CORPORATIONS THAT APPRECIATE THE POTENTIAL OF STARTUPS
VOL. II COOPERATION OF CORPORATIONS WITH STARTUPS

STARTUP POLAND
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Author
Iga Kołacz

Design
Mariola Figura

DTP
Dariusz Matuszewski

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kontakt@startuppoland.org

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General partner

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The Polish startup ecosystem is maturing. Despite the relatively difficult geopolitical situation, including the war in Ukraine, we can observe that young, innovative Polish companies are more and more boldly taking their technologies beyond the country’s borders. They approach business globally more often than in pre-pandemic times - even in the initial phases of activity. In recent months, we have learned about the source and direction of investments in the venture capital market. These are made thanks to new EU funds for Poland and private investors who believe in the development potential of startups from Central and Eastern Europe.

Investors are very willing to finance technological startups dealing with innovations in the field of medicine or finance. New capital funds are also created from time to time. All of this favors the establishment of new business relationships between entities that, at first glance, are not natural partners. These include large companies with an established market position and small companies that rely on the latest technologies and are flexible in their operations.

This publication shows the relations between corporations in Poland and startups. It indicates the benefits that both parties can derive, highlights the barriers they encounter and shows good market examples of such cooperation. Prepared by Startup Poland, this report, "Corporations that appreciate the potential of startups - vol. II of Cooperation of corporations with startups", is a continuation of last year's publication, "If not CVC, then what? Cooperation of startups and corporations". In the first part, we presented the cooperation models used by corporations and startups, and pointed out the factors that determine good relations between these entities. This time we have gone a step further and examined the degree of cooperation between corporations (based in Poland) and startups.

We asked corporations about cooperation with Polish and foreign startups. Additionally, we tried to answer the question of whether Poland is an attractive market for foreign companies and whether they are interested in cooperation with Polish startups.
Our study involved 211 companies, each employing at least 250 people. Most of these, 116 companies to be precise, cooperate with startups, both Polish and foreign. Those who do not work with startups very often declare that they would like to establish such cooperation. Answers were provided by representatives of top-level corporations, including board members, directors, managers, and specialists who influence decision-making in the company. In addition to the above-mentioned study, we conducted a number of direct conversations with representatives of the venture capital market. The conclusions from these conversations have been included in the report. At the same time, we present case studies of startups that talk about their projects implemented in cooperation with corporations, mainly foreign partners.

When analyzing the activities of corporations and startups, the importance of openness to the other side and of knowing each other’s needs comes to the fore. The role of education in all this is extremely important not only for founders, but also for corporations that, although they would like to cooperate with innovative companies, often do not know how to go about it. They need tips on how to approach this topic, where to start, where to look and, above all, what to look for, and what value a startup can bring to their business. We hope this report will help them find answers to these questions.
#01
Cooperation of corporations in Poland with startups
1.1. Corporations' openness to cooperation with startups

Looking at the Polish startup ecosystem, it is impossible not to notice that corporations have changed their strategy in terms of approach to development in recent years. Namely: they do not rely solely on the results of their own research and development, but develop innovations with the participation of external entities and are increasingly willing to engage with startups. Young, innovative companies are not a natural partner for companies employing several hundred people. They differ not only in size, but also in work style and financial possibilities. However, they are able to cooperate with corporations, and some of them achieve excellent results thanks to this.

The fact that both sides value this relationship could be seen last year, when Startup Poland published the report „If not CVC, then what? Cooperation between startups and corporations”. When establishing cooperation with entities with a solid market position, startups see this type of relationship as an opportunity for development and to establish contacts and acquire a reliable business partner. In addition, they count on increasing interest in their services from new customers and attracting investors. For them, not only access to the corporation’s clients is important, but also the opportunity to learn about the processes taking place in the company. After all, they want to find out what problems the corporation struggles with on a daily basis. Thanks to this knowledge, they can improve the fit of their product or service to the needs of their corporate partner.

Moreover, cooperating with a company recognized on the market, the startup gains prestige and trust within the industry, which in turn shortens the path to obtaining new orders or financing in subsequent investment rounds.

What does it look like from the other side? The greatest benefit that corporations derive from cooperation with young, innovative entities is increasing the inventiveness of their companies – this develops their business and translates into acquiring new customers. After all, working with startups helps them build new solutions and improve business practices. Another important advantage of cooperation with startups is the reduction of research and development costs (by employing a company that already has a reputation on the market, a corporation would have to spend much more money).

Corporations also see benefits in startups’ flexible approach to work – some founders are even willing to pivot companies. Moreover, large companies appreciate that startups can help them enter new markets and accelerate activities related to the creation of innovations and commercialization. This kind of cooperation is also an opportunity for them to acquire know-how, e.g. in the field of new technologies or new marketing and sales tools. Corporations invest in companies that will solve their problems and contribute to revenue growth.
Therefore, when looking for a startup, they are guided primarily by the industry, and growth potential is secondary for them (this may be different in the case of cooperation in the Corporate Venture Capital model).

:\*\* Almost half of corporations that do not cooperate with startups would like to establish such cooperation. :\*

The advantages of cooperation with large entities are appreciated by the Wroclaw startup BioCam, the creator of an endoscopic capsule (they have built a pill-shaped remote system for monitoring the digestive system using artificial intelligence). The company focuses on cooperation with manufacturers of specialized electronics and optics, who provide them with free samples of their products for testing.

“These are often products that have not yet been introduced to the market, but their implementation is planned within a few or a dozen months. Together with our opinion on a given electronic system, the partner receives confirmation of market interest and can adapt its product to specialized industry applications, which increases the prestige of its solution,” says Maciej Wysocki, general director of BioCam (the startup offers both medical solutions and veterinary applications). He adds, “As part of our cooperation, we often notice errors in the documentation, which allows partners to improve their products before introducing them to the market. Thanks to this process, partners learn with us, which is crucial before introducing the product for wider use in the industry.”

He draws attention to one more important issue: as part of programs addressed to startups, technology corporations often offer free cloud space or cheaper licenses. “For us, as a young technology company, this allows us to use legal software that would be too expensive at this stage of development. In turn, for corporations, our success translates into a long-term customer who has been loyally using their products from the beginning of their activity.”

Taking into account the above benefits resulting from cooperation between corporations and startups, it should not be surprising that the largest companies operating in Poland are quite willing to take advantage of this potential. But how common is this phenomenon? Don’t we just live in a bubble of companies that ambitiously implement innovations with the participation of startups? Startup Poland undertook to check out this issue and, together with the research company ABR SESTA, they prepared a targeted study diagnosing the degree of cooperation between corporations in Poland and startups (both Polish and foreign).
The study shows that 116 of the 211 corporations surveyed cooperate with startups. Although the remaining 95 surveyed companies do not cooperate with startups, some of them would like to establish such cooperation. As much as 83% of corporations (96 companies) directly cooperating with startups declare that they are satisfied with it.

Another 16% (19 companies) are not entirely able to assess how this cooperation is going. Only one company indicated in the survey that they were not satisfied with cooperation with startups. Such a high satisfaction rate translates into the growing interest of large entities in establishing business relations with young, innovative companies, even if they have not done so yet. This is also confirmed by the results of our study.

Sample: 116 corporations cooperating with startups

When asked whether their company would like to cooperate with startups, 43% of respondents answered affirmatively, and only 22% negatively. The rest were unable to determine what the corporation's position was. It is worth noting that in the group of people in the highest positions, i.e. on the management board, none indicated that the corporation they manage would not want to cooperate with young, innovative companies.
1.2. Not knowing how to start

Although corporations are open to cooperation with startups, they don’t really know how to go about it. Almost 40% of corporations (nearly all of those who expressed their willingness to cooperate with young, innovative companies) said that they would like to use help in cooperation with startups. However, willingness alone is not enough. It turns out that companies which decide to cooperate with startups are often not prepared for this.

When asked what help their company would expect, the corporations most often indicated „access to knowledge about cooperation” – 78% of respondents answered affirmatively (two answers were possible). In turn, 57% of respondents indicated that they would expect support from an entity connecting enterprises with startups. All surveyed corporations employing 250-499 people indicated that they would like to gain knowledge on how they can establish cooperation with startups.

Sample: 37 corporations willing to cooperate with startups; Two answers can be given
A positive phenomenon is the awareness of the benefits of cooperation with young, innovative companies and the fact that corporations want to seek professional help in this area. There are already entities on the Polish market providing this type of services, i.e. connecting large enterprises with the founders of innovative companies. Thanks to this, they meet the needs of corporations that lack experience in cooperating with startups. An example of such an organization is Huge Thing (SpeedUp Venture Capital Group), which supports corporations at every stage of the innovation acquisition process, including preparing strategies and building innovation teams within company structures.

Corporations that use such forms of support learn from the very beginning that finding the right startup is actually secondary. Before this happens, the company must be prepared for such cooperation. Regardless of whether it will be direct cooperation, treating the startup as a business partner, or through participation in an acceleration program.

“Due to the popularity of acceleration programs in recent years, many companies want to participate in them, although they are not prepared for it,” admits Monika Synoradzka, CEO at Huge Thing. And she indicates the factors that influence the success of cooperation between large companies and startups. “The first is the goal, i.e. the company must define why they want this cooperation with startups and what effects they expect, how quickly they want to see them, in what areas they are looking for it, who will be the target recipient of the solutions developed together with the startup. These are basic questions that need to be answered,” says Synoradzka. “Then, you should prepare processes to support testing and implementation of innovations in the corporation, create KPIs and indicate the people from the company who are responsible for this cooperation.”

First of all, the corporation should determine what they need, in what areas they expect support and whether they are ready to be a pioneer in implementing a given solution or prefer to follow well-trodden paths. “A big challenge is proper communication. It very often happens that people inside corporations and the organizations themselves are not prepared for a startup to come to them with the intention of cooperation. They don't understand what startups are – and can be. Large companies then reject this cooperation because they do not see the need for cooperation and the value it can bring,” comments Monika Synoradzka.

The head of Huge Thing continues, that you should, first of all, look at the innovative organizational culture in the corporation and check whether the company knows how startups work. “Corporations sometimes lack understanding of what startups are. I heard: ‘Just don't bring me startups.’ When I asked what they understood about startups, they replied that they saw them as informal teams that had no experience or ready-made solutions. I then explain that startups are a very broad concept.”
Lack of knowledge about the functioning of the startup ecosystem results in reaching for innovative companies that are at a very early stage of activity, often only at the MVP stage. “Such a company is not ready to be the first to test this type of startups, because its business needs to see results quickly, so it expects a mature solution,” says Synoradzka.

The role of educating entrepreneurs about the operation of the startup ecosystem is therefore key to ensuring the strong ability of the Polish economy to innovate. Establishing and maintaining business relationships between corporations and startups is a process. It is worth preparing for this so that you can start cooperation efficiently at a convenient time – that is, when there is an opportunity to implement an innovative solution. After all, what is innovative today will soon become the norm, which is why the speed of implementation of a given innovation is important. “A startup is just a different animal and corporations need to know how to work with it. In companies that have extensive structures, if there is no established procedure, even though they would like it very much, they are usually unable to cooperate effectively with a startup,” says Robert Lugowski, president of the CliniNote startup, who also has corporate and investor experience.

“The role of educating entrepreneurs about the operation of the startup ecosystem is crucial for the Polish economy to be strong in terms of innovation.”
1.3. Who are the corporations that cooperate with startups?

Companies from the industrial and production sectors expressed the greatest willingness to use help in establishing relations with startups. And who actually works with them? Our research shows that these are representatives of the industrial and production sectors, as well as business services, trade, transport, and construction. At the other extreme are the gastronomy and hotel industries. These data partially coincide with the results of the „Open Innovation Report 2023“, conducted by Sopra Steria and INSEAD, which we quoted in the previous edition of the Startup Poland report.

The Open Innovation report showed that cooperation between corporations and startups is of strategic importance not only for typical service industries, especially legal services (85% of respondents in this sector indicated that it is „important and/or crucial“ for them), financial services (82%), telecommunications (78%), media and entertainment (71%), retail (71%), health (67%), but also the public and government sector (65%), and defense and homeland security (64%). For more than half of respondents (57%), this kind of cooperation in the transport industry was also crucial. However, it is worth keeping in mind that the study involved not only corporations, but also startups from outside Poland (from Great Britain, Germany, France, Spain, Italy, Sweden, Norway, Belgium, the Netherlands, and Luxembourg).

Sample: 116 corporations cooperating with startups
More than half of the corporations participating in our study (all based in Poland) have international reach. Nevertheless, the vast majority of surveyed companies cooperating with startups have their headquarters in Poland (89 companies). The second largest group that cooperates with startups are companies headquartered in Germany (12). Interestingly, of all the corporations covered by the study which are headquartered in Germany, 86% cooperate with startups. However, if we look at corporations whose headquarters are located in Poland, this indicator is clearly lower at only 54%.

Corporations with headquarters in Belgium, France, Spain, the Netherlands, the USA, Great Britain, and Italy also took part in the study. Most of these have been operating in Poland for at least five years. The largest group of companies cooperating with startups are those that were established over a decade ago (52% of these cooperate with startups).

What is the type of ownership capital of corporations cooperating with startups?

- 73% Advantage of Polish capital
- 26% Predominance of foreign capital
- 1% It’s hard to say

Sample: 116 corporations cooperating with startups
Most corporations cooperating with startups are located in cities with over 200,000 inhabitants. Although, of course, such cooperation sometimes takes place in very small towns with fewer than 10,000 residents. Our study noted six such companies.

The larger the company, the more it can afford to build an in-house innovation department whose task is to develop technology (which is often achieved through cooperation with startups). Our research shows that 80 companies cooperating with startups each employ over 500 people, and the remaining 36 companies cooperating with startups are corporations employing from 250 to 500 employees each. These companies usually have their own research and development departments.

Therefore, out of 116 companies cooperating with startups, at least 91 have such a department, compared with only 19 companies that do not have one (the rest have no knowledge about it). As you can see, a much more common form is to create a research and development department within the corporate structure, whose role is direct contact with startups. However, this is not always necessary. It sometimes happens that working closely with startups may suffice, instead of forming an entire R&D department. There are many models of cooperation. For example, it may happen that a corporation delegates its employee to work at a startup. Thanks to this arrangement, it has the opportunity to respond to emerging challenges on an ongoing basis, while gaining know-how in the technology developed by the startup.
Looking at this issue, we note that corporations that do not cooperate with startups also have their own research and development departments – we recorded 43 such companies. This proves that their own research and development departments are able to fully meet the needs of large companies, which is why they do not establish business relationships with startups. Is this the right approach? That's another issue.

The experience of corporations which are pioneers in their industries shows that it is worth acting in accordance with the idea of open innovation, i.e. openness to cooperation with external entities and developing technologies on their own with outside participation. Nevertheless, a significant percentage of corporations in Poland do not yet see this potential – as many as 39 companies that took part in our study (18.5%) do not have an R&D department or cooperate with startups.

The largest entities operating in Poland, including Mastercard, Bank Pekao, and Huawei, are building their own innovation laboratories. The Innovation Office operates PKO Bank Polski, which cooperates with startups on many levels. One such activity is the accelerator of innovative fintech companies „Let's Fintech with PKO Bank Polski!” (created in cooperation with MIT Enterprise Forum Poland). Another example is the PZU Group, which has established several units within its structures dealing with external partnerships.

Cooperation with startups is supported by, among others, the Innovation Laboratory, which tests and implements innovations within the organization, and the PZU LAB operating within the PZU Group, which is responsible for consulting in the field of risk assessment and optimization in the industry.

Sample: 116 corporations cooperating with startups

Do corporations cooperating with startups have a research and development department?

- 79% Yes
- 16% No
- 5% It's hard to say

Sample: 116 corporations cooperating with startups
The PZU Innovation Laboratory has cooperated with, among others, Sidly, a Polish company that grew out of a student startup (producer of wristbands monitoring the health of seniors and owner of a telemedicine platform). This startup has cooperated with PZU only through the innovation department. They have cooperated with other business partners in a standard way, i.e. through the product department of a given company. Edyta Kocyk, president of Sidly, sees the advantages of cooperating with the innovation department.

“Innovation laboratories often understand the dynamics and needs of startups better than other departments in corporations. These units have the resources and expertise to accelerate product development and prepare the startup for effective collaboration. This shows that developed companies are open to cooperation with smaller but ambitious entities,” says Kocyk. She emphasizes that conversations with people from production departments often rise to a completely different level.

“I started my business six years ago. If I had started back then by talking directly to product managers or strategic directors, my business would not have reached the size it has today. Innovation laboratories provide invaluable support, especially for startups entering the market. They help to effectively introduce new products, using the experience and maturity of corporations in building effective cooperation. Thanks to them, I was able to effectively design and implement larger partnerships,” adds the CEO of Sidly.
In a dynamically changing market and with increasing competition, we must constantly look for innovative solutions that will enable further development of our products, services and internal processes.

To achieve these goals, a few years ago we established the “Let's Fintech with PKO Bank Polski” program, which allows us to engage with the most promising young companies. Startups can show us a new perspective and bring fresh ideas, thus supporting our mission and strategic goals.

Thanks to our activities so far, we have managed to establish cooperation with:

• **IDentt**: an innovative startup specializing in identity verification and digital security solutions. The company focuses on creating advanced biometric technologies that enable safe and effective identification of users in various sectors, such as banking, e-commerce, health care, and public administration. Used in setting up a selfie account, among other processes.

• **Instreamly**: a technology startup that specializes in automating and optimizing collaboration between streamers and brands. The company focuses on creating tools that enable effective management of advertising campaigns in live broadcasts, primarily on platforms such as Twitch, YouTube and Facebook Gaming. Used in campaigns for young people that use the reach of micro-influencers. The company is in the investment portfolio of PKO VC.
In a dynamically changing market and with increasing competition, we must constantly look for innovative solutions that will enable further development of our products, services and internal processes.

Coinfirm: is a Polish-British regtech (regulatory technology) company that has created solutions aimed at securing cryptocurrency transactions against money laundering and counteracting the financing of terrorism. Together with Coinfirm and KIR, we have created the first private blockchain network (in the Polish financial sector) which is responsible for the distribution of public and private documents to bank clients while maintaining the requirements of a durable medium. This solution was the basis for the development of blockchain technology at PKO Bank Polski, which has brought several million dollars in savings and revenue.

• **WorkAI**: is a Polish internal communication platform that helps companies improve communication, knowledge management and employee engagement. Among the products offered by the startup, the bank uses Workai Intranet, which allows you to build personalized internal communication, organize company events, and create videos and responsive newsletters.

• **Autenti**: is a platform for authorizing documents and concluding contracts online. Thanks to it, documents can be signed on a computer, tablet or smartphone anytime and anywhere. It is a unique combination of electronic signature, innovative technology and legal environment, based on European and national regulations. The service can be used in relationships with business partners (B2B), consumers (B2C) and employees (B2E).

Currently, several dozen more technology companies are in the testing phase, and over the 5 years of the program's operation, we have tested over 60 innovative solutions.
1.4. The most common forms of cooperation

Corporations that want to implement innovations with the participation of startups have several types of cooperation to choose from. They can establish these relationships on their own or use the help of external entities. We distinguish between the following cooperation models: acceleration programs, Corporate Venture Capital (CVC), investments through external venture capital funds, venture building, and commercial cooperation. It often happens that corporations cooperate with startups in several areas at the same time. For this purpose, they use a number of tools, such as: scouting conducted by the corporation, using the services of platforms connecting large companies with startups, or participating in industry events (conferences, competitions, and networking).

Corporations participating in the Startup Poland survey most often cooperate with startups through their own innovation department – 69% indicated this (corporations could select multiple answers). The second most popular cooperation model is CVC (38%). Cooperation within acceleration programs is also popular (28%). However, only 16% use venture building.

Sample: 116 corporations cooperating with startups; It was possible to indicate all types of cooperation used
The data from the above chart shows that corporations that take their startup cooperation seriously most often establish innovation teams within their structures. All three indicated cooperation models – CVC, acceleration, venture building – require significant commitment from companies. A certain correlation can also be noticed: the younger the corporation, the higher the percentage of cooperation in the CVC model. Although it cannot be said that this phenomenon will be reflected on a wider scale, it is undoubtedly an issue worth attention. However, in the case of innovation departments, the situation is the opposite – the older the company, the more often it has an innovation team.

Taking into account the source of founding capital, both corporations with a predominance of Polish and foreign capital use the CVC model, acceleration, and have innovation departments at approximately the same level. The difference is visible in the case of venture building – companies with a predominance of Polish capital much more often indicated this model of cooperation with a startup.

The majority of surveyed corporations are willing to cooperate with startups in virtually any model – 57% of respondents (66 companies) declare that they would not reject any form of cooperation. However, some companies (15%) consciously refuse venture building. This model is not yet very popular on the Polish VC market. This may mean a corporation building a startup in cooperation with a venture builder and jointly managing the company or purchasing a ready-made startup (a venture builder then creates a startup from scratch to resell it to a company that takes care of the developed solutions).

Interestingly, 12% of surveyed corporations indicated that they reject acceleration. Despite the benefits of acceleration programs, the percentage of companies cooperating with startups that do not want to participate in acceleration is high.

What benefits are we talking about? Acceleration programs are primarily an opportunity to acquire a business partner. Corporations may assume that startups participating in acceleration have business potential – after all, they have passed the selection. Another issue is becoming familiar with the VC market – it is much easier for a corporation to communicate with a founder who knows how VC works, what he can expect from investors and what he can count on in a relationship with a company larger and more experienced than himself.

Another 11% of respondents reject cooperation in the CVC model. This means that they do not intend to create a corporate entity whose purpose will be to invest – both the company’s capital and human resources — in the development of the startup. The last form of cooperation that corporations rejected was the company’s innovation department (8%). Of those participating in the study, 44 corporations cooperate with startups in the CVC model. Almost half of them (48%) treat this cooperation only as an investment. The rest (52%) declare that they cooperate or intend to cooperate commercially with a selected startup.
Cooperation in the CVC model is a business relationship characterized by the acquisition of shares in an innovative company by a corporate fund. Like any venture capital, it is a high-risk investment, but it differs from investing through traditional capital funds in that CVCs are entities belonging to the corporate ecosystem (they are connected by capital). According to good practices, a startup financed by CVC develops in symbiosis with the corporation. It is in the founder’s interest to develop the offered technology in such a way as to achieve not only his own goals, but also the strategic plans of the corporation. Both sides benefit from this. The startup not only obtains capital to continue development work, but also receives know-how on running a business in a given industry. Thanks to the fact that the young companies are susceptible to market changes. They face the real problems of the recipients of their services and learn about the real needs of corporations.

As Monika Synoradzka from Huge Thing emphasizes, one of the core values of CVC is the transfer of knowledge that takes place between the corporate partner investing capital and the startup receiving money. “I imagine that if someone goes to the CFO of a large corporation and tries to convince him to invest several dozen million in creating a CVC fund, or even encourage him to invest in startups and tell him that he will receive the greatest value in the form of knowledge, they will not get money for it. However, business indicators and measurable effects are key,” says Synoradzka. In her opinion, more and more corporate funds will be created. “This won’t be a quick action. Preparing an organization to invest in startups through CVC is a long-distance race, not a sprint,” comments the head of Huge Thing.
Launching a CVC requires not only time, but money – not only that intended for financing an innovative company, but also for the operational activities of the capital fund. Corporations considering such a cooperation model should take this into account in their calculations. Public capital comes to the rescue here.

From the beginning of 2024, VC funds, including corporate funds, can apply to PFR Ventures for financing under the European Funds for a Modern Economy. In the second recruitment round (lasting until April 19), it was possible to apply for financing under, among others, the „CVC: recapitalization of innovative companies through CVC Funds (corporate venture capital) together with funds from the capital of corporate investors” program.

In addition to the forms of cooperation included in the study, it is worth mentioning tools that facilitate partnerships between startups and corporations. Acceleration programs or entities connecting young companies with corporations are not the only ways to establish relationships between these two – very different in the way they operate – enterprises. As part of scouting, corporations (or more precisely, innovation departments, if they have any) search for interesting startups on the market. For this purpose, they browse industry media or investment crowdfunding platforms that promote startups with the greatest business potential. In addition, they take part in industry events, engage in market education, and take care of networking.

An interesting example of a corporation acquiring a business partner are competitions. This solution has been used by Stena Recycling, an international industrial recycling company. For several years, this corporation has been organizing the Stena Circular Economy Award – Circular Economy Leader (SCEA) competition, which rewards companies implementing or promoting circular economy solutions. Thanks to this initiative, the company has noticed the potential of startups and established business partnerships with some of the startups awarded in previous editions. This was the case with the startup Drogerie DOT which, established last year, was awarded for developing a way to reduce single-use packaging for cosmetics and detergents.

“We got to know Drogerie DOT thanks to our SCEA competition. Some time later, we decided to pilot-implement their solution in one of our company's branches. This startup delivers cleaning products in a closed packaging loop. Working with DOT allows us not only to keep our office clean, but also reduce our carbon footprint. I think that if they had not participated in the competition, we would never have thought about testing such a solution,” says Aleksandra Surdykowska, PR and Marketing Manager at Stena Recycling.

The corporation also cooperates with startups implementing upcycling projects including: DecoEco and WoshWosh. The second of the mentioned startups won the main prize in the SCEA competition in 2021 (for organizing a shoe collection for those in need). These events, among others, have made the corporation open to cooperation with startups, which they are more and more. And, since this year's edition, the SCEA
competition has been expanded to include a category addressed to startups that promote or implement solutions based on the assumptions of the circular economy (previously, the categories were addressed only to enterprises and students in general).
1.5. Barriers to cooperation

A corporation finding a startup with solutions that meet its needs is only halfway to success – this cooperation still needs to be skillfully managed. Both sides encounter difficulties along the way, some of which can be avoided from the beginning if the business partners are aware of their limitations. One of the main barriers is finances. Startups at an early stage of development often have very low budgets. It is extremely difficult for such a startup to offer innovative solutions to corporations in a situation where it must survive until cooperation begins. And, as we know, decision-making processes in corporations can take longer.

In extreme cases, which are unfortunately not uncommon, a startup will fail sooner than it starts making money from cooperation with a corporation. This is related to another barrier, which is communication difficulties. Startups have a completely different approach to running a business, which is reflected in practice. As we have already mentioned, a corporation is unable to speed up certain processes, so the attitude of startups seems to be decisive in this matter. Those who are open to change focus not only on ideas, but also on business. Therefore, they must respond appropriately to feedback, i.e. be ready to change their business strategy. It is also important to strive to request this feedback. Corporations don’t have the time to provide feedback to those who don’t demand it. They respond to those who ask.

Additionally, when cooperation occurs, the corporation must also bear in mind that the startup – although it is preparing a solution tailored to the needs of the corporation – does not operate in this industry, but supports it in a specific area. Therefore, it should not be assumed that they will know the processes taking place there. Therefore, a company that properly implements a young, innovative company will benefit. The issue of knowledge exchange works both ways. The barrier in cooperation between a startup and a corporation is often the lack of understanding of the innovation. Large enterprises expect specific results and employ specialists, including startups, for this purpose, but they do not always understand what this entails. Sometimes it happens that outside the innovation department (and as we know, sometimes this department does not exist at all), it is not explained to employees why, for example, they have to switch to the new system. As a result, they may delay the work of innovators because it is not crucial for them. Moreover, the management board must also be aware that implementing a specific innovation is not a cost, but an investment, and know how much the company will earn or save as a result of it. Therefore, efficient communication within the company plays an important role.
When testing and implementing innovations at PZU, we use resources wisely and skillfully build a portfolio of completed projects.

We do not engage in long-term research and development projects if ready-made and well-functioning solutions are available on the market. This is why, in such cases, we often focus on cooperation with startups. Startups are teams of specialized experts in selected fields and are characterized by high agility and flexibility in operation. The cooperation takes place on a "win-win" basis. Thanks to them, we can introduce innovative solutions to our organization faster. Even a small percentage increase in efficiency, given the scale of our operations, translates into significant savings and benefits for PZU and its clients. On the other hand, developing companies gain a large, reliable business partner like PZU. As part of the PZU Ready for Startups program dedicated to such cooperation, the Innovation Laboratory Team has been analyzing the solutions of over 1,000 startups and the ideas they present every year for 6 years. Of these, we select 10-12 projects for piloting, and 50-60% of these are later converted into our implementations.

The Innovation Laboratory is a kind of link between the startup and PZU, supporting young entrepreneurs from the stage of negotiating contract terms, through defining assumptions and goals, launching a pilot, to transferring the implementation to the business unit (if the established KPIs are met).
When testing and implementing innovations at PZU, we use resources wisely and skillfully to build a portfolio of completed projects.

One of the completed projects that we implemented with the Polish startup ZOWIE is a chatbot for users on our website. Thanks to this tool, users can access a convenient 24/7 chat and get quick answers to topics of interest to them, including PZU products and how to use them, as well as after-sales service.

The tool increases the usability of the pzu.pl website and relieves other communication channels from responding to repetitive queries. Thanks to the use of machine learning mechanisms, with each question it is asked, it understands the meaning better and better and is more likely to prepare the correct answer. However, in non-standard situations it can also redirect the client to the appropriate PZU consultant. Our chatbot handles hundreds of conversations a day, and its answers are helpful for over 80% of users. From the perspective of a large insurer, we are glad that the Polish insurtech landscape is developing so dynamically and is painted primarily in the colors of cooperation.

Marcin Kurczab
Director of Innovation, Innovation Laboratory, PZU

[Image: Marcin Kurczab]
Cooperation of corporations in Poland with foreign startups
2.1. Searching for innovative solutions beyond borders

According to the Startup Poland study, the vast majority of corporations (72%) in Poland cooperate with both Polish and foreign startups. Significantly fewer companies cooperate exclusively with Polish startups (23%). For obvious reasons (such as geographical proximity, being subject to the same law, lack of language and cultural barriers), the group of corporations cooperating only with Polish startups includes almost exclusively Polish enterprises (their headquarters are located in Poland). Only two corporations have declared cooperation exclusively with Polish startups despite their headquarters being abroad – in the USA and Great Britain.

76% corporations in Poland cooperate with foreign startups

Among the corporations operating in Poland, there are also enterprises that cooperate only with foreign startups (4%). These companies primarily represent the real estate and transport industries, and their headquarters are most often located in Germany or the United States. Only one typically Polish company has declared that it cooperates exclusively with foreign startups.

The crucial issue when choosing a startup to cooperate with is not nationality, but the quality of the service offered and its fit to the company's profile. “For PZU to cooperate with a startup, the startup's technology must help us solve an important business problem and create business value,” comments Marcin Kurczab, Director of Innovation, PZU SA Innovation Laboratory, whose company cooperates with both Polish and foreign startups. He also points out that, when choosing a business partner, the technological and formal and legal layers are all equally important. This insurer checks whether the solutions offered by potential partners address critically important insurance processes, customer data or financial processes in general.

“These are primarily data security requirements and legal and regulatory requirements, i.e. we verify whether a given solution does not violate applicable law, GDPR, and the Act on Insurance and Reinsurance Activities,” says Kurczab, emphasizing that these are the requirements that a startup must meet. In addition, there are a number of other issues. The startup should prove that it is the best on the market in solving a given problem. “We really believe in startups and we strongly focus on cooperation with them, but the mere fact of being a startup is not enough. We cooperate with those we consider to be the best in a given field,” emphasizes Marcin Kurczab.
PZU has been cooperating with foreign service providers for years (thanks to cooperation with the American company Guidewire Software, PZU implemented software for selling insurance policies a few years ago). “It would be a mistake to limit ourselves only to the Polish market. The foreign insurance market, especially in the West, is relatively mature. There are a lot of startups in Great Britain, Germany, France, Italy, Spain, and the Scandinavian countries with which we want to cooperate,” says Kurczab. Over the last six years, the Innovation Laboratory has already implemented over 70 pilot projects, of which foreign cooperation is an important part.

PKO Bank Polski also cooperates with foreign startups and runs the Let’s Fintech acceleration program. With this program, it focuses on the commercialization of startup projects, i.e. cooperates with innovative companies that already have MVPs and first customers. “The best indicator of starting cooperation with a startup is that it has a product verified by the market, and by validation we mean having the first paying customers who are not friends and family. Of course, we also have to like the idea and it suits us,” says Konrad Ozdowy, product owner at Let’s Fintech, Innovation Office, PKO Bank Polski. When looking for startups to cooperate with, a corporation is not limited by geographical area.

“We cooperate all over the world, but we prefer Polish solutions if they are as good as foreign ones. That is why we are happy to cooperate with foreign startups in areas in which Polish companies are not yet experts,” emphasizes Ozdowy. PKO Bank Polski cooperates with startups from European, American and Asian countries. The bank’s corporate venture capital fund also invests abroad. By establishing international relations, it also tries to promote Polish startups. An example of this was last year’s participation of PKO Bank Polski in the Singapore Fintech Festival, during which, together with the Polish Investment and Trade Agency and the FinTech Polska Foundation, they promoted Polish innovations in the field of finance under the slogan „Future Finance Poland”.

These and other examples show that corporations in Poland are interested in foreign startups and international cooperation. However, companies that have not yet decided to do so often declare that they would like to establish cooperation with an innovative company from outside Poland. When asked in the Startup Poland survey whether companies would like to cooperate with foreign startups, 37% replied in the affirmative. Another 44% had no opinion on this issue, and 19% said “probably not.” The greatest willingness to cooperate with a foreign entity was demonstrated by enterprises operating on the market for less than 10 years.

There are several reasons why corporations in Poland do not cooperate with foreign startups. Half of them indicated that they were not looking for this type of cooperation due to company policy (52%). In turn, 22% stated that they had not yet found an entity they would like to cooperate with. Some corporations (22%) replied that the regulations do not allow them to cooperate in this way.
Why don’t corporations cooperate with foreign startups?

- Company policy - they do not seek cooperation with foreign startups: 14 companies
- They did not find an entity they would like to cooperate with: 6 companies
- The regulations do not allow them to establish such cooperation: 6 companies
- It’s hard to say: 1 company

Sample: 27 corporations cooperating exclusively with Polish startups

The two main considerations that prevent a foreign startup from cooperating with a corporation in Poland are, according to some respondents, the need to have a headquarters in the European Union and to meet special security requirements.

One of the reasons companies do not look for startups from outside the European Union to cooperate with is legal issues. It is undoubtedly much easier to move within the same legislation than to adapt to the law covering American or Chinese companies. In addition, there are issues related to the work culture of non-European companies, the amount of remuneration and fees related to doing business with non-EU entities.

“For us, a startup does not have to be based in Poland, but it is certainly an element that facilitates establishing such cooperation. However, if a fantastic startup appears, e.g. from Norway, which has technology useful for PZU, we will be happy to establish such cooperation,” comments Marcin Kurczab.

Cooperation of a corporation in Poland with a foreign startup can be facilitated by registering an entity from outside Poland in our country. This can be done by registering a branch of a foreign company in the National Court Register (the representative office of a foreign company itself does not give the right to conduct business activity in Poland).

The Polish government sees potential in cooperation between Polish companies and foreign startups. As part of the „Startup Booster Poland – SMART UP” program, implemented by the Polish Agency for Enterprise Development (financed by FENG), the following activities are carried out: „Poland Prize” acceleration, offering a soft landing for startups from outside Poland. This involves searching for and bringing to Poland startup talents who develop innovative technological products and are
interested in starting and developing a business in our country. „We offer assistance in registering a company in Poland, training in Polish business law, accommodation and a dedicated VISA path for non-EU citizens,” the accelerator informs on its website.
2.2. How does cooperation with foreign startups work?

For corporations, the greatest value in cooperating with foreign startups is the opportunity to enter new markets – this is what 47% of companies that have such relationships say. The second important issue for them are advanced solutions offered by startups that are in the center of interest of given corporations (this is important for 39%). For some, the main benefits are networking (8%) and the opportunity to work in an international team (6%). An interesting fact may be that corporations located in small towns, with a maximum of 10,000 inhabitants, focus primarily on the possibility of obtaining advanced solutions (none of these companies indicated networking and working in an international team as primary drivers).

Sample: 89 corporations cooperating with foreign startups

Companies also mention the disadvantages of cooperating with foreign startups. These include communication problems resulting from cultural differences (37%), working in different time zones (37%), and a higher cost of cooperation than in the case of Polish startups (33%).

For example, for the catering industry, the only disadvantage is the need to take into account the time difference in working with a foreign startup, while for property management and service companies, the most troublesome thing is the higher costs of cooperation.
Sample: 89 corporations cooperating with foreign startups; Two answers can be given

32 companies participating in the study cooperate with foreign startups using the CVC model. Of these, as many as 69% (22 companies) indicated that they treated it only as an investment. The remaining 31% (10 companies) responded that they cooperate or intend to cooperate commercially with the selected startup. The following correlation can be seen: the larger the town where a corporation operates, the greater the emphasis it places on cooperation that is purely an investment.
PKO Bank Polski has its own corporate fund. “Cooperation with startups within the CVC fund is, of course, not as frequent as within Let's Fintech, where we cooperate with several startups a year. The fund carries out long-term investments, there is greater emphasis on quality, and in the Innovation Laboratory we have space to test solutions, with full awareness and greater acceptance that some of them will fail, says Konrad Ozdowy.

Observing the VC market, it is apparent that it is much easier for a Polish corporation to establish cooperation with a foreign startup than for a Polish startup to convince a foreign corporation to cooperate. There is no doubt about this. After all, corporations choose project partners. This does not mean, however, that every foreign startup will be interested in cooperation with a Polish entity. Establishing such a partnership depends on many factors, including what stage of development startups are at, what they focus on, and what markets are important to them.

“It’s rare for the PZU Group to hear „no” from a startup, but it’s not like it has never happened to us. For example, some startups from abroad were interested in cooperating with us, but the issue of adapting their solutions to our local restrictions was too much effort for them, they would have even had to change their product development strategy,” says Marcin Kurczab. – Startups usually come to us on their own, including those from abroad. We rarely reach for them,” adds Konrad Ozdowy.
The cooperation of PKO Bank Polski with foreign startups has enormous innovation potential and contributes to the development of the startup ecosystem in Poland, all while increasing the global recognition of the bank's brand.
The activities of PKO Bank Polski in the field of cooperation with startups are not limited only to the Polish market. As the largest bank in the region, we also develop international cooperation. This is necessary to support our clients' international expansion and why we are active in the global ecosystem of innovative companies and startups. We also support Polish startups in their international development, the best example of which was the presence of the bank and selected companies at the Singapore FinTech Festival in November 2023, the world's largest event for financial startups.

As a bank competing with global players, we also have to follow trends and attract the most interesting and innovative companies from other markets to cooperate with us. This is why we are open to cooperation with startups from all over the world. This is a dynamically developing area of our activity.

Such cooperation brings benefits to both the bank and the startups.

**For the bank:**
- It enables the introduction of new, innovative solutions that can improve operational efficiency and customer service in the bank.
- It contributes to building a positive image of the bank as a technological leader.

**For startups:**
- The bank helps accelerate startups' development by providing startups with its resources, such as IT infrastructure.
- Acceleration programs allow startups to test their ideas in a real environment.
Such cooperation also involves challenges, especially regulatory ones – banks must take into account strict regulations on data security and privacy. This can be difficult for young companies. Working with a bank can also be demanding for startups that must compete with other companies for attention and resources. However, meeting these requirements makes these young companies better prepared for market success.

The latest example of such international cooperation is a pilot project implemented with the Spanish company WeGrant, which offers a search engine for investment programs from public funds intended for the development of enterprises. This is a significant step towards expanding the bank's offer of services supporting the development of companies. It also provides the opportunity to create a new sales channel for our products, which can complement investment projects implemented with public funds, in particular those involving the European Union, as most of these require the so-called own contribution.

The search tool, which we provide to our clients free of charge, was created to effectively find potential sources of investment financing (using a wealth of public funds, both national and financed by the European Union). The main principle of the platform's operating model is its design from the point of view of entrepreneurs, their activities and development plans. The search engine not only suggests what financing programs are available based on information about the company, but also indicates the probability that the application will be positively considered. We will work with WeGrant to improve its artificial intelligence algorithms to make this solution even more user-friendly. We want it to give entrepreneurs the opportunity to focus on those projects that have the greatest chance of obtaining favorable financing. Thanks to this platform, the bank will be able to offer even better support to customers in the process of obtaining funds for development and innovation.

One of the key areas of innovation today is the use of artificial intelligence. Our bank has already implemented a number of projects in this area but, of course, we are working intensively on developing internal competences and creating solutions based on this technology. In the Innovation Office, we also undertake activities devoted to developing specific applications of generative artificial intelligence. As part of the „Let's Fintech with PKO Bank Polski” program, we analyze solutions in this area offered by startups from around the world.
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As part of the "Let's Fintech with PKO Bank Polski" program, we analyze solutions in this area offered by startups from around the world. We also stimulate the creation of new ideas by supporting hackathons. PKO Bank Polski became a partner of HackWarsaw2024. This is one of nine events organized by Angelhack in cities known for innovation. The only city in Europe where this event took place was Warsaw. The best teams have a chance to qualify for the grand final, which will take place in October in Singapore.

PKO Bank Polski won the title of "Star of Technology and Innovation". This award, granted during this year's European Financial Congress, is a confirmation of the Bank's importance for increasing the innovativeness of the Polish economy and many years of activity for the development of the startup ecosystem, which we implement through the "Let's Fintech with PKO Bank Polski" acceleration program.

Jacek Stryczynski
Director of Innovation Projects,
PKO Bank Polski
As part of the PZU Ready for Startups program, we establish cooperation with startups not only from Poland, but from all over the world.

For foreign startups, we have prepared a dedicated website, www.pzu.pl/innovation, where they can learn about the activities of the Innovation Laboratory in English and register their willingness to cooperate via a dedicated form.

We pay attention to the uniqueness of the solution and the potential to improve PZU’s business, the history of the startup and the degree of maturity of the product, compliance with regulations and laws, and IT security issues, the complexity of the work, and the time required to introduce it to the market (obtaining the first results/value). We are more interested in these aspects than where the company is registered.

Piloting innovative solutions, we cooperated with startups from countries such as Kazakhstan, Croatia, the USA, Ukraine, and Great Britain. The distance from the PZU Park headquarters in Warsaw to the headquarters of the furthest startup is 7,506 km. Nowadays, this is not a barrier to cooperation.
An example of successful international cooperation is the implementation of a modern tool for comparing the scope of insurance products, created by the Danish startup Comadso. This intelligent system is primarily used by sales support teams responsible for developing product knowledge among agents and hotline consultants.

The platform, created by the Danish insurtech company, provides us with detailed comparative analysis of insurance products available on the market and enables even better monitoring of changes in the offers of other insurers. Importantly, unlike most comparison websites, the startup does not compare product prices, but focuses on their assortment.

Marcin Kurczab
Director of Innovation,
Innovation Laboratory,
PZU
Cooperation of Polish startups with foreign partners
3.1. Foreign partners support expansion

The founders of Polish startups are strongly connected to the local market. Even if they think about international business from the beginning, they often decide to build a company in Poland first. They assume that if they manage to achieve success in their own country, they will expand their operations to other markets. This is a reasonable assumption in many respects – after all, Poland is a relatively large market and you do not have to go beyond its borders to achieve commercial success.

The thing is, not everyone is able to repeat the success abroad which they have achieved in their own country. According to the „Polish Startups 2023” report, some founders complain about difficulties in implementing foreign expansion – this was indicated by 25% of startups that answered the question „What barriers in the operation of a startup are the most difficult for you to overcome?”. Additional difficulties were the high costs of employing staff, bureaucracy, and obtaining financing at subsequent stages of development.

Corporations attach great importance to whether a startup has the potential to scale its business. Without a doubt, this issue may influence the acquisition of a potential business partner. Why is this so important? Corporations often have not one, but several, a dozen or even several dozen branches. If the solution was tested in the company’s Polish branch and works, it could be adapted to other markets.

Thanks to this dynamic, the startup gains a chance to expand. The problem is that startups, especially those at an early stage, are often too small to cope with the task. That is why a corporation that has a long-term operating strategy should take this aspect into account and enable the startup to develop in new markets – both sides will benefit. It will be a better solution for a corporation to help a startup scale rather than to buy a solution that is less suited to its business profile. If the technology offered by a startup provides real support for the corporation, it will find a way to adapt to the pace of development of the young company.

“Scaling issues often become crucial in cooperation with corporations. This was similar to my recent conversation with a leading European insurer. The number of users of our technology in Europe growing every month confirms the effectiveness and need of our solution on the market”, says Edyta Kocyk, CEO of Sidly. She emphasizes that a corporation that wants to cooperate with a small organization must know that it has to be done gradually.

“It is important to organize processes wisely. Taking steps one step at a time may be a more reasonable and sustainable approach for many startups. This allows the company to understand the market, adapt to local requirements and test the product or service before expanding to other markets. Smaller companies should set their goals realistically and be transparent in communication, avoiding overly
ambitious promises. It is important to build trust by providing value consistent with the company's capabilities”, adds Kocyk. And, as she rightly notes, „honesty towards customers, partners, and investors will bring long-term benefits and allow you to build lasting business relationships.”
SiDLY is currently one of the fastest-scaling deeptech technologies in the telehealth segment. SiDLY’s product is an AI medical technology that saves lives and reduces the global problem of access to healthcare. As part of their cooperation with the largest Polish insurer – PZU, 1,800 SiDLY telemedicine wristbands have been implemented in internal wards and emergency departments in 30 hospitals in Poland. For PZU, the quality of the implemented technology was important in the cooperation – SiDLY telemedicine wristbands are a Class 2a medical device, ensuring reliable monitoring of heart rate and blood oxygen saturation.
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Cooperation with PZU has allowed us to expand the scope of SiDLY’s activities in the field of medical care for patients and establish cooperation with other medical units. In 2023, we started a joint project with the Medical University of Lodz, the aim of which is to implement telemonitoring for the treatment of people with heart failure and assess its effectiveness in terms of early detection of deterioration of the patient’s condition, more effective treatment and reduction of negative outcomes.

SiDLY technology allows for effective prevention, diagnosis, and monitoring of patients at home and in the community. It has been implemented in over 900 medical and care facilities, complementing the traditional health and senior care model.

Edyta Kocyk
CEO and Founder of SiDLY
Robert Lugowski, president of CliniNote, points out that for startups that are at a similar stage of development as his company, i.e. in the scaling phase, the most important priorities are adoption and sales on international markets. “Cooperation with foreign partners makes it easier and faster to enter these markets,” admits Lugowski. As an example, he cites cooperation in the field of clinical trials or Real-World Evidence studies with IQVIA. “Such studies are often conducted in many centers in different countries at the same time. Establishing cooperation in Poland may, in the next step, result in the use of our technology on an international scale and, through the partner, reach many hospitals that would be more difficult and take much longer to reach on our own,” says the CEO of CliniNote.

He also hopes that an example of such cooperation will soon be Novartis, with whom the startup signed a contract at the end of last year to implement a digital solution for oncology hospitals (the pioneering solution concerns the Copernicus Provincial Multidisciplinary Centre of Oncology and Traumatology in Lodz). “After implementing the first project in Poland, we are talking about broader cooperation,” notes Robert Lugowski. This proves that a startup that cooperates with well-known brands is perceived as more credible. “From the point of view of potential customers, including hospitals that do not have deep knowledge of the startup market and their evaluation mechanisms, cooperation with startups may be perceived as risky or it is simply difficult to choose the right startup from among many cooperation proposals. We observe that cooperation with well-known, large entities often gives us credibility and accelerates the establishment of cooperation,” says Lugowski.

Maciej Wysocki, president of BioCam, also assures us that cooperation with reputable partners has a positive impact on the startup’s credibility. “If an industry-leading corporation conducted an internal due diligence of our company and decided to invest in long-term cooperation, even if the first profits will appear only after 2-3 years, it is a sign that our product and business model are valuable,” Wysocki specifies.
CliniNote categorizes the recipients of our technology into two groups. The first group consists of pharmaceutical companies, including CRO companies, that carry out clinical trials on behalf of pharmaceutical companies. The second group are hospitals, both public and private. In addition, we cooperate with IT corporations that may use CliniNote technology in their projects or be our business partners. In the field of acceleration, we cooperate with, among others, the Day One Health accelerator from Basel, which specializes in supporting startups in establishing cooperation within the pharmaceutical industry. Most of the entities mentioned are international corporations.

In March, political decisions were taken to adopt the European Health Data Space – new EU legislation on the sharing and use of health data. We see the introduction of new regulations in all EU countries as a great business opportunity, which is why we have chosen to focus on Europe in the coming years. Many entities from the health sector are currently focusing on digitalization and innovation, including artificial intelligence. The great interest in our technology is also driven by progress in medical fields such as precision medicine and personalized health care.

The foundation of these changes is access to high-quality clinical data, which is what CliniNote specializes in. A good example of cooperation with the international corporation IQVIA is the DigiONE project, under which a pan-European federal network of oncology centers is being built. The aim of the project is to improve the quality of data and prepare these centers to cooperate in exchanging data and making them available for development purposes. Currently, 15 leading European centers are participating in the DigiONE project and, ultimately, this number will exceed 100.

Robert Lugowski
Co-Founder & CEO
CliniNote
CliniNote is currently focusing on the European market. We plan the first test implementation in the USA in mid-year to prepare for entering this market in 2025-26. In March, political decisions were taken to adopt the European Health Data Space – new EU legislation on the sharing and use of health data. We see the introduction of new regulations in all EU countries as a great business opportunity, which is why we have chosen to focus on Europe in the coming years. Many entities from the health sector are currently focusing on digitalization and innovation, including artificial intelligence. The great interest in our technology is also driven by progress in medical fields such as precision medicine and personalized health care.

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The model cooperation between a startup and a corporation, which I will be happy to talk about, concerns Google. Google has supported us from the very beginning, offering free or preferential terms of access to cloud computing. Additionally, we have had access to free courses and the opportunity to participate in events dedicated to our business partners.

I have very fond memories of our first full-day visit to their Warsaw headquarters during the summer of 2022. Instead of standard marketing presentations that would try to convince us to cooperate, Google organized a whole day for us to work on important issues. Their software architects came to the meeting and discussed with us, step by step, how our technology works, from the capsule and receiver to the mobile application, telemedicine platform and photo analysis system with AI algorithms. Google architects shared valuable comments on optimizing data transfer and suggested technologies that greatly helped us in further product development. This showed that we were dealing with a group of experts and a partner who cared about our success, and not about intrusive sales of their services. Google has also shown that it can invest its employees' time in advising on the development of our product.
The next important stage of our cooperation with Google was participation in the international acceleration program Google Growth Academy: AI for Health, addressed to companies combining artificial intelligence with medicine. The several-month-long acceleration program consisted of two stationary meetings held in London and Warsaw. Additionally, each week of the program included dedicated business and technology workshops and mentoring sessions for each company. Training topics included branding, UX, leadership and storytelling. Moreover, part of the session focused on direct exchange of experiences between company founders and solving common problems. Due to the diversity of countries and continents from which the participating companies came, the program also became an excellent platform for cultural exchange.

Google is actively involved in our cooperation, regularly initiating meetings during which it is interested in our needs and offers support, including business contacts and assistance in raising funds, which is crucial for most startups.
3.2. Is there demand for Polish startups?

Cooperation of Polish startups with foreign partners undoubtedly brings many benefits to the former. The question is whether foreign corporations are equally willing to reach for Polish startups. If we delve deeper into the topic, it turns out that Poland is not yet an attractive enough market for large corporations from the West or abroad to actively seek our startups. This does not mean that they are not satisfied with the cooperation so far. The thing is, foreign corporations are often not aware that solutions are being developed in Poland which could improve their businesses.

Another issue is scale – the Polish startup ecosystem is still young, less than two decades old. Therefore, at the moment, only some innovative companies of Polish origin offer solutions for large international entities. “Sometimes I hear a question from foreign investors: ‘Why should we even consider your country when we can choose from 200 other ecosystems where we can also find deeptech startups?’ I answer them that we are not talking only about Poland, but about the entire region of Central and Eastern Europe and we have potential here that is developing dynamically”, says Slawomir Olejnik, General Director and Co-Founder of the Innovative Poland Foundation, organizer of the Deep Tech CEE Summit conference competition. “Poland itself, as a country, is currently not very attractive for investors of deep tech companies from the United States or Switzerland to become more interested in it. Of course, it sometimes happens that a foreign entity invests in Polish deeptech, but these are still marginal examples,” says Olejnik. Foreign corporations and investors are both much more likely to express interest in Polish SaaS startups than in hardware startups (companies dealing with deep technologies are relatively few in our country).

The approach of foreign entities towards Poland is starting to change. As emphasized by Plug and Play, which plans to enter the Polish market, pan-European startups are very attractive to European companies because innovation knows no borders. “From our perspective, Plug and Play’s Europe-based clients are eager to explore partnerships with vendors from across the continent. As a result, Polish startups can be equal partners to their Western counterparts,” says Anna Kazmierczak from the Plug and Play investment team. She emphasizes that their best success stories happen in the regions where they have a strong presence and, therefore, a good startup network. „Poland is not yet on the Plug and Play map of offices, which would certainly enable more cross-border cooperation with the local ecosystem. This is something we are willing to foster. Hence, we are in active conversations with prospect partners in Poland. We are happy to engage with Polish startups and increase their visibility in the local ecosystem,” says Kazmierczak.
At Rebread, we have from the very beginning treated development through accelerators as one of the main driving forces of growth. We particularly value those organizations that offer an element of “corporate matchmaking” as part of their program. From a startup’s point of view, we rate such projects higher than those offering micro-funds “equity free”.

In 2023, we participated in the BIND 4.0 acceleration in Spain. It is one of the best acceleration platforms in Europe. In the latest FT ranking, it took a high, 23rd place. As in every project of this type, the organizers conducted a preliminary selection – and there was a lot to choose from because over 700 entities from 70 countries applied to participate. We were lucky to be involved “onsite” at this stage, as our co-founder Kasia was in the Basque Country as part of one of EIC’s projects for female entrepreneurs. After the initial selection, in order to join the project, you had to be selected for cooperation by local entities – often global corporations. We were chosen by two – Okin (a large bakery) and Angulas Aguinaga (a producer of ready-made fish dishes).

As part of the acceleration, we worked on seafood substitutes that were created by fermenting unsold bread with edible molds. Within three months, we had developed the first concept at TRL 3 level, which was also presented at the Food 4 Future conference in Bilbao. Both entities paid us the rate specified in the accelerator for cooperation. We used some of the know-how from the concept for further cooperation and obtained a local grant for the next stage (TRL 4-5). This stage of cooperation is now coming to an end, and 15 months have passed since we first met with Okin. That’s why we value this type of project – because a pilot project often turns into permanent cooperation, and the selection process through the accelerator framework is more transparent than the sales process and gives an additional marketing bonus. This year, we are replicating this path through the MassChallenge competition/challenge. We just finished a demo day for Südzucker and can’t wait to see the results.

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It is worth emphasizing that not all partnerships concluded by startups include corporations. A significant number of innovative Polish companies cooperate with foreign companies from the SME sector. The entry threshold is lower than for cooperation with corporations and the benefits are very tangible, especially if a given solution typically meets the needs of smaller companies. An example of this is Edrone, a Krakow developer and seller of marketing automation systems and CRM systems for e-commerce. Earlier this year, they raised a USD 5 million round. This startup cooperates with small and medium-sized enterprises in Poland and Brazil (in 2023, Edrone doubled its revenues in Brazil and improved sales and NDR efficiency in Poland).

The company states that the demand for the solutions it offers is greatest among small and medium-sized online stores. “This market segment is characterized by the need for validation of investment outlays, which is carried out efficiently, effectively and precisely in our business model. In turn, a corporate e-commerce client often decides on technological development based on its own resources, which results primarily from the identification of internal, specialized needs. However, our product vision focuses on global solutions, which may conflict with strong vertical specialization,” says Michal Blak, CEO and Co-Founder of Edrone. He adds: “The paradox of the Polish market is that it is large enough to build traction for business but, at the same time, it is too small and local to scale this business to a global level.” comments Michal Blak.

Therefore, those who quickly enter international markets, sometimes even bypassing the Polish market (at least in the first phase of development), will benefit. An example of this is Smartschool, founded in San Francisco by Mateusz Maslowski, Pawel Burzynski, and Agata Mroczkowska. The startup has developed an artificial intelligence-based learning system for K-12 elementary and middle school students that aims to combat educational inequality. In March, USD 1.5 million was raised in the Pre-seed round (invested by Inovo VC and The Explorer Fund, among others). Not only American schools are interested in cooperation with the startup, but also educational companies listed on the New York Stock Exchange, Minecraft producers, and NASA.

Of course, Poland itself is an interesting market for ambitious Polish startups with an international reach. After all, it is easier to run a business in a country where you already have a network of contacts, can meet on site, and know the specifics of how the market functions. However, there are no rules here. Some Polish founders admit that they communicate better with foreign corporations. Obtaining a corporate partner – regardless of whether in a domestic or foreign market – is not an easy task. “Reaching corporate clients requires a lot of effort and various access channels,” noted Norbert Raus, CEO and Co-Founder of Alphamoon, during an online discussion organized by Startup Poland which took place in November last year.

Anna Kazmierczak from Plug and Play points out the same thing. “Access to the corporate world can come through a number of different channels. First and foremost, through the existing network of the founders, who very often come from a corporate
background and can use this connection in the early stages of their venture,” says Kazmierczak. Plug and Play helps startups establish cooperation with companies representing 24 industries for free, without geographical restrictions. She emphasizes that Polish startups have a “very strong base of competencies and quality” to offer. “For Polish startups to compete with their Western European counterparts, they need to adopt a global mindset from day one, looking at Europe as a diverse land of opportunity and not limiting themselves to just the CEE region,” says Anna Kazmierczak.
CASE STUDY

During the development of Edrone, so far we have established cooperation with a wide range of partners – both on the local and foreign market. The e-commerce area, for which we develop the Edrone system we offer, is characterized by the cooperation of many entities supporting a number of processes related to the construction, development, and ongoing operation of online stores. This allows us to build long-term relationships with the business environment, which in turn translates into the ability to recommend solutions best suited to the needs of our clients.

Michal Blak
CEO
Edrone

Reflecting on the path of our development also allows us to point out that breaking the original status quo – self-financing for development supported by a partnership of venture capital funds – was of key importance for its pace. The Hungarian Portfolio VC fund, the international Atmos Ventures, the German Müller Medien AG, and the Polish INventures, as well as Polish business angels, share our vision of development, constituting a group of partners who effectively support our ambitions of global scaling. The trust they have placed in us, combined with the opportunities offered by the recapitalization of the company, allows us to gradually increase our share in the global e-commerce market.

In the course of our activity so far, we have verified the potential of many markets, identifying the exotic Brazilian market as our path of further development. The growing pool of customers, combined with significantly greater market absorption, allows us to raise the profile of the Brazilian market as the future driving force for Edrone’s development. For comparison, at the end of 2022, there were 58,000 online stores operating on the Polish market, while for the Brazilian market these numbered 565,000.
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Methodology
The study was carried out by the ABR SESTA research institute on behalf of the Startup Poland Foundation on February 19-21, 2024, using the CAWI method. Its aim was to diagnose the degree of cooperation between corporations and startups. In order to determine whether the observed differences were statistically significant, Bonferroni tests were performed (used when the assumption of equality of variances was met), and the SPSS statistical program was used to analyze the results.

This sample, which was selected using purposive sampling, includes 211 companies (corporations), most of which (116 companies) cooperate with startups, while the remaining (95) do not. Corporations that do not cooperate with startups are a valuable source of knowledge about whether or not they are interested in cooperation with startups and why. The respondents' answers were checked – the duration of the interview, the coherence and logic of the answers, with interviews that were too short or conducted carelessly being rejected.

A qualitative assessment of the responses was made, among others, based on answers to open and semi-open questions. The report is also based on in-depth individual interviews with representatives of corporations and startups. These were carried out by Startup Poland in March and April 2024.