



WHY COMPANIES SHOULD ENGAGE IN INTRAPRENEURIAL ACTIVITIES

ALL COMPANIES HAVE UNEXPLOITED RESOURCES AND ASSETS. THESE CAN BE CORE AND NON-CORE ASSETS THAT PROVIDE THE COMPANY WITH OPPORTUNITIES TO DRIVE TOP-LINE REVENUE GROWTH AND PROFITABILITY. ONE APPROACH TO FULLY REAP THE POTENTIAL OF SUCH RESOURCES IS TO EMBRACE THE CONCEPT OF INTRAPRENEURSHIP.

This concept not only involves the entire organization in the development of new business opportunities, but also in the exploitation of existing resources and assets. This gives the company the opportunity to capitalize on investments already made.

It is instrumental to involve the entire organization in business development in order to achieve organic growth. A company is said to be growing organically when it is increasing the turnover by enhancing its existing business and creating new businesses internally. Contrast this with a company that is growing by acquiring other companies. Googol's research shows that a clear majority of companies listed on the Stockholm Stock Exchange consider organic growth to be a major issue in the future. One reason for this is the uncertainty top management face in mergers and acquisitions. Not to mention the fact that developing new revenues internally is less costly. As a consequence, 89% of the companies plan to increase spending and commit resources to the generation of business ideas from within the organization.



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In order to harness the innovative power inherent in the organization, a company needs to commit itself strategically and operationally to the implementation of an intrapreneurial process. This process provides a systematic approach to handling identification, development and commercialization of business opportunities. In some cases this approach may lead to new business entities. In such a case, it is important to assess the

strategic match of the new business to the strategic intent of the parent organization. This is done to determine whether a business entity should be integrated within an existing business area, or separated from its parent company as a legal entity. The latter approach is common when the exploitation of a resource is viewed as non-core or is expected to have a greater chance of success in an environment other than the corporate setting.

By committing itself to intrapreneurship and by implementing an intrapreneurial process, companies do not only open up the door to the creation of new businesses. Companies can expect other results as well. American studies have shown that intrapreneurial companies outperform non-intrapreneurial companies within a number of business critical areas, including sales growth, profitability and market share. By giving employees the opportunity to voice ideas and participate in the development of new businesses, a company also strengthens its ability to attract talented people and retain those already employed.

It appears, however, that many companies lack the skills to develop and implement a strategy and necessary systems for dealing with intrapreneurship. In fact, a British study reports that only 14% of FTSE-100 companies believe they can develop successful intrapreneurial processes on their own. In addition, only 50% has identified a clear route to profitability in new ventures.

Nonetheless, the opportunities that lay in embracing intrapreneurship are grand, but there are many hurdles on the road to success. Every company is unique and therefore there are no turnkey solutions. However, by pairing up with a competent partner virtually all companies can harvest the benefits of intrapreneurship.

INTRAPRENEURSHIP

Intrapreneurship is short for intracorporate entrepreneurship. It is the process when a person or team within a large organization assumes direct responsibility for the development of an idea to profitable product or service through assertive risk taking and innovation.

Googol offers services focusing on Innovation Management and Corporate Venturing. We identify, develop and commercialize hidden assets. Amongst other matters, Googol operates innovation portfolios, we develop corporate cultures, selection processes, as well as measure and manage innovation ability. With a large and dedicated network, and several cutting-edge projects, Googol is a leader in the innovation field.

In 2008 Googol initiated the network Innovation Pioneers.