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Performance Measurement of Corporate Venture Capital - Balanced Scorecard in Theory and Practice

by

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Abstract: In general, corporations in high-tech industries pursue Corporate Venture Capital investments for financial and strategic objectives. In particular, a large number of corporations have invested in e-business ventures in order to enhance innovation and entrepreneurship within the firm’s network. The achievement of strategic objectives is often comparatively difficult to measure and may take several years before resulting into financial returns for the corporation. Moreover, challenging market conditions put financial valuations especially of e-business ventures under pressure. Therefore the realization of strategic returns becomes increasingly important to Corporate Venture Capital investors. To make the results of Corporate Venture Capital activities more transparent, this paper develops a performance measurement framework based on the Balanced Scorecard concept of Kaplan and Norton (1992). The case of Siemens Venture Capital illustrates the practical use of a Balanced
Scorecard. It shows the development process of the Siemens Venture Capital Scorecard and demonstrates its evolution over several years.

[Key words: Balanced Scorecard, Corporate Venture Capital, Performance Measurement, Intrapreneurship]

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