How GenAI Can Prompt a Faster, Less Risky Future of Venture Building

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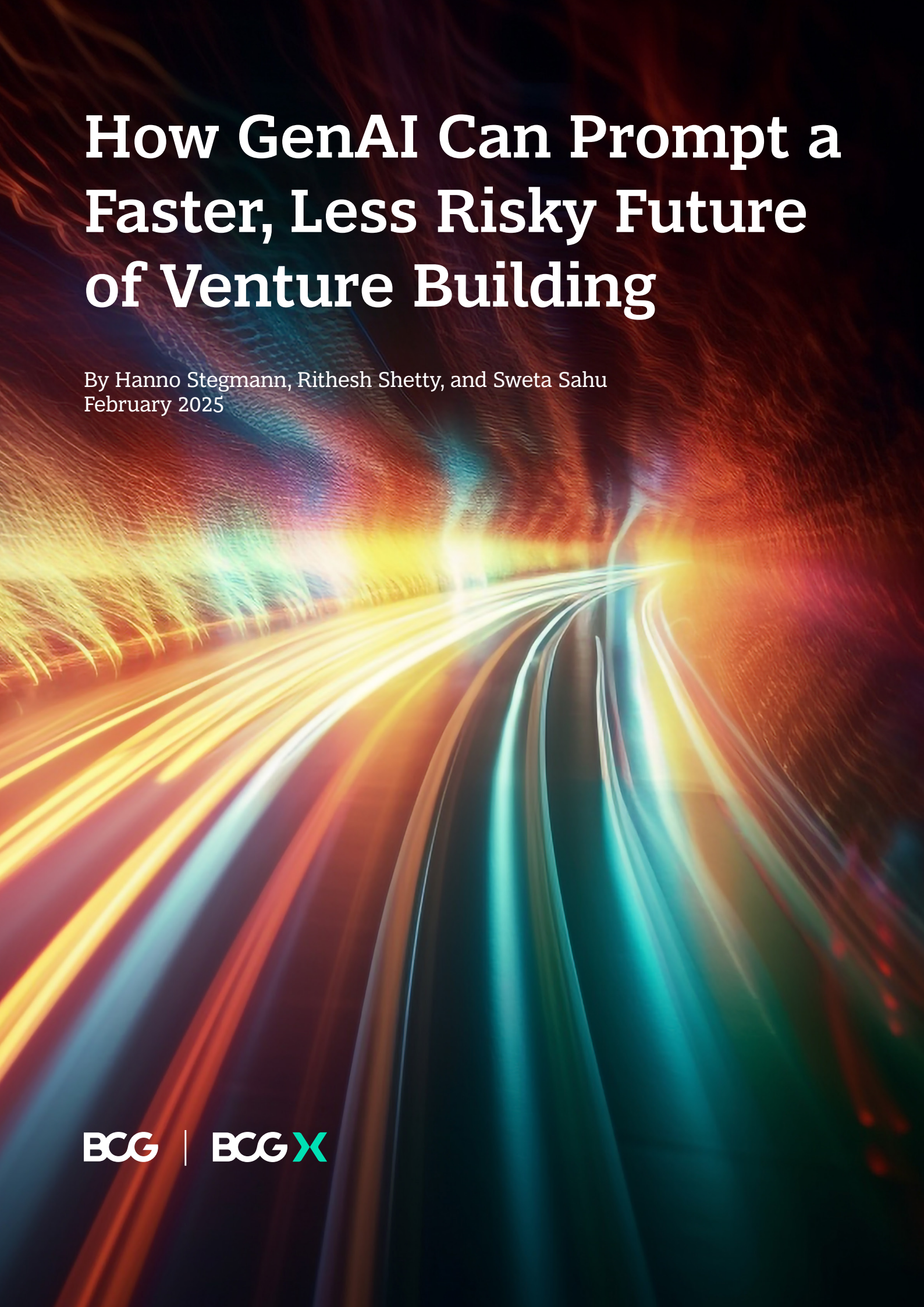

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Executive Summary

GenAI has radically changed the business landscape, and venture building is no exception. In this article we explore how GenAI can fast-track venturing building by automating key phases from discovery to product-market fit, reducing risk and significantly accelerating an efficient venture-building process.

Traditionally, venture building has required validating use problems, defining target audiences, testing value propositions, and evaluating market viability through time-intensive and resource-heavy processes. GenAI streamlines these processes by automating research, synthesizing insights, enabling rapid experimentation, and analyzing real-time user feedback.

This GenAI-powered strategy can help ventures define and test audience segments, validate willingness to pay, optimize MVP development, and track product-market-fit signals with greater speed and accuracy. By integrating AI-driven tools, companies can significantly reduce risk, improve decision-making, and accelerate their path to a successful product launch.

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The innovation imperative for corporates

CORPORATE VENTURING IS A VITAL COMPONENT of an organization's growth and digital transformation efforts. Yet while the overarching ambitions are broadly aligned, the goals and strategies of each company are unique, and as such their approach to corporate venturing must adapt accordingly. When done right, corporate venturing can accelerate innovation, enabling organizations to achieve their growth ambitions. Generative AI (GenAI) can play a powerful role in supporting that imperative.

In a business ecosystem where the lines between industries continue to blur, and competition intensifies by the day, both established companies and startups are increasingly working to collaborate or emulate successful strategies to drive innovation.

Corporate venturing offers significant benefits to established corporations, including faster outcomes, exposure to innovative practices, access to new ideas, and introduction to exciting technologies and business models. It also offers a stronger competitive position in emerging markets where being the first to act or react can be the difference between success and failure.

These benefits underpin the four main reasons we see organizations typically engaging in venture building:

- **Reinvigorating the core.** Strengthening and future-proofing core operations through new technologies and business models.
- **Diversifying beyond the core.** Exploring untapped markets and industries for additional growth opportunities.
- **Leveraging existing assets.** Utilizing corporate strengths like technology, distribution networks, and customer bases to expedite venture launches
- **Driving innovation culture.** Cultivating agility and experimentation to support long-term growth.

Speed is critical in venture building, allowing companies to seize market opportunities ahead of competitors, respond to shifting trends, and quickly test and refine ideas to reduce risk. In today's fast-paced business environment, agility often determines success. Moving swiftly helps corporates validate product-market fit more effectively, better commercialize winning ventures, and stay relevant in dynamic and evolving industries.

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Why speed in corporate venturing matters

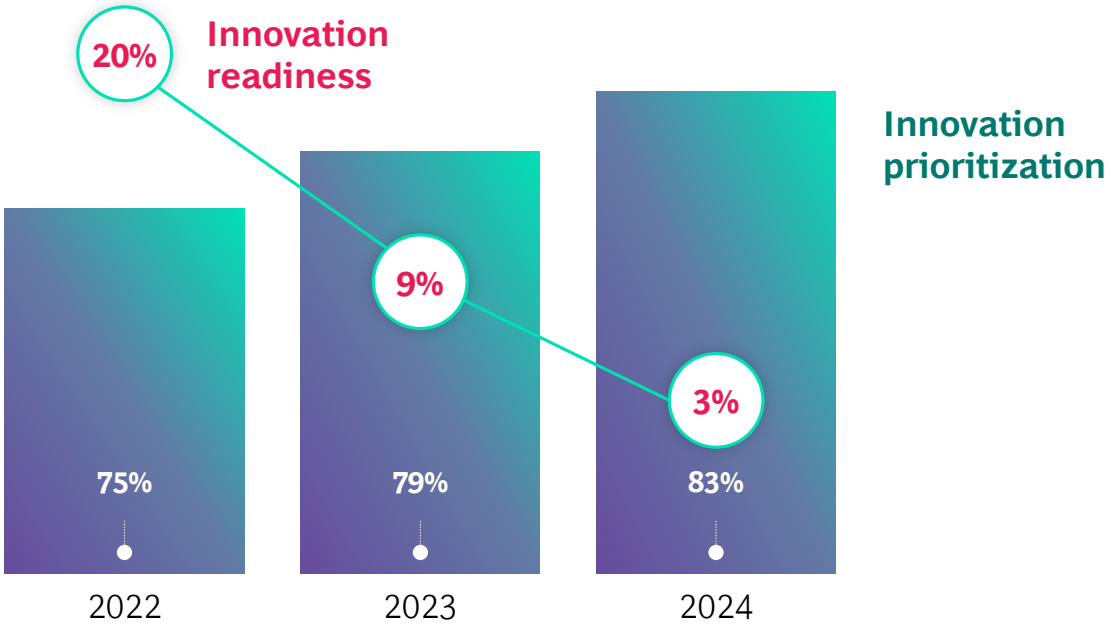
Capitalizing on new ideas requires an innovation strategy that is aligned with business priorities yet flexible enough to adapt to changing market conditions.

Innovation is hard. Only about 30% of companies think they are good at it, and it's only getting more challenging. Even the strongest innovators are required to continually master new capabilities and develop faster and more agile research and development processes. These efforts are reflected in four key pillars of good corporate venturing. [Exhibit 1.]

Exhibit 1: Four key pillars of good corporate venturing

Corporate venturing and innovation go hand-in-hand. Yet despite the evident benefits of a strong innovation strategy, we see a stark gap in innovation readiness across the business landscape. [Exhibit 2.]

Exhibit 2: Innovation readiness has plummeted, with just 3% of companies in the ready zone



In a recent report, Innovation Systems Need a Reboot, Boston Consulting Group (BCG) highlights the worrying gap between contemporary corporate attitudes to innovation and preparedness to deliver on this ambition. The 2024 research finds 83% of companies view innovation as a top three priority, but only 3% are ready to translate their priorities to results. Companies need to embrace the right technologies, tools, and strategies to bridge this gap.

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Prompting better innovation with GenAI in corporate venturing

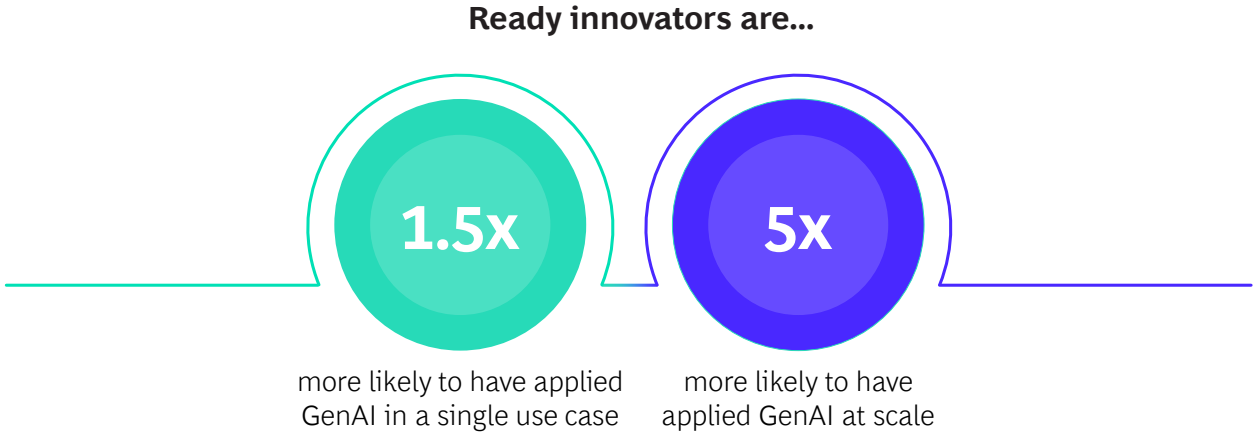
Generative AI can act as a catalyst in the initial phases of venture building, accelerating and streamlining processes from discovery to product-market fit validation.

Corporates can unlock new value generation by leveraging GenAI to generate multiple venture ideas, rapidly testing concepts, and validating opportunities. This approach minimizes risks and accelerates the journey from ideation to commercialization, enabling businesses to innovate quickly and with confidence.

GenAI as an innovation accelerator

- The impact of GenAI is already apparent across the business landscape, providing a pathway to capture value in corporate venturing.
- BCG's research shows that 86% of innovators—defined through a survey of over 1,000 senior innovation executives from companies around the world—are already experimenting with GenAI to at least some degree, with leading innovators 1.5 times more likely to have applied GenAI in a single use case and 5 times more likely to have applied it at scale. [Exhibit 3.]

Exhibit 3: GenAI is 1.5x more prevalent in single use cases and 5x more scaled



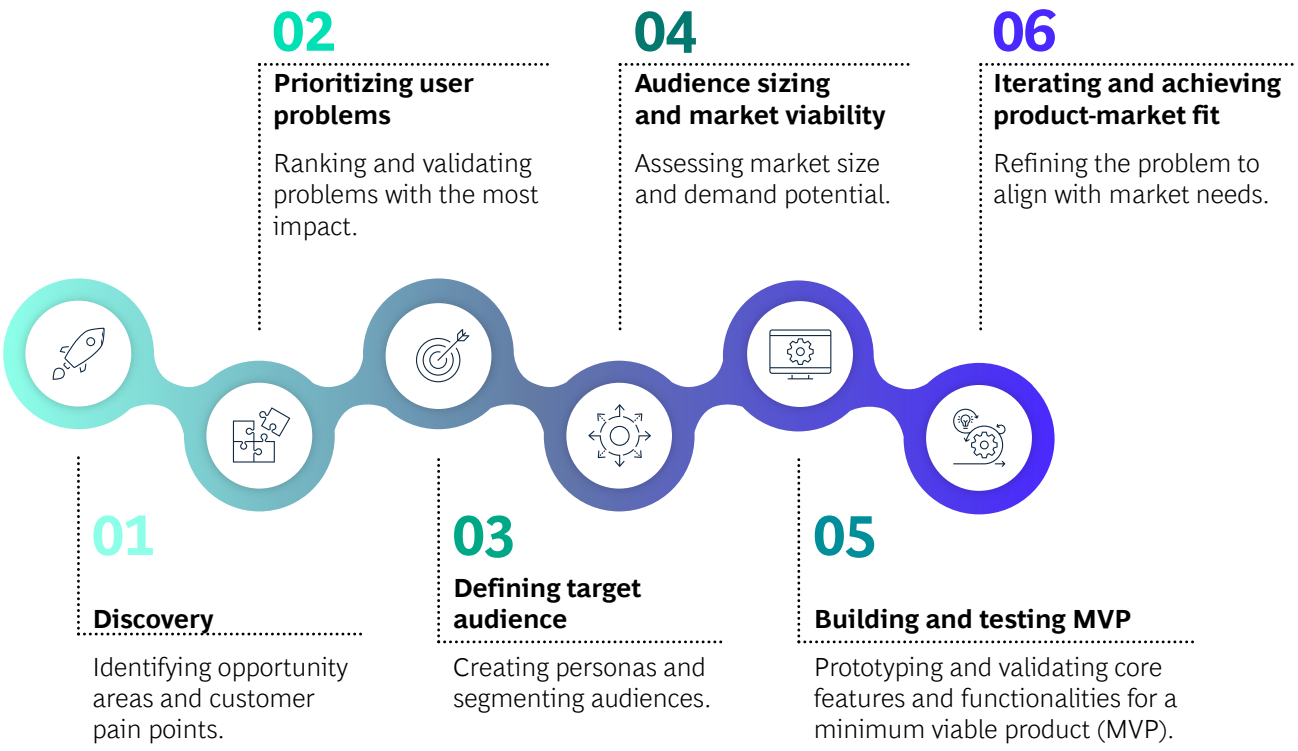
It's clear that GenAI offers a powerful tool to help organizations reshape their innovation systems to better adapt in a dynamic business landscape.

05

The six key stages of early venture building

We have identified six key stages of early venture building, from discovery to validating product-market fit, that underpin an effective strategy. [Exhibit 4.]

Exhibit 4: Six key stages of early venturing building from discovery to validating product market fit



For each of these critical steps, we will examine the most time-consuming and cost-intensive processes and discuss how GenAI can contribute to their optimization.

Step 1: Discovering opportunity areas

It's easy to get lost in an endless cycle of directionless ideation during the discovery phase. The real challenge lies in generating meaningful venture concepts rooted in a deep understanding of the market landscape.

Achieving this requires thorough market analysis, mapping political, economic, social, technological, legal and environmental factors (PESTLE), and gathering insights about the competitive landscape to identify genuine gaps and opportunities.

Transforming these inputs into actionable insights is critical to creating well-rounded, high-potential business concepts. By adopting a structured and data-driven approach, ventures can ensure that their ideas are not only creative, but also viable and aligned with real-world dynamics.

GenAI provides a platform for ventures to quickly identify promising opportunity areas and understand user pain points by automating market research, user journey mapping, and early discovery, drastically reducing the time and resources needed for this foundational step.

Generative AI tools can assist in:

1. **Efficiently aggregating and summarizing market landscape data efficiently**
2. **Drafting PESTLE analyses to identify consumer trends and market influencers**
3. **Defining and mapping the competitive landscape**
4. **Synthesizing insights from diverse data sources**
5. **Generating and refining high-potential business concepts**

> *Discovery phases that once required over a month of ideation and synthesis have now been streamlined to just two weeks, resulting in well-defined, data-backed business concepts*

Melissa Lou, Lead Venture Architect at BCG X, frequently leverages GenAI large language model (LLM) tools during the discovery phase of venture building. She has reported a **40% to 60% reduction in time spent on discovery**. Discovery phases that once required over a month of ideation and synthesis have now been streamlined to just two weeks, resulting in well-defined, data-backed business concepts.

Step 2: Prioritizing user problems and validating desirability

Exploring and validating the desirability of specific ventures is frequently a time- and resource-intensive process during the validation phase. It often begins with desk research and understanding market sentiments, followed by expert and user interviews to cover pain points.

Project teams often use ethnographic research to observe real-world behaviors—interviewing multiple perceived users and analyzing secondary data such as reviews and social media trends to validate findings. Synthesizing these insights requires further time due to the fragmented nature of insights.

GenAI tools provide a powerful solution to accelerate this process and validate the desirability of a potential venture, and we have already seen them leveraged in three innovative ways:

1. **Strong starting points for showing desirability**
2. **Faster synthesis**
3. **Early desirability and value proposition testing**

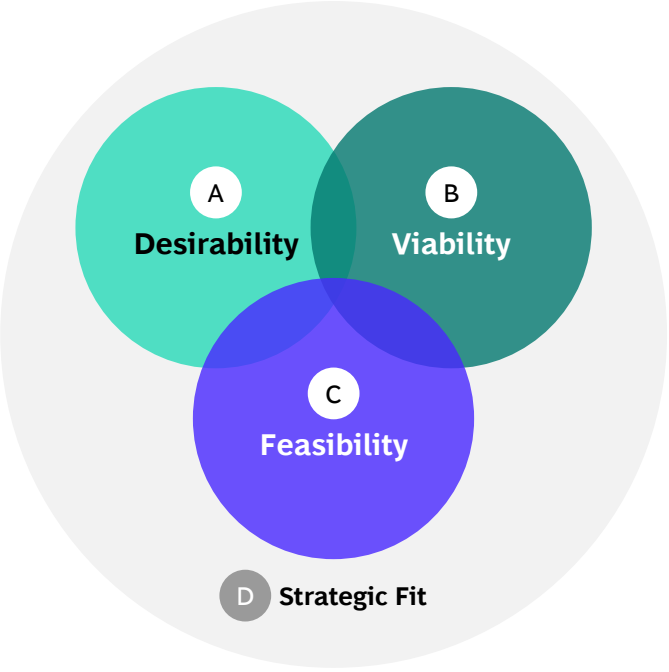
Usage 1: Strong starting points for showing desirability

GenAI tools or LLMs can provide detailed overviews of the current state of value chains and typical pain points in customer journey. Albert Issa, Principal Product Manager at BCG X, indicates that this can **cut the time for current-state analysis by up to four times.**

> *GenAI and LLMs can provide detailed overviews of value chains and pain points, reducing the time for current-state analysis by as much as 4x*

Desirability is one of the four core lenses utilized by BCG X, the tech build and design division of Boston Consulting Group, to validate early-stage concepts. [Exhibit 5.] This process is guided by the leading question 'Is there demand for a new, better solution?' The answer lies in uncovering your customers' problems and how you can solve them—a process which GenAI can rapidly accelerate.

Exhibit 5: Four Lenses for Validation



A **Desirability**
Attractiveness to customers

B **Viability**
Initial estimate of revenue potential

C **Feasibility**
Technical and operational feasibility

D **Strategic Fit**
Synergies & unfair advantage

Usage 2: Faster synthesis

AI-powered transcription and analysis tools such as Zoom AI and Miro can provide automated summaries of user feedback and help thematically section content, eliminating the need for manual note taking or reconciliation by teams. This reduces hours of team effort in synthesis to a single, automated workflow. At the same time this enables teams to enhance accuracy by minimizing potential for human error.

Exemplar: Rapid concept testing for finance and insurance client

Albert Issa, Principal Product Manager at BCG X, successfully leveraged multimodal GenAI tools to generate rapid user interface (UI) concepts to accelerate the development of a new product concept for a fast-growing financial institute.

Having been assigned to design a solution to support financial advisors to upskill during their critical first 100 days on the job, Albert turned to these GenAI tools to create visual mock-ups and prototypes in a matter of days rather than weeks.

With these rapid prototypes, the team was able to conduct quick and comprehensive concept testing directly with advisors to validate key product hypotheses. By streamlining the process, they were able to gather actionable insights faster, refine their approach, and ensure the product effectively addressed agents' needs. This approach not only accelerated the validation process but also minimized resource use, making it a highly efficient solution for the corporate's venture-building efforts.

There are several commonly recognized tools praised for their role in AI-driven UI/UX workflows in 2025, including, but not limited to, UXPilot, Adobe XD with AI features, Uizard, and StudioAI. These tools can provide a powerful platform to rapidly test concepts for product development.

Usage 3: Early desirability and value proposition testing

Typically, companies test value propositions much later in the product lifecycle—often after launch—at the point when marketing teams and designers are brought on board. By this stage, it's often too late to pivot, leaving critical user insights and market signals unvalidated.

However, there is significant value in testing a value proposition early, leveraging real customer signals from the market to validate user insights. GenAI, combined with experimentation through multivariate testing (MVT), enables companies to de-risk hypotheses early on by rapidly generating, testing, and refining multiple value propositions.

What was once a time-intensive process requiring multiple iterations and weeks of effort to align messaging with different user personas can now be done faster and more effectively. With AI-driven tools, companies can test a range of tailored propositions, analyze user engagement, and iterate based on real-time feedback—saving time, reducing resource strain, and ensuring better alignment with market needs.

Exemplar: Value proposition testing for an entertainment venture

BCG X was engaged to build an edutainment venture launching in the Singapore market. We tested four distinct value propositions to determine which features best resonated with the target audience—parents of young children.

The goal of this testing was to identify the first feature to build into the product, as this would be critical for driving pilot customer acquisition and overall success. Value propositions tested included personalized avatar creation, a library of educational content, interactive storytelling and trust-building through accreditation. GenAI tools were used to create several iterations of advert copies and designs to be tested through social media ad platforms.

The GenAI-supported process allowed us to obtain strong signals for the value propositions that most resonated with audiences, gaining high confidence in the strategy within three weeks of testing. This provided timely and valuable information to guide our go-to-market strategy for launch.

Step 3: Defining the target audience

Deciding which audience segments to target during a venture's first go-to-market phase is critical—early success hinges on de-risking audiences and aligning value propositions with their needs.

Testing multiple messages across various segments typically requires extensive research, surveys, and user interviews. However, this traditional approach often falls short, as small sample sizes and limited reach can leave teams without confident signals about which segments will truly drive success. GenAI offers a faster, data-driven alternative to overcome these challenges.

We see three clear ways in which GenAI tools can be used to enhance target audience definition:

1. **Building strong personas quickly**
2. **Accelerating audience segmentation**
3. **Enabling real-time validation**

Usage 1: Building strong personas quickly

LLM tools can rapidly analyze customer data, reviews, and trends to instantly generate detailed user personas. This replaces the need for lengthy manual research and iterations.

To give one example, a team could input market data into any LLM and generate details of desired personas such as ‘eco-conscious millennials’ or ‘budget-focused families’ to build in-depth personas for a target audience within hours.

Usage 2: Accelerating audience segmentation

GenAI can utilize behavioral and demographic data to automate the process of clustering personas into segments, allowing teams to create actionable and precise audience groups tailored to their business goals.

This approach eliminates the manual effort of analyzing patterns and simplifies the path to target a particular audience. The strategy can be taken a step further by creating audience segments specifically designed for different ad platforms such as Meta, TikTok, or Google.

For example, teams could prompt an LLM to generate targeting criteria for a persona such as ‘young parents looking for trustworthy edutainment content’. The LLM platform would suggest demographics (e.g., parents aged 25-40), interests (e.g., child development, educational games, or family-friendly activities), and behavioral traits (e.g., frequent online shoppers, app users) to build a detailed and effective ad targeting plan.

Usage 3: Enabling real-time validation

GenAI allows teams to quickly test audience segments through multivariate experiments. Tools such as Creative.ai, Webflow with AI, Copy.ai, and Mixo can be used to generate landing or ad campaigns customized for each target segment, providing immediate feedback on user engagement.

Teams could, for example, test potential ad-targeting performance of ‘working parents looking for child-friendly tools’ against ‘rural parents seeking budget-friendly solutions’ to see which drive higher engagement. This rapid validation of audience segments benefits teams by providing actionable insights for go-to-market strategies.

Step 4: Evaluating market viability

Market viability testing examines the competitive environment, business rationale, expansion strategy, and go-to-market plan for a product or service. This is another of the four core lenses BCG X utilizes to validate early-stage concepts.

The process to test viability can leverage various methods—from teaser websites to advertisements and pre-orders, to determine if a product is likely to succeed—preorders a particularly powerful indicator of potential success. If customers are prepared to purchase your product before it's available, it's a strong sign that you're on the right track.

Our experience clearly demonstrates that minimizing risks through market viability testing is crucial for improving the success rate of new ventures.

Traditionally, teams have relied on historical reports, surveys, and competitive benchmarks to undertake this testing. This can often be a time-consuming and resource-intensive process. GenAI once again offers an efficient alternative to undertake comprehensive testing, enabling faster, data-driven market sizing and validation if employed smartly. We already see three clear usages for these tools in evaluation of market viability:

1. **Estimating market size**
2. **Testing willingness to pay**
3. **Competitive benchmarking**

Usage 1: Estimating market size

GenAI tools can be combined with predictive analytics platforms to analyze vast datasets, providing detailed estimates of market sizing. By synthesizing information from multiple sources—such as industry reports, online trends, and customer data—GenAI can quickly calculate the potential size and demand of an opportunity area.

One example could be a team using GenAI to explore edutainment market size. This platform could provide total addressable market (TAM) for a product targeting parents of young children, factoring in demographic trends and spending behaviors.

Usage 2: Testing willingness to pay

GenAI-powered experimentation can be used to gauge users' willingness to pay (WTP)—a crucial indicator of market viability. Creating AI-generated surveys, mock landing pages, or A/B tests can provide a path to simulate real purchase scenarios and measure interest, offering valuable insight into the payment preferences of target audiences.

Using this to compare WTP for subscription vs bundling is a prominent example, and has use cases from pet food through to digital marketing solutions. GenAI experiments can deliver actionable insights on WTP, reducing the risk of committing resources to a market solution that is ultimately unviable.

Usage 3: Competitive benchmarking

GenAI can provide a solution to automate competitive analysis by synthesizing insights from competitor websites, reviews, and offerings to identify gaps and opportunities.

For example, a GenAI tool could compare features and pricing between two named competitors, highlighting potentially underserved user needs that represent market opportunities for brands with the right targeted product.

This can allow teams to refine their positioning and offers quickly based on rapid competitive insights, sidestepping multiple days of manually gathering data.

Step 5: Rapidly building and testing minimum viable products (MVPs)

Time to market is increasingly the difference between capturing value or missing major opportunities in today's dynamic marketplace. MVPs can provide an accelerated path to achieve this goal.

Building and testing MVPs is one of the most resource-intensive phases of venture development, with teams often becoming bogged down due to challenges like handling supporting capabilities, defining the core MVP, and creating intuitive user interfaces. However, GenAI and specialized tools are streamlining this process, enabling teams to focus on testing core functionalities rather than becoming tied up on peripheral tasks. There are three clear use cases where teams can proactively leverage GenAI to improve MVP development:

1. **Automating support capabilities**
2. **Prototyping with 'good enough' UIs**
3. **Focusing on core features**

Usage 1: Automating support capabilities

AI-powered coding tools and LLMs are helping engineers automate repetitive tasks such as writing boilerplate code, setting up infrastructure, and managing smaller system components. These tools reduce development effort by generating code snippets and offering suggestions in real time.

Usage 2: Prototyping with ‘good enough’ UIs

GenAI can help with rapid prototyping of UIs that are functional enough to integrate directly into products for testing. While these are not production-level designs, these interfaces allow teams to gather feedback early and refine later iterations based on user responses as a core part of the MVP development process.

> *I have started to use AI-enabled UI/UX tools to produce ‘good enough’ user interfaces that I can integrate directly into a product. This can save around 10% of overall development time.*

Robin Weston
Head of Engineering SEA at BCG X

Usage 3: Focusing on core features

Leveraging AI tools for foundational tasks can allow teams to dedicate more time to defining and building the core functionality of an MVP—focusing on the aspects that truly address customer pain points.

One example could be using LLMs to brainstorm feature ideas or customer workflows and clarify the scope of an MVP, helping to prioritize high-impact features that will meet genuine customer need.

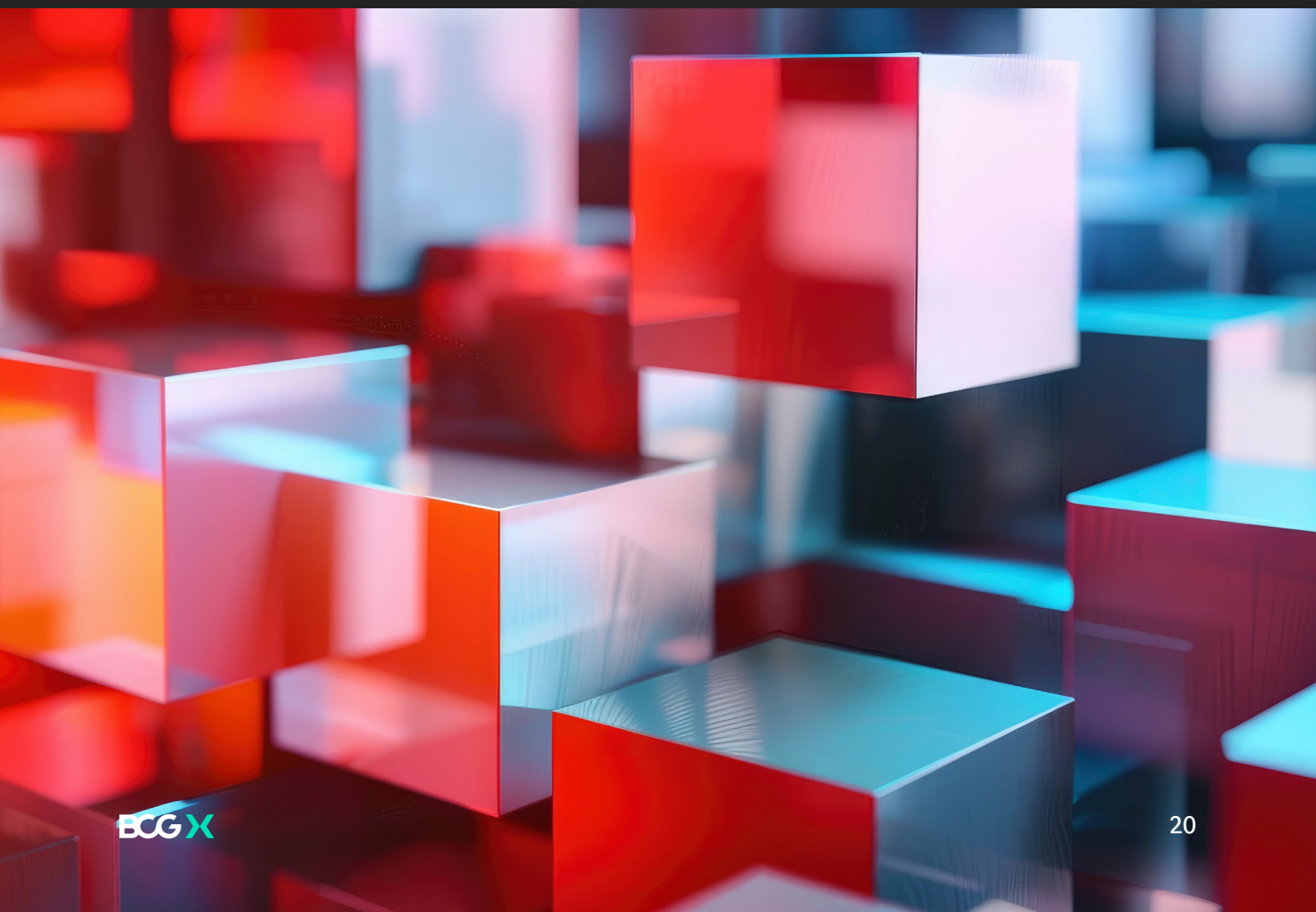
Step 6: Achieving product-market fit features

Achieving product-market fit is a pivotal milestone in venture building, signaling that a particular product resonates with its target audience and is positioned to address market demand.

Traditionally, this process involves multiple cycles of iteration, testing, and metric analysis, often requiring extensive time and resources of the development team. GenAI can significantly accelerate this phase by streamlining feedback analysis, identifying improvement areas, and providing real-time insights into product-market-fit signals.

GenAI enables teams to gather real-time validation of early product-market-fit signals, experimenting with a variety of methods to validate signals at an early stage. This includes use of AI-driven chatbots which can be deployed to collect qualitative feedback from early users about what they love or find challenging about the product.

Surveys created through GenAI can also be automated to target specific user segments and track satisfaction, usability, and feature resonance. Synthesizing the findings can also be automated through use of LLMs which can process large volumes of qualitative feedback such as users' surveys or survey responses. The LLM can synthesize collected responses into themes aligned with key metrics like user satisfaction or feature adoption.



06

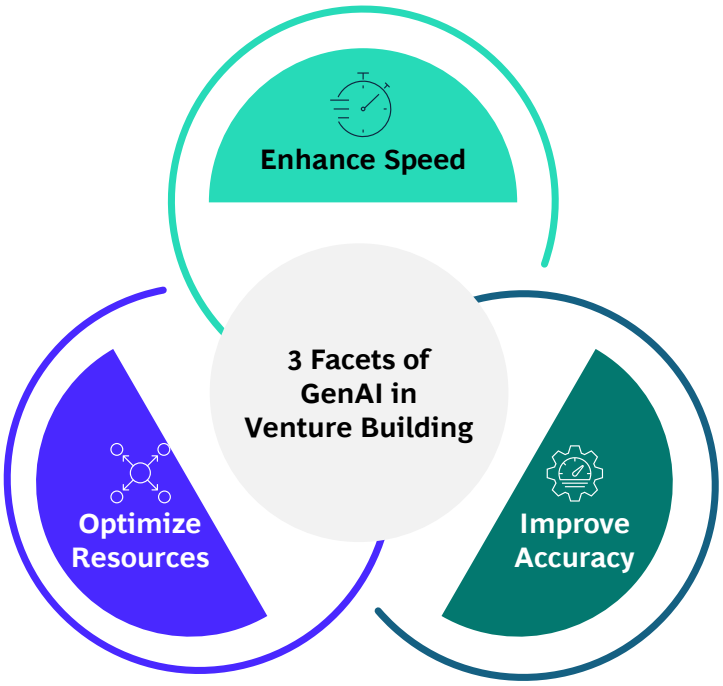
Three key facets of GenAI to consider

GenAI is reshaping the venture-building process, streamlining critical phases from discovery through to final product-market fit. Leveraging these tools to automate research, synthesize insights, and enable faster experimentation empowers corporates to accelerate venture building with lower risks and reduced cost, unlocking value from three core facets of GenAI capabilities.

Teams can **enhance speed** by reducing the effort required for tasks such as market research, MVP development, and validating product-market fit. They can **improve accuracy** by merging user analytics with qualitative feedback to quickly uncover actional insights. At the same time they can **optimize resources** through automated workflows that allow human talent to focus on high-priority decisions. [Exhibit 6.]

In a fast-moving market, GenAI empowers ventures to de-risk ideas, validate hypotheses, and scale effectively. With a growing array of tools and supporting platforms, GenAI is unlocking a landscape of faster, smarter decisions, creating a more agile, focused, and impactful future for venture building.

Exhibit 6: Three Facets of GenAI in venture building



07

Checklist to getting started

1. Discovery: Identifying Opportunity Areas & Market Research

- ChatGPT / Claude – Generate industry overviews, value chain mapping, and customer pain points.
- Brandwatch – AI-driven market research and trend analysis to identify opportunity spaces.
- Perplexity AI – AI-enhanced market research and competitive insights.
- Miro AI / Notion AI – AI-assisted brainstorming and clustering research insights.

2. Prioritizing and Validating User Problems

- ChatGPT – Generate survey questions, interview scripts, and user problem statements.
- Typeform AI / SurveyMonkey Genius – Automate user surveys and analyze sentiment from responses.
- Zoom AI / Otter AI – Automate transcription and synthesis of user interviews.

3. Defining the Target Audience & Segmenting Users

- ChatGPT / Jasper AI – Generate user personas based on market data.
- UXPilot / Figma AI – AI-assisted wireframes and journey mapping for different user segments.
- Meta AI / Google Ads AI – Generate targeted audience segments for digital campaigns

4. Evaluating Market Viability & Demand Testing

- Webflow AI / Unbounce Smart Builder – AI-powered landing page creation for testing demand.
- Canva AI – AI-generated ad creatives for multivariate testing of market interest

5. Building and Testing the MVP

- UXPilot / MidJourney – AI-generated UI wireframes and concept visualizations.
- GitHub Copilot / ChatGPT Code Interpreter – Automate coding tasks for rapid MVP development.
- V0 from Netlify – AI-generated functional UI components for early-stage testing.

6. Achieving Product-Market Fit (PMF) & Iteration

- Zoom AI / Miro AI – Automate transcriptions and insights from user interviews.
- Google Analytics AI / Amplitude AI – Analyze engagement, and conversion metrics.
- Optimizely/VWO - AI-powered A/B testing. Automate experimentation and conversion tracking.

By integrating AI at each stage, venture teams can significantly reduce risk, optimize resources, and fast-track their journey to product-market fit.

Appendix

About the Authors

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About BCG and BCG X

About BCG

Boston Consulting Group partners with leaders in business and society to tackle their most important challenges and capture their greatest opportunities. BCG was the pioneer in business strategy when it was founded in 1963. Today, we work closely with clients to embrace a transformational approach aimed at benefiting all stakeholders—empowering organizations to grow, build sustainable competitive advantage, and drive positive societal impact. Our diverse, global teams bring deep industry and functional expertise and a range of perspectives that question the status quo and spark change. BCG delivers solutions through leading-edge management consulting, technology and design, and corporate and digital ventures. We work in a uniquely collaborative model across the firm and throughout all levels of the client organization, fueled by the goal of helping our clients thrive and enabling them to make the world a better place.

About BCG X

BCG X is the tech build & design unit of BCG. Turbocharging BCG's deep industry and functional expertise, BCG X brings together advanced tech knowledge and ambitious entrepreneurship to help organizations enable innovation at scale. With nearly 3,000 technologists, scientists, programmers, engineers, and human-centered designers located across 80+ cities, BCG X builds and designs platforms and software to address the world's most important challenges and opportunities. Teaming across our practices, and in close collaboration with our clients, our end-to-end global team unlocks new possibilities. Together we're creating the bold and disruptive products, services, and businesses of tomorrow.

This report was developed as part of **Corporate Venture Launchpad 3.0** — a corporate venturing programme by EDB New Ventures, designed to empower companies to drive deeper innovation through venture creation and startup partnerships.

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