

# The MNC Toolkit

Practical tools for multinational  
corporations operating in Israel





# Welcome



Multinational corporations (MNCs) play an essential role in Israel's vibrant innovation ecosystem. Small in size, the Israeli market relies on global entities to address pressing industry challenges by providing critical expertise and guidance.

Amid global economic uncertainties and local socio-political turmoil, MNC representatives in Israel face unique challenges.

This Toolkit, crafted by Startup Nation Central, draws on a decade of close collaboration with MNCs and is designed to support local representatives in two key ways:

1. By reinforcing the importance of innovation as a pathway for multinationals to secure future leadership
2. Strengthening Israel's position as an indispensable hub of global innovation

We hope Startup Nation Central's Toolkit for MNC representatives proves valuable and we invite you to give feedback.

Together, we will continue enhancing this resource.

For feedback and inquiries, please contact: [Garys@sncentral.org](mailto:Garys@sncentral.org)



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## WE ARE

a free-acting,  
philanthropically-  
funded NGO

## WE BELIEVE

Israel's unique approach to  
innovation is key to driving  
progress in tackling global  
complex challenges

## WE DELIVER

frictionless access to  
Israel's tech  
ecosystem and  
expertise

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# A prime connector

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## Business sector

- Multinational corporations
- Global partners
- Investors

## Public sector


- Governments
- Organizations

## Israel's tech ecosystem

- Startups
- Innovation hubs
- Academia
- Investors

# Startup Nation Central's Offering to MNCs

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## INNOVATION DISCOVERY:

Connect with the Israeli innovation ecosystem, from deep-tech research to early-stage startups, established companies, and beyond. Based on your specific needs we curate lists of startups, facilitate online introductions and coordinate single or multi-day delegations.

## TECH CHALLENGE:

We design and run startup tech challenges, in collaboration with MNCs and other industry leaders. From defining the goals and scope of the competition, sourcing the startups and reviewing deal flow, to hosting winners' announcement events, we offer modular initiatives based on your needs and resources.

## STARTUP NATION FINDER:

Our proprietary online platform [Startup Nation Finder](#), empowers MNCs to discover business opportunities, connect, and collaborate. The platform features unrestricted access to real-time updated information on Israel's tech ecosystem, key insights into private and public companies, and deep industry analyses.

## OUTGOING STARTUPS DELEGATIONS:

We organize delegations of Israeli startups to visit MNC headquarters and key industry hubs worldwide.

Startup Nation Central  
offers a range of services to  
**support** MNCs in achieving  
their innovation goals in  
Israel.



Sign up





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# Ecosystem Landscape



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

517  
VENTURE CAPITAL FUNDS

35  
INCUBATORS

122  
ACCELERATORS

7000+

STARTUPS AND  
TECH COMPANIES

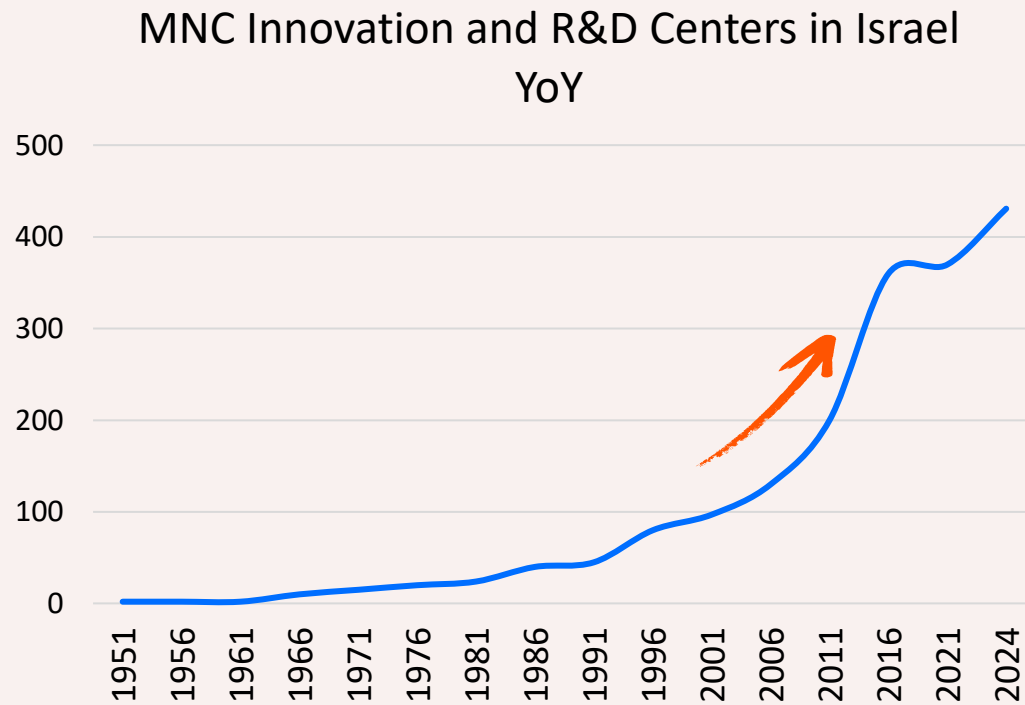
18  
TTOS

10  
PUBLIC  
UNIVERSITIES

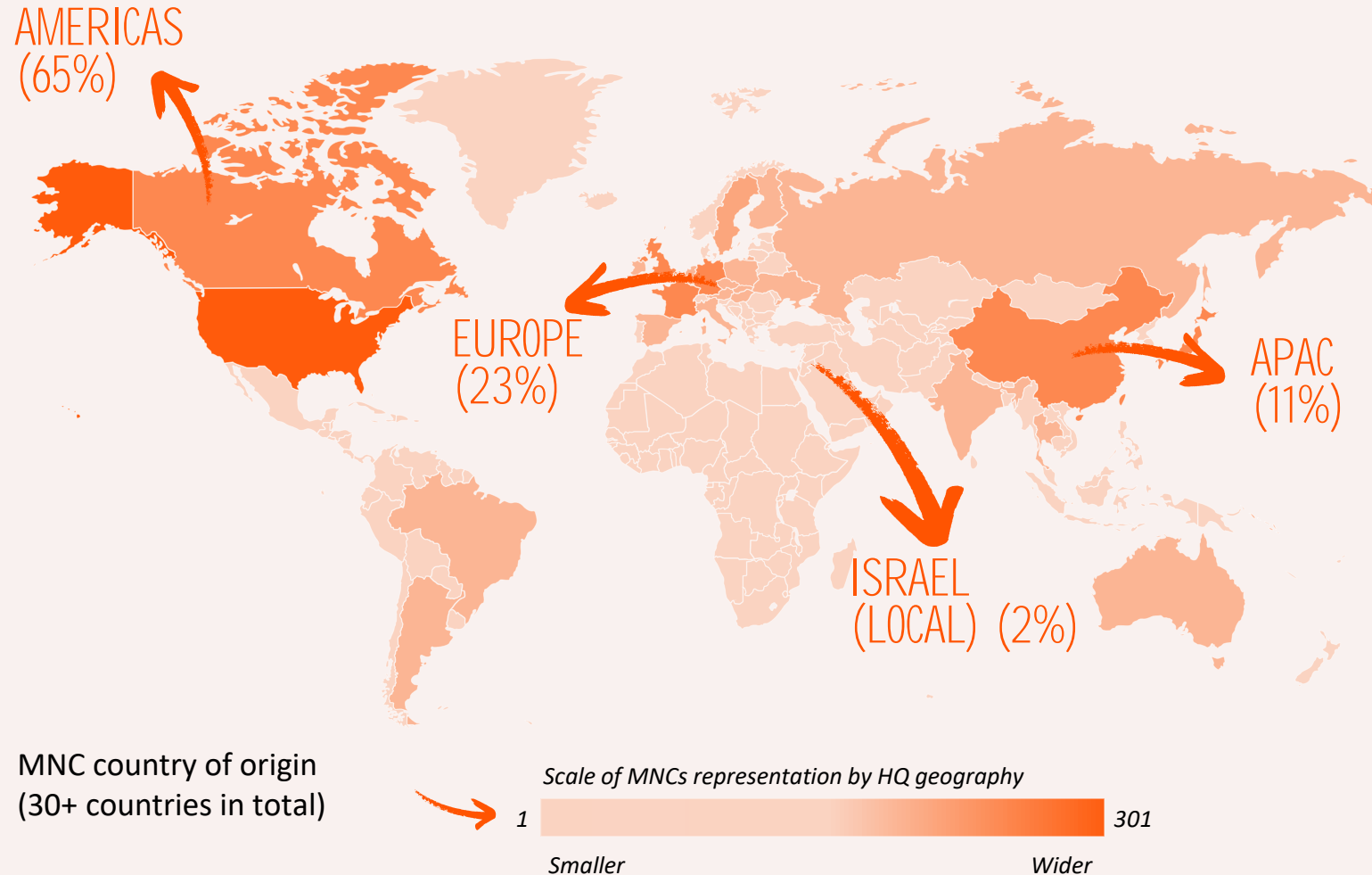
450  
MNC INNOVATION  
AND R&D CENTERS



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



# Headquarters' country of origin for MNCs operating in Israel



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Source: Startup Nation Finder, open sources, PwC analysis  
Reflects MNCs identified per Finder mapping yet can reflect a non-exhaustive list

23%

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

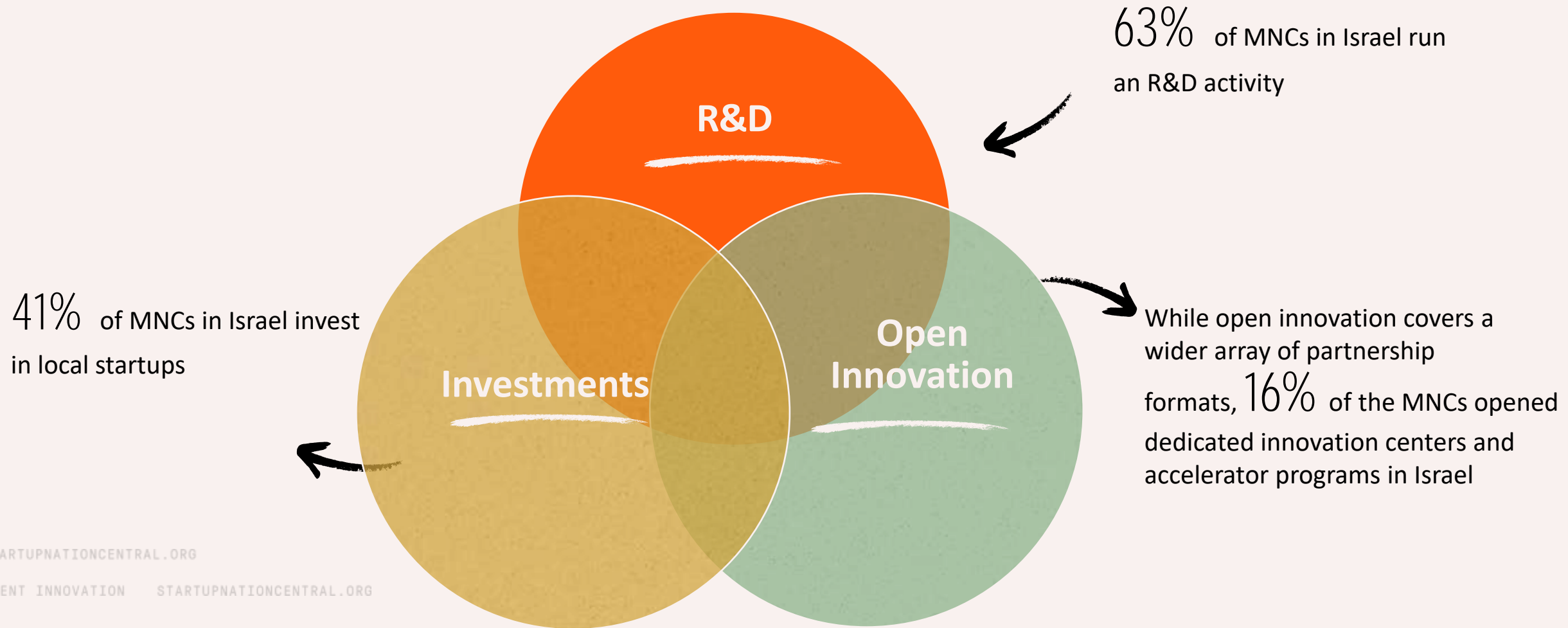
75%

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




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# Models of Innovation



MNC activities usually fit one of three categories.

While each of them can be considered separately, combining them yields better results.

The following slides dive into implementation.

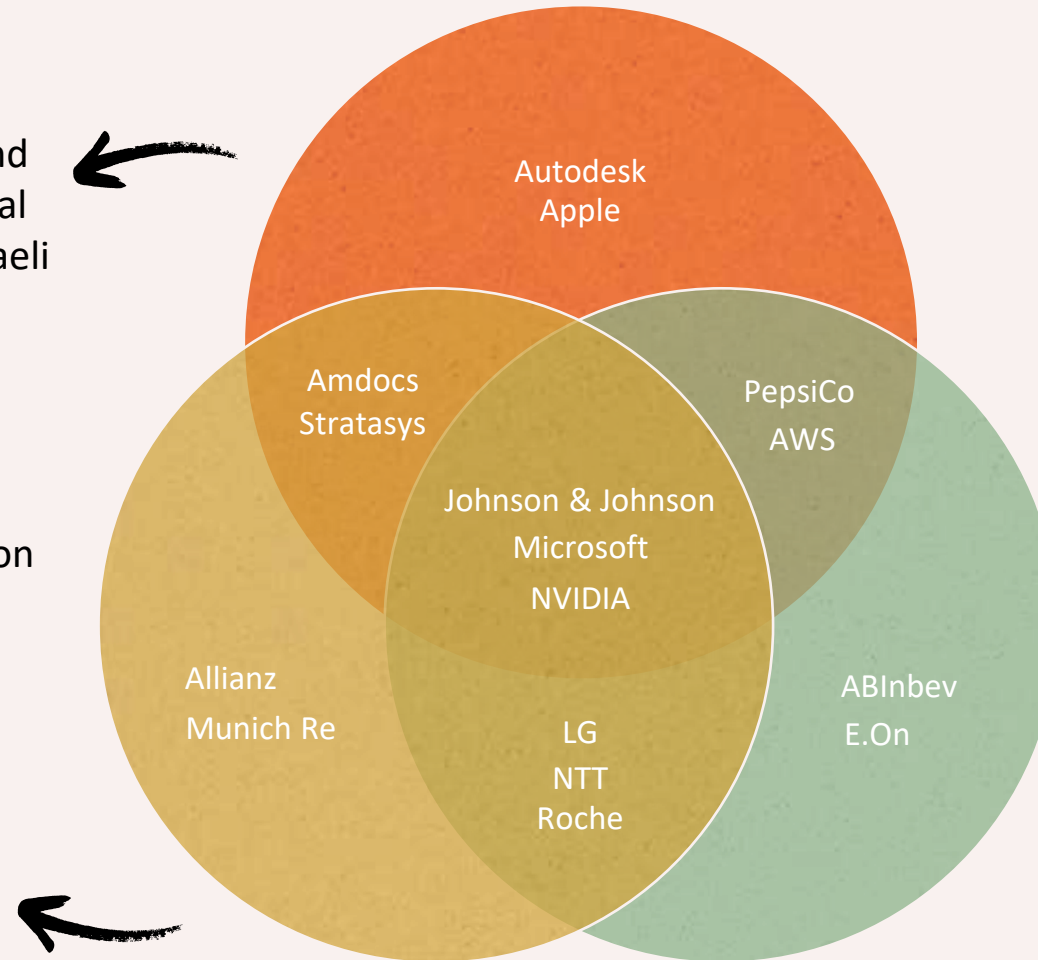
# Three main areas of MNC activity in Israel

## R&D:

Either opening an R&D branch and directly employing Israeli technical teams or via acquisition of an Israeli startup.

## INVESTMENTS:

Investing in startups in anticipation of financial returns and/or future strategic value for the MNC and can be conducted through a dedicated Corporate VC (CVC) or off their balance sheet.



## OPEN INNOVATION:

A collaboration with external partners, usually startups, to outsource MNC innovation objectives, such as developing or assessing a new technology.

# R&D mainly implemented via M&A

## **“Acquihire”: Incorporating Skills & Talent**



Acquire startup as a foothold in Israel for R&D and access to talent while retaining startup culture

**Examples:**  
LinkedIn x Oribi

## **Establishing R&D Center**



Opening an official branch of the brand in Israel

**Examples:**  
MERCK, BNY Mellon, Apple, Autodesk

## **Incorporating Capabilities**



Acquiring the startup and implementing the technology



# Investments: Ways to invest

## Balance Sheet Investing



Investing off the balance sheet with no specific strategic outcome

### Examples:

PEPSICO  
AHERN

## Investing as a Limited Partner



Investing in an existing VC fund to outsource the process (sourcing, due diligence, etc.)

### Examples:

Schneider Electric  
General Electric  
GROVE Ventures

## Investing Through a Corporate VC



Investing directly in solutions with a strategic vision to incorporate them into the company portfolio or internal operations

### Examples:

Salesforce Ventures  
Intel Capital  
Microsoft Ventures

## Investing Through an Incubator



Co-investing with a consortium of companies and investors - and matched by a government incubator that supports startup growth

### Examples:

KYOCERA ESIL  
Johnson Matthey  
Earth & Beyond CORNING



# Open Innovation: Multiple option solution

## Corporate Accelerators



Startup programs to scale solutions, receive mentorship, and access corporate resources

### Examples:

Intel Ignite  
Microsoft for Startups

## Innovation Labs Venture Studios



Centers where corporate investors and entrepreneurs co-develop solutions in targeted verticals

### Examples:

aMoon Roche  
Pfizer MERCK  
STARFINDER lab  
AWS BioMed  
TEVA Israel Biotech Fund  
IIA

## Innovation Center



Corporate hubs fostering collaboration with startups for innovative solutions

### Examples:

KONNECT

## Accelerator Commercialization Programs



Platforms supporting startups growth through mentorship, funding, and market access

### Examples:

MASSCHALLENGE  
The Builders

## Academic Research Collaboration



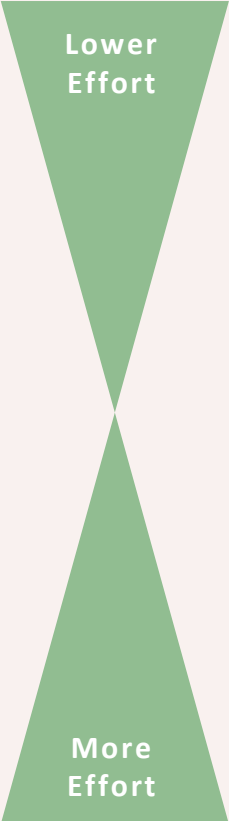
Partnerships bridging academia and industry for cutting-edge technological advancements

### Examples:

Weizmann Institute  
of Science  
The Hebrew University of  
Jerusalem



# How to do it – there are multiple ways to drive Open Innovation

	<b>Activity</b>	<b>Benefits to MNC</b>	<b>Corporate Example</b>
 <b>Lower Effort</b>	Hackathon/ Tech Challenges	Exposure, networking, brand and message	Reinhold Cohn
	Academic Collab.	Research collaboration and early exposure (esp. in Sciences)	MARS + The Hebrew University of Jerusalem
	Incubator	Incubate and develop early-stage tech	Earth & Beyond, CYOSERA, CORNING
	Accelerator	Access to more scalable tech	DRIVE
	Corporate Accelerator	Tailored towards MNC's needs	GOOGLE intel Ignite
	Innovation Lab	Opportunity for co-creation from ideation to pilot	Konnect
	Venture Hub	Collaboration with other large MNCs/industry players	AION
	Venture Client	Quality tailored solutions for MNC's high value customers/internal operations	P&G
	Joint Venture / GTM	Joint revenue opportunities	UST
<b>More Effort</b>			



# Guidelines for results-driven innovation: How Startup Nation Central can help

Startup Nation Central's mission is to support MNCs seeking to implement Israeli innovation by:

01

Highlighting the benefits of using multi-model innovation approach to help MNCs make the most of Israel's unique ecosystem strengths

02

Expanding the scope of innovation beyond the MNC's core sector

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# Israeli Government Incentives



# 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.**

<b>Work with startups:</b>	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.
<b>Scale:</b>	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.





# IIA Programs for MNC (continued)

<b>R&amp;D Programs:</b> 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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# Navigating Local Challenges



# Why should you engage with Israel?

01

Acknowledging current instability will gain trust and engage leadership in a more open conversation.

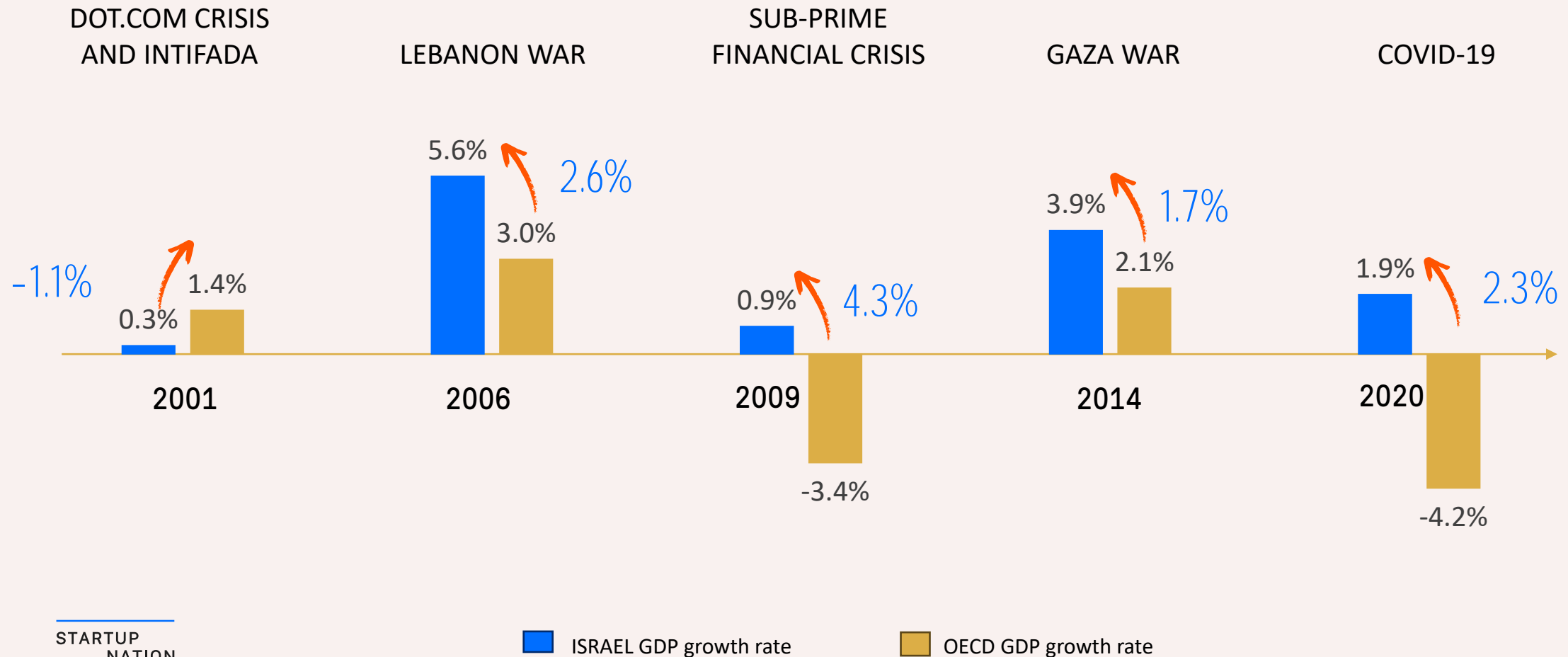
02

Emphasizing that tackling global challenges requires a range of solutions, regardless of origin.

03

Demonstrating that the success of corporate innovation engagements is measured over the long term (more than 7 years), decisions should not be based solely on a short-term crisis.

Israel's fundamentals remain strong, frequently outperforming OECD GDP growth rate even during times of local crisis or global adversity.



# Israeli startups demonstrate inspiring resilience since October 7th, 2023



**\$10.1B**

Private investment raised  
across **740** rounds



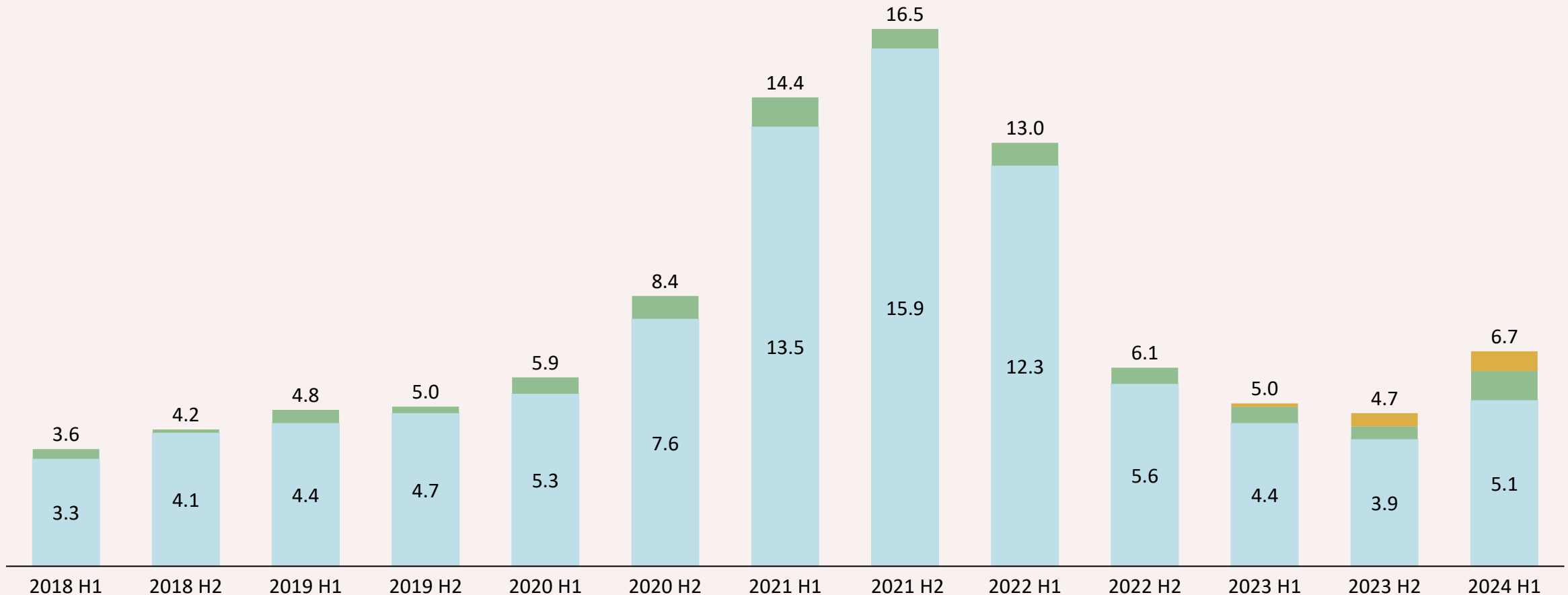
**\$13.5B**

Total in  
M&A



# Private venture funding in Israeli startups, by quarter

Amount (\$B)



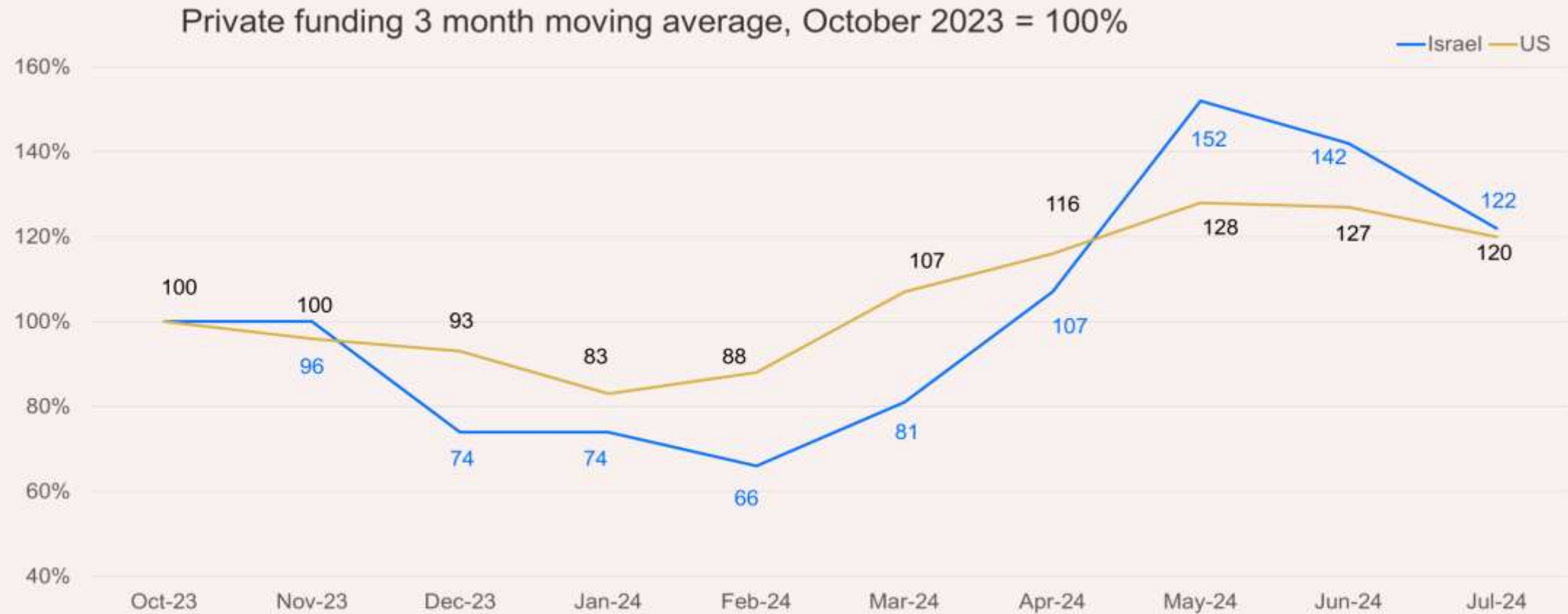
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\* Estimation for rounds with an undisclosed amount is based on the median amount of the same round type in the same year

\*\* Estimation for latest quarters also considers historical patterns of the delay in publishing rounds and thus attempts to account for additional rounds that are not known yet

Source: [H1 Report 2024, based on Finder data, Startup Nation Central](#)

# Israel and U.S. trends in private funding directionally aligned



After October 2023, both Israel and the U.S. saw a decline in private funding, with Israel experiencing a sharper drop to 66% of October 2023 levels by February 2024, while the US saw a more **moderate decline to 87%**. However, by May 2024, both countries had rebounded significantly, with **Israel reaching 152% and the U.S. 158% of their October 2023 levels**.

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# Success Stories



# In the media



“

Raising an eighth fund to invest in Israel is no longer a brave decision; it doesn't matter what the situation is here. The first fund for activity in Israel, in 2000, was brave. Since then, Israel has always been one of our key markets, and we hope it will continue that way.

”

HARRY NELIS, PARTNER AT ACCEL



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# Communication & Marketing Strategies





# Amplifying Israel's tech & innovation story



In the global tech arena, a unified narrative is our secret to success. When we tell a consistent story about Israel's unique approach to innovation, we amplify our impact and strengthen our position as a global tech leader.

**This story will equip you to become an ambassador and includes:**

- 01 Our guide to sharing Israel's story
- 02 Showcasing our unique competitive advantage
- 03 A script for you to adapt in your own words
- 04 Resources to help you bring the Israeli tech brand to life

# Four narratives that tell our story



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Israel is a compact powerhouse

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We're a nation of problem solvers

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We're unreasonably optimistic

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We're a warm, inviting community

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# 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.



# We're a nation of problem-solvers

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.





# We're unreasonably optimistic

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

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





# We're a warm, inviting community

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.



# How we say it ...

## IT STARTED MANY YEARS AGO.

Our country was a desert with no natural resources, very little water, and little security. We needed to absorb hundreds of thousands of new immigrants from all over the world.

We had to build houses, hospitals, schools, power stations, transportation... we needed to feed our people.

There was no one to help us, we needed to do everything on our own. And fast. We were in a race against time.

If necessity is the mother of invention, urgency is what drives Israeli innovation. It has made us impatient for results and has created a unique approach to problem solving.



## WE CALL IT IMPATIENT INNOVATION.

Impatient Innovation is a unique way of thinking, working, and solving problems together. We want to find the best solution as fast as possible.

So, we don't waste time with office politics and protocol. The best idea wins. If you have a better idea than your colleague, you're expected to speak up and share it. If you think your boss is making a mistake, you're expected to challenge them.

People are judged by the quality of their ideas – not by age or rank or title. We're taught to think like this from a very early age. To be bold and daring, to question authority, to try new things. And most importantly, to never give up.

# How we say it ...

We are crazy optimistic for the future, because we have no other choice. Optimism has fueled us for generations and it's what drives us forward today.

It's easy to be pessimistic about all the huge challenges the world faces - healthcare, food security, climate change, security. We think standard innovation is taking too long to come up with solutions.

We have thousands of brilliant minds impatient to solve these problems. And they are supported by a huge ecosystem - from high schools, universities, startups, billion-dollar unicorns, technology accelerators, incubators...

Our whole society is built to solve problems that others can't solve.

And when you work with Israelis you are welcomed as family by the whole ecosystem. Business meetings can end with a beer on the beach and an invitation to Friday night dinner with the CEO.

If you are as impatient for solutions as we are, there's no better people to work with.

COME AND  
JOIN US.

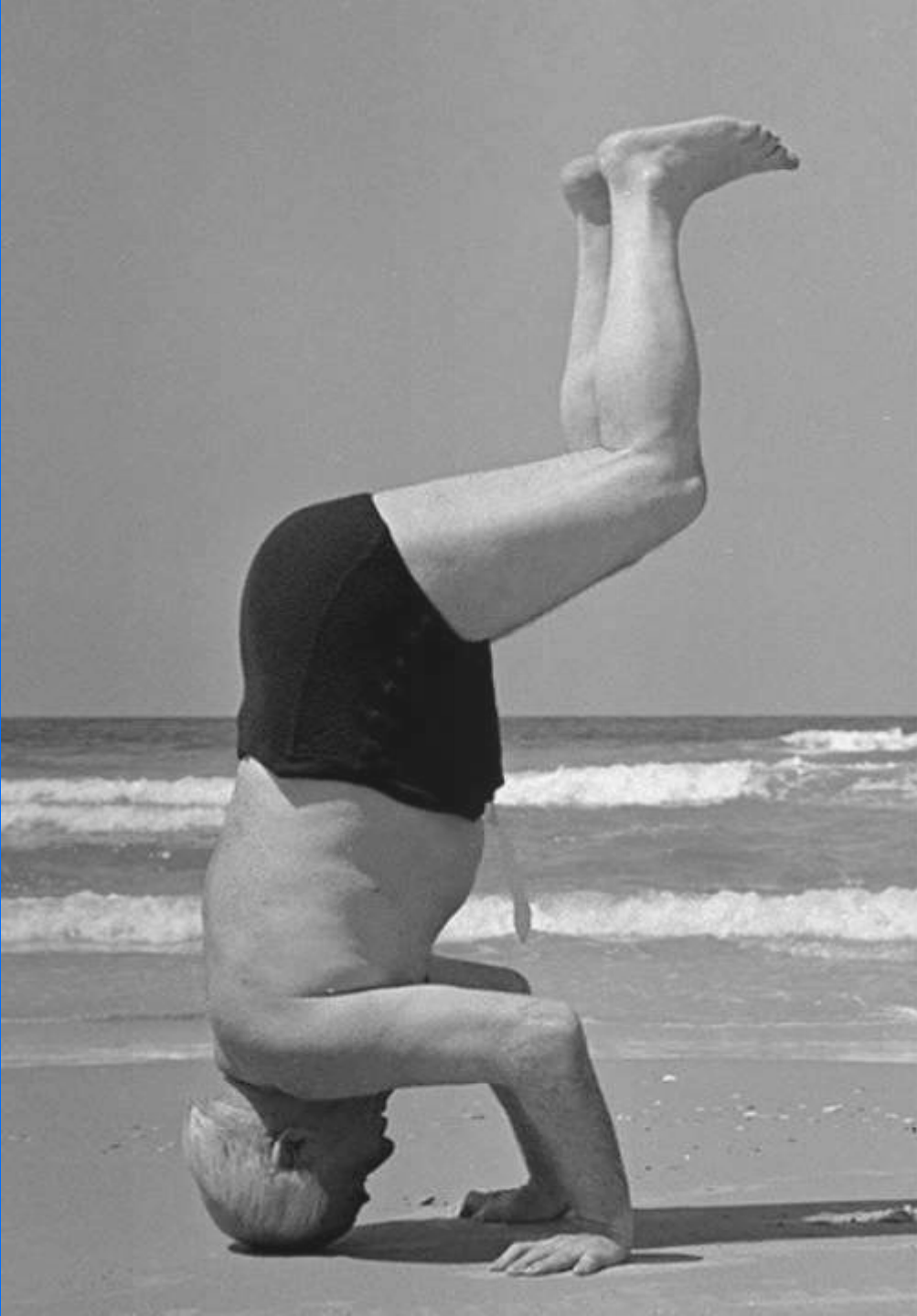
ARE YOU IN?

# We call it IMPATIENT INNOVATION

DAVID BEN GURION,  
FIRST PRIME MINISTER OF ISRAEL

**Video:** <https://vimeo.com/957188897>

**We're here to support:** [hello@impatientinnovation.tech](mailto:hello@impatientinnovation.tech)





Startup Nation Central is committed to supporting you as a trusted partner, helping you navigate Israel's unique innovation ecosystem, where Impatient Innovation fuels progress in real time.

With the [Finder platform](#), you have direct access to Israel's dynamic tech landscape, from emerging startups to established leaders, empowering you to leverage Israel's bold approach to solving global challenges for your corporate innovation goals.

Together, let's turn today's complexities into tomorrow's opportunities!





An aerial photograph of Tel Aviv, Israel, showing a dense urban landscape with numerous high-rise buildings and a large beach area in the foreground. The sky is clear and blue.

# INNOVATION IS BEST WHEN SHARED

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[startupnationcentral.org](http://startupnationcentral.org)



# Appendix: Roundtable Discussion and Workshops: Takeaways

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MNC Summit

# A Readable Summary for Representatives of Foreign Companies in Israel

As part of Startup Nation Central's MNC Summit held November 2024 at the Tel Aviv Museum of Art, four consecutive roundtables were held, featuring executives from global companies with over 200 employees.

Participants included senior leaders in HR, Communications, and R&D, as well as a group of 20 general managers. In parallel, workshops were conducted for lean innovation teams active in Israel. Their insights are integrated into the summary below.

## General



### Resilience as a Key National Identity

Many comments reinforced the concept of Israel as a "resilience nation," with a reputation for perseverance despite challenges. This concept appeared across all pillars of activity.

### Complexity of Communication

The challenge of communicating effectively with global HQs about the conflict's impact—without alarming or overemphasizing the situation—was a common theme. *How do we balance honesty with diplomacy?*

### Global HQ Perceptions and Concerns

Some international partners have heightened empathy, while others prefer to distance operations from Israeli identity due to political sensitivities. This sentiment is influencing strategies across multiple categories, such as R&D and Comms.

# Talent and HR

## Impact of Conflict

The ongoing conflict significantly affects employees, especially those on reserve duty and their families. Employers struggle with the balance between supporting these employees and maintaining business as usual. Many face burnout, as the pressure to perform remains.

## Involving Underrepresented Groups

To sustain a robust talent pipeline, companies support initiatives involving marginalized communities in tech. This should be done even at times like this.

## HR Challenges

Flexibility in reintegration, empathy for burnout, and support for reservists and their families are key needs. Communication between employers and military systems could improve planning and reintegration.

## Long-Term Talent Pipeline

The emphasis on securing future talent through education and inclusion of diverse groups reoccurred within both Talent & HR and Educating the Next Generation sessions. Investment in STEM education at the school and university levels is viewed as essential to maintaining Israel's tech ecosystem. Companies urge reforms to prepare future talent, emphasizing diverse inclusion (e.g., ultra-Orthodox women).

## Brain Drain

Interest in emigration rose during the judicial overhaul but briefly subsided post-October 7. However, the ongoing situation may again drive talent out.

## Employee Welfare

There's an increased focus on welfare, with companies investing in personal support, which may improve loyalty and retention post-crisis. Returning soldiers often feel redundant as teams progress without them.

# Internal Governance & Management

- ➔ **Resilience and Adaptation**  
Israeli teams demonstrate resilience, but some R&D managers are proactively relocating certain roles abroad to ensure continuity.
- ➔ **Communication with HQ**  
R&D teams face the challenge of communicating resilience without appearing to overstate the impact of crises. Regular reports help HQ understand local challenges, though some companies opt for a low-key approach to avoid triggering global concerns.
- ➔ **Flexible Budgeting**  
Companies have reallocated budgets (e.g., from social events) to provide crisis support for employees.
- ➔ **Transparency**  
Acknowledging Israel's challenges alongside achievements fosters trust with global leadership.

# Comms and Marketing

- ➔ **Messaging Adjustments**  
The "we deliver no matter what" slogan is under reconsideration, as it may appear tone-deaf given the prolonged nature of the conflict. With that said, emphasis on business continuity should be reflected.
- ➔ **Balancing Identity**  
Israeli representatives are tasked with balancing local pride and global neutrality, which is increasingly complex in sensitive international settings. Communication strategies often involve subtle rebranding to downplay the Israeli origin when appropriate.
- ➔ **Proactive Engagement**  
There's a push to invite global executives to Israel or hold remote meetings showcasing resilience, yet security concerns hinder visits.



# Sentiment Towards Israel



## Varied Global Reactions

Foreign perceptions differ significantly—some regions show empathy and interest in the situation, while others see Israel merely as a business continuity challenge.



## Navigating External Concerns

Certain companies face discomfort due to employees' varying views on the conflict. There is a need to educate global peers on Israel's realities sensitively, as some global teams avoid involvement or reduce visible associations with Israeli operations.

## R&D

- ➔ **Business Continuity**  
Israeli R&D centers are focused on showing resilience by ensuring continuity and highlighting the tangible contributions of local teams.
- ➔ **Expanding Talent Pools**  
With potential relocations, companies are exploring ways to maintain innovation leadership, including involving marginalized populations and enhancing collaborations with academic institutions.
- ➔ **Showcasing Achievements**  
It's critical to publicize team successes within global MNCs to reinforce the value of Israel's R&D sector. Travelling abroad to reinforce Israel's viability as an R&D hub is essential and required at these times.
- ➔ **Adaptability and Focus**  
Companies are cautious about overexpansion, prioritizing key strengths, such as expertise in AI and cybersecurity, rather than size.

## Government Support Needed

- ➔ **Flight and Travel Disruptions**  
Companies seek government assistance to stabilize flights, as current disruptions affect business operations and partnerships.
- ➔ **Increased Talent and Innovation Investment**  
The industry calls for more government support to stabilize the talent pipeline and invest in national innovation infrastructure.
- ➔ **Funding and Support for Startups**  
Due to reduced foreign investment, there is an appeal for increased funding for startups through the Innovation Authority.
- ➔ **STEM Education**  
Investment in STEM education at the school and university level is viewed as essential to maintaining Israel's tech ecosystem. Companies urge reforms to prepare future talent, emphasizing diversity and inclusion (e.g., ultra-Orthodox women).

# Useful Tips for Effective Communication

(based on actual experience)



## **Actively engage with multinational stakeholders**

to ensure that global messages include the Israeli position, presenting an accurate picture of the situation in Israel through internal and external communications.



## **Offer to host in-person visits or Zoom calls**

(depending on security conditions) to showcase Israel's resilience firsthand. **Startup Nation Central can help host** senior executives from global headquarters for these engagements.



## **Regularly communicate successes and achievements from Israel**

to global headquarters to highlight that business operations remain strong—and even thrive—despite external challenges.



## **Share examples from other multinational companies in Israel**

with global HQ, showcasing actions like donations, achievements, and fundraising efforts.



## **Leverage internal communications as a vital tool**

in challenging times to enhance local reputation and foster unity across cultures. By using tools like regular town halls and structured emails to BU leadership, you ensure conveying updates, celebrating achievements, and aligning local efforts with global goals to create impactful 'wins'.