Journal of Strategy and Manag

Strategic investments in entrepreneurial brand ventures by large incumbents

Journal:	*Journal of Strategy and Management*
Manuscript ID	JSMA-02-2023-0027.R2
Manuscript Type:	Research Paper
Keywords:	Entrepreneurial brand ventures, Brand portfolios, Consumer products, Corporate venture capital, Strategic brand venturing, Abductive logic

Strategic investments in entrepreneurial brand ventures by large incumbents

ABSTRACT

Consumer product firms renowned for marketing appear to be complementing brand creation, extension, and acquisition with *minority equity* investments in entrepreneurial brand ventures (EBVs) for strategic purposes. Similarly, EBVs are looking for growth and resources that can be accessed via inter-organizational relationships. This flourishing industry practice and the paucity of empirical research indicates the potential for new studies. The research objective was to examine *why* and *how* large incumbents were implementing *strategic brand venturing* (SBV), and with this understanding to develop a framework useful for descriptive and normative purposes. This qualitative research study grounded in the resource-based view comprised in-depth interviews and multiple data sources across seven case studies drawn from US subsidiaries of global firms within the consumer products industry. The dimensions of brand equity investments are abductively derived to form a model of strategic brand venturing, a consumer products form of corporate venture capital. The research contributes to the call for greater insights into the investment processes used in venturing relationships, ecosystem impacts, as well as coverage of new industry sectors beyond technology industries that often characterize corporate venture capital studies. Several novel findings emerged related to the importance of—the industry ecosystem; symbiosis between the founding brand entrepreneur, the brand, and assimilation of brand culture; synchronization of investment strategies with emerging brand life-cycle models; and serendipitous corporate entrepreneurial opportunities. This qualitative study yielded analytical rather than statistical generalizations.

1. Introduction

In November 2021, The Coca-Cola Company announced a $5.6 billion acquisition of sports drink brand BodyArmor following its 15 percent minority equity stake in 2018 (Maloney, 2021). A similar venturing strategy is being followed by other consumer product firms such as LVMH Moët Hennessy Louis Vuitton. "In February 2017, LVMH quietly launched Luxury Ventures, the first luxury incubator in the luxury industry, a practice more often associated with tech companies…LVMH Luxury Ventures will take minority ownership in these companies at first, and then, test the waters." (Vigneron, 2017, p. 4-5). Corporate venture capital (CVC) investment in entrepreneurial ventures is common in industries characterized by technological intensity and dynamism (Gaba and Meyer, 2008; Lee and Kang, 2015), and a large corpus of academic literature has developed since the 1980s (Asel, 2022; Fels *et al*., 2021; Ma, 2020; Röhm, 2018).

What is interesting about these examples is that firms globally renowned for their marketing and brand-building expertise are now adopting corporate venturing practices to access disruptive brands external to their portfolios—brand building being the defining competence their market capitalization and shareholder equity was originally built on. This development marks a potential shift for consumer product firms by complementing customary portfolio growth strategies such as brand creation, brand extension, and brand acquisition (Chailan, 2008; Doyle, 1990; Morgan and Rego, 2009) with *strategic brand venturing* (SBV) investments. For the purposes of this research, we define SBV as a strategy and capability that involves equity investments in entrepreneurial ventures to access disruptive brands and marketing know-how. Mawson (2020) cites such activity also occurring at Adidas, Coca-Cola, Danone, Diageo, General Mills, Kellogg's, Nestle, Nike, PepsiCo, Procter and Gamble, Unilever, and Walmart.

This flourishing portfolio expansion practice within consumer industries and the paucity of empirical research indicates the potential for new studies focused on this phenomenon. The research objective was to empirically understand *how* and *why* large consumer product incumbents were implementing SBV, and in so doing, to develop a framework useful for descriptive and normative purposes. This research also answers the call for CVC research that addresses needs in three areas:

1. How investors manage and implement CVC operations and the investment process (Dushnitsky, 2006; Maula, 2007), and specific processes used to build and nurture investment relationships in practice (Basu *et al*., 2016). Also, for entrepreneurial firms to exert influence, they need to understand the architecture and processes being followed by large firms in their corporate venturing endeavors. This is an under-researched topic within the broader canons of both corporate venturing and entrepreneurial brand collaboration research. In their study matching investors with entrepreneurs, Polzin *et al*. (2018, p. 112) suggest that "creating a mutual understanding of the investment process will prevent potentially damaging perception misalignment from arising."
2. Examination of new industry sectors and associated boundary conditions (Dushnitsky, 2012) since much knowledge derives from pharmaceuticals, telecommunications, and semi-conductor sectors. Empirically-derived extant CVC objectives and impacts are therefore calibrated for these particular settings. While some research has emerged in other CVC growth sectors such as medical devices (Smith and Shah, 2013) or media (Hasenpusch and Baumann, 2017; Wherry, 2021), CVC research in consumer products is an incompletely documented phenomenon. Recently, Dushnitsky and Yu (2023) noted that while CVC is being practiced in other industries (food, finance, and energy), academic

work is needed in new sectors to revisit implicit CVC assumptions and detect new patterns and implications.

3. Basu *et al*. (2016, p. 32) note that, "extant research has focused exclusively on dyadic-level data to study the CVC phenomenon." Broader inter-organizational and ecosystem impacts are noticeably absent from the CVC research corpus. This research project surfaces the role and impact of CVC on other players within the ecosystem such as distributors and consumers.

The rest of this paper is organized as follows. First, we highlight how liabilities of largeness can stifle entrepreneurship exerting pressure to in-source disruptive brand innovation through boundary spanning strategies such as venturing with brand entrepreneurs. The paper briefly outlines the principal domains deployed in extant CVC research noting the under-developed focus on process research. This paper is grounded in the resource-based view (Wernerfelt, 1984). Turning to methodology, a praxis-derived SBV model is borrowed from Van Rensburg (2013) to form the *a priori* conceptual model used in our fieldwork. The research strategy employs abductive logic (Fann, 1970; Hansen, 2008) which at its core is about engendering inferences from anomalous information. We generate an evolved scientific model of SBV through abductive interplay between the *a priori* model and data emerging from case fieldwork to iteratively formulate an empirical SBV model. The findings delineate sixteen process capabilities under four aggregate clusters—the designing of the SBV program, opportunity identification, brand entrepreneur partnerships, and venture portfolio management. Prefaced by endogenous and exogenous antecedents, these process capabilities help to contribute strategic and financial value when implemented. The paper concludes with implications for CVC theory and practice.

2. Theoretical background

2.1 Incumbents and brand entrepreneurs

Brand management and brand development theory has historically derived its inspiration from conceptualizations within large-firm contexts (Kapferer, 2008; Keller, 2008). Many of the marketing textbooks prescribed in business schools (e.g., starting with Kotler's first edition in 1967) were devoted to large firm brand models with the original brand manager construct purportedly started by P&G and Johnson & Johnson in the 1930s (see Aimé *et al*., 2018, and Low and Fullerton, 1994, for the history of the brand manager system). Building strong brand portfolios are seen to imbue organizations with competitive advantages and archetypically developed via brand creation, extension, and acquisition strategies (Aaker, 2020; Damoiseau *et al*., 2011; Doyle, 1990). Where R&D and technology play a disproportionate role in industry competitiveness, incumbents have commonly resorted to corporate venture capital strategies to access new technology or ecosystems, or to pursue radical innovation (Basu *et al*., 2011; Dushnitsky, 2012). Within consumer product and service industries, this has been less common where large firms dominated the brand landscape with large advertising budgets and mass communication vehicles, efficient manufacturing, national distribution and selling systems, and professional brand management resulting in barriers to entry and scaling challenges for smaller firms.

In the last two decades, increasing theoretical and empirical attention has been devoted to start-up contexts and small-to-medium sized enterprises (SMEs) examining branding and marketing practices at the intersection of entrepreneurship and marketing (Abimbola, 2001; Berthon *et al.*, 2008; Boyle, 2003; Krake, 2005). The dramatic changes brought about by social media, increasing consumer sophistication and empowerment, together with the rise of e-commerce, and retail innovation has spurred entrepreneurial new brand creation. Furthermore, the vertical disintegration of production in consumer goods industries has enabled outsourcing of upstream activities and also given rise to a market for brands according to Lechner *et al*. (2016).

However, within incumbents, legacy brand management models and liabilities of aging and largeness (Henley, 2007) have meant incumbents have sometimes struggled to keep pace with changing consumer tastes and trends or to incorporate sustainability, societal, and new functional benefits into existing brands.

One response from large firms is to acquire disruptive brands versus compete with ecopreneurs. Dietz (1973, p. 134) noted this limitation of the brand management system more than fifty years ago: "For many companies the most practical and economic route to getting new products is to acquire them, thus taking advantage of entrepreneurial capacities which the corporation itself is no longer capable of developing". Some of the commonly referenced cases in academic literature include Unilever and *Ben & Jerry's*, Clorox and *Burt's Bees*, Kellogg and *Kashi*, Quaker and *Snapple*, Coca-Cola and *Honest Tea* (see Austin and Leonard, 2008; Bouchikhi and Kimberly, 2012; Deighton, 2002; Mirvis, 2008). A range of other responses are being contemplated by large consumer product leaders according to Leavitt (2016), such as directly investing in start-ups (e.g., Coca-Cola, Estée Lauder, Mars, Nestle), launching externally-managed venture capital funds (e.g., Campbell's, Kellogg's), managing internal VC funds (e.g., General Mills, Mars, Tyson, Unilever), and working with incubator and accelerator programs (e.g., L'Oreal, Nestle, Pepsico, P&G, Sephora, Smuckers).

Several scholars (Austin and Leonard, 2008; Nazarkina, 2012; Lee and Jay, 2015) have examined the intricacies and dynamics between incumbent and purpose-driven entrepreneurial brand partnerships, the challenges of large firms courting small firms, retention of the entrepreneurial ethos, and the complexities associated with post-acquisition integration. None of these works outline the processes by which equity partnerships are forged. The Austin and Leonard (2008) paper is one of the few to include one case study that resembles a SBV partnership, but does not unpack the process dimensions. More generally, small-large firm partnerships have evoked caricatures of *"dancing with gorillas"* (Prashantham and Birkinshaw, 2008), *"swimming* *with sharks"* (Katila *et al*., 2008), or the *"virtuous mouse and the wealthy elephant"* (Austin and Leonard, 2008). While conceptual work covering brand-based partnerships exists, scant empirical work exists that examines the antecedents and process capabilities by which large firms make minority investments in entrepreneurial brands. This study contributes towards addressing the paucity of empirical understanding of direct minority investing in EBVs by large firms in the consumer industry.

Furthermore, selection of the right corporate firm (Allmendinger and Berger, 2020) and whether for financial or non-financial resources (Riepe and Uhl, 2020), requires that EBVs develop insights into the cultural and structural characteristics of large firms in order to 'get along' (Das and He, 2006; De Groote and Backmann, 2020). A proactive stance toward the collaboration is important for the small firm as opposed to defaulting to large firm overtures and processes. "The extent of the phenomenon is such that start-ups, from passive recipients of the initiatives of large corporations, have turned into active actors seeking to influence the collaboration process" (Corvello *et al*., 2023, p. 147).

2.2 CVC studies and theory

Prior CVC studies have examined antecedents, outcomes and performance, objectives, structure, and policies. In terms of industry-level antecedents, common reasons appear to be competitive intensity (Basu *et al*., 2011), pace of technological innovation coupled with complementary innovation capabilities (Dushnitsky and Lenox, 2005), and high market uncertainty (Tong and Li, 2011). Firm-level factors include, inter alia, available cash and absorptive capacity (Dushnitsky and Lenox, 2005), high research and development levels and corresponding technological alertness (Ceccagnoli *et al*., 2018), executive aspiration levels (Titus *et al*., 2020), and denying rivals access to innovative technology (Fulghieri and Sevilir, 2009). Barring technological intensity considerations, several of these antecedents appear compatible with the consumer product industry. Outcomes and performance have proven difficult to measure especially when the goals were strategic, but using Tobin's q as a measure, Dushnitsky and Lenox (2006) found CVC does create value when directed to innovation and new technology. CVC participation has also been found to enhance capability development within the parent firm (Keil, 2004; Maula *et al*., 2013). Importantly, realization of benefits and performance are contingent on the parent's resource commitment to CVC (Titus and Anderson, 2018) and ability to manage a portfolio of start-ups (Wadhwa *et al*., 2016). CVC objectives are positioned as either strategic (synergies, growth, long-term bets), financial, or combinations thereof (see Chesbrough, 2002). CVC unit structure has been studied with a variety of approaches being evidenced such as legally separate units in tandem with venture capital firms resulting in higher levels of independence, infusion of VC personnel and skills (Gaba and Meyer, 2008), greater focus on financial goals with more diverse and earlier stage/higher risk portfolios (Dushnitsky and Shaver, 2009). These external structures may lend themselves toward exploring non-core businesses and disruptive technologies. Internal structures tend to focus more on strategic goals, investing in later-stage proven concepts, but can suffer from slower internal decision-making, conflicts of interest, and vulnerabilities to economic and firm-level fluctuations (Asel *et al*., 2015). While aspects of objectives, structure, and policies do inform CVC process, specific process studies appear threadbare and dated. We discuss CVC process further in the following section.

Diverse theoretical approaches have also been deployed when engaging with these topics (e.g., social capital, agency, real options, resource-based view). Given consumer products incumbents seek to strengthen brand asset portfolios and build competitive advantage through venturing, the resource-based view (RBV) appears the most relevant theoretical lens for this study. From a *resource-based view*, brands and their equities represent the economic relationship between the brand organization and its customers. Penrose (1959) conceived of the firm as a collection of resources and posited that growth was a result of a judicious and strategic exploitation of these resources and increasing the resource base of the firm commensurate with the pursuit of productive opportunities. This resource-based view was later popularized into a resource-based theory (RBT) of competitive advantage by Wernerfelt (1984) and Barney (1991) in contradistinction to the industry positioning theory espoused by Porter (1979) informed by industrial economics. Brands and marketing know-how fit the RBT requirements of valuable, rare, and imperfectly imitable (VRI) resources that contain the seeds of competitive advantage (Kozlenkova *et al*., 2014; Srivastava *et al*., 2001).

RBV theorists propose that the basis for competitive advantage derives from the manner in which existing firm-specific capabilities and other tangible and intangible resources are deployed, are internally developed, and are externally acquired. Dynamic markets require firms to constantly evolve and to acquire new skills and resources internally and externally in order to perform in a competitively advantaged manner. CVC enables firms to expand their knowledge and resource base beyond their boundaries (Ferraris *et al*., 2017; Lee *et al*., 2018). From an RBV perspective therefore, CVC programs within the context of a corporate strategy, facilitate access to VRI resources that can directly influence the performance of the firm. Inter-organizational relationships allow firms to assemble a larger repository of resources than any single firm can muster. Dyer and Singh (1998) argue that resource-based logic extends to 'interfirm linkages' and associated routines and processes. This aligns with the contention that to exploit outside-in capabilities and assets, "there has to be a match" with inside-out capabilities (Day, 1994, p. 41). Corporate venture capital is one example of an inter-organizational strategy for accessing a larger repository of resources and strategic options (Basu *et al*., 2016; Maula, 2007).

However, according to Barney and Hesterly (2012), competitive advantage is only achieved when VRI resources are exploited by an enabling *organization* (VRI<u>O</u>). A VRI resource that is supported by organizational culture, structure, and processes should lead to sustainable competitive advantage (see Kozlenkova *et al*., 2014). There is evidence (Newbert, 2007) that not only the possession of resources (*'what firms are'*), but the underlying micro-processes (*'what firms do'*) help determine a firm's agility, strategic advantage, and performance (McGuinness, 2008). Paying attention to the processes and mechanisms by which CVC as a unique form of interfirm linkage can be exploited for intangible brand assets, seems worthy of elucidation and analysis.

2.3 CVC process models

There are two primary literature streams relevant to this research, the investment practices and processes followed by independent venture capitalists (IVCs) and those followed by CVCs. Venture capital process models (e.g., Tyebjee and Bruno, 1984) may only serve us up to a point given some critical differences in strategy and design between IVCs and CVCs. For example, Souitaris and Zerbinati (2014) identify CVC practices that differ from IVCs such as: the focus on both strategic and financial benefits versus predominantly financial benefits for IVCs; linkages between the venture and the parent organization; organizational learning benefits to incumbents; and the need to secure internal sponsors unlike with IVCs. In light of this, we turn to *CVC process models* to capture further insights.

The corporate venture capital literature offers few investment process models for consideration with CVC largely viewed as a special form of IVC (see Röhm, 2018). These CVC process models are now described but call for updated analysis and adaptation for brand venturing exigencies. Yates and Roberts (1991) studied the strategies of 49 large U.S. corporations who made CVC investments as part of their new business development. Their study proposes four process building blocks for managing a program each with affiliated sub-processes, *developing the venture program, initiating investments*, *managing the investment portfolio*, and *assimilating the investments* into the core business. Poser (2003) uses resource-based theory to examine the impact of CVC on the sustainable competitive advantage of four case studies (Intel, Media X, Novartis, and Philips). Processes are divided into the stages/steps required for *setting up* and *running* CVC activity. Setting up involves determining objectives, defining the investment approach, determining organizational linkages, staffing and designing compensation, and setting up monitoring mechanisms. The process steps involved in running a CVC consist of generating deal flow, assessing investment opportunities, investing, interacting with start-ups, exiting investments, and then monitoring success. Zu Knyphausen-Aufseß *et al*. (2010) examine intra-organizational relationships and how these can be mobilized to advance CVC. Following a grounded theory approach using six case studies, they identified three categories of social capital that could be mapped alongside the CVC investment process: (a) knowing the network, (b) mobilizing the network, and (c) developing and leveraging the network. Their analysis suggested that the CVC investment process involved the following steps (i) deal generation, (ii) deal evaluation, (iii) deal structuring, (iv) investment decision, (v) portfolio support management, and (vi) exit.

These models broadly reflect a traditional role of a CVC as a financial emulator of VC practices. Consequently, within *managing the investment portfolio*, these models offer a limited portrayal of incumbent support possible. For instance, unmentioned support activities could also include—procurement synergies, manufacturing, distribution, order-to-cash capabilities, marketing and selling, access to key customers and channels, international expansion, market audit data, talent development expertise, and personnel transfers. Similar to VC investments, an underlying assumption is that CVC is mainly an event-bound exit investment since start-ups may go public if successful versus being acquired by corporates (Zu Knyphausen-Aufseß *et al*., 2010). Knowing when and how to *exit investments* in a start-up is therefore an important capability to build, and Poser (2003) incorporates this into a balanced net assessment of the venture's strategic and financial success. Yates and Roberts (1991) however, do emphasize the integration of CVC investments (rather than exit as is the norm for VCs), and the transferring of venture expertise into the core business (not performed by VCs) which aligns more closely with the Van Rensburg (2013) practitioner model used as the *a priori* framework for this study.

These process perspectives were forged principally around technology-based CVC and offer a useful yet incomplete starting point. The exigencies of brand-based venturing suggest a more nuanced and specific empirical study is required (Van Rensburg, 2015), and this research project attempts to fill that gap. These exigencies lie in the end-goal, the nature of the asset class, and founder-asset symbiosis. ***End-goal.*** CVC investments in the technology sector are not predicated on the need to acquire the technologies owned by their portfolio companies (Dushnitsky and Shaver, 2009; Masulis and Nahata, 2010). The end-goal is to provide a strategic window into new technologies (Benson and Ziedonis, 2009), advance technology platforms, or prevent rivals from appropriating innovative technologies (Fulghieri and Sevilir, 2009). The option to acquire is uncommonly exercised as most of the learning already occurred during the CVC investment process making ownership redundant, or because conflicts of interest existed between value-maximizing co-investors and the corporate investor (Maula and Murray, 2002). Brand-based venturing investments however appear to have ultimate ownership in mind as the incumbent wishes to add permanent strategic choice to their brand portfolio (Van Rensburg, 2015). Brand entrepreneurs are also less inclined to accommodate multiple corporate investors with discretionary exit options given distribution, sales, and supply chain ties that are typically unlocked with a single corporate investment arrangement.

Intangible asset class. Brands offer not only functional benefits but offer emotional benefits and project meaning. Brands are complex intangible, relational market-based assets (Van Durme *et al*., 2003) that require different treatment to technology assets. When Quaker Oats acquired a quirky brand such as Snapple and discarded key elements of the marketing mix to synergize with their mass-market mega-brand Gatorade, it cratered the brand's fan-base. Quaker were eventually forced to sell Snapple for $300m after paying $1.7 billion a few years earlier. Deighton (2002 p. 53) astutely observed at the time that "before committing to a deal, don't just consider a brand's sales. Give some thought as well to its soul."

Symbiosis between founder and brand. Often the value of the brand is directly tied to the founding entrepreneur, their story, and their values. According to Krake (2005) and Rode and Vallaster (2005), the brand is the entrepreneur and the entrepreneur is the brand. Wherever the entrepreneur goes, so too the brand goes. Given that brand entrepreneurs "weave their personalities, leadership styles, and values tightly into their business brands" (Kaputa, 2012, p. xiv), a more nuanced corporate venturing approach is needed versus the traditional technology-based venturing model. There is a need to create strategic and relational architectures that allow the venture to remain autonomous, and keep the consumer base believing the brand has not "sold out" to corporate America. The continued engagement of the founding entrepreneur and preservation of brand ethos are key to maintaining external legitimacy and credibility. One industry analyst endorsed this as follows: "Simply acquiring and absorbing a sustainable brand threatens to destroy what made the brand successful in the first place – the personal connection with consumers and their values [...] Coca-Cola's Venturing and Emerging Brands business unit is an innovative attempt to allow an acquired brand to retain its personality and a degree of independence." (Rowe, 2011, p. 65). This concludes the theoretical background discussion. The next section outlines the research logic adopted in this study.

3. Research methodology

Given the relatively undocumented and exploratory nature of SBV, a qualitative research strategy was adopted. Qualitative research provides the opportunity for 'fine-grained analyses' that captures nuances (Harrigan, 1983) and helps to develop a deeper understanding of a complex and multi-faceted phenomenon within a specific context.

From a research strategy perspective, achieving symbiosis between research questions and the research strategy was considered critical. According to Yin (2018), one of the most important conditions to differentiate among the alternative research methods is to identify the type of research question being asked. The '*how*' and '*why*' questions are conducive to case studies as they are more explanatory in nature and deal with the operational links that need to be traced in-depth over time, rather than simply frequencies or incidences. This study poses 'why' and 'how' questions relative to corporate engagement in SBV. Further, theory building rather than theory ratification is more important at this stage in SBVs evolution. Case studies can uncover phenomena that are not yet well comprehended, and allow the data and the theory to interact repeatedly. Yin (2018, p. 14) defines case study as: "An empirical method that investigates a contemporary phenomenon in-depth and within its real-life context; when the boundaries between phenomenon and context are not clearly evident."

With the complexities of case study research as a means of generating theory, several authors have begun to explore an approach based on *'systematic combining'* grounded in 'abductive' logic (Dubois and Gadde, 2014; Kovács and Spens, 2005). Abduction plays the role of generating new ideas or hypotheses, deduction functions as evaluating the hypotheses, while induction serves to justify hypotheses with empirical data. Since pure deduction may prevent the generation of new theory and pure induction might prevent the researcher from benefiting from prior theory, it seems that *'both extremes are untenable and unnecessary'* and require *'continuous interplay'* between the two (Parkhe, 1993, p. 252 and 256). Dubois and Gadde (2014) advocate the value of going *'back and forth'* from one type of research activity to another and between theory and empirical observation. In other words, theory cannot be understood without empirical observation and vice versa. Observations in the field may uncover unanticipated yet related issues that merit further exploration, and may engender a redirection or expansion of the theoretical framework being used. The evolving framework then directs the search for empirical data.

This continual confronting of theory with the empirical world and matching between framework, data sources, and analysis is what characterizes systematic combining. Langley (1999, p. 694) views it this way: "closing of the gap between data and theory can begin at either or both ends (data or theory) and may often iterate between them. Rigid adherence to purely deductive or purely inductive strategies seems unnecessarily stultifying." The case study is well suited to understanding underlying causal tendencies or powers. It was our task as empiricists to discover, describe, and analyze the processes related to strategic brand venturing. In this project we moved iteratively between an *a priori* conceptual framework informed by practices within Coca-Cola (Van Rensburg, 2013), and the empirical data, to formulate the final model. This Van Rensburg (2013) *a priori* model entailed eleven process dimensions: 1) strategic exploration and opportunity identification, 2) picking the winners of the future, 3) positioning for preferential advantage, 4) understanding entrepreneurial ambition and needs, 5) corporate venturing for growth and value creation, 6) ecosystem creation and networking, 7) entrepreneurial marketing, 8) life-cycle improvisation and analysis, 9) brand portfolio management, 10) stakeholder management and support, and 11) intrapreneurship. Through the systematic combining of theory, framework, and field insights in this research project, sixteen different process dimensions were generated clustered under four aggregate themes. This is further explicated in Section 4.

3.1 Sampling strategy

Although no prescriptive approach exists, Eisenhardt (1989) suggests using between 4 and 10 cases to generate complex theory with convincing empirical grounding. This research sample comprised 7 case studies spread across six global consumer product corporations (see Table I) all of which appeared in the Global 500 list of most valuable brands according to one major brand valuation agency (Brand Finance, 2018). The category and industry sectors involved were, food, snacks, alcoholic beverages, soft drinks, pet services, and restaurants. All firms had reputations as premier global branding and marketing firms. Fieldwork was conducted within the U.S. based subsidiaries of these global firms with operating unit revenues ranging between $4-13 billion. The venturing experience of these organizations performing SBV activity varied between 3-12 years. Each case provided the opportunity to examine multiple yet unique dimensions of the SBV conceptual model, albeit diverse equity pathways were pursued including multiple steps leading to eventual acquisition (e.g., cases 2 and 7), or initial investments that led to eventual exit decisions (e.g., cases 4 and 6). The research adopts an embedded, multiple case design (Yin, 2018) with the process experiences of the organizational unit engaged in SBV activity as the primary unit of analysis, and the specific investment(s) experience of that SBV unit with entrepreneurial brand firm(s) as sub-units of analysis.

==========================

INSERT TABLE I ABOUT HERE

==========================

3.2 Methods of data collection

Data was collected from multiple sources to facilitate triangulation (data richness; credibility and dependability criteria). The primary data collection method involved 21 semi-structured interviews based on the research objectives and a review of relevant literature. Data gathering encompassed extensive documentation from both publicly available sources and confidential internal sources which the participating corporations allowed the researcher to view. Interviews ranged in length with a mean interview time of 83 minutes. Interviews and materials were first analyzed within each case and subsequently cross-case analyses were performed to derive deeper insights (Ayres *et al*., 2003).

3.3 Data analysis

Several techniques were deployed for data analysis, namely, tape recording, transcription, and coding analysis. Transcription analysis enabled the researchers to focus on verbal communication during the interview, while note-taking during, and after, each interview captured non-verbal interview data. The conceptual model provided a framework for the coding scheme prior to the data collection (as suggested by Miles and Huberman, 1994) that was then validated or mapped to empirical data. Figure 1 illustrates core aspects of the analysis process. Data were analyzed and coded using the steps and techniques described by Pratt (2008). This involved applying open coding to respondent statements on key SBV processes initially prompted by the *a priori* framework but with enough latitude for *a posteriori* knowledge to emerge.

Common statements were used to shape provisional first-order concepts. For example, we found data segments about 'leader credibility', 'talent', 'VC-like incentives and compensation'. We then moved to axial coding by consolidating categories and enfolding first-order concepts into broader, more general categories. To this end, we consolidated leader credibility, talent pathways, and VC-like incentives and compensation into the second-order theme of 'human resource framework'. A third step involved discerning those higher-order, aggregate dimensions underlying the second-order themes. To conclude the previous example, we assigned human resource framework into a broader category of 'designing the SBV program' alongside other components. We deployed a constant comparative method within and across the cases and respondents (along the lines of grounded theory of Strauss and Corbin, 1998), moving from data to the emerging model, returning to the data again, until we felt the process had been saturated and we had a model that approximated a good fit with the data.

===========================

INSERT FIGURE 1 ABOUT HERE

===========================

4. Results

Following the data analysis process outlined in the methodology section of systematically combining the *a priori* practitioner concepts with the empirical cases and literature to generate multiple first-order concepts and sixteen second-order process elements. These sixteen process dimensions were in turn situated under four aggregate dimensions, namely, designing the SBV program, identifying venture opportunities, enacting partnering with brand entrepreneurs, plus managing the venture portfolio. Tables II and III provide important guidance to how the final model was derived. Table II illustrates the interaction of each of the seven cases with the research process and how each case generated or did not generate each process element. Table III contains evidence-based, proof quotes across the various components of the model with power quotes included in the text to exemplify findings as suggested by Pratt (2008). Symbols are used to denote the case and the interviewee number e.g., the Gamma case and interviewee number 1 as G1, or the Alpha case and interviewee number 2 as A2. Owing to space and design limitations, we excluded antecedents and value creation from Tables II and III commenting on this within the text portion only.

====================================

INSERT TABLES II AND III ABOUT HERE

====================================

A description of the salient elements of the emergent SBV model now follows. Section 4.1 addresses the '*why*' research question (antecedents), while sections 4.2 through 4.5 cover the '*how*' research question. Section 4.6 enumerates on the outcomes from SBV programs encountered in this study.

4.1 Antecedents

Interviewees were asked to respond to questions such as: What impact or role do entrepreneurial brands play in your industry? What were the industry-level and/or firm-level factors that precipitated starting your venturing strategy? From cross-case analyses antecedents of an exogenous or endogenous nature or a combination of both were uncovered focused on four themes: The *actors* involved characterised by their entrepreneurial propensity and the forward-leaning stance of CEOs on innovation; *culture and capability* evidenced by decentralized and permissive cultures open to new ideas and external innovation. Failures at incubating new brands or integrating acquired brands were also a factor driving toward external venturing; s*trategic-system factors* such as franchisee misalignments, or lack of strategic clarity concerning core business growth played contributory roles; and finally *industry factors* such as lower barriers to entry, or entrepreneurial proclivity and intensity, or changing consumer needs and preferences.

To illustrate from the Alpha case, senior management embarked upon a SBV approach due to a combination of factors. These included an inability to integrate previously acquired entrepreneurial small brands into the core; the relative failure to launch successful new brands; the emergence of disruptive entrepreneurial brands driving new growth and creating new categories; and the dislocating effects of franchise partners taking on distribution of external brands, including in one case, the creation of a brand venturing unit by a franchisee.

The franchisor was 'forced' by its franchisees to broaden its brand portfolio and cater for new higher growth segments. The confluence of all these factors conspired towards Alpha senior management forming a SBV unit, as partially evidenced in this quote: "there had been a series of failed brand experiments, in both acquisitions and internally created brands… we were focused so inwardly on our own struggles with our bottling system, the political issues and the conflicts that had occurred" [A5]. Other case firms reported, "so the entrepreneur has changed the face of our industry in the last 20 years probably as much as any major consumer goods industry ever" [G1]; or "like some of these little innovations, that on the surface looked like they weren't going anywhere have suddenly taken over and then that had a huge impact on us because yogurt being one of our very large businesses here and we just thought we were out of the game for a while and it's actually taking us a long time to actually get back in it" [D1]. Understanding *industry and firm level factors* may help in anticipating when competitors may implement similar venture growth strategies if they are confronted with similar drivers. The next sections, 4.2 through 4.5, address the '*how*' research question.

4.2 SBV program design

The first aggregate theme derived from the analysis is program design. Considerations evidenced in the fieldwork included defining the *SBV objectives, role, and charter*. To illustrate: "its strategic role was to deliver share and profit growth in the above premium segment. I mean we're a business at the end of the day, so the kind of fluffier stuff of being a learning lab and everything I think is nice, but it's idealistic." [B4]. Another case firm explained their objective as: "it was created to accelerate the pace of innovation and to build strategic capabilities through partnerships with institutional venture capital funds and direct equity investments in start-up companies." [D2].

Venture unit *strategy and structure* in support of the SBV role and charter followed: "picking those investments where significant upside potential existed and providing those with non-monetary corporate resources and expertise to maximize value." [E1]. The creation of a *human* *resources framework* supporting the charter and strategy was identified reflecting the importance of the leader, the actors, and career development matters. For example, "it was extremely important that we had a senior player who would be recognized as someone that wasn't going to do this because they didn't have any other opportunity…somebody that had been successful and was respected and they would immediately bring some credibility." [A3]. Program design indicated a need to institute a *governance model* related to external investments but also encompassed internal sponsors and ombudsmen to help the SBV unit succeed. "So, in the deal structure we had a set of governance rights where either board seats that we would have or decision making that we'd be able to influence." [A2]; "the senior leadership team is as responsible for the governance of the [SBV]. Because of the importance to the overall strategy, [SBV] figures fairly prominently and regularly at the SLT general meetings." [B2].

4.3 Opportunity identification

Several process elements emerged from the fieldwork such as, *strategic exploration*, the ability to scan the environment, to identify consumer need-states, cultural and technology trends, define opportunity areas or 'sweet spots', and uncover investment opportunities for strategic participation, "sustainability and wellness was a whole new space that we weren't playing in and so it allowed us to kind of find new sources of growth…it's just an example of disruption…And we did not want to get caught not playing there." [A2].

Another element included *participating in a diverse ecosystem* to ensure ongoing deal flow access and reputation building will sustain the effort going forwards. Firms were generally not instrumental in creating a venturing ecosystem but were more likely to participate in one already in existence, "A lot of our awareness around trends, opportunities with brands, connections to people are made through our ecosystem. So that's one. It allows [the SBV unit] to be more externally focused because we can tap into a pretty broad and diverse ecosystem of partners." [A5].

A further element entailed *courting and selecting* brands of the future using relevant organizational and venture-specific assessment criteria to select entrepreneurial brands with high or as yet untapped value creation potential. Integral to this was the ability of the incumbent to position itself for preferential selection in such a way that entrepreneurs chose to partner with it versus other venture financiers. Incumbents matched capabilities and intentions with an understanding of entrepreneur ambitions, needs, risks, and benefits faced when evaluating and selecting a strategic partner. An interesting insight that emerged was also the importance of the founding entrepreneur in addition to the consumer merits of the brand: "It's not just the brand. Capabilities is always something that can be supplemented or added but the leader, and his or her management team are really important…because one of the things we've learned in our model is again the art of retaining the entrepreneurial culture and leveraging [Alpha] is just that. It's an art." [A1].

Finally, *structuring and executing a deal* that positions the partnership for strategic and financial success emerged as key. In some instances, this included decisions to partner on specific investments with VC firms, and negotiating a path to ownership were stressed, such as, "accelerate the pace of innovation and build strategic capabilities through partnerships with institutional venture capital funds and direct equity investments in start-up companies" [D3], or "no deals without some sort of contractual line-of-sight to full majority ownership." [B1].

4.4 Partnerships with brand entrepreneurs

Helping to shape a winning brand strategy together with the entrepreneur through *entrepreneurial marketing* appeared key and involved having knowledge of stages of emerging brand growth so as to understand where an entrepreneurial venture fitted together with the marketing requirements of each brand life-cycle stage: "there's just a combination of writ and chemistry and imagination and you know all of those factors that add up to making an entrepreneurial case but are very hard to mimic and so I have seen some of these large company guys with their kind of reductionist, very analytic behavior depending heavily on consumer insights and coming up with exactly the wrong conclusion for us." [Z2].

Building internal support and *organizational linkages* with functions, business units, and senior management to generate portfolio synergies and ensure the venture unit can deliver on support commitments made across the venture portfolio while also achieving the corporation's strategic objectives: "We've also helped them with expertise. For example, one of the things they do a lot of co-packing in Europe and they were really struggling with how to get Kosher certification in some of the European facilities. So, I hooked them up with a person within [Delta] who was a total expert on getting Kosher certification. And so that person can conceivably say okay here's how you go about it, here are the contacts – just cutting through some of the red tape." [D1].

A new activity related to managing *exogenous constituencies* was uncovered and considered to be a novel addition to extant VC and CVC models: "Maine had a strong image with sustainability minded consumers and retailers. An association with Alpha was not viewed positively and posed a risk. The credibility of the founder played a critical role in shifting negativity" [A2]; "When an operator was in their local town, they saw a [Epsilon] truck at a [Georgia] offloading stuff they just went through the roof. And they called me and they called the CEO and complained about it. So eventually distributors had to have [Georgia] trucks." [E1].

Monitoring venture performance was discerned as a necessary prelude to exercising options decisions. This component encompassed several considerations, such as working together in a value-creating manner to support the entrepreneur's business within legal parameters, brand portfolio and lifecycle considerations, and internal politics: "So we have an independent board, we have representatives and third-party independents sitting on a board. And we have an operating agreement that governs what decisions must be approved by the board versus those that can be just approved by the senior management team. In addition, we have a monthly operating routine and that is with the [Alpha SBV unit] only." [A1].

4.5 Venture portfolio management

Four process components derived from the fieldwork entailed: *Options decisions*. In addition to exercising the financial and strategic options to divest, acquire, or increase equity, it seemed from the case material that a critical decision also related to determining the ongoing role of the founding brand entrepreneur. *Exploiting synergies* were evidenced such as utilizing excess manufacturing capacity, adding venture brands to procurement contracts to capture savings, distribution synergies, amplifying innovation projects, and sales force aggregations. An innovation example derived from synergies was described by one CEO, "it definitely enabled us to afford our most significant packaging advance. But we, with [Zeta], were able to jointly develop the world's first PLA, polylactic acid resin, for form-seal packaging." [Z2]. *Assimilating and graduating* proven brands out of the venturing unit into the core business at the right stage in their life cycle while maintaining the right mix of entrepreneurial and managerial characteristics proved to be important. Capture of entrepreneurial marketing knowledge typically occurred via these equity investments and learning was transferred into the venture unit and core business. In some instances, these entrepreneurial knowledge assets were replicated internally in attempts to improve venture incubation through use of internally selected brand intrapreneurs: "One of the learnings we've had around these venturing models is that while we want to graduate them to the core business, there needs to be a period of time where we do the integration in such a way that we're creating a very stable and healthy business. We've got the luxury of doing that while maybe a traditional M&A model wouldn't and so keeping some people transitions in place becomes very important." [B2]. *Fostering corporate entrepreneurship*. Evidence of external and internal corporate entrepreneurship being fostered through SBV programs was revealed: "I steered [Zeta] into some investments including [Maine] for example. I steered them into becoming the minority for something we created called [Vermont Europe], the minority owner in an Irish organic firm, which

I essentially am the chair of. And we now own a healthy chunk of [Vermont Europe] which is again majority owned by [Zeta]. And then I steered them into the launch of two new brands. And then I'm working on some pretty innovative packaging and other ventures." [Z1].

4.6 Value creation

Research on measuring strategic value from CVC relationships is still sparse, although Napp and Minshall (2011), Dushnitsky and Lenox (2006), and Poser (2003) provide some empirical evidence. Adopting a realist philosophical perspective to evaluating corporate-startup relations, Alänge *et al*. (2022) suggest metrics that are context specific, based on diverse program theories, consider viewpoints of multiple stakeholders, and iterate across learning cycles. In this research project, a diverse array of financial and strategic metrics was in evidence across the case firms. For example, *strategic value* metrics included inter alia, infusion of entrepreneurial flair and orientation within the incumbent; access to new sustainable consumer segments; and number of brands scaled and added to brand portfolio.

Financial value included a range of metrics such as incremental revenue and profit growth for both incumbent and the venture, percent contribution towards incumbent growth, or business valuation in excess of acquisition investment cost. Some areas such as incremental distribution, new channel access, and international expansion were construed as having both strategic and financial benefits. Alpha corporation used a composite strategic and financial scorecard for their venturing unit: "We look at incremental revenue and profit generated by the unit, the business value of the equity investments made, and strategic value. Strategic value includes external perception of our innovation via investor conferences and media clippings, new disruptive brands, new channels accessed, accelerated sustainability capabilities, and expanded relationships." [A4]. In this study, each dyad member's perceived experience of the strategic and financial value created was assessed as either low, medium, or high. Cases where the value creation outcomes for the dyad partners were deemed to be medium or high carried a heavier weight in determining components of the final model (e.g., cases 1, 2, 5, 6, 7).

5. Discussion and contributions

This section covers a brief recap of the findings, their meaning and implications, as well as outlines a few limitations of the research project.

5.1 Synopsis

This research project examined the venturing process for branded products and services using a previously published model as the *a priori* starting point. In so doing, several refinements and whole new additions to the original model were made as well as novel findings that inform not only strategic brand venturing but also corporate venturing at large. Concerning antecedents (the '*why*' research question), the study highlighted a range of factors such as the entrepreneurial orientation of key organizational actors, or internal competency gaps at new brand development, or inter-firm system factors such as deviant franchise partners preferring third-party brands, or changing industry conditions favoring entrepreneurial brand creation. In relation to the execution of SBV (the '*how*' research question), a total of sixteen key process activities were abductively derived from the research and detailed in the *Results* section. The final model is in Figure 2.

==========================

INSERT FIGURE 2 ABOUT HERE

==========================

5.2 Contributions and implications

Several observations and contributions from both a theoretical and practical nature were evinced from this study.

Theoretical

Three CVC research gaps were identified in the introduction that this research project planned to address: investment process, new industry sectors, and ecosystem impacts. We briefly report on each together with some additional contributions.

Empirical process model of equity investments in brands. Apart from a conceptual model of SBV (Van Rensburg, 2013), or related SBV material such as the Danone-Stonyfield Farms case study (Austin and Leonard, 2008), Coke-Honest Tea case study (Bouchikhi and Kimberly, 2012; Lee and Jay, 2015), or a dated doctoral dissertation on corporate new venture divisions examining Ralston Purina petfood (Fast, 1977), no other works to our knowledge have empirically examined this process within consumer products industries. This paper addresses prior suggestions to advance understanding of large firm-small firm investment processes in general.

New industry sectors. This research takes a step towards answering the call for CVC research that examines new industry sectors and associated boundary conditions (Dushnitsky, 2012) since much of our current understanding of the process is derived from the telecommunications and biotechnology sectors. To our knowledge, this is the first academic CVC study to focus on the consumer products industry. One boundary needing clarification is the distinction between using SBV and *partial acquisitions* found in the literature. Meyer and Tran (2006) examine different acquisition models (partial, brownfield, indirect, multiple) pursued by Carlsberg beer in entering emerging economies such as Poland, Lithuania, Vietnam, and China. Partial acquisitions are associated with securing toehold positions in foreign markets, are not a deliberate corporate entrepreneurial strategy requiring a dedicated venturing unit, and unlike minority stakes typically sought in SBV/CVC investments, can range between 10-90 percent ownership (Ahmed and Bebenroth, 2019; Jakobsen and Meyer, 2008).

Exogenous ecosystem. In several cases during the fieldwork extended players within the value chain were identified who had an impact on the execution of the SBV strategy. These included reactions from distributors once the equity investment was announced by the large firm in the entrepreneurial venture, or the reaction of consumers to such investments, or supply chain impacts. As far as we could ascertain, this notion of ecosystem impact has not been highlighted in prior CVC research and merits further investigation albeit it has been raised in business-to-business marketing network studies (Thornton *et al*., 2013). While some studies suggest CVC may enhance the venture's reputation through its association with the corporate parent (Gutman *et al*., 2019), this research project tends to suggest the opposite - that the corporate parent's reputation may be a potential barrier to ongoing brand loyalty from sustainability-minded consumers, retailers, and value-chain partners.

Life-cycle models. The study identified the notion of stages of brand development in relation to investment practices and how venturing partnership strategies and deal designs can be influenced by life-cycle staging. In two case corporations (Alpha and Beta), the incumbents had developed a model of entrepreneurial brand evolution and used this lifecycle model to guide investment decisions. For example, in the Alpha-California investment (case #2), successive equity investments were made based on a bespoke industry study that tracked revenue and failure/ success rates for 3,500+ brands over a five-year period. This impressive database allowed the incumbent to ascertain inflection points (stages of growth) with accompanying marketing and business characteristics to construct an emerging brand model. Successive increases in equity were made mirroring this marketing model - 20% stake during 'experimental' phase; 53% stake during 'proof of concept' phase; 75% stake during 'pain of growth' phase. This is a novel idea not previously introduced in the CVC literature and suggests an exigency that may require a more tailored investment strategy versus generic CVC investment models based on traditional VC funding rounds such as seed, start-up, expansion, and bridge (Ruhnka and Young, 1987). This notion should also be distinguished from endogenous CVC lifecycle models that have emerged in the literature (Ma, 2020) that reflect the evolving innovation needs and competencies of the incumbent and their consequent reliance on CVC at varying stages of strategy development (e.g., cases 1, 6, and 7).

Serendipitous corporate entrepreneurship. There appears to be serendipitous strategic benefits to the large firm in assembling a network of 'brand entrepreneurs' via SBV activities. In this respect we affirm prior acquisition literature (Graebner and Eisenhardt, 2004; Colman and Lunnan, 2011) where strategic value accrued to the large firm from entrepreneurial and marketing know-how spillovers serendipitously harnessed. SBV participation can lead to incumbents identifying opportunities via partner entrepreneurs typically not detected by large firms and using this knowledge to develop brands in unconventional ways or to make new strategic investments. For instance, new investments, acquisitions, and innovations came about as a direct result of engagement with brand entrepreneurs via SBV activity (cases 1, 3, 5, 6, 7).

Practical

The capability dimensions needed to execute SBV are outlined in this research. Given the preponderance and recency of such activity reported in the business press (Leavitt, 2016; Mawson, 2020), this research offers large firms and small firms a framework useful for descriptive and executional purposes. Adherence to these process guidelines should allow both members of the dyad to move forward expeditiously and sagaciously with SBV partnerships towards mutual value creation. For the large firm following this SBV strategy and process, it offers unique exposure to brand entrepreneurs and potential assimilation of entrepreneurial marketing capabilities. This may lead to the development of new skills within incumbents and help launch *brand intrapreneurs* focused on disruptive innovation while traditional brand managers can remain focused on the core business. On a cautionary note, mission preservation for social brand ventures being tethered to a large incumbent is a concern found in this, and in prior research (see Choi and Kim, 2022; Vastola and Russo, 2020), and must be taken into account prior to and during SBV relationships. Also, successful implementation of a process does not guarantee outcome success as other factors such as strategic consistency or upper echelon changes may derail or deposition SBV efforts. Practitioners need to bear this in mind when myopically adopting 'best practice' processes. Several cases (1, 2, 5, 7) highlighted the serendipitous entrepreneurial value engendered by working with brand entrepreneurs via equity arrangements. Retention of the entrepreneur and core team members beyond the acquisition or majority ownership stage would be recommended to ensure the entrepreneurial flair and organizational way of keeping the brand authentic is retained (see also Rifkin, 2012).

5.3 Delimitations

Being restricted to seven cases and confined to one geographic market, this study enables analytical and not statistical generalizations to be made. CVC with intangible assets is still an evolving area of empirical endeavor and researchers are encouraged to further test and refine this abductively derived model via quantitative methodologies and studies in other intangible asset domains. While the critique of generalization often haunts qualitative researchers, some salutary comfort was derived from Gummesson's (2007, p. 230) query, "Is it not better to understand a phenomenon in depth than to know how often the not understood phenomenon occurs?" A few of the cases seemed to indicate one-off events such as the case of an SBV unit being established to divest not to invest (Case #6), or the extraordinary support provided by the CEO of a large diversified global corporation for a small venture and prolonged tenure of its entrepreneur (Case #7), or the prolonged retention of a founding entrepreneur post-acquisition (Case #1). These may be unusual exemplars within venturing but as Weick (2007, p. 14) attests: "Much of my work is basically an existence proof: if an event can happen in one place, then it likely can happen again."

This study focused on the U.S. market where private and public capital markets flourish and where a multitude of third-party contractors offer manufacturing and route-to-market options. Societal, fiscal, and economic factors moderate the ability of entrepreneurial brands to be incubated thus potentially rendering the SBV option as contingent and contextual. Furthermore, the view of brand entrepreneurs' regarding the design of this process model were not explicitly sought but inferred from the experiences and discourses of the brand venturing units interviewed. Given that value creation from SBV partnerships is intended to be high for both participants, incorporating the brand entrepreneurs' lens and operating methods provides an opportunity for further theory enrichment. Corvello *et al*. (2023) reinforces this need relative to a broad spectrum of corporate and start-up collaboration initiatives.

6. Concluding Remarks

From the perspective of RBT, investment relationships with other firms via SBV vehicles enable access to brand capital assets, marketing know-how, and entrepreneurial capacities. This approach further amplifies competitive advantages for both the incumbent and investee firms and their respective abilities to compete with rivals. Studies that have examined the brand portfolio strategy-business performance relationship that indicate a superior brand portfolio materially impacts business results (e.g., Chailan, 2008; Morgan and Rego, 2009). From a resource-based perspective, brands are inimitably superior value-creating resources that can help firms build industry advantages (Kozlenkova *et al*., 2014; Ponsonby-McCabe and Boyle, 2006). To date, brand portfolio expansion strategies favor brand creation, brand extension, brand alliances, or brand acquisition (Aaker, 2020; Doyle, 1990). However, it would be fruitful to consider strategic brand venturing as an accretive growth pathway. SBV facilitates access to disruptive brands at an earlier stage thus precluding the prohibitive cost and bidding rivalry associated with brand acquisitions, or the need to counteract legacy systems and liabilities of largeness that so easily encumber large firms trying to innovate. This study outlines the organizational process elements involved to support firms in this quest offering useful insights for the scholar and practitioner. It also offers EBVs the opportunity to better understand how large firms conduct SBV activities in order that their voice and influence can be heard more proactively when entertaining equity relationships with incumbents.

References

Aaker, D. A. (2020), "*Brand portfolio strategy: creating relevance, differentiation, energy, leverage, and clarity*", Free Press, New York.

Abimbola, T. (2001), "Branding as a competitive strategy for demand management in SMEs", *Journal of Research in Marketing & Entrepreneurship*, Vol. 3 No. 2, pp. 97-106.

Ahmed, K. and Bebenroth, R. (2019), "Acquisition behavior of emerging versus developed market multinationals", *Organizations and Markets in Emerging Economies*, Vol. 10 No. 1, pp. 9-30.

Aimé, I., Berger-Remy, F. and Laporte, M. (2018), "Lessons from nearly a century of the brand management system." *Journal of Historical Research in Marketing*, Vol. 10 No. 4, pp. 420-450.

Alänge, S., Steiber, A. and Corvello, V. (2022), "Evaluating corporate-startup collaboration: a government perspective", *Evaluation and Program Planning*, Vol. 95, article 102176.

Allen, S. A. and Hevert, K. T. (2007), "Venture capital investing by information technology companies: did it pay?", *Journal of Business Venturing*, Vol. 22 No. 2, pp. 262–282.

Allmendinger, M.P. and Berger, E.S.C. (2020), "Selecting corporate firms for collaborative innovation: entrepreneurial decision making in asymmetric partnerships", *International Journal of Innovation Management*, Vol. 24 No. 1, article 2050003.

Asel, P., Park, H. D., and Velamuri, S. R. (2015), "Creating values through corporate venture capital programs: the choice between internal and external fund structures", *Journal of Private Equity*, Vol. 19 No. 1, pp. 63–72.

Austin, J.E. and Leonard, H.B. (2008), "Can the virtuous mouse and the wealthy elephant live happily ever after?", *California Management Review*, Vol. 51 No. 1, pp. 77-102.

Ayres, L., Kavanaugh, K. and Knafl, K.A. (2003), "Within-case and across-case approaches to qualitative data analysis", *Qualitative Health Research*, Vol. 13 No. 6, pp. 871-883.

Barney, J. (1991), "Firm resources and sustained competitive advantage", *Journal of Management*, Vol. 17 No. 1, pp. 99-120.

Barney, J. and Hesterly, W. (2012), *"Strategic management and competitive advantage: concepts and cases"* (4th ed.), Pearson, New Jersey.

Basu, S., Phelps, C. and Kotha, S. (2011), "Towards understanding who makes corporate venture capital investments and why", *Journal of Business Venturing,* Vol. 26 No. 2, pp. 153-171.

Basu, S., Wadhwa, A. and Kotha, S. (2016), "Corporate venture capital: important themes and future directions", in Zahra, S.A., Neubaum, D.O. and Hayton, J.C. (Ed.s.), *Handbook of corporate entrepreneurship*, Edward-Elgar Publishing, Cheltenham, pp. 203-234.

Benson, D. and 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*, Vol. 20 No. 2, pp. 329-351.

Berthon, P., Ewing, M.T. and Napoli, J. (2008), "Brand management in small to medium-sized enterprises", *Journal of Small Business Management,* Vol. 46 No. 1, pp. 27-45.

Bouchikhi, H. and Kimberly, J. R. (2012), "Making mergers work", *MIT Sloan Management Review*, Vol. 54 No. 1, pp. 63–70.

Boyle, E. (2003), "A study of entrepreneurial brand building in the manufacturing sector in the UK", *Journal of Product & Brand Management,* Vol 12 No. 2, pp. 79-93.

Brand Finance (2018), "Global 500 2018: The annual report on the world's most valuable brands", available at https://brandirectory.com/rankings/global/2018 (accessed on 11 March, 2019).

Ceccagnoli, M., Higgins, M.J. and Kang, H.D. (2018), "Corporate venture capital as a real option in the markets for technology", *Strategic Management Journal*, Vol. 39 No. 13, pp. 3355-3381.

Chailan, C. (2008), "Brands portfolios and competitive advantage: an empirical study", *Journal of Product and Brand Management*, Vol. 17 No. 4, pp. 254–264.

Chesbrough, H. W. (2002), "Making sense of corporate venture capital", *Harvard Business Review*, Vol. 80 No. 3, pp. 4-11.

Choi, G. and Kim, T-N. (2022), "Effect of acquisitions on target firms' stakeholder welfare: evidence from corporate social responsibility", *Business and Society Review*, Vol. 127 No. 2, pp. 493-529.

Colman, H.L. and Lunnan, R. (2011), "Organizational identification and serendipitous value creation in post-acquisition integration", *Journal of Management*, Vol. 37 No. 3, pp. 839-860.

Corvello, V., Steiber, A., and Alänge, S. (2023), "Antecedents, processes and outcomes of collaboration between corporates and start-ups", *Review of Managerial Science*, Vol. 17 No. 1, pp. 129-154.

Damoiseau, Y., Black, W. C., and Raggio, R. D. (2011), "Brand creation vs. acquisition in portfolio expansion strategy", *Journal of Product and Brand Management*, Vol. 20 No. 4, pp. 268–281.

Das, T.K. and He, I.Y. (2006), "Entrepreneurial firms in search of established partners: review recommendations", *International Journal of Entrepreneurial Behaviour & Research*, Vol. 12 No. 3, pp. 114-143.

Day, G. (1994), "The capabilities of market-driven organizations", *Journal of Marketing*, Vol. 58 No. 4, pp. 37–52.

De Groote, J.K. and Backmann, J. (2020), "Initiating open innovation collaborations between incumbents and startups: how can David and Goliath get along?", *International Journal of Innovation Management*, Vol. 24 No. 2, pp. 1-33.

Deighton, J. (2002), "How Snapple got its juice back", *Harvard Business Review*, Vol. 80 No. 1, pp. 47-53.

Dietz, S. (1973), "Get more out of your brand management", *Harvard Business Review*, Vol. 51 No. 4, pp. 127–136.

Doyle, P. (1990), "Building successful brands: the strategic options", *Journal of Consumer Marketing*, Vol. 7 No. 2, pp. 5-20.

Dubois, A. and Gadde, L-E. (2014), "Systematic combining – a decade later", *Journal of Business Research*, Vol. 67 No. 6, pp. 1277-1284.

Dushnitsky, G. (2006), "Corporate venture capital: past evidence and future directions", in Casson, M., Yeung, B., Basu, A., and Wadeson, N. (Ed.s.), *Oxford handbook of entrepreneurship*, Oxford University Press, NY, pp. 387-431.

Dushnitsky, G. (2012), "Corporate venture capital in the twenty-first century: an integral part of firms' innovation toolkit", in Cumming, D. (Ed.), *Oxford handbook of venture capital*, Oxford University Press, New York, pp. 156-210.

Dushnitsky, G. and Lenox, M.J. (2005), "When do firms undertake R&D by investing in new ventures?", *Strategic Management Journal*, Vol. 26 No. 10, pp. 947-965.

Dushnitsky, G. and Lenox, M.J. (2006), "When does corporate venture capital investment create firm value?" *Journal of Business Venturing*, Vol. 21 No. 6, pp. 753-772.

Dushnitsky, G. and Shaver, J.M. (2009), "Limitations to interorganizational knowledge acquisition: the paradox of corporate venture capital", *Strategic Management Journal*, Vol. 30 No. 10, pp. 1045-1064.

Dushnitsky, G. and Yu, L. (2023), "Corporate venture capital", in Griffin, R.W. (Ed.), *Oxford Bibliographies in Management*, Oxford University Press, DOI: 10.1093/OBO/9780199846740-0211.

Dyer, J.H. and Singh, H. (1998), "The relational view: cooperative strategy and sources of interorganizational competitive advantage", *Academy of Management Review*, Vol 23 No. 4, pp. 660-679.

Eisenhardt, K.M. (1989), "Building theories from case study research", *Academy of Management Review*, Vol. 14 No. 4, pp. 532-550.

Fann, K.T. (1970), "*Peirce's theory of abduction*", Martinus Nijhoff, The Hague.

Fast, N.D. (1977), "*The evolution of corporate new venture divisions*", Unpublished doctoral dissertation, Harvard University.

Fels, G., Kronberger, M. and Gutmann, T. (2021), "Revealing the underlying drivers of CVC performance—a literature review and research agenda", *Venture Capital*, Vol. 23 No. 1, pp. 67-109.

Ferraris, A., Santoro, G., and Bresciani, S. (2017), "Open innovation in multinational companies' subsidiaries: the role of internal and external knowledge", *European Journal of International Management,* Vol. 11 No. 4, pp. 452-468.

Fulghieri, P. and Sevilir, M. (2009), "Organization and financing of innovation, and the choice between corporate and independent venture capital", *Journal of Financial &Quantitative Analysis*, Vol. 44 No. 6, pp. 1291–1321.

Gaba, V. and Meyer, A.D. (2008), "Crossing the organizational species barrier: how venture capital practices infiltrated the information technology sector", *Academy of Management Journal*, Vol. 51 No. 5, pp. 976-998.

Graebner, M.E. and Eisenhardt, K.M. (2004), "The seller's side of the story: acquisition as courtship and governance as syndicate", *Administrative Science Quarterly,* Vol. 49 No. 3, pp. 366-403.

Gummesson, E. (2007), "Case study research and network theory: birds of a feather", *Qualitative Research in Organization and Management: An International Journal,* Vol. 2 No. 3, pp. 226-248.

Gutman, T., Schmeiss, J. and Stubner, S. (2019), "Unmasking smart capital", *Research-Technology Managem*ent, Vol. 62 No. 4, pp. 27-36.

Hansen, H. (2008), "Abduction", in Barry, D. and Hansen, H. (Ed.s.), *The Sage handbook of the new and emerging in management and organization,* Sage Publications, London, pp. 454-466.

Harrigan, K.R. (1983), "Research methodologies for contingency approaches to business strategy", *Academy of Management Review*, Vol. 8 No. 3, pp. 398-405.

Hasenpusch, T.C. and Baumann, S. (2017), "Strategic media venturing: corporate venture capital approaches of TIME incumbents", *International Journal of Media Management*, Vol. 19 No. 1, pp. 77-100.

Henley, L.G. (2007), "Extending innovation boundaries: corporate venture capital gives large firms a strategic option", *Journal of Business Strategy*, Vol. 28 No. 5, pp. 36-43.

Jakobsen, K. and Meyer, K.E. (2008), "Partial acquisition: the overlooked entry mode", in J.H. Dunning and P. Gugler (Ed.s.), *Foreign direct investment, location and competitiveness*, Elsevier, Oxford, pp. 203-226.

Kapferer, J.N. (2008), "*The new strategic brand management: creating and sustaining brand equity long term*", Kogan Page Limited, London.

Kaputa, C. (2012), "*Breakthrough branding: how smart entrepreneurs and intrapreneurs transform a small idea into a big brand*", Nicholas Brealey Publishing, Boston.

Katila, R., Rosenberger, J.D. and Eisenhardt, K.M. (2008), "Swimming with sharks: technology ventures, defense mechanisms and corporate relationships", *Administrative Science Quarterly*, Vol. 53 No. 2, pp. 295-332.

Keil, T., Maula, M.V.J. and Wilson, C. (2010), "Unique resources of corporate venture capitalists as a key to entry into rigid venture capital syndication networks", *Entrepreneurship, Theory & Practice,* Vol. 34 No. 1, pp. 83-103.

Keller, K.L. (2008), "*Strategic brand management: building, measuring, and managing brand equity",* Prentice-Hall, Upper Saddle River, NJ.

Kotler, P. (1967), *"Marketing management: analysis, planning and control",* Prentice-Hall, Englewood Cliffs, NJ.

Kozlenkova, I.V., Samaha, S.A. and Palmatier, R.W. (2014), "Resource-based theory in marketing", *Journal of the Academy of Marketing Science*, Vol. 42 No. 1, pp. 1-21.

Kovács, G. and Spens, K.M. (2005), "Abductive reasoning in logistics research", *International Journal of Physical Distribution & Logistics Management*, Vol. 35 No. 2, pp. 132-144.

Krake, F.B.G.J.M. (2005), "Successful brand management in SMEs: a new theory and practical hints", *Journal of Product & Brand Management,* Vol. 14 No. 4, pp. 228-238.

Langley, A. (1999), "Strategies for theorizing from process data", *Academy of Management Review*, Vol. 24 No. 4, pp. 691-710.

Leavitt, Z. (2016), "Disrupting CPG: the start-ups, corporations, and emerging technologies transforming consumer packaged goods", *CB Insights*, October 20, 2016, https://www.cbinsights.com/research/consumer-goods-companies-acquisitions/

Lechner, C., Lorenzoni, G., and Tundis, E. (2016), "Vertical disintegration of production and the rise of market for brands", *Journal of Business Venturing Insights*, Vol. 6, pp. 1-6.

Lee, M. and Jay, J. (2015), "Strategic responses to hybrid social ventures", *California Management Review*, Vol. 57 No. 3, pp. 126-147.

Lee, S.U. and Kang, J. (2015), "Technological diversification through corporate venture capital investments: creating various options to strengthen dynamic capabilities", *Industry and Innovation*, Vol. 22 No. 5, pp. 349-374.

Lee, S. U., Park, G., and Kang, J. (2018), "The double-edged effects of the corporate venture capital unit's structural autonomy on corporate investors' explorative and exploitative innovation", *Journal of Business Research,* Vol. 88, pp. 141–149.

Low, G.S. and Fullerton, R.A. (1994), "Brands, brand management, and the brand manager system: a critical-historical evaluation", *Journal of Marketing Research*, Vol. 31 No. 2, pp. 173-190.

Ma, S. (2020), "The life cycle of corporate venture capital", *Review of Financial Studies*, Vol. 33 No. 1, pp.358–394

Maloney, J. (2021), "Coke to pay $5.6 billion for full control of BodyArmor", *Wall Street Journal*, November 1, 2021, https://www.wsj.com/articles/coke-to-pay-5-6-billion-for-full-control-of-bodyarmor-11635713140

Masulis, R.W. and Nahata, R. (2011), "Venture capital conflicts of interest: evidence from acquisitions of venture-backed firms", *Journal of Financial and Quantitative Analysis*, Vol. 46 No. 2, pp. 395-430.

Maula, M.V.J. (2007), "Corporate venture capital as a strategic tool for corporations", in Landström, H. (Ed.), *Handbook of research on venture capital*, Edward Elgar, Cheltenham, pp. 371-392.

Maula, M. and Murray, G. (2000), "Corporate venture capital and the exercise of the options to acquire", *R&D Management Conference,* Manchester, U.K., 10-12.7. 2000.

Mawson, J. (2020), "Consumer sector", *Global Corporate Venturing*, April, Mawsonia Ltd., London, pp. 37-62.

McGuinness, T. (2008), "Dynamic capabilities for entrepreneurship and innovation in marketing-driven organisations", paper submitted to *Seventh International Congress: Marketing Trends*, Venice, 25-6 January.

Meyer, K. E. and Tran, Y. T. T. (2006), "Market penetration and acquisition strategies for emerging economies", *Long Range Planning*, Vol. 39 No. 2, pp. 177-197.

Miles, M.B. and Huberman, M.A. (1994), "*Qualitative data analysis: an expanded sourcebook"*, Sage, Thousand Oaks, CA.

Mirvis, P.H. (2008), "Can you buy CSR?", *California Management Review*, Vol. 51 No. 1, pp. 109-116.

Morgan, N. A. and Rego, L. L. (2009), "Brand portfolio strategy and firm performance", *Journal of Marketing*, Vol. 73 No. 1, pp. 59–74.

Napp, J.J. and Minshall, T. (2011), "Corporate venture capital investments for enhancing innovation: challenges and solutions", *Research-Technology Management*, Vol. 54 No. 2, pp. 27-36.

Nazarkina, L. (2012). "How sustainable are the growth strategies of sustainability entrepreneurs?", in Mennillo, G., Schlenzig, T. and Friedrich, E. (Ed.s.), *Balanced growth: finding strategies for sustainable development*, Springer-Verlag, Berlin, pp. 105-121.

Newbert, S.L. (2007), "Empirical research on the resource-based view of the firm: an assessment and suggestions for future research", *Strategic Management Journal*, Vol. 28, pp. 121-146.

Parkhe, A. (1993), "'Messy' research, methodological predispositions, and theory development in international joint ventures", *Academy of Management Review*, Vol. 18 No. 2, pp. 227-268.

Penrose, E.T. (1959), "*The theory of the growth of the firm*", John Wiley, New York.

Polzin, F., Sanders, M. and Stavlöt, U. (2018), "Do investors and entrepreneurs match? Evidence from The Netherlands and Sweden", *Technological Forecasting and Social Change*, Vol. 127, pp. 112-126.

Ponsonby-McCabe, S. and Boyle, E. (2006), "Understanding brands as experiential spaces: axiological implications for marketing strategists", *Journal of Strategic Marketing*, Vol. 14 No. 2, pp. 175-89.

Porter, M.E. (1979), "How competitive forces shape strategy", *Harvard Business Review*, Vol. 57 No. 2, pp. 137-145.

Poser, T.B. (2003), "*The impact of corporate venture capital: potentials of competitive advantages for the investing company"*, Deutscher Universitäts-Verlag, Wiesbaden.

Prashantham, S. and Birkinshaw, J. (2008), "Dancing with gorillas: how small companies can partner effectively with MNCs", *California Management Review*, Vol. 51 No. 1, pp. 6-23.

Pratt, M.G. (2008), "Fitting oval pegs into round holes", *Organizational Research Methods,* Vol. 11 No. 3, pp. 481–509.

Riepe, J. and Uhl, K. (2020), "Startups' demand for non-financial resources: descriptive evidence from an international corporate venture capitalist", *Finance Research Letters*, Vol. 36, Article 101321.

Rifkin, G. (2012), "Learning by acquisition: how culture trumps size", *The Korn Ferry Institute*, 2012, pp. 49–57.

Rode, V. and Vallaster, C. (2005), "Corporate branding for start-ups: the crucial role of entrepreneurs", *Corporate Reputation Review*, Vol. 8 No. 2, pp. 121–135.

Röhm, P. (2018), "Exploring the landscape of corporate venture capital: a systematic review of the entrepreneurial and finance literature". *Management Review Quarterly*, Vol. 68 No. 3, pp. 279-319.

Rowe, P. (2011), "*M&A activity in sustainable food and drinks brands*", Business Insights Ltd., Rockville, MD.

Ruhnka, J.C. and Young, J.E. (1987), "A venture capital model of the development process for new ventures", *Journal of Business Venturing*, Vol. 2 No. 2, pp. 167-184.

Smith, S.W. and Shah, S.K. (2013), "Do innovative users generate more useful insights? an analysis of corporate venture capital investments in the medical device industry", *Strategic Entrepreneurship Journal*, Vol. 7 No. 2, pp. 151-167.

Souitaris, V. and Zerbinati, S. (2014), "How do corporate venture capitalists do deals? an exploration of corporate investment practices", *Strategic Entrepreneurship Journal*, Vol. 8 No. 4, pp. 321-348.

Srivastava, R.K., Fahey, L. and Christensen, H.K. (2001), "The resource-based view and marketing: the role of market-based assets in gaining competitive advantage", *Journal of Management*, Vol. 27 No. 6, pp. 777-802.

Strauss, A. and Corbin, J. (1998), "*Basics of qualitative research"*, Sage Publications, Newbury Park, CA.

Thornton, S., Henneberg, S.C. and Naudé, P. (2013), "Understanding types of organizational networking behaviors in the UK manufacturing sector", *Industrial Marketing Management*, Vol. 42 No. 7, pp. 1154-1166.

Titus, V., Parker, O. and Covin, J. (2020), "Organizational aspirations and external venturing: the contingency of entrepreneurial orientation", *Entrepreneurship Theory and Practice*, Vol. 44 No. 4, pp. 645-670.

Tong, T. W. and Li, Y. (2011), "Real options and investment mode: evidence from corporate venture capital and acquisition", *Organization Science*, Vol. 22 No. 3, pp. 659–674.

Tyebjee, T.T. and Bruno, A.V. (1984), "A model of venture capitalist investment activity", *Management Science*, Vol. 30 No. 9, pp. 1051-1066.

Van Durme, J., Brodie, R.J. and Redmore, D. (2003), "Brand equity in cooperative relationships: exploring the development of a conceptual model", *Marketing Theory*, Vol. 3 No. 1, pp. 37-57.

Van Rensburg, D.J. (2013), "Strategic brand venturing: an intersectional idea", *Management Decision*, Vol. 51 No. 1, pp. 200-219.

Van Rensburg, D.J. (2015), "In-sourcing disruptive brands as a corporate entrepreneurship strategy", *International Entrepreneurship and Management Journal*, Vol. 11 No. 4, pp. 769-792.

Vastola, V. and Russo, A. (2021), "Exploring the effects of mergers and acquisitions on acquirers' sustainability orientation: embedding, adding, or losing sustainability", *Business Strategy and the Environment*, Vol. 30 No. 2, pp. 1094-1104.

Vigneron, F. (2017), "The seven habits of luxury brands", *Journal of International Marketing Strategy*, Vol. 5 No. 1, pp. 1-16.

Weick, K.E. (2007), "The generative properties of richness", *Academy of Management Journal*, Vol. 50 No. 1, pp. 14-19.

Wernerfelt, B. (1984), "A resource-based view of the firm", *Strategic Management Journal*, Vol. 5 No. 2, pp. 171-180.

Wherry, G.R. (2021). "*Corporate venturing in the media and entertainment industry: contextual factors that influence corporate venture decision making*", Unpublished doctoral dissertation, Pepperdine University.

Yates, I.C. and Roberts, E.B. (1991), "Initiating successful corporate venture capital investments", working paper # 3308-91-BPS, MIT Sloan School of Management, Boston.

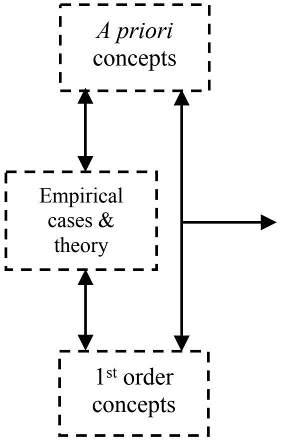
Yin, R.K. (2018), "*Case study research and applications: design and methods (6e.)"*, Sage, Thousand Oaks, CA.

Zu Knyphausen-Aufseß, D., Rauser, I. and Schweizer, L. (2010), "Mobilizing intra-organizational challenges: the challenge of corporate venture capital", in Schreyögg, G. and Conrad, P. (Ed.s.), *Organisation und strategie*. Springer Fachmedien, Wiesbaden, pp. 114-149.

Table I. The case studies – global consumer product firms

Case	Incumbent firm	Description of incumbent	US Subsidiary Revenue (Est)	Venturing experience	Entrepreneur brand	Description of brand venture	SBV pathway
1	Alpha	Global beverage	$10bn	6 years	Maine	Tea & juice drink	42% minority > 100% acquisition
2	Alpha	Global beverage	$10bn	6 years	California	Coconut water	20% minority > 53% > 75% > 100% acquisition
3	Beta	Global alcoholic drinks	$4.2bn	3 years	Texas	Craft beer	Loan > 24.8% minority (No future options negotiated)
4	Gamma	Global food & beverage	$4.0bn	4 years	Florida	Pet food	7% minority > exit (Option for 25% not used)
5	Delta	International food	$13bn	2 years	Oregon	Snack	20% minority > option to acquire 100%
6	Epsilon	Global food	$8.8bn	6 years	Georgia	Ethnic fast food	Minority > 90% majority > IPO (exit)
7	Zeta	Global food	$6.1bn	12 years	Vermont	Yogurt	40% minority > 80% majority > option to acquire 100%

Table II. Systematic combining with evidence by case



2nd Order process elements	**Case 1** Alpha/ Maine	**Case 2** Alpha/ California	**Case 3** Beta/ Texas	**Case 4** Gamma/ Florida	**Case 5** Delta/ Oregon	**Case 6** Epsilon/ Georgia	**Case 7** Zeta/ Vermont	**Aggregate SBV dimensions**
Objectives, role and charter	Yes	Yes	Yes	Yes	Yes	Yes	Unclear	SBV program design
Strategy/structure	Yes	Yes	Yes	Yes	Unclear	Yes	Informal	
HR framework	Yes	Yes	Yes	Partial	Dispersed	Qualified	No	
Governance model	Yes	Yes	Yes	Yes	Partial	Yes	Yes	
Strategic exploration	Yes	Yes	Yes	Yes	Yes	Qualified	Informal	Opportunity identification
Ecosystem participation	Yes	Yes	No	Yes	Yes	N/A	No	
Courting and selection	Yes	Yes	Yes	Yes	Partial	Assumed	Yes	
Structure deals and invest	Yes	Yes	Yes	Yes	Yes	Yes	Yes	
Entrepreneurial marketing	Yes	Yes	Yes	No	No	No	Yes	Brand entrepreneur partnerships
Organizational linkages	Yes	Yes	Yes	Yes	Partial	Partial	Partial	
Exogenous constituents	Yes	Yes	Yes	Yes	Yes	Yes	Yes	
Monitor ventures	Yes	Yes	Yes	Yes	Yes	Yes	Yes	
Exploit synergies	Yes	Yes	No	No	No	Slight	Partial	Venture portfolio management
Options decision	Yes	Yes	No	Yes	In process	Yes	Yes	
Assimilate and graduate	Yes	Yes	No	Exit	Uncertain	Exit	Not in scope	
Corporate entrepreneurship	Yes	Yes	No	No	Partial	No	Yes	

Table III. Evidence from fieldwork (selective extracts)

Design SBV program			
Objectives, role & charter	Venture unit strategy	HR Framework (structure, talent)	Governance model
"we're looking to do something on behalf of the firm financially, but also reputational…and then very importantly in the end to create [the SBV unit] as a destination of choice for people in this community." [A3] *"its strategic role was to deliver share and profit growth in the above premium segment"* [B4] *"I think it is having insight and understanding of emerging"* [G1] *"It was created to accelerate the pace of innovation and to build strategic capabilities through partnerships with institutional venture capital funds and direct equity investments in start-up companies."* [D2].	*"…two strategies…one is an investment strategy where we will take either a minority stake with a clear path to ownership later and shepherd it through an emerging phase to a scaled phase at which point the brand would graduate to a larger, more capable group within our company, as well as incubation brands."* [A5] *"And therefore we found that we'll take minority positions if we can get a path to ownership right now.."* [B3] *"the categories that they strategically either can't pursue with their own brands just because the brand can't stretch there, or because there's some big reason why they can't,."* [D2] *"picking those investments where significant upside potential existed and providing those with non-monetary corporate resources and expertise to maximize value"* [E1]	*"it was extremely important that we had a senior player who would be recognized as someone that wasn't going to do this because they didn't have any other opportunity in [Alpha]. For somebody that had been successful and was respected and they would immediately bring some credibility"* [A3] *"We set it up separate because we wanted it to be, but I asked him to have HR, his human resources person, finance person, have a dotted line into the functions heads so that the standards didn't have to be recreated and the wheel didn't have to be reinvented."* [B3]. *"You want it to be very close to what's going on in that market first of all which includes all the players and bottlers in that market. Corporate doesn't provide that. They're not selling anything in corporate and so if you're not careful it becomes a supervisory function…"* [A3]	*"So in the deal structure we had a set of governance rights where either board seats that we would have or decision making that we'd be able to influence.."* [A2] *"the senior leadership team is as responsible for the governance at [the SBV]… because of the importance to the overall strategy, [SBV] figures fairly prominently and regularly at the SLT general meetings,."* [B2] *"In the birth phase …It was not an orchestrated effort at all…And then I guess it reached some critical mass where there were a few years when it was like the alchemy stopped, when we really made it into a strategy. At that point it got some more visibility during management meetings."* [Z1]
Identify venture opportunities			
Strategic exploration	Ecosystem cultivation	Courting	Structuring deals
"know it was a whole new space that we weren't playing in and so it allowed us to kind of find new sources of growth…it's just an example of disruption…And we did not want to get caught not playing there". [A2] *"part of our strategy was gosh we have these abilities we can apply to our own brands, we can put muscles on the mouse. So let's go out and make friends and have a fairly blank piece of paper about what those relationships might be but we have value to add,".* [B5] *"there are a couple of very solid conferences to work from. So there are quite a number of venture capitalists who absolutely are open to the idea …we're an LP in a fund – But I think the VC arena is one that would be necessary just because of the volume of activity there…"* [G1]	*"ecosystem becomes such an integral part of what I'd like to think of as open innovation. Open innovation is the recognition that no one company can do it all. And that if they want to be successful and minimize the amount of investments that they have to make."* [A2] *"A lot of our awareness around trends, opportunities with brands, connections to people are made through our ecosystem. So that's one. It allows [the SBV unit] to be more externally focused because we can tap into a pretty broad and diverse ecosystem of partners…I think that the diversity of the ecosystem is important because that way people are looking at things in very different ways than we might look at things only through our lens and it helps to challenge our thinking from time to time as we visit with some of these external partners in the ecosystem".* [A5]	*"It's not just the brand. Capabilities is always something that can be supplemented or added but the leader, and his or her management team are really important. …because one of the things we've learned in our model is again the art of retaining the entrepreneurial culture and leveraging [Alpha] is just that. It's an art."* [A1] *"But we chose [California] primarily because of the brand and the founder. Relative to the others it just seemed like it had the longest runway and the most seasoned founder.".* [A1] *"Well it takes a long time. It took us probably a year-and-a-half of discussion, meetings at the trade shows that I referenced, phone calls, talking to their advisors. It wasn't just him that we had to get to know. We had to get to know his wife, we had to get to know his advisors, we had to get to know his other investors, so it was a long process of building that relationship."* [A2]	*"no deals without some sort of contractual line-of-sight to full majority ownership.."* [B1] *"So we said, look it's whenever they hit a revenue trigger as opposed to a time-based trigger. ..we decided we were going to take a multistep process. So we actually was going to do four full steps where we would start at 20%, go to 50%, 51%, then 75%, then 100%. And our rationale for that was twofold. One is that we wanted to kind of more closely map against the phases of growth that we had built in our model of what we thought most brands would go through. What are the revenue levels that they go through as they expand and that was 35 million of sales, 75 million of sales and 150 million of sales. Each one of those revenue targets being reflective of a major milestone. And then the second vector is that's what it took to get the deal done.."* [A2]

Enact partnering with brand entrepreneurs			
Entrepreneurial marketing	Organizational linkages	Exogenous constituents	Monitor ventures
"the idea behind create, build, expand is that you would take a brand and you would incubate it in a very select group or a section of the market. And then you would show success there and you would grow over time to expand and then eventually you would be kind of expansion mode, national expansion mode." [B4] *"I would say I would probably learn more from them about how they market their small brands than what I can probably teach them."* [D1] *"there's just a combination of writ and chemistry and imagination and you know all of those factors that add up to making an entrepreneurial case but are very hard to mimic and so I have seen some of these large company guys with their kind of reductionist, very analytic behavior depending heavily on consumer insights and coming up with exactly the wrong conclusion for us."* [Z2].	*So I'd say the first thing that makes it difficult is just lack of resource. It's not hard to capture the imagination of another function. R&D is a great example. The resources in R&D love to support the [SBV unit] brands because what they see is their work getting commercialized real time in the marketplace and it's very rewarding. So emotionally it's very rewarding."* [A1] *We've also helped them with expertise. For example, one of the things they do a lot of co-packing in Europe and they were really struggling with how to get Kosher certification in some of the European facilities. So I hooked them up with a person within [Delta] who was a total expert on getting Kosher certification. And so that person can conceivably say okay here's how you go about it, here are the contacts – just cutting through some of the red tape."* [D1]	*"[Epsilon] put [Georgia] in touch with our distributors and the distributors distributed for [Georgia] for years and this was the kind of distraction that happened. When an operator was in their local town they saw a [Epsilon] truck at a [Georgia] offloading stuff they just went through the roof. And they called me and they called the CEO and complained about it. So eventually distributors had to have [Georgia] trucks*" [E1] *"Maine had a strong image with sustainability minded consumers and retailers. An association with Alpha was not viewed positively and posed a risk. The credibility of the founder played a critical role in shifting negativity. He personally called key retailers in advance of the deal, wrote a blog outlining his rationale, and personally answered every email from disaffected consumers. His key message: the only way to 'democratize organics', was through leveraging the distribution power of a large firm.*" [B2].	*"We had plenty of difficult conversations but it never got to a vote…[Joel] operated like he owned this business and he still does. He is the real owner even if he owned 5% of it and I think that's what you want in a leader. You want all your leaders to operate like they really own the whole business. You never want them to feel like I only own 5% and [Epsilon] own the rest. That's just not healthy."* [E1] *"So we have an independent board, we have representatives and third party independents sitting on a board. And we have an operating agreement that governs what decisions must be approved by the board versus those that can be just approved by the senior management team. In addition, we have a monthly operating routine and that is with the [Alpha SBV unit] only"*. [A1]
Venture portfolio management			
Options decision	Exploit synergies	Assimilate and graduate	Foster corporate entrepreneurship
"And so we hit another tranche where they needed to get 9 billion in sales and so they got 5 or 6 and we needed to get 9 and they missed it by about 6 or 8 months. And so I said at the board meeting – they were saying do you want a delay and I said no I'm not going to delay. Look guys let's be clear, this is not working. So the last thing in the world I'm going to do is give you another million and-a-half dollars, right. You missed the deadline; the deadline is up." [G2] *"simply acquiring and absorbing a sustainable brand threatens to destroy what made the brand successful in the first place – the personal connection with consumers and their values…when deciding to acquire one must allow the brand to retain its personality and a degree of independence while ensuring it benefits from the parent company's financial muscle and ultimately produces a healthy ROI"* [Z2]	*"definitely enabled us to afford probably our most significant packaging advance. But we, with [Zeta], were able to jointly develop the world's first PLA, Polylactic Acid resin, for form-seal packaging."*[Z2] *"created a blueprint that looks at the critical functions of the business from call it infrastructure support, sales and commercial and marketing. The second piece is sales. Where we're calling on the same customers that [Alpha] calls on for other brands, can we do that together in unique markets where that makes sense?" [A4]* *"So we kind of said let's keep them all separate. But as we've evolved and learned, we're starting to recognize that there's kind of a happy medium and that you can have a portfolio approach up to a certain degree.."* [A2]	*"I think the intent has always been that brands would graduate."* [B2} *"we had an idea that brands would graduate somewhere between 350 and 500 million dollars. We probably have moved to a place that it depends on the category, the bottler situation, the health of the business, the portfolio interaction of other brands that [Alpha] owns."* [A4] *One of the learnings that we've had are around these venturing models is that while we want to graduate them to the core business, there needs to be a period of time where we do the integration into [Alpha] in such a way that we're creating a very stable and healthy business. We've got the luxury of doing that that maybe a traditional M&A model wouldn't and so keeping some people transitions in place becomes very important.* [A2]	*Beyond growth, having the unique vantage point of a minority investee and watching has helped our company in many other ways, from encouraging to obtain organic certification at three of our facilities, to establishing a state of the art tea brewing and filtration system at a bottling plant – they provide a source of innovative ideas and energy that enhance our own efforts."* [X3] *"While I was CEO, I steered [Zeta] into some investments including [Maine] for example. I steered them into becoming the minority for something we created called [Vermont Europe], the minority owner in, an Irish organic firm, which I essentially am the chair of. And we now own a healthy chunk of [Vermont Europe] which is again majority owned by [Zeta]. And then I steered them into the launch of two new brands. And then I'm working on some pretty innovative packaging and other ventures where"*. [Z1].

Figure 1. Abductively-derived data structure

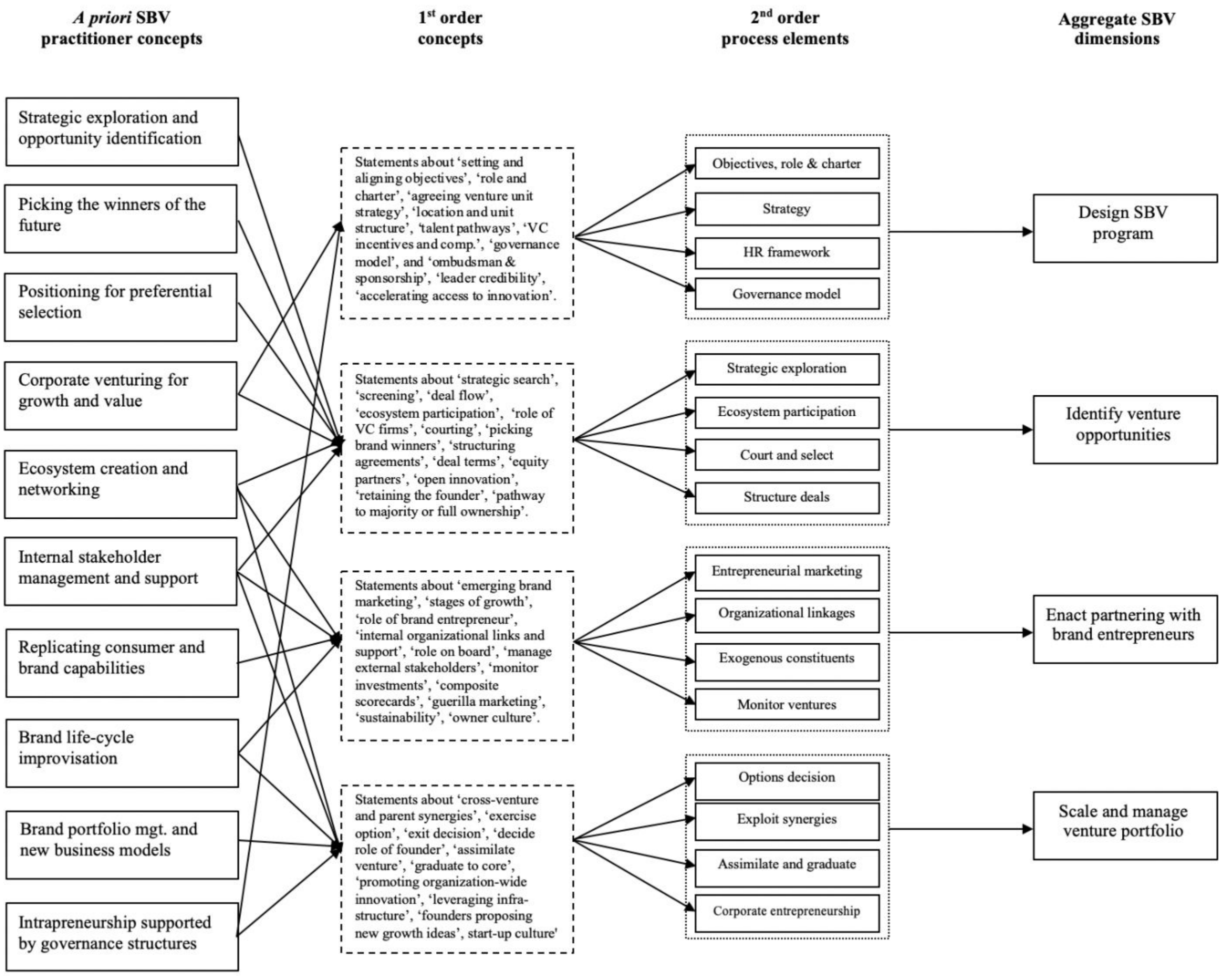


Figure 2. Strategic brand venturing model