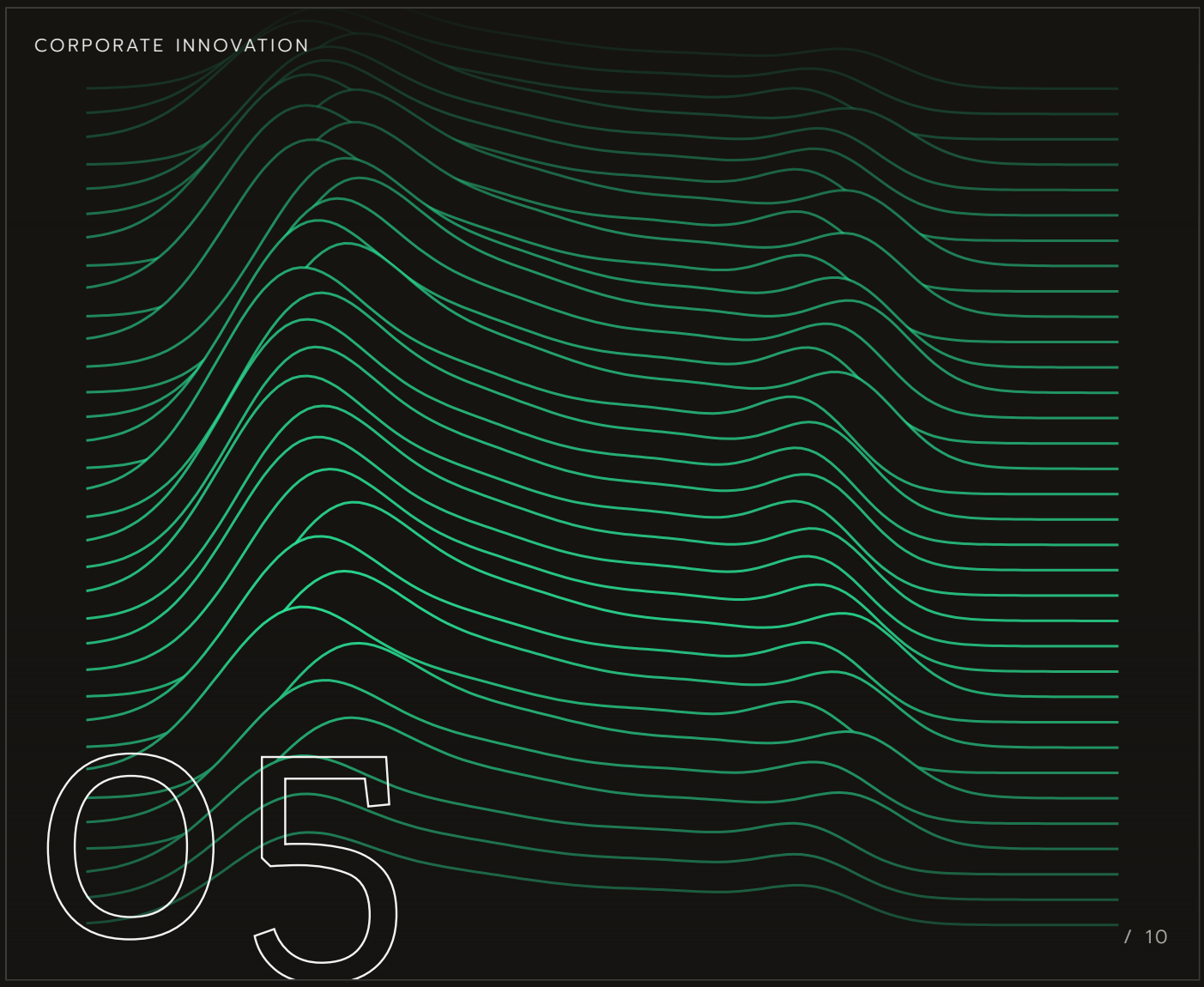

MUDITA STUDIOS RESEARCH — THE STUDIO SERIES

CVC vs Accelerator vs Studio

Which Corporate Innovation Model Delivers?

The first head-to-head model of the five ways a corporation can buy new growth. Its answer depends on one question: do you want to touch winners or own them?

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EXECUTIVE SUMMARY

No published study compares the five ways a corporation can buy new growth, so we built an open model of labs, accelerators, CVC, internal units and studio partnerships. The ranking depends on whether you count winners touched or winners owned.

$9.3m
raw cost per scaled venture touched, corporate accelerator

Outside-in models touch the most winners

A CVC fund costs about $36m per scaled venture touched and an internal venture-building unit $167m. Outside investors fund most of the growth, so the corporate's dollar goes further.

$118m
cost per owned scaled venture, studio partnership

Counting ownership flips the ranking

That compares with $167m for an internal unit and $551m for CVC. The studio is cheapest in 67% of 20,000 simulated draws, and the ranges overlap widely.

4 yrs
median life of a CVC unit before it stops investing (Ma, RFS 2020)

Time works against everyone

An independent VC fund runs 10–12 years. In our base case a typical CVC programme sees about 3.1 portfolio companies reach scale before it shuts, and an internal unit 0.9.

$11m
cost per venture below which an internal unit beats a studio partnership

Internal building can win

The base case assumes $15m per venture. Internal building also wins if the corporate's stake in studio ventures falls below about 16%, against a base of 22%.

7 of 50
model inputs that come straight from evidence

Most inputs are judgements

25 are judgements bounded by evidence and 18 are plain assumptions. Hit rates are the weakest and most important inputs, so the ranking is indicative.

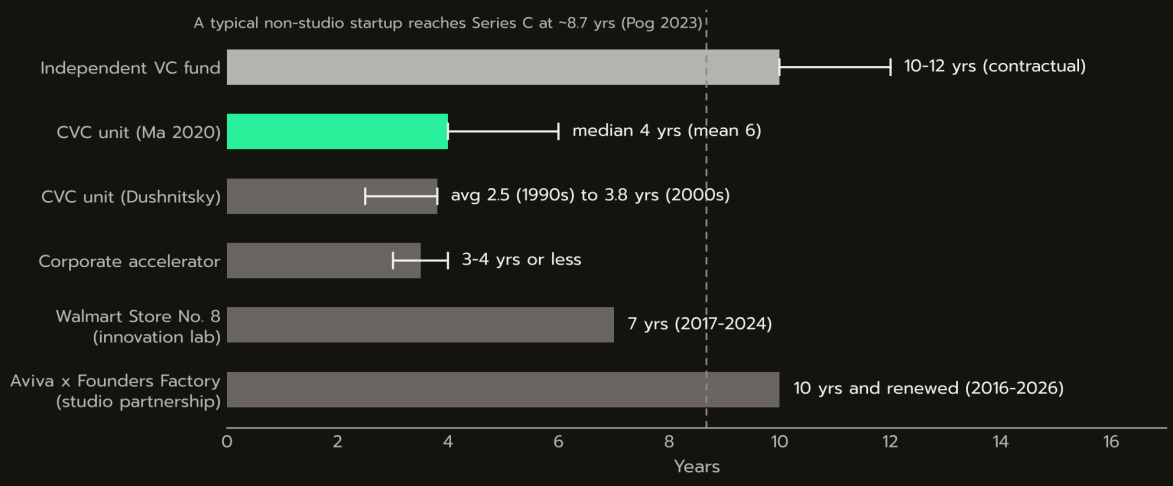
01 The question nobody has answered with numbers

Corporations spend heavily on innovation vehicles and close them almost as fast. CVC took part in more than half of global venture deal value in 2024 (GHIF–PitchBook), and a record 3,068 corporate investors were active in 2025 (GCV). Yet Song Ma's study in the *Review of Financial Studies* finds that the median CVC unit stops making new investments after about four years (mean about six). An independent VC fund runs 10–12 years (Exhibit 1). Trade press reports that corporate accelerators often last "three to four years or less". Walmart's in-house incubator, Store No. 8, lasted seven years before it was folded back into the core in January 2024.

EXHIBIT 1

The median CVC unit closes after 4 years, a third of a VC fund's life

Programme lifespan by vehicle, years (bars = central value; whiskers = reported range)



Source: Ma (RFS 2020) via HLS Forum; Dushnitsky via VCCafe (2011); Global Corporate Venturing (2016); Chain Store Age (2024); Aviva plc (2016, 2026); Pog (2023). Store No. 8 and Aviva x Founders Factory are single cases, not rates.

MUDITA STUDIOS

Each model has its own literature. CVC has academic studies of returns and innovation. Venture building has consultancy surveys. Studios have trade-body reports. We could not find any study that puts the models on the same scale, so we built one. The model is a transparent spreadsheet-style calculation, available on request, so readers can change any input they disagree with and rerun it.

02 How the model works

We modelled five options a corporate leader can fund:

1. an **internal innovation lab**;
2. a **corporate accelerator**;
3. a **CVC fund**;
4. an **internal venture-building unit**;
5. a **partnership with an external venture studio** that co-builds ventures, which spin out with outside investors and in which the corporate keeps a stake.

Each option has ten inputs, each with a low, base and high value and a source or a stated assumption:

- annual cost;
- ventures or investments per year;
- time to first market launch, and launch to first revenue;
- probability a venture reaches scale;
- ownership or control the corporate keeps once the venture has scaled;
- programme lifespan;
- years from launch to scale;
- the share of in-flight ventures lost if the programme closes;
- strategic learning captured.

A "scaled venture" is one that reaches roughly $50m in annual revenue or a $100m+ valuation.

The arithmetic is simple. Divide annual cost by ventures per year to get corporate dollars per venture. Multiply by the hit rate. Then apply a durability haircut: ventures still maturing when the programme is shut lose some of their chance. That gives **scaled ventures per $100m deployed** and its inverse, **cost per scaled venture**. Multiply by the share the corporate keeps and you get the **owned-equivalent** version. We then drew 20,000 random combinations of inputs from their ranges, ran one-at-a-time sensitivity tests, and tested named scenarios.

Some inputs rest on solid evidence:

- CVC ownership: average 7.2–8.7% at entry (SVB *State of CVC 2025*).
- CVC investment pace: about six startups and $26.1m a year (Hamm & Jung).
- Accelerator throughput: about 12.6 startups per programme-year, from Techstars' 2023 figures reported by TechCrunch.
- CVC lifespan (Ma).

Others are anchored judgements. Hit rates are a good example, because every source defines "success" differently. Some are plain assumptions, such as lab budgets and the losses when a programme closes. Our full input table (Table A1, available on request) labels every input. We set the studio's base hit rate (12%) **below** the internal unit's (15%). We gave both the same lifespan and the same time to scale. The independent evidence does not support a studio advantage on outcomes. In PitchBook data, studio-backed deals exited 24% of the time, against 38% for pre-seed VC (Malyy & Pog, 2024).

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03 Finding 1: If you only count winners, buy access

On raw counts, the outside-in models are far ahead (Exhibit 2, gray). A corporate accelerator spends about $250,000 per startup. It touches roughly 10.8 scaled ventures per $100m even with a 3% hit rate. A CVC fund writes about six $4–5m cheques a year into seed-to-Series-B companies that are already past the riskiest stage. It touches about 2.8 scaled ventures per $100m. The accelerator has the lowest raw cost in 92% of simulated draws.

This is the strongest case for CVC and accelerators, and we report it as the model gives it. Outside VCs fund most of the growth, so the corporate's dollar goes further. CVC is also the fastest route to a revenue-generating portfolio: a median of about 11 months, though that is the investee's revenue, not the parent's. And CVC capital is an investment, not a cost. Our model counts gross dollars and does not net out financial returns, which understates CVC's lead on this measure.

> **92%** of simulated draws in which the accelerator has the lowest raw cost per scaled venture

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04 Finding 2: If you count what you own, the ranking flips

Touching a winner is not owning one. Average CVC stakes start at 7–9% and dilute in later rounds. Corporate accelerators often hold little or no equity. Weight each scaled venture by the share the corporate keeps, and the outside-in models fall to the bottom (Exhibit 2, dark):

Option	Cost per owned-equivalent scaled venture (base)	P10–P90 range
Studio partnership	$118m	$50m–$246m
Internal venture unit	$167m	$100m–$364m
Innovation lab	$278m	$119m–$575m
Accelerator	$463m	$188m–$954m
CVC fund	$551m	$297m–$945m

The studio partnership ranks first for two reasons. First, the corporate spends about $2.5m per venture, roughly a sixth of what an internal unit spends ($15m). Outside investors fund the climb to scale, and the corporate keeps about 22% at scale. Second, spun-out ventures are separate companies with their own investors, so they are more likely to survive if the corporate cancels the programme. The internal unit keeps 100%, but it pays for everything and its ventures share the programme's fate.

The ranges are wide and they overlap. The studio partnership is cheapest per owned winner in 67% of draws, not all of them (Exhibit 3). The internal unit is cheapest in 20% of draws and the lab in 11%. CVC is almost never cheapest on this measure (under 1%).

05 Finding 3: What decides build vs partner

The real choice for most corporate leaders is between an internal venture-building unit and a studio partnership. Exhibit 4 moves each input from its low to its high value and shows how the studio-to-internal cost ratio responds. At base the studio costs 0.71 times as much per owned winner. Seven of the ten inputs in Exhibit 4 can push the ratio past parity on their own:

- the studio's annual cost (at $25m a year the internal unit wins);
- the studio's hit rate (at 5% the internal unit wins);
- the corporate's stake (at 10% the internal unit wins);
- the studio's throughput (at two ventures a year the internal unit wins);
- the internal unit's throughput and cost per venture (at four ventures a year or $15m a year, the ratio rises to 1.42);
- the internal unit's hit rate (at 24% the ratio reaches 1.14).

Programme lifespan matters less than we expected, because it works through the durability haircut. A corporation that commits for ten years narrows the gap ($125m vs $105m) but does not close it.

Table 2: An internal unit beats the studio partnership if it builds for under $11m a venture or the corporate's studio stake falls below 16%

Question	Break-even
Internal unit's cost per launched venture at which it matches the studio partnership on owned winners	$11m (base: $15m)
Corporate's stake in studio ventures below which the internal unit is cheaper per owned winner	16% (base: 22%)
Average CVC stake needed to match the studio partnership on owned winners	30% (base: 6.5%)

Source: Mudita Studios comparison model, base case, one input varied.

The scenarios make the same point (Table 3). The studio partnership loses its lead in three cases:

- **Lean internal build.** If the internal unit builds ventures for $5m each, which is plausible given McKinsey's report that break-even capital fell from ~$125m to ~$77m in a year, the internal unit wins at $56m per owned winner.
- **Poor studio terms.** On the studio's worst terms the internal unit wins.
- **Fee-for-service studio.** If the studio is paid by fees and the corporate keeps ~95% but funds ventures to scale itself, the studio's cost advantage disappears ($206m vs $167m). The corporate is then buying speed and expertise, not leverage.

A CVC run like a real VC fund, with an eight-year life, 10% stakes and a 25% hit rate, improves to $200m. It still trails on ownership, and it remains the best tool for breadth and intelligence.

Table 3: Internal building wins when it gets cheaper per venture, when studio terms are poor, or when the studio is paid by fees

Scenario	Lab	Accelerator	CVC	Internal unit	Studio partnership	Cheapest owned winner
Base case	$278m	$463m	$551m	$167m	$118m	Studio partnership
Every programme committed for 10 years	$128m	$439m	$505m	$125m	$105m	Studio partnership
Studio inputs at their worst	$278m	$463m	$551m	$167m	$1,562m	Internal unit
Studio trade-body claims at face value	$278m	$463m	$551m	$167m	$71m	Studio partnership
Lean internal build ($5m per venture)	$278m	$463m	$551m	$56m	$118m	Internal unit
Fee-for-service studio (corporate funds all, keeps ~95%)	$278m	$463m	$551m	$167m	$206m	Internal unit
CVC run like a VC (8-yr life, 10% stakes, 25% hit rate)	$278m	$463m	$200m	$167m	$118m	Studio partnership

Cells: cost per owned-equivalent scaled venture, lower is better. Source: Mudita Studios comparison model.

> **0.71x** the studio partnership's cost per owned winner relative to an internal unit, in the base case

06 Finding 4: Control and speed rarely come together

Exhibit 5 plots the two things executives say they want: control of what gets built, and speed to revenue. The internal options give full control but are slowest. We estimate a median of about 25 months to first venture revenue for a new internal unit and 21 for a lab, mainly because the team has to be hired first. CVC and accelerators are fast, but the corporate controls little. The studio partnership sits in between: about 13 months to first revenue and a minority stake that can be negotiated upward.

Most timing inputs are assumptions anchored on studio and consultancy claims, so treat this chart as a map rather than a measurement.

> **13 mo** estimated median time to first venture revenue for a studio partnership, against about 25 for a new internal unit

07 How to choose: a decision framework for corporate leaders

Table 1: A studio partnership is the cheapest route to an owned winner in the base case; CVC and accelerators touch more winners per dollar but own little of them

	Innovation lab	Accelerator	CVC fund	Internal venture unit	Studio partnership
Annual cost, base	$10m	$3m	$28m	$30m	$10m
Corporate $ per venture	$2.5m	$0.25m	$4.7m	$15m	$2.5m
Probability of reaching scale	3%	3%	15%	15%	12%
Ownership retained at scale	100%	2%	6.5%	100%	22%
Typical programme life (years)	5	3.5	4	5	5
Months to first revenue (median)	21	12	11	25	13
Cost per scaled venture (raw)	$278m	$9.3m	$36m	$167m	$26m
Cost per owned-equivalent scaled venture	$278m	$463m	$551m	$167m	$118m
Scaled ventures before a typical programme closes	0.2	1.1	3.1	0.9	1.9
Strategic learning captured (1–5)	3	2	3	4	3
Best fit	Ideas close to the core; culture	Scouting and pilots	Breadth, intelligence, financial upside	Ventures that need core assets and full control	Owned new businesses, fast, without building a venture team

Source: Mudita Studios comparison model; a version with ranges is available on request. Dollars are gross corporate dollars; financial recoveries are not netted out.

Answer five questions in order:

1. **Do you need to own the outcome, or just see it?** If the goal is market intelligence, a view of new technology or financial return, CVC is the most efficient tool we modelled. Academic work links strategic CVC to parent value and innovation (Dushnitsky & Lenox 2006; Chemmanur et al. 2014). Accelerators are the cheapest way to scout and pilot. Do not expect either to build a business you control.
2. **Can you commit for longer than four years?** Most programmes die before their ventures mature (Exhibit 1). If you cannot fund at least 7–10 years, avoid models whose ventures die with the programme, meaning labs and internal units. Prefer structures where ventures are separate companies with outside investors.
3. **Does the venture depend on core assets: data, customers, licences, distribution?** If so, and you can make that long commitment, an internal unit's full control and higher learning score (4 of 5 in our scoring) can justify its cost. This is where internal building is the right answer.
4. **Can you build for under about $11m per launched venture?** That is the model's break-even against a studio partnership. Experienced, AI-enabled builders may get there. McKinsey reports that serial builders get 1.9x revenue per dollar invested against 1.3x for novices (a self-reported survey). First-time units usually cannot.
5. **If you partner, what stake do you keep, and how is the studio paid?** Below about a 16% stake at scale, the partnership loses to building in-house. A pure fee-for-service builder gives you ownership but none of the outside-capital leverage. Ask for founder-level equity terms, rights to raise your stake, and a partner with its own capital in the ventures. Also check the partner's durability: in 2025 Next 15 announced it would wind down the corporate builder Mach49.

The honest summary: **CVC wins on breadth, speed and dollars touched. The internal unit wins on control and learning when the corporate can commit and build cheaply. A well-structured studio partnership wins on owned new businesses per dollar in most, but not all, of the combinations we tested.**

IMPLICATIONS

What this means for corporate innovation leaders

01 Use CVC and accelerators for intelligence, scouting and financial upside. Do not expect them to build a business you control.

02 Commit for at least 7–10 years, or choose structures where ventures are separate companies with outside investors.

03 Build internally when ventures depend on core assets and you can build for under about $11m per venture.

04 If you partner, keep a stake above about 16%, seek rights to raise it, and check the studio's own durability.

APPENDIX

Method, data and sources

Methodology & limitations

- **Method.** The model is deterministic, spreadsheet-style arithmetic over 50 inputs (five options × ten inputs). Each input has low/base/high values, a basis tag (7 evidence, 25 evidence-anchored assumptions, 18 assumptions), source ids and a rationale. Uncertainty comes from 20,000

independent draws from triangular distributions (seed fixed) plus one-at-a-time tornado tests. The inputs and the code that regenerates every chart and table are available on request.

- **Hit rates are the weakest inputs and the most important.** Sources define success differently: "viable at scale" (McKinsey), "success" (BCG, Stryber), exit (Malyy & Pog), Series A (GSSN). We mapped them onto one "scale" definition using judgement. The McKinsey figures that anchor the internal unit come from self-reported executive surveys. Studio figures above 12% rest on self-reported trade-body data (GSSN 2020).
- **Possible double-counting.** McKinsey's realised rates for corporate launches already include ventures killed by closures, so the durability haircut may penalise internal options twice. Setting the internal unit's closure loss to its low value (30%) moves the ratio from 0.71 to 0.90. The studio stays ahead.
- **Ownership is a proxy for strategic value.** Weighting by equity share treats a 22% stake as 22% of the value. Commercial agreements, options and board rights can be worth more or less than equity. For CVC and accelerators, minority stakes understate the information value.
- **Gross dollars.** We do not net out financial returns. CVC and studio stakes are financial assets that may return capital. Lab spending usually does not.
- **Independence of draws.** Inputs are drawn independently. In practice they correlate: fee-heavy studio deals come with larger stakes, and cheaper programmes may have lower hit rates. Win probabilities are indicative only.
- **Thin cost data.** Lab and internal-unit budgets are not published. Studio partnership costs rest on one case (Aviva × Founders Factory: £10m over a five-year extension) and on Hexa's self-reported ~€800k per startup. Accelerator costs come from leaked Techstars figures reported by TechCrunch.
- **Not a forecast for any single company.** Sector, geography and capital intensity vary hugely. The model shows how the trade-offs behave, not what any one corporation will get.

Sources

The full source list, with measurement notes and reliability ratings, is available on request. Key sources:

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