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IMPACTING PEOPLE'S LIVES IN EMERGING MARKETS*

* THROUGH TECHNOLOGY AND ENTREPRENEURSHIP

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Best Practices in Intrapreneurship

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Consulting
DETECON
2012-2015

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Today

Past Clients

Deutsche Telekom

ooredoo

mobily موبايلي

中国电信 CHINA TELECOM

Agenda for today

1. What is intrapreneurship?

2. Where can it happen?

3. What are its key elements?

4. Who is doing it right?

WHAT IS AN INTRAPRENEUR?

Intrapreneurship is the act of behaving like an entrepreneur within a large organisation

Intrapreneurship vs Entrepreneurship

Advantages of Intrapreneuring	Disadvantages of Intrapreneuring
Higher employee morale	Less glory
Better access to financial backing	Owners often kooks with suspicion
More and better people to look for help	Costs for experiments are not always honored
Access to information resources	No prompt recognition, incentives & promotions
More marketing clout	Profits go to the company
Larger technology base	Discredit for failures

WHY SHOULD YOU CARE?

EVERYTHING YOU SEE AROUND YOU WAS STARTED BY AN ENTREPRENEUR...

... BUT IT TAKES AN INTRAPRENEUR TO ENSURE IT WILL CONTINUE TO PROSPER

Why intrapreneurship?

WHAT IS THE ROI OF SURVIVAL

70% OF FORTUNE 500 COMPANIES FROM 1990 ARE GONE
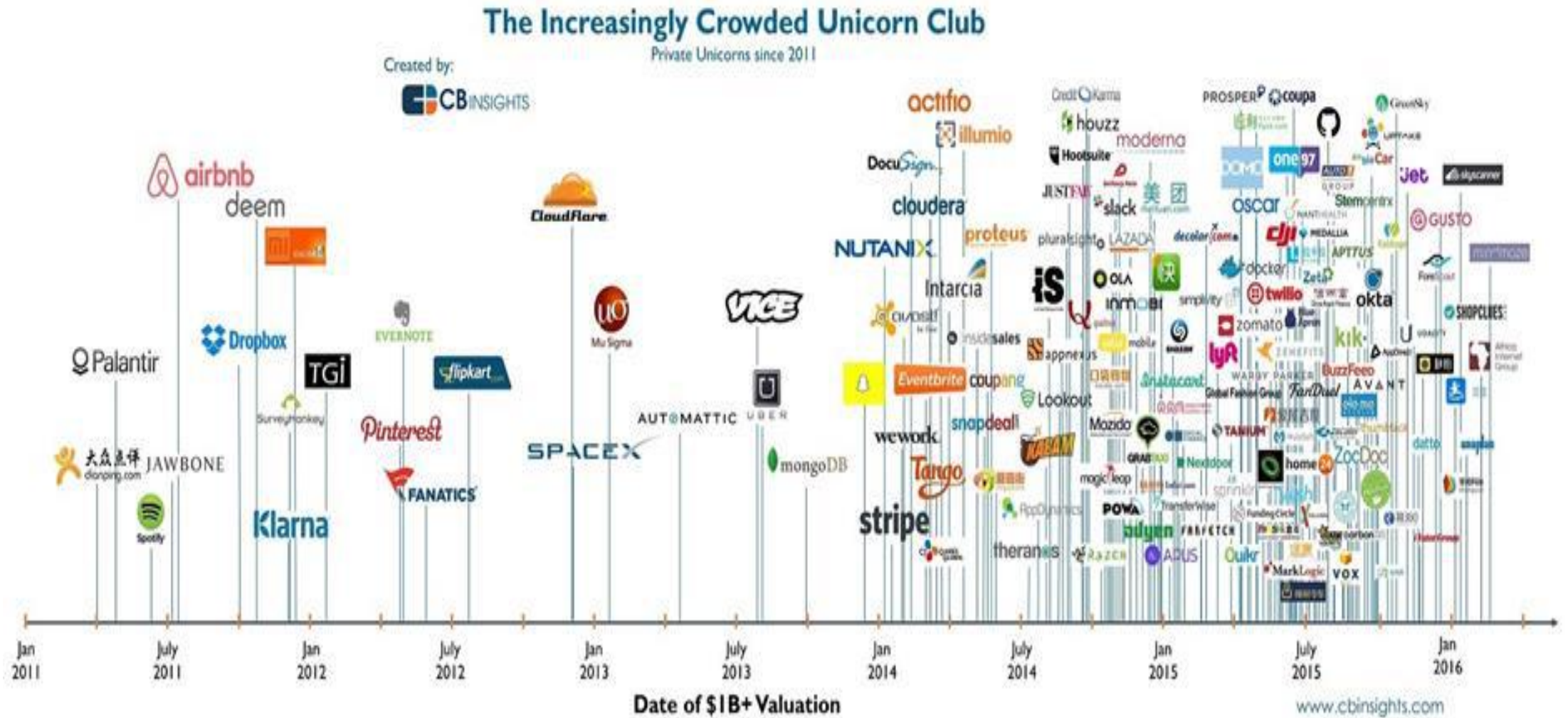50% OF FORTUNE 500 COMPANIES FROM 2000 ARE GONE

In business, you innovate or you die

Speed of Innovation

The Increasingly Crowded Unicorn Club
Private Unicorns since 2011
Created by: CB INSIGHTS

Date of $1B+ Valuation

www.cbinsights.com

Only the innovators survive
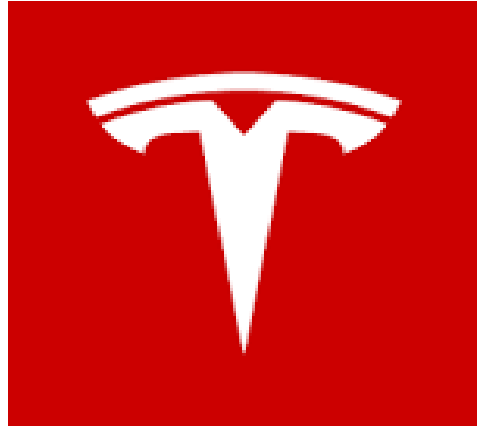
Other reasons to care

EMPLOYEE MOTIVATION

COMPETITIVENESS & DIFFERENTIATION

CULTURE CHANGE

Why?

AN ORGANIZATION'S ABILITY TO LEARN AND TRANSLATE INSIGHT INTO ACTION RAPIDLY IS THE ULTIMATE COMPETITIVE ADVANTAGE

WHERE CAN INTRAPRENEURSHIP HAPPEN?

It's not just about new products...

PROCESSES

MARKETING

PRODUCTS

SERVICES

INFRASTRUCTURE

IT'S ABOUT THINKING OUT OF THE BOX AND DOING THINGS BETTER THAN BEFORE

...and it's not just about the CEO

ANYONE INSIDE THE COMPANY CAN BE AN INTRAPRENEUR
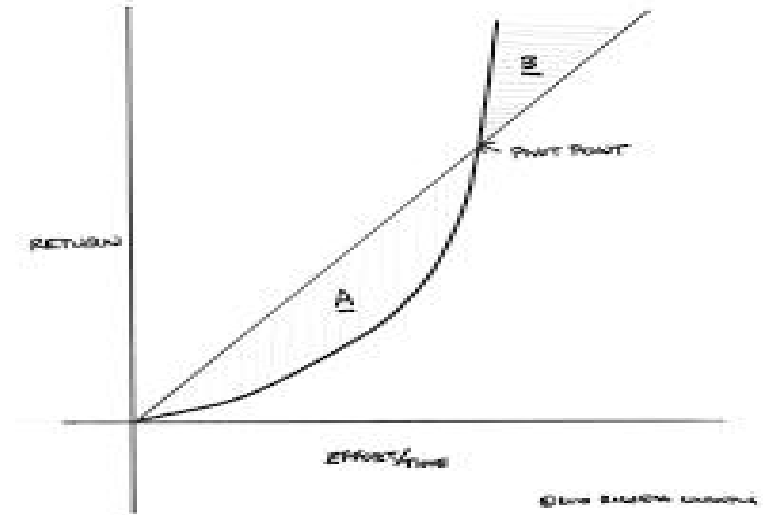
SO WHAT DOES IT TAKE TO BECOME AN INTRAPRENEURIAL COMPANY?

Things to consider in your transformation
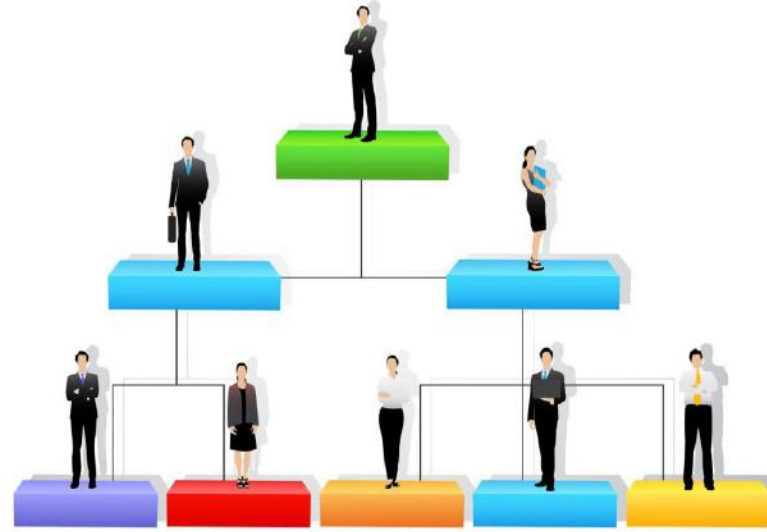
CULTURE & MINDSET

ORGANIZATIONAL STRUCTURE

INTRAPRENEUR GROWTH PATH

Things to consider in your transformation

**CULTURE &
MINDSET**

A culture of Innovation starts with leadership

Does leadership believe that change & innovation is possible?

Do you put the customers 1st – employee 2nd and shareholder 3rd?

Do you encourage taking small risks & learning from failure?

Do you organise task forces around opportunities, not limiting people to tasks within functional silos? (GORE)

Do you seek out "the willing volunteers" and enable them to run your business for you? – move away from "command and control"

"It's the unusual person who's got the capacity to say, you know what: what I've been doing has been successful all the way up to this point, but it isn't going to get me to where I need to go."

Intrapreneur DNA

III **PROBLEM SOLVING** *(abstract reasoning, pattern recognition, and fluid intelligence)*

III **INTELLECTUAL DISPOSITION** *(curious, imaginative and creative)*

II **MANNERLINESS** *(modest, considerate, unassuming, cooperative, courteous)*

II **SELF REGARD** *(self-assured, optimistic, secure and cheerful)*

I **EXPERIENTIAL DISPOSITION** *(flexible, adaptive, receptive, unconventional)*

I **SOCIAL INTELLIGENCE** *(social judgement and social effectiveness to prevent conflict or breakdown in relationships)*

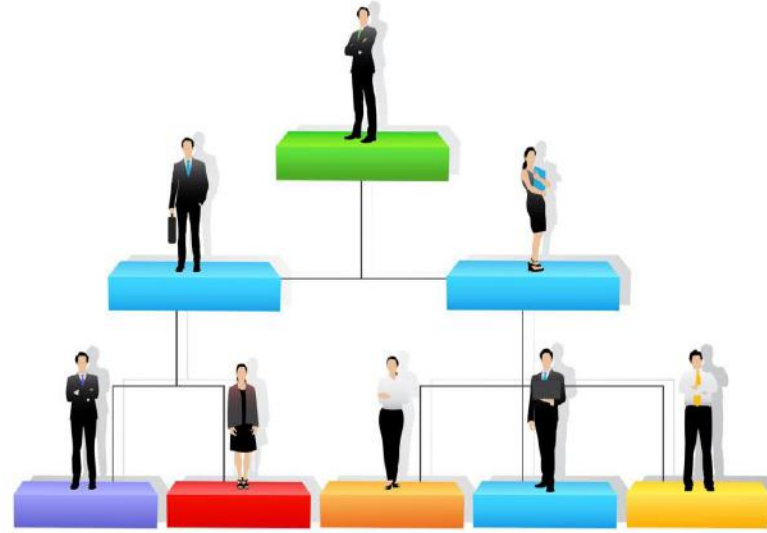# Intuit's Innovation Journey
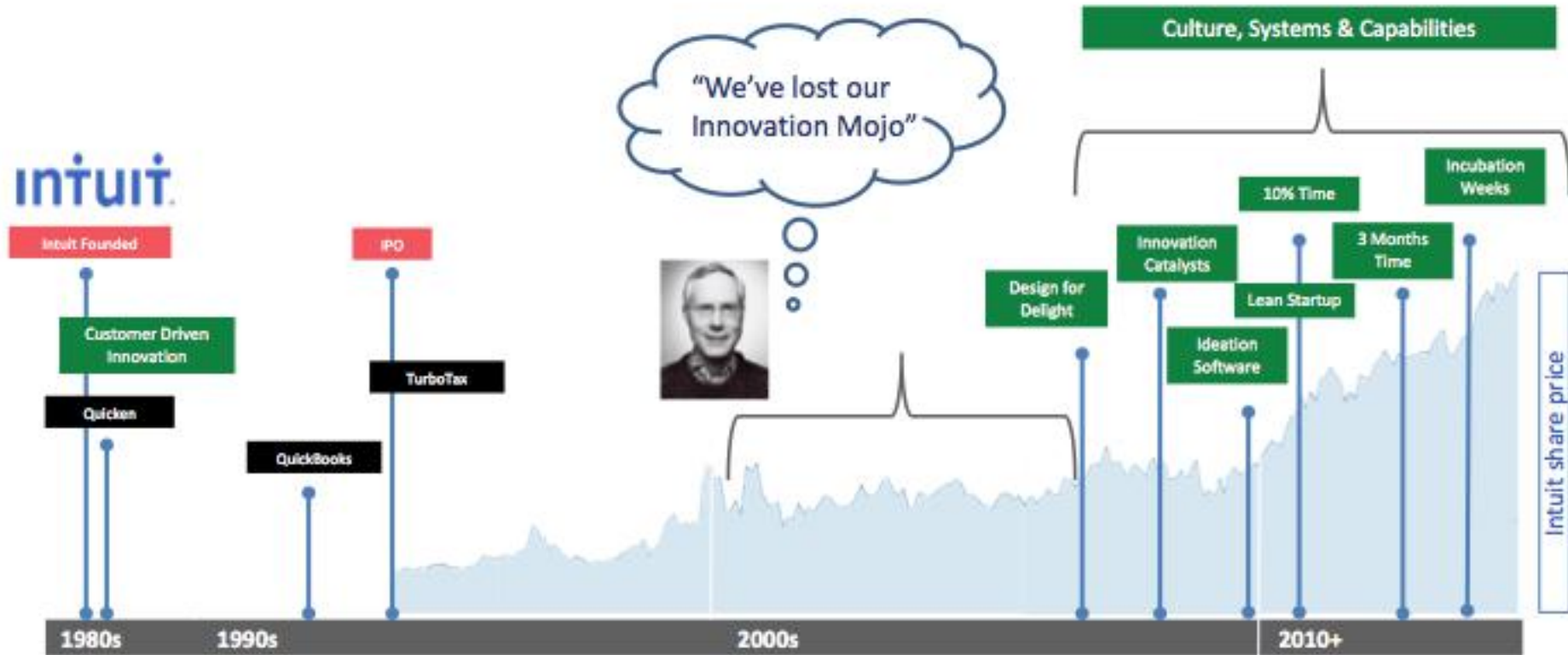
Things to consider in your transformation

ORGANIZATIONAL
STRUCTURE

Organizational Structure & Incentives

KPIS AND INCENTIVES

KPIs and Incentives

Incentives Example: 3M

Smart Incentives to encourage internal employees to implement new ideas

Organizational Structure & Incentives

Intrapreneurship
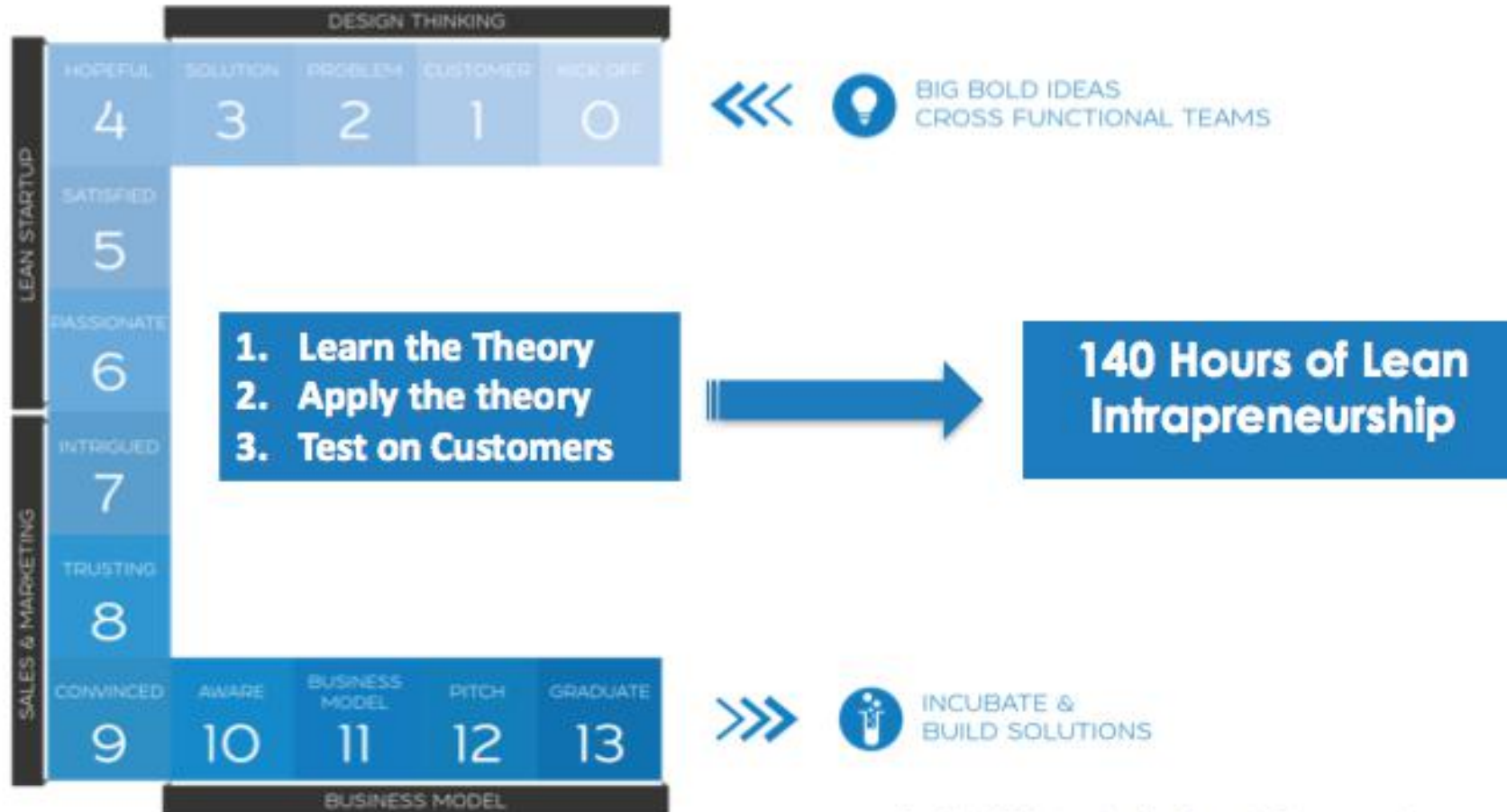Programs

Hackathon - A program to generate ideas

Clear Call for innovation in a specific Area

A process for intrapreneurship

Intrapreneurship Program Design Tips

1. **SPONSORSHIP** (who / why / results)
2. **IDEATION** (open vs. strategic)
3. **TEAM SELECTION** (DNA, visionary, hacker, hustler, designer)
4. **INNOVATION MATURITY** (pre-training)
5. **SLACK TIME** (10 hrs per week)
6. **COHORT** (Size, Refresh Rate)
7. **PROGRAM STRUCTURE** (stage-gate, length, virtual vs physical)
8. **WORK FLOW** (mentoring session, team meetings, assignments)
9. **SLUSH FUND** (support experiments)
10. **TRAIN THE TRAINER** (for scale & culture change)

Intrapreneurship Program Examples

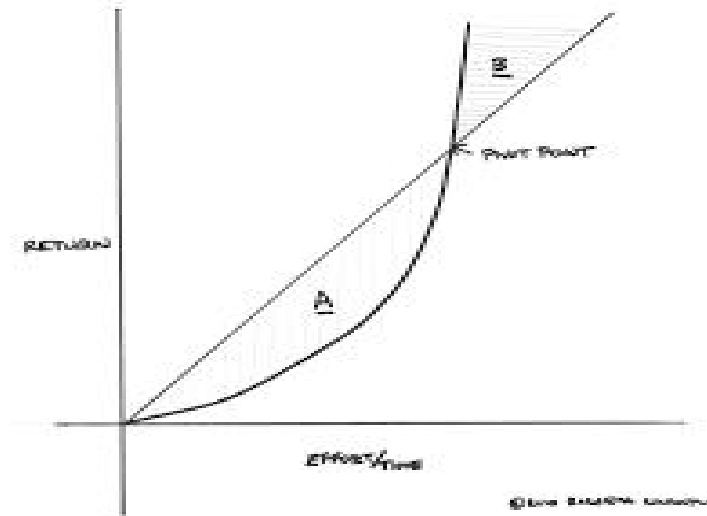**GE FastWorks:** 20% R&D savings, 100s of Catalysts, 10 product releases in 2yrs vs 1 in 5yrs

Böhringer Ingelheim: 10X ROI after 2 years & impacted future management trainings & social entrepreneurship

Northern Gas Networks: From worst to best in safety & customer service – over 1000 employees developing ideas

Things to consider in your transformation

INTRAPRENEUR
GROWTH PATH

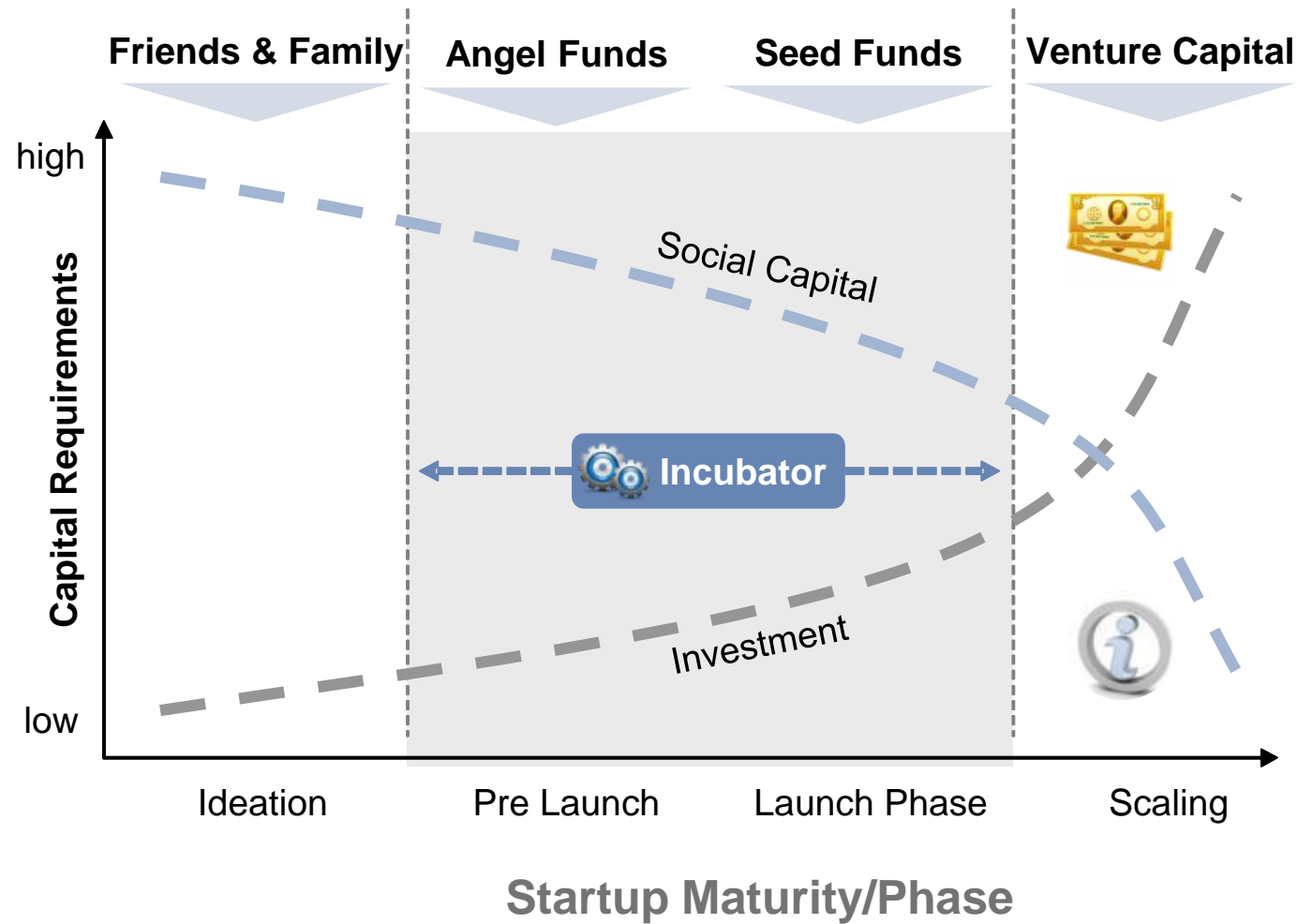# Corporate incubators & accelerators

Structure & Time

Goal

Investment

Incubators are the answer

Why incubators?

Incubation Models

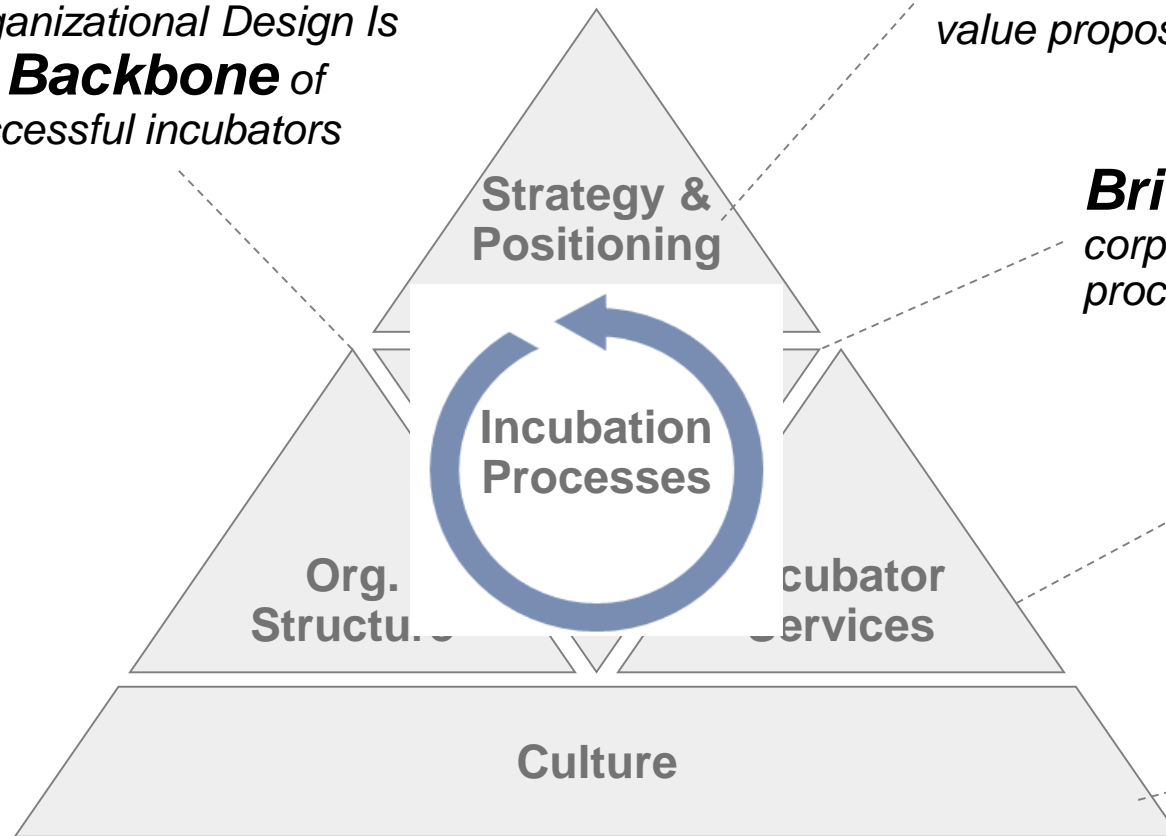|	Virtual Incubators	Facility-Centric	Mentoring-Centric[1]	Management-Centric	Investment-Centric[2]
Examples	Microsoft BizSpark	PlugandPlayTechCenter.com RocketSpace	techstars Y Combinator	FOUNDERSLINK	ROCKETINTERNET TEAM EUROPE
Duration	1-3 years (until exit)	Until certain company size is reached	3-6 months	3-5 years (until exit)	1-5 years (until exit)
Facilities	No physical facilities	Co-working space and IT services	Only during duration of the program	Startup facilities	Startup facilities
Mentoring	Provide access to software or services remotely	services (commercial, technical and legal)	Intense mentoring; no controlling influence	Provide business idea and mentor/coach startups	Provide business idea and steer execution, tech infrastructure, etc.
Invest	No investment	Small Investment vehicle, revenues mostly through rent	10-50k seed funding; 6-10% equity in return	Higher seed funding; equity share diluted over time to <25%	Several rounds of funding; equity share >50% until exit

Success factors for incubators

Organizational Design Is the **Backbone** *of successful incubators*

Clear Positioning and *value proposition*

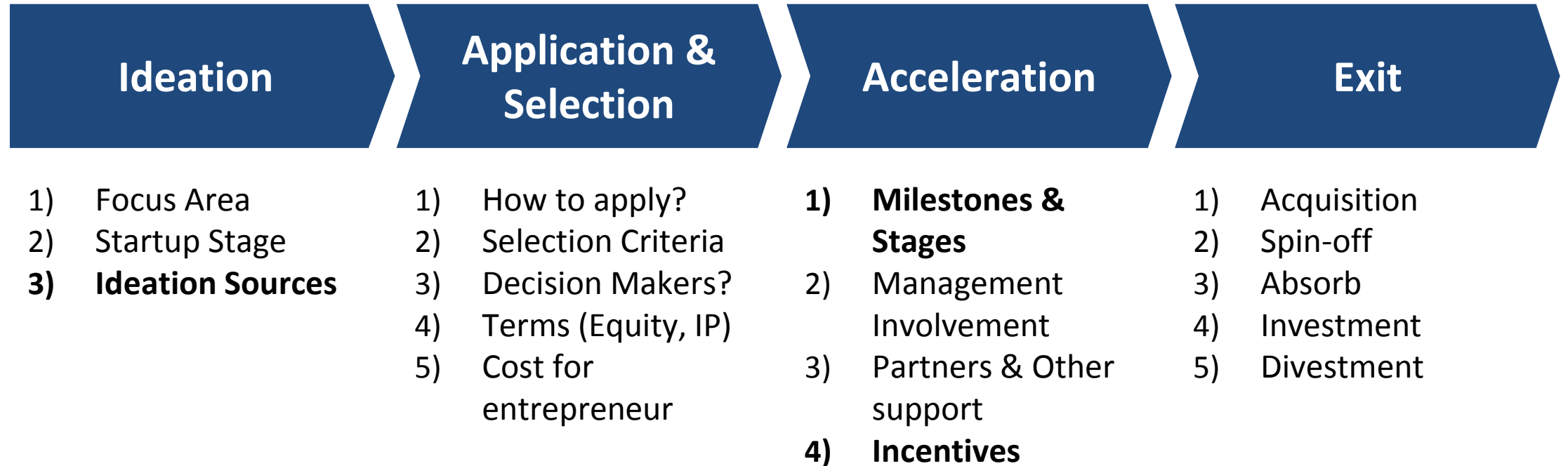**Bridge** *between startups and corporation , incubators requires lean processes and agile decision making*

Corporations need to leverage their **Core Competencies** *to provide unique offerings and services for top startups*

*Successful incubators require* **Innovative approaches to culture**

Strategy & Positioning

Incubation Processes

Org. Structure

Incubator Services

Culture

Incubation Process

Ideation	Application & Selection	Acceleration	Exit
1) Focus Area 2) Startup Stage 3) **Ideation Sources**	1) How to apply? 2) Selection Criteria 3) Decision Makers? 4) Terms (Equity, IP) 5) Cost for entrepreneur	1) **Milestones & Stages** 2) Management Involvement 3) Partners & Other support 4) **Incentives**	1) Acquisition 2) Spin-off 3) Absorb 4) Investment 5) Divestment

Give core organization incentives and tools to support incubator and build successful exit processes

Incubation Services
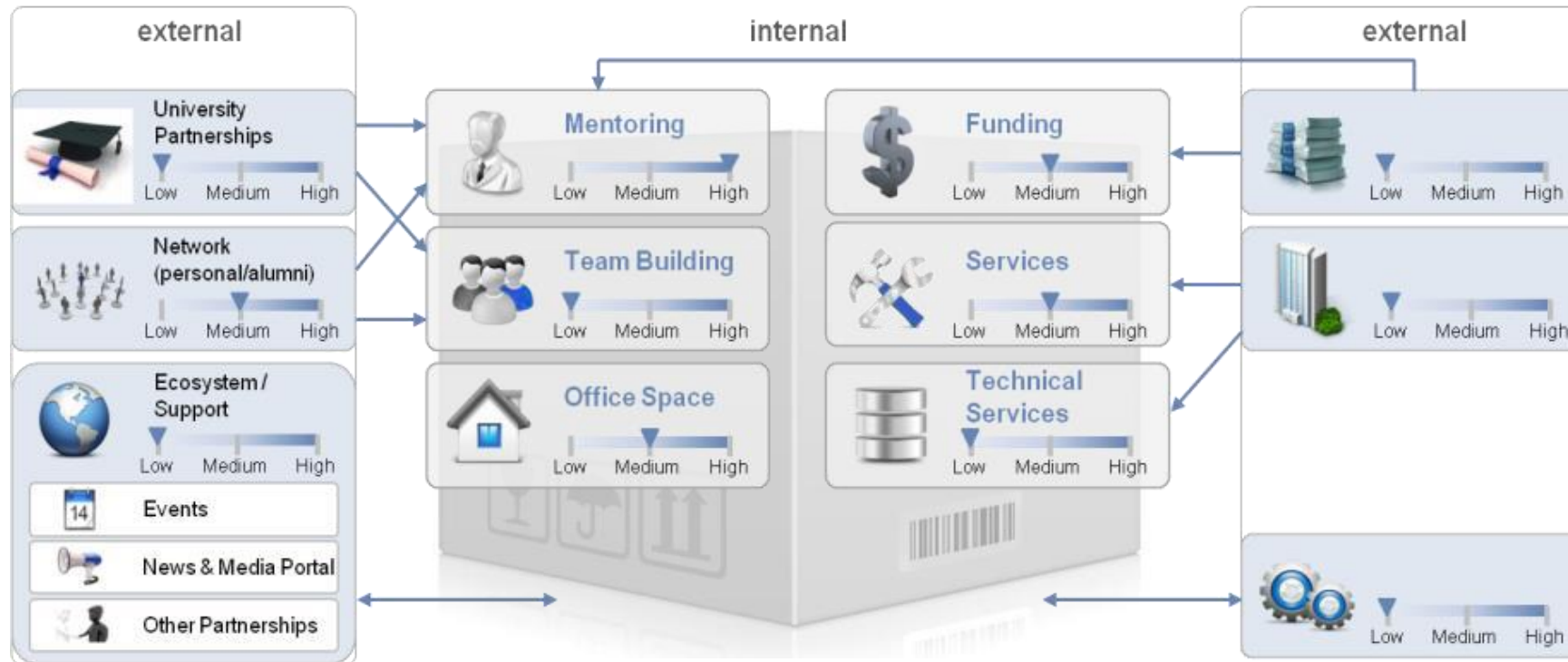
What is the unfair advantage you can give entrepreneurs in your program?

Key Take Aways

1.
IT STARTS FROM THE TOP!
Intrapreneurship culture needs to be fostered and supported by top management and shared internally

2.
IT'S NOT AN IF, BUT A HOW!
Complacent companies die, so you should think about how to be entrepreneurial, not if!

3.
BUILD PATHS TO GROWTH
Build structures and systems that allow intrapreneurs to grow from small startup to big division inside.

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