EXECUTIVE BRIEFING

Corporate Entrepreneurship: Antidote or Oxymoron?

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Many large companies are seeking ways of reinventing or revitalizing their entrepreneurial roots. These companies often long for some of the spark, innovation, speed and risk taking that they once had, but which have slowly eroded under the weight of size, bureaucracy, complex processes and hierarchy. Corporate entrepreneurship encompasses a set of activities, attitudes, and actions that are believed to help large companies regain some of this lost magic. Although much has been written about corporate entrepreneurship over the last ten years, very little is understood regarding its implementation within large company settings. First, the concept is little understood beyond the halls of academia, and there are very few guidelines regarding successful implementation. This article discusses what corporate entrepreneurship is, and highlights a number of field examples where it has been implemented. The article then examines lessons learned from these field experiments, and provides the reader with suggestions and cautions on how to infuse more entrepreneurial spirit into their own organizations.

Keywords: Corporate entrepreneurship, Intrapreneuring, Organizational transformation, Industry rule-breaking

Introduction

Amazon.com has forced Barnes and Noble to reevaluate and change some key aspects of its business model. Homeruns.com has changed the way many people shop for groceries, and Autobytel has forced GM and others to put up their own websites in direct competition with their own dealers. What’s going on? The little guys are taking advantage of the big guys, and the big guys have to fight back … fast. Corporate entrepreneurship is quickly becoming the weapon of choice for many of these large companies. It is an attempt to steal and inculcate some of the thunder from these little entrepreneurial start-ups.

Corporate entrepreneurship can be a powerful antidote to large company staleness, lack of innovation, stagnated top-line growth, and the inertia that often overtakes the large, mature companies of the world. Corporate entrepreneurship can also be an oxymoron, a novel approach to new business development that often sits uncomfortably, sometimes impossibly, next to the planning, structure and careful organization many large companies have often built so carefully over the years.

The purpose of this article is to look at corporate entrepreneurship. What it is, why large companies are turning to it, and how they are trying to create and embrace it in their cultures. It will also look at how corporate entrepreneurship can be a powerful tool for innovation and growth, but there are also inherent dangers lurking.

What is Corporate Entrepreneurship? It Sounds Like an Oxymoron

To understand corporate entrepreneurship, we must first look at its parent, ‘start-up’ entrepreneurship. Some readers will see an oxymoron in the term ‘corporate entrepreneurship’. Entrepreneurs are generally associated with start-up businesses. Often the heroes of culture, their pure grit, determination, and risk-taking seem to allow them to do amazing things – Bill Gates, creating Microsoft, Henry Ford, the mass-produced automobile, and Jeff Bezos, founding Amazon.com. Start-up entrepreneurs don’t work for large companies; they create them.

Start-up entrepreneurs do three things very well.
They identify opportunities, shape and develop these opportunities, and then they create a business structure to turn these opportunities into successful business ventures. The starting point is a new idea. This new idea could be revolutionary or evolutionary and it might not even be theirs, but there is something unique about it. Start-up entrepreneurs then begin to explore this idea to see if is just an idea or an opportunity. They change it, shape it, modify it, and sometimes discard it for something better. Once they are satisfied that their idea has commercial merit, they begin to build an organization of people and resources to go about capturing the opportunity.

Many fail, some succeed, some sell their ideas to others, but they are all attempting to create something that did not exist before. Start-up entrepreneurs are, by definition, creators; creators of ideas, jobs, and economic value. From observation and research, we know a lot about start-up entrepreneurs (Timmons, 1989; Bygrave, 1997). They create value where none existed before. They take big, but usually carefully calculated risks, and expect big rewards. They are willing to fail while learning and they are extremely persistent and resolute in the pursuit of their dreams.

But, with size comes structure, organization and planning. These are generally things that most start-up entrepreneurs abhor but learn to live with, albeit, begrudgingly. Ask Steve Jobs how he liked working at Apple before he was unceremoniously chucked out. Often start-up entrepreneurs are so turned off by the bureaucracy that begins to dog them as their organizations take off, that they leave to start another new company. They long for the freedom and creativity they once had – no board of directors or stock analysts watching every move they make!

**Why Are Big Companies Turning Towards Corporate Entrepreneurship?**

Big companies are turning towards corporate entrepreneurship because they are not getting the continual innovation, growth, and value creation that they once had (Hamel, 1999). Unfortunately, many CEOs look around their own company, and see very few entrepreneurially-minded folks. Perhaps they never showed up to work because of their dislike of large company bureaucracy and politics. Or those who did show up were either pushed out or learned to stop pushing. America may love its entrepreneurs, but large companies have a way of eroding their entrepreneurial underpinnings.

In large companies, most managers are rewarded for minimizing risk, following the rules, and performing their functional roles to the best of their abilities. They look forward to a predictable paycheck and, in many instances, a fairly predictable bonus. Their pay has a limited upside and a cushioned downside. Most big company managers would be hard pressed to call themselves value creators. They are quota and budget watchers. They are planners and organizers and more rule adherents than rule breakers. Big companies have slavishly gone after waste and redundancy with, sometimes, spectacular success. But these machinations rarely create long-term sustainable value for the shareholders. It helps the bottom line, but not necessarily the top line.

**Re-Awakening the Magic**

So how then can a corporate leader try to re-establish this start-up kind of mentality in his or her large company where the organization’s sheer size and bureaucracy have managed to kill this type of behavior? Let’s look at what some of the key researchers have discovered about this emerging field (Covin and Miles, 1999; Colvin and Slevin, 1991; Stopford and Baden-Fuller, 1994) over the last 10 years.

**Different Flavors**

The concept of Corporate Entrepreneurship, initially called ‘Intrapreneuring’ (Pinchot, 1985) is essentially ‘start-up’ entrepreneurship turned inward. The literature has loosely identified four types of Corporate Entrepreneurship, one of which, if not properly applied, may artificially stretch the notion of Entrepreneurship beyond the original definition first proffered by Schumpeter (1934). The four types of Corporate Entrepreneurship are: Corporate Venturing, Intrapreneuring, Organizational Transformation, and Industry Rule Breaking. The reader will see that there is a great deal of overlap in these typologies, but they are helpful in understanding various approaches.

**Corporate Venturing**

Corporate venturing involves starting a business within a business, usually emanating from a core competency or process. A bank, for example, which has a core competency in transaction processing, turns this into a separate business and offers transaction processing to other companies who need mass processing of information.

In some organizations, functions like product development are tasked with being the people responsible for new venture creation. Ventures usually involve the creation, nurturing, and development of a new business that comes from within the old business, but represents a significantly new product or market opportunity. Unlike simple line extensions, ventures require vast amounts of new learning on the part of
the organization. New, but not totally foreign competencies are required, or current competencies are leveraged in a completely new way.

Mott’s, a subsidiary of Cadbury Schweppes, for example, has recently embarked on a journey to develop a more creative, innovative and entrepreneurial culture. Mott’s is a conservative, successful organization, but they have now agreed to double shareholder value every three years. This tremendously aggressive goal can’t be reached through different colored applesauce for kids. They must develop new businesses and new markets. Mott’s has a superb back office set-up honed over the years to support their field salesforce. One idea emanating from a Mott’s corporate intrapreneur was the idea of Mott’s selling this back office competency to smaller companies whose current back office support was either poor or absent. Mott’s would then be in a completely new business, that of outsourcing by leveraging a core competency.

Thermo-Electron provides another example of venturing. They attempted to take their laser technology, which had been historically used in medical, military, and industrial markets, to the beauty/cosmetic market. They designed a laser, which was purpose-built to painlessly and effectively remove facial and body hair from women in a salon setting. While their core competency was laser technology, this market was totally new and required tremendous learning on the part of the company.

Procter and Gamble has just recently started a marketing consulting company born out of their highly developed and closely guarded consumer packaging expertise. They have found that other companies like Coca Cola will pay dearly for this type of advice and so P and G has decided to share this information for the right price.

Siemens-Nixdorf, a former subsidiary of the giant Siemens AG, located in Germany, provides an excellent example of intrapreneuring. In 1995, they embarked on a two-year process which attempted to systematically create corporate entrepreneurs out of 300 line managers inside the Siemens Nixdorf (SNI) division. SNI had approximately 35,000 employees and gross revenues of 8 billion USD.

Gerhard Schulmeyer, President of SNI in 1995 and now president of Siemens US, had embarked on an organization-wide change program to turn a rather staid, conservative, risk-averse culture into a more opportunistic, market-focused, fast, flexible organization. His goal was to compete more effectively with the likes of HP, IBM, Arthur Andersen and the small aggressive boutique IT vendors increasingly present in the marketplace.

Schulmeyer had already brought in new board members from the outside and was involved in a number of internal change efforts when Babson was approached to design and deliver a corporate entrepreneurship program to these 300 unit managers. SNI’s goal was to turn 300 unit managers into intrapreneurs who would be close to their markets and be skilled in spotting high potential new business opportunities. In addition, they were expected to help infect others in the organization with a newly found entrepreneurial attitude.

The Siemens and Mott’s examples are rooted in the idea that a company needs to develop a critical mass of internal entrepreneurs who are intimately and closely tied to new or emerging markets and technologies. These intrapreneurs are then accountable for identifying and pursuing, or encouraging the pursuit of, new business opportunities or innovations in current businesses.

Intrapreneuring

Intrapreneuring, first espoused by Pinchot (1985), is an attempt to take the mindset and behaviors that external entrepreneurs have, and inculcate these characteristics into their employees. Sometimes the company wants every employee to act like an entrepreneur, but a more typical approach involves the targeting of a subset of managers to act as corporate entrepreneurs. Companies usually want this cadre of corporate entrepreneurs to identify and develop spin-ups (innovations in current businesses that can lead to substantial growth opportunities) or to create an environment where more innovation and entrepreneurial behavior is evidenced.

Organizational Transformation

Organizational Transformation is another variation or flavor of corporate entrepreneurship concept especially if the transformation results in the development of new business opportunities. This type of entrepreneurship only fits the original Schumpeterian definition if the transformation involves innovation, a new arrangement or combination of resources, and results in the creation of sustainable economic value. Clearly, some transformations meet these requirements, while others do not. Transforming an organization by de-layering, cost cutting, re-engineering, downsizing, and using the latest technology does not guarantee that the organization will recognize or capture new opportunities.

"Corporate entrepreneurship is not about business as usual. It is about unusual businesses or unusual approaches to business."

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Sun Financial Group, a large international insurance/financial services organization, found itself under increasing pressure to cut costs and improve profitability. They were not asking for entrepreneurship per se, only creative cost cutting. Ian Kennedy, a middle manager at their Annuity Service Center, was told to do more with less. Cut costs or be cut. He put a design team together who came up with a new way of re-arranging his department and resources into cross trained, self-directed work teams so that they could more effectively and efficiently serve their agents and the end customer. Ian did not start out trying to be entrepreneurial. But, his rearrangement of resources in a new and different pattern resulted in the ability of the company to process significantly more business while at the same time, drastically reduce the cost per policy. The truly entrepreneurial part of this rearrangement was their ability to increase the speed of the application and vetting process for the company’s insurance policies. It now gave them a competitive edge, a new core capability resulting in significantly more business. This rearrangement of resources required no investment. In fact, it saved money. Thus, this manager changed an internal process that resulted in a new value proposition for the agent and the end customer.

**Industry Rule-Bending**

Industry Rule-Bending is another type of transformation but focuses on changing the rules of competitive engagement. Stopford and Baden-Fuller (1993) label this behavior as ‘frame-breaking change’. Toyota, for example, changed the rules of the game in the automobile industry by producing low cost automobiles with exceptionally high quality. As a result, US and European auto manufacturers were forced by Toyota and other Japanese automakers to follow suit. Thus, Toyota not only transformed itself, but also helped to start a wholesale transformation of the industry.

Many new e-commerce companies have earned dizzying market capitalizations in the same way. Amazon.com changed the way books are sold. Callyx and Corolla utilize the Internet and catalog sales to ship flowers directly from the grower to the customer. Flowers no longer spend time in a flower shop ageing. These are two examples of changing the former rules of competition. In fact, they have cut out an entire segment of the typical industry business system or model, the retail flower shop.

**Commonalities**

Despite the lack of clarity around the concept of corporate entrepreneurship (Covin and Miles, 1999), Corporate Venturing, Intrapreneuring, Organizational Transformation and Industry Rule Bending share a number of common elements with one another, and with external or traditional start-up entrepreneurial ventures:

1. The creation of something new, which did not exist before. This something new could be a new business within a business, a product, a service, a delivery system or a new value to the customer. It could also mean the exploitation of a technology that someone else invented, but did not capitalize on. Michael Dell and Bill Gates are both successful, in large measure because they exploited others’ technologies. Dell exploited IBM’s PC architecture, which IBM left unprotected, and Gates took advantage of the research on object-oriented software developed, but never commercialized by, Xerox.

2. These new things require additional resources and or changes in the pattern of resource deployment within the organization.

3. Learning takes place in both the creation of the new thing and its implementation which results in the development of new organizational competencies and capabilities. These three commonalities are cited most often in the research. Less cited, however, are the following common threads that we have observed in our fieldwork and which seem equally important in remaining true to the original concept of entrepreneurship:

4. The new business product or service is intended to result in long-term economic value and the creation of wealth for the stockholders, owners, or society.

5. The financial returns resulting from the ‘new thing’ are predicted to be better than the returns resulting from the current deployment of resources. (This last item comes from the author’s view and is evident in those companies who formally support corporate entrepreneurship.) Otherwise, companies would turn their assets into cash and put the money in savings accounts or secure investment instruments.

6. Increased risk for the organization because the ‘new thing’ is unproven. Even if the organization is creating something new for itself but not new to the marketplace, the ability to actually implement is unproven and therefore there is increased risk that the ‘new thing’ won’t work correctly, be too late to the market, or cost too much to produce.

So we can see that corporate entrepreneurship is not about business as usual. It is about unusual businesses or unusual approaches to business.

**Why Turn to It?**

Not all companies need to embrace a concept of corporate entrepreneurship. Some companies are doing quite well running their businesses in a
planned, effective, and efficient manner. But some companies need a jolt, an infusion of creativity, especially if they are operating in rapidly changing or turbulent environments. Because rapidly changing environments are by definition unpredictable, planning becomes a fairly imprecise and blunt weapon. If you can’t plan for an unpredictable future, then you have to prepare for it by building an organization that is opportunity focused. Start-ups are already built for or around an opportunity that arises. They were probably built because someone saw an opportunity, and that someone quickly put people and resources together in order to capture that opportunity. Speed and flexibility are what allows start-ups and small entrepreneurial companies to send chills down the spines of their large bureaucratic brethren.

Therefore, it is the large, slow-moving, bureaucratic organization operating in an increasingly turbulent environment that needs to do the most amount of entrepreneurial soul searching. These are the companies that must build themselves to be more opportunity-focused in both mind and body, in both vision and structure. The companies who are coming to us for help in corporate entrepreneurship have at least seen the problem. They realize that opportunities are passing them by and the little guys are getting them. Siemens-Nixdorf, for example, became increasingly unhappy because they had a lot of smart people who were quite good at seeing new opportunities in the marketplace, but the company was so systematic, budget obsessed, and bureaucratized that it could not capture these opportunities in a timely fashion. Six months late to a high tech innovation party, is probably too late to catch up.

Many Roads to Heaven

Companies can take a number of different approaches to becoming more entrepreneurial. AVCO Financial Services, a large international finance company was a very organized, detailed organization controlled by many governmental requirements in the management of their business. These governmental requirements demanded great attention to detail, complex systems, and daily financial reporting mechanisms. Not the stuff of entrepreneurial, fast companies.

Nonetheless, AVCO was quite entrepreneurial. They did not try to change the whole culture, or create a mass of internal entrepreneurs, nor dabble too far into corporate venturing, but it was still entrepreneurial. AVCO has operations all over the world, but mainly in the Americas, Europe, and in Asia. Much of their innovation and branch operations experiments were done in Australia. Their reasoning was quite sound. First, Australia was far enough away from corporate headquarters in Irvine, California that the experiments could be undetected for months. And even if sanctioned, the experiments were being done in that odd country down under that seemed so remote to many at headquarters that it didn’t make much of an image on the corporate radar screen.

If the experiment worked in Australia, they would migrate the new concept to England, then to Canada and eventually to corporate headquarters in Irvine. While the company could be generally described as slow-moving and bureaucratic by the nature of its inherent industry, it was able to institutionalize just enough innovation and entrepreneurial spirit to keep the organization on its toes as an innovator. It should be clear that AVCO doesn’t need corporate venturing (although one could make a case that Australia is their incubator), and it’s not trying to identify and anoint a cadre of internal entrepreneurs. But, it has found a safe harbor for innovation and has steadily nurtured new ideas and experiments and it has found a way to test these ideas around the world. Things that work are shared with everyone else. Things that don’t work get a hearing and then are killed.

Some companies, like Siemens-Nixdorf, try to take many roads at the same time: culture change, identification and development of intrapreneurs, and new venture creation funded by an internal venture capital firm appropriately called ‘The New Stars’ program. Thermo-Electron, on the other hand has, an institutionalized model for identifying new technologies, leveraging the good ones into separately run spin-off businesses, and doing so in a very planned and systematic manner.

PDVSA, the large Venezuelan State-owned oil giant, simply tried to educate a number of managers and employees to think and act more like owners and entrepreneurs. They were not necessarily expected to create new ventures, but to act everyday in ways that were more consistent with opportunity focus than standard managerial or budgetary focus. They wanted their managers to behave differently so that employees experienced a new managerial model; one that supported suggestions, listened to new business ideas, and recognized and rewarded employees for innovative thinking and acting.

And Now About the Pitfalls, and Some Advice

Over the last 10 years, we have worked with a number of large organizations that have tried to implement one or more forms of corporate entrepreneurship. We have seen spectacular successes and resounding failures. In each case, we have tried to describe, and then analyze and understand the underlying causes for these very different results.
Below is a summary of our findings from these numerous field experiences.

Hoping for more of the entrepreneurial magic is not the same as getting it. There are many challenges that need to be identified and then managed:

1. Don’t be Easily Seduced. Entrepreneurship is sexy. It sounds sexy and it’s very hot right now in a number of countries around the world where overnight entrepreneurial millionaires are increasingly spotlighted in the media. It sounds like a wonderful remedy for a large struggling company. But embarking on a course of creating a more entrepreneurial culture is always much more difficult than an organization realizes. It could mean major changes in an organization’s culture and values, challenging the traditional reward and motivations schemes.

2. Leadership at the Top is Often Seduced by the Concept, but Unwilling to Walk the Walk. I refused to help the CEO of a large company try to inculcate more entrepreneurship in his company because he refused to let people take risks and make mistakes. This is a key cultural value that a company should not only subscribe to, but act upon as well, if it wants to be more entrepreneurial. This particular CEO fired most mistake makers, and was not about to change his stripes any time soon. Failure must be expected in the learning process and if what the corporate entrepreneur is doing does not require learning, then he’s not being an entrepreneur. Learning necessitates mistakes. Any new corporate venture will have mistakes, and this is where the learning takes place that allows the entrepreneur to shape his or her new venture. Start-up entrepreneurs know the value of both mistakes and failures. Large companies often go out of their way to disallow any mistakes or failures and punish those who make them. Jack Welch is rumored to have promoted a middle manager two levels for losing a lot of money in a new venture because he wanted to get the message out that GE has to make mistakes if it is to venture into new and un-chartered waters.

3. Not Knowing What the Company Really Wants When it Talks about Corporate Entrepreneurship. Many companies come to us for help in this area, and one of our first questions is, ‘What do you really mean by more entrepreneurship in your organization?’ We often find that the executives themselves do not really know what they mean. Sometimes they are just looking for a quick fix to a couple of down quarters. Other times, they want to do some really creative thinking and believe that this thing called ‘corporate entrepreneurship’ must somehow be a magic bullet. And other companies want their managers to take more ownership and responsibility for the business. Some executives turn out to be looking for a band-aid to cover a hemorrhage, and others are trying to treat a sprained ankle with a lower body cast. Hopefully, this article can help many of these people understand the territory of corporate entrepreneurship better so that they can make a more enlightened assessment as to whether this is the road they should be traveling or not.

4. The Wrong People. Only recently are we starting to believe that some companies have de-hired entrepreneurially minded people. In most of the large companies we have researched who are attempting to go down the entrepreneurial road, we usually find a small, but vocal number of latent entrepreneurs, chomping at the bit to try a hand at being a corporate entrepreneur. They are also willing to step out of their career ladder and leave the typical career path behind. These are the folks who usually jump at the chance to create something new. But we are also finding companies who don’t seem to have any of these kinds of people. In this case, the company is ill advised to try and turn these people into corporate entrepreneurs. Instead, the company would be better advised to go out and get people who have some of this spirit. In one instance, we know of an organization that actually bought a smaller more entrepreneurial organization, in order to move some of these people into the corporate setting to shake things up. In addition, these new people started hiring much differently than their predecessors.

5. Upper Middle Managers. Sorry, upper middle managers, but you are often the least likely to either want to be entrepreneurial or support others who want to be. We have actually found people at the executive board level and first line managers to be more entrepreneurially oriented than the upper middle management of a company. There are numerous reasons for this finding, but perhaps the most obvious one is that people at this level have played the political game extremely well on their way to the top. They are almost there and anything that challenges their career path will not be welcomed. We recently ran a program for a well-known company in the packaged goods industry and were astonished to find that the highest potential functional managers in the course, several of whom had MBA’s from prestigious business schools, were the most threatened about trying to be corporate entrepreneurs. Although they were the first to sign up for the program, they were the first to leave when they found out that they might have to step out of their well-planned and pruned career track to start-up a new venture which appeared to be uncertain.
6. **Being a Part-time Entrepreneur.** Most companies expect their newly minted entrepreneurs to do their day job and then identify, develop, and capture a new business opportunity. If the person’s day job is not directly that of business development, then the company is saying: ‘We’re only a little serious about this idea; otherwise, we would let you and your team pursue this high potential venture full-time.’ Now, some companies, like Intel, will pull an individual off of his or her current job to pursue a new opportunity on a full-time basis. But large companies, just learning about corporate entrepreneurship, are afraid that if the venture doesn’t succeed, then they won’t know what to do with the employees who stepped off the career track other than to let them go – certainly not a great ad for a stimulating future in corporate entrepreneurship. We have seen a number of high potential opportunities go by the boards, because the corporate entrepreneur eventually ran out of energy and motivation doing two jobs and working 18 hours per day. If an opportunity is worth pursuing, then it is worth pursuing by somebody, or, more likely, by a team on a full-time basis.

7. **Skills.** Creativity is in abundance in every organization. People, by nature, are creative. All of us have great ideas on a daily basis. But ideas are not opportunities. In our research in corporate entrepreneurship, we have found the ideation, or idea generation phase, to be relatively easy. You get smart people together with customers, and give them insights into emerging trends and markets, and you often get great ideas for new ventures and new businesses. But the entrepreneur’s secret is not in the ideation phase. In fact, many start-up entrepreneurs steal (‘borrow’, if you prefer) ideas from others. Their genius, and therefore their creativity is in the art of the deal, putting the people, resources, and energy together, shaping the deal and executing on it. This requires skills that are different than ideation. It requires an understanding of markets and marketing, finances, systems, people management, and most importantly, an understanding of one’s own strengths and weaknesses. Babson has a ‘Hall of Fame’ of entrepreneurs whose pictures line the walls of one of our campus buildings. Each spring, we celebrate our heritage of entrepreneurial education by honoring these successful entrepreneurs and inviting them to campus to meet with and speak to our students. One consistent message they always give us is that they were just smart enough to hire people smarter than themselves. This translates into hiring people with the skills in finance, marketing, etc., that we don’t possess. Thus, expecting corporate entrepreneurs to have all these skills is quite naïve. We have found some individuals who do have much of the right stuff, but often we find that the corporate entrepreneur needs to be given a well-orchestrated team to help in the opportunity development and capturing phases.

8. **Funding.** Money isn’t always required for pursuing new ventures, but it helps. Companies that do not think like venture capitalists when it comes to funding new ventures are unlikely to succeed. The most frightening thing that we encounter in our fieldwork is the development of a venture capital group inside the business run by the CFO and the Executive Committee. This is surely one of the quickest ways to kill new venture creation. The venture capital fund makes a great deal of sense, but you don’t want the CFO and senior management with their political baggage making the final decisions on new venture funding. We recommend that this type of structure be managed or at least heavily influenced by members from the outside venture capital community. Not only do they bring a solid understanding of the venture capital mindset, they also understand the mind of the entrepreneur and the need for an entrepreneurial team. This kind of insight is worth paying for. In addition, venture capitalists understand the notion of seed money. They will seed many projects and hope that a few succeed. The ones that start to get traction are given more money, and the ones that don’t are slowly, and sometimes not so slowly, weeded out. This idea of seeding numerous ventures and expecting a high percentage of failures is usually an anathema to a large company. They like to analyze and then only bet on one or two big ideas. Venture capitalists know that great opportunities are generally not known until they are developed to a point where serious funding makes sense. Therefore you have to test it, and the seeding philosophy allows for this. Most CFOs are not attuned to this sort of thinking. They are paid and trained to reduce risk rather than encourage it.

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**The Good News**

Despite all of the aforementioned caveats, when corporate entrepreneurship works, it can work spectacularly. One of our corporate entrepreneurs succeeded in developing a 250 million dollar business as a result of his training in one of our programs as a corporate entrepreneur. He credits much of his success in this venture to the confidence he felt when he realized that much of the magic could be learned. And, if the company is serious and supportive of internal entrepreneurs, it doesn’t take too many of these types of successes to prove the concept. In the final analysis, corporate entrepreneurship can be a powerful tool for innovation, growth, and personal fulfillment if approached thoughtfully and with courage of conviction.
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