Sustainable corporate entrepreneurship: Evolving and connecting with the organization

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1. Corporate entrepreneurship: Ad hoc, or a lasting ability?

Corporate entrepreneurial initiative is most often attributed to persistent individuals and such factors as their ability to align with powerful people or be at the right place at the right time. But given the huge resistance to doing anything new, not to mention something really new, how often will the stars align perfectly such that entrepreneurship can shine? While we may admit that corporate entrepreneurship typically happens despite organizations, what we really need to consider is whether it can happen because of the organization. Better yet, what we really should ask is how it can happen—again and again.
In many companies, corporate entrepreneurship takes a cyclical path of enthusiastic support and investment, followed by diminished interest and program cuts. Sometime later, the sequence may begin again (Burgelman & Valikangas, 2005; Chesbrough, 2000). These cycles occur as internal and external shifts impact the organization, often with little predictability; for example, new leadership, a slowing in revenues, economic downturns, or industry upheavals may be catalysts. Corporate entrepreneurship, therefore, is relegated to serendipity if mechanisms are not put in place to support the initiative as the organization and its environment change. Without capturing and leveraging what it has learned over time, the corporation will fail to develop and advance its entrepreneurial capabilities.

The purpose of this article is to help corporations avoid these cycles, and instead progress their entrepreneurial capabilities. In this respect, they shift it from an activity that surfaces only by chance or through momentary concerns of management, to a more sustainable initiative. To develop capabilities for introducing high uncertainty and risk into mature and efficient environments, organizations must make conscious efforts to develop mechanisms for managing this process. Herein, it is described how organizations can develop such systems, focusing on strategic, structural, and process elements. Entrepreneurship is often thought to be in conflict with the processes, strategy, and structure of the mainstream organization (Burgelman & Sayles, 1986; Cheng & Van de Ven, 1996; Day & Shoemaker, 2000; Galbraith, 1982; Kanter, 1989; Sull, 1999). This article shows how established businesses can introduce corporate entrepreneurship into their mainstream operations by maintaining these programs as highly adaptive, flexible systems that preserve organizational connectedness as they evolve.

2. Corporate entrepreneurship beyond serendipity

Corporate entrepreneurship is based on innovation: a new technology, product category, or business model that leads to sustained advantage for the organization developing it. With its successful commercialization, it creates a new source of top-line growth for the organization. Over the long term, it provides an opportunity for ongoing revenues via incremental improvements and follow-on innovations. As such, corporate entrepreneurship is about much more than a new product or a one-off market introduction. It’s targeted toward the creation of a sustainable new business for a company, one based on a distinct competitive position and exceptional value for the firm’s customers. True corporate entrepreneurship relies on people: the entrepreneurs developing these businesses and the managers that guide and support them. It reflects, at its core, an entrepreneurial ability held by the organization.

But how do managers develop this ability? Advice regarding which approaches work best has been somewhat contradictory. Managers are told that people need strategic guidelines for entrepreneurship (Burgelman & Valikangas, 2005; Stopford & Baden-Fuller, 1994). But this imposes boundaries and constraints, so firms are also advised to just allow people to be entrepreneurial and let the results shape strategy (Russell, 1999). They are told to separate the entrepreneurs from the slow and conservative mainstream (Bower & Christensen, 1995; Burgelman & Sayles, 1986). However, this isolates teams from the capabilities they need to build these businesses and the operating units that will eventually need to commercialize them (Spender & Kessler, 1995). And while decision making and evaluation processes can help guide teams and assess progress (Burgelman & Valikangas, 2005), such measures may limit creativity (Cheng & Van de Ven, 1996).

To examine these contradictions and determine how managers can build their ability to sustain entrepreneurship through the inevitable changes in their environment, I studied the evolution of corporate entrepreneurship programs over a period of 4 years in 12 industry-leading organizations: 3M, Air Products, Albany International, Corning, Dupont, GE, IBM, Johnson & Johnson, Kodak, Mead-Westvaco, Sealed Air, and Shell Chemical. All of these companies were building programs to improve the management of entrepreneurship within their organizations.

Site visits were made to each company for interviews with representatives from different managerial levels, functional backgrounds, and business groups, all of whom played key roles in their company’s entrepreneurship programs. Every 6 months over the next 3 years, these contacts were interviewed to determine how the programs evolved and how they were affected by changes within and outside the organization. For additional detail on the research, see Kelley (2009).

During the course of this research, I noticed that there were three distinct ways in which the companies’ support and abilities for entrepreneurship developed during the 3-year research period. A few of the 12 study firms had some entrepreneurial capabilities and at least moderate support for entrepreneurship at the outset, both across the organization and at different managerial levels.
There was a general feeling that good ideas for entrepreneurial ventures could get supported. Typically, communication was open, with people able to converse about ideas with others across the organization, whether or not they knew them previously. Those starting businesses in the past had been rewarded, and even regarded as heroes. There was little fear that failed initiatives would have negative career consequences. The job for these enduring companies, as we may call them, was chiefly centered on adapting their entrepreneurial abilities as change occurred.

Most of the study companies, however, started out lower on the entrepreneurial capabilities/acceptance scale, or didn’t quite fall into the enduring category. In companies like this, there may be pockets of creativity in some parts of the organization, but there is neither a widespread nor sustained understanding about the nature and value of venturing into new areas. In many, entrepreneurship is likely to surface only occasionally, if at all. Such initiatives often falter because of resistance at some level during the process.

Over time, some of the companies I studied were able to improve their entrepreneurial capabilities, adapting and enhancing them as they learned and made adjustments. These progressing companies showed visible improvements: projects moving through the pipeline toward commercialization, or programs demonstrating greater effectiveness. Additionally, they received increased commitment from top management and a higher level of credibility across the broader organization. These firms therefore become more capable and receptive to entrepreneurship over time.

Conversely, some study companies saw their efforts fall victim to inevitable cycles: the ups and downs pretty much every organization faces. These cycling organizations faced diminishing effectiveness as once-promising initiatives no longer fit with the current context. Some programs were reorganized with fewer resources and attention; others were terminated. They left, in their wake, some discouraging signals: that entrepreneurship is no longer important, or perhaps even irresponsible in the current environment. With any lingering effects on the organization’s memory, these signals could potentially counter any later attempts to resurface the activity.

What this cycling pattern lacks is the next iteration in an organization’s entrepreneurial path, and adjustments to changing conditions. I observed two key overall trends in the enduring and progressing companies I studied. First, their strategic, structural, and process contexts for entrepreneurship shifted—sometimes quite frequently—to reflect current and changing conditions within and outside their organizations. These included strategic objectives to guide entrepreneurs, a management structure to support entrepreneurial activities, and processes to inform assessment and decision making. Second, despite the form these contexts assumed at any one point, there was a clear need for the organizations to connect them with their broader environment.

The lessons of this research are illustrated in the Evolve and Connect model. This model is aimed at organizations with currently low or less adequate entrepreneurial capabilities. It is designed to help them build and sustain these abilities in a way that makes progress, rather than fall victim to cycles. As Figure 1 illustrates, managers can build their strategic, structural, and process contexts in a way that makes sustained progress, even as the external environment and the organization itself evolves and changes. Yet, the organizational connection is always maintained.

A note of caution is in order, however. While change may provide the impetus for a firm’s shift toward entrepreneurship, entire organizations do not transform automatically, and they don’t necessarily possess all the capabilities needed to snap to attention and get innovating. Would-be entrepreneurs may be hesitant to come forward with ideas if they’re concerned about the depth and stability of senior management’s commitment to entrepreneurship. They may worry about gaining acceptance from the broader organization, without which they can’t hope to secure the cooperation and collaboration they’ll need to accomplish their goals.

And no matter how badly a company may need reinvention, it can be hazardous to make too many changes at once; doing so can destroy long-established competencies, social structures, and customer relationships that could otherwise be leveraged.

**Figure 1. The Evolve and Connect model**

![Evolve and Connect model](image)
for entrepreneurial initiatives. Stopford and Baden-Fuller (1994, p. 524) acknowledge that "it takes time for organizations to build entrepreneurship and allow systems and attitudes to evolve and change in fundamental ways." They argue that it can take many years for organizations to build this capability and change in ways that allow it to be effective. Consequently, managers need to recognize that their companies are not likely to transform all at once. The Evolve and Connect model is designed to help companies improve their capabilities over time, following a progressing—rather than cycling—pattern.

3. Evolving and connecting the corporate entrepreneurship strategy

Enduring companies frame their entrepreneurial efforts within the larger activities of the organization, and adapt it over time to maintain this connection under changing conditions. For companies just initiating attempts to promote entrepreneurship, a key challenge centers on providing clarity about the strategic objectives for this activity. The problem is, despite articulating the importance of creating new growth opportunities, leaders may nonetheless balk at opportunities that don’t fit the organization. Early experiments that appear to be taking the company into uncharted waters can be disconcerting. Management may not understand, or have considered, how the company can stretch its strategic boundaries. Combine this with organization members who aren’t sure what is appropriate, and it can get to the point where entrepreneurs and top management appear to be on different pages.

Management may consciously decide against over-directing people, in order to get them to think outside the box; by outlining a strategy, managers may otherwise restrict creative efforts. So, the focus is less on defining strategy and more on ensuring the environment reinforces and motivates entrepreneurial behavior (Russell, 1999). In this respect, the reasoning goes, entrepreneurship can flourish with fewer restrictions. If options are kept open, the organization may take advantage of the fact that some initiatives will offer up unanticipated, promising directions. Ian Telford, for example, did just this: he led Dow Chemical into Internet distribution models and new markets with his e-epoxy businesses, which utilize the Internet to sell epoxy products to small volume customers.

The main problem here is that efforts to think outside the box get viewed from inside the box, and if not rejected outright, they are often marginalized to force-fit what’s familiar. Or, they lead to ideas that just don’t make sense, as a Whirlpool project team demonstrates. Team members were given the freedom to use their imagination to develop new ideas for the company. While their concept—a new business based on stationary bike racing on the Internet—was certainly novel, it was far from being a good strategic fit with the appliance company. Fortunately, Whirlpool learned from this innovation experiment, and set guidelines to channel its entrepreneurship efforts.

Broad mandates to get creative in cycling companies can lead the firm to shift between two extremes: from allowing broad exploration that begins to wander, to then reinsing this in and permitting only closely-related opportunities with little chance of producing big wins (Burgelman & Valikangas, 2005). The other hazard with cycling companies is that individuals can misinterpret broad objectives. This can lead to a disconnect between the expectations of management, given they are reasonable to start with, and those leading projects and programs.

Managers of progressing companies need to provide clearer strategic guidelines and reinforce their interpretation, in order to help organization members understand how to align their efforts with the growth ambitions of senior management. The challenge is to define this in a way that stimulates opportunities that pave new paths, yet also makes sense for the organization. To stretch the boundaries of the box, organizations need to help their members understand how this is possible. Rather than simply pursue alignment, or not, they need to determine how their strategy aligns. There are two ways companies can do this: evolve and connect.

3.1. Evolve

Identify actual business domains or platforms that can evolve and lead to new businesses. Firms can provide strategic guidance by identifying specific technology or business domains that could have major potential impact on the organization in the future. 3M, for instance, recently came up with a list of a dozen areas in which to focus its technology investments, including: nanotechnology, drug delivery, energy, and radio frequency identification (RFID). Nokia also adopted this practice several years ago; the firm identified nine business domains, comprising current and potential business opportunities. These were later aggregated into three businesses as prospects became clearer. This exercise allowed Nokia to explore new possibilities and test its future strategic direction. For progressing companies, these are not only a means for exploring, but a way to guide innovators. This practice may also be used by enduring companies periodically, to help them adapt to changed conditions.
Domains can be identified through such practices as assembling multifunctional groups to analyze future trends, having discussions with internal and external experts, and via industry/market research. Or—as Air Products did when it launched a corporate entrepreneurship initiative—companies can collect individual entrepreneurial projects happening around the firm and group them into different platforms based on similarities in objectives, the new capabilities developed, and the industry/market arena. In doing so, the company identifies particular areas of interest. Although broad, this provides an arena into which innovative efforts can be channeled. Eventually, this can happen from a more bottom-up direction, whereby managers identify business arenas that are strategically relevant to the organization.

Academics and practitioners have long viewed platforms as enabling companies to develop new, broad-based skills leading to expansion paths into future markets (see, for example, Kim and Kogut, 1996). Platforms can fall short, though, when they fail to provide an easy translation to commercializable applications. This is particularly problematic when they are considered the sole vehicle of a company’s entrepreneurial endeavors. High expectations can turn to impatience as the platforms appear to be churning, but with no products in sight. We can argue that platforms are about building long-term strategic potential; however, this posture can lead to a lack of attention on finding early applications that can get something to market. This challenge led one company to move away from a sole reliance on platforms, to increasing its emphasis on identifying projects that could provide greater relevance. Although this is a useful solution, it indicates a need for management to connect the platforms to businesses and commercializable opportunities as they are developing.

3.2. Connect

Articulate a strategy for thinking into the future, but that has a logical connection to the organization. Companies can think out into the future, and likely should, but they need to align this future outlook to the current organization. As such, entrepreneurship builds on the organization’s capabilities and history, while moving toward a future strategic vision. This does not mean restricting opportunities to the familiar and simply extending the past. Fundamentally, managers need to communicate how new ventures can make sense for the company. To do this, the company redefines what it does best and how it can lead the company into the future. In introducing its Roomba robot consumer vacuum, for example, iRobot leveraged its robotic expertise in the military and industrial markets to build a whole new business in a new industry, propelling iRobot’s growth and leading to its initial public offering. With this entrepreneurial venture, iRobot redefined itself as both a consumer products and an aerospace/defense company, with robotics being the common connection.

Another illustration is LoJack Corporation, a leader in tracking and recovering stolen automobiles. Its growth ambitions are driven by a broader strategy: to be the premier worldwide provider of wireless tracking and recovery systems for mobile assets. This guides new business efforts that leverage LoJack technology and logistics capabilities toward tracking other things that move; this could include anything from cargo shipments in the trucking business, to Alzheimer’s patients in a nursing or home care situation. The feasibility and additional capabilities—of course—will be important and can be investigated, but this strategic vision helps identify what’s important.

In progressing companies, managers can identify where they want to be relative to strategy; their aspirations. Yet, they may not start out there. They can identify a strategy that fits their current context, realizing this will change and setting expectations that it’s a moving target. For both progressing and enduring companies, shifts in strategy should be understood as adjustments to changing circumstances and the organization’s progress in entrepreneurial thinking. Strategy involves give-and-take over time, whereby strategy is refined and adjusted through experience and learning. As such, there needs to be a constant interplay between articulating the company’s vision for the future and adjusting to the evolution of this future as it unfolds.

4. Evolving flexible and connected structures

Enduring companies generally have entrepreneurial activities dispersed throughout the organization. They may, however, supplement this with a venture group, as Nokia has done for the past 10 years with its Nokia Ventures Organization. They may also temporarily develop structural arrangements—such as new venture evaluation boards or committees identifying promising emerging technologies—to pursue particular objectives. As regards enduring companies, entrepreneurial behavior can arise spontaneously from anywhere in the organization. In most companies, however, it is infrequent and ad hoc. Managers seeking to formalize, or at least
encourage, entrepreneurship need to consider how to structure it.

Some organizations start out with separate venture groups, committing dedicated managers to this task and conferring them with responsibility for overseeing the effort. This creates little disruption for the mainstream organization, and frees up entrepreneurial activities from the bureaucracy and the day-to-day concerns and incentives of the established structure (Bower & Christensen, 1995; Chesbrough, 2000; Jones & Butler, 1992; O’Reilly & Tushman, 2004; Simon & Houghton, 1999). It can be particularly useful when the company is generally risk-averse and has little experience with entrepreneurship. In addition, it may be effective for the early and most uncertain stages of development, or for projects diversifying into entirely unrelated areas.

Yet, venture divisions have often shown little success, typically lasting only 4-5 years (Fast, 1981). Nortel’s Business Ventures Group, for example, survived less than 4 years before being disbanded in 2000 (see O’Connor, 2002) because its senior vice president-level sponsor did not provide enough protection to quell the general skepticism that existed among Nortel’s executive ranks; the latter grew increasingly impatient as the group could not deliver bottom-line results on the investment from Corporate. Additionally, individual ventures—along with their financial burden—transitioned to the business units early on, thereby losing their protected status. As articulated by Joanne Hyland (personal communication, 2000), a Nortel Vice President and leader of the venture group:

The amount of risk that each of the ventures provides is significant. We have been getting more and more scrutiny over the last year as to our financial numbers and also to the level of risk that we were potentially exposing the company to.

As the Nortel case illustrates, venture divisions in cycling companies are easy targets for cutbacks, particularly when management gets impatient with the drain on earnings and the slowness of their financial returns. Indeed, Robert Burgelman (1983) points out that new venture divisions may simply reflect the organization’s discomfort with entrepreneurial behavior, rather than an appropriate structure for managing this activity. At the same time, we must ask about their oversight: whether senior management has imposed too much scrutiny or, on the other hand, granted too much independence with little accompanying support. The more management seeks to separate these groups from the pressures of the mainstream, the more isolated they become. This reduces their ability to tap the resources and skills of the organization, and establish the necessary linkages with the businesses that will commercialize their projects (Burgelman & Sayles, 1986; Spender & Kessler, 1995). According to Michael Tushman and Charles O’Reilly (1996), this structure requires the active involvement of senior-level managers to ensure they maintain a close link between these activities and the established businesses. This leads to two key points about structure.

4.1. Evolve

Match structure to current conditions and evolve it as change impacts the organization and as entrepreneurial abilities evolve. Rather than attempt to identify the best structure for entrepreneurship, it is more important to keep this fluid, allowing structure to change as the organization and its entrepreneurial objectives evolve. Venture groups, committees, and boards may form to address new initiatives. They may then restructure to improve their effectiveness or to adapt to change. And, they can disband when their objectives are achieved or when those objectives are determined to be unachievable through that structure. For progressing companies in the early stages, focus is necessary to ensure that both commitment and understanding accumulate. In many cases, it may be optimal to separate entrepreneurial activity when managerial skills are just developing. As learning takes place, and as skills and practices develop, the operating groups can take more responsibility for it and the company can move on to another structural arrangement.

4.2. Connect

Accompany dedicated structures with a high level of integration with the organization and pull mechanisms from the businesses. Initial attempts to move entrepreneurial activities away from the organizational bureaucracy should eventually be replaced by an emphasis on being an open system with the rest of the organization. As the organization gains experience with entrepreneurship, it can move toward greater structural connections to the businesses. This may occur through a transfer in responsibility for entrepreneurial activity to the businesses, or by requiring increasingly greater involvement of those responsible for commercializing the innovations. But early on, separation without integration can be hazardous to the continued support of the activity.

When IBM initiated its Emerging Business Opportunities (EBO) program, the corporate strategy group was primarily responsible for central leadership
of the program, while the EBO projects were located in and funded by the business groups. This enabled the projects to leverage the advantages of the businesses in which they would ultimately reside. It also reduced the difficulties that would otherwise accompany an eventual transition from project to business group. Yet, corporate-level oversight provided a support system and guidance for nurturing the opportunities. Over time, management and accountability for the projects moved more completely into the business units.

Management can promote integration by ensuring business units fund, or participate in, entrepreneurial projects from the early stages. They will likely need to serve in a brokering function to ensure the businesses don’t marginalize the project. While structures can vary over time, and sometimes significantly so, the need for maintaining the organizational connection remains constant.

5. Adapting broadly understandable process tools

Entrepreneurial initiatives are inherently risky and unpredictable. In addition, moving from idea to commercialization can take years. Along the way, projects will likely encounter unexpected developments: they can stall, muddle along inefficiently, or head toward dead ends. For this reason, companies need some way of evaluating progress, solving problems, and revisiting the trajectory of these projects as they develop. Firms also must make sound investment decisions, providing neither too many nor too few resources to each project (Burgelman & Valikangas, 2005).

Enduring companies recognize that process management practices and tools can help managers evaluate progress, make resource allocation decisions, and deal with new developments and problems arising during the course of a project. These companies are willing to test new processes, adapt them for the context of entrepreneurship, and share what works. But, they also recognize their limits. Traditional process tools are inherently good at increasing efficiency and predictability. Entrepreneurship is far from predictable, however, and resists attempts to follow the logical, reliable paths seen in more routine activities. The more innovative a project, the more likely standard tools will screen them out (Burgelman & Sayles, 1986). For those that make it through, rigid processes can swamp the development team with pressures to adhere closely to the plan, rather than maintain the flexibility needed to respond to unanticipated developments (Fast, 1981). Andy Wong (personal communication, 2007), Vice President and General Manager of the Optical Systems Division at 3M, reveals that:

It’s not possible to anticipate and foresee every obstacle along the way. You have to make adjustments. Sometimes it takes more budget than originally projected, or more time. Sometimes you have to change your business plan focus entirely. If you’re too analytical, over-emphasizing accountability and adhering to the initial plan, you’ll never get there. There has to be some patience; there has to be some ability to learn and adjust.

In companies with low or emergent entrepreneurial capabilities, project team members often see process tools as constraining and inappropriate for highly-uncertain activities. And managers, seeking greater discipline, frequently make the assumption that wholly different processes are required for an activity that has greater uncertainty and unfamiliarity than existing businesses. These often get too complex and burdensome, however. But process tools, done right, can improve the management of entrepreneurship if managers keep the following in mind.

5.1. Evolve

*Use simple and flexible process tools that can adapt and evolve.* Process tools need to be capable of instilling discipline in the process, but require flexibility in their use. Projects may not evolve as planned. It’s better, clearly, to change course than stay on a path that is no longer viable. Consequently, missing targets can actually be a positive development because this can lead to a more promising direction. The key lies in early recognition and redirection; but, the company must set expectations before this happens. Otherwise, a failure to adhere to the original plan can incite tension and doubt. Both project teams and managers evaluating progress need to recognize that this is a process of experimenting, learning, and adapting over time. In the words of one senior manager (personal correspondence, 2002), “You need to have the process built to be flexible to the end result, rather than the end result be slave to the process you assign.”

Managers may find it effective to adopt tools distinct to entrepreneurial-type endeavors. One example of a simple but effective tool is milestone planning. Here, entrepreneurs determine which achievements they will work toward, given the particular uncertainties and requirements of the project. This may involve developing a prototype, getting a letter of commitment from a customer, or securing the cooperation of a key internal stakeholder. These
milestones can serve as indicators of progress for later performance evaluations.

5.2. Connect

Use process tools as an information and communication vehicle to inform decision making and connect entrepreneurial initiatives to the organization. Managers need to rely on a loose set of indicators that can inform their decisions and help them evaluate progress, while also ensuring the project continues to move forward. In Samsung’s Value Innovation Program (VIP), for instance, team members draw value curves to rank particular attributes that can help them set priorities and achieve competitive differentiation. They also set timetables and deadlines to avoid delays that could otherwise be caused by difficult decisions or problems gaining consensus on an issue.

In this respect, processes are less useful in providing answers to a logical sequence of questions, and in dictating what to do next. Effective entrepreneurship instead relies on the judgment of those leading and overseeing the activity. As Ron Pierantozzi (personal communication, 2005), Director of Air Products’ New Business Development group, emphasizes:

You need people that are action, rather than planning, oriented and able to function in an uncertain environment, where goals aren’t always clear. They need to be enthusiastic self-starters. Processes guide; they don’t direct. And they are only as good as the people employing them.

Entrepreneurship requires not only capable entrepreneurs, but also the support and advice of experienced managers. Mike Giersch (personal communication, 2007), Vice President of Corporate Strategy at IBM, emphasizes that “while there is a lot of review and oversight, it’s very atypical of what you’d expect from a corporate office. . . . Rather than inspection, it’s a supportive, roll-up-the-sleeves-and-work-with-these-teams mode of operating.” This hands-on managerial role can also provide opportunities for ensuring the connection is maintained between entrepreneurial projects and the other organizational elements they need to rely on. Managers can advise entrepreneurs or directly intervene in situations indicating a weakening connection.

Processes also played a role in allowing communication between entrepreneurial initiatives and the organizational mainstream. Devoid of innovation lingo and designed to be broadly understood, process tools can form the basis for communicating progress and facilitating dialogue across different organizational units. Entrepreneurial initiatives can, as a result, draw from multiple perspectives and benefit from different expertise areas. With early and continual communication made possible, entrepreneurial initiatives should also gain greater support from units that will play a more involved role as they proceed toward commercialization.

The challenge in designing and employing processes for entrepreneurship entails balancing accountability and effective resource allocation with the need for flexibility and adaptability to the learning gained over time. In addition, managers need to use these tools to communicate progress more broadly. They can therefore maintain organizational connectedness by ensuring these processes are understandable beyond the entrepreneurial context. Processes can then serve as a communication vehicle and a basis for cooperative exchange between entrepreneurial activities and the broader organization.

6. Managerial implications

In applying the Evolve and Connect model, managers can consider the following with regard to strategy, structure, and process.

6.1. Strategy

Managers need to articulate strategy in a way that guides the organization’s entrepreneurial efforts, without unduly restricting exploration and the pursuit of new business opportunities. They can position their strategy in a way that conveys this, or identify actual business domains or platforms of interest. In addition, management will need to communicate broadly that the entrepreneurial strategy is a moving target. Changes in strategy or business domains do not signal failure or incompetence; it is a sound way to manage uncertainty and new developments.

Managers will not only need to communicate strategic vision, but also clarify and help interpret this vision through direct participation in the activity. Managerial participation is critical in helping organization members understand and apply the chosen strategy. Managers can select entrepreneurial leaders that are able to operate under conditions of ambiguity, and then work with them in operationalizing the strategic vision in their projects.

Management will also need to act as brokers between entrepreneurial activities and the businesses, clarifying and reinforcing strategy as the two sides collaborate. Managers can make businesses
responsible for participating in the entrepreneurial part of the portfolio; for example, by having them serve on advisory boards for entrepreneurial projects or by making this participation part of the performance metrics their unit is evaluated on. Further, management will need to communicate broadly across the organization such that team members not only understand how entrepreneurship fits with the company’s overall strategy, but are receptive to the idea. Companies may hold events to assemble people from across the organization, perhaps bringing in outside experts, to develop this understanding.

### 6.2. Structure

Structure can be developed to best address the firm’s objectives for entrepreneurship and the current organizational context. Leadership may choose to separate the activity if organizational receptiveness is very low, or they may locate this activity within the business groups. Management will then need to assign authority for selecting, assessing, and making resource decisions on projects. Regardless of the locus of the activity, it will be critical to engage capable people with high credibility and organiza-

| Table 1. Implementation considerations for the Evolve and Connect model |
|---------------------------------|-----------------|-----------------|-----------------|
| Component | Design | Evolve | Connect |
| Strategy | • Provide clear guidance about how entrepreneurs can pave new paths for the organization | • Maintain a clear strategic vision, while articulating that it’s a moving target | • Communicate and reinforce entrepreneurial strategy with businesses |
| | • Make a logical connection between objectives for entrepreneurship and the company’s strategy and operations | • Incorporate emerging developments into current thinking about strategic vision | • Make businesses responsible for participation in entrepreneurial part of portfolio |
| | • Use domains or platforms to identify interest areas | • Assess strategic implications of internal and external changes, and the organization’s evolving capabilities for entrepreneurship | • Connect platforms to businesses and commercializable opportunities |
| Structure | • Assess current organizational structure and receptiveness for entrepreneurship | • Maintain expectation that structure is a temporary framework for achieving objectives in the current context | • Provide entrepreneurial initiatives with protection from businesses when needed |
| | • Determine initial structure for locating and developing projects | • Change structure and people to adapt to internal and external shifts and the organization’s evolving entrepreneurial capabilities | • Ensure business participation and accountability at each structural iteration |
| | • Assign authority for funding, assessment, and major decisions on projects | • Create or disband boards, committees, and task forces to achieve different objectives if no longer optimal | • Increasingly incorporate businesses into entrepreneurship structure |
| Process | • Identify familiar tools that may be adaptable and simple tools that can facilitate communication of progress | • Reinforce expectations that the process is one of experimenting, learning, and adapting over time | • Use processes with broadly or easily understood language |
| | • Identify appropriate metrics of progress | • Continually ensure processes balance accountability/effective resource allocation with flexibility | • Ensure process can assess and guide on relevance and attractiveness for businesses |
| | • Emphasize the importance of people over process, and the implications for entrepreneurs and managers | • Adapt processes to fit current situation | • Include businesses in accountability for progress measures |
tional connections to oversee it. This better assures effectiveness and signals leadership's commitment, particularly to critics that inevitably surface early in the process.

Structure will change, however, as managers learn what works best; as the organization progresses its capabilities; and as other internal and external changes impact these efforts. Like changes in strategy, changes in structure should be seen as an adaptation, rather than failure or incompetence. Managers will need to set these expectations upfront: that entrepreneurial structure is more fluid than the more lasting arrangements characterizing the mainstream. They must frequently evaluate the current entrepreneurship structure and its appropriateness for enabling entrepreneurship, given how the organization has evolved in its entrepreneurial abilities and in light of any internal and external changes that have taken place.

Managers will also need to consider how to maintain connection with the organizational mainstream at each structural iteration. The structure may increasingly involve businesses, perhaps with a transfer of more of the entrepreneurial activity into operating units, along with greater funding responsibility. Maintaining accountability of the businesses and managerial oversight, with occasional intervention, will be key to this transition.

Integration also involves ensuring that learning and commitment around entrepreneurship transfers beyond any focused entrepreneurial activity into the broader organization. Managers can, therefore, move people in and out of entrepreneurial projects. Those participating in these activities can exchange experience and develop best practices that can move out into the organization. They can disseminate knowledge through forums and other avenues of communication and collaboration.

6.3. Process

Rather than seek complex tools designed for innovative tasks, companies just starting out on the entrepreneurship path should look for familiar or simple tools that can be adapted as needed to assist in assessment and decision making. In addition, people are critical to charting a course and solving problems effectively in an entrepreneurial environment. Managers will thus need to put people in place that can deal with ambiguity, stay motivated through unforeseen challenges, and work with others to acquire and integrate information from a variety of sources. They can also ensure process tools are used in a way that maximizes flexibility, while providing information useful for evaluation and problem solving. Understanding the advantages of, as well as the limits to, process tools is essential. Entrepreneurs will need to rely on their own informed assessment and problem solving with others, including their managers.

Finally, these tools can be used to communicate progress to other current and future stakeholders, including managers making resource decisions and units that will play a role in a project’s commercialization. Exclusive jargon should be avoided; organization members should understand the process and entrepreneurs should communicate frequently on progress. Businesses can be included in taking responsibility for tasks and performance metrics. Table 1 summarizes these implementation guidelines, with advice for designing, evolving, and connecting strategy, structure, and process.

7. Concluding thoughts

The building of a sustainable ability for corporate entrepreneurship is an evolving process. There is no set formula determining the ideal approach for a particular organization or a specific entrepreneurial project. Instead, managers need to see elements such as strategy, structure, and process as initial starting points that require adjusting as conditions change and as more experience is gained with entrepreneurship. Consequently, it may be more important to develop feedback mechanisms and maintain sufficient flexibility to change and adapt, rather than attempt to get it right at the outset. While we may think that a traditional organization’s process, strategy, and structure are not compatible with entrepreneurship, considering this activity apart from the mainstream may be a theoretical ideal that does not take into account the system in which it must function.

Managers can apply the Evolve and Connect model by: (1) providing strategic guidance for entrepreneurial activities, while directly ensuring this vision is interpreted and reinforced throughout the organization; (2) establishing structures to address the firm’s objectives for entrepreneurship within the current context, while setting expectations about integration with the rest of the organization and evolution over time; and (3) introducing process tools as an information source for the evaluation and problem solving efforts of informed entrepreneurs and managers, and as a communication vehicle for the rest of the organization. By adopting these practices, managers can ensure their organizations follow a progressing—rather than a cycling—pattern in developing and sustaining their entrepreneurial capabilities over time.
References


