology domains where their internal expertise is insufficient. For organizational stakeholders, particularly those working in a venture client unit, the primary value of LP positions is the quality assurance on the deal flow it provides. The VC's selection process is described as a pre-screening mechanism that saves internal evaluation resources and increases confidence in startups sourced from that channel.

Within the reach extension theme, CVC respondents describe several different ways of relating fund scope to corporate demand. One CVC respondent describes an evolution in their fund investment strategy from initial broad-learning positions towards smaller, targeted LP positions in technology-specific VC funds. Another CVC respondent describes a deliberate mapping of LP positions onto specific business units of the parent company. Moreover, an early-stage VC describes its own fund as offering LPs exposure to multiple emerging technology domains and functioning as an instrument for outsourcing early-stage scouting for the corporate LP's venture client unit.

There is some divergence regarding the longevity of this strategic rationale. Some CVC respondents mention that they value fund-sourced deal flow as a strategic resource, even though they are a mature unit and have their own inbound flow of startups. Others, mostly newly established CVC units, regard fund-sourced deal flow as a decaying type of strategic value from LP positions. Several respondents state that once they have established a presence in the ecosystem, they will not need to take LP positions to gain more deal flow.

Another strategic rationale concerns the use of LP positions as a **capacity-building** instrument for CVC units that may lack prior venture investing experience. This rationale was only mentioned by representatives from newly established CVC units. One such respondent articulates this directly: "The initial ones were about getting into the ecosystem and learning about venture in general. We did not have a background in it. The core logic is that LP positions enable a CVC team to gain venture expertise, developing their deal evaluation routines, ecosystem navigation, and network, before

committing to making direct investments.

Several CVC respondents describe an explicit development sequence in which LP positions precede direct investment activity. One CVC practitioner describes a three-stage process in which the CVC unit began with paid membership in an accelerator program, followed by indirect investments, and then direct investments. The LP phase gave the CVC unit “a foot in the door” and enabled them to learn appropriate VC processes before making their own direct investments. Another CVC respondent reports that their initial LP position gave a team member access to the VC fund’s venture fellowship program. During the program, the individual gained valuable VC expertise that could later be applied in a CVC context.

The capacity-building rationale is described as time-bounded, and respondents diverge on what follows it. Several CVC respondents from less mature units describe LP positions as mostly a learning instrument. Once the team has “learned VC”, the unit will pivot towards only making direct investments. Another CVC respondent describes initially having the same view but later repositioning indirect investments as a permanent investment mode.

4.1.2 Contested strategic rationale

The findings regarding **LP positions as a pipeline for M&A** diverge across respondents. Multiple organizational stakeholders within M&A and strategy from the same organization reject this framing. They state that there are no examples of LP positions leading to acquisitions by the company. The CVC unit and its fund relationships provide useful insights about the ecosystem and investing pattern, but do not function as an M&A pipeline. This view is supported by an industry expert who highlights the different objectives and timelines of CVC and M&A. The opposing view is taken by a VC respondent, who provides concrete examples of LP positions in their own fund, leading to acquisitions of portfolio companies. Reasons for this divergence will be discussed further in Section 5.1.2.

4.2 Governance of corporate LP positions

Governance of corporate LP positions is the most empirically dense dimension of this study, comprising 77 first-order codes distributed across six second-order themes. Governance of LP positions operates at two distinct levels: external governance at the LP-GP interface and internal governance at the CVC-parent company interface. Across both levels, respondents converge on the observation that informal relational mechanisms are of higher importance than formal contractual mechanisms. External and internal governance are described as interdependent. Information flowing from the VC fund only translates into strategic value if the internal governance enables the organization to absorb and act on the information. The two levels are presented separately below for clarity.

4. Empirical findings

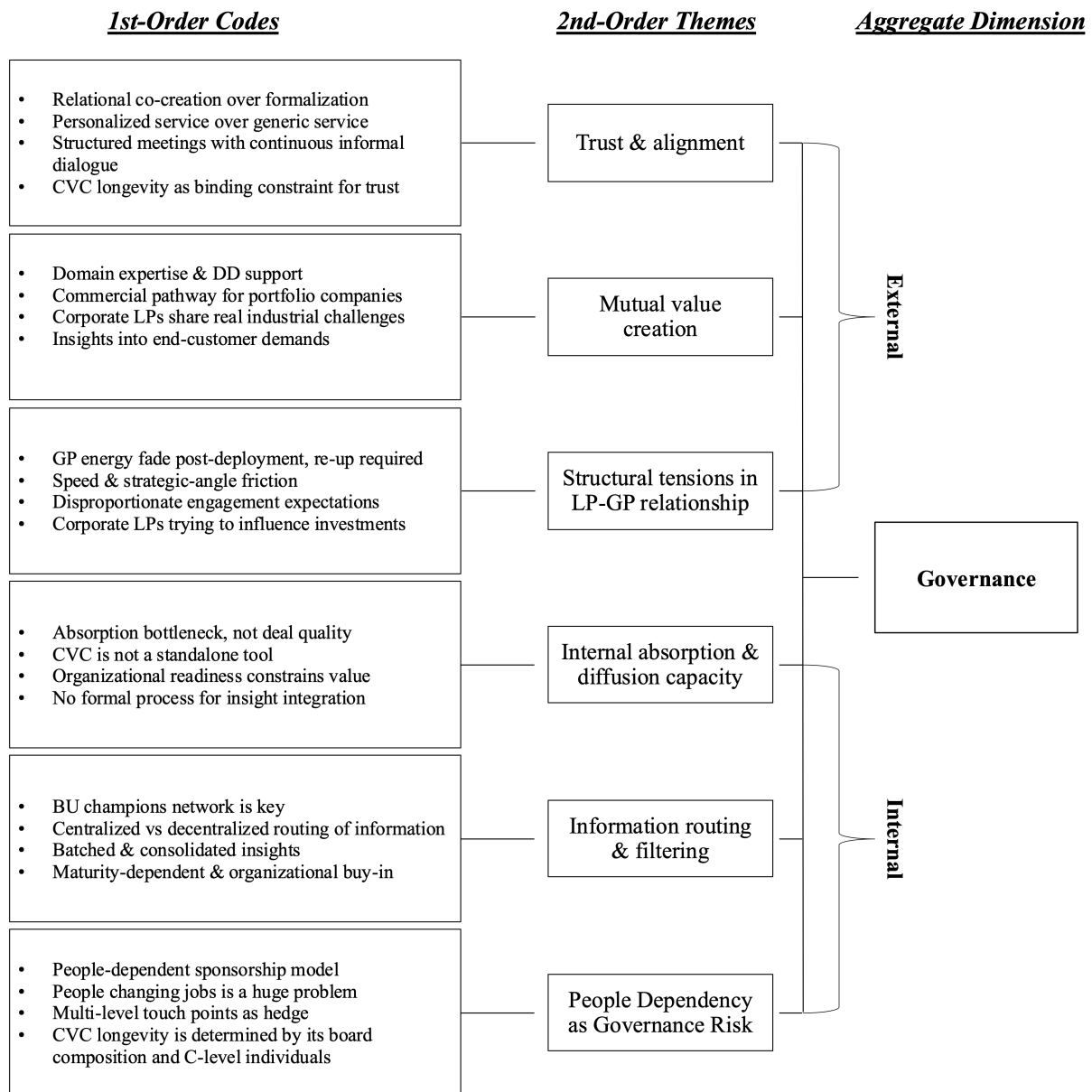


Figure 4.3: Gioia structure of governance dimension.

4.2.1 External governance: the LP-GP relationship

Three second-order themes map to external governance: trust and alignment as prerequisites for successful GP-LP collaboration, mutual value creation, and tensions in the GP-LP relationship. Together, these themes describe how the LP-GP relationship is shaped and maintained, what each side gains from it, and what tensions persist despite contractual design.

The most consistent finding across all four respondent groups is that **trust and alignment** are prerequisites for success in the LP-GP relationship. Contracting mechanisms, such as LPAs and side letters, are described as necessary, while respondents across all four groups agree that relational

mechanisms are more important. Both CVCs and VCs explicitly articulate that the relationship is co-created over time. A connected finding is that multiple respondents view standardized service menus from the VC as counterproductive. A preferred approach is to work together to construct a personalized offering for each corporate LP. In some cases, VCs have a standardized offering as a baseline but adapt it to the specific LP's needs.

As corporate LPs have different characteristics and needs, the VC funds in the sample show variation in their structure and business model. One VC respondent describes their fund's LP base as consisting mostly of corporate LPs. The VC firm has a dedicated team for managing relationships with the corporate LPs. This allows the firm to establish extensive networks within each corporation and to track and report strategic value metrics to those LPs. A different VC respondent, from a smaller VC fund with predominantly financial LPs, describes lacking the human resources to operate in this way. Moreover, with an LP base mostly composed of financial LPs, the respondent describes weak incentives to track and report strategic activities.

One distinct advantage a VC respondent mentioned about the relational model over the contractual is that a formalized KPI-governed relationship sets the floor for deliverables, and is usually counterproductive. One VC respondent illustrates the dynamic with specific numbers:

What I'd put on paper would be far less than what I'd actually deliver without a formal commitment. If I'm forced to commit, I might put down three PoC introductions in 18 months, but realistically, it's probably six or seven. (VC respondent)

Multiple respondents agree that when trust and alignment are in place between GP and LP, both parties benefit most. This approach extends to the communication model. Most VC funds have structured recurring meetings with corporate LPs to give updates regarding the portfolio and technology trends. However, these meetings should be complemented by a continuous dialogue between GP and LP. Respondents describe this informal communication as only possible when the relationship is built on trust and mutual understanding.

Furthermore, the reputational element is described as a prerequisite for getting opportunities in the venture ecosystem. Several CVC respondents claim that a good reputation is essential for accessing desirable deals. A corporate investor should therefore manage not only the relationship with VC funds in the portfolio, but also with other investors in the LP base. If handled correctly, these LP-LP relationships are described as a significant value-add to taking LP positions.

The second theme is that the GP-LP relationship should be based on the **creation of mutual value**. The consensus view is that a healthy relationship should include a bidirectional flow of value. What the GP provides for the corporate LP has been covered earlier, and this theme includes findings connected to the value that the corporate LP creates for the VC fund and its portfolio companies. The findings are mostly articulated by VCs, but are corroborated by CVCs, industry experts, and organizational stakeholders.

The most exhaustive code within this theme is from an industry expert who states the LP-provided value is: assets, brand, customers, data, and expertise. These value-adding elements are supported by other respondents, mentioning that they use their corporate LPs for due diligence of potential

4. Empirical findings

investments. The corporate LPs' expertise on industrial-scale problems, technical knowledge, and insights into end-customer demand enable the GP to make more informed investment decisions. Moreover, by having a relationship with established industrial actors, VCs can be more attractive to founders. This provides a clear commercial pathway for portfolio companies and increases the chance of partnerships and commercial agreements.

A third set of findings concerns **structural tensions in the LP-GP relationship** that persist regardless of contractual design. All four respondent groups describe these tensions, but from different perspectives. VC respondents predominantly focus on issues with corporate LPs, while CVC respondents mostly describe issues with VCs.

The most explicit tensions from the VC's perspective are that corporate LPs sometimes have disproportionate engagement expectations compared to their investment size and too long decision cycles. The first one is mostly presented as a structural fact: corporate LPs require more time from the VC team than financially motivated LPs. This is presented as something that VCs are aware of, and have decided that the trade-off between LP-provided value and time is worth it. However, there are instances of corporate LPs demanding too much engagement from the VC, which creates tensions between the parties. Moreover, several VC respondents mention that this is a reason for the "corporate LP model" not being scalable, meaning that there is an upper limit to the feasible number of corporate LPs in the LP base. The second one, long decision cycles, are also described as a structural issue, but can be frustrating when the VC is raising capital.

Another fundamental tension concerns the LP base. Most VCs interviewed have an LP base that consists of both financially and strategically oriented LPs. Since strategic LPs have a different objective than financial LPs, this creates a misalignment that is hard to mitigate with contracts. Considering that one's reputation is one of the most important factors in the venture ecosystem, conflicts between CVCs and other investors in the ecosystem are problematic. Moreover, since corporate decision-making sometimes prevents CVCs from acting quickly and re-committing to a successor fund, other LPs may interpret the situation as a negative signal, which hurts the GP.

From the CVC's perspective, the most cited tension concerns the service lifecycle. Several CVC respondents and organizational stakeholders articulate that the service level from VC funds declines after the initial investment period. This leads to a decline in the perceived strategic value. Most VC respondents contest this claim and state that the value for the LP is consistent during the entire fund lifecycle. Two additional tensions deserve mention. The first concerns the selection of VC funds to invest in as a corporate investor. One VC respondent identifies an adverse selection problem in which corporate LPs who impose prescriptive lists of GP commitments may systematically select for weaker fund managers, since the best-performing VC firms are unwilling to accept such demands. The other tension is mentioned by both a VC and an industry expert: having a corporate LP is a "double edged sword". The corporate LP may attract startups in adjacent sectors but deter those who view the corporation as a competitive threat. The presented solution to mitigate the issue of startups viewing corporate LPs as a threat is to adopt a double opt-in model. In this model, material from portfolio companies is only shared with LPs with founder consent.

4.2.2 Internal governance: the CVC-parent company relationship

Internal governance is described as the most critical sub-dimension for ensuring successful outcomes of corporate LP positions, and internal absorption and diffusion capability is the most empirically dense second-order theme of the study. The two other themes are information routing and filtering, and people dependency as governance risk. The most dominant view across all respondent groups is that the primary bottleneck of strategic value creation from LP positions is internal governance.

The empirically most significant finding is that **internal absorption** is the binding constraint on strategic value. A CVC respondent describes that even high-quality funds fail to create value for the corporation if no internal engagement exists within the parent company. The respondent clarifies this by establishing that when fund engagement stays centralized within the CVC unit, strategic value is low regardless of the underlying services and deliverables from the VC fund.

Moreover, multiple CVC respondents and one industry expert claim that CVC in general and LP positions more specifically are unlikely to succeed in isolation. It needs to be complemented by adjacent functions to extract significant strategic value for the parent company. The most cited function to complement a CVC unit is a venture client unit. An industry expert states the dependency in stronger terms:

If you are not doing partnering while you do it, it doesn't make sense, because then you cannot transfer the tech or the market insights to anyone.

On this framing, an LP position without a receiving structure is unable to convert intelligence and access into operational action. By having a well-functioning collaboration between CVC and venture client, there are synergies to leverage. A fund investment can provide qualified deal flow to the venture client, which in turn can do PoCs and establish partnerships with startups. Without this receiving structure inside the parent company, an LP position is described as unlikely to be successful.

However, organizational stakeholders describe that it is not enough for receiving structures to merely exist, and internalizing the value provided from VC funds remains a persistent challenge. A solution to this issue has not been explicitly identified during the interview study. What has been articulated is that a corporation should have a clear idea of how to extract strategic value from an LP position, even before the first commitment. The CVC unit should have a clear strategy of how to create internal engagement within the relevant business units, who to push insights to, and secure sponsorship at a senior level. Several respondents have mentioned that it is common to push insights to a sponsor at the very top of the organization. However, these insights should be shared with a product owner who works operationally within a relevant technology domain instead.

Given that internal absorption is the binding constraint, respondents describe the design of **information routing and filtering** as an important lever. One CVC respondent identifies information filtering as a central operational problem of the LP mode:

There are volumes of information flowing from these relationships. The problem and the challenge is [...] how do you filter that and share it with the business so that the business is getting the insights? That's the number one challenge we are facing right now.

4. Empirical findings

Multiple CVC respondents identify this overload of information as one of the most significant challenges. Large volumes of information flow from the VC funds and if no effective mechanism for filtering and routing this information exists, the volume becomes counterproductive. Multiple respondents describe that forwarding unfiltered content does not work in practice and will only lead to decreased engagement within the organization.

Respondents describe a range of practices. Newly established CVC units are mostly channeling all inbound contact from the VC fund and its portfolio companies through the CVC team. In the next step, the CVC team shares relevant content to internal stakeholders. Respondents frame this as a function of internal credibility-building, and mention that they cannot ask business units to take over any workload yet. At the other end, respondents describe CVC units where the VC fund communicates directly with business units. In most cases, this is done through a network of designated business unit champions, with the CVC team stepping back from its role as intermediary. In the interviews, most CVC units describe their approach as between these two extremes.

Moreover, respondents emphasize the importance of the recipient of the information having the mandate to act on it. It is not enough to route the information to the correct business unit; it must reach an individual with the decision rights, budget, and operational responsibility to convert input to action. One CVC respondent describes the requirement as reaching “somebody that is strategically responsible” to turn fund-sourced material into commercial outcomes. An organizational stakeholder identifies three preconditions for making it happen: a relevant portfolio company, an internal sponsor at a senior level, and dedicated funding for a PoC or pilot.

A similar range of practices emerges in the information filtering element, meaning the extent of consolidation by a CVC unit when passing through information to the parent company. One CVC unit is described as having converged, after extensive experimentation, on a short executive summary as the primary format for diffusing information. Another CVC unit adopts the opposite approach, deliberately “over-sharing” with the parent company to decrease the risk of filtering out relevant information. Most interviewed CVC units operate somewhere in between these two approaches.

Most CVC respondents describe direct communication between the VC fund and business units as ideal, with supporting views from VCs and organizational stakeholders. The reasoning is that information should flow directly to the people working in the relevant domain, without an intermediary that may filter out relevant insights. However, most CVC respondents admit that their unit does not yet operate this way. The most common practice is to have a designated individual in the parent company that “sponsors” the fund investment. This individual typically approved the original commitment and now helps the CVC, and to some extent the GP, navigate the corporate structure.

A recurring finding across the governance dimension is that both information routing and internal absorption depend heavily on specific individuals, and this **people dependency** constitutes a governance risk in itself. Although this theme cuts across both the external LP-GP relationship and the internal CVC-parent company relationship, it is discussed predominantly in internal terms. External dependencies, primarily concerning GP turnover, are also articulated but less frequently.

On the corporate LP side, the internal champion who supported the fund investment may leave. This weakens the relationship and risks stalling diffusion. Moreover, this person is often described as a

central part of the internal absorption strategy, and their departure significantly weakens it. On the GP side, partner turnover erodes the trust basis that underpins the LP-GP relationship. These dependencies persist even when formal structures such as sharing sessions and innovation committees exist.

A CVC respondent describes a mitigation strategy: attaching the internal sponsor role to a formal job title. The reasoning is that even though the initial sponsor leaves, the person filling the role will automatically inherit a formal connection to the fund investment. However, the same respondent notes that this does not fully mitigate the problem, and people's dependency remains an ongoing issue. A VC and an organizational stakeholder support this claim. Both note a strong dependency on specific individuals to drive internal action of fund-sourced input. Both respondents use the word "individuals" rather than "role" or "position", which aligns with the CVC respondents' acknowledgement that formalizing the sponsor as a job title does not resolve the underlying dependency.

A related finding concerns the governance of the CVC unit itself. Both CVCs and VCs describe the longevity of a CVC unit as people-dependent. One CVC respondent attributes their extensive lifespan to its board composition and the fact that the members of the board understand both the investor logic and the strategic rationale of the CVC unit. This can be contrasted with multiple examples of CVC units being shut down when a new CEO or CFO concluded that the unit was not worth continuing.

4.3 Measurement of strategic value

The empirical findings on the measurement of strategic value consist of 47 first-order codes distributed across four second-order themes. The findings are organized into two pairs: two themes concern the categories of KPIs that respondents describe using or aspiring to use, and the other two concern the considerations that shape how a measurement framework can be designed and why it matters. Across all four respondent groups, there is broad convergence on two main points: financial metrics alone are insufficient to capture the strategic value of LP positions, and any credible measurement framework should be anchored in the strategic rationale for committing. The strongest divergence concerns the difficulty of measuring strategic value. A majority of CVC respondents and organizational stakeholders describe this as very difficult, while some VC respondents describe it as uncomplicated.

4. Empirical findings

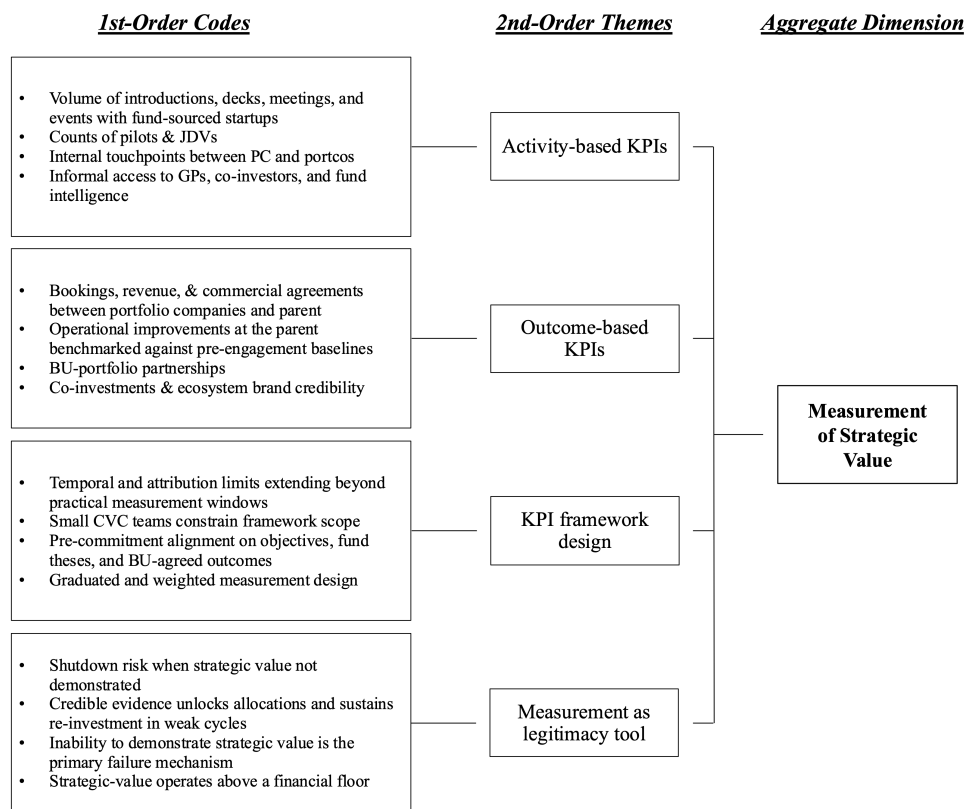


Figure 4.4: Gioia structure of measurement dimension.

4.3.1 KPI categories

Two second-order themes map to the categories of KPIs that respondents describe as building blocks of a measurement framework. The most widely mentioned category across the respondent groups is activity-based KPIs. Respondents consistently describe activity measures as the baseline category that is feasible without complicated attribution logic. The second theme, outcome-based KPIs, is described as the second, and most important category.

The first set of **activity-based KPIs** concerns the volume of information and introductions generated through fund-sourced channels. A VC respondent describes continuously sharing startup pitching decks with their corporate LPs and organizing meetings between portfolio companies and corporate LPs. These activities are tracked and presented to the LPs to demonstrate strategic value. Multiple CVC respondents track these counts because they are observable and directly attributable to the fund channel. Several VCs corroborate this by describing their own structured reporting to corporate LPs as focusing on such activity-based metrics.

A second type of activity measure concerns informal access to GPs, co-investors, and broader fund intelligence. A CVC respondent frames the core informal value as “getting to know people personally

and getting a little bit more attention”, meaning that personal relationships with fund managers yield preferential attention and information flow beyond formal reporting rights. Respondents across multiple groups describe this form of engagement as valuable, but its impact is hard to quantify. Moreover, several VC respondents mention that they report how many “technology deep-dives” they send to their LPs, which is also described as valuable but hard to measure credibly.

A third set of indicators concerns the internal engagement within the parent company. This is most frequently connected to the number of touchpoints between the parent company and portfolio companies. Several CVC respondents describe the importance of joint meetings and relationships between the parent company and the VC or its portfolio companies. This is something that only a few CVCs actually track, and in most cases, with the help of reporting from the GP. Activity between the parent company and the VC fund’s portfolio companies is seen as evidence that fund-sourced intelligence is being routed internally and absorbed, which is described as a bottleneck in Section 4.2.2.

These activity-based metrics are tracked and reported by some GPs to the corporate LP. Especially those with a business model that focuses on raising capital from corporate investors. Before turning to outcome-based KPIs, a recurring feature of the data deserves mention. Respondents from both the CVC and the VC groups describe measurement of strategic value as a funnel. The funnel starts with activity-based metrics and ends with commercial outcomes. Some respondents mention the word “funnel” explicitly, while others use “upside-down pyramid” or describe a model with several layers. These descriptions implicitly describe the funnel logic.

The second theme, **outcome-based KPIs**, captures the realized impact of LP positions. Several respondents describe these as the latter part of a funnel. This theme is portrayed as the most important KPI category across all respondent groups, but respondents diverge about the difficulty of measuring the connected strategic value. A majority of respondents acknowledge that, in order to measure outcome in commercial impact, qualitative estimations are necessary, while some VC respondents give examples of cases where this can be made in a quantitative and credible manner.

You were the first investor in, and you basically had to create the startup, and then the corporate partner also invested in it, and now they’re signing a licensing agreement. And then you sit with the startup, and you sit with the corporate, and you agree with both of them that the impact per year is \$50 million. [...] it’s pretty much correct to say that the impact of this to you is more than \$200 million. (VC respondent)

One category of KPIs that sits between activities and commercial impact includes the number of PoCs and pilots between parent and fund-sourced startups. These activities are systematically tracked by a number of VCs and described as semi-concrete examples of strategic value creation by CVCs and organizational stakeholders. A high number of startup exchanges gives the corporation the ability to “try fast and fail fast”, and validate technologies before making any major commitments. Moreover, respondents describe partnerships with portfolio companies as a visible and trackable KPI, which is an activity or outcome depending on the definition.

The most frequently cited outcome metric from both CVC and VC respondents concerns revenue increases and cost savings resulting from commercial agreements between portfolio companies and

the parent company. A common example is a VC fund's portfolio company becoming a supplier to the corporate LP, allowing the corporation to extract margin on the exchange. This is described as a credible and defensible indicator of realized value. However, respondents differ on how frequently this occurs in practice and how credible the attribution chain is. The general pattern is that CVC respondents describe this as uncommon and difficult, while a few VC respondents describe it as a more frequently occurring outcome that could be straightforward to measure.

In the case of cost savings, a CVC respondent describes the ultimate proof of value as a before-and-after comparison of operational performance. For example, reduction in downtime or increased efficiency as a result of implementing a fund-sourced solution are concrete outcomes of taking LP positions. An organizational stakeholder adds a time-horizon aspect to this way of measuring strategic value. Since the parent company's development cycles and procurement processes run over several years, it becomes hard to directly attribute operational improvements to a single source of technology or an individual startup.

A final category concerns ecosystem brand credibility, which is described as important by multiple CVC respondents while acknowledging that it is abstract and hard to quantify. By taking an LP position, the CVC unit signals that they are an active investor in the ecosystem, which makes them more attractive to collaborate with in future deals. When raising this outcome-based KPI, CVC respondents connect it to the reputation aspect and that to extract strategic value out of being an "active investor" it requires that the CVC unit has a good reputation in the ecosystem.

4.3.2 Framework-level findings

Two second-order themes concern the design and purpose of a measurement framework for strategic value. The first, KPI framework design, is the empirically densest theme within the measurement dimension and comprises first-order codes from all four respondent groups. It captures the structural conditions that shape what any measurement framework can realistically achieve. The second, measurement as a legitimacy tool, is also supported by all groups and highlights the importance of measurement in terms of organizational survival. The two themes are presented in turn below.

Within the first theme, **KPI framework design**, multiple sub-themes cover constraints and the proposed design of a potential measurement framework. The first design constraint concerns temporal and attribution limits. Multiple VC respondents, CVC respondents, and industry experts describe how the horizon over which strategic value is realized systematically exceeds the reporting cadence that parent companies use to evaluate the CVC unit. An organizational stakeholder supports this claim by stating that the long development cycles of a large corporation make it suboptimal to only use outcome-based metrics and highlights the need for leading, activity-based KPIs. Furthermore, several respondents from both the CVC and the organizational stakeholder group mention that the long time horizons make attributing a commercial outcome to a single source uncertain.

Moreover, there is a consensus view across CVCs that a KPI framework for measurement of strategic value must be practical. Several CVC respondents emphasize that since their teams are small, they do not have the resources to track and measure everything that may be connected to strategic value. A lightweight and time-effective framework is described as a precondition for actual use. Several respondents mention that there are a large number of fund-related activities they wish to track, but

since their primary responsibility is investment work, time is the binding constraint.

Another connected sub-theme concerns pre-commitment alignment on the objectives for a fund investment. Respondents agree that measurement can only be effective and actionable if it is grounded in a defined objective. An organizational stakeholder reinforces this by arguing that the measurement model should be fitted to the specific VC fund's investment thesis and the parent company's objective. A one-size-fits-all measurement framework is therefore not optimal according to the respondent. Furthermore, it is described as important that the CVC unit, relevant business units, and management are aligned. Without alignment, there is a high risk of working towards different goals and measuring less important metrics.

Across groups, respondents describe measurement of strategic value as an important **tool for organizational legitimacy**. Failure to demonstrate strategic value is, according to several respondents, one of the primary failure mechanisms of CVC units. Developing the CVC unit's ability to better measure and communicate strategic value is framed as a way of mitigating the cyclical nature of CVC and increasing resilience in market downturns.

Furthermore, an industry expert and a VC state that by being better at providing evidence of strategic returns, a CVC unit, as a strategic investor, can justify large allocations and make re-investments in successor funds on the basis of strategic criteria. The industry expert reinforces this by describing how the fund as a sovereign investor, re-invests in VC funds based solely on strategic criteria. This enables them to move faster and reduces reliance on financial metrics, which may take time to materialize, especially in macroeconomic downturns.

A related finding is that strategic value is described as operating above a financial floor. CVCs, industry experts, and organizational stakeholders agree that financial performance is a precondition that must be met. An organizational stakeholder captures this directly: "the survival of a CVC unit must somehow be grounded in the principle that they can make financially sound investments". In this framing, strategic value does not replace financial measurement but serves as a complement.

In summary, this chapter has presented empirical findings across the three aggregate dimensions derived from the adapted Gioia analysis. Four convergent strategic rationales for corporate LP positions emerged: technology trend sensing, network and relationship access, validated deal flow and reach extension, and capacity building, with M&A optionality as a contested finding. Within the governance dimension, relational governance is consistently described as outweighing contractual ones at the GP-LP interface. Internal absorption is described as the primary bottleneck for value capture and a current challenge for most CVC units. The findings regarding measurement indicate two KPI categories of strategic value: activity-based and outcome-based. The respondents converge on a practical and lightweight framework anchored in the rationales.

5

Analysis

This chapter moves from the empirical findings towards establishing their consequences. Organized around the conceptual framework established in Section 2.6, rationales define what strategic value is sought from a fund investment, governance determines whether and how that value can be realized, and measurement determines whether and how that value can be demonstrated to the parent company. The goal of the analysis is to extract the study's implications for CVC units taking LP positions in VC funds.

5.1 Strategic rationales

This section develops the first of the chapter's three analytical contributions, a typology of four strategic rationales for corporate LP positions, derived from the structural features of the VC fund model in combination with the empirical accounts in Section 4.1, and a reasoned position on M&A optionality as a conditional rationale that should not be operationalized as a fifth channel.

What the CVC unit accesses by delegating capital to a VC fund rather than deploying it internally becomes the rationale's organizing logic. An LP position purchases optionality, the right to sense, co-invest, build relationships, or walk away, at a fraction of the cost of building equivalent direct capability, consistent with the real-options logic applied to CVC by Tong and Li (2011). The contrast respondents draw between LP positions and consulting engagements: continuous intelligence rather than a single report and committed capital expected to return, formalizes this logic empirically. The option premium is structurally low or net-positive in financially successful funds, making optionality the appropriate analytical logic for the indirect mode.

The four rationales developed below are not mutually exclusive as an LP position typically is stated as targeting several simultaneously. Treating them as a single "strategic value bucket" obscures the design choices that separate LP positions for maximal strategic value capture from ceremonial ones. Each rationale answers the comparative-advantage question: what does the GP provide that the CVC unit cannot produce internally at equivalent cost? In option-theoretic terms, each corresponds to a different option type (learning, growth, switching, reputation) written against a different GP-held asset.

5.1.1 Rationale typology consequential of CVC market opportunities

The optionality logic establishes why a CVC unit might delegate capital to a fund rather than deploy it internally, but it does not explain why the four convergent rationales take the specific shapes they do.

The analytical step is to derive each rationale from the intersection of two elements: a structural feature

of the VC fund model established in Section 2.1 that creates a GP-held comparative advantage, and a corporate condition that makes substituting that advantage internally uneconomic. The resulting typology then organizes the four rationales along two dimensions: the GP-held advantage that backs each rationale, and the class of asset the corporate LP extracts.

Technology trend sensing follows from the scalability of the VC deal funnel. A GP screens hundreds of opportunities per closed deal, with the cost of screening scaling with the fund size rather than the number of LPs benefitting from the gathered intelligence. Section 4.1 confirms that LP positions function as continuous intelligence streams at net costs close to zero. Building equivalent screening infrastructure inside the parent would require duplicating a VC's capacity not part of the corporation's core operations, meaning it likely would not scale with the same economics. Formally, this points to the CVC buying access to the GP's screening and information gathering, with value capture bounded by the parent's absorptive capacity (Cohen & Levinthal, 1990).

Deal flow and reach extension follow from the geographic and thematic specialization that defines a VC fund's investment thesis, reinforced by Section 2.1, following the empirical pattern that CVC units use LP positions to enter regions and domains where they lack presence. The rationale exists as many LP positions offer marginal costs of tapping established GP infrastructure below the fixed cost of building parallel local capacity, particularly in markets where the parent company's deal volume does not justify a permanent presence.

Network and relationship access follows from the GP's information advantage as ecosystem broker. Founders engage with GPs, particularly at the seed stage, at earlier points and with greater openness than with corporate counterparties, a structural feature of the VC-founder relationship documented in Section 4.1 and explained by the GP's role as a non-strategic fiduciary intermediary. The GP's position in the syndication network provides visibility into co-investor and startup activity that the corporate usually cannot observe directly. A commitment signals long-term ecosystem participation, which is what unlocks the access. This signal cannot be substituted by transactional engagement. The rationale exists because the corporation cannot purchase ecosystem standing or earlier-stage information access through a single transaction.

Capacity building follows from a successful VC firm having managed the tacit nature of venture investing as a skill (Keil, 2004) and the empirical accounts with CVC units making use of LP positions as a learning vehicle before committing to direct investment. The rationale exists because proximity to practitioners is the fastest path to competence in a domain that is difficult to learn from external sources.

Following this, the four rationales reflect different forms of a unique opportunity that the corporate LP cannot generate internally at the same cost or speed. The rationales share the opportunity logic but are likely not equally robust under all conditions, as is evident in the case of the contested M&A optionality below. It is also worth noting that this set of rationales is structurally available to CVC units in a way it is not to other actors. A peer VC firm investing in another VC fund would face direct competitive overlap and incentive conflicts that risk hollowing out or closing the value pathways above. Therefore, the CVC unit's primary mandate, anchored in strategic returns to a non-financial parent, and its complementary role in the ecosystem (Maula et al., 2005) is precisely what makes the GP willing to extend the access. This is what turns the the four rationales into opportunities in the first place. The same characteristics that disqualify a corporate LP from being a financial peer are what qualify it as a

strategic partner.

5.1.2 M&A optionality as a conditional rationale

Opinions on whether to consider M&A optionality a reasonable target for a fund investment diverge. The analytical position taken here is that it is not, and that operationalizing M&A as a fifth rationale conflates two logics that should remain structurally separate. M&A-relevant intelligence can still accrue to the parent company, but it does so as a byproduct of the four legitimate rationales (mainly sensing and ecosystem access), not as a target to be contracted for or communicated to the GP pre-commitment. Treating M&A as a primary rationale activates governance frictions that could turn it from an option into a liability. Reasonably, the corporate LP wants discounted entry on high-quality targets, and the GP, who controls deal flow and has access to non-public portfolio information, has the opposite interest in price. This asymmetry could create a lemons problem, where the GP's incentive is to route attractively priced opportunities to the broader market and direct the corporate LP toward deals where the information asymmetry favors the seller. Respondents propose practical mitigations like hiring an external investment bank to resolve price disputes, applying normal M&A diligence procedures. However, these responses neutralize the contamination rather than convert it into a legitimate rationale, restoring the equivalence to a standalone M&A process and therefore conceding that the LP position is not the operative channel for the acquisition. On the higher level, respondent divergence also likely reflects differences in the parent-company M&A strategy itself.

Each of the four rationales, and the rejection of M&A as a fifth, is a claim about what the position aims to produce: optionality, not outcome. What converts optionality into realized strategic value is governance. The external arrangements determine what the corporate LP actually receives, while the internal arrangements determine whether it becomes organizational action. Without such a typology, governance risks being left without guidance, and a rationale without the governance to deliver it might become indistinguishable from one that was never pursued.

5.2 Governance design

The rationale classification in section 5.1 helps specify what the CVC aims to buy through its LP position. Governance will then determine whether the investment delivers. This section develops the chapter's second analytical contribution, advancing three findings: that external governance is best understood as contractual hygiene plus relational value exchange, with contracting setting the floor and relationships setting the ceiling on strategic value; that internal absorption is the binding constraint on strategic value capture and decomposes into five concrete mechanisms; and that organizational longevity functions as a precondition for both interfaces, not as a third governance layer.

This section is organized around the CVC units' two interfaces established in Section 2.6: the external interface, covering LP-GP relationship and broader ecosystem interaction, and the internal interface between the CVC unit and the parent company. The core finding treats the identified asymmetry between the two interfaces. On the external interface, established contracting literature provides a starting point that the empirical findings reposition as a baseline rather than the primary lever for strategic value extraction. On the internal interface, the empirical findings reinforce what the theory pointed towards, indicating that this is where most corporate LP positions fail to extract the strategic value they were designed to produce.

5.2.1 External governance: the GP-LP interface

The contractual governance mechanisms examined in Section 2.4 (de Fontenay & Nili, 2023; Litvak, 2009; Spindler, 2009) are confirmed by Section 4.2 as necessary but secondary in the corporate LP context. The implication is that the agency-theory prediction from Section 2.4, where contractual provisions should be the primary governance response to GP-LP information asymmetry, applies differently in the corporate LP context. Contractual provisions do not resolve the strategic misalignment between a financially incentivized GP, a strategically motivated LP, and other potentially financial LPs in a fund. Instead, contracting sets the floor. Some arrangements with different combinations around baseline reporting, co-investment optionality, LPAC representation, and confidentiality protocols should be in place, but might not be where value is created.

On the other hand, the ceiling for strategic value creation is set by the relational layer. Empirical findings around KPI commitments exemplify why a strict formalized structure might depress organic “excess returns” on strategic value. Contractual obligations anchor GP behaviour to a specific number, and not another dimension, such as quality. Without the obligation, the relationship itself might generate opportunities that a rigid target fulfillment would constrain. On the contrary to arguing for soft governance, it points to an observation about how formalization interacts with discretionary effort in a context where the GP’s strategic engagement is voluntary, thereby implicitly value-creating, not contractually enforceable. A corporate LP that maximizes contractual requirements is at risk of triggering the adverse selection mechanism brought up in Section 4.2; GPs with the strongest track records might decline commitments carrying prescriptive demands, leaving the corporate LP to select from a weaker fund pool of those willing to more freely accept terms in exchange for commitments.

The implication, therefore, points to a necessary distinction between hygiene and value-adding. As previously anticipated in Section 2.4, the LPA and side letters typically carry the hygiene layer. This includes confidentiality protocols that protect GP and portfolio company trust (Abuzov et al., 2025), baseline reporting cadence, co-investment rights that preserve optionality, and LPAC representation for conflict oversight. Beyond these, the corporate LP’s external efforts should be directed toward the relational layer described below.

Large parts of any stakeholder’s incentive in the VC ecosystem are anchored in financial performance. Yet, the fund-investing corporate LP wants strategic value. Section 2.4 establishes this incentive misalignment as a principal-agent problem along with remedies used by practitioners. It has been established that contracting cannot close it. The implied solution is to make CVC participation as an LP sufficiently valuable for the GP to induce strategic engagement. Section 4.2 surfaces several forms of value that corporate strategic LPs provide beyond those of financial LPs, which the analysis groups into three functional streams. Corporations could provide domain expertise, customer validation, and commercial pathways, making inclusion attractive both for GPs and founders.

This reframes the corporate LP from capital provider to co-producer of fund value. The implication: a corporate LP that cannot articulate and deliver its value contribution to the GP risks being treated as a financial LP with higher overhead. The GP’s willingness to absorb that cost is conditional on the corporate LP providing compensating value. Under an insufficient value exchange, rational grounds for excluding a corporate LP from future funds are given to the GP. The lifecycle of VC funds, with new funds typically being established every three to five years (Sahlman, 1990), also implies that the corporate LP’s value contribution is not evaluated once but reassessed at each recommitment decision.

A corporate LP that delivered domain expertise and customer validation during Fund I but disengaged operationally may find access to Fund II conditional on restoring that contribution. The recommitment cycle turns mutual value from a relationship norm into a recurring performance review of the corporate LP by the GP. The reverse evaluation, the corporate LP assessing whether the GP delivered on strategic value, connects directly to the measurement framework in Section 5.3.

Sections 2.4 and 5.2 so far have treated external governance as a two-actor system. The empirical findings document a wider ecosystem producing strategic value outside of a single fund relationship. Section 4.2 shows that LPs form alliances and side relationships with each other through the fund. This implies that the fund could act as a platform and not just an investment. Respondents also reported that some of the most valuable VC relationships are with funds they are not invested in, developed through ecosystem proximity rather than capital commitment, albeit that might be part of the VC's incentive for engaging. As insinuated through research by Abuzov et al. (2025), one consequence is that ecosystem conduct becomes a governance variable. Credibility, sustained relationships, and constructive ecosystem behavior are, therefore, likely to unlock value that no contract contains and no single fund relationship produces.

External governance therefore, operates on three layers, ordered by their contribution to strategic value. Contractual provisions form a hygiene floor. Contracts are necessary, but insufficient to differentiate a strategic LP from a passive one. Relational value exchange forms the operative ceiling by making the corporate LP a co-producer of fund value rather than merely a capital provider; it induces the discretionary GP engagement that contracting cannot mandate. Ecosystem credibility forms an outer layer that conditions both, with conduct across multiple fund relationships and non-portfolio interactions shaping the access available within any single one. The implication for RQ2 is that GP-LP cooperation is best organized by minimizing prescriptive contracting beyond hygiene and concentrating effort in the relational and ecosystem layers, where the marginal returns to strategic value sit.

5.2.2 Internal governance: information architecture

With external governance determining how and what information and access the corporate LP receives, internal governance determines whether any of it matters. The central governance findings of this study, anticipated by the absorptive capacity framework in Section 2.4 and confirmed across the empirical base in Section 4.2, are that internal absorption forms a binding constraint on strategic value capture. High-quality deal flow backed by top investors meets organizational indifference when it falls outside the core product roadmap. Reports and event invitations generate no response. Capital commitment without adoption of infrastructure is, as one respondent put it, innovation theater.

Absorption in the corporate LP context decomposes into five interlocking mechanisms developed throughout the analysis. Filtering corresponds to recognizing which signals matter among the volume the GP produces. Routing constitutes filtered signal delivery to where action can be taken. Internal receivers are made up of business-side counterparts with the capacity and willingness to act. Mandate corresponds to building the receiver's organizational standing for those signals to carry weight. Finally, follow-up tracks whether actions taken produced value, and feed that information back into the prior four. The first four operationalize Cohen and Levinthal's (1990) recognize, assimilate, and apply sequence in the LP setting, with the fifth closing the loop as the operational bridge to the measurement framework developed in Section 5.3.

In the direct investment mode, the CVC unit's primary operational function is as an investor. In the LP mode, that function is outsourced to the GP. However, as testified by practitioners, the CVC unit's scope does not disappear. Deal evaluation, due diligence support, event participation, co-investment execution, and network maintenance across fund relationships remain core tasks. But the distinctive operational challenge of the LP mode becomes filtering inbound information. That means receiving a high-volume, low-specificity signal stream from multiple fund relationships and converting it into a low-volume, high-relevance output directed at specific internal audiences. Effectively managing this is identified as one of the CVC unit's larger operational challenges related to fund investments, both in the empirical findings and in the theoretical framework, where the question of information filtering and refinement delegation is eminent. Section 2.4 predicted this through the exploration-exploitation tension (Jeon & Maula, 2022). Section 4.2 confirms it operationally, information overload is identified as one of the most significant challenges, scaling with each additional LP position.

The respondents gave no systematic solution to the filtering problem. A two-page executive summary was cited as a functional output format, but this does not address the underlying bottleneck. The deeper issue is structural: as long as the CVC unit acts as sole intermediary between the fund and the parent organization, the bottleneck will remain. However, this problem can be redefined from a filtering problem to a routing problem. Filtering concentrates information within the CVC unit before sending it onward, while routing is about distributing signals to the best suited individuals within the organization.

Filtering might solve the recognition problem in Cohen and Levinthal's (1990) framework on which signals matter. What it does not solve is the assimilation problem, or whether the organization treats those signals as worth acting on. A consistent pattern emerged in Section 4.2. Insights should be pushed to product owners rather than the C-suite, but product owners will only act when the CVC unit's recommendations carry institutional weight. The sponsor model predicted in Section 2.4 (Howell & Higgins, 1990) is supported, but the empirical findings add that sponsors with defined mandates might work more effectively. This points to a circular dependency. The CVC unit needs demonstrated value to build a mandate, but needs a mandate to produce demonstrated value. The resolution is sequential and connects back to Section 5.1. Early LP positions serve a capacity-building rationale, partly because the CVC unit cannot yet extract full strategic value from them. It has not yet built the internal mandate needed for fund-sourced signals to generate action.

Section 4.2 also establishes that LP positions are not a standalone tool. The findings point towards LP positions generating higher strategic value when coupled with operational pillars, most notably venture client programs, that convert fund-sourced intelligence into organizational action. One of the most cited synergies is that the CVC unit provides qualified deal flow to the venture client function, which in turn can run PoCs and establish partnerships with startups. Without this receiving structure, information arrives but has nowhere to go and no one mandated to act on it, essentially making it fruitless for the corporation. Another direct implication of this is measurement, as analyzed in Section 5.3, measuring the strategic value of an LP position in isolation from the receiving infrastructure produces misleading results.

While filtering determines what gets through, routing determines where it goes, corresponding to another important element of absorptive capacity (Cohen & Levinthal, 1990). Section 4.2 presents a gap between stated ideals and actual practice. Most commonly discussed as a preferred model is

decentralized routing, direct communication between VC and business unit, with the CVC unit acting as architect. The rationale is that every intermediary increases the risk of losing relevant content, supported across all respondent groups.

Despite this, some of CVCs attest to their current model being mostly a centralized one, where a single sponsor in the parent company, often the person who approved the investment or stands as a responsible representative, acts as the primary conduit. This creates the people dependency risk treated when analyzing internal governance, concentrating routing through an individual rather than a structure. The analytical implication is that routing architecture must be deliberately designed, not inherited from whoever signed the investment commitment memo. Involved corporate teams could brief fund managers on their interest areas, followed by regular direct interaction between BUs and GP, which could help establish the channels. The CVC unit's role becomes organizational architecture in designing connections, maintaining relationship infrastructure, and intervening when signals need redirecting or escalating. It also relaxes the bottleneck of information filtering by creating direct channels from VC fund to parent company. From a GP's perspective, a dedicated point person from within the organization, preferably from the CVC unit, acts as liaison. This addresses the navigability problem pointed out by GPs as a friction in working with corporate LPs, and closes the loop between external and internal governance. The ambassador serves both interfaces simultaneously.

Follow-up, as a fifth mechanism for absorption, succeeds the four above. Filtering, routing, receivers and mandates together ensure that signals reach action, but without follow-up, neither learning nor evaluation can be done. Without evaluation, the value case can not be reconstructed retrospectively, meaning filtering remains static, routing is dependent on whoever holds a role and mandate hard to defend. This ties the mechanisms together, turning absorption into a learning system rather than a one-shot pipeline, while helping build the infrastructure that feeds evaluation frameworks for strategic value developed in Section 5.3.

5.2.3 Internal governance: organizational preconditions on people-dependency and longevity

The governance mechanisms developed above share a structural assumption that the CVC unit, its sponsors, and its GP counterparts will exist long enough for relationships, mandate, and trust to mature across a full fund lifecycle. The analytical claim is that organizational longevity is not a third governance layer but a precondition for both interfaces and strategic value capture. Section 4.2 documents fund relationships being dependent on specific individuals rather than roles that survive personnel transitions, agreed upon across all respondent categories. On the LP side, internal champions who committed to a fund relationship leave, orphaning the relationship's main touchpoint. From the GP side, partner turnover risks eroding the trust basis that the relational governance model depends on. The dependency is amplified by the empirical pattern that internal sponsorship is rarely a formal part of any individual's role description. Champions and points of engagement are typically tasked alongside their primary responsibilities, which makes their continued involvement contingent on personal interest and capacity rather than institutional obligation.

Section 2.4 predicted this through Howell and Higgins' (1990) champion model, but the empirical findings reveal a tension that the theory does not address. The most productive relationships are often the most person-dependent, because personal trust and relationships drive engagement beyond what

any role description can mandate. The goal should therefore be to ensure the system does not collapse when a key person leaves, instead of eliminating person dependency.

The structural solution derived from the study in Section 4.2 is distributing relationships across multiple touch points. The most developed version cultivates C-level contacts, mid-level staff, and an internal ambassador simultaneously, described as a long-term capability to build. The principle transfers to the LP side, where each fund relationship could be maintained through a role architecture with defined handoff protocols for personnel transitions. Under this setup, the sponsor function should be attached to a position with an appropriate mandate, not to the personal enthusiasm of whoever currently occupies it.

Practically, CVC units might consider implementing a design rule. One example is the establishment of governance mechanisms whereby each LP position includes at least two internal touchpoints across organizational levels, maintains documented relationship histories that persist across personnel changes, and follows a defined succession protocol upon transition of the primary sponsor. However, this adds overhead, representable as the cost of making relational governance survivable across the ten-year fund lifecycle.

The underlying insight around every governance mechanism previously described in this chapter assumes a counterparty and an internal organization that will exist for the duration of a ten-year fund lifecycle. If that assumption fails, these mechanisms will likely fail structurally, as neither the GP nor the internal organization will invest in building relationships with a unit that may not survive. This perspective is consistent with Abuzov et al.'s (2025) finding that GPs select LPs partly based on credible long-term commitment, and extends it by signalling that selection runs in both directions.

Consequently, longevity presents an opportunity. One structural lever follows from this: insulation from corporate leadership changes through deliberate CVC unit governance design. Section 4.2 points towards CVC longevity being directly attributed to board composition. Senior parent-company executives with both investor logic and strategic exposure are better positioned to protect the unit's mandate across leadership transitions, which connects the structural design question to the mandate problem in Section 5.2. A CVC unit whose IC and board composition structurally support its mandate starts from a stronger position than one that must build a mandate from scratch.

The second lever is circular. Longevity requires continuously demonstrating value, which requires time to produce. The derived logical resolution for this circularity is through trustworthy measurement frameworks analyzed in Section 5.3, providing early, credible signals before the full attribution chain and the fruits of a fund investment mature. Without such signals, even a well-governed CVC unit with strong fund relationships risks being one leadership transition away from discontinuation.

5.2.4 Synthesis

Based on the preceding analysis, the governance deliverable consists of two interdependent interfaces. On the external interface, the corporate LP secures contractual hygiene and builds relational value through mutual contribution, making the GP's strategic engagement self-interested. It also operates within an ecosystem where conduct and credibility amplify or constrain both all fund relationships and broader opportunities for strategic value creation. On the internal interface, the CVC unit builds the filtering, routing, and mandate infrastructure that converts received signals into organizational

action. These capabilities are supported by an organizational architecture that promotes engagement but hedges against people dependency by distributing relationships across roles and is protected by structural design decisions ensuring longevity.

These interfaces, established as part of the theoretical framework and adjusted and reinforced by empirical findings, interact at three points. Co-investment rights and partnership opportunities are negotiated externally but exercised through internal capabilities. Rapid diligence, conflict screening and IC pathways must exist before the contractual right has practical value. Information rights contracted externally are only useful to the extent that internal filtering can process the incoming signal. Also, the mutual value that sustains the external relationship depends on the internal organization's willingness to engage with fund-sourced opportunities, since a corporate LP whose BUs do not respond to a fund's engagement request cannot deliver the customer validation that makes the GP relationship self-sustaining.

5.3 Strategic value measurement

Section 2.5 established that existing measurement approaches were developed for direct investments and remain partly unresolved even in that context (Chiang, 2018). The LP mode intensifies the challenge through longer attribution chains, GP mediation and reduced observability. Section 4.3 outlines how practitioners currently navigate these constraints. This section synthesizes the two, aiming to provide a framework optimized not for exact precision, but for decision-usefulness under structural attribution and practical usability limits.

5.3.1 Measurement as survival, not epistemics

Across all respondent groups, Section 4.3 established that the primary function of measuring strategic value is organizational legitimacy. Inability to demonstrate strategic value is identified as the primary failure mechanism for CVC units, consistent with the documented risk of shutdown. This is reinforced by Jeon & Maula (2022) and findings that senior management receptivity to CVC depends on credible value communication.

From the empirical findings, it can be argued that the receiver is not seeking causal attribution, reorienting the measurement problem. Instead, senior management is deciding whether the CVC unit survives leadership changes and budgeting cycles. Whether the framework produces signals credible enough to justify continued allocation and specific enough to inform recommendation decisions is what matters. Section 4.3 confirms how respondents demand a lightweight framework, as small teams cannot track everything, and their primary job is investing, not reporting.

As a consequence of this, measurement must be optimized for communicability to parent-company decision-makers and not for attribution completeness. Strategic value operates above a financial floor, meaning the fund must meet baseline financial expectations, but the case for holistic success rests on strategic evidence.

5.3.2 Goal alignment converts rationale into targets

There is a broad consensus that measurement is more effective when grounded in a defined objective. Section 2.5 also established that strategic value should be seen as something you deliberately capture and not as a passive byproduct of capital deployment (Dushnitsky & Lenox, 2006). Section 5.1 established the consolidated view of four value pathways, each implying different metrics.

Subsequently, a KPI framework without explicit linkage to the investment rationale, or what value the corporation sought to capture through the investment, will capture activity, not strategic value. Indications from Section 4.3 show that pre-commitment alignment between the CVC unit, relevant business units and senior management (IC) on the rationale is what converts the typology into measurable targets. Without any such coordination, any framework will default to generic activity counts, revealing little about whether the investment is delivering on its stated purpose. Trying to counter this, CVC units could aim for pre-commitment to targets by receiving BUs before capital commitment, instead of retrofitting when reporting is due. This forces early articulation of strategic intent and creates a reference for evaluation accepted by both sides.

5.3.3 Activity and outcome as a two-tier hierarchy

A funnel logic is described either implicitly or explicitly across all respondent groups, as established in Section 4.3. According to such logic, activity metrics represent the beginning, with outcome metrics representing the narrower part of the funnel, gradually increasing the attribution burden. Section 2.5 established theoretically that process-based metrics capture access while outcome-based metrics capture absorption (Cohen & Levinthal, 1990; Napp et al., 2009).

Considering the empirical findings, the two-tier structure of KPIs is fortified. Activity KPIs serve as a leading indicator of engagement quality, examples of which are mentioned in Section 4.3. Those are both attributable to the fund channel and observable without complex causal inference.

Outcome KPIs serve as a lagging indicator of value capture. Similar to the view on activity-based KPIs, the view that these carry stronger evidence of strategic value but a higher attribution burden is reinforced in Section 4.3. The counterfactual of these KPIs is unobservable, with complex outcomes potentially being attributable to many origins beyond the LP position. Regardless of opinion, outcome tracking will likely fall on the CVC unit, as only the unit and its parent company can observe whether fund-sourced intelligence or collaborations actually created value.

Depending on what value category is being measured, the two tiers behave differently. A unison view on information value is presented in Section 4.3. Intelligence and sensing output are directionally measurable through activity metrics and qualitative estimation, even under attribution uncertainty. From this view, a CVC unit could quite credibly claim that a fund relationship surfaced a technology trend that informed an internal decision. Commercial impact, however, or the revenue and cost outcomes that all respondent groups converge on as the ultimate test, is context-bounded. Respondents diverge on whether actual monetary impact is measurable, many referring to different contextual cases to exemplify measurement feasibility or the contrary. Product cycle length, business model and portfolio company stage are contextual attributes determining whether impact measurement is feasible. Section 4.3 documents this further. Where commercial pathways are short and traceable, outcome metrics being quantitative is more feasible. Where they run through multi-year development cycles, directional

estimation weighted toward information value could be a more honest alternative. A framework must accommodate both, without pretending one is universally applicable.

5.3.4 Developing a KPI framework

Synthesizing the preceding findings yields a framework architecture rather than a fixed scorecard. It establishes the structural logic within which unit-specific KPI sets are built, without prescribing weights or metrics. This scope reflects two limits. First, deriving a single optimal framework applicable to every CVC context is beyond what the empirical base of this study can support. Second, the analyses of rationale and governance have focused on current practices, and blindly treating those practices as a universal best case would be premature. A more specific discussion around best-practice variations is developed in Section 6.4.

Napp et al. (2009) extended versions of the Balanced Scorecard adapted to CVC by distinguishing exploratory from exploitative value, each with associated process metrics. Both frameworks were designed for direct investments where the CVC holds equity and controls the information pathway directly. Section 2.5 scrutinized part of this framework, especially how its lack of applicability to CVCs' indirect investments. Grounded in practitioners' shared insights from Section 4.3, the analysis below develops a funnel logic in which activity feeds into engagement, engagement into commercial outcomes, all three aimed to ultimately be translated into a strategic value score.

The proposed framework integrates these inputs. From the Balanced Scorecard, it takes the principle that measurement must span multiple perspectives rather than collapsing into a single metric. Napp et al. (2009) bring the exploratory-exploitative distinction, which helps distinguish targets, mapping onto the sensing and commercial outcome categories below. From the empirical findings, it takes the funnel structure, the graduated measurement logic, and the highlighted practical constraint that the framework must be lightweight enough for small CVC teams to operate and simple enough to be used. From the rationale typology in Section 5.1, it takes the principle that measurement categories must be parameterized by strategic intent. The framework is organized around five KPI categories, each corresponding to a distinct stage in the value chain from information access to realized impact, built around the documented insights in Section 4.3.

The category structure follows from two analytical inputs. Firstly, the value chain stages from information access through absorption to realized impact, and secondly, the rationale typology. The first three categories, sensor function, engagement, and commercial outcomes, map directly onto the funnel that respondents across all four groups describe. Every LP position, regardless of rationale, passes through this sequence. Capital optionality is separated because co-investment operates through a structurally different mechanism. It could be considered a discrete capital allocation decision rather than a natural stage in the fund's value chain. Learning and capability are separated because, while it directly operationalizes the capacity-building rationale, it is temporally bounded. Together, the five categories ensure that every documented value pathway can be measured as part of evaluating a fund position.

Table 5.1: Measurement and rationale categories to evaluate. Proposed by the authors.

CATEGORY	SUB-METRICS	NOTE ON WEIGHTING
<i>Main Funnel</i>		
Sensor function	Insight report volume, Perceived quality of insight, Deal flow and startup intros, volume and relevance	Weigh perceived quality and relevance above raw volume counts
Engagement	BU engagement breadth, Depth per BU, GP engagement, Fund portfolio relevance	Weight depth of engagement above breadth of coverage
Commercial outcomes	PoCs and pilots initiated, Commercial agreements formed, Monetary value or co-investments made where attributable	Commercial agreement carry more weight than a PoC or a pilot
<i>Value Outside the Main Funnel</i>		
Capital optionality	Co-investments accessed through the fund, tracked as discrete events, Separate value measurement	Not blended; each co-investment assessed on its own merits
Learning and capability	Venture competence development, Ecosystem credibility and relational capital	Capability decays, credibility compounds; weight the active element

The **sensor function** captures the top of the funnel, focused on the intelligence and deal flow the GP delivers. This category operationalizes the sensing rationale from Section 5.1 and corresponds to the “access” side of Cohen and Levinthal’s (1990) absorptive capacity framework. Sub-metrics to weigh into a score could include volume and perceived quality of market insight reports, deal flow volume, and perceived relevance of deal flow to the parent company’s domains. The quality dimension is critical. Pure volume counts are information-poor, revealing little about relevance.

Engagement captures whether the intelligence is reaching the organization. The category operationalizes the absorption constraint analyzed in Section 5.2 as the binding bottleneck for strategic value. Sub-metrics could include breadth of BU engagement, depth of individual engagement within each involved BU, GP responsiveness, and the extent of the funds portfolio companies relevance. This category has shared responsibility between the CVC and a GP, aimed at revealing not only if, but also where a potential absorption failure occurs. Depending on the specific scorecard setup, a low engagement score paired with high sensor scores might signal a filtering or routing failure, and not a GP delivery failure.

Commercial outcome captures concrete outcomes and impact as the funnel tapers off. This corresponds to the “seizing” dimension in Teece’s (2007) framework, tied to the outcome-based KPIs. Sub-metrics could include PoCs or pilots initiated, commercial agreements formed and if applicable,

the estimated monetary value of those agreements. All respondent groups converge on commercial outcomes as the ultimate test of strategic value, while diverging on attribution difficulty.

While having the potential to create long-term strategic value, **capital optionality** is kept separated from the core categories because co-investment operates through a different mechanism than the fund relationship itself. A co-investment is a discrete capital allocation decision, typically contracted through side letters and executed as a direct investment with its own due diligence process. Section 2.4 established that co-investment is a governance design choice, not a generic benefit, with divergent empirical evidence on its value (Fang et al., 2015; Braun et al., 2020). Conflating co-investment tracking with fund-level sensing or engagement would distort both assessments. A breakout would allow the framework to capture optionality accessed through the fund, without inflating or deflating the fund relationship's own strategic contribution.

Learning and capability capture the capacity building rationale behind certain LP positions, especially made by less mature CVC units, alongside the network and ecosystem credibility component that the rationale in Section 5.1 established as a separate but related value pathway. Section 5.1 established that the capacity building element has the steepest decay since its target, knowledge development, is partly exhaustible by definition. The network component does not decay in the same way, since ecosystem standing and relational capital continue accumulating with each fund commitment. For mature CVC units, the capacity element carries less weight, while the network may remain active depending on the unit's continued ecosystem positioning. For early-stage units where capacity building is the dominant rationale, both elements should be relevant. Keeping the category visible but with adjusted weighting in mature units preserves the temporal dimension from Section 5.1 and records which sub-elements have been retired rather than silently dropping them. During a potential expansion into a new technology domain or geography, the capacity element could be reactivated, and the potential value created from an LP position can be measured in a balanced manner, depending on the rationale.

These categories should not be weighted equally, and the weighting is where the rationales connect to the framework operationally. Section 5.1 established that each LP position serves a different mix of rationales, and Section 5.3 established that measurement should be anchored in pre-defined strategic objectives. In one type of framework setup, weight distribution could shift with the dominant rationale. For example, a sensing-oriented position emphasizes the top of the funnel, and a reach-oriented position emphasizes engagement breadth. However, weighting must account for how strategic value might materialize in unexpected ways not originally targeted. Heavily down-weighting non-target categories would systematically miss this value. The weighting should therefore emphasize the intended rationale without penalizing unexpected outcomes. The ordering of weights derived from the empirical emphasis across respondent groups generally places commercial outcomes and engagement highest, sensor function third, and capital optionality and capability-building, depending on maturity level and rationale. Targets could be set through the process outlined in section 5.3, with the option of revisiting either at every portfolio review or at each recommitment decision. This could be done partly to capture whether the position has produced value along pathways the original rationale did not anticipate, which in turn informs whether the rationale itself should be updated per the dynamic logic in Section 5.1.

Differing opinions on splitting measurement ownership between the actors have been stated. While only relevant when using quantified measurements, activity-level metrics in the sensor and engagement

categories could be tracked by the GP, who already maintains this data for fundraising purposes. Outcome-level metrics are the CVC unit's responsibility, since only the parent company can observe whether fund-sourced intelligence influenced internal decisions. If gathered by the VC, activity metrics could be reported on the quarterly cadence to match fund reporting. Outcome metrics should be evaluated annually or at recommitment decisions, matching the horizons over which commercial impact can realistically materialize. This distinction split also produces a diagnostic signal: a low engagement score paired with a high sensor score points to internal absorption failure rather than GP delivery failure, making the framework feed back into the governance interfaces rather than only reporting outward.

Neither of the suggested structures and options in this type of framework claims to resolve the attribution problem. Section 2.5 established that the counterfactual is structurally unobservable in the LP context. What a framework like this derived from empirical findings provides is a bounded-rationality approach that acknowledges attribution limits while maximizing decision-usefulness within them.

5.3.5 The distribution of strategic value over the fund lifecycle

The framework above measures strategic value at a point in time. A complete answer to RQ2 must also specify how those measurements aggregate over the fund's ten-year lifecycle, since decisions should be taken on cumulative rather than periodic contribution evidence. Section 4.2 documents a tension regarding how strategic value is distributed across the VC fund lifecycle. Multiple CVC respondents and organizational stakeholders observe that GP service level, and by extension the perceived strategic value, declines after the investment period. Most VC respondents contest this claim and state that value remains consistent. Applying positional analysis logic, the divergence becomes informative. GPs depend on LP recommitments for the continuity of the firm, which creates incentives to overstate the consistency of their service. The CVC view aligns more closely with the operational mechanics of the VC model. The VC's primary value-generating activities, such as deal sourcing, screening, and co-investment opportunities, are concentrated in the investment period and decline once the fund moves into portfolio management and exit execution (Sahlman, 1990). Strategic value can still be created in the later stages of the lifecycle as portfolio companies mature, but the rates of new technology sensing, deal flow, and capital optionality are likely to decrease as the VC fund decreases capital deployment.

This has direct consequences for the recommitment decision. The decision to invest in the successor fund depends on the performance of the prior fund and the entire lifecycle should be evaluated. Strategic value should therefore be measured both year-by-year and on a cumulative basis. A CVC unit that evaluates the GP using the most recent reporting period may sample from the fund's declining phase and underestimate the GP's performance. The consequence is a systematic bias against recommitment for funds late in their lifecycle, even where the GP delivered well during earlier years. Even where the CVC unit itself recognizes the GP's full-cycle delivery, the absence of a measurement structure that captures it leaves the unit without credible evidence to defend the recommitment to the IC. This connects back to the established legitimacy logic: measurement converts internal knowledge into a defensible recommendation.

The implication is that strategic value should be tracked on both a yearly and a cumulative basis. The

periodic review evaluates whether the current relationship is functioning, and the cumulative score should act as the main input for recommitment decisions. The data structure required for the latter is a cumulative score aggregated across the fund's full life to date, possibly decomposed by the five categories established in Section 5.3.4. Decomposition makes the cumulative score diagnostically useful, providing a more detailed view of the GP's performance across categories. In the case where strategic rationales and priorities shift, this decomposition provides actionable information for a recommitment decision. A GP whose cumulative score sits predominantly in sensing may be a poor fit if the corporation now requires co-investments, even if the absolute strategic value delivered is high. This temporal architecture completes the framework's answer to RQ2. Strategic value is measured periodically to evaluate the live relationship, aggregated cumulatively to inform recommitment, and decomposed by category to remain diagnostically useful even when corporate priorities or the CVC's rationale shift across the fund's lifecycle.

5.4 Summary and conceptual framework

This chapter develops three analytical contributions. Section 5.1 establishes a typology of four strategic rationales: technology trends, sensing, deal flow and reach extension, network and relationship access, and capacity building, with M&A optionality as a conditional byproduct instead of a convergent rationale. Section 5.2 structures governance into two interfaces: internal and external governance. Contracts function as a hygiene factor while the relational layer sets the ceiling for strategic value creation, and internal absorptive capacity is identified as the binding constraint of value extraction. Section 5.3 develops a measurement framework anchored in the rationale typology and is oriented towards practical usefulness. The measurement framework is organized around five KPI categories with different weights and tracked both yearly and on a cumulative basis.

Taken together, the three contributions form an integrated logic for corporate LP positions. Rationales define the objectives of the investment and governance determines if the objectives are achieved. The measurement dimension closes the loop by tracking whether the strategic rationale materializes and builds internal legitimacy. In the next step, the performance of an LP position and the relationship with the GP may lead to changes in the strategic rationale. In Figure 8 the conceptual framework from the theoretical framework is modified based on the analysis. This is to be viewed as a condensed answer to the research questions and a holistic overview of corporate LP positions. The most significant change from the previous framework is the tools for mitigating agency issues and elevating strategic value creation from corporate LP positions.

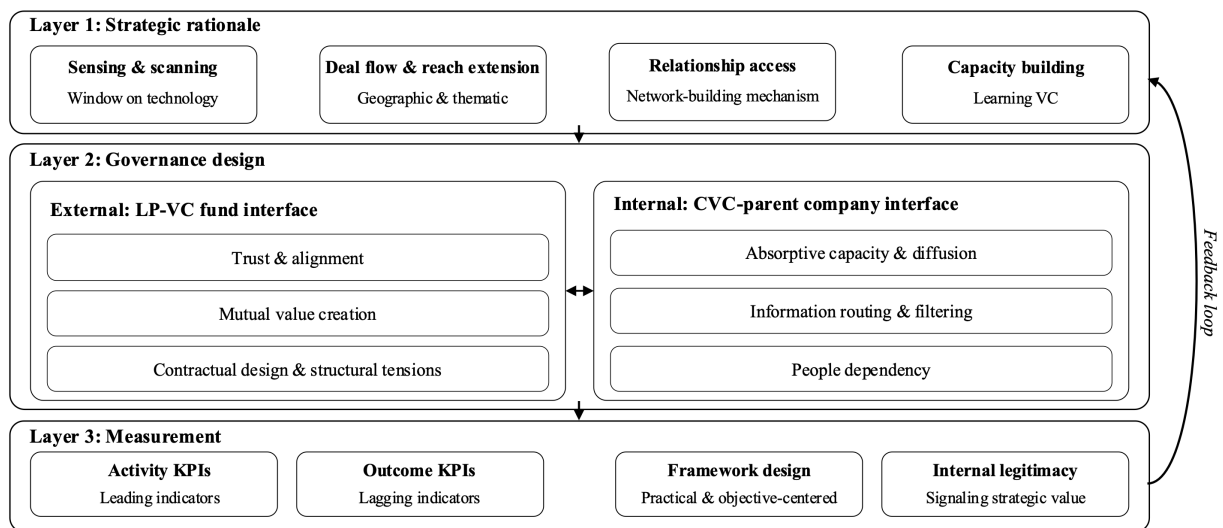


Figure 5.1: Revised conceptual framework for corporate LP positions. Proposed by the authors.

6

Discussion

This chapter extends and stress-tests the findings developed in the analysis. Section 6.1 treats design choices, resulting in a pre-commitment fund classification matrix, connecting characteristics to rationale, governance and measurement decisions. Section 6.2 examines the theoretically informative limits of outcome-based measurement, arguing that they are structural rather than methodological. Section 6.3 asks whether the framework would change under different conditions, suggesting that the same structural limits largely cap additional returns to measurement effort. All sections aim to highlight what these and the preceding sections' findings imply in practice.

6.1 Classifying VC funds

The framework developed in the previous chapter treats strategic rationale, governance, and measurement as design choices made by the CVC unit. What it does not provide is a classification of VC funds and a guide for managing the GP-LP relationship accordingly. This section, therefore, proposes a classification matrix as an extension to the analytical findings, designed to support VC fund selection and set realistic expectations for LP positions. The matrix is presented as an analytical proposal and cannot be fully explicitly traced to the empirical data. Its two dimensions correspond to two important questions that a CVC unit should answer before committing capital: how the investment scope of the VC fund maps onto the parent company's business and how the fund is set up to engage with corporate LPs. The first dimension, strategic proximity, is drawn from Section 2.2.3 and the empirical data, where corporate LPs explicitly distinguish between narrow and broad commitments. The second dimension, corporate LP orientation, captures the extent to which a VC fund's operational infrastructure and business model are tailored to having corporate LPs with strategic objectives. This dimension was not explicitly raised by respondents, but identified implicitly from observed differences in how VC funds in the sample engaged with their corporate LP base.

Both corporate LP orientation and strategic proximity can be observed before commitment. Combining the two dimensions yields a pre-commitment classification matrix that can act as a guide for CVC units regarding strategic rationale, governance, and measurement. The cells in the matrix carry a different rationale profile, have different conditions for both external and internal governance, and different expectations for what the corporate LP can extract from the GP in terms of reporting and engagement. The aim of the matrix is to make CVC units more prepared before taking an LP position.

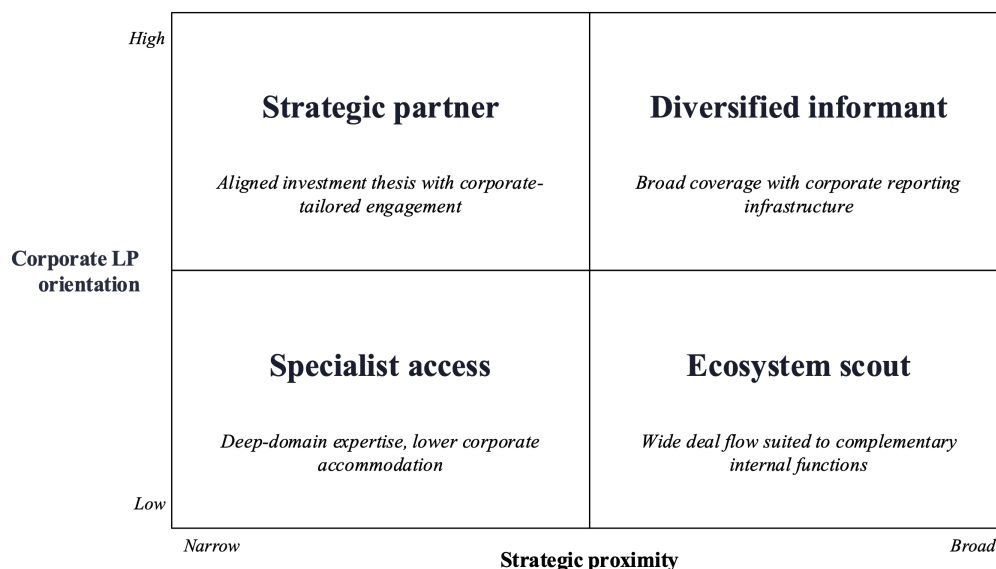


Figure 6.1: VC fund classification matrix. Proposed by the authors.

The narrow corporate-oriented cell, *Strategic partner*, arguably represents the best default fit for most CVC units. The VC fund's thematic scope maps onto a specific business unit, making information routing less of a problem. By being experienced in working with corporate LPs, it simplifies decentralized communication and increases the probability for high engagement. All four strategic rationales established in Section 5.1 remain plausible for an investment in this type of VC fund. Specifically it has beneficial conditions for acting as an effective technology sensor that delivers domain-specific signals and creates partnership opportunities for the relevant business unit. As established in Section 5.2.2, LP positions in this cell should be governed with a decentralized model. Moreover, since the VC fund is corporate LP-oriented, the exchange between the business unit and fund has good conditions for creating mutual value. The fund's corporate-oriented infrastructure also enables the CVC unit to delegate activity-level tracking to the GP, freeing internal capacity for outcome assessment.

The broad corporate-oriented VC fund, the *Diversified informant*, is well-suited for expanding the geographical reach of a CVC unit. It enables the CVC unit to create an extensive network and obtain diverse deal flow in a new area. The comparative advantage against a narrow fund can be connected to the strategic rationale. If the strategic rationale is geographic reach extension, the CVC unit logically wants exposure to a wide set of technology domains, rather than a single one. The corporate-oriented nature of the VC fund is also an advantage since it is more likely to understand and prioritize the needs of the CVC over a non-corporate-oriented VC fund. However, since a broad investment scope produces signals across a wide technological surface, it leads to the absorption target no longer being a single business unit but a wider set of internal recipients. The corporate-oriented infrastructure is generally beneficial for direct communication between VC fund and the parent company, but the absence of a single natural recipient often forces the CVC unit to act as an intermediary. Much of the filtering and routing load, therefore, remains with the CVC unit. Therefore, a predominantly

centralized architecture with some elements of decentralized activity is a natural fit. Since the VC fund is corporate-oriented, there is a reasonable argument for delegating activity-based KPI tracking to the GP while retaining outcome tracking internally.

The bottom left cell, *Specialist access*, is arguably the hardest VC type to justify from a corporate LP perspective. Narrow LP positions present the greatest opportunities for decentralized routing, but the non-corporate orientation typically limits strategic engagement from the GP. The most defensible strategic rationale is mission-critical domain depth: the parent company has identified a technology domain where the window on technology is critical and where access to the best VC fund in that niche outweighs the cost of absent corporate-oriented infrastructure. By dropping the requirement of corporate orientation, the set of VC funds available becomes larger, which increases the chance of identifying the best-suited fund. For this type of LP position to be successful, the CVC should proactively make sure that sufficient internal absorption infrastructure is in place. An important aspect is likely enabling direct, mutually valuable relationships between specific individuals in the parent company and the GP. By ensuring the right individuals have direct contact with the GP, the model becomes operationally viable despite the absence of corporate-oriented infrastructure. Without it, the CVC unit will have to bear the bulk of the operational burden. Furthermore, the CVC will be responsible for tracking and reporting both activity-based and outcome-based metrics.

The broad non-corporate-oriented cell, *Ecosystem scout*, is arguably the most demanding as a standalone CVC commitment. It combines the diffuse coverage of *Diversified informant* with the absent corporate LP infrastructure of *Specialist access*, leaving the CVC unit with maximum filtering load and minimum delegation options. As a standalone position, the cell therefore carries the highest risk of becoming passive and ceremonial in nature. However, its viability changes when the relationship extends to complementary functions inside the parent company. One corporation in the empirical sample explicitly stated that they have an LP position in this configuration. The corporation treats a broad non-corporate-oriented VC fund as a pipeline of validated deal flow for its venture client unit. Building on that observation, the VC fund's broad coverage becomes an asset rather than a burden since the receiving function is itself designed to evaluate a high volume of startups. In comparison to the *Diversified informant*, this type has the distinct advantage of not being constrained to be corporate-oriented. Moreover, the deal value for the earliest stages has a radically lower median deal value, while having a similar deal count to later-stage rounds (National Venture Capital Association, 2026), implying smaller fund AUM for early-stage VC funds. Therefore, it is reasonable to argue that there should be a low number of corporate-oriented VC funds in that category. The reason being that the economics do not add up. It has already been established that having corporate LPs is costly, and since most pre-seed VCs have a lower fund size, the management fee may not cover the fixed cost of a corporate-LP-serving infrastructure. Therefore, for a corporate LP wanting exposure and insight into pre-seed and seed startups, the *Ecosystem Scout* may be the only plausible alternative.

These differences between the types of VC funds point to a cross-cutting trade-off. Corporate orientation is naturally depicted as a positive fund attribute, since it implies engagement and alignment with the strategically oriented corporate LP. However, requiring corporate orientation as a screening criterion narrows the plausible set of VC funds to invest in. Building on basic linear programming logic, the CVC therefore has a greater chance of finding the best-fitting fund by relaxing the corporate-orientation constraint. The trade-off is that capturing strategic value from non-corporate-oriented funds requires a higher degree of internal absorption capacity inside the

corporation. The *Ecosystem scout* configuration discussed above illustrates how a complementary function, such as a venture clienting unit, can enable these LP positions to be effective. Weaker internal infrastructure should push a corporate fund investor towards the top row of Figure 9, while stronger internal infrastructure unlocks the bottom row of the matrix. Still, *Strategic partner* remains the best fit in most cases since most CVC units sit closer to the lower end of the internal-capability spectrum, but treating it as universally optimal misreads the trade-off.

This classification of VC funds is best applied pre-commitment to set expectations and surface mismatches before a fund investment. By identifying the type of VC fund prior to commitment, the CVC unit can assess whether internal absorption capacity is sufficient and design the supporting infrastructure required to capture strategic value. The matrix functions as a guide for corporate fund investing and can be used by practitioners to both identify the best-fitting VC funds based on the underlying rationale and increase strategic value capture. The following sections will switch the focus from the VC fund to the CVC unit and the corporate perspective by discussing the information value of strategic KPIs and how to measure strategic value in practice.

6.2 Informational value of strategic KPIs

In order to nuance the topic of measurement and the question around the level of attribution appropriate to measure, the informational or decision-usefulness of any measurement, even under perfect conditions, should be discussed. Before asking how a CVC unit should measure the strategic value generated by an LP position, one should ask whether comprehensive outcome-based measurement is worth attempting in the first place. Any measurement system carries cost for analyst time, management attention, and reporting burden imposed on the GP relationship, as discussed in Section 5.3. Its benefit is the potential informational improvement it provides to downstream decisions in renewing fund commitment or adjusting engagement intensity. A measurement system should only be worth building when the expected informativeness exceeds the cost. To anchor the discussion, we can define the strategic value of an LP position as a treatment effect:

$$\theta = V_{\text{with LP}} - V_{\text{without LP}}$$

where V denotes the long-run competitive effect on the parent company, expressed in whatever unit the corporation uses to evaluate strategic impact: potential revenue growth, potential cost reduction, market positioning, or a composite. This is the quantity the CVC unit would ideally measure to assert the strategic value contribution from one of their LP positions. The measurement problem is that θ is never directly observed, only $V_{\text{with LP}}$ materializes. The counterfactual, $V_{\text{without LP}}$ is permanently unobservable. A measurement system, therefore, produces signals correlated with θ , and the question is how much uncertainty about θ those signals can resolve. Derived from the respondents' approaches of measurement documented in section 4.3, three structural features of the LP context each independently cap this informativeness, regardless of measurement effort.

The measurement problem is well-defined, but $V_{\text{without LP}}$ can be argued to be permanently unobservable. This alone does not foreclose informative measurement; treatment effect estimation is routinely done under unobservable counterfactuals through randomization, instrumental variables, or natural experiments. The argument developed here is that the LP context introduces three nested structural features that each foreclose those strategies and cap the informativeness of any outcome-based signal,

regardless of measurement effort.

The first is **signal dilution**. Granting access to perfect outcome data, the LP's contribution to the parent company's trajectory is small relative to the variance generated by core operations, macroeconomic exposure, and internal decisions. For any corporation large enough to operate a CVC unit, the signal is structurally small and the noise is structurally large; no estimator can extract what is not statistically present. The constraint is a power problem, not an identification problem. Even an unbiased estimate of the LP's effect would be too uncertain to discipline the recommitment and engagement decisions the measurement is meant to inform.

The second is **multi-causal attribution**. Granting adequate signal-to-noise, the LP's effect cannot be separated from other strategic actions taken in parallel. Direct CVC investments, internal R&D, executive attention, and market timing are correlated with LP activity by construction, because they respond to the same strategic signals. In the LP context, identification strategies that resolve this elsewhere through randomization, instruments and natural experiments are unavailable. A CVC unit cannot randomly select which funds to commit to, and no plausible instrument affects LP commitment without simultaneously affecting the other channels. The constraint is therefore not just statistical correlation but structural endogeneity that no available research design can break.

The third is **temporal degradation**. Granting a clean estimate at a point in time, what is being measured changes faster than repeated measurements can track. The composition of sought strategic value might shift from sensing in the early years to co-investment optionality in the later years, and each rationale decays at a different rate. The object measured at year two is not the object that matters at year seven. Where the first two constraints limit what can be learned about a given quantity, temporal degradation limits the decision-relevance of what is learned, because the quantity itself evolves.

6.2.1 Implications

The preceding analysis establishes that the informativeness of outcome-based measurement is structurally capped. For this informativeness to justify the cost of a comprehensive measurement system, a CVC unit would require either very large strategic stakes paired with a larger team able to scale measurement, where even the small fraction of resolved uncertainty has high absolute value, or an unusually stable strategic environment, or an outcome that is causally dominated by the LP position rather than by correlated co-causes. For typical LP positions with moderate commitments within a diversified CVC portfolio, none of these conditions holds given multi-causal outcomes and evolving corporate priorities. The implication is not that measurement should be abandoned. Strategic value remains the object of interest, and senior management's willingness to sustain a CVC unit depends on its ability to communicate value credibly. The implication is that the type of measurement must be matched to the information structure. Process-level indicators such as thematic alignment, exposure breadth, engagement depth, and information flow quality sidestep all three constraints. They do not require counterfactual reasoning because they describe what the LP structure is doing rather than attributing cause and effect, and do not require causal attribution because they measure activity directly observable to the CVC unit. They are not subject to temporal degradation in the same way because they are recorded contemporaneously with the period they describe. Their informativeness per unit cost is therefore structurally higher. This, rather than convenience or analytical immaturity, explains why process metrics dominate observed CVC practice (Chiang, 2018; Dunér & Olsson, 2022).

However, in any corporation, outcome triumphs activity. This discussion does not make process metrics a substitute for outcome metrics. Instead, process metrics describe whether the LP position is producing the conditions under which strategic value can be captured, while outcome metrics describe whether that value capture has occurred. The theoretical contribution is therefore a reframing. Strategic value measurement under structural attribution limits is not a choice between metric types but a structured combination in which each carries a distinct cognitive claim. The question senior management ultimately addresses when sustaining or discontinuing a CVC commitment is a value-capture question, and outcome metrics, despite their lower informativeness per unit cost, are the only category that directly addresses it. Practically, outcome-based metrics should retain the highest weight in any CVC measurement framework, tracked and reported prominently, but presented to senior management with explicit acknowledgment that the resulting signal is directionally credible and decision-useful rather than causally complete.

6.3 Measurement systems under different conditions

The practical framework proposed in Section 5.3 was designed in consideration of small teams, limited time, and qualitative estimation as the default under constraints based on practitioners' input. The question is whether those constraints force a compromise, or whether the framework reflects the structurally correct approach to measurement in this context, even if resources were abundant and the practical constraints were relaxed.

A CVC unit with dedicated measurement capacity and systematic interaction logging could potentially automate much of what a framework currently would have to track manually. Activity metrics in the sensor function category could be recorded continuously rather than reconstructed at reporting intervals. Engagement metrics could draw on documented touchpoints between business units and fund-sourced startups, replacing the qualitative assessments that Section 4.3 describes as common practice. In cases where commercial pathways are short and traceable, outcome metrics could potentially be strengthened through structured before-and-after documentation of operational changes following fund-sourced implementations.

These improvements would produce a more complete dataset. Completeness does not resolve the measurement problem, only relocates it. Consider the sensor function category under ideal data conditions. A CVC unit with full logging can report exactly how many startup introductions the GP provided, how many insight reports were delivered, and how many deal flow leads were received. These counts are accurate and attributable to the fund channel. However, none of these counts address whether the introductions were relevant. Neither do they reveal whether insight reports informed any decision, nor whether the deal flow was stronger than what the CVC unit would have found independently. The strategic value of the sensor function lies in the quality and relevance of the information delivered, not purely in its volume. Assessing that quality requires domain judgment. Despite completely correct measurement of amounts, members of the CVC team or the receiving business unit must determine whether a technology signal is worth acting on, whether a startup addresses a real capability gap, or whether a report contains information the organization did not already have. This judgment can not reasonably be overcome even under better data conditions. It can be done more systematically, but it remains a human assessment.

The same logic applies further down the funnel. Engagement metrics can be tracked with precision, but many touchpoints between business units and a fund-sourced startup do not automatically mean the information was absorbed and acted on. That distinction requires contextual interpretation that no logging system can provide. Commercial impact can be documented where traceable pathways exist, but Section 6.3 established that such pathways are the exception. Even where traceable pathways exist, determining whether the outcome would have occurred without the fund relationship requires the counterfactual reasoning that the LP context does not permit. Since exclusive attribution is rarely possible and ignoring all shared outcomes would leave the scorecard empty, the practical response could be to always document outcomes where the fund relationship was visibly part of the causal chain, while being explicit in knowledge that other factors might have contributed.

The pattern across all five KPI categories is consistent. Better data improves the quantitative side of measurement. But qualitatively determining whether the measured activity actually produced strategic value will likely remain a judgment call until significantly better methods for attributability come along. It is made by the same people who operate the practical framework from Section 5.3, using the same domain knowledge. The gap between the ideal framework and the practical one is therefore narrower than it initially appears. Both rely on the CVC team's assessment of value and relevance to make sense of quantitative indicators. The suggested practical framework acknowledges this openly. A more data-intensive version would embed the same dependency beneath a layer of quantified metrics, potentially creating an impression of precision that the underlying assessment cannot support. This also means that the returns on additional measurement effort diminish quickly. The first steps of effort capture most of the decision-relevant signals. Beyond that, additional effort produces more detailed records of similar activities without meaningfully sharpening the qualitative judgments that determine whether those activities created value.

Delegation of activity-level tracking to the GP is logical in principle, as GPs already maintain deal flow counts and introduction records for their own fundraising purposes. But the delegation is only useful to the extent that quantified activity metrics carry decision weight without further interpretation. As discussed, the value of most metrics depends on a qualitative assessment that only the CVC team can make, limiting how much of the measurement burden can actually be transferred. There is also a selection cost, as Section 4.2 documents. Structured strategic reporting is unevenly available, and VC firms most willing to accommodate reporting demands are not necessarily the strongest performers.

The ultimate determinant of whether a framework works is not its comprehensiveness but whether its outputs connect to actual decisions. A corporate LP faces two main fund-level choices: whether to re-commit to a successor fund and whether to adjust engagement intensity during the current lifecycle. Every metric in the framework should be traceable to at least one of these. However, even a well-designed framework operating within these bounds faces a final constraint mirroring the absorption problem analyzed in Section 5.2. This logic applies to measurement itself. A CVC unit can produce a credible, well-structured account of strategic value, but that account must still be interpreted by senior decision-makers whose understanding of the LP context, the venture ecosystem, and the structural limits of attribution determines whether the signal is read as intended. A measurement framework should not aim to eliminate the need for qualitative judgment at the board or investment committee level; it organizes the evidence on which that judgment is made.

This leads to what the study contributes to the measurement discussion beyond the framework suggestion. The existing CVC literature treats the difficulty of measuring strategic value partly as a problem to be solved through better metrics or more rigorous attribution (Napp et al., 2009). Throughout this study, the analysis has increasingly suggested a different nuance to that conclusion. A gap in methodology waiting to be closed may not be the difficulty. Instead, it is possibly a structural feature of the information environment in which fund investments made for strategic value creation operate. The three constraints established in Section 6.2 do not yield to measurement effort. Overreaching in measurement likely does not produce better evidence of strategic value, it produces more elaborate evidence subject to the same structural limits at higher cost and with the risk of implying a precision that the underlying data cannot support. The practical contribution of this discussion and the underlying analysis is therefore both the design choices of the suggested framework and the structural uncertainties practitioners face when designing such frameworks. The informed response is to design within the bounds of which corporate LP positions operate.

Taken together, the discussion scrutinizes contested findings and induces arguments to heighten the framework's operational relevance, making it context-applicable, structurally defensible, and robust under different resource constraints. The classification matrix identifies Strategic partner as the default fit for most CVC units, with the other cells viable only when matched to the absorption capacity or complementary functions their scope demands. Outcome-based measurement is structurally capped rather than methodologically immature, so outcomes should keep the highest framework weight but be communicated as directionally credible rather than causally complete. As the qualitative judgments the study's suggested assessment framework already accommodates are themselves the binding limit, additional measurement resources are argued not to relax this. Designing frameworks to measure strategic value should be done with these conditions in mind, knowing that laziness or a practical accommodation might not cause such design choices. Rather, it is argued to be the structurally correct response to the information environment in which corporate LP positions operate.

7

Conclusion and Contributions

This thesis has examined corporate LP positions in VC funds, addressing a research gap where direct CVC investments are considerably studied while indirect LP positions remain under-examined. Drawing on 35 semi-structured interviews across four respondent groups, the analysis examines the strategic rationale for taking LP positions, the governance of those positions, and the measurement of the resulting strategic value. The findings show that the objectives for taking LP positions are more likely to be achieved under a deliberate governance design, and that strategic value can be measured through a framework adapted to the indirect mode.

Four convergent strategic rationales have been identified for taking LP positions in VC funds: technology trend sensing, network and relationship access, validated deal flow and reach extension, and capacity-building. An LP position is likely to address several rationales simultaneously and each rationale corresponds to a distinct VC-held advantage that the corporation cannot replicate internally at equivalent cost or speed. M&A optionality emerged as a fifth rationale, but its applicability was contested by several respondents and appears to be conditional.

Governance of LP positions operates at two interdependent levels. At the external GP-LP interface, contractual mechanisms set a hygiene floor while relational mechanisms determine the upper potential of the commitment, with bi-directional value flow between the VC fund and the corporate LP identified as a central condition for success. At the internal CVC-parent company interface, absorptive capacity is identified as the binding constraint on value capture, contingent on information filtering and routing relevant inputs to business units and individuals with the mandate to act on it. Corporate LP positions are not standalone instruments and capturing their full strategic value requires complementary functions in the parent organization.

Strategic value from corporate LP positions can be assessed through a two-tiered framework anchored in the investment rationale and a funnel logic. Activity-based KPIs serve as leading indicators of engagement quality and are observable without complex attribution inference. The second tier consists of outcome-based KPIs that carry greater weight in the framework but also a higher attribution burden. Measuring strategic value enables the CVC unit to make more informed recommitment decisions and to build internal legitimacy by communicating strategic value as a complement to conventional financial metrics.

The thesis contributes to the CVC literature by deliberately targeting the research gap in corporate LP positions. The findings establish that the literature on direct CVC investments does not extend seamlessly to the indirect mode, which is structurally different. By articulating a set of strategic rationales, governance guidelines, and a measurement framework for strategic value, the thesis takes a step towards closing this gap. The revised conceptual framework presented in Section 5.4 represents

the most comprehensive theoretical contribution of the thesis.

For practitioners, the thesis provides three usable instruments. The governance guidelines specify the design choices that increase the probability of extracting strategic value, and arguably most importantly, the internal architecture needed. The measurement framework provides a concrete approach for tracking strategic value in practice, which helps build internal legitimacy by demonstrating its importance to the parent company. Lastly, the classification matrix in Section 6.1 highlights the heterogeneity of VC funds and supports pre-commitment fund-selection decisions. Together, these instruments offer CVC units a structured way of managing their LP positions as a component of their broader CVC strategy.

8

Limitations and future research

The findings are subject to three principal limitations that condition their interpretation and point to corresponding directions for future research. First, the cross-sectional design captures corporate LP practices at a single point in time, which implies that the study does not produce reliable evidence of how value creation evolves over a fund's lifecycle. A longitudinal study tracking corporate LP positions across a full fund lifecycle would test whether the findings hold across this temporal evolution and provide more direct evidence of how strategic rationales shift over time, how governance arrangements should evolve as the fund matures, and how measurement practices change with lifecycle stage. Second, the respondent sample was created through network connections and snowballing, producing a respondent base concentrated in industries connected to transportation. The transferability to CVC units in structurally different industries, such as software, life sciences, or financial services, should be regarded as an open question. Testing the findings of the thesis in these contexts is a natural next step. Third, even though the KPI framework and the classification matrix in Section 6.1 were developed abductively and refined through iterative practitioner validation, further testing on a larger fund population is required for them to evolve from propositions to credible instruments.

Bibliography

- [1] Abuzov, R., Gornall, W., & Strebulaev, I. A. (2025). The value of privacy and the choice of limited partners by venture capitalists. *Journal of Financial Economics*, 169, 104063. <https://doi.org/10.1016/j.jfineco.2025.104063>
- [2] Benson, D., & Ziedonis, R. H. (2009). Corporate venture capital as a window on new technologies: Implications for the performance of corporate investors when acquiring startups. *Organization Science*, 20(2), 329-351. <https://doi.org/10.1287/orsc.1080.0386>
- [3] Bielesch, F., Brigl, M., Khanna, D., Roos, A., & Schmieg, F. (2012). *Corporate venturing shifts gears*. The Boston Consulting Group.
- [4] Blomkvist, P., & Hallin, A. (2015). *Method for engineering students: Degree projects using the 4-phase model*. Studentlitteratur.
- [5] Braun, R., Jenkinson, T., & Schemmerl, C. (2020). Adverse selection and the performance of private equity co-investments. *Journal of Financial Economics*, 136(1), 44-62. <https://doi.org/10.1016/j.jfineco.2019.01.009>
- [6] Carta. (2025). Venture capital & private equity fund performance metrics. Retrieved April 8, 2026, from <https://carta.com/learn/private-funds/management/fund-performance/>
- [7] Chesbrough, H. W. (2002). Making sense of corporate venture capital. *Harvard Business Review*, 80(3), 90-99.
- [8] Chiang, T. (2018). *Capturing and measuring the strategic value in corporate venture capital* [Master's thesis, Massachusetts Institute of Technology]. MIT DSpace. <https://dspace.mit.edu/handle/1721.1/118556>
- [9] Cohen, W. M., & Levinthal, D. A. (1990). Absorptive capacity: A new perspective on learning and innovation. *Administrative Science Quarterly*, 35(1), 128-152. <https://doi.org/10.2307/2393553>
- [10] Counterpart Ventures & Silicon Valley Bank. (2025). *State of CVC 2025: A deep dive into the dynamics of the corporate venture capital (CVC) ecosystem*.
- [11] Da Rin, M., Hellmann, T., & Puri, M. (2013). A survey of venture capital research. In G. M. Constantinides, M. Harris, & R. M. Stulz (Eds.), *Handbook of the economics of finance* (Vol. 2, Part A, pp. 573-648). Elsevier. <https://doi.org/10.1016/B978-0-44-453594-8.00008-2>

- [12] de Fontenay, E., & Nili, Y. (2023). Side letter governance. *Washington University Law Review*, 100(4), 907–993. <https://doi.org/10.2139/ssrn.4067905>
- [13] Dubois, A., & Gadde, L.-E. (2002). Systematic combining: An abductive approach to case research. *Journal of Business Research*, 55(7), 553–560. [https://doi.org/10.1016/S0148-2963\(00\)00195-8](https://doi.org/10.1016/S0148-2963(00)00195-8)
- [14] Dunér, F., & Olsson, M. (2022). *Visualizing strategic value in CVC: An impossibility or solely a consequence of inadequate practices? A qualitative study about performance measurement in corporate venture capital firms within the automotive industry* [Bachelor's thesis, Stockholm School of Economics]. SSE Open Archive.
- [15] Dushnitsky, G., & Lenox, M. J. (2005). When do firms undertake R&D by investing in new ventures? *Strategic Management Journal*, 26(10), 947–965. <https://doi.org/10.1002/smj.488>
- [16] Dushnitsky, G., & Lenox, M. J. (2006). When does corporate venture capital investment create firm value? *Journal of Business Venturing*, 21(6), 753–772. <https://doi.org/10.1016/j.jbusvent.2005.04.012>
- [17] Dushnitsky, G., & Shaver, J. M. (2009). Limitations to interorganizational knowledge acquisition: The paradox of corporate venture capital. *Strategic Management Journal*, 30(10), 1045–1064. <https://doi.org/10.1002/smj.781>
- [18] European Parliament & Council of the European Union. (2016). *Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data, and repealing Directive 95/46/EC (General Data Protection Regulation)*. Official Journal of the European Union. <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A32016R0679>
- [19] Fama, E. F., & Jensen, M. C. (1983). Separation of ownership and control. *Journal of Law and Economics*, 26(2), 301–325. <https://doi.org/10.1086/467037>
- [20] Fang, L., Ivashina, V., & Lerner, J. (2015). The disintermediation of financial markets: Direct investing in private equity. *Journal of Financial Economics*, 116(1), 160–178. <https://doi.org/10.1016/j.jfineco.2014.12.002>
- [21] Gioia, D. A., Corley, K. G., & Hamilton, A. L. (2013). Seeking qualitative rigor in inductive research: Notes on the Gioia methodology. *Organizational Research Methods*, 16(1), 15–31. <https://doi.org/10.1177/1094428112452151>
- [22] Gompers, P. A., Gornall, W., Kaplan, S. N., & Strebulaev, I. A. (2020). How do venture capitalists make decisions? *Journal of Financial Economics*, 135(1), 169–190. <https://doi.org/10.1016/j.jfineco.2019.06.011>
- [23] Gompers, P. A., & Lerner, J. (1999). An analysis of compensation in the U.S. venture capital partnership. *Journal of Financial Economics*, 51(1), 3–44. [https://doi.org/10.1016/S0304-405X\(98\)00042-7](https://doi.org/10.1016/S0304-405X(98)00042-7)

-
- [24] Gompers, P. A., & Lerner, J. (2000). The determinants of corporate venture capital success: Organizational structure, incentives, and complementarities. In R. Morck (Ed.), *Concentrated corporate ownership* (pp. 17-50). University of Chicago Press.
- [25] Hall, B. H., & Lerner, J. (2010). The financing of R&D and innovation. In B. H. Hall & N. Rosenberg (Eds.), *Handbook of the economics of innovation* (Vol. 1, pp. 609-639). Elsevier. [https://doi.org/10.1016/S0169-7218\(10\)01014-2](https://doi.org/10.1016/S0169-7218(10)01014-2)
- [26] Hess, M., Reuther, J., Grichnik, D., & Wincent, J. (2025). Corporate venture capital and strategic search: Performance spillovers in parent companies from sticking to the core business. *Journal of Business Research*, 200, 115628. <https://doi.org/10.1016/j.jbusres.2025.115628>
- [27] Howell, J. M., & Higgins, C. A. (1990). Champions of technological innovation. *Administrative Science Quarterly*, 35(2), 317-341. <https://doi.org/10.2307/2393393>
- [28] Institutional Limited Partners Association. (2019). *ILPA Principles 3.0: Fostering transparency, governance and alignment of interests for general and limited partners*. https://ilpa.org/wp-content/uploads/2019/06/ILPA-Principles-3.0_2019.pdf
- [29] Jensen, M. C., & Meckling, W. H. (1976). Theory of the firm: Managerial behavior, agency costs and ownership structure. *Journal of Financial Economics*, 3(4), 305-360. [https://doi.org/10.1016/0304-405X\(76\)90026-X](https://doi.org/10.1016/0304-405X(76)90026-X)
- [30] Jeon, E., & Maula, M. (2022). Progress toward understanding tensions in corporate venture capital: A systematic review. *Journal of Business Venturing*, 37(4), 106226. <https://doi.org/10.1016/j.jbusvent.2022.106226>
- [31] Kaplan, R. S., & Norton, D. P. (1992). The balanced scorecard: Measures that drive performance. *Harvard Business Review*, 70(1), 71-79.
- [32] Kaplan, S. N., & Strömberg, P. (2001). Venture capitalists as principals: Contracting, screening, and monitoring. *American Economic Review*, 91(2), 426-430. <https://doi.org/10.1257/aer.91.2.426>
- [33] Kaplan, S. N., & Strömberg, P. (2004). Characteristics, contracts, and actions: Evidence from venture capitalist analyses. *Journal of Finance*, 59(5), 2177-2210. <https://doi.org/10.1111/j.1540-6261.2004.00696.x>
- [34] Keil, T. (2004). Building external corporate venturing capability. *Journal of Management Studies*, 41(5), 799-825. <https://doi.org/10.1111/j.1467-6486.2004.00454.x>
- [35] Litvak, K. (2009). Venture capital limited partnership agreements: Understanding compensation arrangements. *University of Chicago Law Review*, 76(1), 161-218. <https://chicagounbound.uchicago.edu/uclrev/vol76/iss1/6>
- [36] Ma, S. (2020). The life cycle of corporate venture capital. *The Review of Financial Studies*, 33(1), 358-394. <https://www.jstor.org/stable/48568765>

- [37] Maula, M., Autio, E., & Murray, G. (2005). Corporate venture capitalists and independent venture capitalists: What do they know, who do they know, and should entrepreneurs care? *Venture Capital*, 7(1), 3-21. <https://doi.org/10.1080/1369106042000316332>
- [38] McCahery, J. A., & Vermeulen, E. P. M. (2016). Venture capital 2.0: From venturing to partnering. *Annals of Corporate Governance*, 1(2), 95-173. <https://doi.org/10.1561/109.000000007>
- [39] Metrick, A., & Yasuda, A. (2010). The economics of private equity funds. *Review of Financial Studies*, 23(6), 2303–2341. <https://doi.org/10.1093/rfs/hhq020>
- [40] Metrick, A., & Yasuda, A. (2011). Venture capital and other private equity: A survey. *European Financial Management*, 17(4), 619-654. <https://doi.org/10.1111/j.1468-036X.2011.00606.x>
- [41] Napp, J. J., Minshall, T., & Probert, D. (2009). External corporate venture capital investment: Towards a framework for capturing and measuring strategic value. In *PICMET '09 - 2009 Portland International Conference on Management of Engineering & Technology* (pp. 2452–2462). IEEE. <https://doi.org/10.1109/PICMET.2009.5261953>
- [42] National Venture Capital Association. (2026). *NVCA 2026 yearbook*. <https://nvca.org/2026-nvca-yearbook/>
- [43] Ocasio, W. (1997). Towards an attention-based view of the firm. *Strategic Management Journal*, 18(S1), 187–206. [https://doi.org/10.1002/\(SICI\)1097-0266\(199707\)18:1](https://doi.org/10.1002/(SICI)1097-0266(199707)18:1)
- [44] O'Reilly, C. A., III, & Tushman, M. L. (2004). The ambidextrous organization. *Harvard Business Review*, 82(4), 74–81.
- [45] Palmer, M. (2024, October 11). VCs want active, not passive corporate investors. *Global Venturing*. <https://globalventuring.com/corporate/cvc-advice/vcs-corporate-investors-gp-lp-relationship/>
- [46] Sahlman, W. A. (1990). The structure and governance of venture-capital organizations. *Journal of Financial Economics*, 27(2), 473–521. [https://doi.org/10.1016/0304-405X\(90\)90065-8](https://doi.org/10.1016/0304-405X(90)90065-8)
- [47] Schückes, M., Unger, B., Gutmann, T., & Fels, G. (2025). Innovation at the interface: A configurational approach to corporate venture capital. *Journal of Business Venturing*, 40(1), 106438. <https://doi.org/10.1016/j.jbusvent.2024.106438>
- [48] Shenton, A. K. (2004). Strategies for ensuring trustworthiness in qualitative research projects. *Education for Information*, 22(2), 63–75.
- [49] Spindler, J. C. (2009). How private is private equity, and at what cost? *University of Chicago Law Review*, 76(1), 311–334. <https://chicagounbound.uchicago.edu/uclrev/vol76/iss1/13>
- [50] Strebulaev, I. A., & Wang, A. (2021). *Organizational structure and decision-making in corporate venture capital*. Stanford University Graduate School of Business.

- [51] Sørensen, M. (2007). How smart is smart money? A two-sided matching model of venture capital. *The Journal of Finance*, 62(6), 2725-2762.
- [52] Teece, D. J. (2007). Explicating dynamic capabilities: The nature and microfoundations of (sustainable) enterprise performance. *Strategic Management Journal*, 28(13), 1319-1350. <https://doi.org/10.1002/smj.640>
- [53] Tong, T. W., & Li, Y. (2011). Real options and investment mode: Evidence from corporate venture capital and acquisition. *Organization Science*, 22(3), 659-674. <https://doi.org/10.1287/orsc.1100.0551>
- [54] Tushman, M. L., & O'Reilly, C. A. (1996). Ambidextrous organizations: Managing evolutionary and revolutionary change. *California Management Review*, 38(4), 8-29.
- [55] Tyebjee, T. T., & Bruno, A. V. (1984). A model of venture capitalist investment activity. *Management Science*, 30(9), 1051-1066. <https://doi.org/10.1287/mnsc.30.9.1051>
- [56] Vetenskapsrådet. (2024). *God forskningssed*. <https://www.vr.se/analys/rapporter/vara-rapporter/2024-10-02-god-forskningssed-2024.html>

A

Appendix

Figure A1: Gioia Data Structure

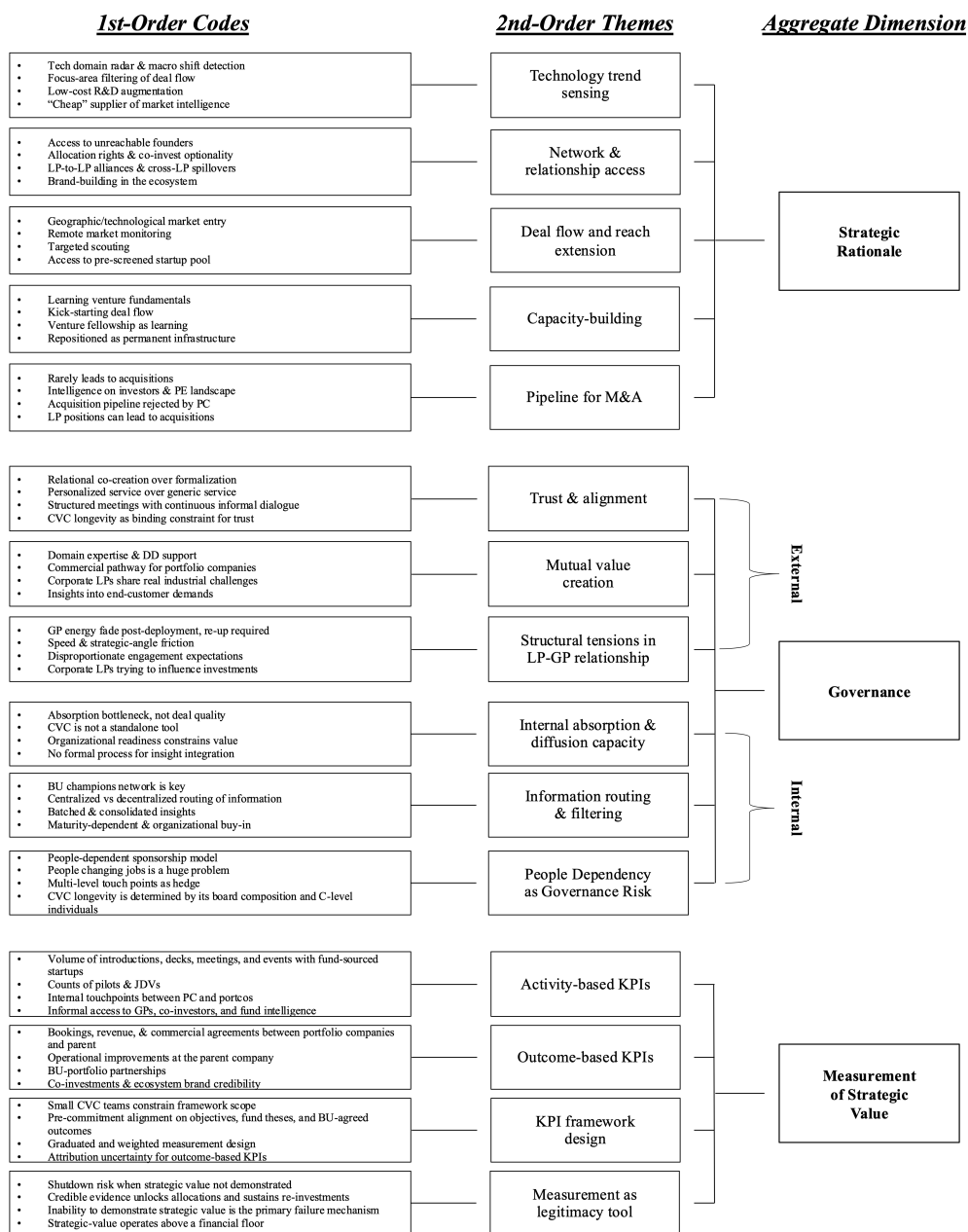


Figure A.1: Gioia data structure.

Table A2: Respondent Overview

Respondent category	Role	Geography (HQ)	Interview date	Duration
CVC	Investment Director	Nordics	4-Feb-26	~30 min
CVC	Investment Director	Nordics	4-Feb-26	~30 min
CVC	CFO	Nordics	4-Feb-26	~30 min
CVC	Investment Director	Nordics	4-Feb-26	~30 min
CVC	Investment Director	Nordics	9-Feb-26	~30 min
Organizational Stakeholder	Innovation Manager	Nordics	19-Feb-26	~30 min
Organizational Stakeholder	Head of Business Intelligence	Nordics	24-Feb-26	~30 min
Organizational Stakeholder	Innovation Manager	Nordics	24-Feb-26	~30 min
Organizational Stakeholder	Head of Venture Client unit	Nordics	24-Feb-26	~30 min
Organizational Stakeholder	Head of Public Partnerships	Nordics	2-Mar-26	~30 min
Organizational Stakeholder	Venture Client	Nordics	3-Mar-26	~45 min
VC	Investor	US	3-Mar-26	~60 min
Organizational Stakeholder	Innovation, Purchasing	Nordics	3-Mar-26	~30 min
VC	General Partner	Nordics	3-Mar-26	~40 min

(Continued on next page)

Respondent overview (continued)

Respondent category	Role	Geography (HQ)	Interview date	Duration
VC	General Partner	Middle East	3-Mar-26	~30 min
Organizational Stakeholder	Head of M&A	Nordics	5-Mar-26	~30 min
Organizational Stakeholder	Head of Ecosystem	Nordics	5-Mar-26	~30 min
Organizational Stakeholder	Strategy	Nordics	5-Mar-26	~30 min
Organizational Stakeholder	Innovation, Purchasing	Nordics	5-Mar-26	~30 min
VC	General Partner	US	6-Mar-26	~30 min
Industry Expert	CVC Advisor	Nordics	6-Mar-26	~30 min
CVC	CVC Lead	US	20-Mar-26	~30 min
CVC	CVC Lead	US	20-Mar-26	~30 min
CVC	Investor	US	24-Mar-26	~30 min
VC	Executive Vice President	US	24-Mar-26	~30 min
Industry Expert	Head of Public Affairs & Research	Nordics	24-Mar-26	~30 min
VC	Principal	US	25-Mar-26	~30 min
VC	General Partner	US	25-Mar-26	~30 min
CVC	Partner	US	25-Mar-26	~30 min
CVC	Principal	US	26-Mar-26	~30 min

(Continued on next page)

Respondent overview (continued)

Respondent category	Role	Geography (HQ)	Interview date	Duration
Industry Expert	VD	Nordics	26-Mar-26	~30 min
CVC	Director	US	27-Mar-26	~30 min
CVC	Investment Manager	EU	30-Mar-26	~30 min
CVC	Managing Partner	US	30-Mar-26	~30 min
VC	Investor	US	31-Mar-26	~30 min

Table A.1: Respondent overview

