

Week 1 Lecture

A Note About Our Text, Models, and Operating Principles

As you review and read our course text, pay attention to the following observations:

1. The author of our text is an experienced and successful intrapreneur;
2. The author's focus is on building organization cultures and climates that encourage and support organization-wide intrapreneurial activities.

During our study of intrapreneurial activities, models and operating principles, we consider and evaluate several complementary approaches. View these items with the following in mind:

1. Models are simplified representations of complex reality, and models guide rather than dictate; and,
2. All models and operating principles are associated with a foundation truth.

Focusing on the foundation truth associated with suggested models and operating principles is essential. If the organization's value system does not support the foundation truth in play, the model or operating principle will not work for the organization. For example, the Quality Circle model requires a belief that good ideas can come from all organization levels. If an organization's value system does not support this belief, Quality Circles will fail. Be sure to identify the foundation truth associated with proposed models and operating principles, and ensure organization values and foundation truths are aligned.

Why Are Formal Intrapreneurial Activities Important

How important is it to develop a plan and to work the developed plan when launching a new venture? According to an informative study, the short answer appears to be - very important.

Green and Hopp (2017) reviewed 1,088 U.S. entrepreneurs over six years and found that those who operated according to a formal plan were 16% more likely to develop a viable venture than those who operated without a plan. The researchers concluded two things:

- When operating under a written plan, management focus is on attaining defined goals;
- A written plan aids management decision making about allocating and coordinating resources;

- Formal planning was associated with up to a 16% likelihood of developing a viable venture over those operating without a formal plan.

The conclusions seem intuitive; however, quality research suggests the conclusions are worth considering in a practical business environment, and up to a 16% edge is something worth investigating.

While the above research focused on entrepreneurs, similarities between intrapreneurial and entrepreneurial activities suggest a managed approach to venture development is beneficial.

There are common skills associated with entrepreneurs and intrapreneurs. Read this article for information about needed skillsets, [*Skills Needed By Entrepreneurs and Intrapreneurs*](#)

[*\(Links to an external site.\)*](#)

As suggested by the skillsets presented, while intrapreneurs are disruptors, they require formal business and people skills to succeed. Simply announcing, “I am here to break things.” is not enough. The intrapreneur needs support from the organization, and breaking things is not the goal. What is disrupted or broken must be replaced with an improved procedure, service, or product, and formal planning is an advantage when developing replacement ventures.

Uncertainty of Success

Well-developed business and people skills are not enough. Organization culture frames all organization activities. Consider the following observation about the status quo:

“It must be remembered that there is nothing more difficult to plan, more doubtful of success, nor more dangerous to manage than a new system. For the initiator has the enmity of all who would profit by the preservation of the old institution and merely lukewarm defenders in those who gain by the new one” (Machiavelli, trans. 1961).

Machiavelli was a 16th-century Florentine philosopher, and his observation is as appropriate in the 21st century as it was in the 16th century. All organizations do not support the corporate intrapreneur for any number of reasons. The status quo is difficult to overcome, and intrapreneurial change agents must not assume organization-wide automatic support.

Changing the Status Quo

As suggested above, changing the status quo is difficult. When engaging in change activity, keep Machiavelli’s observation in mind, and be sure you understand what it

means to break things and challenge the rules. Anand (2019) offered the observation that rule-breaking is an art. Intrapreneurs must understand the rules so a determination to make informed decisions about the risks, challenges, and rewards associated with the proposed rule-breaking and resultant disruption. Remember that stating “I am here to break things.” is not enough. It is imperative to understand the rules in play and the risks and rewards associated with breaking the rules.

Management Support

Management support for all intrapreneurial activities is mandatory. As mentioned above, developing a formal plan appropriate for the stage of the activity under consideration demonstrates professional business behavior. An incremental approach to planning is effective insofar as management has time to understand the proposed change. An incremental approach also supports control and cost-effective implementation. View the plan as a work-in-progress that develops in incremental and manageable stages.

Finally, ensure the work-in-progress plan is fact-based and supported by quality research. As new information surfaces, update the work-in-progress plan as appropriate. Share the revised work-in-progress plan with all stakeholders. Consider, for example, the information about the benefits of formal planning when launching a new venture, mentioned above. Is the quantitative information offered more persuasive than vague observations about the benefits of planning? Defining what’s in it for the organization is mandatory, and quantitative definitions have the power to persuade.

Here is a link to a generic format for a business plan, [Business Plan Format](#)

[\(Links to an external site.\)](#)

. Pay attention to the executive summary, venture description, and financial projections. The plan serves as a road map for stakeholders to follow and demonstrates that the intrapreneurial effort is a professional business effort.

Interactions With Others

Do not condescend to others. As a rule, regardless of how things look today, good and sufficient reasons informed the original decision. Do not force management and staff to defend the status quo, and do not expect changes to take effect immediately.

References

Anand (2019). *The greenhouse approach. Cultivating intrapreneurship in companies and organizations*. Toronto, Ontario, Canada: Dundurn Press.

Green, J, & Hopp, C. (2017). *Are formal planners more likely to achieve new venture viability? A counterfactual model and analysis. Strategic Entrepreneurship Journal*, 11, 36-60.

Machiavelli, N (1961), *The prince*, London: Penguin.