

STARTUP
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IMPATIENT INNOVATION
FOR A RESTLESS WORLD

Produced by Startup Nation Central | Powered by Finder

MNC Innovation Playbook

Engaging Israeli Startups in Real Time



Israel is the Startup Nation, with more than **7,000 tech companies** making it one of the most concentrated and dynamic ecosystems in the world.

Innovation is the backbone of Israel's economy, with high tech contributing about **20% of GDP**, over 60% of exports, and the world's highest R&D intensity averaging 6% of GDP.

Israeli startups are global from day one, with more than 85% following a B2B model and building for international markets.

This compact market delivers **outsized impact**. Powered by resilience, talent, and world-class R&D, Israeli founders consistently create companies that scale fast.

For MNCs, the appeal is clear. Israel continues to attract global capital with strong teams, breakthrough technologies, and valuations built for long-term growth.

The next wave of innovation is being built in Israel **right now**.

Startup Nation Central's long and integral presence in Israel's tech landscape can support your decision-making as you deepen your involvement in the country's innovation economy.

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Why Israel?

2025 Ecosystem Landscape

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Compact Powerhouse with a Thriving Innovation Ecosystem

INNOVATING
HERE



Israel may be small, but it has become a **global leader in innovation**. Born out of necessity and shaped by urgency, the Israeli tech ecosystem is built to solve real-world problems quickly. **Israeli tech companies raised over \$12 billion in 2024**, marking a 27% year-over-year increase and proving the ecosystem's unmatched resilience. Global companies are increasing their presence, and local founders continue to innovate under pressure. This is where bold ideas meet real impact.

Why Engage with Israeli Startups

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7,000+ Active tech startups
in Israel

400+ Multinational corporations
operate in-market

STARTUP VALUE:

IP access | Product solutions | Fast global scaling

FRAMING:

“Impatient innovation” that de-risks corporate R&D

STRATEGIC SECTORS:

AI | Cybersecurity | Semiconductors | Digital health |
Agri-food | Climate tech

Multinational corporations are a crucial part of the broader Israeli innovation ecosystem

517

VENTURE CAPITAL
FUNDS

7000+

STARTUPS AND
TECH COMPANIES

18

TTOS

35

INCUBATORS

122

ACCELERATORS

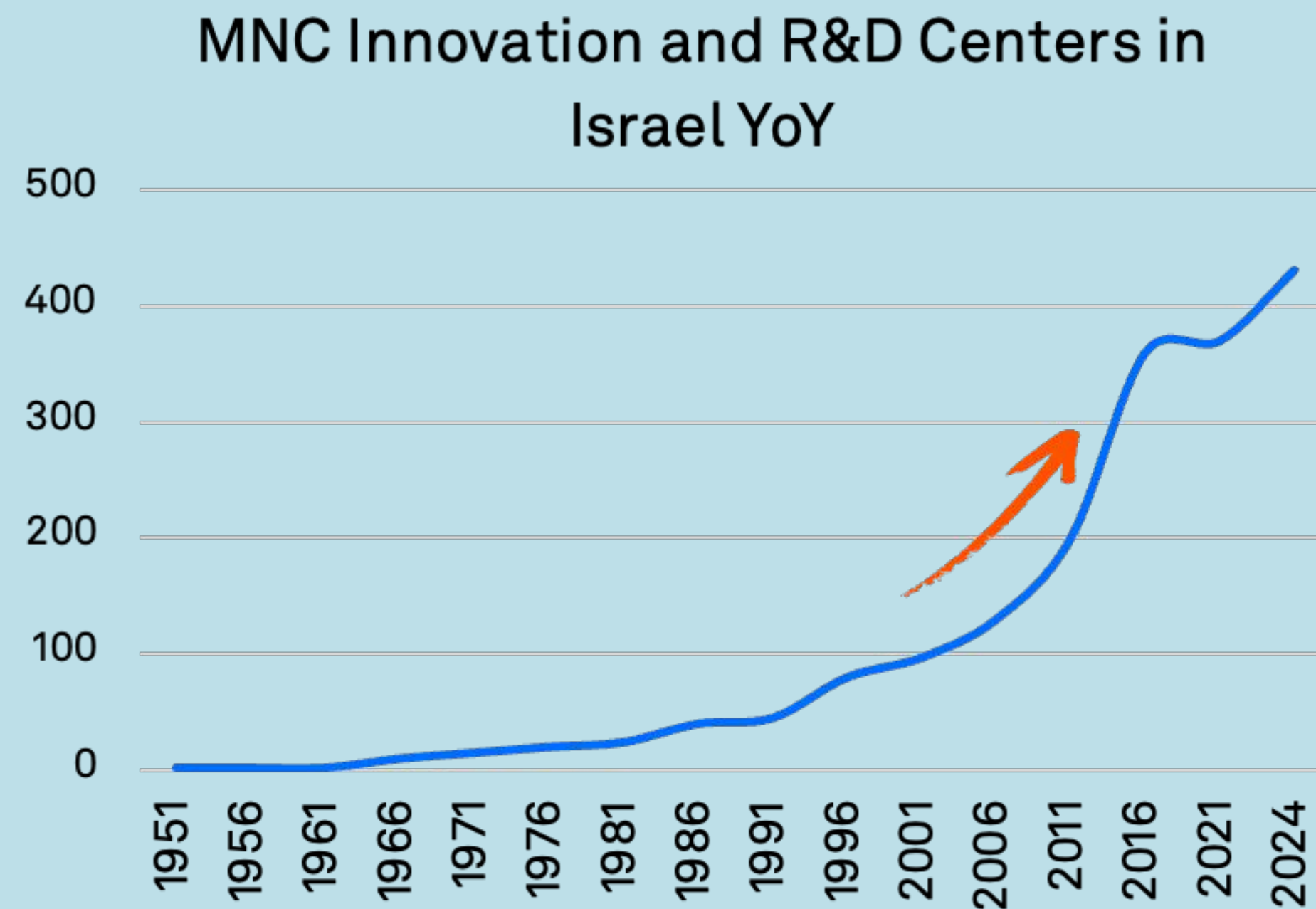
400+

MNC INNOVATION
AND R&D CENTERS

10

PUBLIC
UNIVERSITIES

We have around 450 MNC innovation and R&D centers in Israel

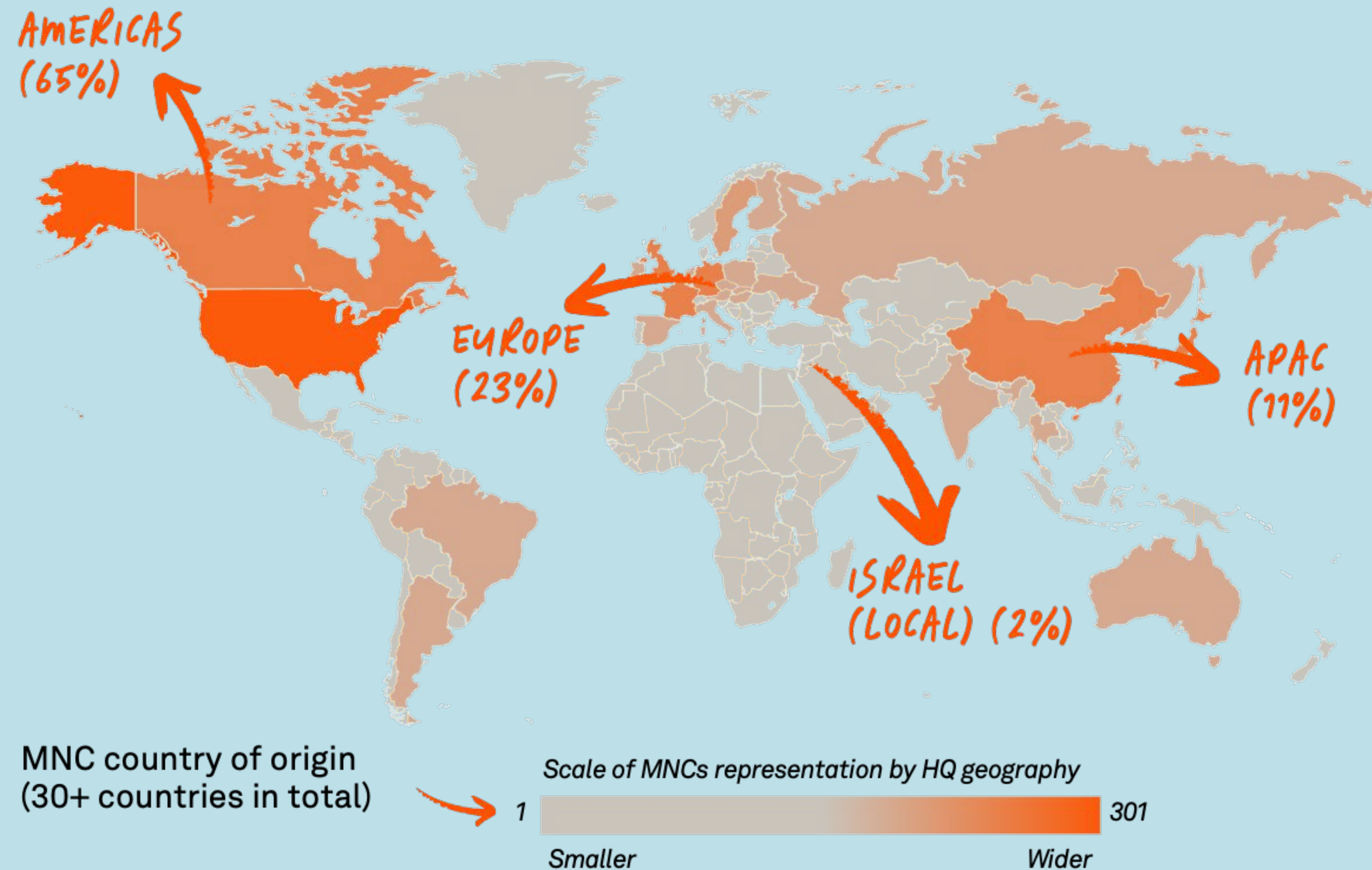


“We’ve always seen Israel as a source of innovation, agility, and talent. I want to thank everyone who contributes to that global success from here. We need to remember that Israel doesn’t just manufacture and develop for itself, it creates for the world.”

Eli Kalif, EVP & CFO, Teva Pharmaceuticals



Headquarters' country of origin for MNCs operating in Israel



23%

Of all MNCs have entered the market within the last 3 years

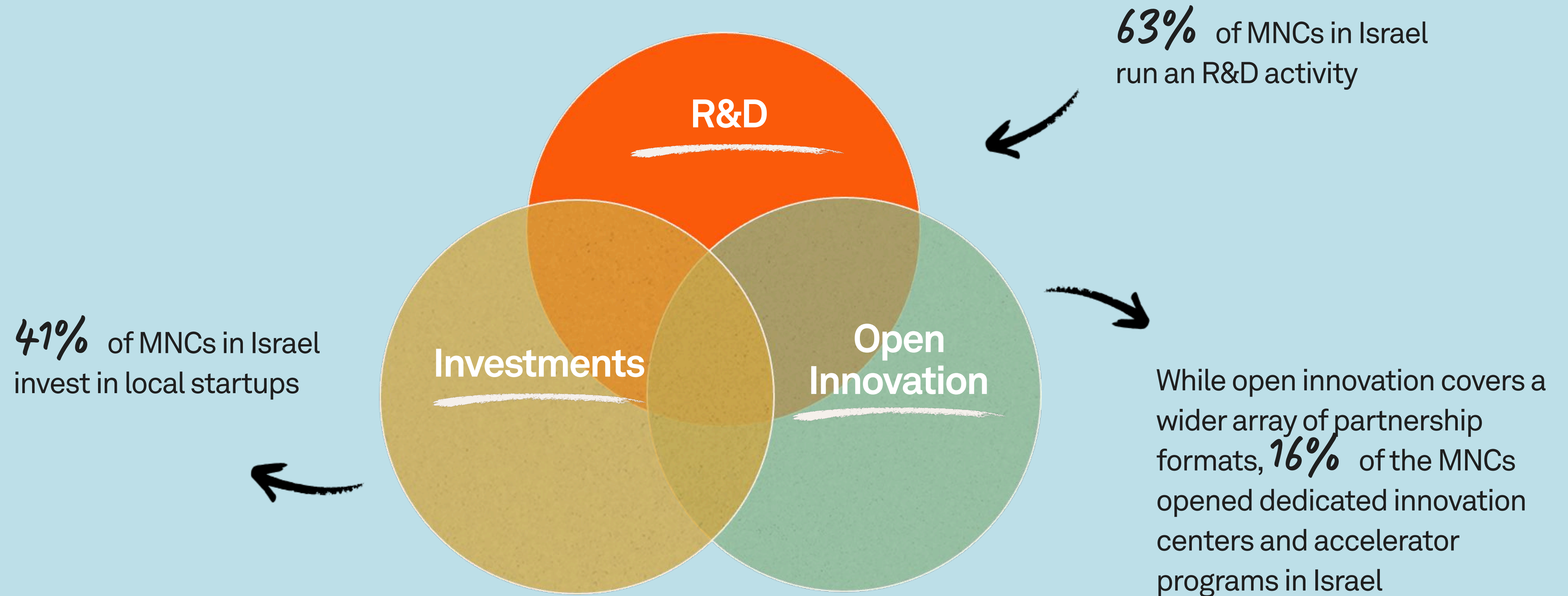
75%

Of MNCs focus on IT, enterprise software or semiconductors

18%

Of the high-tech workforce in Israel is employed by MNCs

Types of MNC activities in Israel



Engagement Types

How multinationals innovate in Israel



R&D Centers

Fully owned tech hubs established by MNCs in Israel to build core technologies.

Open Innovation Hubs

Local scouting and engagement teams connecting MNCs to startups.

OVERVIEW OF ENGAGEMENT TYPES

Corporate Venture Capital (CVC)

Investment arms of MNCs that fund strategically aligned startups.

Strategic Pilots

Short-term startup engagements with potential for investment, scaling, or acquisition.



R&D Centers

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DEFINITION:

Fully owned tech hubs established by MNCs in Israel to build core technologies.

PURPOSE:

Leverage engineering talent and deep tech expertise to develop proprietary IP.

HOW THEY WORK:

- Staffed with engineers and researchers
 - Collaborate with startups and academia
 - Integrated into global product roadmaps
-

EXAMPLES:

- Intel Israel's global center for designing semiconductors
 - Apple R&D center for wireless systems in Herzliya
 - NVIDIA acquired Mellanox and expands its AI infrastructure R&D
-



Corporate Venture Capital (CVC)

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DEFINITION: Investment arms of MNCs that fund strategically aligned startups.

PURPOSE: Gain early insight into frontier tech and future acquisition targets.

HOW THEY WORK:

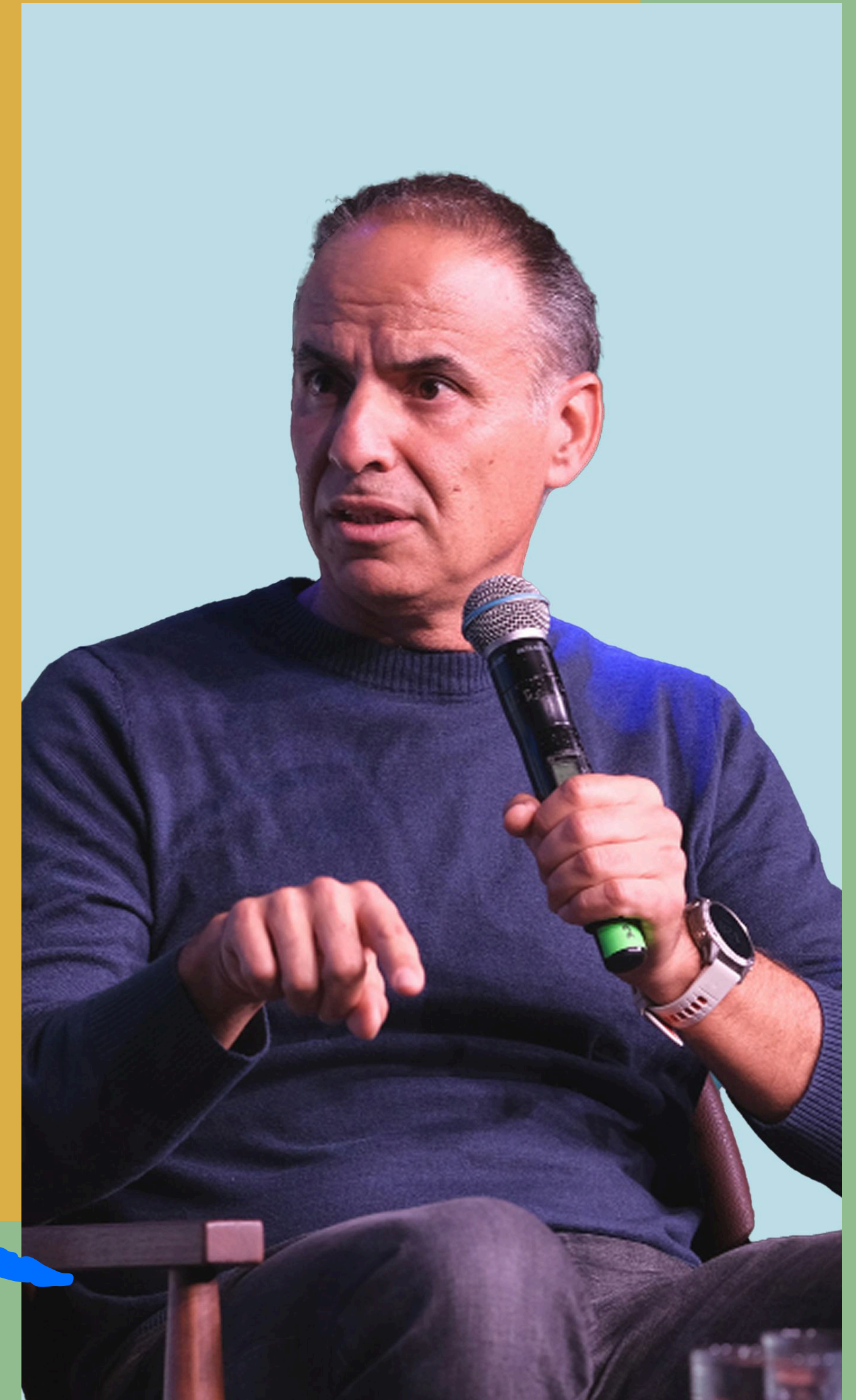
- Minority investments
- Insight into product and team evolution
- Strategic exposure without full commitment

EXAMPLES:

- Microsoft's M12 backs Israeli AI and cybersecurity startups
- Salesforce Ventures invests in data infrastructure
- Qualcomm Ventures focuses on mobility and semiconductors

“If you need out-of-the-box thinking, to challenge yourself, get out of the comfort zone, and if you need strong, dedicated teams that will deliver on must-not-fail projects no matter what the obstacle, Israel is the place to be. It’s in our DNA. It’s what we do.”

Ilan Bressler, VP & GM, Intel Wireless Communication
Solutions





Open Innovation Hubs

DEFINITION: Local scouting and engagement teams connecting MNCs to startups.

PURPOSE: Fast, low-barrier joint ventures and partnerships with startup technologies.

HOW THEY WORK:

- Host demo days and scouting events
- Facilitate direct engagement
- Serve as landing pads for global teams

EXAMPLES:

- Merck scouts biotech via its BioInnovation Hub
- Bosch partners on energy and mobility from its Israeli unit



Strategic Pilots

DEFINITION: Short-term startup engagements with potential for investment, scaling, or acquisition.

PURPOSE: Validate startup fit before deeper commercial commitment.

HOW THEY WORK:

- Pilot scope tied to clear KPIs
- Scale-up or acquisition based on results
- Lower-risk, real-world evaluation

EXAMPLES:

- Roche scaled a diagnostics pilot into commercial rollout
- Google acquired an Israeli AI firm post-pilot
- Siemens expanded use of a climate software startup after testing

Partnership Models

A step-by-step guide to startup partnerships
in Israel



Partnership Models

Partnership Models	Definition:	Example	Use Case:	Common In:
Pilot / PoC	A time-bound engagement where the startup’s technology is tested on the MNC’s infrastructure or data.	Roche ran a pilot with an Israeli digital diagnostics startup to test integration into its hospital networks. Following successful KPIs on accuracy and usability, it transitioned into a scaled deployment phase.	Validate startup tech	AI, Cyber, Health
Joint Development	A formal collaboration to co-build a solution that fits into the MNC’s roadmap, often with shared IP or integration.	Siemens co-developed a smart grid analytics solution with an Israeli climate tech startup, aligning with their infrastructure roadmap. The partnership focused on grid efficiency and predictive maintenance models.	Co-develop roadmap or solution	Deep Tech, Devices
Integration	A commercial relationship where the startup’s product is embedded within the MNC’s offering, often as a white-label or API integration.	SAP integrated an Israeli enterprise AI startup's natural language processing module into its cloud-based CRM platform, offering customers enhanced AI-driven insights.	Embed startup tech in product	Enterprise, Cloud
Strategic Investment	Minority equity investment in a startup that aligns with the MNC’s future tech or market strategy.	Microsoft’s M12 invested in Wiz , an Israeli cloud security startup, as part of a broader strategy to enhance its Azure ecosystem and defend against zero-trust threats.	Gain influence, early access, upside	Fintech, Climate
Acquisition/Acqui-hire	Full purchase of the startup, either for its technology (acquisition) or its team (acqui-hire), often post-pilot or during strategic pivot.	Google acquired an Israeli generative AI startup focused on speech modeling to integrate into its core products. The team was absorbed into Google’s AI center in Tel Aviv.	Secure IP or talent	Cybersecurity, Infra

Structuring the Partnership



INTERNAL READINESS

- a. Define the innovation need
- b. Assign cross-functional owner
- c. Align on budget, timing, KPIs



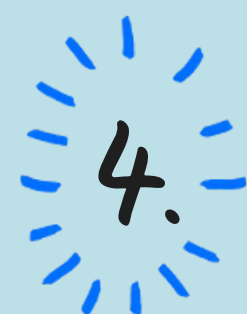
STARTUP SCOUTING

- a. Find a local partner to accelerate access. SNC is a trusted player.
- b. Use Finder to build your shortlist of relevant startups
- c. Prioritize high-fit startups with IP, product maturity, founder strength



ENGAGEMENT DESIGN

- a. Choose the right model
- b. Draft lean legal agreement
- c. Assign a single point of contact



EXECUTION PHASE

- a. Hold biweekly reviews
- b. Track KPIs
- c. Document learnings



SCALE OR EXIT

- a. If successful: scale, invest, or acquire
- b. If not: close with feedback, improve process

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Israeli Government Incentives

Access support for multinational
corporations operating in Israel

IIA Programs for MNC

300+

MNCs partnered with the IIA on at least one program

20+

Incubators & innovation centers were launched with IIA support

The Israeli Innovation Authority is the government entity that supports innovation in Israel. The IIA operates programs in collaboration with MNCs for local startups.

Work with startups:

Technological Incubators Programs

MNCs co-run tech incubators with the IIA, supporting early-stage innovation in targeted fields.

Seed Programs

Funding to early-stage startups for R&D and proof-of-concept development, helping reduce risk and attract future investment.

Innovation Labs Programs

MNCs host labs where startups develop and test prototypes using advanced infrastructure.

Scale:

From Development to Production

Promoting a local manufacturing facility near the R&D facility while leveraging a small-scale market for technology and regulatory feasibility of projects.

MORE INFO ON IIA'S PROGRAMS [HERE](#)

IIA Programs for MNC (continued)

R&D Programs:	R&D Collaboration with MNC	Facilitates joint research and development projects between MNCs and Israeli startups or research institutions
	Industrial R&D and Pilot Collaboration with International Entities	Supports pilot projects and industrial R&D efforts that allow MNCs to test and refine emerging technologies within Israel's innovative ecosystem
	Industrial R&D Cooperation as Part of Horizon	Joint international R&D projects conducted simultaneously by affiliates in Israel & Europe
	R&D Fund	The largest financial incentive for Israeli corporations' R&D activity, offered to all sectors
	MOFET- R&D in Manufacturing	Access to joint R&D projects with the Israeli industry for an end-to-end R&D cycle
	MAGNET Consortiums	This incentive program provides grants for R&D collaboration as part of a consortium (a group of industrial companies and research institutions developing technologies together)

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Communication & Marketing Strategies

Be an internal champion and secure the solutions your organization needs




Messaging & Internal Alignment

Israel is a global innovation partner. For headquarters, the value lies in what Israel does best: turning complexity into solutions and ideas into scalable products. It's where deep tech meets real-world impact, where startups move fast, and where global corporates gain the agility they can't find anywhere else. Israel gives MNCs the edge to innovate smarter, respond faster, and lead in the technologies shaping the future.

HERE'S HOW TO TELL THE STORY.

Four narratives that tell our story



1. Israel is a compact powerhouse
2. We're a nation of problem solvers
3. We're unreasonably optimistic
4. We're a warm, inviting community

Israel Is A Compact Powerhouse



Equipped with talent, funding, research, and access to global markets, Israel was and continues to be at the center of global tech innovation.

A unique set of factors helps cultivate our diverse pool of skilled, bold thinkers, including waves of immigration, compulsory national service and world-class higher education.

“In 2017, our CTO gave me a mission, ‘Find out where in Europe and the Middle East Corning should invest in the startup ecosystem’. The conclusion was, the only place for Corning to be was Israel. Not because of hype, but because of the mindset of the people and the level of innovation happening here.”

Michel Prassas, Regional Director, Corning





We're a nation of problem-solvers

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Unlike other global economic powerhouses, our tiny country hasn't always had the luxury of time, space, or security.

If necessity is the mother of invention, impatience is the driver of Israeli innovation.

SOLVING PROBLEMS IS HARD-CODED IN OUR DNA.

“Israeli entrepreneurs have a ton of hustle. They’re incredibly focused, driven, and resourceful. They tend to reach a stage where they’re ready to expand globally very quickly, which makes them a great fit for us.”

David Ellmann, Co-Founder & General Partner, UP Abundance





We're unreasonably optimistic

We offer bold, determined, audacious innovation, with a healthy disregard for formality and authority.

We abandon slow-moving formal protocols, are immune to failure on the path to success, and possess an irrepressible confidence and optimism in the future.



“What I really appreciate about Israeli entrepreneurs is that they have that little bit ofchutzpah, they’re stubborn - but they’re also smart, and they learn fast.”

Yifat Oron, Senior Managing Director, Blackstone





We're a warm, inviting community

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In Israel, there's no distinction between business and pleasure. Meetings can end with a drink by the beach or an invitation to Friday night dinner.

When you become friends with one Israeli you're welcomed as family by the entire ecosystem. Israelis are fiercely loyal and will drop everything to help a friend or colleague.



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Your Gateway to the Israeli Tech Ecosystem

TELAVIV-YAFO

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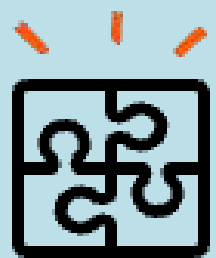
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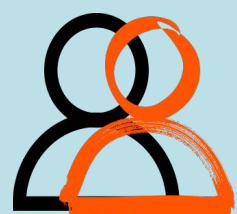
Startup Nation Central



WHO WE ARE



We are a free-acting,
philanthropically-funded NGO



Frictionless access to Israel's
extensive community of innovators

WHAT WE DO

1.

Provide tailored deal flow to **investors**: curated introductions, insights, and trend analysis.

2.

Match **global corporates** with Israeli solutions to real-world challenges.

3.

Drive **innovation diplomacy** and multilateral collaboration, with strategic countries.

What Startup Nation Central provides:

1. Curated startup meetings
2. Strategic introductions
3. Tech challenges and other products
4. Finder dealflow access
5. Sector briefings

For Global
Corporates



Access Israel's Most Promising Tech

Startup Nation Central connects you to Israel's dynamic tech ecosystem.

As an independent nonprofit, we surface curated solutions aligned with your strategy, giving you the clarity, timing and access to grow with confidence.



INNOVATION IS BEST WHEN SHARED

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