



Intrapreneurship in European companies

Tom Vandenbrande
(Tom.Vandenbrande@hiva.kuleuven.be)



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The concept of intrapreneurship

Intrapreneurship and interchangeable labels

Intrapreneurship: practice of using entrepreneurial skills without taking on the risks or accountability associated with entrepreneurial activities. It is practiced by employees within an established organization using a business model.

Corporate entrepreneurship: process by which individuals inside organisations pursue opportunities without regard to the resources they currently control.

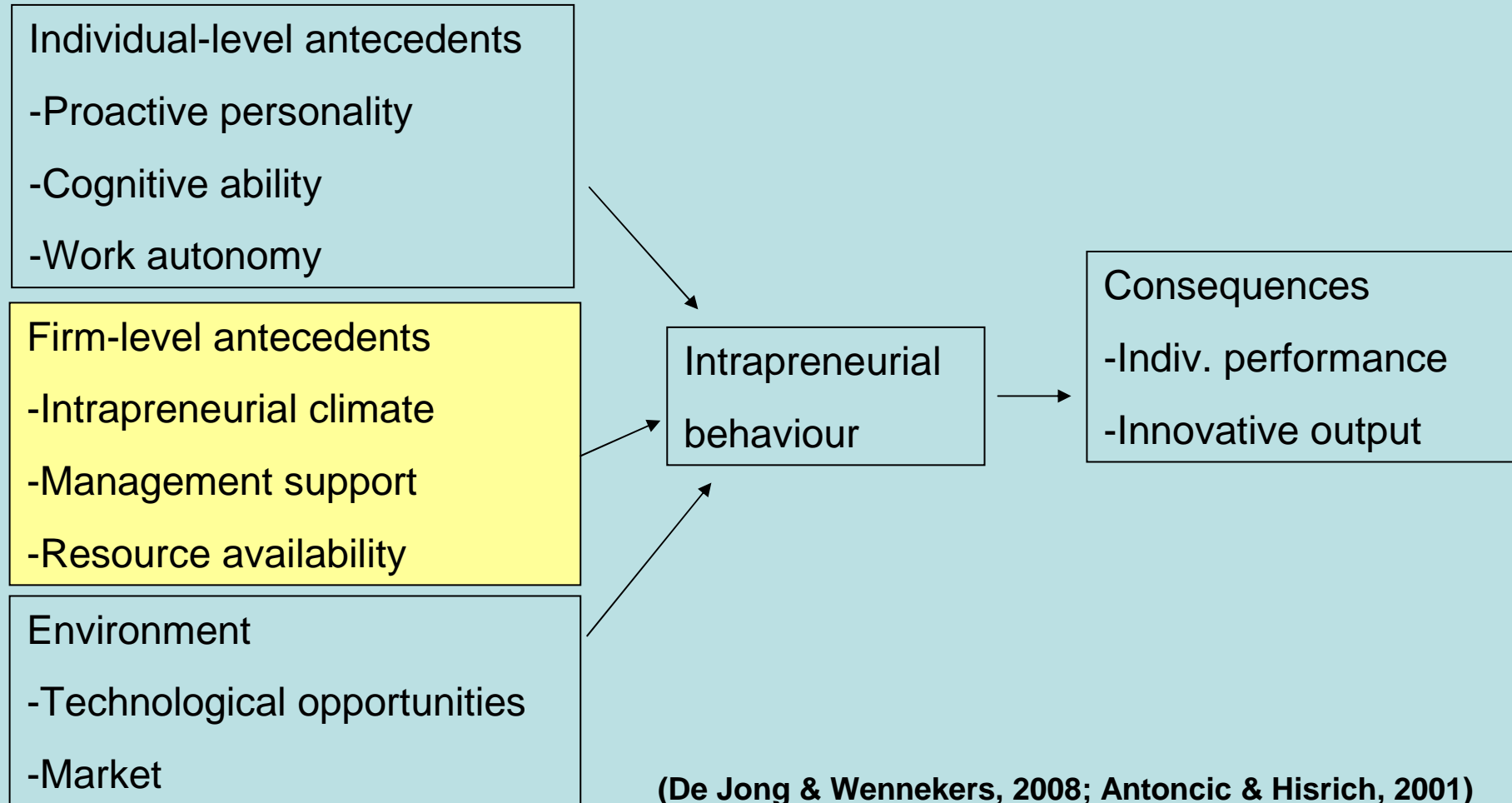
Spin-in companies: internal and external venturing.

Employee-driven innovation: inclusive and bottom-up approach to innovation that includes all the players in an organisation.

New forms of work organisation / High road to innovation: participative teamwork leads to workplace partnership, enable all employees to use their talent and creative potential to the full.



Conceptual net





Characteristics of intrapreneurship practices

Intrapreneurial climate. Innovative culture

- Dialogues House (ABN Amro Bank). The bank finances a free zone of inspiration. It is a mixed zone of internal think tanks, start-ups, theatre productions,... The idea is that the Dialogues House brings energy and new ideas in the company.
- The Green Room (Ericsson Radio Systems AB). A new factory designed with particular interest in developing a optimal work environment. With a view to stress prevention and the encouragement of a creative spirit, recovery rooms including an ergonomically designed 'Green Room' were constructed. Individuals are free to withdraw there for contemplation, reflection and creative thinking, either individually or brainstorming in small groups (Totterdill, 2009).



Characteristics of intrapreneurship practices

Intrapreneurial climate. Work organisation.

- Structuring employees' ideas (DSB uses lean boards to organize the gathering, testing and ultimately the implementation of new ideas. Employees place a tag on the lean board. Once a week, the ideas are reviewed by employees and their manager.)
- Special project teams (Lockheed Martin's 'Skunk Works'. A group is given a high degree of autonomy and is unhampered by bureaucracy to work on advanced or secret projects, i.c. aircraft designs.)
- Cross-functional work (ABB Cewe closed the gap between design and production by relocating development engineers onto the shopfloor.)



Characteristics of intrapreneurship practices

Management support

- Encourage risky initiatives. (Soichiro Honda. Manager at the work floor. Encouraged risk-taking by employees. Faith in young technicians of the factories and laboratories.) (Sun. After exit interview with programmer leaving the company, the direction gave the opportunity to work out plans. Developed Java Programming language.)
- Rewarding innovative ideas. (Saint-Gobain Isover. Innovation mailbox channels employee ideas. An idea is always rewarded. Employees receive a bonus on top if the idea is implemented.)



Characteristics of intrapreneurship practices

Resource availability

- Time (3M 15% rule. Employees are encouraged to devote up to 15% of their working time to independent products.)
- Venture (Deutsche Telekom Laboratories. It is possible for project teams to take their innovation external by creating a (co-funded) 'spin-out' company. Guarantee internal transfer discussions between R&D spin-outs and business units.
- Autonomy to work on projects (cf. work organisation)



Characteristics of intrapreneurship practices

Trade union involvement?

- Employee involvement at Vestas. The success of employee-driven innovation at Vestas is guaranteed by Trade Union involvement. Shop stewards are present in dialogue meetings implementing innovative ideas. When an innovation project is initiated, shop stewards closely cooperate with the change agents, managers and selected employees. The TU involvement facilitates the process.



Intrapreneurship policies in Europe?

Is this approach visible in European companies?

- Selection of 'good practices' by a project group. Partners in Finland, France, Sweden, Italy.
- A limited number of responses.
- Selective elements of intrapreneurship enhancement.



Case 1

Security branch, big company, Sweden

- Corporate venture division. Identifies and incubates innovative ideas.
- Internal magazines, communication of this division to collect innovative ideas.
- Ad hoc project teams. Focus on business development and marketer competences.
- Managers support this spin-off concept. The venture division shares the work with source departments offering creative ideas.
- Bonus system. Money for the innovator, property rights for the company.
- Success. 10 different spin-off companies in last 6 years in diverse applications.
- Strong and constructive TU in the company. Does not play a role in innovation policies.



Case 2

Telecom, big company, Finland

- A global idea management tool exists. It focuses mainly on product innovation and not on process improvements.
- Good ideas are handled by 'innovation round tables'.
- In the current crisis situation, focus is on 'doing the same work with less people', the innovation tool is not working...
- No funding for development of new ideas, no ventureship.
- Company has good cooperation with TU, not on innovation policies though.



Case 3

Health care, large organisation, Finland

- No specific innovation policy.
- Ideas are collected with a mailbox. A committee handles initiatives or research on new ideas. New ideas in the medical world must be tested to be safe and reasonable as well as profitable. Brainstorming on ideas is not funded, research and projects are.
- Every patient is individual and must be treated differently, so employees have a lot of autonomy to decide on how they do their work.
- No reward system, no bonus for intrapreneurs, no ventures. IPR for organisation.
- TU is not focussing on innovation policies.



Case 4

Metallurgy, Finland

- Database application collects employees' ideas, reviewed in a separate committee and either accepted or rejected.
- Accepted ideas are rewarded. There is also an IPR Policy.
- No reward system, no bonus for intrapreneurs, no ventures. IPR for organisation.
- No outspoken policy to give development time for intrapreneurs. Nor is there a policy to provide resources. Only R&D department has this kind of time and resources.
- In general, the openness for new ideas is limited. Some managers feel threatened by 'out of the box thinking' employees.
- TU is not active in innovation policies.



Case 5

Information Technology, SME, Finland

- There is a channel to communicate new ideas, but this is not used.
- This small company uses informal contacts to assure innovation. General goals are given, the (group of) employees has a lot of autonomy to achieve these goals. Working out new client-driven products in team can be considered as the core business of the company.
- The team has only programmers.
- Bonuses are for the intrapreneurial team, not for the intrapreneur. Bonuses are based on good teamwork.
- TU are far from the every-day work.



Case 6

Government, Information centre, France

- There is no mailbox. Ideas are collected and discussed in the team meetings (every two weeks).
- There is no particular budget for the development of ideas.
- If the Direction is convinced of a good idea, it can be worked out by the team.
- In case of intrapreneurial activities, no gratification is granted.
- No TU.



Intrapreneurship policies in these cases.

- Innovative culture: no examples of 'Green Rooms' or a Dialogue House. Some companies are open for doing things differently, other companies even face rigidity when managers fear 'out of the box' thinking.
- Structuring employees' ideas: usually a tool is available to collect ideas (Global Management Tool, database application, mailbox, meetings, magazines...)
- Special project teams: rarely
- Cross-functional work: not observed



Intrapreneurship policies in Europe?

- Management encourages risky initiatives: not really. Only in case a project is chosen, management supports the development. In that case, intrapreneurs are supported to overcome problems.
- Reward innovative ideas: happens in some cases, but generally only for approved ideas. In some companies, there is a bonus for intrapreneurial teams, not for intrapreneurs. One company has an official IPR Policy.
- Time resources: no, usually only R&D department and/or experts have this available research time.
- Ventureship: possible to establish spin-offs in a limited number of cases
- Autonomy in work procedures: to some extent
- Trade union involvement: TU has no role in innovation policy