Our goal: understand how Chinese enterprises finance innovation by mapping the emergence and evolution of Corporate Venture Capital (CVC) in China

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Motivation
• Innovation in China is a topic of great interest to the policy, science and business communities
• While many aspects have been studied – including IP regimes, R&D investment, etc. – the financing of innovation is not well understood
• Representing corporate investment in startups, Corporate Venture Capital (CVC) is a key element of innovation financing today

Project Description
• We will conduct a field study of the CVC ecosystem in China, interviewing key participants and observers about
  • Emergence – origins and growth drivers
  • Evolution – current state and trends
  • Institutional context – unique features

Context
• CVC is a critical piece of the innovation puzzle, linking startup innovations to industrial scale
  • Crucial complement to independent venture capital
  • Although relatively recent, Chinese CVC activity has accelerated

Potential Impact
• Contributes to understanding a key driver of innovation in China: how it is financed
• Clarifies a mechanism that brings together the major players in the China innovation ecosystem
  • CVC in China uniquely links government, startups, state-owned enterprises and private companies
• Facilitates a comparison of China’s emerging CVC capabilities to that of the US
• Initiates consideration of political returns to CVC, a novel construct in the field of innovation strategy

Project Deliverables
• Field work reports, 2020
• Conference presentations
  • Strategic Management Society, 2021
  • Academy of Management, 2021
  • Academy of International Business, 2021
• Journal submission
  • Strategic Management Journal, late 2021

References and/or Acknowledgements
• Thanks to Pitt Momentum Funds program and the Katz School for financial support
• For background on impact of CVC in innovation, see Huang & Madhavan (2020), “Dumb money or smart money? Meta-analytically unpacking corporate venture capital”, working paper.