Intrapreneuring

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1. How Innovation Actually Happens
Innovation

To create and bring into use profitable new products, processes, services, and ways of doing business.
Innovation

To create and **bring into use** profitable new products, processes, services, and ways of doing business.

Creativity + Implementation = innovation
What We’ve Been Taught
How Innovation Actually Happens

Inspiration → Goals → Inspiration

Plan → Fooling Around → Doing

Mistakes → Failure → Goals

Plan → Action → Plans

Goals → Some Other Action → Success

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I’d rather have a class A entrepreneur with a class B idea than a class A idea with a class B entrepreneur.

Steve Jobs
Intrapreneur

• An employee who takes on a role like that of an entrepreneur

• The self-appointed general manager of a new idea

Elizabeth Whelan
Purebond® Intrapreneur
"The intrapreneur is an essential ingredient in every innovation."

- Dr. William Souder

10 year life cycle study of 289 innovations in 53 companies
2. The Nature of the Intrapreneur
Entrepreneurial Myths

Entrepreneurs are:

• Driven by greed
• High risk takers
• Purely intuitive thinkers
• Dishonest
Promoter Facts

Promoters are:

- Driven by greed
- High risk takers
- Purely intuitive thinkers
- Dishonest
Entrepreneurial and Intrapreneurial Facts

- Driven by vision and values
- Moderate risk takers
- Intuitive and analytic
- Honest rule benders

- Internal compass
- Very persistent

Steve Jobs
Intrapreneurs and Entrepreneurs

The Dreamers
Who Do

Thomas Edison

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Chi Pak and Jeff Wiggin

- Chi Pak frustrated by cell phone waste
- Shares problem with Jeff

- Jeff learns of insurance product problem
- Problem with refurbishing capacity
Insurance Business Succeeds

$1 Billion Insurance Biz
Follow on Innovation

- Extra Refurbished Phones?

New Phone Plan
- Sell service and phones separately
Intrapreneurs Rescue T-Mobile

- From losing 500,000 customers a quarter
- To gaining 2.3 million
- From going out of business
- To a force to be reckoned with
Things to Observe

• Intrapreneurs went outside their job descriptions
• Passion played a big role
• Relationship & informal org made it work
• Intrapreneuring is a team sport
3. Intrapreneuring in IT

A story about empowering IT professionals
The Client’s Goals

- Increase IT innovation
- Use bottom up ideas
- Give IT business acumen
- Use rapid iteration with customers
- Build teamwork skills

School for Intrapreneurs
Doorway to Intrapreneuring

• 3 Hour Introduction to Intrapreneuring
• Given to every member of IT Org – 1100 people
• 95% Approval in end

• Idea Expo
  • Share ideas
  • Reveal intrapreneurs
  • Form teams
Pathway to Intrapreneuring

- Online accelerator for **intrapreneurial teams**
  - Rapid prototypes
  - Customer feedback
  - Business models
  - Competitive strategy
  - Financials
  - Dealing with the corporate immune system
- Six weeks, 60 hours of work
- High levels of peer-to-peer social interaction
Sponsor Course

- High Potentials coach intrapreneurs in the *Pathway to Intrapreneuring* accelerator
- The learn secrets of supporting and guiding intrapreneurs
  - Calling for the innovation you need
  - Recognizing and bringing out the intrapreneurial spirit
  - Guiding without taking charge

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The Result in the First Year

- 10:1 ROI on all costs
  - Investment in projects
  - Our fees

- What it means:
  - Vast amounts of intrapreneurial energy is buried in the average organization
  - Bringing them out is a straightforward process
Eye for Pharma Award

‘Most Impactful Emerging or Global Initiative at eyeforpharma Awards 2015

“This is a great idea! Many companies have made similar attempts, but this one just seems to get it right. They are providing the resources and tools to really foster innovation based on the principle that the most innovative ideas come from the people who are actually doing the work.
4. Benefiting from Employees’ Ideas
Suggestion Programs

• Ask for ideas
• Put together a screening team
• Get 200+ ideas
  • Not enough time to evaluate the ideas
  • Innovative ideas need development before evaluation
  • Committee has no time to develop or implement ideas
• Overwhelmed screening team
  • Delays and mostly “no”s
  • Only easy ideas get implemented
• Demoralized and cynical employees

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Intrapreneurial Programs

- Ask for intrapreneurs with ideas
- Self forming teams
- Accelerate the teams
  - Rapid prototypes
  - Customer feedback
  - Redesign
  - Business models
  - Competitive strategy
  - Marketing and sales
  - Organizational immune system
- Review well tested business plans
- Fund and support the best teams
Intrapreneurial Programs

• Ask for intrapreneurs with ideas
• Tell them they must form a team around their idea willing to work on it to go forward
  • This tests for both leadership and quality
  • Screens out many ideas without management “no”s
• Train teams to evaluate & present their ideas
  • Rapid prototypes, business models, financials
  • Teams morph ideas to fit customer needs
  • Develops real business plans
• Review well formed business plans
• Fund and support the best teams
The Paradigm Shift

- **Suggestion Programs**
  - Managers take responsibility for the ideas
  - Managers have to sort out the winners
  - Don’t have the bandwidth to do them justice
  - No implementation plan

- **Intrapreneurial Programs**
  - Responsibility stays with the intrapreneurs
  - They do most of the work
  - They self select
  - Managers see well tested business plans
  - Management’s job is doable
5. Strategic Intrapreneuring

Using intrapreneuring for a specific objective
Hussein Mecklai

- GM of Validation Engineering Group
- 2X volume predicted
- Engineering support model could drive >2X costs
The Extra Challenge

- Report: “Intel is not being cost effective”

- Finance solution: 8% budget cut
- Not just overall, in every line item in Hussein’s budget
Hussein’s Counter-offer

- OK, I’ll take an 8% cut, if and only if, there are no colors of $.

- I get my whole budget to spend as I like.
Counter Offer and Deal

- Friendly finance partner tries to help
- Knows bosses would not buy that
- Finance counter offer: No colors, but a 16% cut
- Hussein:
  “OK, it’s a deal, and I’ll try for 20%”
What Hussein did

• Enlisted the staff’s support and commitment
• Explained the 16% cut to employees
  • We cut expenses or cut heads
  • Made common goal with employees
• Asked for ideas
• Pushed freedom down
• Provided support
Examples of What Happened

• From 16 to 9 sites
• $3000 measuring probe
  • 53 cent solution
• Accounting clerk checks equipment inventory
  • Notices dust, to ebay
• Three benefits to budget
  • Money from sale
  • End depreciation
  • Reduces space; saves rent
Overall End Result

- 19.4% reduction in expenditures
- $94M back to the business
- 2X products supported

Hussein got results by
- Setting an inspiring goal
- Building community around goal
- Empowering and supporting intrapreneurs
6. The Role of the Sponsor

How to be an effective sponsor of innovation
A person of influence who guides, gets resources for, and protects a specific intrapreneurial venture and its team.
Calling for Innovation

“I’ll know it when I see it”
Focused Innovation
Ask For Help

• Not knowing leaves room for others to create
• Intrapreneurs innovate to achieve the vision
Choosing Projects to Sponsor

Bet on people - not plans

- Nothing turns out as planned
- Good people make it work anyway
- Choose intrapreneurs from those already doing it
“Are they laughing?”

General Georges Doriot
The Sponsor’s Dilemma

Need to guide and control

Need to give intrapreneurial team freedom

The waterline criterion

Ask questions; don’t give answers

Lower your status

Take the time to sponsor
7. Five Ways to Sell Your Idea

Overcoming the Corporate Immune System
Selling your idea

1. Ask for advice before asking for resources

2. Gratitude

3. Coalition of sponsors
   - Manage the advisors
   - Map the support network
Re-framing

4. “This doesn’t matter; it’s only a test”

5. Rename and press on

Sales Tool
8. Next Steps

• For Intrapreneurs
• For Managers Supervising Intrapreneurs
For Intrapreneurs

1. Build your team
2. Iterate your design
3. Ask for advice and help
4. Cultivate potential sponsors
5. Network to resources
For Managers of Intrapreneurs

1. Communicate an inspiring vision
2. Ask for help getting there
3. Support intrapreneurs who are already in action
4. Ask open ended questions
5. The School for Intrapreneurs
Download today for free at Amazon!
Give me a business card

I’ll send you a hard copy

gp3@pinchot.com