#### CVC-BACKED START-UP FAILURE

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# MOTIVATION, RESEARCH QUESTIONS AND METHODOLOGY

- Motivation = expanding on Pollman (2023)
- RQ = is the industrial organisation rationale underlying CVC affecting CVC-backed start-up reorganisational solutions to failure?
- Methodology = case analysis [> lack of database on CVC-backed startups]

#### CVC AND BUSINESS PROXIMITY



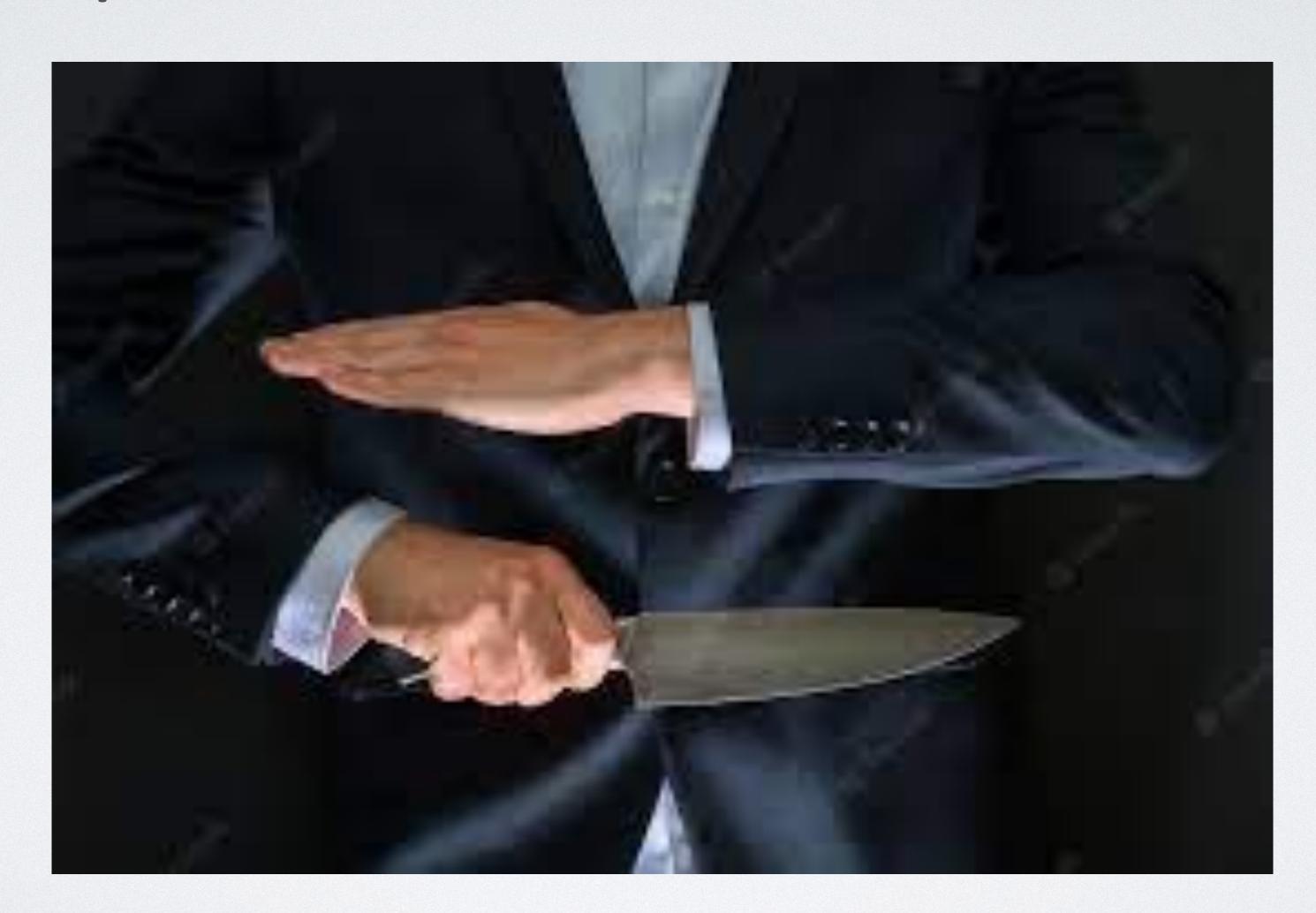
#### CVC INVESTMENT RATIONALES ROADMAP

- Passive Investment
- Explorative (Amazon's Alexa in Adero)
- Exploitative (Eutelsat & Hugues in OneWeb)
- Enabling (Intel in Airware)
- Killing/Freezing

#### DEDUCTIONS FROM CASE ANALYSIS

- Bilateral risk intrinsic to negotiated solutions on the verge of insolvency = involvement of the CVC backer also in the failure phase
- · Survival of the industrial organisation (IO) investment strategy on the verge of failure
- Allocation to IO-interest bearing debtor often satisfies also the other debtors (enlarging the pie)
- Presence of reorganisational solutions that seem efficient from a Pareto, productive and dynamic perspective

## CVC-BACKED START UP FAILURE AND & KILLING/FREEZING ANTITRUST THEORIES?



### CVC ALTERNATIVE SOLUTIONS TO INSOLVENCY AS INNOVATION-DRIVEN STRATEGIES

- All cases reported above: recombination of building blocks of knowledge through (thanks to high absorptive capacity):
- a) patent acquisitions
- b) acqui-hiring/maverick's employees mobility (and see employees' involvement in negotiated solutions, eg. Sigfox case )
- They fit the very definition of the innovative process (Arthur), especially when recombined by incumbents pursuing exploitative strategies

#### THANK YOU!

