



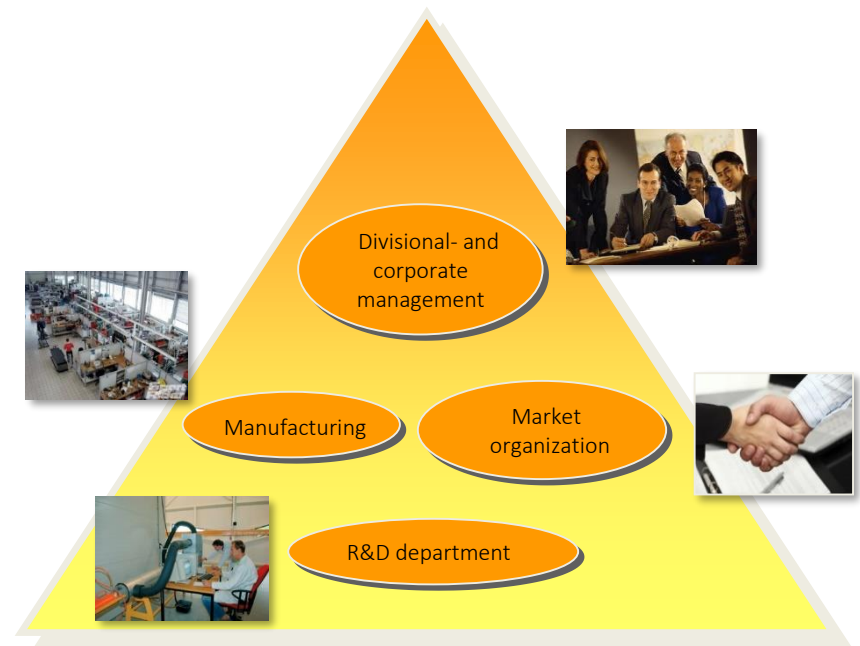
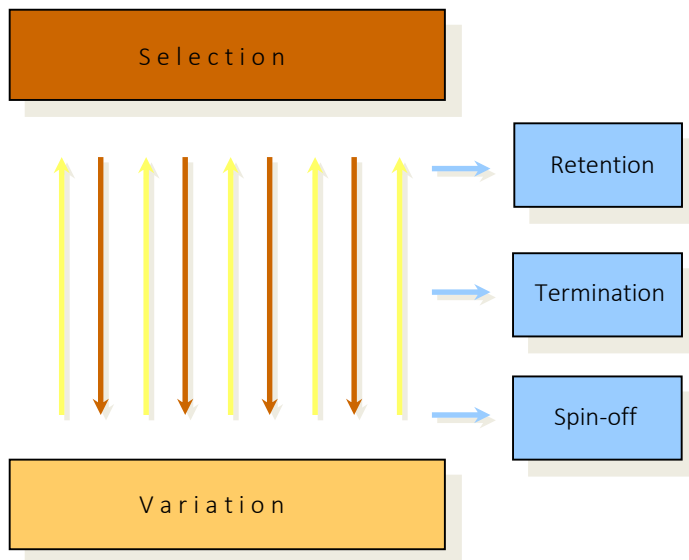
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COURSE SUMMARY



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The ecology of corporate entrepreneurship





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The intrapreneur's perspective

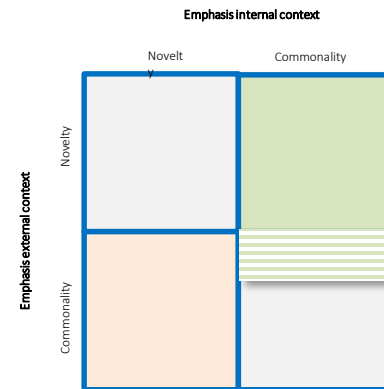
1. The importance of sponsors
2. The importance of “framing”:

What the listener wants
or needs to hear!



Threat - opportunity
Commonality - novelty

Identity
Context (other companies, trends)



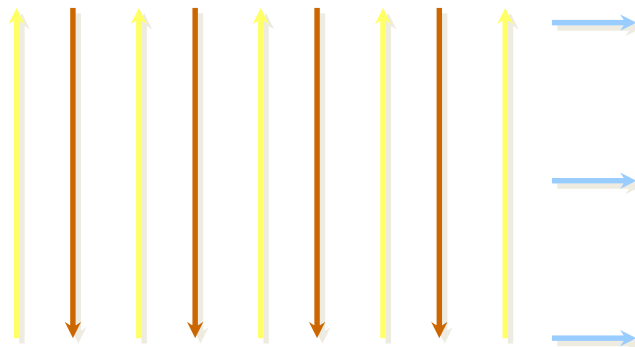
3. The importance of endurance.



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Variation meets selection

Selection



Variation



Optical Systems



Retention

Termination

Spin-off

Designing the entrepreneurial corporation



Keywords: System, structure (reward systems), routines, culture.



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STRUCTURE
Reward system

Top management involvement
(Attraction of talent)

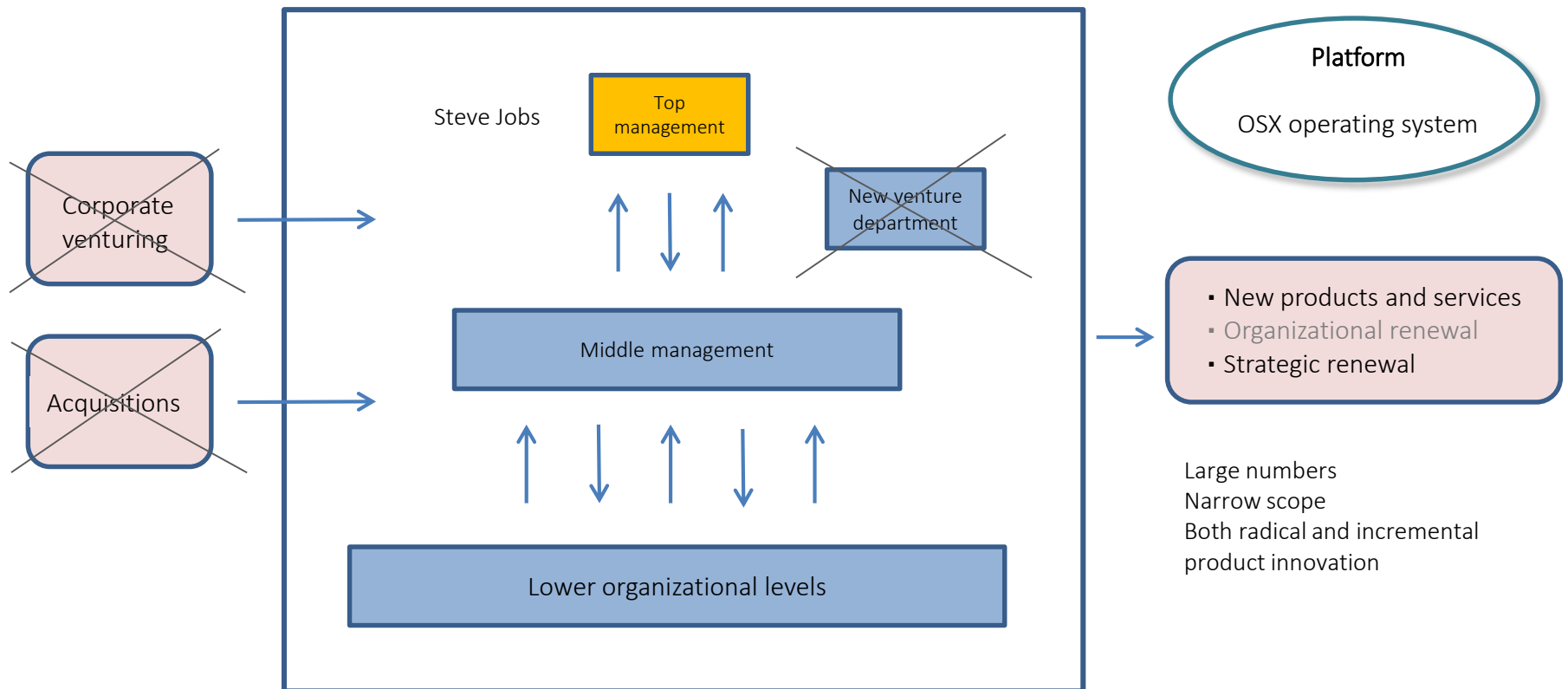
ROUTINES

Extreme customer focus
Iterative process
Simplicity rules
Continuous openness to change
Seamless market introduction

CULTURE

'Insanely great products'
Boldness, risk taking
Love for Apple products

-----> Devoted customers





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“Grow and divide principle”;
projects, departments, new
divisions.

3M

STRUCTURE
Reward system

ROUTINES

CULTURE

6-7% of sales into R&D.

Sales growth 10%, pretax
profit margins 20%, return on
capital employed 27%.

25% of sales from products
introduced within the past 5
years.

Closed NBVD in 1979

Top
management

New venture
department

Middle management

Acquisitions

15% rule, work on innovative
ideas of potential value to
company.

Legitimate to search for
funding at different levels.

Lower organizational levels

“Respect for ideas coming from
below.”

“to stimulate ordinary people to
produce extraordinary
performances.”

“Products belong to divisions,
but technology belongs to the
company.”

Cross-divisional “loans” of
technical personnel.

Acceptance of “well-intentioned
failure”.

Thinsulate and Post-It projects
as role models.

- New products and services

- Organizational renewal

47 divisions

- Strategic renewal

Constant stream of new
‘core’ areas



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360° reviews, including ability
to help others.

Flat organizational
structure.
Delegation of
responsibility and
initiatives.

STRUCTURE
Reward system

ROUTINES

CULTURE

'Campus' designed for
maximizing opportunities for
social interaction and chance
encounters.

Corporate
venturing

Acquisitions

Acquisitions of supporting
technologies and new
businesses.

Top
management

New venture
department

Middle manage

Lower organizational levels

Targeted, elaborate hiring
system; 'learners'.

20% time rule.

Idea contests.

Formal recognition of
innovators and stock
awards.

Internal training about Google
cultural norms:

- Fast is better than slow.
- You can be serious without a suit.
- Great just isn't enough.

Failure accepting culture.

Imprinted awareness of the
dangers of bureaucratization.

▪ New products and services

Opportunities to build
new markets for core
services.

▪ Organizational renewal

Unique attention to
organizational
improvements.

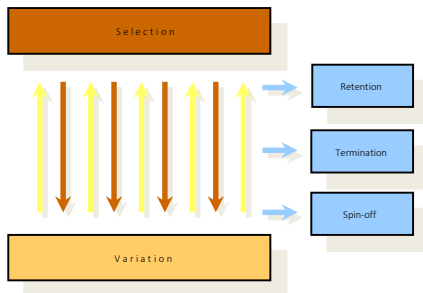
▪ Strategic renewal



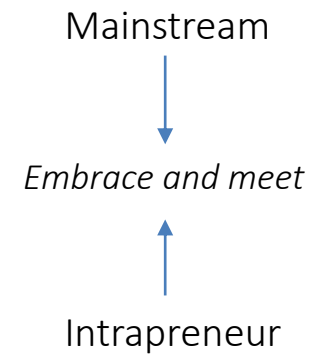
Implications for intrapreneurs

- Understand and embrace the ecology of intrapreneurship:

- The 1/10 rule(s)
- The logic(s) of the mainstream
- The logic of growing ventures



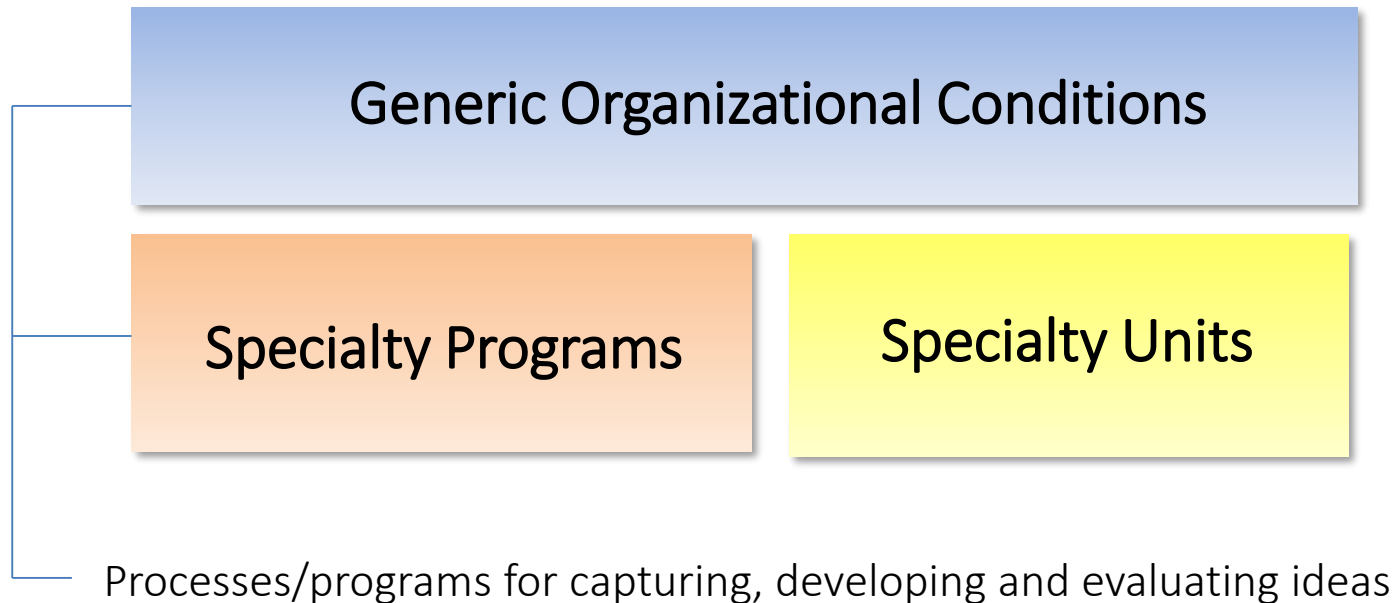
- Attract and retain sponsors
- Network
- Frame the new venture (identity, context, alignment with core strategy)
- Keep doing it and equip yourself with extreme endurance





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Implications for business developers





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Routines (processes/programs)

Formalized and transparent processes for:

- Capturing new venture ideas
- Assessing their development
- Ultimate investment decision



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Processes for capturing, developing and evaluating ideas

- Retention of intrapreneurial team
- Support and coaching throughout different stages
- Minimum bureaucracy and interference
- Reasonable expectations
- Transparent milestones and performance guidelines
- Interconnectedness with the mainstream
- Assessment boards staffed to reflect objectives



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Phase I: Developing the product concept

Technology and product features, market, competition, sources of competitive advantage.

Phase II: Feasibility assessment

Technical feasibility.

Phase III: Developing the business plan

Cost estimates, sales forecasts, risk assessment.

Phase IV: Product launch

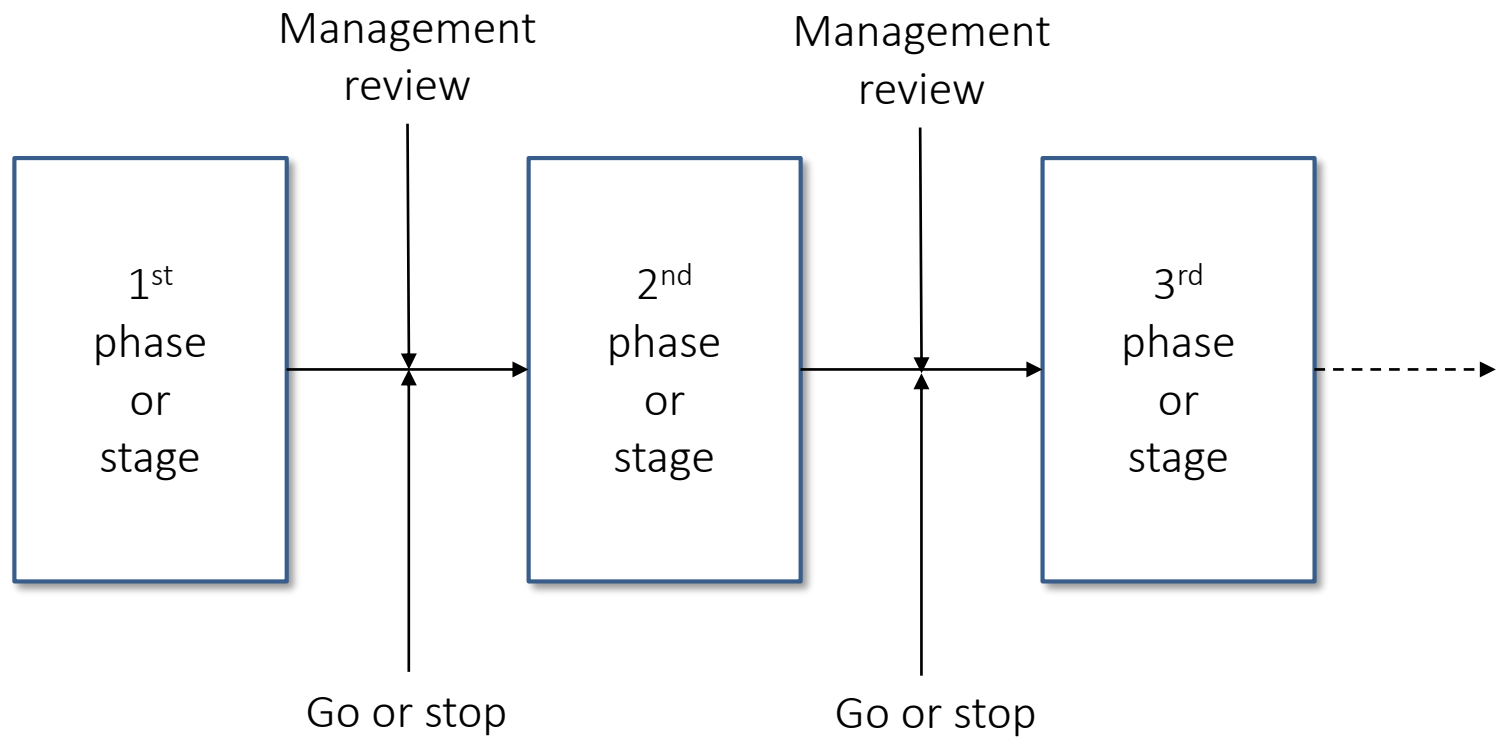
Follow-up

Fast track





Stage-gate models





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Three keys to facilitate difficult decisions

- Transparency (process and assessment criteria)
- Fairness
 - Distributive fairness (resource allocations)
 - Procedural fairness (procedures)
 - Interpersonal fairness (interpersonal treatment)
 - Informational fairness (explanation and justification for allocations)
- Longevity



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*"It's very hard to trip someone who is
always two steps ahead."*

From: Fagerfjäll (2018), Werthénisms



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Available templates



RR DONNELLEY

Alcatel-Lucent



LO/JACK[®]



3M

Google



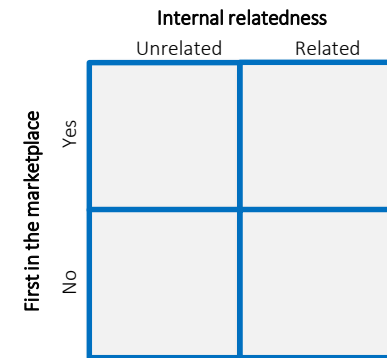
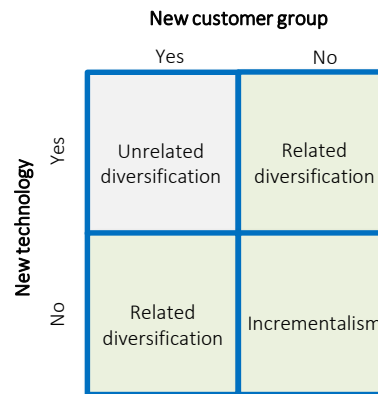
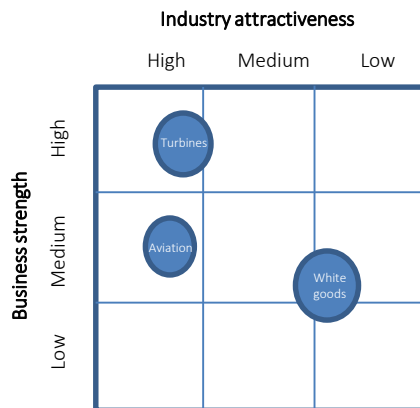
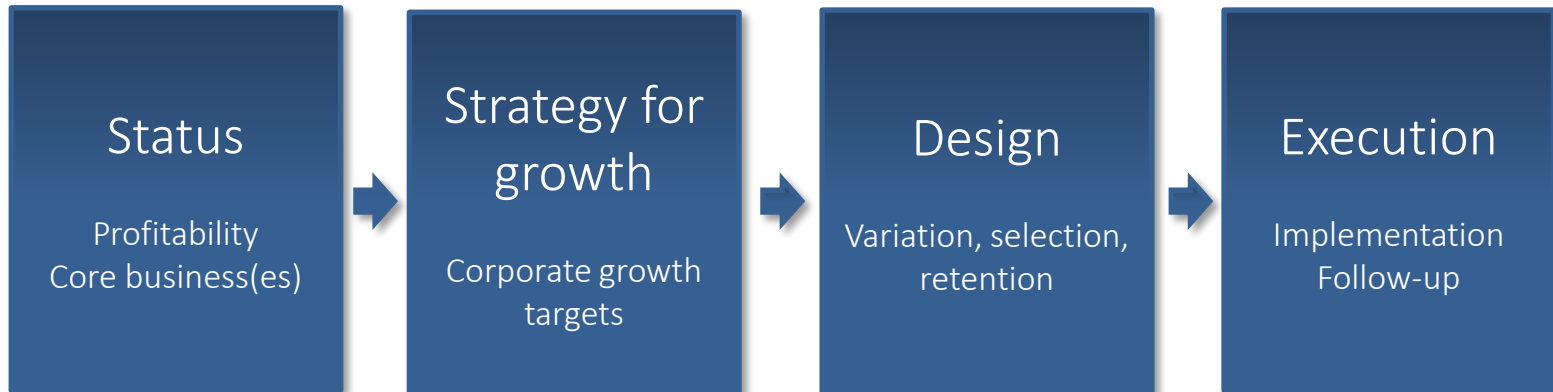
Ohio Bell

Raytheon



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Assessing pathways for corporate growth





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Sci-Ars

RR DONNELLEY

Raytheon

Nieland



3M

Polaroid



Ohio Bell

Wong

Godfrey



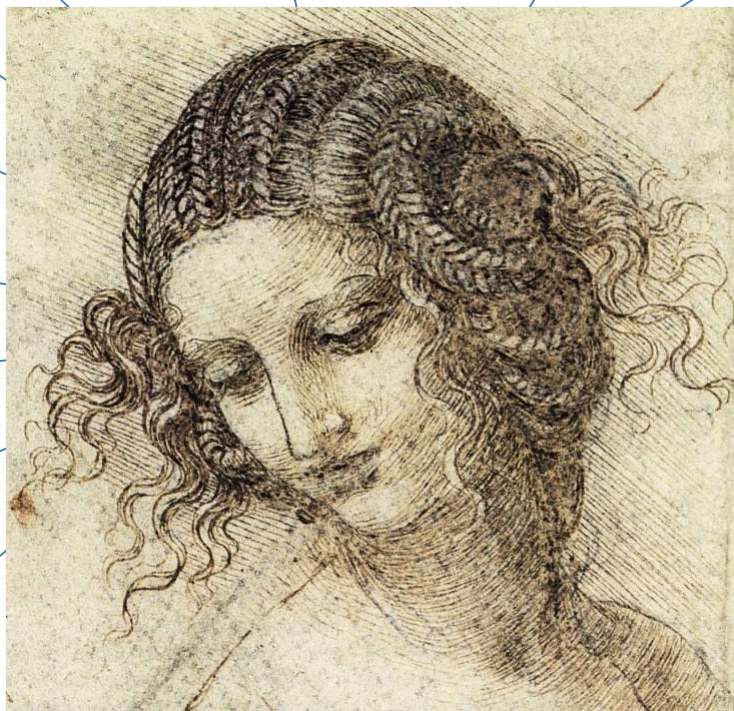
Guhler

Google

Leclerc

LO JACK

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CORPORATE ENTREPRENEURSHIP ACCORDING TO ULF SÖDERGREN

Career: ASEA, Electrolux, Assa Abloy, especially internationally

- Sponsors are needed, for both financing and general support.
- Also, preferably, support from top management.
- You need to show clear business value.
- What matters, and only matters, is customer need.
- You need to work across functions; if too few involved, too much one-sided thinking.
- Knowledge can always be assembled.
- Work process: develop piece by piece and test with customer.
- Work with several customers, not only one.
- You need a control group to follow the venture (and also close it down if needed).
- It's hard to pitch for new business models that don't look like the traditional ones.
- Cannibalism makes internal politics difficult.
- To really develop the newstream, you need to attract the younger generation.
- It's difficult to have two logics working at different speeds in the same company.
- New technology needs to be assessed according to different parameters; a different time horizon is needed.
- If you want to succeed (internally), stay focused on the current customers.
- New ways of working require outside partners.



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WHAT'S NEXT?



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- Upload your essays by Thursday, 17.00.
- Strategic Corporate Entrepreneurship course starts on Tuesday.



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Course structure

INTERNAL

Week 1

Open
innovation,
conceptual
foundations

New venture units
(NVUs)

EXTERNAL - INTERNAL

Weeks 2-4

Corporate venture capital (CVC)
Competitions and challenges
Collaborative innovation
Hackathons
Lead users
User communities

SUMMARY

Weeks 4-5

The
Intrapreneur-
ship Compass

Open book
exam