

Intrapreneurialism: the next step for society's progression

Global Peter Drucker Challenge 2016 entry

I remember that afternoon all too well. My boss, some of my team and I had just finished a sumptuous 3-course lunch in a decorated ballroom at a 5-star hotel in Knightsbridge. We were at Investment Week's Investment Marketing and Innovation Awards 2016 and the time had come for the award winners to be announced. I clapped along with the rest of the crowd as the winners went up on stage to collect their award. Thankfully, it didn't take long before they reached the Rising Star category, the one which I was nominated for. I held my breath as my teammates clapped and crossed their fingers for me, and after a few moments of suspense, my name was finally called out as the winner. From the moment I stood up from my seat until I came back with the chunk of glass that bore my name and award, I was in a half-daze. The applause from the crowd, excitement and photo snaps from my teammates seemed like a blur as the realization hit me that I was finally recognized as an innovator. Working within a team and for a company, I didn't come up with the latest scientific discovery or life-changing product, but the projects I spearheaded did make a difference to my company's marketing and client experience. Thus, I am officially an intrapreneur, a great personal achievement.

The entrepreneurial society has come a long way since Peter Drucker published *Innovation and Entrepreneurship* in 1985, it is no longer as exclusive as it once was before. In the developed world, one's life is now dominated with various innovations in communications, transport, fitness, leisure and work. My own daily life is filled with products and services provided by startups as well as developed companies. Last week, I read a friend's Facebook (social media) post saying that half their friends are getting married and having kids, while the other half are catching Pokemon (via Pokemon Go, a virtual reality location-based mobile game), in the midst of tracking my food delivery from UberEATS (food delivery with real-time location tracking of courier). Advances in communications and information technology like the above example have contributed immensely to people's lifestyles over the last decade. The proliferation of entrepreneurial ventures is of course funneled in part by the startup ecosystem, frustration with the current incumbent organizations or institutions and the cessation of the traditional career path. However, while we have managed to get innovation accepted within society, it still hasn't made it to the heartbeat of majority of the workforce today. Whilst innovation is abundant in new ventures, it's still largely overshadowed by the status quo in larger corporations.

Innovating in today's world

Drucker defines entrepreneurship as 'purposeful innovation', with innovation being the tool for entrepreneurs and the means by which they 'exploit change as an opportunity for a different business or service'. He doesn't differentiate whether the entrepreneur is starting a new venture, in an already existing organisation of any size

or in a public service institution. Today, while the definition of 'purposeful innovation' still stands, the entrepreneur is used to refer to a person starting a new venture or business while the term intrapreneur is used to refer to the someone already in a secure and stable firm. Being an entrepreneur or intrapreneur today therefore means being innovative.

My vision of an entrepreneur or intrapreneur is someone who is able to discover or create an opportunity and capitalize on it, thereby becoming agents of business change. Drucker claims that there are 7 sources of innovative opportunity, namely the unexpected success, failure or outside event, incongruity between assumed and actual reality, process need innovation, discreet industry or market structure changes, demographic changes, perceptive changes and new knowledge. I believe that while these sources are still valid, opportunity is not confined to these sources. In some cases, room for improvement for a certain product, service or process may be an opportunity in of itself. This is the premise of Drucker's 'creative imitation' entrepreneurial strategy where one tweaks an already existing innovative product, service or process, sets the standard and proceeds to take over the market.

For example, there are already a lot of online ordering apps in the market before UberEATS launched. However, UberEATS made a single improvement in the app where you can see the location of your courier in real-time when they have left the restaurant, along with a real-time estimated time of arrival. This removes the inconvenience of worrying about where the food is or what time it will arrive, leaving the customer free to utilize their time appropriately. This also prevents misunderstandings as to where the courier is as you can see their location on the map and give directions accordingly if they are lost. In short, they removed the frictions of online ordering and delivery, making the service more enjoyable to the end consumer. They saw room for improvement in the user experience and design of the app and launched a superior service. Whether or not they take the market share still remains to be seen as they only launched a few weeks ago.

Of course, UberEATS wasn't Uber's first product. Although still a classed as a startup, Uber has been very successful at revolutionising the transport industry in relation to on-demand taxis and cabs. They just tweaked their existing technology and used it in a different application on a different industry. Drucker would call this diversification, but to me, this is a natural symptom of successful intrapreneurship.

Personal characteristics that foster innovation

Drucker also claims that entrepreneurship is a behavior rather than a personality trait, and I concur. Certain characteristics like curiosity, desire to improve the status quo and resourcefulness are important to developing both entrepreneurial and intrapreneurial behavior. Curiosity fuels the desire to learn and know more, making one more prone to noticing opportunities to innovate and master the market they are

trying to serve. On the other hand, desire to improve the status quo gives one the motivation to search for a better product, process or service to satisfy a customer need. Finally, resourcefulness will catapult the entrepreneur's ideas into reality as there most probably won't be an ideal budget or staff count to begin with.

In terms of skillset, self-awareness, delegation and strategy planning are quite crucial. Self-awareness grounds the entrepreneur to reality about their own strengths and weaknesses, making the task at hand more likely to be a realistic endeavor. Delegation prevents the endeavor from collapsing as it grows and achieves moderate success. Lastly, strategy planning has a prerequisite of careful analysis which makes the endeavor more likely to be well thought through and less destined to fail.

When I successfully ran innovative projects as an intrapreneur, I found that I was in possession of the characteristics and skills outlined above. Curiosity enabled me to painstakingly examine how the process worked and figure out 'what can be improved' and 'how', while the desire to improve the status quo was caused by the motivation to prove myself at my firm back when I was fairly new. In the event that I only got half the budget that I originally requested for a particular scenario, I learnt to be resourceful with my third party providers. Fortunately, I was self-aware of my limitations, which prompted me to ask for crucial feedback when developing the prototype. Delegation was quite key to preventing burnout since the project was highly pressurised and under a tight timeframe. Finally, proper strategy planning helped me divert potential drawbacks to the project.

Once again, I have to stress that the characteristics required to make a successful entrepreneur or intrapreneur are pretty similar. The only difference between the two is the environment in which they operate in.

Developing an innovative spirit

These characteristics and skills are best learned either in the school or the workplace environment; however they should ideally be nurtured in the home as well. Stories of young entrepreneurs building niche startups detail that tinkering with certain items during their childhood years and self-learning the necessary knowledge largely helped their success. Rarely do we find success stories in the entrepreneur or intrapreneur who implements his first idea without the necessary analysis or knowledge required. In fact, Drucker states that careful analysis and knowledge of the market is a key to successful entrepreneurship. However, one does not need to wait for management or authority to dictate the pursuit of an entrepreneurial spirit.

In the home, one can encourage curiosity by welcoming 'why' questions instead of 'what', or even just positively reinforcing a child's natural curiosity. Improving status quo may be nurtured by inviting a child to make a small improvement to everyday life such as how to do chores in less time, or make certain chores easier by improving

the process or incorporating a new device. Resourcefulness can be encouraged by asking a teenager to do something with limited but not scarce resources.

At school, children may be given projects that are meant to stimulate their curiosity and change of process rather than imposing on them that there is only one way to do things, and that deviating from the norm is not ideal.

In the workplace, compensation and job descriptions can be made to reflect one's capacity to innovate in a culture that is open to change. Also, all ideas should also be welcomed, with some going into execution and the others being given a reason for why it can't practically be implemented. When I first started at my current company, I was asked what I thought about certain processes and if there was anything that I could improve about it. This gesture made me feel valued and fostered a desire to change the status quo. An open door policy for questions also encouraged curiosity and increased transparency. When I proposed an idea for an NFC badge system which would aid client logistics and client intelligence for a specific event, it was turned down on the basis of lack of budget. The stakeholder told me that while my proposal made sense and would benefit the event, they only had half the budget I required. That feedback turned out to be pivotal as I went back to my desk determined to pull it off with only half the budget required, and I did. The budget limitation hinged on my resourcefulness to make my proposal into reality. Subsequently, my job description going forward had a line that referred to my capacity to bring to life innovative ideas which enhanced current processes, and year on year I managed to tick that line off because of the receptiveness of my environment.

An environment that fosters innovation

Drucker claims that entrepreneurship is 'not natural nor creative' but 'is work'. I concur that entrepreneurship whether in a new venture or established corporation is 'work', but I believe there are certain environments that can make entrepreneurship 'natural'. Drucker did say that entrepreneurship is a behavior and not a personality. However, for a behavior to manifest there has to be a trigger. Like a person displaying an excited behavior due to an exciting stimulus, I believe an innovative behavior can be triggered by environments or situations. Silicon Valley for example, home to many hi-tech corporations and startup companies, has an atmosphere infectious and conducive to innovation. Surely, feeling innovative in that environment would seem completely natural when one finds a source of opportunity. However it would be biased towards working for or starting a new venture due to the types of companies around.

Entrepreneurship can also be 'creative'. Uber for example found themselves with not only a profitable product, but also a unique real-time geolocation tracking technology

that they then rolled out into UberEATS. It is quite a creative endeavor to find a new application for a completely separate industry but for potentially the same market.

Environments that foster entrepreneurship are on the rise with certain cities like San Francisco, London, Tel Aviv and New York having a cluster of entrepreneurs, accelerators (fixed term cohort based programs that grow startups via mentorship, education and sometimes funding), venture capitals and a wealth of talent, which form the startup ecosystem. However, this ecosystem isn't suitable to intrapreneurs as intrapreneurs operate in a different environment, which is within their respective organizations.

To create an environment fostering intrapreneurship, it is therefore vital for organizations to develop an innovative spirit in their employees, or at least hire intrapreneurs while creating an environment where innovation is encouraged.

Steps to spark an intrapreneurial culture

Drucker claimed that the best way to encourage entrepreneurship in an organization is to set up a separate department, and assign someone in senior management to be accountable. While this set-up works, it is not always possible as the initial resource required may be rejected by senior management in the first place due to the risks it involves. Therefore, here are some subtler practices that may be implemented below senior management level:

Recognition of ideas

The simple gesture of thanking someone for an idea reinforces their idea generation process and encourages them to come up with more. Without ideas or sources of innovative opportunity, there is nothing to act upon. Even if the idea is a bad one, kindly thank the person for their input and proceed to explain why the idea would not work in practice.

Practice transparency

Winning ideas can be generated more effectively if employees are aware of the current business challenges and where they need to focus their efforts. Questions should always be entertained.

Willingly mentor

If you see an idea with potential, encourage the person to develop the idea until there is some ground to put together a business case. Instead of shutting the idea down, ask them the questions they should begin to think about if they were to put the idea to motion. After all, the person needs to develop skills in strategy planning, so it would be useful to practice on ideas that they feel passionate about already.

Advertise examples of success

By nature, people learn from modeling. If they can see that someone else in the firm was able to innovate successfully, they will be more inclined to follow as opposed to when there is no example around. The innovative effort or project should be internally advertised and lauded as a good innovative example that people would be able to draw energy from.

Accept all sizes of innovation

Big innovations may start off small, so never neglect an idea based on the size of impact that it can make. For example, someone may suggest a more efficient way of recording holiday dates which can be automatically circulated to the team. This won't make a big difference to the business, but it will increase transparency on team holiday dates and save the time asking if someone is on holiday.

Progressing society through intrapreneurship

Society has progressed in leaps and bounds through the various innovations that entrepreneurship has brought upon us. The entrepreneurial ecosystem itself has also gotten to a point where it is fairly established and the steps for creating a new venture are broadly defined. However, to truly move and shake society, the incumbents and large organizations themselves have to practice intrapreneurship.

The effects of entrepreneurship will always be limited until the new ventures have taken over the market share, and this won't happen overnight. Furthermore, to completely take over a market, great financial investments are needed which the new ventures might not be able to afford. To truly transform society, we have to see more innovations from large companies who have the resources and financial capabilities needed to scale successful ventures to reach a global market. The entrepreneurs may have rattled the status quo but the intrapreneurs are the ones who have the strength to overthrow it. They are the key to move and shake up society.

Where do we go from here?

Most of us either work for an organization, or handle an organization. If you are in either position, you are in a position to either be an intrapreneur or encourage your staff to be intrapreneurs. As outlined previously, the characteristics and spirit of innovation required for entrepreneurs and intrapreneurs are similar. Now is the time to cultivate a spirit of innovation, to learn from what the entrepreneurs have accomplished and progress society forward. The entrepreneurs have already laid down the foundation, so now it's time for the intrapreneurs to act.

Don't wait, start to innovate. So, any ideas?

References:

Drucker, Peter F. 1985. *Innovation and entrepreneurship: practice and principles*. New York: Harper & Row.