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For several years, the notion of entrepreneurship has once more become a subject of much debate in large sized groups (“intrapreneurship”). There are several reasons for thinking that this is not just a fashion thing:

- the rapid development of emerging countries is opening up vast territories to companies wishing to conquer new markets;
- the permanent pressure on costs has made any attempt at incremental cost reduction progressively illusory. The necessity to be competitive means seeking out innovation and setting up new organisational methods;
- new technologies are speeding up the reconfiguration of the added value chain; furthermore, these are constantly shortening product life cycles in several sectors, as innovation is placed at the heart of growth strategies;
- in once stable sectors, such as electricity, gas and telephony, changes to regulations are radically calling into question previous benefits;
- with sectors like telecommunications or semi-conductors emerging from trough periods, there is renewed hope for growth. The idea today is to move from a cost reduction logic to a strategy for growth based on freeing creative energy within the company.

From entrepreneurship to intrapreneurship

Entrepreneurship can be associated with a state of mind or action dynamics. The entrepreneurial spirit covers all the qualities that we generally associate with the entrepreneur: risk-taking, initiative, daring, determination, etc. Besides these qualities, which reflect a certain temperament, the entrepreneur stands out above all for his ability to recognise development opportunities where others see only a lack of market and complications. As for the entrepreneur’s action dynamics, these lie in his ability to make something new come about.

The figure of the entrepreneur is different from that of the manager in several respects:

- The first disparity comes from the type of initial investment: the entrepreneur invests his own money, while the manager has to act according to the budget awarded him by the company and must therefore maximise his use of the limited resources available;
 - The entrepreneur chooses the people he wants to work with; this is rarely the case for the manager;
 - Finally, by becoming his own employer, the entrepreneur gives himself the means to define a new vision, to identify developments in his sector and to implement daring strategies for the medium and long term; as for the manager, his role is to implement and direct corporate policy, his contribution to the definition of which is usually only very slim.
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- Introducing entrepreneurial type dynamics in a big company is also hindered by strategic and organisational obstacles. Companies rarely consider this type of dynamics as a crucial requirement insofar as it does not appear to be linked in any way to their short-term concerns, except in situations

of approaching bankruptcy. It can also present a number of risks relating in particular to the difficulty of implementing an entrepreneurial approach, with all the transversal operation opportunities and openings that it offers, in a large size hierarchical structure.

Emphasis must therefore be placed on the following three points:

- Firstly, the operating modes and reasoning of entrepreneurs and managers are usually worlds apart: organisational devices must be explored to find out whether they might help to reduce these differences or at least smooth them out.
- Furthermore, the very nature of a large company tends to oppose any interference with the established order. Entrepreneurial dynamics, standing for autonomy and generating creative disorder, therefore need time to acclimatise to a highly structured universe.

Type of systems set up in large groups to encourage internal entrepreneurial dynamics

To adapt to entrepreneurial dynamics, large companies have set up systems based on very different architectures. We have identified five types, each associated with separate industrial and organisational contexts:

- the creation of a dedicated entity whose vocation is to initiate, promote and back up entrepreneurial initiatives within the group (enclave model, illustrated by EDF and its Business Innovation unit);
- the appointment of a small team, in charge of promoting entrepreneurial values within the group, a team which fits into the company's traditional organisation (dissemination model, illustrated by the "Gaz de France entreprendre" programme);
- the general claim to a diffuse and non-formalised entrepreneurial culture (impregnation model, illustrated by L'Oréal);
- the creation of an in-house venture capital fund to latch on to external opportunities and enable partnerships with innovative start-ups (the "learning acquisition" model, illustrated by the Air Liquide Ventures fund);
- recourse to spin-offs to enhance the development of outside business activities with the mother company often retaining a capitalistic or commercial link with the spin-off (the cutting model, illustrated by the spin-off based business-enhancement system set up by the CEA).

From objectives to reality: obstacles and key success factors of entrepreneurial dynamics

Besides their highly diverse form, the various entrepreneurial approaches implemented in big companies alternately or simultaneously aim at two major objectives:

- adding dynamics to human resources management. Through actions focussing on training or awareness, the manager is called on to become an agent of company change, able to liberate the entrepreneurial energy of his teams;
- encouraging innovation and *business development*. Programmes entitled "corporate entrepreneurship" aim to stimulate the creativeness of teams by putting them in a situation where they can identify and then develop new business opportunities.

The implementation of such approaches comes up against different types of obstacles.

Some of these are cultural: a management style that keeps itself apart from sources of innovation (R&D, customers, etc.) and concentrates on smoothing out behaviour will gradually frighten away any entrepreneurial profiles. Similarly, an organisation steeped in rationalism that aims to simply sweep away uncertainty and encourages the intensive use of task planning tools (PERT, pre-studies) will significantly and permanently reduce any room for creative manoeuvre and inhibit any attempts to put feelers out or explore. Finally, the importance given to short-term results is proving to have little in common with the patient, steady, long-term approach of intrapreneurship.

Other obstacles have more to do with organisational issues: the standardisation of management control procedures often leads to cost and profitability calculations that work against emerging projects: excessive bureaucracy that generates long chains of approval prevents any fast feedback; finally, an unsuitable reward system leads to an absence of recognition for risk-taking and innovation and hence discourages any attempts.

Examining the systems set up by companies to combat these obstacles brings to light five key success factors:

- the definition of an ambitious 5-year vision: only a vision that demands a certain amount of effort and outlines an ambition worthy of a dream can mobilise energy. Defining a strategy and its objectives provides a general framework for the behaviour expected from employees;
- a management team that is clearly involved in managing change: drawing up a formal strategy serves no useful purpose if the management style, and notably that of top management, does not coincide with strategic exhortation;
- innovative motivation systems. The reward system naturally plays a key role: incentives such as bonuses, stock-options, fast promotion or transfer of shares to an “internal start-up” will all contribute to maintaining or encouraging entrepreneurial behaviour. This does not mean to say that non-financial rewards should be forgotten: intrapreneurs are motivated by recognition (distinction, symbolic rewards, easier access to internal financing), or additional autonomy in the way they manage their share of the business, at least as much as they are by financial gains;
- an organisation in tune with the need to be responsive: a company that is striving to become reactive or innovative only escapes chaos if it has forged for itself *ad hoc* control instruments. Here it is a question of simultaneously managing two diametrically opposed control systems, one dedicated to optimising existing resources and the other focussed on seizing new development opportunities;
- a company culture geared towards innovation: by encouraging innovation and risk-taking, managers help to create a culture focussing on entrepreneurship; the style of management and system of values specific to the company are hence mutually consolidated.

Conclusion

When considering intrapreneurship, it would be absurd to preach that one organisational model is better than another: how suitable an entrepreneurial approach is needs to be decided on a case by case basis, depending on the company's culture, its management style and its economic environment. However, it is just as important to make employees accountable as it is to offer them freedom in the way they accomplish their tasks: enjoying considerable autonomy and having to report on what they do appear to be the two structuring conditions of a not yet unleashed entrepreneurship, which could otherwise quickly sink into chaos.

To conclude, emphasis shall be placed on five concrete ways forward for achieving better entrepreneurial dynamics in big companies:

- put organisational re-engineering operations back into an entrepreneurial perspective. Although new processes are generally lighter, less costly and more customer-focussed, they do not necessarily overcome the obstacles in the way of developing initiative and innovation. Focussing only on the customer's needs can in fact represent a considerable risk for a company that is unable to think of anything else creative when designing its offer;
- directly linking entrepreneurial projects to general management. It is essential to protect innovative projects from conservative reactions that may come from the company. Recognising the strategic nature of such and such a project, marked by an explicit organisational attachment, greatly reinforces the chances for the initiative to succeed.
- put change actions at the centre of training programmes. The role of training is essential, whether to initiate new projects through intrapreneurial modules designed to encourage the emergence of new projects, or to develop a mindset that is more open to initiatives being taken;
- rethink entrepreneurial profile career management. The permanent pressure exerted on companies is redefining the role played by Human Resources Management. The HR manager should be more and more involved in managing energies and preventing *burn-out*. A rotation of high potential populations should help to share the effort required over time and organise proper paths to be followed with stages to mark the genuine progress made.
- develop entrepreneurial involvement through profit-sharing for those involved. In a certain number of large companies, conclusive experiments have been performed, providing managers with the possibility of buying into internal start-ups and acting as coaches. Being a shareholder, or even a venture capitalist, helps people to become familiar with the entrepreneurial universe and opens up a whole range of perspectives. Involvement based on capital strengthens the link expected between the risks run through a new business project and the return that might be expected by business associates.

Today, given the broad scope of systems implemented, large groups would seem to be more and more convinced of the necessity to introduce entrepreneurial dynamics to their midst in order to increase competitiveness. Nevertheless, they must still ensure the sustainability of this effort, and include it as a strategic management priority.