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

**Disadvantages**

- More marketing clout
- Larger technology base
- 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
  - As the leader of a company you must encourage out-of-the-box thinking, risk-taking, etc.
- How to structure companies to allow intrapreneurship
  - Ensure processes and resources are in place that give freedom to work on ideas.
  - Your responsibility is to make an environment and pay someone to do it.
- Intrapreneur growth path
  - As an individual, you must have problem solving skills, and keep going from plan A to Z and back again if needed.
  - As an intrapreneur, manage politics inside and get them onboard your idea
  - 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 3 yrs 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
  - 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
  - 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
  - Ideation – apply different tools to come up with a raw concept
  - 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
  - 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 –
  - 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), Bohringer Ingelheim (intrapreneurship academy), Northern Gas Networks

**Getting from idea to impact**

- Corporate incubators – program that allows intrapreneurs to get resources that allow faster growth
The funding need is much lower than for social capital.

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)

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?

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.