URL: https://stvp.stanford.edu/clips/the-difference-of-strategic-investment

How does strategic corporate investment differ from typical venture capital investment? And how does this affect the types of deals transacted? Lisa Lambert, Vice President of Intel Capital, offers examples of the structural differences typical of Intel's investing arm, including larger dollars to create a broader impact. In addition, Intel Capital deals are often accompanied by a prefabricated business agreement to seal the deal.

Transcript

Some of the bigger names, companies like VMware.. You guys all know VMware, the virtualization machine company? That was an investments that I actually led.. It was a $218.5-million deal.. All of our deals aren't that big, but we do a number of them that are very big.. And we also invest into the company called Clearwire, which is a WiMAX infrastructure company.. We put a billion dollars in that over the period of about two to three years.. But the typical investment for us, probably average is something on the lines of $8 to $10 million, initial, and then there are the investments that are follow-on investments over the life of the company.. So it brings up the question of, how different are you from a traditional venture capital firm? I mean, if we go down to Sand Hill Road and ask them similar questions, how different will their answers be? I mean, these numbers - the size of these investments are incredible relative to what I think of when I think of a traditional venture capital firm.. That's probably one of the major differences.. I would categorize in really in two categories; the type of deal that we do because we're strategic-focused..

Often times, the deals that we do are larger to create a bigger impact.. There are also always accompanied with a business agreement, some commercial agreement - how we're going to use the technology, how we'll work with the technology to tune or optimize it on Intel platform.. So, that's a major difference...