# HOW TO **DESIGN DISCOVERY & THESIS PHASE GOVERNANCE** FOR VENTURE DECISIONS

Before Capital, Teams, or Build

## WHERE THIS IS USED

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

## AUDIENCE

- CEOs
- CFOs
- Chiefs of Strategy
- Heads of Innovation
- Executive sponsors accountable for decisions

## PHASE

Phase One (Discovery & Thesis): Pre-build / Pre-funding / Pre-team

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# EXECUTIVE SUMMARY

Most early venture initiatives fail not because ideas are weak, but because **governance is either absent or applied too late**. Teams move forward without clarity on who decides, when decisions are made, and what information is required to proceed.

This guide explains how TURN8 designs **Discovery & Thesis Phase (Phase One) governance** to enable fast, disciplined decision-making under uncertainty. The objective is simple: ensure that learning leads to clear **go / hold / stop** outcomes before capital, teams, or build work are committed.

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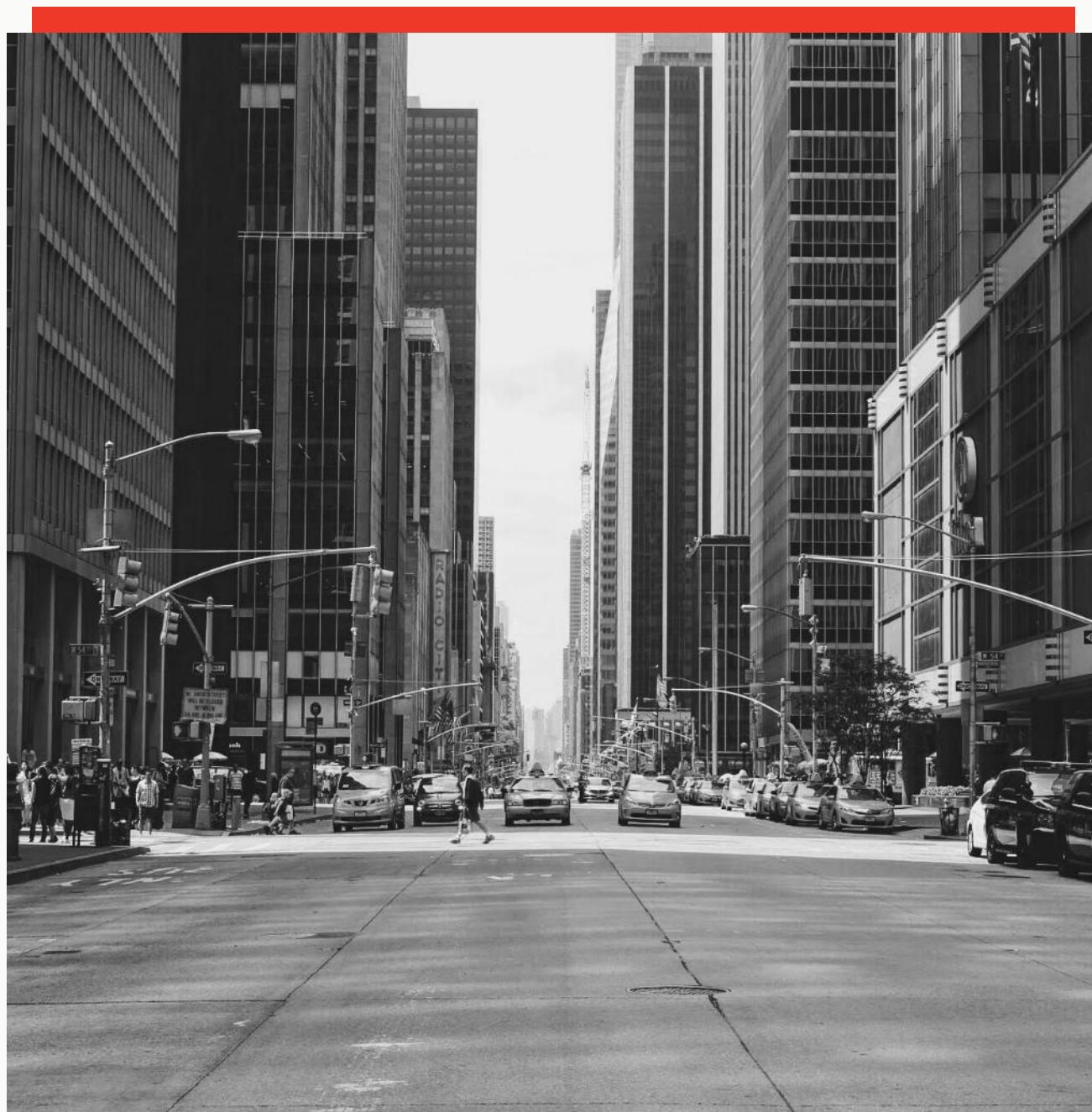
# THE CORE PROBLEM

In Phase One, governance usually breaks in one of two ways:

### 1. Too little governance

- Teams explore freely with no decision checkpoints
- Progress is measured by activity, not outcomes
- Initiatives drift forward by inertia

### 2. Too much governance, too early

- Investment-style approvals applied to unproven work
- Large committees demand certainty that cannot exist
- Speed collapses under process

### In GCC organizations, this is amplified by:

Hierarchical decision cultures

Desire to avoid visible failure

Confusion between exploration governance and investment governance

The real issue is this:

## Without explicit Phase-One governance, learning does not translate into decisions.

Governance in Phase One is not about control. It is about **forcing decisions at the right time with the right inputs**.

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# PREREQUISITES

## WHAT MUST BE IN PLACE?

• Defined venture challenge statements and opportunity areas
• Agreement that Phase One decisions are reversible and low-cost
• An executive sponsor willing to make stop decisions

## ORGANIZATIONAL READINESS INDICATORS

• Comfort making decisions with incomplete data
• Acceptance that stopping is success, not failure
• Willingness to separate learning governance from investment governance

## RED FLAGS (DO NOT PROCEED IF PRESENT)

• Committees expect full business cases
• No one is explicitly accountable for stop decisions
• Governance forums exist, but decisions are routinely deferred

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If these red flags exist, **Phase-One work will accumulate noise, not clarity**.

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# STEP-BY-STEP PROCESS

## STEP 1 — DEFINE WHAT DECISIONS GOVERNANCE MUST SUPPORT

### ⌖ ACTION

Explicitly list the decisions Phase-One governance must enable.

Typically:
• Which opportunities enter validation
• Which opportunities continue, pause, or stop
• When work escalates to the next phase

### ⚠ COMMON MISTAKES

• Creating forums without decision authority
• Mixing learning updates with approval requests

### ⊚ WHY IT MATTERS

Governance without decision clarity becomes reporting theater.

### ✓ DECISION CHECKPOINT

Can each governance moment be tied to a specific decision?

### ▦ TIME ESTIMATE

30-60 minutes

## STEP 2 — ASSIGN CLEAR DECISION OWNERSHIP

### ⌖ ACTION

Name a single accountable decision owner for Phase One.

Supporting roles may advise, but:
• One person owns the decision
• That person owns stop calls

### ⚠ COMMON MISTAKES

• Shared accountability
• Committees as decision owners

### ⊕ GCC-SPECIFIC CONSIDERATIONS

Seniority must match decision authority to avoid reversals

### ⊚ WHY IT MATTERS

Consensus-driven governance delays decisions and protects weak initiatives.

### ✓ DECISION CHECKPOINT

Is it clear who can stop work unilaterally?

### ▦ TIME ESTIMATE

15 minutes

## STEP 3 — DEFINE DECISION CADENCE

### ⊘ ACTION

Set a regular cadence for Phase-One decisions.

Typical patterns:
- Fixed review intervals (e.g., every 4–6 weeks)
- Time-boxed validation cycles

### ⚠ COMMON MISTAKES

- Reviewing only when teams "feel ready"
- Allowing timelines to slip repeatedly

### ◎ WHY IT MATTERS

Without cadence, decisions drift and work expand.

### ⊘ DECISION CHECKPOINT

Are decision dates fixed regardless of progress?

### 🗓 TIME ESTIMATE

15 minutes

## STEP 4 — SPECIFY REQUIRED INPUTS FOR DECISIONS

### ⊘ ACTION

Define what information must be presented at each decision point.

Inputs should:
- Map directly to the dominant uncertainty
- Be comparable across opportunities
- Exclude speculative projections

### ⚠ COMMON MISTAKES

- Accepting slide-heavy updates
- Allowing teams to redefine success mid-cycle

### ◎ WHY IT MATTERS

Clear input requirements prevent narrative-driven decisions.

### ⊘ DECISION CHECKPOINT

Could two opportunities be compared using the same inputs?

### 🗓 TIME ESTIMATE

30 minutes
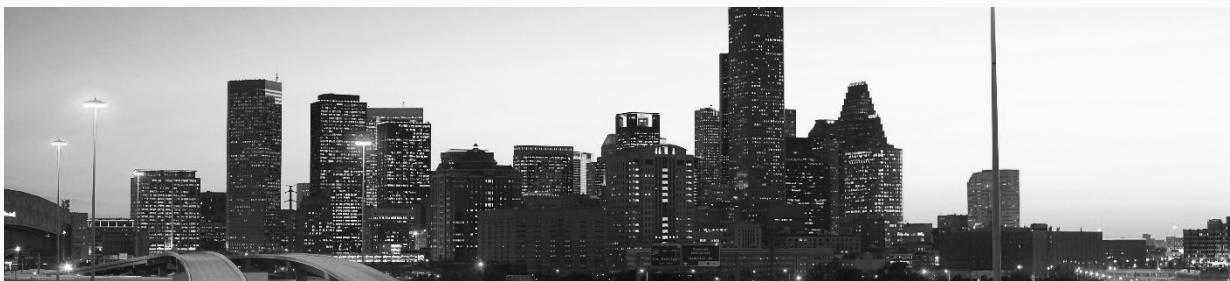
## STEP 5    ENFORCE GO / HOLD / STOP OUTCOMES

### ⊘ ACTION

Require every governance
moment to end with:

- Go (continue)
- Hold (pause with conditions)
- Stop (terminate)

No "continue exploring" without conditions.

### ⚠ COMMON MISTAKES

- Defaulting to "one more cycle"
- Avoiding explicit stop decisions

### ⊚ WHY IT MATTERS

Decisions without outcomes
create zombie initiatives.

### ⊘ DECISION CHECKPOINT

Is the outcome
documented and enforced?

### 🗓 TIME ESTIMATE

Ongoing

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# DECISION FRAMEWORKS

## PHASE-ONE GOVERNANCE QUALITY TEST

Governance is working if:

**1.**

Decisions are made
on schedule

**2.**

Stop decisions occur
regularly

**3.**

Inputs stay consistent
over time

If decisions drift or stop
disappear, **governance is failing.**

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# RESOURCE REQUIREMENTS

## PEOPLE

- One executive decision owner
- Small advisory group (optional)
- Venture operator preparing decision materials

## BUDGET

- Minimal
- Governance cost should be negligible relative to learning cost

## TOOLS

- Simple decision templates
- Lightweight tracking of outcomes
- AI may assist summarization, not judgment

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# COMMON FAILURE MODES

## FAILURE MODE: GOVERNANCE WITHOUT AUTHORITY

**Early signal** 🔔
Decisions deferred repeatedly

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**Correction** ☑
Reassign decision ownership
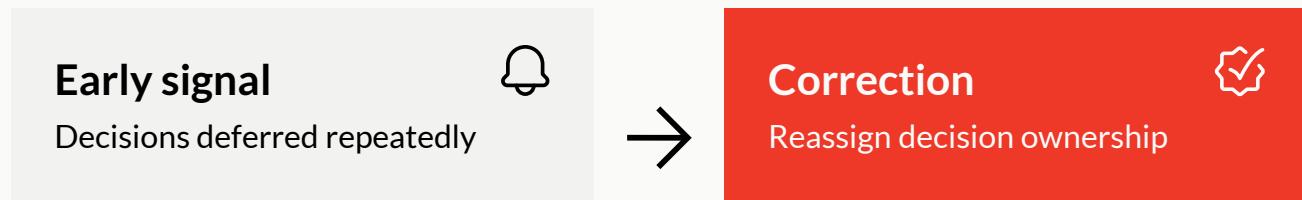
## FAILURE MODE: NARRATIVE OVER EVIDENCE

**Early signal** 🔔
Long updates, few decisions

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**Correction** ☑
Standardize decision inputs
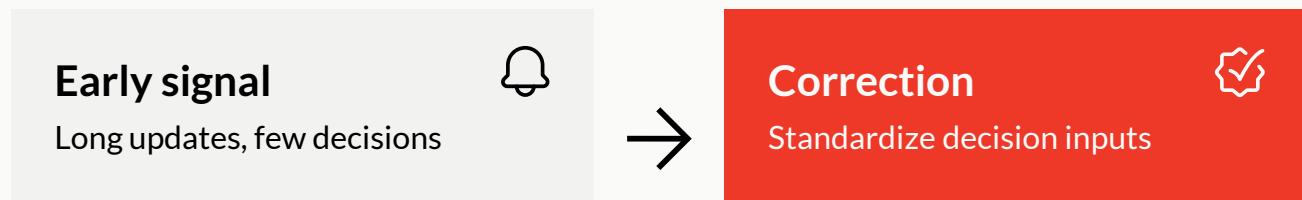
## FAILURE MODE: STOPS ARE AVOIDED

**Early signal** 🔔
Everything "continues"

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**Correction** ☑
Enforce mandatory outcomes

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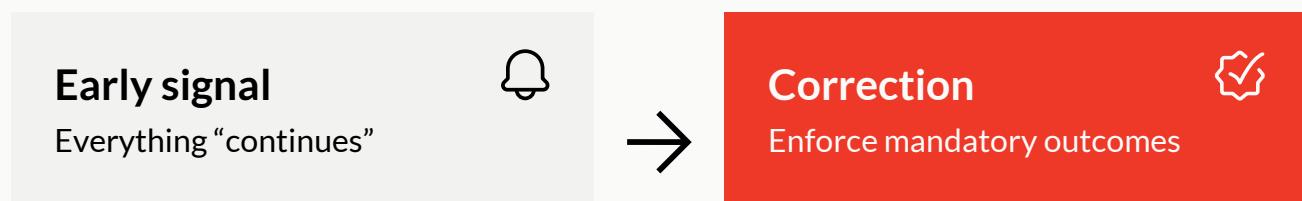
# SUCCESS METRICS

## LEADING INDICATORS

• Decisions happen on schedule

• Inputs remain stable across cycles

• Stop decisions are explicit

## LAGGING INDICATORS

• Faster Phase-One cycles

• Fewer initiatives entering build prematurely

• Higher confidence at escalation points

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# EXAMPLE USE CASES

**This governance approach is typically used when:**

• Multiple opportunity areas compete for attention

• Executives need clarity without heavy process

• A CVC team must screen opportunities before diligence

• An AI Studio needs fast kill-or-scale signals

• Accelerators require disciplined pilot decisions

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# NEXT STEPS

**After Phase-One governance is in place:**

**1.**

Apply it consistently across all initiatives

**2.**

Resist adding process when uncertainty is high

**3.**

Prepare for Phase-Two governance separately

**Phase-One governance should end the moment capital or teams are committed.**

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# CHECKLIST (CHEAT SHEET)

## A. GOVERNANCE READINESS
☐ Phase-One scope is clearly defined
☐ Decisions are reversible and low-cost
☐ Stopping early is explicitly accepted

## B. DECISION OWNERSHIP
☐ One decision owner is named
☐ Decision authority matches seniority
☐ Stop authority is explicit

## C. DECISION CADENCE
☐ Review cadence is fixed
☐ Timelines are time-boxed
☐ Decisions are not deferred

## D. DECISION INPUTS
☐ Required inputs are defined upfront
☐ Inputs map to dominant uncertainty
☐ Inputs are comparable across initiatives

## E. OUTCOMES
☐ Every review ends in go / hold / stop
☐ Outcomes are documented
☐ Conditions for continuation are explicit

## FINAL CHECK
☐ Governance produces decisions, not updates
☐ Stop decisions occur regularly

**If stops never happen → Governance is not working**