

The MNC Toolkit: Models of Innovation

Practical tools for multinational
corporations operating in Israel



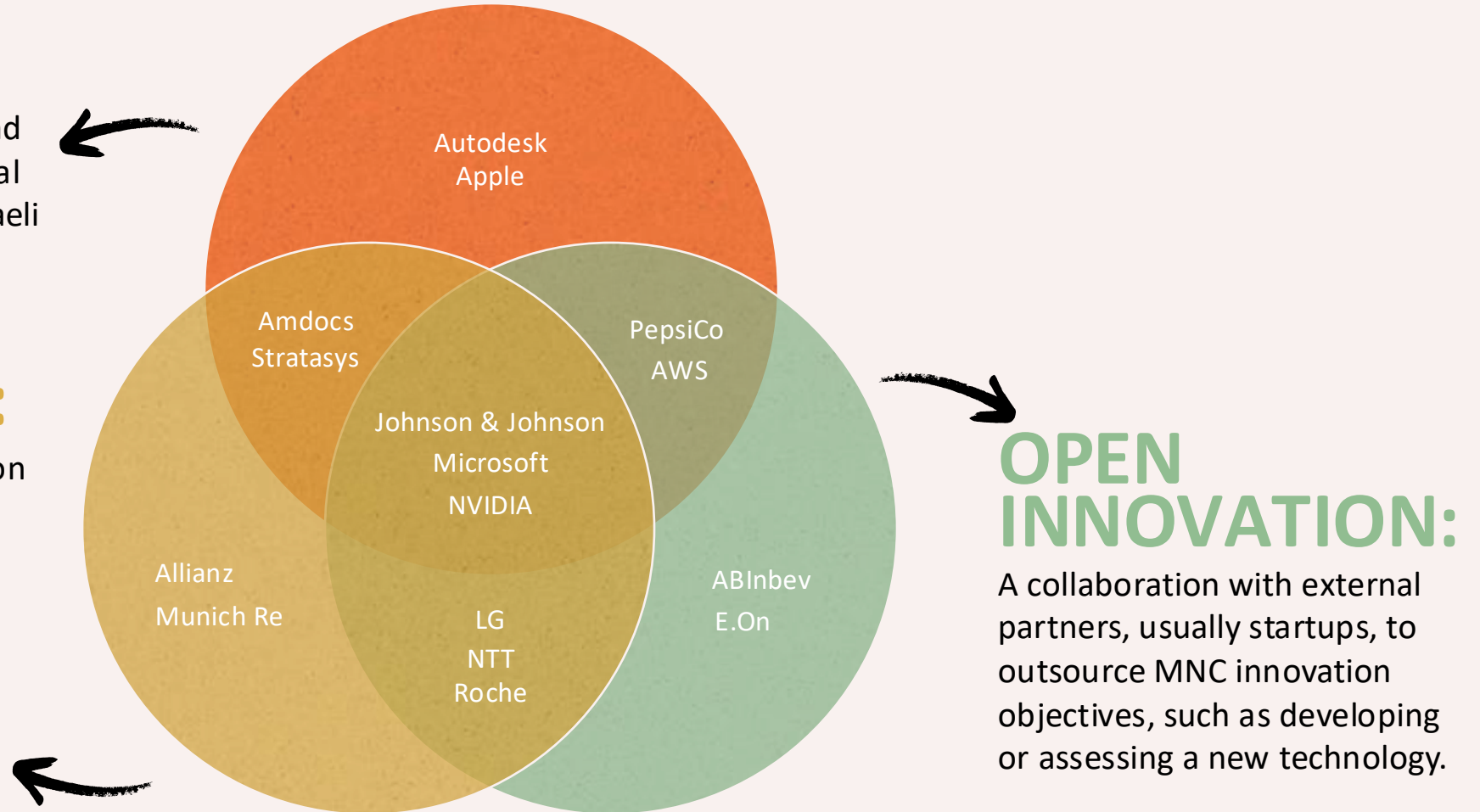
Three main innovation models for MNC activity in Israel

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

	Activity	Benefits to MNC	Corporate Example
 Lower Effort	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
More Effort			

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

INNOVATION IS BEST WHEN SHARED

STARTUP
NATION
CENTRAL

ACCESS ALL TOOLKITS



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