



“Intrapreneurship” in the Age of Global and Digital Disruption

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Roadmap

WHAT do we mean with intrapreneurship today?

WHY do many incumbents struggle to be intrapreneurial?

HOW can incumbents become intrapreneurial?

Roadmap

WHAT do we
mean with
intrapreneurship
today?

Start-ups have emerged from the shadow to become disruptors



Video (You Tube): Magic Leap gives a hope to cease zoos and aquarias

<https://www.youtube.com/watch?v=REoI1QC7Uy0>

... And this is happening globally

2015



Was the 2nd
most
valuable
start-up in
the world

2016



Sales in China
in 2016 **-26%**

From 3rd to
6th position

Start-ups thrive on disruptive business models



Platform Value

Connecting buyers with suppliers, lenders with borrowers, data creators with data user, etc.



Experience Value

Bringing speed, convenience, non-friction, disintermediation value to customers



Cost Value

Bringing much cheaper solutions to customers thanks to greater empowerment (transparency, pay as you use)



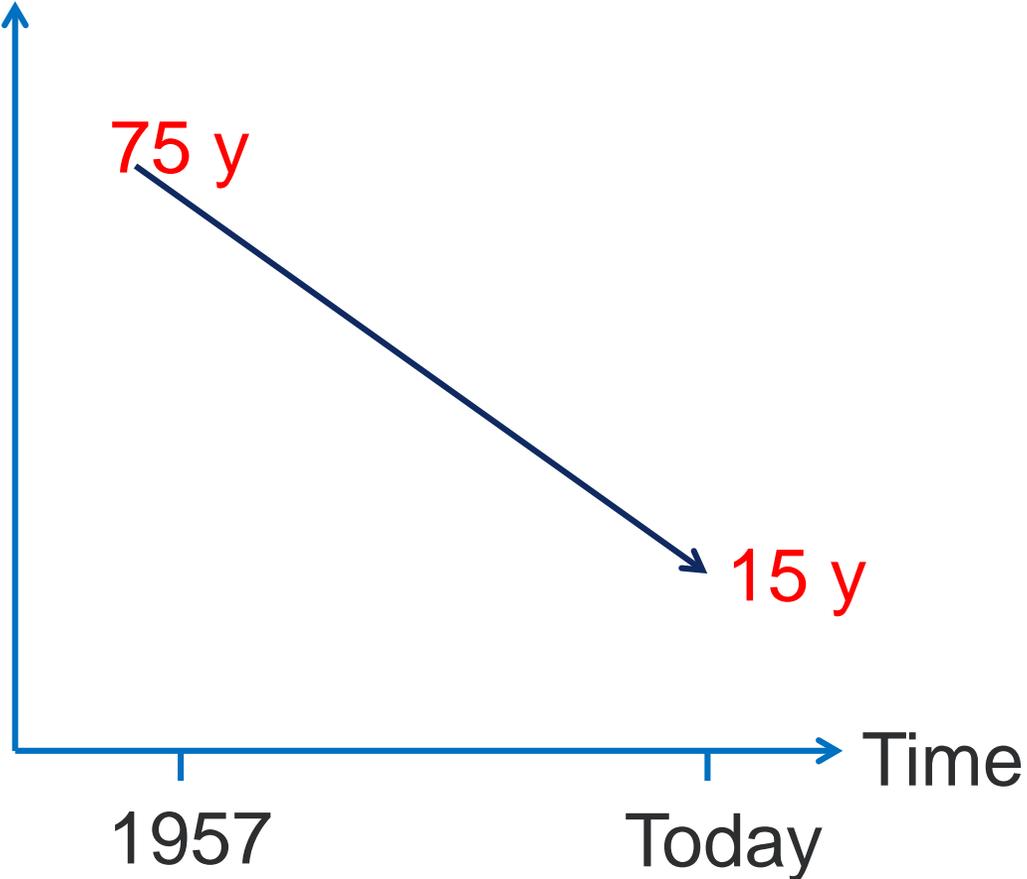
Adapted from: The Digital Vortex (Loucks et al, IMD, 2015).

Prof. Stéphane J.G. Girod - 2017



Implications for incumbents

Average # of years firms stay in S&P 500



Source: The Economist, Fail Often, Fail Well (14 April 2011)

- The tables have turned
- If start-ups set the new standards, incumbents have to emulate them
- Intrapreneurship is about self-disruption

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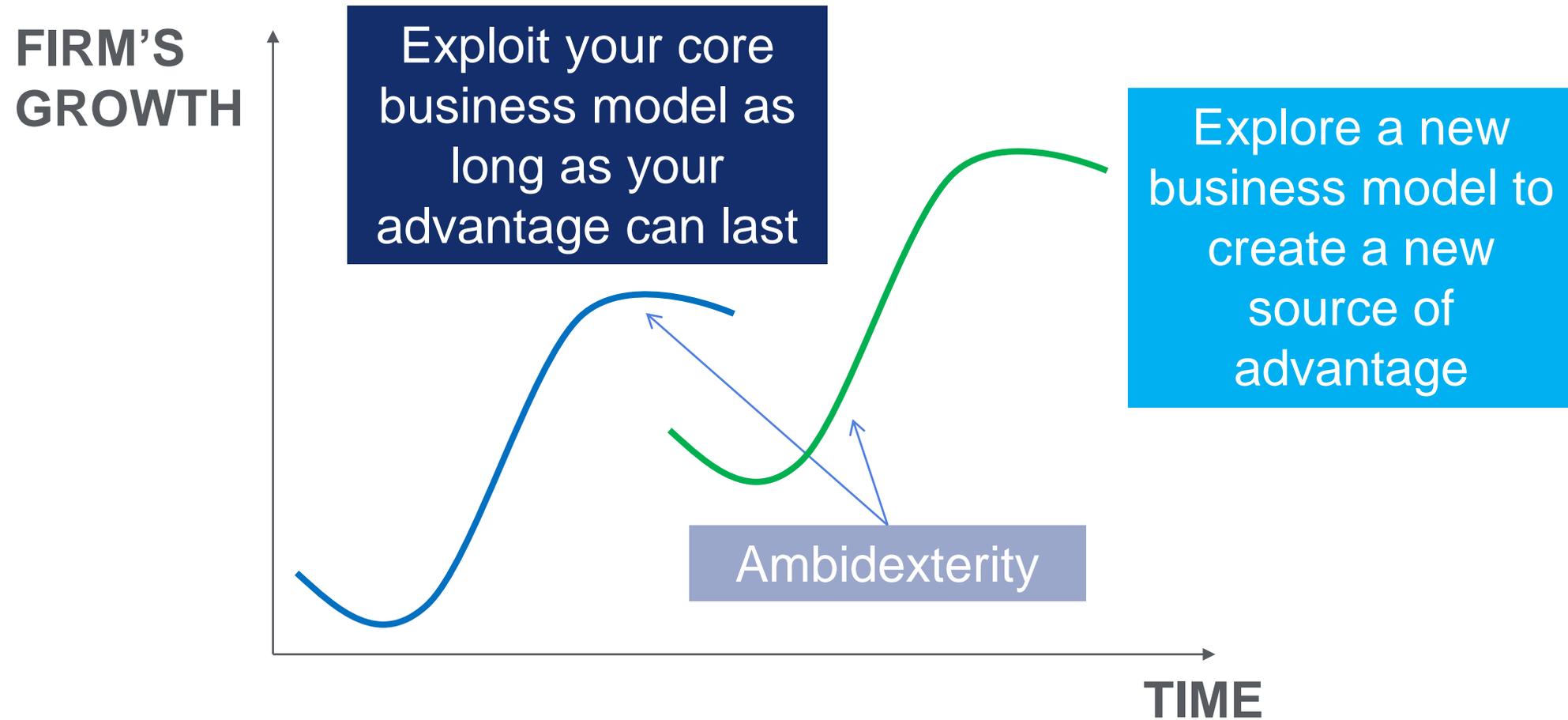


Pair discussion

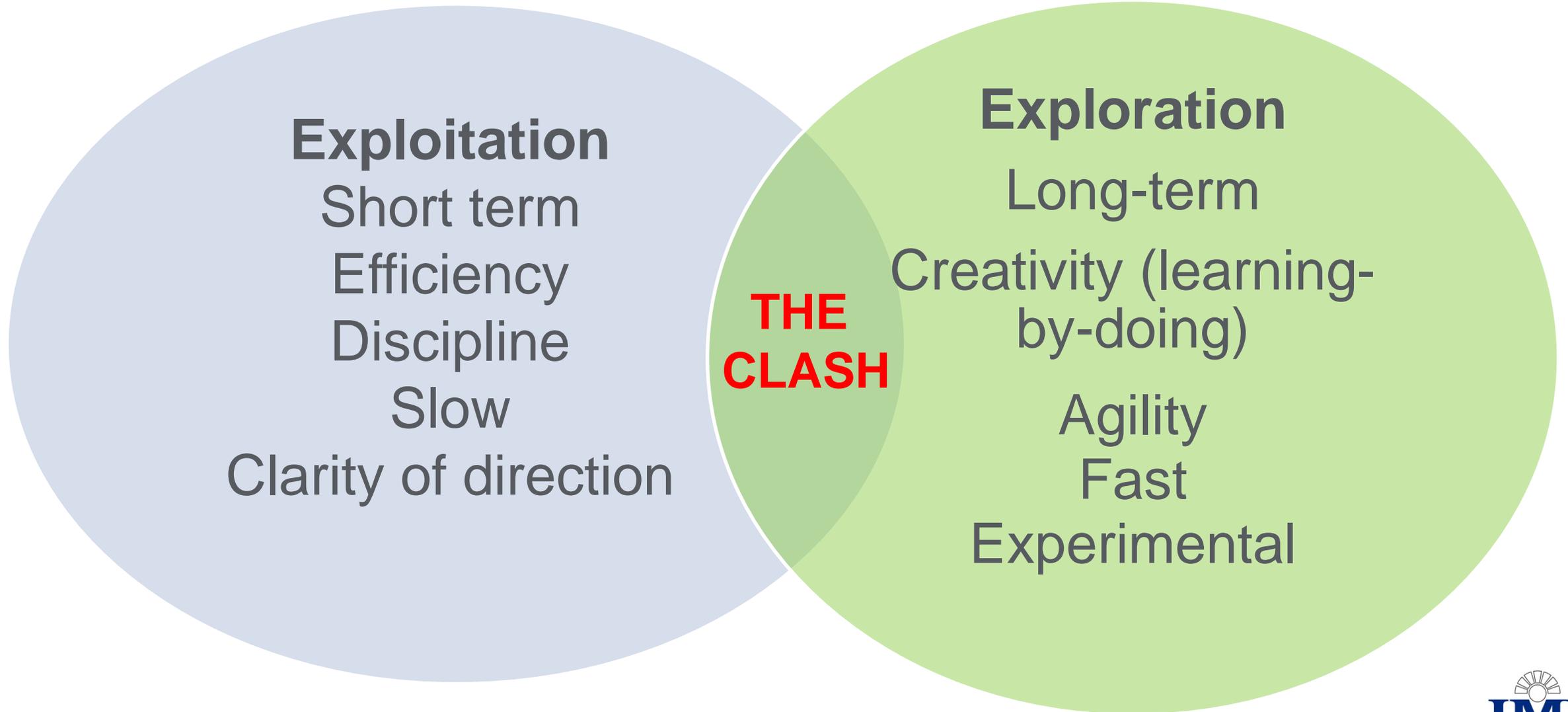
➤ In your experience, what's holding incumbent companies back?

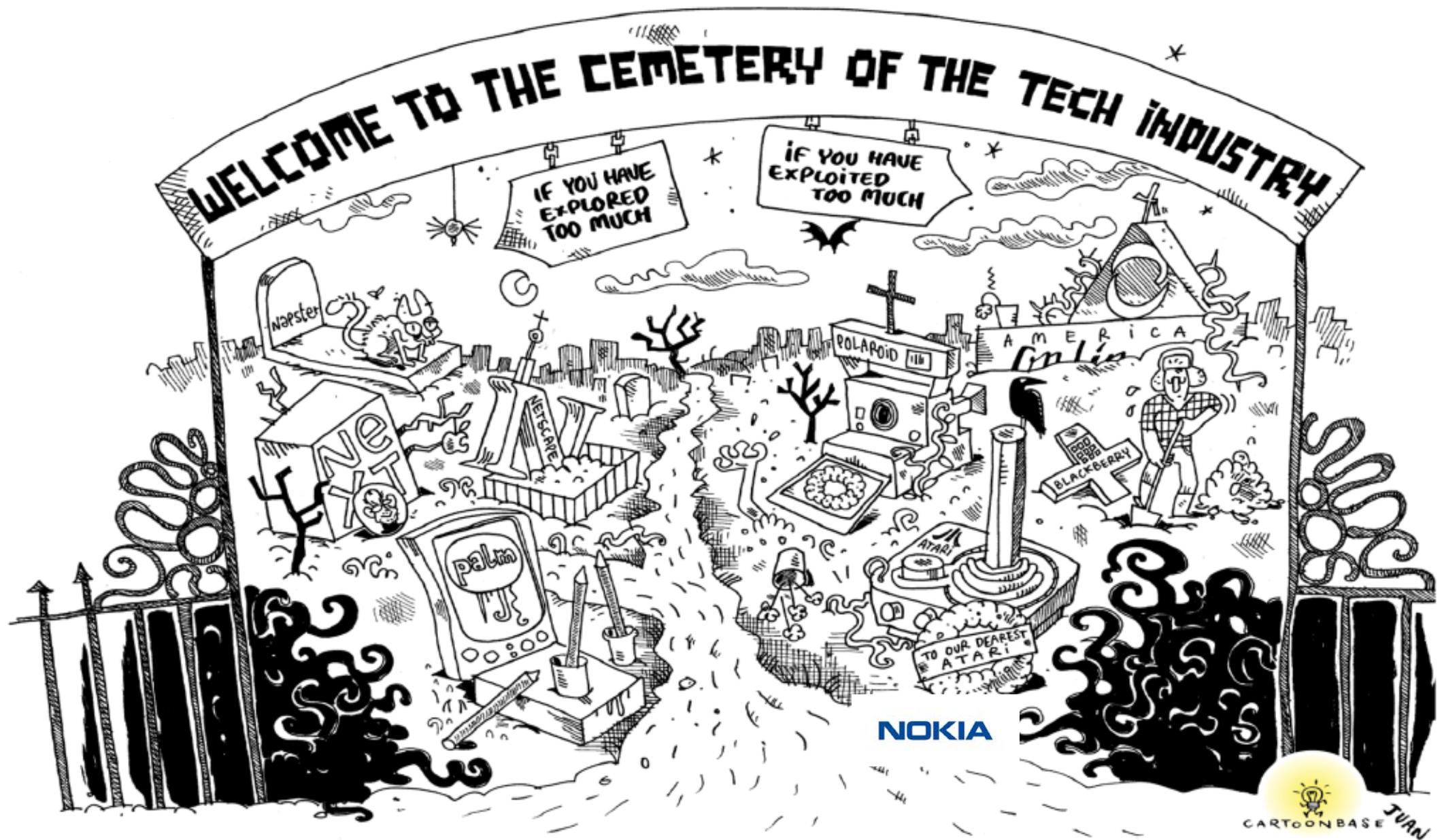
(5 minutes)

The exploration-exploitation dilemma



Why is it a dilemma?





Too few companies master the capabilities

Exploitation

Short term
Efficiency (forgetting)
Discipline
Slow
Clarity of direction

Exploration

Long-term
Creativity (learning)
Empowerment
Fast
Experimental



3% of companies



Data source: BCG Henderson Institute (2016)

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Pair discussion

➤ In your experience, when does ambidexterity work really well?

(5 minutes)

First story: Intrapreneurship at



GE Healthcare



Strategy Processes

- Senior management identified a growth gap in GE's portfolio (NO SUCCESS TRAP)
- Focused on the job to be done rather than on the firms' capabilities first
- Local teams' priority was to build intense customer-intimacy
- Multiple prototyping going on simultaneously

Relationship Processes

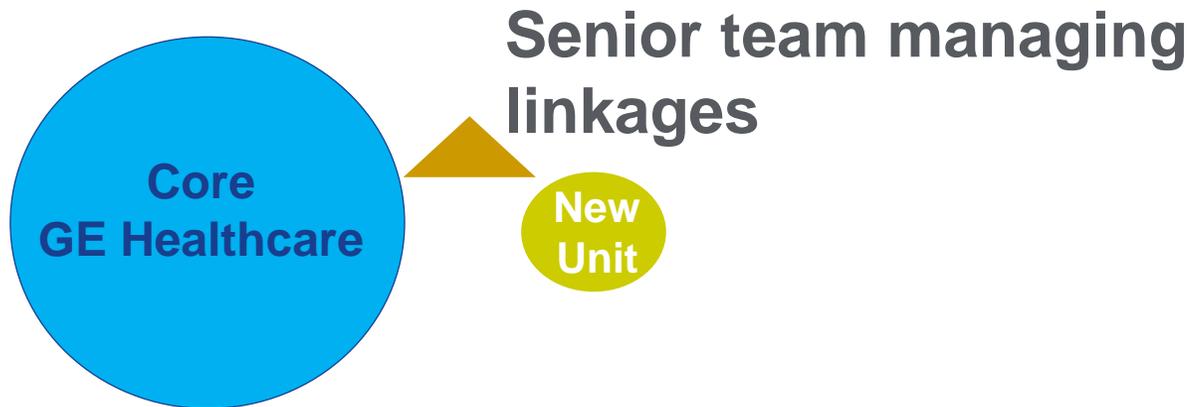
- Top leaders as protectors of new ventures/teachers of overarching vision
- Top leaders connect new ventures to core business resources
- Culture: Intense networking with the rest of the interested parts of the company to scale up faster

Organizational Processes

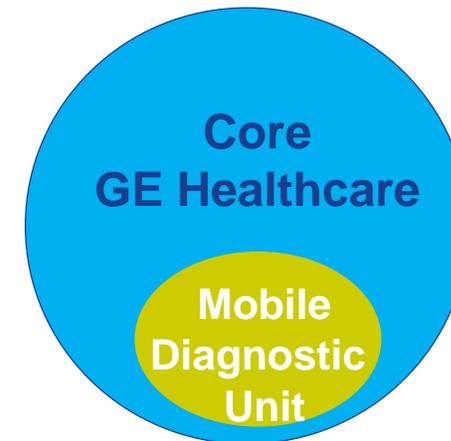
- Talent: market-based staffing of teams (specialists)
- Behaviours: Metrics & incentives focus on milestones and trial-and-error (but with stretch goals)
- GE's traditional processes bent

Dynamics of structural ambidexterity

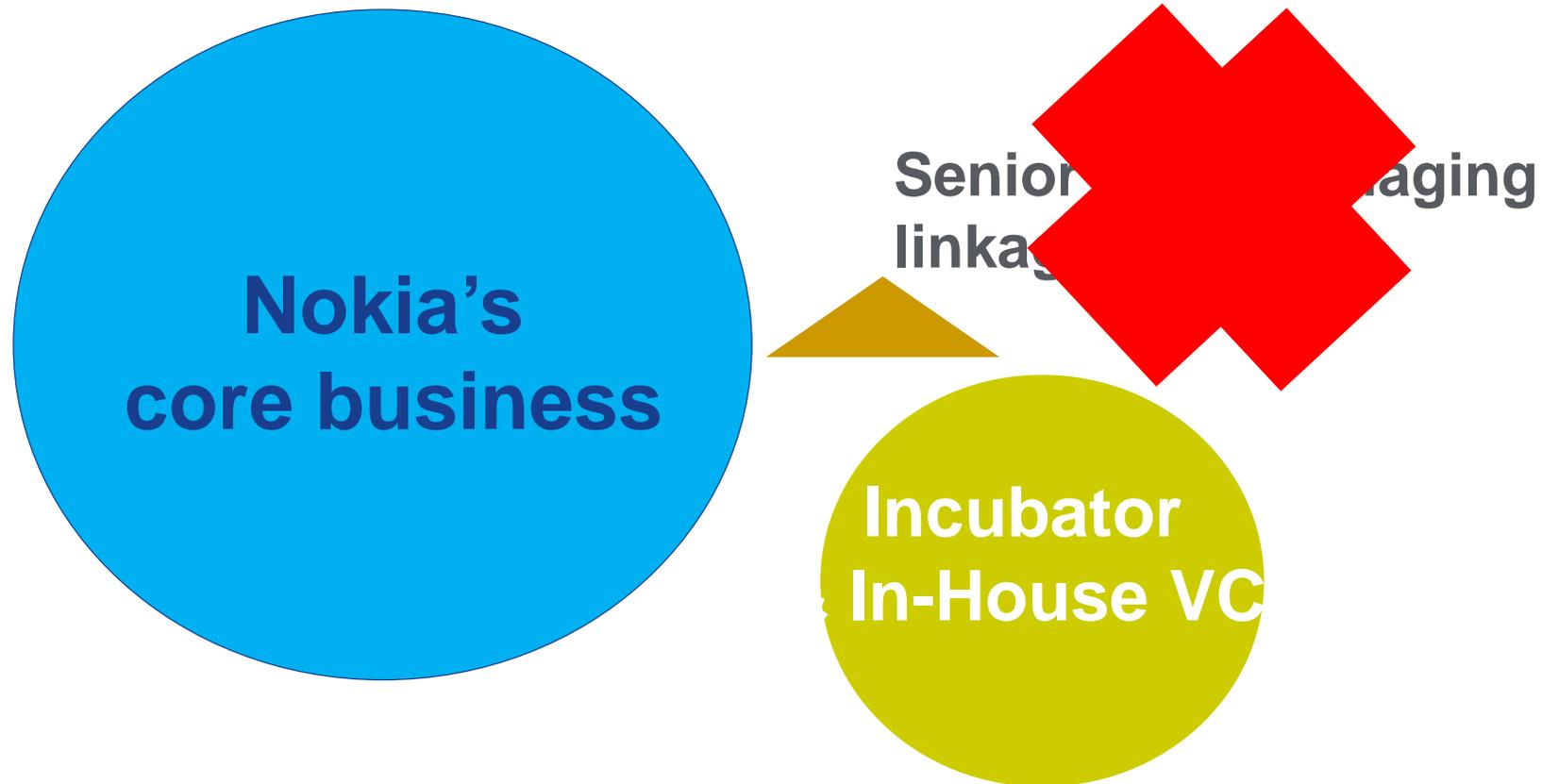
This is how it started in 2006



In 2017
(the business makes over \$1bn)



Contrast this with the deminse of **NOKIA**



Second story: intrapreneurship at **ING**

Video available on You Tube: Agile Way of Working at ING Netherlands

<https://www.youtube.com/watch?v=NcB0ZKWAPA0>

Strategy Processes

- Senior management sets broad destination
- But employees empowered to explore the paths leading to this directions (there may be several)
- Strategy process is a combination of top-down vision and front-line sensitiveness

Relationship Processes

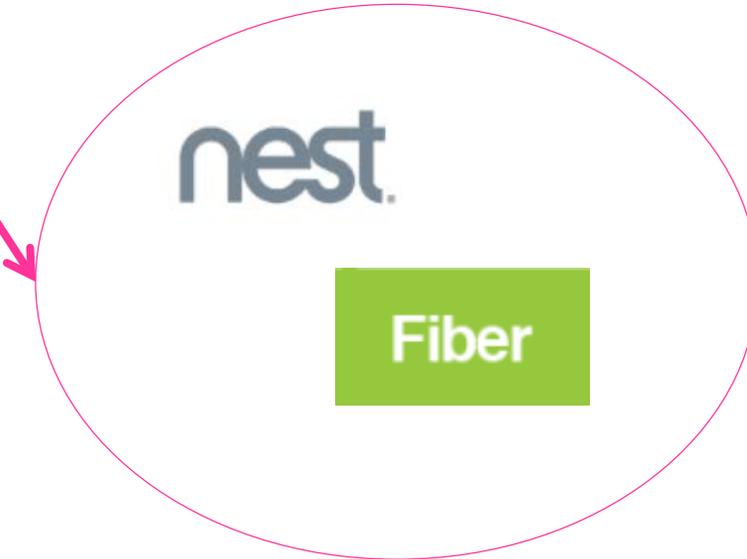
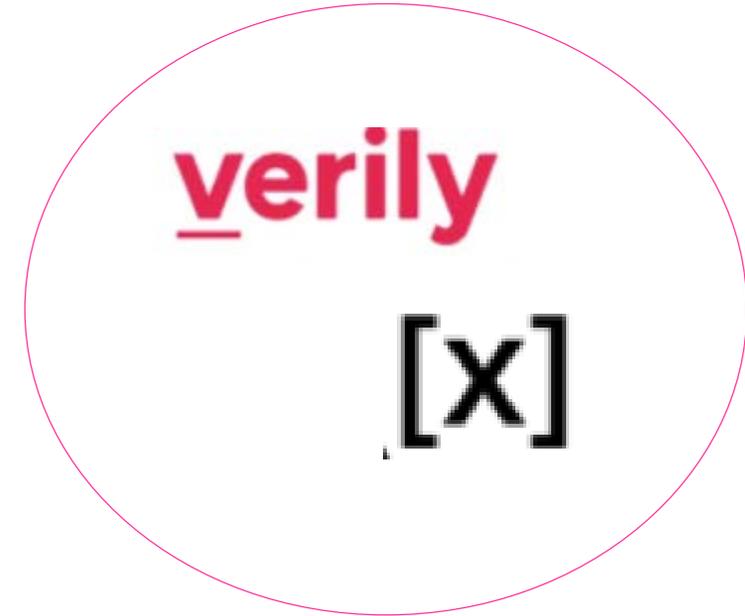
- Intensely collaborative culture to cross-fertilize knowledge
- Coaches institutionalize experimentation & learning from failures
- Structure designed around client needs. Teams change as clients needs change
- Ecosystem innovation through social media (fast experimentation)

Organizational Processes

- Revamped office designed to create conversation mode
- Structure based on breadth and depth. Rich learning opportunities and recombination of ideas

In fact, some companies use both approaches

Alphabet



Take-aways

- Intrapreneurship increasingly rhymes with self-disruption.
- Intrapreneurship is about developing **AMBIDEXTROUS** capabilities.
- There are two approaches to ambidexterity: both forms entail certain trade-offs.
- Intrapreneurship is **NOT MERELY** about cooperating with VC and start-ups. It's a **SYSTEMIC** effort that involves the alignment of wider strategy, organizational and relationships management processes.