

CORPORATE VENTURE CAPITAL

CVC Evolution

ABSTRACT

Not your father's CVC. Corporate venture capital has transformed from a peripheral experiment into a core innovation lever — and this wave is fundamentally different from those that came before it.

Non-traditional investors represented a staggering 76.9% of invested capital in 2021, up from ~40% a decade ago. CVCs sit atop this list. This note documents what changed, why it matters, and what it means for corporate leaders today.

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§ 1

Not Your *Father's CVC*

As 2021 comes to a close, we have witnessed a record-breaking year in the venture capital community, with all signs indicating that this is merely the tip of the iceberg. While the numbers alone are eye-catching, it is perhaps even more compelling to examine *who* is participating in the venture ecosystem and driving this next wave of venture.

Non-traditional investors represented a staggering **76.9% of invested capital in 2021**, up from roughly 40% a decade ago. Corporate venture capital (CVC) units are atop this list of non-traditional participants — a group that also includes later-stage investors, family offices, sovereign wealth funds, artists, athletes, creators, and entrepreneurs.

Many capital allocators have gravitated to venture because of growing awareness around ever-increasing returns. The industry is tracking to **\$777B in exit value for 2021**, a total that would far eclipse the previous high-water mark of \$289B. While corporates are no strangers to venture capital, we are observing some material and important changes in how they participate and how they are regarded by key ecosystem stakeholders — giving us conviction that this wave of CVC is in fact *different* than waves of the past. This note summarizes those observations.

76.9%

OF 2021 INVESTED CAPITAL

Non-Traditional Investors

Up from ~40% a decade ago. CVCs sit atop this list by deployed capital.

\$777B

2021 EXIT VALUE TRACKING

Record Exit Environment

high-water mark of \$289B — and it's a lagging indicator.

6.5×

CVC GROWTH 2010–2020

Active Global CVCs

CVCs globally has grown 6.5× over the past decade, now 4,000+ units.

"Venture is now a full-fledged movement that touches every corner of the globe and impacts every industry, making it highly relevant to a much wider range of participants."

NXP FIELD NOTES · CVC EVOLUTION

§ 2

Key Differences: *Past vs. Present*

The venture industry as a whole is entering a golden era, with 2021 representing a meaningful inflection point in terms of both investor participation and value created. The data points below are not incremental improvements — they represent a structural step-change in the scale and nature of the asset class.

— Scale of Capital

2021 is on pace for **\$318B invested**, shattering the previous record of \$166B. There are approximately **582 new unicorns minted** in 2021, outpacing 2020's high of 175. We are tracking toward **796 financings of \$100M or more** — nearly 2.5× the previous high — with an aggregate value of \$182B. These are not cyclical peaks; they are structural step-changes driven by expanded participation, global capital flows, and a decade of ecosystem maturation.

— Global Reach

The U.S. share of global venture investment has held steady around 50% the past five years, well below the 84% global share in 2004 and 90%+ share in the 1990s. Venture capital is now a truly global financing tool. CVC funding in H1 2021 alone reached **\$79B**, already surpassing the previous full-year high of \$74B. It is worth noting that all outcome data points — exit value, number of unicorns — are lagging indicators. The total amount invested into venture remains **less than 1% of the global public equities market**, signaling that the asset class has substantial room to grow.

— Industry Breadth

Venture capital is now a financing tool for all forms of innovation across seemingly every industry. Areas like consumer/CPG, fintech, mobility, cellular agriculture, and industrial automation have only recently emerged as viable venture segments. If a CPG company had launched a CVC in 2013, there simply would not have been enough compelling opportunities or demand to catalyze new company creation in those sectors. The ecosystem had to mature first.

— CVC Deal Participation

CVCs are now involved in **26% of all VC deals** (up from 16% in 2012) and over half of all VC-backed IPOs of the last decade — a figure that reached **76% in 2020**. CVCs invested in **42% of companies acquired in 2020**. These are not fringe statistics. CVCs have become structurally embedded in the venture financing ecosystem.

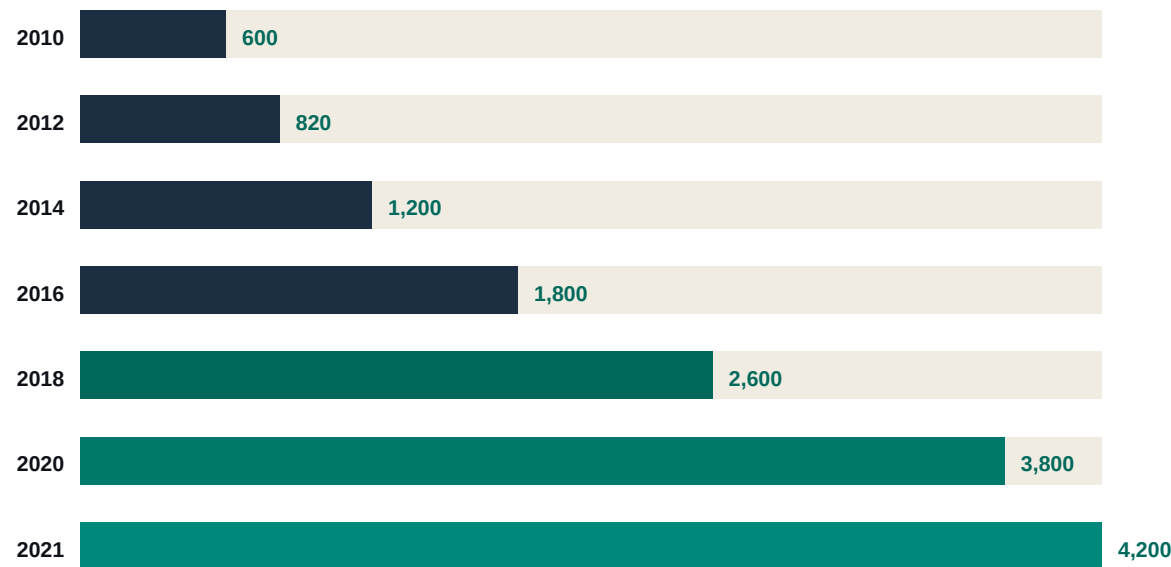
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CVC Growth *Trajectory*

CVC has become a material part of the venture landscape in recent years, with the number of active global CVCs increasing roughly 6.5× between 2010 and 2020. The data below documents the scale of this expansion and contextualizes it within the broader venture ecosystem.

— Active CVC Units — 2010 to 2021

Figure 01 — Growth in Active Global CVC Units by Year



Active global CVC units 2010–2021, representing a 6.5× increase over the decade. The 2021 figure reflects projected full-year count as of Q3 2021. Source: SVB State of CVC Report 2021; PitchBook-NVCA Venture Monitor Q3 2021.

— Key CVC Statistics — 2021

Metric	2021 Figure	Context	Source
Active CVCs Globally	4,000+	Up from ~600 in 2010 — a 6.5× increase over the decade	SVB State of CVC 2021
CVC H1 2021 Funding	\$79B	Already surpassing the prior full-year high of \$74B	SVB State of CVC 2021

METRIC	2021 FIGURE	CONTEXT	SOURCE
Share of All VC Deals	26%	Up from 16% in 2012; CVCs structurally embedded in deal flow	SVB State of CVC 2021
Share of VC-Backed IPOs	76%	CVCs invested in more than 3 in 4 VC-backed IPOs in 2020	SVB State of CVC 2021
Share of Acquired Companies	42%	CVCs invested in 42% of companies that were acquired in 2020	SVB State of CVC 2021
Total 2021 Exit Value (Proj.)	\$777B	Would far eclipse the prior high-water mark of \$289B	PitchBook-NVCA Q3 2021

§ 4

Seven Structural *Shifts*

The proliferation of CVC units and the significant uptick in CVC capital invested indicates that corporates have increasingly viewed venture as a meaningful avenue for pursuing innovation. We view these trends as evidence that corporate leaders have — justifiably — high levels of confidence that venture investing will deliver strategic return on investment. Looking broadly at the intersection of corporate and venture, we believe that the following changes in attitude and behavior have led to greater conviction that CVC can in fact be a material contributor to corporate innovation mandates.

01 The End of Not Invented Here

The NIH organizational model of looking solely inward — via R&D; — for innovation has lost the war. In discussions with corporate leaders across industries, we see far less deals killed on NIH grounds and much more willingness to look externally via investment. Leadership teams now recognize that external inventions can serve as a catalyst to, or supplement for, internal initiatives and transformations.

[Innovation Strategy](#) · [R&D; Evolution](#)

02 The Talent Imperative

Accumulation of top talent is increasingly important, and a major swath of the best young, high-potential performers prefer the startup and venture ecosystem. The influx of capital into venture has exacerbated this for larger companies — there are an ever-growing number of compelling startup opportunities. Corporates must therefore be more thoughtful about creating dynamic, innovative environments that attract and retain top performers.

[Talent Acquisition](#) · [Innovation Culture](#)

03 From Endothermic to Exothermic

The reality and perception of relationship dynamics between CVCs and startups have shifted materially. Engaging with corporates was traditionally seen as an endothermic interaction — energy absorbing and dilutive to the startup. The interaction has evolved to become viewed as exothermic: energy creating and accretive. This has generated a new perspective that CVCs are an accelerant rather than an extractor.

[Founder Relations](#) · [CVC Credibility](#)

04 Earned Respect in the Ecosystem

CVCs have gained significantly more credibility. In part because what they can chiefly provide — commercial acceleration — is now more commonly seen as valuable and differentiated. In part because CVCs have operated differently in the market: committing to larger, longer-term funds, and demonstrating follow-through in ways that build founder and co-investor trust over successive cycles.

[Commercial Acceleration](#) · [LP Commitment](#)

05 Core Growth Lever, Not Moonshot

Venture is no longer a "nice to have" for the most successful companies. It is an integral and impactful part of an innovation and transformation playbook. From our perspective, venture will increasingly become a core growth lever for the most innovative companies — not an experimental side program but an embedded strategic capability.

[Innovation Mandate](#) · [Strategic Alignment](#)

06 The M&A; Channel Reframe

What was once a discrete build-vs-buy trade-off analysis has evolved into a more nuanced "buy what and at what price" analysis. M&A; provides an increasingly critical channel for integrating new technology, staying ahead of competitors, and gaining unique insight into trends. CVCs that invest early create information and relationship advantages that make M&A; more effective and less expensive.

[M&A; Pipeline](#) · [Technology Access](#)

07 An Emerging Professional Category

As CVC becomes more material to the ecosystem and explores new models of partnership with traditional investors, there is an emerging career path in CVC that simply did not exist as recently as five years ago. This professionalization of the CVC function — complete with dedicated talent, structured career tracks, and cross-industry mobility — is a strong signal that the field has reached an inflection point in institutional legitimacy.

[CVC Career Paths](#) · [Institutional Legitimacy](#)

§ 5

Benefits *of CVC*

In the past, CVC units were largely seen as experimental and risky. The current data supports the notion that they are more of a "need to have" than a "nice to have" or moonshot. While financial returns are not paramount to most corporates, the material benefits of CVCs are increasingly well-documented and measurable.

Stock Price Impact

Studies have demonstrated that launching a CVC has a positive impact on a company's stock price — U.S. companies appreciated **45.8% more** than their listing index following the time of CVC unit establishment. This impact is particularly pronounced when the CVC is strategically aligned with the parent company. The market increasingly looks favorably upon companies actively investing in innovation.

Source: Touchdown VC, 2021; NYU Stern — Sinha, 2018

Technology Access & M&A; Pipeline

CVCs have unique access to new companies and new technology that can be additive to the core business. These technologies can be integrated by the parent company and, in cases of highly valuable strategic fit, acquired outright. To that point, **CVCs invested in 42% of companies that were acquired in 2020** — making CVC one of the most effective early-stage M&A; discovery mechanisms available to corporates.

Source: SVB State of CVC Report 2021

Market Intelligence & Strategic Foresight

Visibility into the early-stage ecosystem provides valuable insights around the priorities of future customers and informs potential iterations around company strategy. In the increasingly collaborative and global economy, it can also help shift corporate mindset from a "build everything" approach to a willingness to partner and experiment. If you are finding startups on TechCrunch, it is already too late.

Source: Field observation — NXP platform

Talent Attraction & Retention

Demonstrating commitment to innovation helps attract and retain top talent. Particularly with younger generations, the highest-potential employees are more likely than ever to seek out companies that are highly dynamic, open-minded, and actively engaged with new technology and opportunities. A CVC is one of the most visible and credible signals a company can send about its commitment to the future.

Source: Field observation — NXP platform

§ 6

Summary

The structural shifts documented in this note are not cyclical fluctuations — they represent durable changes in how venture capital operates, who participates in it, and what role it plays within corporate innovation strategy. The question for corporate leaders is no longer whether CVC is legitimate; the question is how to do it well.

CLOSING ASSERTION

Venture is now a full-fledged movement that touches every corner of the globe and impacts every industry, making it highly relevant to a much wider range of participants. CVC is here to stay as a core facet of corporate innovation. While it used to exist on the proverbial fringes of an organization, corporate venture investing has established itself as an increasingly common and competitive weapon in the innovation arsenal. CVCs have graduated from overlooked and neglected to valuable and respected contributors in the venture ecosystem. Perhaps most central to the success of CVCs: startup founders have woken up to the value of commercial ties to well-managed industry leaders and luminaries. With all of this in mind, we believe there are ample reasons why it would be rational and prudent for corporate leaders to embark on the path of launching new corporate venture initiatives.

— Key Takeaways

- **Non-Traditional Capital Dominates.** 76.9% of 2021 invested capital came from non-traditional investors — up from 40% a decade ago. CVCs are the largest single category.
- **The Market Has Matured.** The sectors CVC units invest in — CPG, fintech, agtech, mobility, industrial automation — simply didn't support meaningful CVC activity a decade ago. The ecosystem had to develop first.
- **Perception Has Shifted.** CVCs have moved from being seen as endothermic (slow, bureaucratic, dilutive) to exothermic (fast, valuable, accretive). Founders now actively seek quality corporate co-investors.
- **The Data Supports It.** CVC-backed companies represent 42% of acquisitions and 76% of VC-backed IPOs. The financial and strategic case is now empirically strong, not just theoretically compelling.
- **The Career Path Is Real.** A professional CVC career track now exists that didn't exist five years ago. Institutional legitimacy has arrived. The window to establish a quality CVC program — before the field

becomes crowded — is still open but narrowing.

Ref

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