How to choose the right organizational device for your intrapreneurship program

Authors

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- Researcher in intrapreneurship since 2000 with analysis of 35 concrete cases
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- Design and management of intrapreneurship programs in nearly 20 organizations in the past 5 years
- Guidance for 150+ intrapreneurs
- Expert in Lean Six Sigma after 3 years of experience in manufacturing industry

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Methodology and sources

Over the course of the past decade, we have assembled a base of **50 important cases** that allow an overall understanding of intrapreneurial practices (different geographies and periods) and constitute an exceptional tool for observation and reflection.

This typology was carried out by Véronique Bouchard and Lola Virolle based on an analysis of these cases and their respective experiences.

Case Examples

Nespresso system - Nestlé
Corporate New Ventures division - Procter and Gamble
New Venture Organization (NVO) – Nokia
3M
L'Oréal
Google
SAS (Scandinavian Airlines System)
Innovation Program Office (IPO) - HP
Prisma Media
Société Générale

and many others…

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Introduction - History of intrapreneurship and why it can fail

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How to choose the right intrapreneurship device

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The different devices - objectives, advantages and disadvantages

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The life cycle of intrapreneurship devices

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Take things further - cases, articles and bibliography

Definitions

Intrapreneurship

> An approach through which one or several employees, in association with their organization, take the initiative to engage upon and lead innovative activities that create value.

DGE Working group (2019)

Intrapreneurship Device

> An integrated set of resources, actions, processes, managerial tools and systems implemented to encourage the adoption of entrepreneurial approaches inside established companies.
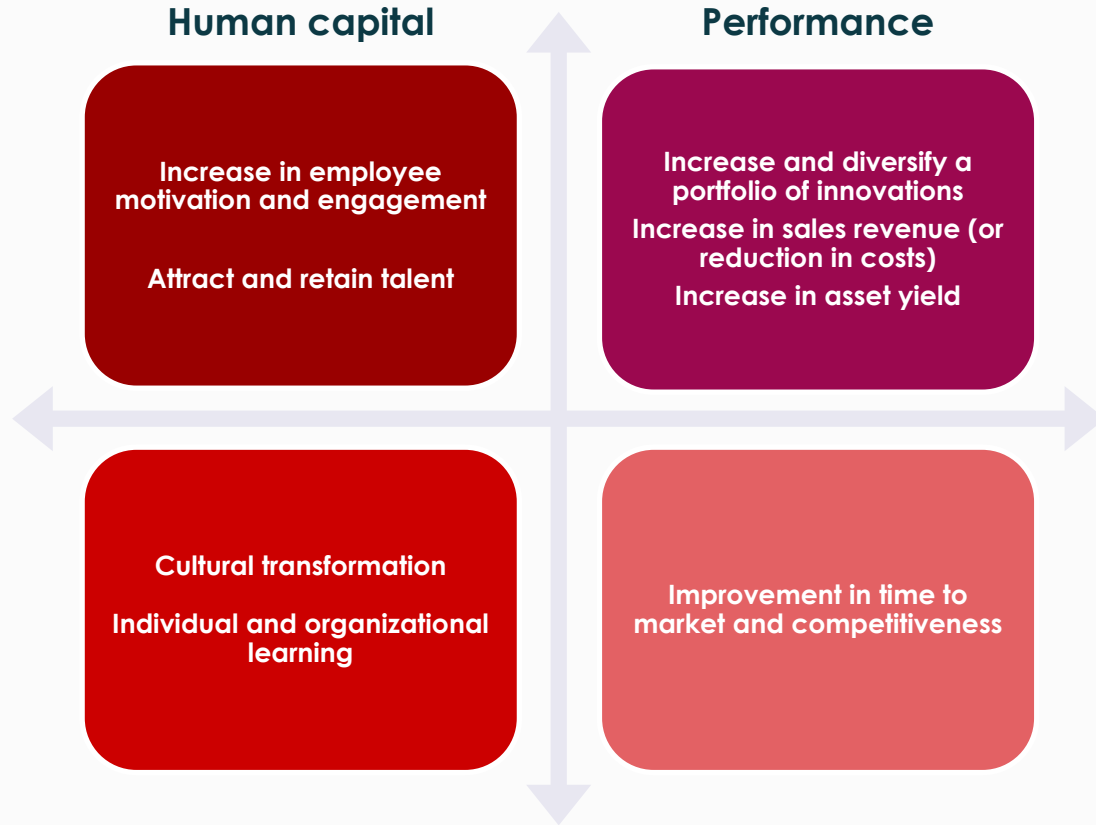
(Bouchard, 2013)

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Intrapreneurship is not a new phenomenon…

- The first scientific description of the intrapreneurial process dates back to 1983 (Burgelman, 1983)

- The first scientific description of an intrapreneurial organizational device dates back to 1990 (Kanter et al., 1990, 1991)

- Three boom periods for intrapreneurship:

  _The second half of the 1980s: deregulation in the United States

  _The turn of the century: internet revolution

  _The 2010s: digital revolution

Burgelman, R.A. (1983), "A process model of internal corporate venturing in the diversified major firm," Administrative Science Quarterly, 28/2: 223 244. Kanter, R. M., North, J., Bernstein, A. P., & Williamson, A. (1990). "Engines of Progress: Designing and Running Entrepreneurial Vehicles in Established Companies." Journal of Business Venturing(6): 415.

...and it is attractive for its many potential benefits

Human capital

Performance

Increase in employee motivation and engagement

Attract and retain talent

Increase and diversify a portfolio of innovations

Increase in sales revenue (or reduction in costs)

Increase in asset yield

Cultural transformation

Individual and organizational learning

Improvement in time to market and competitiveness

But the overall outcome is not always positive…

As we said at **__our conference__** "How to (not) fail with your intrapreneurship program?"
 Several reasons can lead to the failure of intrapreneurship programs, but

- an important one is the adoption of ready-made solutions that:

    - Are not aligned with the objectives of the company

    - Do not take its intrapreneurial maturity into account

- Lots of intrapreneurial devices exist, with very different characteristics and impacts: it is a structuring choice to make well upstream

- It is important to know and understand the range of devices before launching, hence the proposed typology based on 20 years of study

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Intrapreneurship devices: from the simplest to the most complex

How to choose the right device

Processes

Events

Structures

Intrapreneurial taskforce

Collective creation sessions

Training program

Open pathway

Internal pathway

Internal accelerator

Intrapreneurial division

Intrapreneurial organization

Low   **Complexity**   **High**
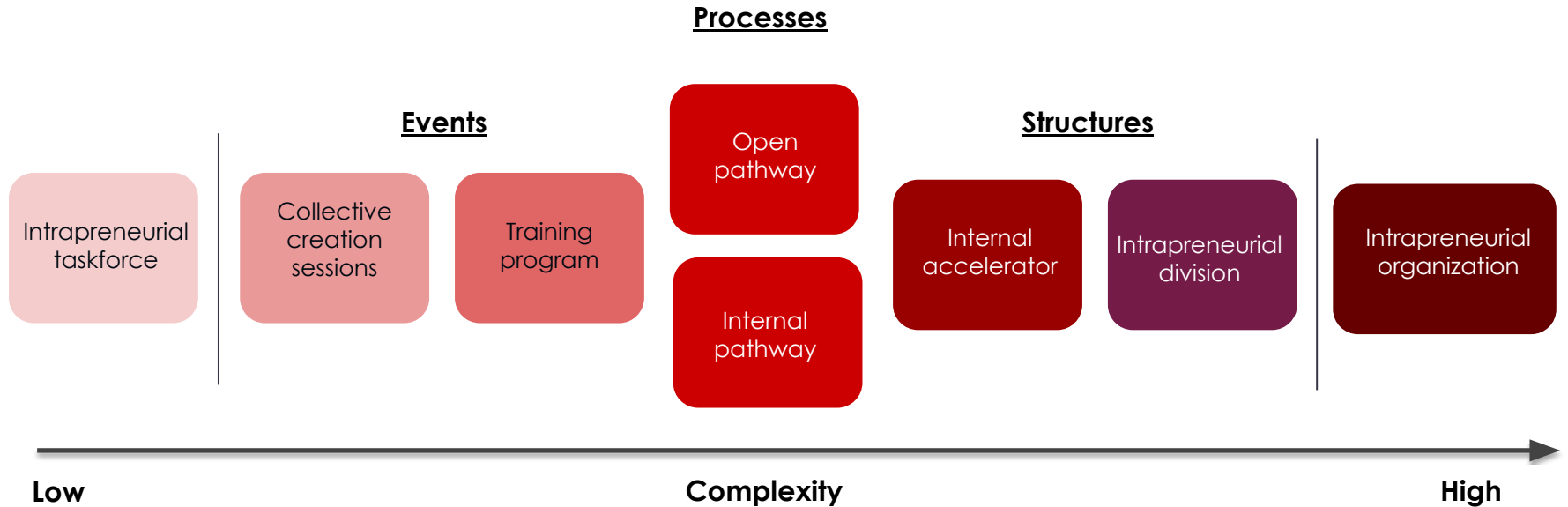
Setting the end goal

Decisions to make upstream

The first mistake that is often made when launching an intrapreneurship program is to believe that all the benefits can be achieved at once (business performance, innovation, human and cultural transformation). It is clear that one cannot simultaneously hire and train a large number of employees in new methods

AND identify and guide a reduced number of highly innovative projects. It is therefore primordial to have realistic expectations and to determine the end goal of the program. This goal may change over the lifespan of the program and with the maturity of the company.

Cultural transformation, employee engagement ←————————————→ Business and time to market results

Incremental innovation ←———— Adjacent innovation ————→ Disruptive innovation

Open exploration Pure bottom-up process ←————————————→ Focused exploration Top-down and bottom-up process
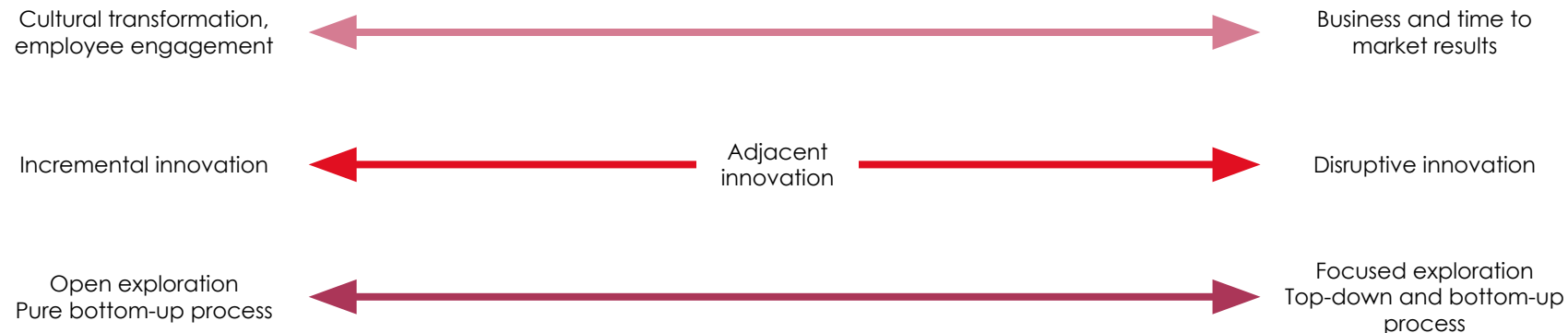
Diagram taken from the em lyon business x Schoolab white paper

Determining intrapreneurial maturity

The intrapreneurial maturity of a company includes 4 dimensions:

01

The experience accumulated and the expertise acquired in intrapreneurship (or participative innovation)

02

The organization's current strategic priorities

03

Its values and culture

04

The characteristics of the organization

We propose a scale with four levels that you can use as a tool for self-assessment**.** Please note! Level 4 is uncommon because it corresponds to companies that are polar opposites of traditional companies in terms of their organization (little or no hierarchy, informal processes, decentralized decisions, etc.).

We recommend that you perform this self-assessment **and keep it in mind before studying the different types of organizational devices.**

Level of intrapreneurial maturity

	Experience	Strategic priorities	Values and culture	Organization
Level 0	No experience	Innovation and cultural transformation are not at the heart of the strategy or do not translate into actions.	Reliability, replication, control, short term results, process orientation	Hierarchical, rigid and in silos, Focus on exploitation.
Level 1	Experience with participative innovation and/or collective intelligence (e.g.: toolkits, hackathons, innovathons, training in innovation methods, etc.)	Innovation and entrepreneurship are strategic priorities. Some human and financial resources are dedicated to them.	Process orientation, investment on employees skills. Processes are very important but they are continually improved thanks to the contribution of employees.	Rigid and hierarchical but communication between departments and hierarchical levels is smooth. Focus on exploitation.
Level 2	Experience with calls for projects and basic intrapreneurial project support Experience in guiding and developing new business Some renowned intrapreneurs	The cultural transformation of the company and the adaptation of its offering to current technological and socio-cultural mutations is a genuine priority.	Client focus Results orientation (vs. process) Transparency Pragmatism	The decision making processes are relatively linear and fast. Focus on exploitation with space for exploration.
Level 3	Conclusive experience in deploying intrapreneurial projects Several new products/business result from bottom-up initiatives Conclusive experience collaborating with investors/startups/external innovation labs	There is a formalized company-wide innovation strategy of which intrapreneurship is one of the pillars alongside other devices (R&D, Open innovation, Corporate Venturing etc.)	Culture of innovation and agility Measured risk-taking Functions as a network internally and externally	Open to different eco-systems and ambidextrous (balance between exploitation and exploration)
Level 4	A large number of employees are involved in intrapreneurial projects The majority of new products/business result from bottom-up initiatives	One of the main vectors of company growth is the ongoing development and renewal of the portfolio of business lines/products via internal growth and the initiatives of employees	Autonomy and responsibility Collaboration and consultation Shared heritage of knowledge and values	Very decentralized Flat (very few hierarchical levels) Focus on exploration.

How to assess your intrapreneurial maturity

01

Self-assess for each of these dimensions (experience, strategy, culture, organization):

To confirm one level, you also need to confirm the preceding levels

Example "Level 3 Experience": you have already organized more than one hackathon or toolkit; you have launched a call for projects and have guided one or more intrapreneurs, some to success; lastly, several of your new business lines/products are the result of bottom-up initiatives.

Click here to start
self-assessment

02

Determine your overall intrapreneurial maturity: you should tick at least 3 dimensions that correspond to one level.

You are ready to study the devices and identify those best suited to your context!

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Intrapreneurial taskforce

Description

The intrapreneurial taskforce is an autonomous entity created in an ad hoc manner to develop an innovative project within an existing organization.
Once the project is successfully completed, the intrapreneurial taskforce can be dissolved, attached to an existing operational division or itself become a new operational division.

Goal

Improve the chances of success and reduce the time to market of innovative projects that senior management consider to be risky or divergent, but nevertheless promising.

Advantages

A device that has proven its worth and can function in extremely varied environments.
It is inexpensive and easy to set up and dissolve if required.

Disadvantages

The success of the device depends on the quality of the taskforce members and the long-term support of convinced sponsors.
The intrapreneurial taskforce has a low impact on the company's culture of innovation.

Examples

MEMS Unit (Schlumberger), Serengenti Eyewear (Corning), Nespresso (Nestlé), Lait 2 Vaches (Danone)

Recommended for...

Escaping stifling procedures and reducing the time to market of a project with high potential by relying on employees with an intrapreneurial profile.

Collective creation sessions

Description

Collective creation sessions are events that last between 24 and 72 hours with up to 100 participants. Also called hackathons or creathons, they bring together internal and external participants organized into small teams to develop solutions to identified business problems.

Goal

Launch disruptive services. Acculturate to innovation methods. Create team spirit.

Advantages

This device can produce a number of deliverables in a very short lapse of time. It can also reveal creative profiles and break internal and external silos by forming multi-profile/multi-department teams.

Disadvantages

If the device is not followed by support for the ideas, it can turn out to be disappointing for the participants, especially after the flow of adrenaline and motivation from the creativity days.

Examples

Innovathon (CGI), 1 Billion Lives (SAP), Nex'Idea (Nexity)

Recommended for...

Acculturating to innovation. As the first step towards a broader intrapreneurship program to generate ideas and form teams.

Training program

Description

Intrapreneurship training programs take place over a period of several months (seminars lasting a few days and application sessions in-between) and combine theoretical teachings with teamwork on innovative projects.
The participants can be allocated sponsors from the senior management of the company and should present their project to a jury at the end of the training program.

Goal

Sensitize and train a selected group of managers (often high potentials), so that they can adopt and disseminate intrapreneurial behaviors.

Advantages

The training programs offer participants an overall perspective (historic and strategic) of intrapreneurship. The practical part allows them to put agile methods to the test and develop new skills. They develop their network and links between peers.

Disadvantages

Motivation among participants is variable. The participants encounter many difficulties when they attempt to bring their project to fruition, because those around them are not receptive or sensitized. Possible boomerang effect.

Examples

Siemens Nixdorf, Orange FT, Macif, Plastic Omnium, Bristol Myers Squibb, Bouygues Telecom, Chimex, Vinci

Recommended for...

Providing conceptual bases and sound methodologies to future intrapreneurs and allowing them to "test" intrapreneurship in a secure environment, not in isolation but associating complementary devices.

Internal pathway

Description

This device offers all employees an approach to follow to guide them through the development of an innovative project by relying on budgeted resources, assistance and internal expertise.
It foresees assessment and support procedures that are simple, transparent and in several stages.
Modest symbolic (prizes, trophies etc.) and financial rewards are often included.

Goal

Contribute to remotivating employees and the company's cultural transformation by disseminating values, postures and methods that are favorable towards innovation and transverse projects. Business expectations exist, but they are secondary.

Advantages

Well-oiled device with strong accumulated experience.
Well perceived by the employees. Decompartmentalization effect.
Use of internal resources, little outsourcing → Relatively inexpensive.

Disadvantages

As the dedicated resources are limited and the internal resources often hard to mobilize, the task can end up being too arduous for the intrapreneurs. Discouragement → boomerang effect.
It can be difficult to correctly note/highlight the engagement and the achievements of the intrapreneurs.

Examples

Enter-Prize (Ohio Bell), IdClic (Orange France Telecom), Mille Idées (Schneider Electric)

Recommended for...

Instigating a dynamic of initiative-taking, engagement and openness in a flagging company with a minimum horizon of three years.
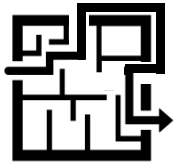
Open pathway

Description
A recent development to the internal pathway in which the chosen intrapreneurs carry out certain stages in their pathway in structures outside the company (incubators, accelerators or start-up studios) with partial and progressive secondment (1d/week or 3-4 months full time, for example).

Goal
Contribute to remotivating employees and the company's cultural transformation by disseminating values, postures and methods that are favorable towards innovation. Give access to appropriate eco-systems and start-up type support to encourage promising projects to become concrete. More costly than the internal pathway → higher business expectations.

Advantages
Intrapreneurs have access to the best resources and skills in the world of startups. They benefit from inputs that increase their chances of success and contribute to their professional development.

Disadvantages
The fact that the intrapreneurs are distant can work against them if they lose their connection to the internal stakeholders. Returning to the company can be difficult for the intrapreneur and the continuity of his or her project.

Examples
Internal Startup Call (Société Générale), 66 miles (Coca Cola, HSBC, Accor...), L'Accélérateur d'idées (France TV, Radio France), 21 (Croix Rouge), Intra4Good (BNPP), 20 projets pour 2020 (La Poste)

Recommended for...
Boosting projects that are remote from the core business, with characteristics that require access to external eco-systems. Be careful not to neglect management of the internal stakeholders and to prepare the return of the intrapreneurs!

Internal accelerator

Description

The internal accelerator is a structure dedicated to guiding intrapreneurs who have reached an advanced stage in their project. This structure has a dedicated space and team that supports and stimulates the intrapreneurs (methodologies, resources, networking, coaching).
Projects are sourced through calls for projects that are open to everyone but also picked directly. The projects taken into the accelerator are subject to evaluation by a representative committee.

Goal

Encourage the development of ambitious intrapreneurship projects that have been approved by the main company stakeholders and that mainly depend on internal resources to be carried out. Make intrapreneurship tangible within the organization.

Advantages

The internal accelerator protects intrapreneurs from pressure induced by the organization and the "tyranny of short-term results", but it allows them to remain in contact with the main internal stakeholders.
Allows rapid project development at a low cost by mobilizing quality resources around intrapreneurs and encourages the emergence of a community of intrapreneurs.

Disadvantages

Elitist device that only involves a few employees. The "accelerated" status can cause jealousy. Medium to long-term financial results (≥ 3 years). A device that can only survive with the unfailing support of powerful sponsors.

Examples

NVO (Nokia), Accélérateur Safran, setecLabs (SETEC), Incubateur interne Michelin.

Recommended for...

Improving the chances of success of innovative projects by leveraging the company resources. Making intrapreneurship tangible within an organization. Revealing atypical profiles with high potential.
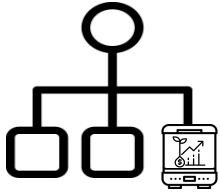
Intrapreneurial division

Description
The intrapreneurial division is a business unit endowed with its own financial and human resources. It defines its own strategy and rules of operation. Strict assessment criteria inspired by capital-risk practices are applied to select and maintain the innovative projects in the division (Internal Corporate Venturing). Sourcing of projects is carried out on an ongoing basis by staff in the division.

Goal
Identify, develop and accelerate internal innovation projects with strong economic and strategic potential. Enhance the company's intangible assets (inventions, patents, brands).

Advantages
The autonomy of the device allows innovative, even disruptive projects to be developed under the best conditions. It is possible to bring together internal (ICV) and external (EVC) venturing projects together under one roof to encourage dialog and cross-fertilization.

Disadvantages
Results and ROI after 3-5 years. Organizational and internal politics issues (conflicts, isolation) that can compromise the proper running and sustainability of the device. If special conditions are offered to intrapreneurs, the device will be poorly perceived by the rest of the employees.

Examples
New Venture Group (Lucent Technologies), Xerox Technology Ventures (Xerox Corporation), Corporate New Ventures (Procter & Gamble), SG Venture (Société Générale), Demain (Prisma)

Recommended for...
Developing a portfolio of adjacent (especially) and disruptive (a little) innovations.
Improving R&D return on investment.
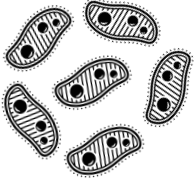
Intrapreneurial organization

Description

For some companies, operating in an intrapreneurial way is standard. Every dimension of their organization is a reflection of this: explicit and shared rules of the game, exemplary actions at the highest level, easily accessible launch capital and technical expertise, simple and transparent assessment procedures, coherent reward systems, flat and decentralized structure.

Goal

Ensure company growth through ongoing innovation. Combat bureaucratization and preserve agility. Preserve the meaning, fundamental values and motivation.

Advantages

Strong internal growth, renewal of the portfolio of products and high margin rates, culture of engagement and results, strong sense of belonging.

Disadvantages

The flat and non-hierarchical structure of the intrapreneurial organization limits the possibilities for vertical promotion. It is an organization in which one has to continually prove one's worth and in which conflict management and a certain amount of decision-making can be complex.

Examples

3M, WL Gore and Alphabet by Google, Prisma Media, makesense

Recommended for...

Companies that possess a strong common ideal and/or a "versatile" technology from which a number of applications targeting different customer segments can be developed. Companies that need to make ongoing innovation their main source of competitive advantage.

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The life cycle of intrapreneurship devices

- The complexity of the devices and the intrapreneurial maturity of an organization are related. Companies generally begin by setting up simple devices and progressively evolve towards more complex devices.

- Two exceptions
    - **The intrapreneurial taskforce** is a simple device, but one that is compatible with a high level of intrapreneurial maturity
    - **The intrapreneurial organization** is a device towards which it is difficult to evolve, even with strong maturity, because it relies on a culture and a structure that are the polar opposite of those of most organizations.
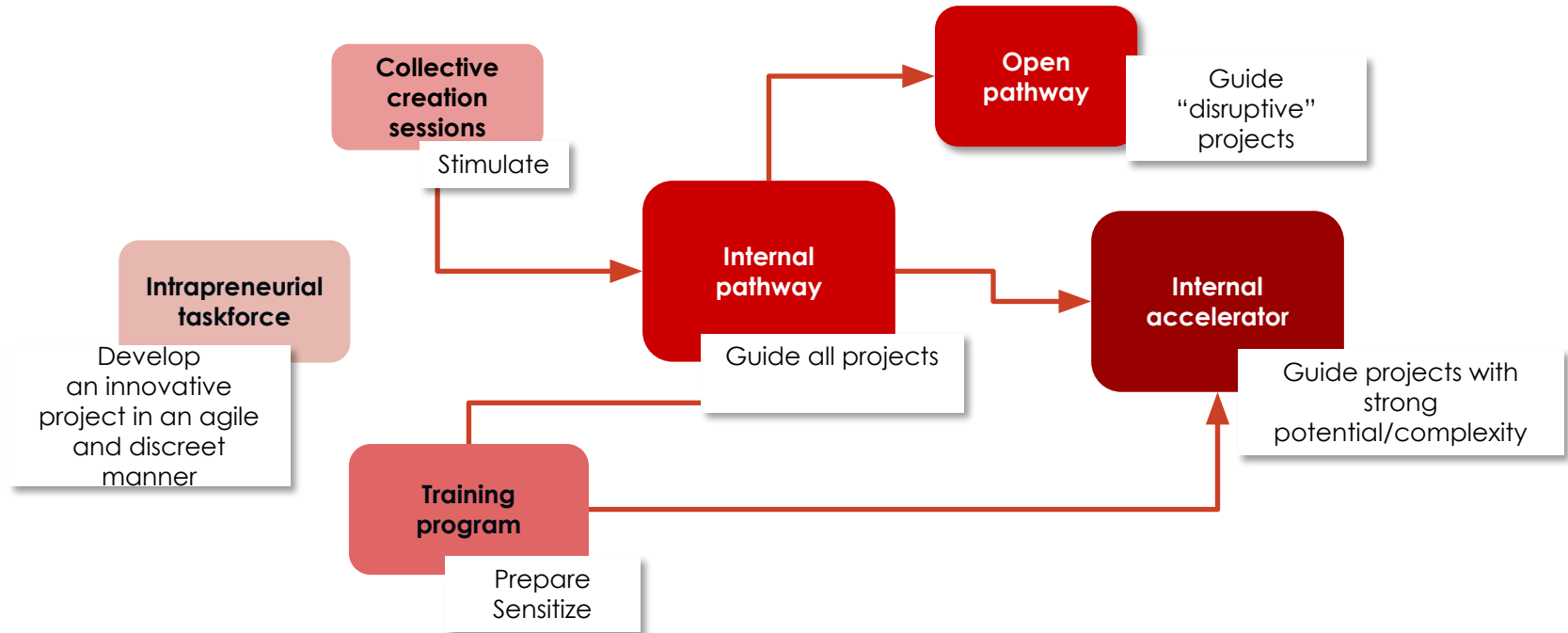
The life cycle of intrapreneurship devices
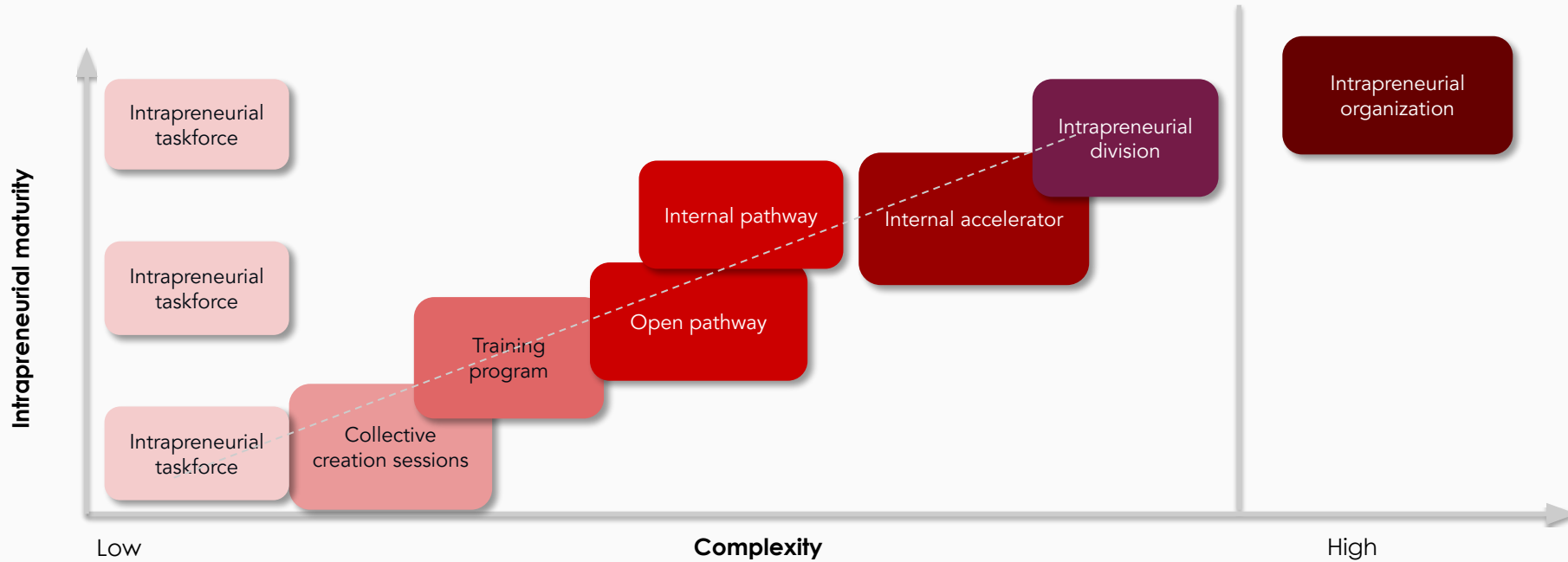
Combine the devices? Yes!

- It is perfectly possible and even recommended to combine several devices because they each respond to different needs.

- The <u>mature</u> intrapreneurial company combines several complementary and interlinked devices.

Collective creation sessions
Stimulate

Open pathway
Guide "disruptive" projects

Intrapreneurial taskforce
Develop an innovative project in an agile and discreet manner

Internal pathway
Guide all projects

Internal accelerator
Guide projects with strong potential/complexity

Training program
Prepare Sensitize

To summarize – choosing the right device

You should **clearly define the end goals you are seeking** with the future intrapreneurship program: What impact do you want it to have (business, innovation, engagement, culture etc.) ? What indicators are you going to track?

You should **honestly assess the intrapreneurial maturity** of your company and choose the right device(s) for that maturity.

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Take things further

Intrapreneurial taskforce

Read the Nespresso case, a resounding success initially led by an intrapreneurial taskforce that took more than ten years to take off.
Listen to the podcast with Christophe Audoin, an intrapreneur at Danone, the successful Lait 2 Vaches project.
Listen to the testimonial by Hadrien Devichi, the first intrapreneur at Société Générale before the program went on to be created.

Collective creation sessions

Read the 2 articles about the CGI innovathon that led to project prototypes but were not followed by guidance.
Read the article about the DARE approach at LVMH that started with a 2-day bootcamp and was followed by several phases of guidance until it was launched throughout the group.

Training program

Read the Siemens Nixdorf case to discover the effects of "solo" intrapreneurship training. In contrast, discover the impact of training ahead of a selection process to integrate an accelerator at Safran (contact vbouchard@em-lyon.com).
Discover the case of Bouygues Telecom, training for 500 top managers in new workplace practices and intrapreneurship for 2 years through 6-day sprints (contact lola@makesense.org).

Take things further

Internal pathway

Read the case of IdClic (Orange) with a testimonial from Xavier Dagras, head of the program.

Open pathway

Listen to the testimonial from Thomas Chappuis, head of the ISC program (Société Générale).

Read the cases of programs operated by makesense (Internal Startup Call at Société Générale, Accélérateur 21 Croix Rouge, La Poste, SNCF etc.).

Internal accelerator

Listen to the advice of Olivier Leclerc and Virginie Coll, heads of the internal accelerator at Safran.

Read the article about the approach at SETEC.

intrapreneurial division

Read the case of New Ventures Group (Lucent Technologies) to discover the workings and the problems encountered by the managers of an intraprenurial division that performed very well nevertheless.

Read the article about the startup studio Demain by Prisma that guides intrapreneurial projects led by interns, externs or mixed groups.

Intrapreneurial organization

Read the case of W.L. Gore. Read the makesense case and talk with Lola Virolle to take things further.

Take things further

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- To take part in our accredited training courses under preferential conditions

- To interact with a panel of confirmed experts and benefit from their advice

- To dialog with and learn from your peers

- To have early access to the results of our research

- To have an impact on the direction of our research

- To integrate the community of intrapreneurs and not miss out on anything of interest

Become a partner of the Institut de l'Intrapreneuriat:

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- To design your innovation strategy in line with the stakes for your business and the new expectations of consumers and associates.

- To design and implement your intrapreneurship program

- To accelerate innovative projects and take part in a community committed to innovation

- To get feedback and recommendations in order to improve an existing program

Let's make an appointment to talk:

lola@makesense.org

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Thank you!

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