

Key Discussion Points - Unleashing corporate entrepreneurship - Mr. Marcello Schermer

Being an entrepreneur inside an existing company

- What is entrepreneurship?
- Where it can happen?
- What are its key elements?
- Who is doing it right?

Intrapreneurship is the act of behaving like an entrepreneur within an organization.

Advantages

Higher employee morale

Better access to financial backing

More and better people to look for help

Access to information resources

More marketing clout

Larger technology base

Disadvantages

Less glory

Owners often looks with suspicion

Why should you care?

Everything around you was started by an entrepreneur but it takes an intrapreneur to ensure it will continue to prosper.

- Employee motivation
- Competitiveness and differentiation
- Culture change

What is the ROI of success: 70% of Fortune 500 from 1990s are no longer in existence (Kodak, Nokia, Blackberry) – even if you have made it, you haven't made it forever.

- Unicorns: Increasingly crowded unicorn club (in the last few years)
- Those who survive are those who keep innovating and changing

* Organization's ability to learn and translate insight into action rapidly is the ultimate competitive advantage.

Where can it happen?

- It's not just about new products, it can be about marketing, products, infrastructure, services, etc.
- It is not just about the CEO, it is about the people "in the trenches", at work

What does it take to become an intrapreneurial company?

- Culture
 - o As the leader of a company you must encourage out-of-the-box thinking, risk-taking, etc.
- How to structure companies to allow intrapreneurship
 - o Ensure processes and resources are in place that give freedom to work on ideas.
 - o Your responsibility is to make an environment and pay someone to do it.
- Intrapreneur growth path
 - o As an individual, you must have problem solving skills, and keep going from plan A to Z and back again if needed.
 - o As an intrapreneur, manage politics inside and get them onboard your idea
 - o Social intelligence

Intuit's innovation journey

- 10% of time in office is paid play time making the employee a change agent
- Innovation weeks – internal fairs where employees pitch to colleagues internally and get them on their team.
- Their performance increased and stocks increased.

Organizational structure and incentives

Must align KPIs and incentives properly

- 3M – internal incentive system where all managers were made to work with products less than 3yrs old. So, they could not ride a tried and tested wave for 10-20 years.
- Hackathon – a program to generate ideas, a clear call for innovation in a specific area
 - o The people were given a challenge to solve in three days, and they enjoyed their time, stayed longer, and enjoyed the recognition they got when they pitched to the CEO
 - o The winners were those who rolled out fibers into people's homes (without proper formal education and little to none entrepreneurial training)
- Process for intrapreneurship
 - o Ideation – apply different tools to come up with a raw concept
 - o Minimum viable product – pre-test with clients, ask for feedback and keep innovating to get a product that can be sold. By the time you are ready, there is already a market for it
 - o Incubation – structured process to grow and scale to where it should be

Entrepreneurship program design tips

- Top management needs to be involved and sponsor these programs –
 - o They must decide what to do and how to select teams, where to start in the process, slack time, etc.
- Decide how to bring people in
- Financing methods (structure needed)
- Scale up (championing inside the company through trainings)

Companies that have used these tips - GE (FastWorks), Boehringer Ingelheim (intrapreneurship academy), Northern Gas Networks

Getting from idea to impact

- Corporate incubators – program that allows intrapreneurs to get resources that allow faster growth

- o The funding need is much lower than for social capital.
- o Models – can be as little or as big as you want (from having an innovation space inside an office to being hands-on with investments when goals are reached)
- o Success factors for incubators
 - Culture
 - Organizational structure – must cut across silos (leverage the strength of the business)
 - What can you offer your customers (what can you give your intrapreneurs so they can provide products to customers)
 - What do you want to achieve with it?
- o Customers, academic partnerships, access to events companies can offer to intrapreneurs

Take-home points

- It starts from the top!
- It's not an "if", but a "how"!
- Build paths to growth – think about how to commercialize the ideas given by the intrapreneurs.