TURN8

HOW TO DEFINE VENTURE DOMAINS THAT **CREATE FOCUS**

Choosing Where *Not* to Play

WHERE THIS IS USED

- Venture Studio programs
- Corporate Incubators
- Accelerators (corporate or government-backed)
- CVC opportunity formation (pre-investment)
- AI Studio agent portfolio definition
- Foundry-as-a-Service engagements

AUDIENCE

- CEOs
- Chiefs of Strategy
- Heads of Innovation
- Corporate venture sponsors
- Senior operators accountable for prioritization decisions

PHASE

- Phase One: Pre-build / Pre-funding / Pre-team

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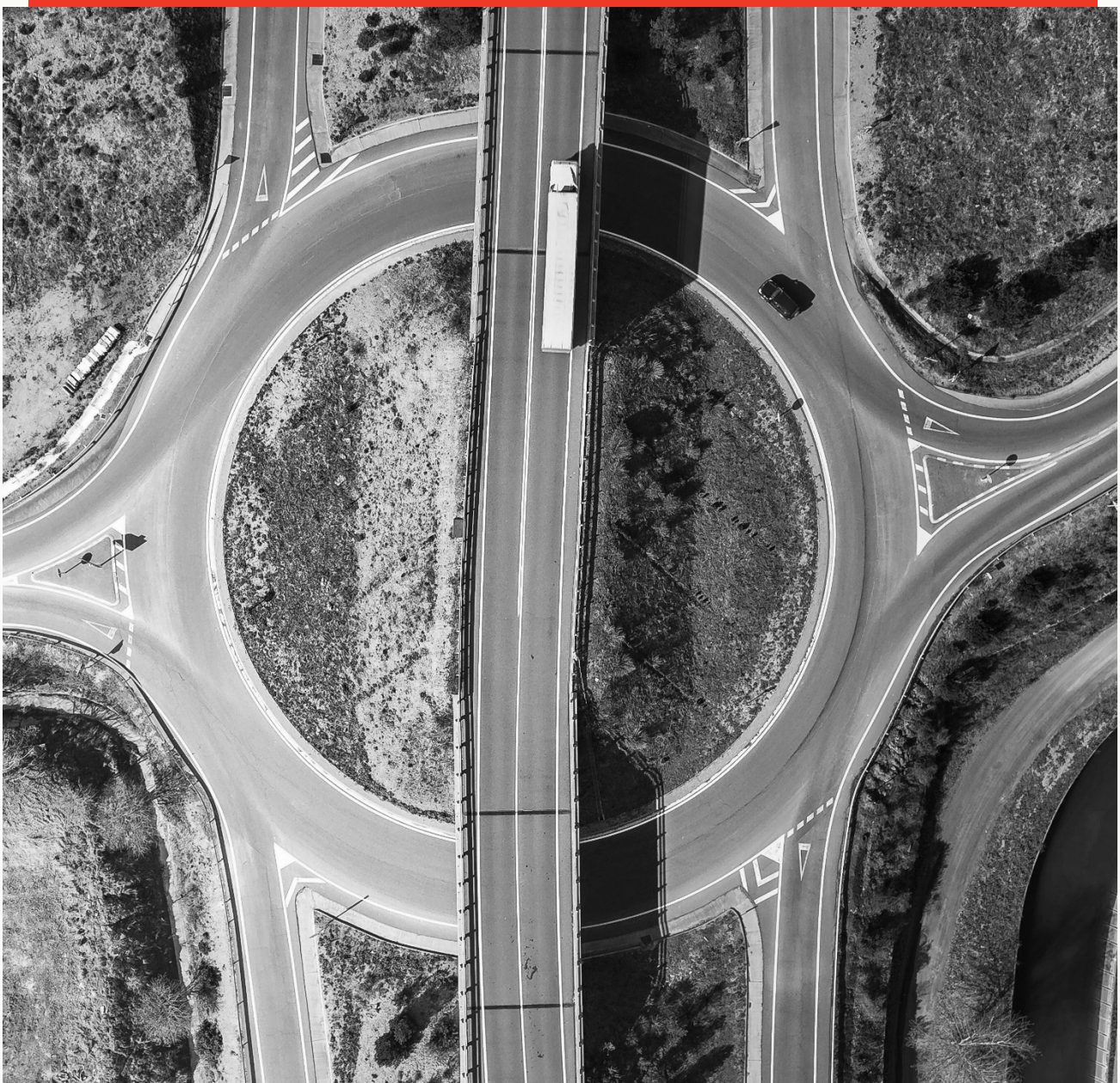
EXECUTIVE SUMMARY

After defining one or more venture challenge statements, most organizations immediately lose focus. Instead of concentrating effort, they expand the scope of exploration, open parallel paths, and dilute learning.

This guide explains how TURN8 defines venture domains in Phase One to concentrate attention, sequence effort, and enforce disciplined choice. Properly defined venture domains ensure that evidence accumulates faster, trade-offs are explicit, and only a small number of problem areas compete for resources at any given time.



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THE CORE PROBLEM

Once venture challenge statements exist, organizations often default to asking:

“What else should we look at?”

Without structure, this quickly becomes:

- Long lists of opportunity areas
- Technology-driven groupings
- Parallel initiatives with no shared logic

The result is activity without conviction.

In GCC organizations, this pattern is reinforced by:

- Pressure to reflect multiple strategic priorities
- Desire to signal breadth to leadership or government stakeholders
- Fear that narrowing too early means missing upside

The underlying issue is this:

When too many problem areas are active at once, evidence accumulates too slowly to support real decisions.

Venture domains exist to create focus ***before*** validation work begins.

PREREQUISITES

WHAT MUST BE IN PLACE?

- At least one clearly defined venture challenge statement
- Agreement that Phase One prioritization is about learning speed, not coverage
- Acceptance that not all areas will be explored at the same time

ORGANIZATIONAL READINESS INDICATORS

- Willingness to explicitly deprioritize areas
- Comfort sequencing opportunity areas over time
- Shared understanding of strategic intent

RED FLAGS (DO NOT PROCEED IF PRESENT)

- Domains defined primarily by technologies or trends
- Every business unit requires representation
- Domains are treated as permanent commitments

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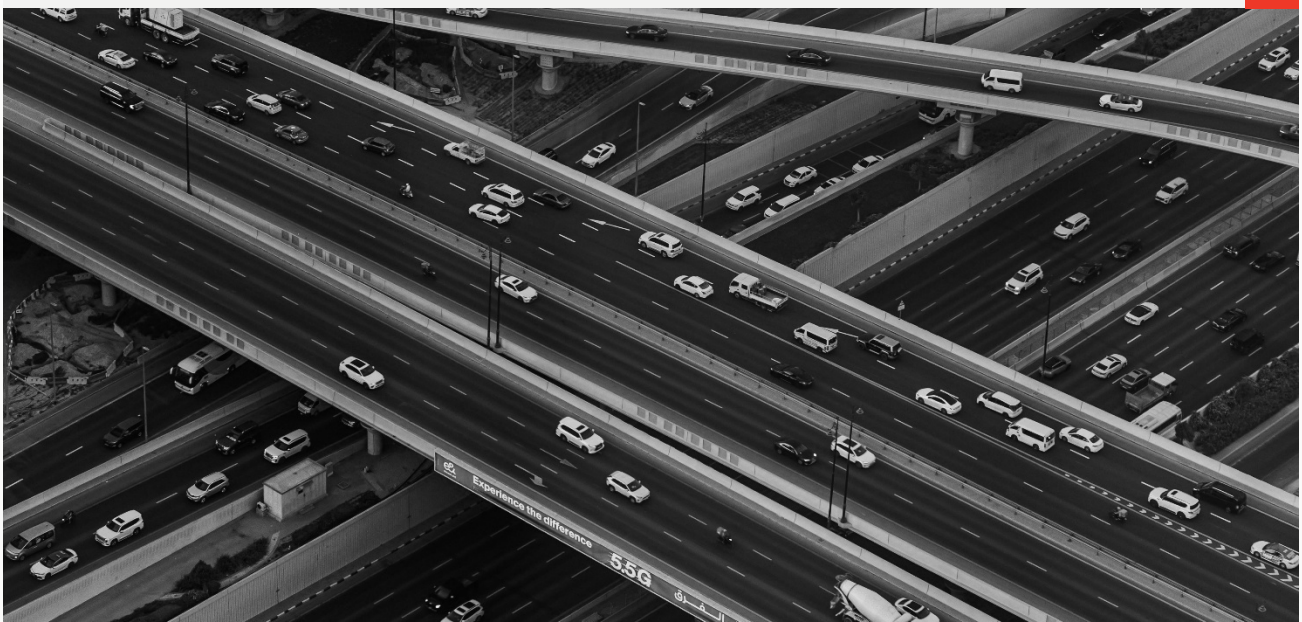
If these red flags exist, domain definition will **turn into governance negotiation** instead of prioritization.



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STEP-BY-STEP PROCESS

STEP 1 ANCHOR DOMAINS IN STRATEGIC LEVERAGE

ACTION

Identify where the organization has a structural advantage that materially affects outcomes.

Sources of leverage may include:

- Proprietary assets or data
- Distribution or customer access
- Regulatory positioning
- Deep operational expertise

COMMON MISTAKES

- Prioritizing market size over advantage
- Assuming leverage can be built later

GCC-SPECIFIC CONSIDERATIONS

Government relationships matter only if they change adoption or access dynamics

WHY IT MATTERS

Large markets without leverage lead to slow, expensive validation cycles.

DECISION CHECKPOINT

Can we clearly explain why we are better positioned here than others?

TIME ESTIMATE

1–2 working sessions

STEP 2 DEFINE CLEAR DOMAIN BOUNDARIES

ACTION
Explicitly define what each domain includes and excludes.

A useful format:

"This domain includes X problems for Y customers, and explicitly excludes A, B, and C."

COMMON MISTAKES
- Using broad labels ("digital health", "smart mobility")
- Avoiding exclusions to maintain alignment

GCC-SPECIFIC CONSIDERATIONS
Regulatory, procurement, or ownership constraints must be explicit

WHY IT MATTERS
Domains without exclusions expand indefinitely.

DECISION CHECKPOINT
Would two independent teams reach similar conclusions about what belongs in this domain?

TIME ESTIMATE
1 session per domain

STEP 3 TEST DOMAIN COHERENCE

ACTION
Pressure-test whether problems within the domain:

- Share similar customers
- Require similar validation approaches
- Compete for the same internal resources

If not, the domain is too broad.

COMMON MISTAKES
- Treating domains as thematic groupings
- Mixing unrelated customer problems

WHY IT MATTERS
Domains exist to enable the reuse of insight and effort.

DECISION CHECKPOINT
Would learning in one problem meaningfully inform another?

TIME ESTIMATE
30–60 minutes

STEP 4 RANK DOMAINS BY LEARNING VALUE

ACTION

Rank domains based on:

- Speed to meaningful evidence
- Cost of being wrong
- Strategic consequence if proven true

COMMON MISTAKES

- Prioritizing politically visible domains
- Deferring hard trade-offs

WHY IT MATTERS

Phase One rewards learning velocity, not visibility.

DECISION CHECKPOINT

Is the top-ranked domain clearly superior in learning speed?

TIME ESTIMATE

1 session

STEP 5 ENFORCE HARD LIMITS ON ACTIVE DOMAINS

ACTION

Set a strict cap on how many domains are active at once.

In most organizations:

- One or two active domains per cycle is optimal

COMMON MISTAKES

- Running domains “in parallel” with shared resources
- Treating domains as lightweight commitments

WHY IT MATTERS

More domains slow everything down.

DECISION CHECKPOINT

Do we have the capacity to properly explore each active domain?

TIME ESTIMATE

15 minutes

DECISION FRAMEWORKS

VENTURE DOMAIN QUALITY TEST

A domain should meet all three conditions:

1.

Leverage-backed

Clear structural advantage exists

2.

Coherent

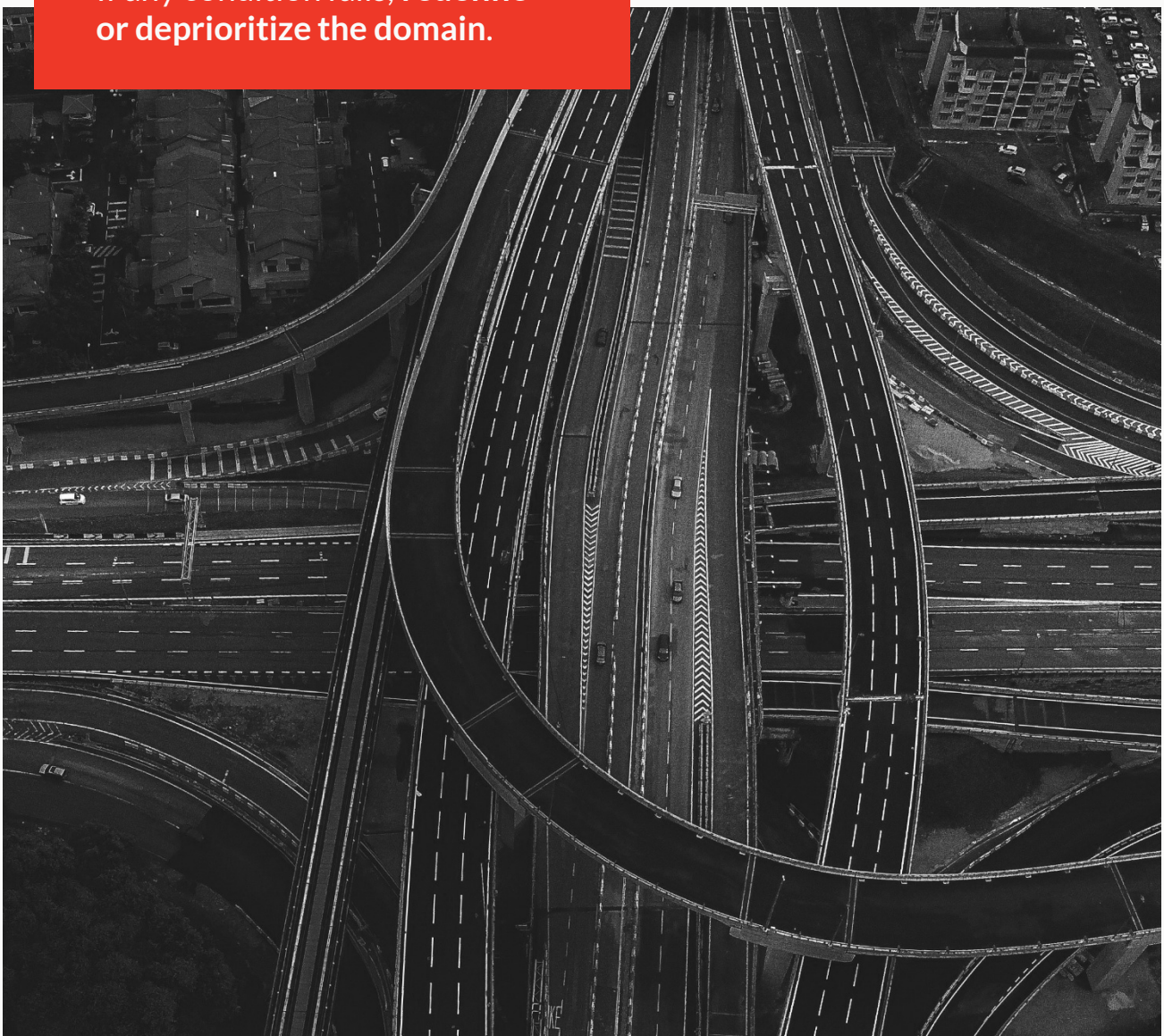
Problems belong together

3.

Narrow

Explicit exclusions are defined

If any condition fails, **redefine or deprioritize the domain.**



RESOURCE REQUIREMENTS

PEOPLE

- Executive sponsor accountable for prioritization
- One venture operator coordinating Phase One work
- On-demand access to relevant experts

BUDGET

- Minimal
- Research and early validation only

TOOLS

- Simple mapping and prioritization tools
- AI may support synthesis, not prioritization decisions

COMMON FAILURE MODES

FAILURE MODE: DOMAINS BECOME TREND BUCKETS

Early signal
Domains named after technologies

→

Correction
Re-anchor on customer problems

FAILURE MODE: TOO MANY ACTIVE DOMAINS

Early signal
Slow progress everywhere

→

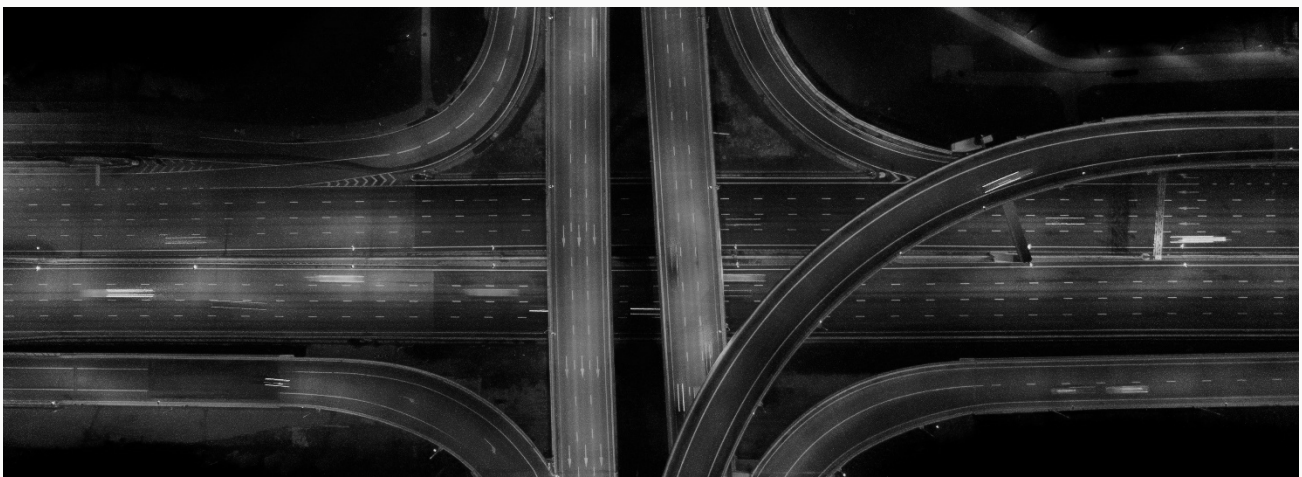
Correction
Pause or stop lower-ranked domains

FAILURE MODE: DOMAINS BECOME POLITICAL TERRITORIES

Early signal
Ownership disputes

→

Correction
Reassert the Phase-One learning mandate



SUCCESS METRICS

LEADING INDICATORS

- Clear exclusions understood by stakeholders
- Fewer concurrent initiatives
- Faster validation cycles

LAGGING INDICATORS

- Higher-quality venture challenge statements
- Reduced downstream rework
- Stronger confidence in prioritization decisions

EXAMPLE USE CASES

This approach is typically used when:

- A corporate must choose between multiple growth directions
- A venture studio needs to sequence opportunity exploration
- A CVC team wants to focus its sourcing efforts
- An AI Studio must prioritize which workflows to address first
- A government-backed accelerator needs a thematic focus tied to demand

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NEXT STEPS

After defining venture domains:

1.

Select which domains are active this cycle

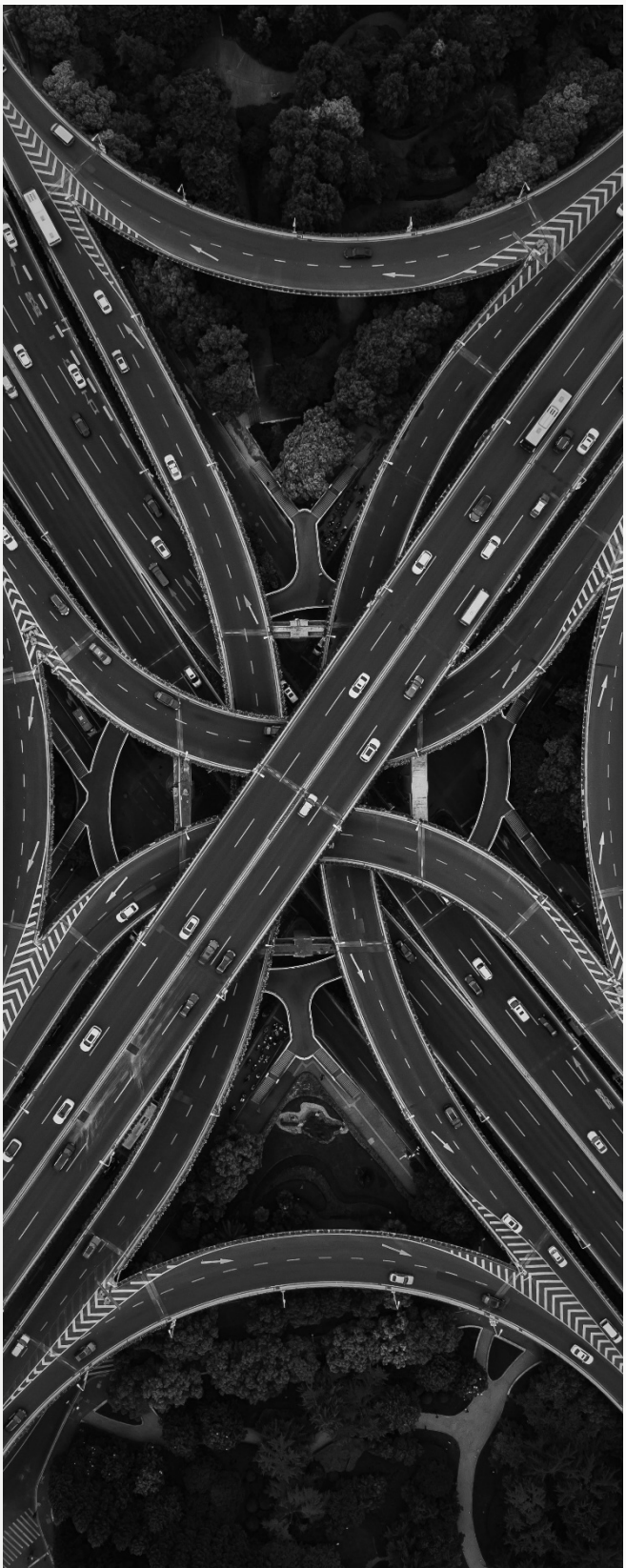
2.

Assign clear ownership and decision rights

3.

Refine venture challenge statements within selected domains

Domains not selected should be explicitly paused.



CHECKLIST (CHEAT SHEET)

A. DOMAIN READINESS

☐ At least one approved venture challenge statement exists
☐ Leadership accepts that not all domains will be explored
☐ Phase One prioritization is about learning speed, not coverage

B. STRATEGIC LEVERAGE

☐ Structural advantage is clearly articulated
☐ Advantage materially affects adoption or validation speed
☐ Advantage is specific, not assumed

C. DOMAIN BOUNDARIES

☐ Included customer types are explicit
☐ Included problem categories are listed
☐ Explicit exclusions are named
☐ Domain is not defined by a technology or trend

D. DOMAIN COHERENCE

☐ Problems share similar customers
☐ Validation approaches would be similar
☐ Learning would transfer across problems

E. PRIORITIZATION

☐ Domains are ranked by learning speed
☐ Cost of being wrong is considered
☐ Strategic consequence of success is clear

F. CAPACITY ENFORCEMENT

☐ Maximum number of active domains is set
☐ Active domains match available capacity
☐ Non-selected domains are explicitly paused

FINAL CHECK

☐ Domains feel narrow and uncomfortable
☐ Fewer domains are active than expected

If more than two domains are active → Reduce scope.