



University of Augsburg
Prof. Dr. Hans Ulrich Buhl
Research Center
Finance & Information Management
Department of Information Systems
Engineering & Financial Management

UNIA
Universität
Augsburg
University

Discussion Paper WI-151

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

by

Alexander Bassen¹, Doris Blasel², Ulrich Faisst, Moritz Hagenmüller³

June 2008

in: International Journal of Technology Management (IJTM), 33, 4,
2006, p.420-437

Erweiterte und überarbeitete Fassung des Beitrags WI-137.
(Abstract)

¹ Professur für ABWL mit Schwerpunkt Finanzierung/Investition,
HWP Hamburger Universität für Wirtschaft und Politik

² Siemens Venture Capital

³ Bain & Company Germany, Inc.

To the International Journal of Technology Management (IJTM)

Special Issue 'E-entrepreneurship'

Title:

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

Authors:

Univ.-Prof. Dr. Alexander Bassen, HWP –Hamburger Universität für Wirtschaft und Politik, Professur für Allgemeine Betriebswirtschaftslehre mit Schwerpunkt Finanzierung/Investition, Von-Melle-Park 9, D-20146 Hamburg, email: BassenA@hwp-hamburg.de, <http://www.hwp-hamburg.de/finance/>.

Doris Blasel, Siemens Venture Capital, Wittelsbacher Platz 2, D-80312 Munich
email: doris.blasel@siemens.com, <http://www.siemensventurecapital.com>.

Ulrich Faisst, University of Augsburg, Business School, Universitätsstraße 16, D-86135 Augsburg, email: ulrich.faisst@wiwi.uni-augsburg.de, <http://www.wi-if.de>.

Dr. Moritz Hagenmüller, Bain & Company Germany, Inc., Karlsplatz 1, D-80335 Munich
email: moritz.hagenmueller@bain.com, <http://www.bain.com>.

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]

Acknowledgements: The authors especially thank Mr. Alexander Hodak, Siemens Venture Capital, for his editorial support. Two anonym referees are thanked for helpful comments.