# final report

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# Investigation of models of innovation, entrepreneurship and investment being internally employed in multinational food companies

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# EXECUTIVE SUMMARY

## INTRODUCTION

This report has been written for the MLA Donor Company (MDC), a fully-owned subsidiary of Meat & Livestock Australia.

The purpose of this report is to investigate the accelerator models employed by large food and agricultural multinational companies, and identify those that could be used as a reference for the Australian and New Zealand meat industry to develop an effective entrepreneurial eco-system that will support high growth disruptive innovation.

While the companies considered in this report have various different reasons for establishing an accelerator, there are many similarities:

- Large companies are able to use an accelerator to leverage the disruptive innovation that can come from startups and entrepreneurs because of their willingness to experiment and take risks.
- Accelerators help bridge the gap between traditionally slow moving corporates and lean agile startups.
- For companies that have not traditionally encouraged innovation, an accelerator provides a platform to bring employees together from across multiple markets and business units that may never have had a reason to cross paths before.

Accelerators help to create a sense of innovation inside a company that may not traditionally have an entrepreneurial culture. Several accelerators in this report introduced a channel where individuals – from both inside and outside the organisation – can send suggestions. This helps to encourage a new way of thinking within a business, and allows new concepts, ideas, and value propositions to be developed.

For large corporates, accelerators are able to provide:

- a method for bringing fresh business and product ideas into a large, slow moving corporate.
- a source for innovative ideas from an external perspective, unencumbered by complex internal R&D processes.
- access to disruptive opportunities without distracting the parent company from its core business functions and operations.
- an opportunity to grow internal innovativeness and develop an entrepreneurial culture.

For the startup, an accelerator can provide a shortcut to commercialisation, with access to advice and support from advisors, senior decision makers, and mentors within multinationals and brands, including market intelligence and expertise to test, refine, and scale the product. Accelerators can also provide:

- deeply established customer and supply chain relationships, allowing startups to move quickly beyond the local entrepreneurship community, and towards a global market.
- funding and access to office space, and infrastructure– although this is not the case for all accelerator models.
- the ability to pilot products through a global brand with rapid speed to market, which can save the startup considerable costs usually associated with business development activities.
- large scale-up possibilities, potentially spanning multiple brands and geographies.

## HOW THEY WORK

The process behind selecting startup companies varies considerably between different accelerators, but two common approaches are:

1. Posting challenges or briefs that have been identified for particular brands or business segments through an online portal. Startups and entrepreneurs are able to submit ideas and solutions, which can be assessed and selected against predefined criteria.
2. Actively seeking out entrepreneurs and startups that have products or solutions that fit into existing business segments, or may be of interest to the future strategic direction of the company.

Unlike the process of how accelerators seek startups to work with, the structure of accelerators set up by large companies have several similarities.

Most accelerators are set up as independent entities to their parent company. This means that the parent company is not involved in the day to day running of projects within the accelerator. Due to its independence, the accelerator is given the freedom to operate with the agility of a startup, and can focus on cultivating innovation.

Although remaining independent, many accelerators are overseen by management within the parent company. These may include staff from the marketing, open innovation, consumer and market insights, procurement, venture, and business development teams. These people tend to contribute expertise and connections to the startups, and will often act as mentors to the entrepreneurs involved in a project.

A recurring theme has been that it is essential to include senior stakeholders with decision making power from the parent company within the accelerator team, in order to reduce bureaucracy, decrease decision making time, and ensure startups can innovate without restriction.

## CONCLUSION

It is clear from the case studies presented here that there is no ‘one-size-fits-all’ approach for accelerators. In most cases, the accelerator is designed to meet the need of the parent company to source opportunities for innovation. However, we note from our review that a key feature is the ability to remain flexible so that accelerators can be adapted to meet the changing demands of both the parent company as well as the innovation ecosystem they are tapping in to.

That said, all the accelerators described in this report share some similarities in the thinking behind why they were established and how they operate, including:

- A mission statement or an outline of the objectives the accelerator aims to meet, as well as any specific area of focus to limit its scope.
- Details of any funding or in-kind support that will be provided to entrepreneurs and startups, as well as any accelerator partners.
- A well-defined mechanism to either attract startups to the accelerator (and take part in a selection process), or allow the accelerator to invite a startup to participate.
- A defined goal or end-point for the accelerator and parent company when working with entrepreneurs and startups.

This report considers the following accelerators as examples of models that have been implemented:

1. **Diageo Technology Ventures** (Diageo)
2. **The Bridge** (Coca-Cola)
3. **Unilever Foundry** (Unilever)
4. **Cargill Emerging Business Accelerator** (Cargill)
5. **Disrupt** (Fonterra)
6. **301 Inc.** (General Mills)
7. **Monsanto Growth Ventures** (Monsanto)

The accelerators in this report were chosen as case studies in consultation with The MLA Donor Company, in order to showcase a range of models (internal and external accelerator models, and venture capital models) that have been recognised as successful, that could be applicable to the Australian and New Zealand meat industry.

This report does not examine accelerators that have been considered unsuccessful and is not a comparative analysis. In addition to this, the accelerators in this report are all associated with parent corporations, and it is therefore difficult to obtain information on negative outcomes or unsuccessful collaborations.

## DIAGEO TECHNOLOGY VENTURES

Diageo is a producer of alcoholic beverages, headquartered in London, UK. It is the world's largest producer of spirits, and its products are available in 180 countries. Diageo reported a turnover of over £10 billion in 2015. The company owns the two largest spirit brands in the world, Smirnoff and Johnnie Walker.

### SUMMARY

Diageo Technology Ventures is a programme specifically designed to solve existing business challenges within Diageo and unlock opportunities for future growth by working with emerging technology companies. It has been designed to allow Diageo to move quickly to trial potential solutions without distracting from its core operations. It is Diageo's vehicle for forming partnerships, making investments and creating new ventures using emerging technology.

**Type:** External Accelerator
**Launched**: 2014
**Geographical reach**: Global – the pilot location depends on the brief and partner selected
**Website**: http://www.diageo.com/en-row/ourbusiness/diageo-technology-ventures/

Diageo Technology Ventures seeks innovative digital and technology companies, from startup to established businesses, who are looking to scale up their proven technology. Diageo is particularly interested in technologies that can work in emerging markets.

### RATIONALE

Diageo believes that startups and entrepreneurs are able to define disruptive innovation because of their willingness to experiment and take risks.

> *"Tech startups and entrepreneurs are truly defining disruptive innovation, driven by an irrepressible appetite to experiment and a willingness to take risks. Diageo Technology Ventures allows us to access this world as we look to solve some of our biggest business challenges."*
>
> *– **Syl Saller, Chief Marketing and Innovation Officer at Diageo***

Diageo does not consider investments from a purely technology perspective, but rather technologies that can improve the experience of their customers. Diageo views the accelerator as a source to access technologies that have a competitive advantage and will give the business an edge over others in the beverage industry.

> *"We want to explore opportunities beyond Diageo's current business model and ways of operating, that we think could result in growth for Diageo in the future. Using technology to help us solve some of our biggest business issues, it's one of the biggest advantages we see."*
>
> *– **Helen Michels, Diageo Global Innovation Director, Head of Futures Team at Diageo***

Diageo Technology Ventures is seen as an effective medium to trial, and deploy technologies that could ultimately change the industry.

### HOW IT WORKS

Diageo Technology Ventures develops and publishes innovation briefs on its website, with each brief focusing on a different challenge or growth opportunity for the business. Each brief comes with a committed pilot budget and a Diageo team which works with the successful applicant to develop a pilot.

1. Diageo Technology Ventures publishes a brief on its website, and applicants have three months to submit their application. Technologies are also scouted with the help of partners that have good links into the entrepreneurial community.
2. Applications undergo a selection process to decide which are the best fit for the challenge brief.
3. The best solutions are invited to pitch their idea in person to the Diageo team leading the brief.
4. A successful applicant is chosen, and the Diageo team will work to develop the pilot with them.

Once the pilot plan is completed, it is submitted to Diageo Technology Ventures for final funding approval. If the plan is approved, pilot testing commences. Diageo may choose to pilot more than one technology at the same time for any given brief. If a pilot is successful, Diageo might look to sign a longer-term strategic partnership.

As part of the first brief to source digital tools to promote responsible drinking, Diageo Technology Ventures held a hackathon event. Fifty participants from across the UK and Europe were involved in the event. The participants formed 15 teams and built 15 products, seven of which were selected as finalists. The finalists pitched to a panel that included Diageo's chief executive officer and chief marketing officer. Two projects were selected as winners, and were invited to pitch to Diageo Technology Ventures to run a pilot.

Ownership of all IP is retained by the applicant throughout the pilot. Companies that are successful through the pilot process can go on to form longer-term partnerships with Diageo, and have the ability to apply for equity funding should they require it.

## MANAGEMENT

Startup collaborations are managed within the Future Team, headed by Helen Michel, Global Innovation Director for Diageo.

The pilots are run through a dedicated Diageo pilot team in the market where the technology will be trialed. Each dedicated team has a senior stakeholder with decision making power and can act as a champion for the technology, which cuts out bureaucracy and results in faster decision making.

Selected companies operate separately to Diageo, they are not provided with office space or infrastructure support.

## BENEFITS

### For Diageo

Diageo Technology Ventures allows Diageo to partner with innovative new companies and future-proof its business without distracting from its core operations. Using an external source for innovation instead of internal R&D provides diverse range of approaches in solving the same problem.

> *"They come up solving the problem from so very, very different angles, from people working with big data, hardware or social media. It is amazing that you can try all of these things at the same time on a small scale to find out what works."*

> – ***Venky Balakrishnan Iyer, Global Vice President Digital Innovation at Diageo, and Head of Diageo Technology Ventures***

Working with startups is intended to help foster an entrepreneurial mindset within Diageo itself. For example, pitching sessions and faster decision making processes have been integrated into Diageo's wider corporate culture.

> *"This programme will also further build our internal ability to move with pace and provoke a genuine entrepreneurial mind-set in our pursuit of breakthrough innovation. It underlines our fundamental belief that through partnerships with forward-thinking startups and entrepreneurs we will deliver competitive advantage for our business."*
>
> ***– Syl Saller, Chief Marketing and Innovation Officer at Diageo***

**For Startups**

Startups have the opportunity to pilot their technology with some of Diageo's world leading brands. They have access to the pilot, with input and support from Diageo experts and senior stakeholders. They are able to work collaboratively with world-class marketers, brand leaders and mentors. Startups who complete a successful pilot are in a position to leverage the global reach and influence of Diageo and its retail partners to scale up their solutions.

## EXAMPLES

### Thin Film Electronics ASA

Thin Film Electronics is a global leader in the development of printed electronics and smart systems. Thin Film developed OpenSense tags, which are low cost, ultra-thin labels that can detect if a bottle is sealed or open using Near Field Communication (NFC) smartphone capabilities. Sensory tags are completely and permanently encoded at the point of manufacture and cannot be copied or modified, providing a layer of security to protect the authenticity of the product.

In collaboration with Diageo Technology Ventures, Thin Film's OpenSense technology was applied to connected, smart bottles. The technology allows Diageo to track bottle movements across the supply chain, to the point of consumption. It also allows Diageo to send customers targeted marketing messages, such as promotional offers, cocktail recipes and exclusive content. The label was prototyped in early 2015, and a pilot was launched in Thailand at the end of 2015.

The smart label partnership with Thinfilm is the first project to come out of Diageo Technology Ventures, and is a solution that intersected both of the initial focus areas launched on the platform – anti-counterfeiting and smart packaging.

## THE BRIDGE BY COCA-COLA

The Coca-Cola Company (referred to here as Coca-Cola) is the world's largest beverage company, and is headquartered in Atlanta, Georgia in the USA. They manufacture, retail and market non-alcoholic beverage concentrates and syrups, which are sold to bottlers in a franchised distribution system. Coca-Cola owns a portfolio of over 500 brands sold in over 200 countries, 20 of which generate US$1 billion or more in annual sales. The company turned over US$44 billion in 2015.

### SUMMARY

The Bridge is a six-month incubator-type pilot programme that Coca-Cola launched in Israel. It is intended to be a commercialisation programme to bridge the gap between the local entrepreneurial community and global markets including Europe, Africa, Asia, the Pacific, and the US.

**Type:** External Accelerator
**Launched**: 2014
**Geographical reach**: Israel, with a second location in Atlanta launched in 2016
**Website**: http://thebridgebycocacola.com/

When conceptualised, The Bridge was intended to be created using a standard incubator model. When the cofounders within Coca-Cola spoke to local entrepreneurs, venture capitalists and angel investors, they decided an incubator model would not suit the environment. By remaining flexible, The Bridge pivoted its design to a commercialisation programme that reflected what the community needed.

> *"We didn't want the programme to be something that the company felt they had to stop what they're doing, step into, work in there for a bit and come back into their business model. We're trying to wrap a programme around their business model, and around their route to commercialisation."*
>
> – ***Anthony Newstead, Director of Emerging Technologies & Strategic Innovation at Coca-Cola, Cofounder and Global General Manager of The Bridge***

It has remained flexible over the three years of the programme and made changes in response to what the startups require.

The goal of The Bridge is to find a model that can become a permanent part of Coca-Cola's innovation system, and be replicated in other locations to offer the same services.

### RATIONALE

The Bridge was created as a way to bring new technologies into Coca-Cola, while also supporting the entrepreneurial community and helping startups develop.

> *"We have assets and capabilities that no startup could ever have. Startups have fresh ideas and intellectual property that we don't have. The combination of those two makes a very powerful entrant."*
>
> – ***Alan Boehme, CTO, CIO, Chief Architect at Coca-Cola, Cofounder of The Bridge***

As Coca-Cola does not have an existing venture capital arm, it sees The Bridge's position as complementary to venture capital by mentoring startups and preparing them for scale up and venture investment.

Coca-Cola chose Tel Aviv, Israel as the launch site for The Bridge because of its lively startup scene, its quality of research and development and its status as a world leader in the number of patents per capita. After the initial success of The Bridge in Israel, Coca-Cola has launched in Atlanta, Georgia.

## HOW IT WORKS

To participate in the programme, early stage or growth startups must have innovative software solutions fitting one of five core themes: Consumer Engagement, Consumer Retail, Supply Chain, Marketing Innovation and Health and Wellness.

1. The Bridge activates its referral network of investors and community leaders to refer startups who might benefit from the programme.
2. From the list of referred startups, approximately 80-100 are targeted to submit applications.
3. Applicants are filtered to 50 startups, and this list is reviewed by the Steering Committee. Interviews are also conducted with the startups.
4. The Steering Committee selects the final list of ten applicants and formal invitations to the programme are sent.

The programme is made up of structured two-hour weekly training sessions. At least one member of the team is expected to attend every session. Participants are provided with in-depth marketing, sales and negotiations training, and access to tactical guidance to accelerate their route to market.

Executives from numerous departments within Coca-Cola are involved in the programme, acting as mentors, evaluating companies and their products and providing them with feedback to validate marketing and operating strategies. The startups are also paired with potential customers inside each of Coca-Cola's partner organisations to discuss what the pilot implementation might look like.

Coca-Cola does not provide any financial investment to the startups and does not require equity in the startup. The startups maintain ownership of their IP.

The programme ends with a technology showcase, during which the startups demonstrate their products to Coca-Cola executives, venture capitalists, as well as global customers and partners. Once the programme has been completed, a number of the startups are asked to partner with Coca-Cola or The Bridge sponsors.

> *"It's really a community effort at the end of the day – Coca-Cola, Coke's friends, Coke's partners coming together in order to help us try to find the ten companies who could benefit most from what we wanted to do and at the same time, we could benefit most from what they could bring to the table."*
>
> – ***Alan Boehme, CTO, CIO, Chief Architect at Coca-Cola, Cofounder of The Bridge***

## MANAGEMENT

The Bridge is managed externally from any department within Coca-Cola, with team members located in Israel and the United States, responsible for managing the two accelerator sites.

Executives from across Coca-Cola are involved in the accelerator for mentoring and training sessions, and The Bridge also includes a consortium of corporate members who contribute funding, expertise and connections. Although these corporate members are not actively involved in the management of The Bridge, they provide themes to help guide the selection of startups.

Companies selected to participate in The Bridge operate separately to Coca-Cola, and are not provided with office space or infrastructure support.

## BENEFITS

### For Coca-Cola

Coca-Cola, and programme sponsors, receive a first-mover advantage on products and services, by securing first right of refusal on new technologies developed through The Bridge for a limited time period.

Partnering with startups offers Coca-Cola a way of accessing cutting edge technology without having to invest in resource to develop it themselves. It also allows Coca-Cola and its partners to find innovative technology solutions to support their own businesses without distracting from core operations. These technologies have the potential to have significant financial impact on the business.

> *"Coca-Cola believes the technologies these startups offer have significant tangible value in the form of revenue generation potential to the company and the first mover advantage provides a powerful competitive advantage in an increasingly competitive marketplace."*
>
> – ***Anthony Newstead, Director of Emerging Technologies & Strategic Innovation at Coca-Cola, Cofounder and Global General Manager of The Bridge***

### For Startups

The programme offers startups an accelerated pathway to commercialise their technology with the support and advice from market leaders from within Coca-Cola and its partners. Startups have access to advisors and senior decision makers within brands that may be potential customers for them.

> *"To learn how Coca-Cola do these kinds of things, and then to try to find a correlation to the way we do things, showed me a path of how I should do my brand establishment."*
>
> – ***Adir Zimerman, CEO and Co-founder of Screemo*** *(one of The Bridge accelerated startups)*

With the growing consortium, each startup has the opportunity to pitch their technology to senior decision makers in multiple companies and across industries, increasing the potential customer base they are able to reach.

> *"It's a shortcut. I mean there is a huge thirst in companies in early stage to bridge this gap between generating a lead and sitting in front of the man or woman who can make the decision, make it happen."*
>
> ***– Gilad Meiri, CEO and Founder of Neura*** *(one of The Bridge accelerated startups)*
>
> *"The feeling is we met all the right people we should be meeting with. I was expecting to find partners so we can do something together, and now that it's over, we've done just that."*
>
> – ***Hod Fleishman, CEO and Co-founder of Hatchiko*** *(one of The Bridge accelerated startups)*

## EXAMPLES

Over three years of operation, The Bridge has worked with over 30 startups in the digital and technology industry, from wearables for pets to real-time measurement of beverage consumption.

**Cimagine**

Coca-Cola frequently has to send sales teams to a customer's premises to sell vending machines, fridges, stands and signs. This is done over a series of repeat visits, lengthy pitches and descriptions, and with the aid of photographs and mock-ups.

Cimagine developed an augmented reality technology for interior design. The app allows users to drop three-dimensional images of furniture into any environment, helping shoppers see exactly what an armchair, for example, will look like in their house before they decide to buy it.

Cimagine joined The Bridge in its inaugural year and collaborated with Coca-Cola to develop a modification of its technology to augment Coca-Cola's traditional sales process. Using Cimagine's technology, a sales person is able to virtually place the vending machine or fridge in a customer's premises, removing the need for traditional print mock-ups to be created. Cimagine partnered with Coca-Cola to roll out the technology, and the sales team has seen a 20% increase in sales with a decrease in sales visits from three to one.

Since partnering with Coca-Cola, Cimagine has partnered with Shop Direct, UK's fourth largest online retailer, and John Lewis, the largest department store chain in the UK.

**Bringg**

Bringg is a cloud based service platform that offers a solution for businesses to change the way they manage their mobile workforce, by gaining an insight into precise locations of their drivers. It offers end consumers an Uber-like service that enables them to track an order from when it is entered into the Bringg app to when it is delivered to their door with real time location information.

Bringg's potential for Coca-Cola is that it will allow a Coca-Cola branded web-based platform and mobile app that can be used to dispatch and manage orders of Coca-Cola products, track drivers in real time, generate reports for performance optimisation, and allow customers to rate the performance of a driver. A mobile app will allow drivers to interact with dispatch and customers, receive tasks on the go, and navigate to the destination of their deliveries.

> *"They came with an open approach of listening to us…we got in front of the right channels, I think now the key is to implement it."*
>
> – ***Raanan Cohen, CEO and Co-founder of Bringg***

## UNILEVER FOUNDRY

Unilever is a fast-moving consumer goods (FMCG) company headquartered in London, UK, and operates in over 190 countries. Its products include food, beverages, home care, and personal care products. Unilever owns over 400 brands, 13 of which are €1 billion brands. The company turned over €53 billion in 2015. Unilever places a strong emphasis on sustainability and reducing its environmental impact without compromising on business growth.

### SUMMARY

Unilever Foundry was established to be the entry-point for innovative technology companies looking to connect with a large global brand. The Unilever Foundry has been developed with the mission "to collaborate with innovators to make sustainable living commonplace." The accelerator has been designed to build and cultivate strategic partners for the future, promoting Unilever as a partner of choice.

**Type:** External Accelerator
**Launched**: 2014
**Geographical reach**: Primarily London, UK, but has the ability to operate globally
**Website**: http://foundry.unilever.com

The Foundry offers several opportunities for startups and entrepreneurs to engage with its brands, including:

- Foundry Pilots; a test-bed for startups with a proven technology who are ready to scale up,
- Foundry HACKS; a competitive event for individuals to hack a solution for a Unilever brief,
- Foundry Mentors; a three-month mentorship with a Unilever marketer for startups who want to develop their brand and marketing strategy,
- Foundry IDEAS; a crowdsourcing platform where individuals can submit ideas to co-create solutions to Unilever's sustainability challenges,
- Foundry Creative; a crowdsourcing platform where individuals can submit creative ideas,
- Events; the Foundry also hosts additional networking events and competitions.

*"We've launched 60 pilots with startups around the world in the last 11 months. It's not PR; this is really putting startups at the heart of our innovation process."*

***– Jeremy Basset, Marketing Strategy and New Ventures Director at Unilever, Head of Unilever Foundry***

### RATIONALE

Unilever owns over 400 consumer goods brands and the Foundry is the entry-point for innovative technology companies seeking to connect with those brands. It is also the central platform for Unilever to engage with startups to solve their business challenges, and – in particular – "make sustainable living commonplace."

*"It's Magnum or Persil or Dove or any of our brands that come to the Foundry and say 'We've got this challenge, can you help us find a solution to it?'. We're driving experimentation through the organisation and helping the company – in its own right – become more agile, responsive and innovative."*

– ***Jeremy Basset, Marketing Strategy and New Ventures Director at Unilever, Head of Unilever Foundry***

## HOW IT WORKS

### Foundry Pilots

The pilot programme looks for creative and innovative technology solutions that can help Unilever find new ways to better connect with its customers. Participating companies can work on a pilot in their own market, and each brief defines the geography it is targeting.

### The Process

1. Brands and business development managers use the 'Pitch-Pilot-Partner process' to design a brief of their business problem.
2. The Foundry posts the brief online for ten weeks, reaching out to the entrepreneurial community with the help of technology scouts.
3. Startups post solutions which are reviewed as part of the process (on average 80-100), and five to six companies that have at least a product prototype are selected to pitch to the marketing leaders.
4. At least one startup is selected for the pilot and, if the pilot is successful, Unilever looks to sign a longer-term partnership.

Startups selected to participate in the pilot stage receive support from a selection of Unilever's mentors and access to local media and agency partners. Unilever may also contribute funds to run the pilot, up to the amount specified in the brief when it is issued. Successful startups do not need to co-locate within a Unilever office, and can run a pilot remotely if they are not located in the target geography.

*"You need to be sharp enough with your business question or problem; but equally, you need to be open minded; there might be different ways of solving the problem."*

***– Alper Eroglu, Global Media Director for Deodorants and Oral Care Categories at Unilever***

Startups that successfully complete a pilot have an improved chance of receiving investment from Unilever Ventures, Unilever's venture capital arm.

**Foundry IDEAS**

The IDEAS platform is a global idea crowdsourcing platform where individuals and companies can enter their solutions to a challenge brief.

**The Process**

1. The Foundry posts challenges that have been identified for particular brands or business segments.
2. Individuals are able to view all active challenges on the website's "Dashboard".
3. Users can post solutions to the brief during Phase 1 (Idea Intake), usually lasting two weeks.
4. In Phase 2 (Crowd Support), users have one week to vote and comment on ideas they wish to support, and the top 30 (based on votes) are selected for review. Unilever can also select wild cards for review.
5. A Unilever judging panel takes one week to review and assess finalists against predefined criteria in Phase 3 (Expert Review).
6. Phase 4 (Winner Announcement) is the final phase, where the five top winners are announced.

Prizes for winners can include the opportunity to virtually pitch solutions to Unilever stakeholders, visits to Unilever's headquarters for presentations, and cash prizes. Contributors (idea generators, commenters, and voters) are awarded points and badges within the dashboard, and Unilever rewards exceptional contributors.

**Foundry Mentors**

The mentoring programme is designed to run over three months, with one-hour meetings with mentors scheduled every two to three weeks. The programme is a seven-module structured marketing programme, exposing applicants to Unilever's marketing tools and giving them the opportunity to apply them to build marketing, branding, and product plans. Alternatively, mentees can discuss specific challenges that they believe their mentors could support them with.

**The Process**

1. Available mentors are listed on the Unilever Mentorship website, with information on their skills and expertise.
2. Individuals or companies looking for mentorship are able to search through these profiles and decide which mentors are relevant to their business and their geography.
3. Applications are made directly to each mentor, who reviews, confirms or declines the application.

Companies that complete the mentorship programme are encouraged to apply to be part of Foundry Pilot.

**Events – Foundry 50**

This is a global competition for innovative startups developing marketing technologies. Since 2015, Unilever Foundry has been working with Lions Innovation to bring the top 50 applicants to meet the industry at Cannes, to showcase their technology at the Foundry 50 Innovation Hub and pitch their solutions to brand and agency leaders.

## MANAGEMENT

The Foundry is overseen by a collection of functions, including Unilever's Global Marketing Team, Open Innovation (R&D), CMI (Consumer & Market Insights), Procurement and Unilever Ventures.

Companies selected to participate in the Pilot programme operate separately to Unilever, they are not provided with office space or infrastructure support.

## BENEFITS

**For Unilever**

The opportunity to pilot with startups is increasingly utillised across Unilever's brands to solve particular business problems in innovative ways. By sourcing these solutions from startups instead of developing them internally, Unilever brands continue to focus on their core business while participating in an advisory and piloting capacity to guide solution development. Unilever is able to explore new ways of engaging with its customers, without having to develop and scale disruptive technologies internally.

The Foundry is also driving a culture change within Unilever, to become more agile, responsive and innovative.

> *"This is about pushing the boundaries forward – for our customers, for our business, for our industry and for our planet. It's also about creating the Unilever of the future, retooling and re-partnering our organisation with some of the greatest pioneers in our field."*
>
> – ***Jeremy Basset, Marketing Strategy and New Ventures Director at Unilever, Head of Unilever Foundry***

**For Startups**

Startups in the Pilot programme receive the opportunity to pilot their products with a global brand and have the opportunity to scale their technology up within Unilever if it is applicable across more than one brand and in many geographies. While it can take years for startups to close deals with corporates, The Foundry's structured approach runs pilots within three to 12 months, saving considerable costs for young businesses.

Startups can leverage Unilever's development and product testing capabilities, marketing power and expertise to test, refine and scale their product. Those not part of the Pilot programme are able to access and learn from Unilever's marketing leaders and tools and accelerate their ability to build their own brand and product strategy.

## EXAMPLES

### Knorr & Digital Genius

Knorr, Unilever's largest food brand, was facing a challenge in communication during its expansion across Africa and Asia. These new markets posed a key challenge of engaging with customers who communicate through text-based messaging instead of internet applications. The question of 'What's for dinner tonight?' – and how Knorr's products could feature in those meals – needed to be answered in a new way.

Knorr initiated a technology brief through Unilever Foundry, and identified the startup Digital Genius as a solution provider. The solution they developed, Chef Wendy, is an algorithm-based artificial intelligence technology that customers can use their mobile phone to SMS their available ingredients to. Chef Wendy replies with recipe recommendations utilising Knorr products.

After an initial pilot in South Africa, Knorr and Digital Genius are now expanding their collaboration across multiple countries and brands. The startup's technology helped Knorr not only to develop high–quality customer experiences in its new markets but also enabled Knorr to build a database of millions of customer preferences, through which they are able to target marketing campaigns for new products.

### CMI & WeSeeThrough

Unilever CMI (Consumer & Market Insights) launched a "SAY vs DO" brief through Unilever Foundry to identify new ways of overcoming the challenge of capturing the gap between what customers say they do and what they actually do. The brief looked for technology that would help build the future of how market research is done.

Alex Foster, a Google Glass programming expert, was introduced to Unilever as a talented entrepreneur who might be able help find a solution to the "SAY vs DO" brief. With the brief provided by the Foundry, Foster founded WeSeeThrough and programmed a new dashboard. Building on this, the CMI presented WeSeeThrough with a number of business challenges relating to customer behaviour. WeSeeThrough was able to develop solutions for each of these challenges, and all were driven by the ability to code Google Glass.

Together, Unilever and WeSeeThrough combined two technologies, Advanced Goggle Glass Programming and Advanced Video Analytics, to develop new methodologies to research consumer behaviour in a way that had been unable to before.

### Marmite & Intervino

Unilever's Marmite noticed the global trend towards personalisation, and wanted to create its own direct-to-consumer personalised product sales. Marmite wasn't sure of the best way to approach its customers, and recognised that its existing capability wasn't appropriate for the project. Instead of attempting to tackle the challenge directly, they went through the Foundry and partnered with personalised gift startup Intervino.

Through the Foundry, Marmite and Intervino ran a pilot to see if they could create a successful campaign where consumers could personalise their own Marmite jar. This was done through a Facebook app that Intervino created, where all information and product orders inputted by customers was sent through to Intervino to manage.

The pilot was so successful within Unilever that other brands beyond Marmite are looking at how to integrate Intervino's technology to create their own personalised products. Marmite has expanded the promotion with 'limited edition' personalised jars for special occasions, including Mother's Day and Valentine's day.

> *"This project was great for Unilever, being such a big company, it gave us the flexibility to be agile and adapt to the changing environments, and help us to compete with smaller businesses, and remain relevant."*
>
> – ***Philippa Atkinson, Brand Manager for Marmite at Unilever***

## CARGILL EMERGING BUSINESS ACCELERATOR

Cargill, Inc. is an international multi-sector producer and marketer (spanning four business segments: food, agriculture, financial, and industrial). It is headquartered in Minnetonka, Minnesota, in the USA, and reported US$120 billion in revenue in 2015. It is the largest privately held corporation in the US based on revenue.

### SUMMARY

Cargill leverages its Emerging Business Accelerator (EBA) to pursue corporate entrepreneurship. The EBA is focused on finding innovation in areas that leverage Cargill's core competencies.

**Type:** Internal & External Accelerator
**Launched**: 2004
**Geographical reach**: United States, but accepts idea submissions from anywhere
**Website**: http://www.cargill.com/company/businesses/cargill-corn-milling-na/idea-intro/

The private nature of the Cargill corporation, and the predominantly internal focus of this accelerator, has made seeking information on the EBA challenging. The most recent public information on the EBA was from 2013, which makes it unclear as to whether or not the accelerator is still operating.

### RATIONALE

The EBA was created to separate innovation from Cargill's core business. Cargill's Product Development team, with its embedded Chief Innovation Officer, focuses on tools, processes and other enhancements to existing businesses. The EBA was created to sit separately from the Product Development team, as a place where people from within, and outside the organisation, can send new business ideas. It has become a global clearinghouse for new concepts and value propositions across Cargill.

### HOW IT WORKS

The group maintains a website for people to submit ideas – both from inside and outside the company. Project selection works as follows:

1. Idea Origination: EBA asks four basic questions during the early stage of a business concept;
   i. What is it?
   ii. What is the value to the customer?
   iii. What is the value to Cargill?
   iv. What are the points of differentiation and competitive advantage?
2. When an opportunity appears promising, the EBA starts a preliminary due diligence to complete a market assessment of the broad financial parameters of the marketplace.
3. If an opportunity passes the preliminary due diligence, a more thorough due diligence is completed. This can take between 60-90 days to prepare.
4. The opportunity is then submitted in an investment memo to the board.
5. If investment is approved, the EBA implements a high-level plan which includes considering three important questions;
   i. What are the most critical uncertainties?
   ii. How much money is it going to take to get there?
   iii. How many people will be needed?
6. Milestones for the progress of the project are agreed, and a team is recruited.

7. The performance is monitored over 1-5 years, assessing progress on the three critical questions mentioned above and agreed milestones.

During the early stages of the project, considerable time is spent with potential customers to validate the market for new products or services. Projects that achieve validation from real customers graduate into either existing or new business units.

The EBA aims to generate revenues from projects within three years so that it does not become viewed internally as a source of funds for blue-sky research.

## MANAGEMENT

Cargill keeps the EBA separate to any established business unit within the parent company in order to build trust and encourage collaboration among stakeholders from across the business.

The EBA sets up full-time teams that are engaged in managing the entire product development process from idea selection, opportunity development, market offering, business modelling, business launching and monitoring.

Successfully accelerated opportunities are not managed by the EBA, but reintroduced to the appropriate business unit within the parent company.

## BENEFITS

### For Cargill

Cargill uses the EBA initiative to pursue corporate entrepreneurship. It was designed as a separate business unit to allow the development and commercialisation of business ideas that do not fall neatly into Cargill's existing business divisions. By keeping the EBA at an arm's length from other Cargill business units, the company can ensure staff are not distracted from core business.

> *"Prior to the EBA, we lacked a clearly defined process for pursuing opportunities that fell outside of the scope of existing business units and functions. We needed a new approach to complement our business units and Cargill Ventures [an internal venture group]."*
>
> ***– David Patchen, Group Founder and Managing Director of EBA***

Although the primary objective of the EBA is to support internal entrepreneurship, the use of a web portal allows Cargill to receive ideas, new concepts, and value propositions from both inside and outside the business.

### For Participants

As Cargill is one of the largest, privately-owned businesses, providing a wide array of food, agricultural, risk management, financial, and industrial products and services, the EBA allows participants to gain rapid insights and emersion into Cargill's global network.

Startups sourced externally from Cargill have the opportunity to create a financing and strategic relationship with a large corporation to accelerate their route to market.

## EXAMPLES

### SafeLane

Cargill's de-icing business unit identified 'Safelane surface overlay' as a novel technology to license from Michigan Tech University. The Overlay is a patented anti-icing and anti-skid pavement overlay used to prevent ice forming over the road surface of bridges, overpasses, and dangerous intersections during winter.

There was a strong strategic fit with Cargill as Cargill Deicing and Salt is the largest supplier of salt for road applications. However, the group realised it wasn't best-suited to handle the development of the technology as they primarily sell commodity products to transportation department agencies in North America.

The new technology was transferred to the EBA, which undertook its development. The product was successfully tested in several sites across the United States, showing a significant reduction in the number of accidents on bridges where it was installed.

Following the commercial development of SafeLane surface overlay, the technology was brought back into Cargill's de-icing business unit and is now being successfully sold through its more traditional sales channels.

## FONTERRA DISRUPT

Fonterra is a New Zealand based multinational dairy cooperative owned by around 10,500 New Zealand farmers. The company turned over NZ$17 billion in 2015 and is the world's largest exporter of dairy products. Fonterra's products are available in over 140 countries.

### SUMMARY

Disrupt is a new internal accelerator and innovation programme within Fonterra. The accelerator pilot has run over the previous year, aiming to of engage staff to identify ideas that can be developed into fully fledged business opportunities.

**Type:** Internal Accelerator
**Launched**: 2016
**Geographical reach**: New Zealand

Disrupt has introduced a new way of entrepreneurial thinking into the business, and brought together employees from multiple markets and functions that have never previously had reason to work together.

### RATIONALE

Fonterra recognised that adopting a startup culture and generating new ideas to futureproof revenue growth in such a large company is not second nature – particularly in the agricultural sector.

In contrast, the food and nutrition industry is undergoing rapid change, and various aspects of Fonterra's business are being disrupted by new market and health trends, as well as emerging players in the ecosystem.

Fonterra introduced the Disrupt accelerator programme to ensure that all 22,000 staff – no matter where they sit within the organisation – can bring ideas to the surface, and receive time, support, and financial resources to explore them.

### HOW IT WORKS

While preparing to introduce an accelerator, Fonterra explored the global market to identify existing accelerator models they could learn from, but quickly discovered that nothing already existed that would suit the needs and the business model of a large co-operative dairy company.

The piloted programme has been created from learnings from the company's exploration of existing accelerators, but has been tailored to meet the specific needs of Fonterra. The Disrupt pilot programme was run throughout 2016, involving 700 managers and staff from across three markets: New Zealand, Australia, and China.

1. Fonterra held workshops, introducing staff to lean methodology and challenging participants to find the next game changing ideas or products that the company could implement in order to deliver new business.
2. Staff were asked to consider questions about the future development of the company, including:
    i. How are our consumers going to interact with our products?
    ii. What are our consumers going to look like in 5-10 years' time?
    iii. What will their expectations be of our consumers?

3. From these workshops, ideas for 110 different startups were generated. The 'founders' for each idea could recruit a team around their idea, where they would be provided with the necessary tools and one month to work on the project. Fonterra provided coaching support to these teams from mentors throughout Fonterra as well as from the startup world.
4. Over 50 ideas were submitted to the next round, which were narrowed down to 11 finalists.
5. The finalists were brought to New Zealand to participate in a 48-hour hackathon to further develop their ideas. The teams concluded the hackathon by participating in a 'Dragon's Den' style pitch to Fonterra's Chief Executive along with other external judges.
6. Successful teams were seconded out of their regular operations, to participate in a formal accelerator programme and work fulltime on the startup. Each received a modest amount of seed funding and up to four months to develop the idea further.

This process has not yet been completed, but it is anticipated that at the end of this process, the Disrupt programme will determine whether or not the idea will proceed.

The accelerator has accepted ideas from across the entire value chain, with a particular focus on identifying new ways to connect consumers to Fonterra's dairy products to generate new revenue. The accelerator specifically excludes any ideas that are designed to improve efficiency.

**MANAGEMENT**

Komal Mistry is General Manager of Fonterra Ventures, and leads the Disrupt accelerator as part of her responsibilities. Although the Ventures team operates independently to the rest of the business, they are able to bring in any required skills from across the business.

The pace of development within Disrupt is intended to be too rapid to allow extensive consultation across the business. Instead, Disrupt moves quickly to develop a minimum viable product, and consultation occurs with the rest of the business when Disrupt is ready to consider how to scale the idea.

The Disrupt programme has top-level support from the chief executive, chief operating officer of Velocity and Innovation, and the managing director China.

**BENEFITS**

By providing a platform for staff to put their mind to something different that they might not typically be involved in day-to-day, Fonterra has already seen a marked shift in the mindset and engagement of staff across the business.

The pilot has been run only across China, New Zealand, and Australia, but Fonterra has seen Disrupt act as a bridge for the business across these markets, encouraging staff to collaborate and engage with each other in a way they wouldn't have typically done before.

> *"The programme has brought together employees from multiple markets and functions that had never crossed paths which is fantastic for our co-op."*
>
> ***– Komal Mistry, General Manager Fonterra Ventures (and head of Disrupt programme)***

Fonterra notes that although Disrupt has only been running for the past year, it has already had a far more positive impact on the business than had originally been anticipated.

Next year, the pilot will be expanded to include every market that the company operates in, and there is no question within Fonterra that this will see even more benefits returned to the business.

## EXAMPLES

Fonterra's Disrupt programme is relatively new, and is still undergoing its pilot. Disrupt is also completely internally focused. For these reasons, the company is unable to share examples of the ideas that are currently participating in the accelerator programme.

## GENERAL MILLS 301 INC.

General Mills is a food product manufacturer and marketer, headquartered in Minneapolis, Minnesota, in the US. The products are available in over 100 markets worldwide and are in categories such as breakfast cereals, baking goods, grain snacks, and meal products. The company owns over 100 brands, seven of which are US$1 billion brands. General Mills turned over US$16.5 billion in fiscal 2016.

### SUMMARY

301 Inc. was originally created to act as a new business development team within General Mills, to develop and launch new business models to generate growth internally. The team worked with entrepreneurs from within General Mills, bringing disruptive products to market, including Pillsbury refrigerated pancake batter, Progresso and Nature Valley Bistro Cups, and a 'subscription snack service' called nibblr.

> **Type:** Venture Fund & External Accelerator (transitioned from an internal accelerator)
> **Launched**: 2012, relaunched in 2015
> **Geographical reach**: United States
> **Website**: https://301inc.com/

301 Inc. was relaunched with a new strategy in 2015, focused on building partnerships with emerging food brands to create breakthrough innovation in the food space. It is the business development and venturing unit for General Mills.

### RATIONALE

Under the original model, the role of 301 Inc. was to build General Mills businesses from the ground up. The experience gave the team insights into the challenges that small and emerging businesses face in the marketplace. Using this experience, the team redefined the role of 301 Inc.

> *"We believe we can meet consumer needs faster than ever by combining the vision and passion of entrepreneurs with General Mills extensive capabilities."*
>
> ***– John Haugen, Vice President and General Manager at 301 Inc.***

The relaunch saw 301 Inc. looking for entrepreneurs and companies external to General Mills, that have demonstrated early success in the marketplace, with a proven and innovative product offering and strong, expandable brand. Investing early in disruptive startups and accelerating their growth allows General Mills to be well placed to potentially acquire these businesses to grow its own product portfolio.

Several competitor food companies have also launched venture capital arms, such as Campbell Soup and Kellogg. 301 Inc. aims to be the partner of choice for startups by offering business advice and support.

### HOW IT WORKS

#### Internal Accelerator Model

The 301 Inc. team was dedicated to identifying key trends and looking within General Mills for ideas to create potential new opportunities. They were responsible for incubating products outside the core brands (e.g. Cheerios, Yoplait, and Progresso) and acting as a launching pad for internally developed startups.

After two years of working under this model, the team realised that it takes a long time and large investment to build new businesses and brands. They also recognised that “the best ideas are already in the marketplace being built by entrepreneurs” and that they could not replicate the energy, passion and vision entrepreneurs have when they conceive their own new business ideas. Additionally, they concluded that 301 Inc. and General Mills had capabilities, resources and skills that were difficult for startups to replicate and could be of value to them.

> *“Companies like General Mills may not have the patience to stick with a business for five to seven years before it achieves the level of scale to become a sustaining business within their own walls.”*
>
> ***– John Haugen, Vice President and General Manager at 301 Inc.***

These learnings led to a natural pivot in 301 Inc.’s business model to work with startups by not only being an investment partner, but by also providing them with resources and capabilities that would accelerate their scale up in an effective and efficient way.

**External Accelerator and Venture Model**

301 Inc. provides funding to early stage companies, as well as support in the form of technological knowledge and expertise, assistance with supply chain challenges, brand and marketing experience.

> *“I realized there are a number of things that are really challenging to them — efficiency, scaling, new category expansion. We are looking to make a difference by providing those capabilities.”*
>
> ***– John Haugen, Vice President and General Manager at 301 Inc.***

301 Inc. managers will generally attend large trade shows as an easy way to canvas a broad range of startups they may be able to form a relationship with and eventually invest in. They are also working with CircleUp, a San Francisco based company that connects consumer and retail brand entrepreneurs with investors.

## MANAGEMENT

301 Inc. is an independent group that sits apart from any other division within General Mills. The team of 17 consists of self-described “entrepreneurial enablers, engrained in the food industry and excited to help entrepreneurs harness their passion.”

Although the companies that 301 Inc. invests in continue to operate independently, 301 Inc. provides advice to the companies as well as specific expertise and support.

## BENEFITS

**For General Mills**

By investing in early stage startups 301 Inc. takes an equity stake in businesses that General Mills might one day look to acquire. 301 Inc.’s goal is for General Mills to become an indispensable partner to these companies, so that if and when the start-up achieves greater traction, General Mills is well positioned to potentially acquire the business before multiple competing bids make it too expensive to do so.

301 Inc. invests in companies that have the potential to transform General Mills’ product line towards more fresh, natural options, allowing it to stay relevant in a fast-moving environment where customer preferences change rapidly.

**For Startups**

Entrepreneurs and early stage food companies have access to capital and the deep knowledge and expertise of General Mills to develop, grow and expand their business. 301 Inc. is able to provide the startups access to experts from within General Mills to help them solve their current product challenges and to accelerate new product development. Startups are also able to engage with General Mills' supply chain for their own needs.

**EXAMPLES**

Under the external accelerator and venture capital model, 301 Inc. has made five investments in disruptive food startups.

**Beyond Meat**

Beyond Meat produces plant-based beef and chicken substitutes. 301 Inc. and General Mills helped Beyond Meat launch a line of frozen single-serve meals using its beef and chicken substitutes. 301 Inc. invested in Beyond Meat prior to the change in the model.

**Rhythm Superfoods**

301 Inc. took a lead investment in a US$3 million financing round for Rhythm Superfoods. Rhythm Foods produces plant-based nutrient-dense snacks such as Kale Chips, Broccoli Bites and Roasted Kale. General Mills is assisting Rhythm Superfoods with packaging expertise, supply chain introductions, scale up and improving margins. They are also focused on product optimisation and expansion.

> *"Everything they've said and more they've followed through on…We don't have the technical expertise as their team does."*
>
> – ***Scott Jensen, CEO of Rhythm Superfoods (a 301 Inc. investee)***

**Good Culture**

301 Inc. invested in a US$2.1 million financing round in Good Culture in early 2016, and followed with a second investment in September 2016. Good Culture produces a range of sweet and savoury single-serve cottage cheese made with organic whole milk from pasture-raised, grass-fed cows, and is free of stabilisers and additives.

**Tio Gazpacho**

301 Inc. led a US$1.25 million round for Tio Gazpacho in early 2016, but would not specify how much they invested themselves. The company makes bottled organic ready-to-drink gazpacho, with sales totalling less than US$1 million in 2015. General Mills will be working with Tio Gazpacho to launch a new line of products.

**Kite Hill**

301 Inc. invested in a US$18 million financing round in mid-2016. Kite Hill makes plant-based dairy alternatives such as cultured almond milk cheese, cream-style spreads and yoghurts and are vegan.

## MONSANTO GROWTH VENTURES

Monsanto Company is an agrochemical and agricultural biotechnology company, headquartered in St. Louis, Missouri in the US. It is the leading producer of genetically engineered agricultural and vegetable seed. The company turned over US$15 billion in 2015. In September 2016, Monsanto announced that it had agreed to be acquired by Bayer for US$66 billion, pending regulatory approval.

### SUMMARY

Monsanto Growth Ventures (MGV) is the venture capital arm of Monsanto Company. The group is responsible for identifying and investing in opportunities that might be relevant to Monsanto's current or future products.

**Type:** Venture Fund
**Launched**: 2011
**Geographical reach**: Global
**Website**: http://www.monsanto.com/whoweare/pages/monsanto-growth-ventures.aspx

Although MGV is able to invest globally, most of their investments have been within the US. The few investments made outside the US have been in Europe, however the team is looking to explore investment in other geographies.

### RATIONALE

Monsanto Company was already an investor in some companies and life science funds before the creation of MGV, although these were mostly passive, minor equity investments. Monsanto recognised that with its deep agriculture expertise and market access, it could offer more involved support in the development of emerging agricultural technology companies.

> *"Entrepreneurs are more engaged with the food and agriculture sector than ever before. We believe MGV provides collaborative access to one of the most innovative agriculture companies, as well as deep venture capital experience within our team."*
>
> – ***John Hamer, Managing Director of Monsanto Growth Ventures***

The group also help to identify acquisition targets for the parent, for example, MGV identified Climate Corp, a weather data company, as a potential target. Monsanto went on to acquire Climate Corp for US$930 million as part of its expansion into farming software services. MGV splits its portfolio into two sections: investments with potential partners, and investments in other agricultural innovations to keep Monsanto up-to-date of innovation beyond its own business.

### HOW IT WORKS

MGV is growth stage agnostic and considers companies for investment from seed stage, through Series A and beyond. The group has led or co-led all but two of its investments, and has invested alongside more than 50 different co-investors, with MGV taking a minority stake in each case.

MGV has three main criteria when assessing investments, which are:

1. The investment must be a strategic opportunity for Monsanto,

2. It must have an impressive founding team with a commitment to agriculture and an “exceptional vision”, and
3. It must have an appealing potential VC return on investment.

Deals are sourced through existing connections the MGV team have with entrepreneurs and seed investors. Some of these entrepreneurs may have worked previously for Monsanto, or may have tested their technology with the company. The technology can originate from companies developing products for alternative industries (pharmaceuticals, chemical, etc) and the MGV team works with entrepreneurs to determine whether the technology is suitable for an agricultural application.

It looks for startups or entrepreneurs with technologies that can accelerate agricultural productivity. MGV’s areas of interest for investment include new traits, genotyping technology, point-of-care diagnostics, RNA platforms, seed treatments, microbial and biologic treatments, and formulations for chemical and biological delivery. MGV is also interested in IT systems that support agriculture, from analytics to robotics.

MGV invests between US$500,000 to US$15 million, with the majority of deals ranging between US$1-3 million. The group invests with a two- to five-year horizon, providing technical support in the early years and eventually hoping to license the technology, forming a joint venture or acquiring the business.

**MANAGEMENT**

Monsanto Growth Ventures is an independent team with very specialist sector expertise, and sits apart from any other division within Monsanto.

All companies that MGV invests in remain independent and MGV is not involved in the day-to-day management of the business. It supports the startups by providing knowledge and expertise when required. MGV also takes a board seat in businesses it invests in.

**BENEFITS**

**For Monsanto**

Monsanto sees technology startups as an important source of innovation and intelligence about potential competitors in development. MGV was set up as a way to find and exploit capabilities and technologies that Monsanto does not already have in-house.

> *“There’s an urgency that Monsanto remain agile, able to recognize the next opportunity and grow that opportunity.”*
>
> – ***John Hamer, Managing Director of Monsanto Growth Ventures***

Monsanto uses MGV to remain actively informed about disruption in the agtech industry, and as a mechanism to participate in the development of future technologies that will influence the industry.

> *“We want to be around the boardroom table when we learn the technology works, we don’t want to read about it somewhere.”*
>
> – ***John Hamer, Managing Director of Monsanto Growth Ventures***

**For Startups**

MGV's aim is to help emerging companies grow through capital investment and access to Monsanto's agricultural know-how and resources. Startups are able to work with Monsanto and utilise its network of field testing and market intelligence to position products. The startups are able to reach resources and capabilities within Monsanto to get advice, assistance and support.

## EXAMPLES

MGV has made 14 investments since its first investment in 2013. The investments have ranged in technology, from precision agriculture technologies (40%), to life science companies (20%), agriculture biologicals (30%), to new crops and new business models (10%). Some of these examples are detailed below.

**AgBiome**

AgBiome was the first venture investment MGV made in 2013. AgBiome discovers and develops biologicals, traits and innovative biofungicide products that it commercialises directly and through partnerships.

> *"AgBiome is clearly a group that's very strategic for us and we're ready to test their product and partner with them in significant way. They are a high quality team addressing a big market need, with interesting ideas and approaches to solve problems."*
>
> – ***John Hamer, Managing Director of Monsanto Growth Ventures***

**Arvegenix**

Arvegenix is a St. Louis, Missouri, company transforming field pennycress into a commercially viable cover crop service, while also producing an energy and feed crop. Cover crop adoption can drive greater profitability and sustainability for farmers, and also provide a cultivation option between corn and soy rotations.

**Nimbus-Ceres**

Nimbus-Ceres is a jointly owned entity with Nimbus Therapeutics in Cambridge, Massachusetts, to co-develop agricultural fungicides. Nimbus-Ceres combines Nimbus' validated computational platform and innovative research tools with Monsanto's agriculture testing capabilities to develop broad-spectrum fungicides.

**Vital Fields**

Vital Fields, based in Tallinn, Estonia, is a company with the simplest farm management system in the business, and helps European growers maximise their farm efficiencies. The company manages everything from field books to farm activities, and will be providing farm analytics to help growers make data-driven decisions.

**HydroBio**

HydroBio provides prescriptive irrigation recommendations by creating a layered data product via a mobile platform, to conserve water and increase yields. It is focused on irrigated acres of major row crops, and has helped Monsanto reduce its water footprint for seed production.

**Blue River Technology**

Blue River Technology in Sunnyvale, California, uses computer vision and machine learning for precision weeding and the application of herbicides. Blue River is moving agriculture towards a world where every plant is detected and treated individually.

> *"Working with Monsanto Growth Ventures has brought significant value to our firm as we chart our next phase of growth… Having a partner with global reach that is willing to make introductions opens doors for us. I'm excited about our ability to take our technology to more places than we could have done alone."*

***– Jorge Heraud, CEO of Blue River Technology***

**Plant Response Biotech**

Based in Madrid, Spain, Plant Response Biotech offers a promising pipeline of natural products and microbes for crop health and yield that deliver more value to the grower around biotic and abiotic stress tolerance.

**Resson**

Resson is a data-driven agriculture technology that helps large and small agriculture companies, service providers and individual growers improve productivity with near real-time predictive analysis for crop management.

> *"We're looking forward to working closely with Resson as its team continues to develop a predictive solution that could benefit the entire global agriculture industry."*
>
> – ***Ryan Rakestraw, Venture Principal at Monsanto Growth Ventures***

**Understory**

Understory has developed a senor based technology that is also be measure several aspects of weather. These sensors analyse conditions at the earth's surface, providing "ground-truth-based detection" leading to better real-time hyperlocal insights into weather conditions. The technology was originally developed to provide data to insurance companies following a storm. MGV's strategic investment is the first time Understory will look at developing its product for an agricultural application.

> *"Monsanto is really opening multiple avenues for us inside the agriculture market and will help us to test exactly how weather data can really help farmers."*
>
> ***– Alex Kubicek, CEO and Founder of Understory***

## SUMMARY

The seven accelerators profiled in this report demonstrate that there is no 'one-size fits all' approach when creating and running a corporate accelerator. Each has been structured in a way that allows the parent company to reap intended benefits, and often the accelerators have adapted their approach over time to meet the needs of their parent more fully.

Our review demonstrated that most accelerators are created with a very specific objective or mission statement for goals it intends to achieve in its time. The purpose of the accelerator drives the type of programme it offers to entrepreneurs and startups and the level of investment it is able and willing to make, in cash or kind. Delivering a programme of support that has been developed with specific objectives in mind allows the accelerators to propel opportunities toward a predefined goal, whether that is a partnership with the parent or an acquisition.

Working with, and investing time and money in, startups and entrepreneurs offers a wide range of benefits to the parent company. These benefits can include:

- Solving specific business challenges the parent faces in novel or unexpected ways.
- Sourcing capabilities that may not exist in the parent.
- Sourcing products and technologies that allow the parent to fill or transform its product pipeline.
- Embarking on a new direction for the parent without having to invest heavily in internal development.

- Providing a space for internal entrepreneurs to develop new opportunities for the business without distracting from core operations.
- Fostering a culture of innovation and entrepreneurship in traditionally slow or stagnant companies.

While most accelerated opportunities are selected for their potential downstream benefit to the parent company, some accelerators include opportunities for purely altruistic reasons, namely to develop the innovation ecosystem and support entrepreneurs.