

Case Summary: AgriSmart: Funding New Corporate Ventures

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Abstract

In early 2017, the chief executive officer of AgriSmart, a German start-up company within the Bosch start-up platform, was preparing for an important upcoming board meeting. She needed to explain why AgriSmart had deviated from its original financial plan, seek approval for its upcoming budget, and convince Bosch's board that the company deserved further funding. In preparing the company's forecasts to share with the board, the chief executive officer also needed to prepare for all possible questions from the directors regarding AgriSmart's past performance and the assumptions going forward.

Learning Objectives

This case is suitable for use in graduate-level or post-graduate-level courses or modules in management accounting and entrepreneurship. After completion of the case, students will be able to

- analyze performance variances;
- discuss how to build budgets and the tensions that emerge in doing so;
- look at the concept of staged investing as a reflection of the revelation of new information;
- examine the above objectives within the context of a technology-based start-up in a corporate incubator; and
- discuss the operational challenges of running these types of corporate innovation projects.