Bosch increases investment in startups
Robert Bosch Venture Capital launches Fund IV with 200 million euros

01.03.2019 - Investments in startups are on the rise. In 2017, institutional investors and companies invested 147 billion euros in these enterprises – nearly three times as much as in 2012.

Bosch, too, is increasing its investment in external startups, providing Robert Bosch Venture Capital GmbH (RBVC) with 200 million euros for a fourth fund. “Shaping the future also means recognizing good ideas early on and helping them achieve a breakthrough. As a leading IoT company, we want to drive forward select technologies in areas of future relevance, such as artificial intelligence,” explains Dr. Volkmar Denner, CEO of Robert Bosch GmbH. RBVC currently has a stake in three of the most promising artificial intelligence (AI) startups worldwide: DeepMap, Graphcore, and Syntiant. “We not only invest in startups, we also collaborate with them on open innovation projects. This is one way in which we boost our innovative strength.” Open innovation is a concept that brings together customers, researchers, suppliers, and partners and integrates them into a company’s innovation activities.

RBVC, one of Europe’s largest corporate investors, specializes in innovative technology startups. Its portfolio includes more than 35 companies active in autonomous driving, AI, the internet of things (IoT), and even distributed ledger technologies such as blockchain.

Open innovation: exploiting technology trends at an early stage

Each year, experts from RBVC examine over 2,000 startups, but only around a hundred of these make it to the shortlist. “We invest in six to ten carefully selected companies each year. In addition to capital, we also offer know-how and operational support. We also connect startups with Bosch operating units,” says RBVC managing director Philipp Rose. These alliances benefit the fledgling companies as well as Bosch itself. Startups get the opportunity to become a supplier, technology partner, or even customer of Bosch. Bosch, in turn, receives early access to the latest technologies and can incorporate them into its own innovations. “Open innovation is a win-win for startups and Bosch alike,” Rose says. “It also lets us ensure that the startup’s expertise stays in the startup.” Bosch currently collaborates...
with more than one hundred companies on open innovation projects.

**Portfolio: unicorns and successful exits**

Sunnyvale (U.S.), Frankfurt and Stuttgart (Germany), Tel Aviv (Israel), and Shanghai (China): RBVC maintains a presence in technology hotspots around the world through its own locations and contact persons. “We are a global investor that is active at the local level,” says Dr. Ingo Ramesohl, managing director and executive vice president of technology at RBVC. “We are directly involved on the ground, and we know the markets. At the same time, we offer the startups a global network, since we invest only in companies relevant to Bosch’s business.”

RBVC’s portfolio comprises thriving companies operating in areas such as machine learning, semiconductor development, and the IoT. One example is British processor company Graphcore, which produces AI components designed to accelerate machine learning. In 2018, the company closed the largest venture capital funding round in Europe and is currently valued at 1.7 billion dollars. “We have been supporting Graphcore since its initial financing round, not only financially, but also with our network and expertise,” Ramesohl says. Another recipient of early-stage RBVC investment was Sensoro, which today is the leading supplier of urban IoT solutions in China. A third example is the U.S. company DeepMap, which produces highly accurate maps for autonomous vehicles.

Like every other institutional venture capitalist, RBVC ultimately aims to sell its stake in a startup at a profit. For instance, Intel acquired Movidius, a manufacturer of processor chips for computer vision, and cybersecurity expert SecurityMatters is now part of ForeScout Technologies, a provider of network security.