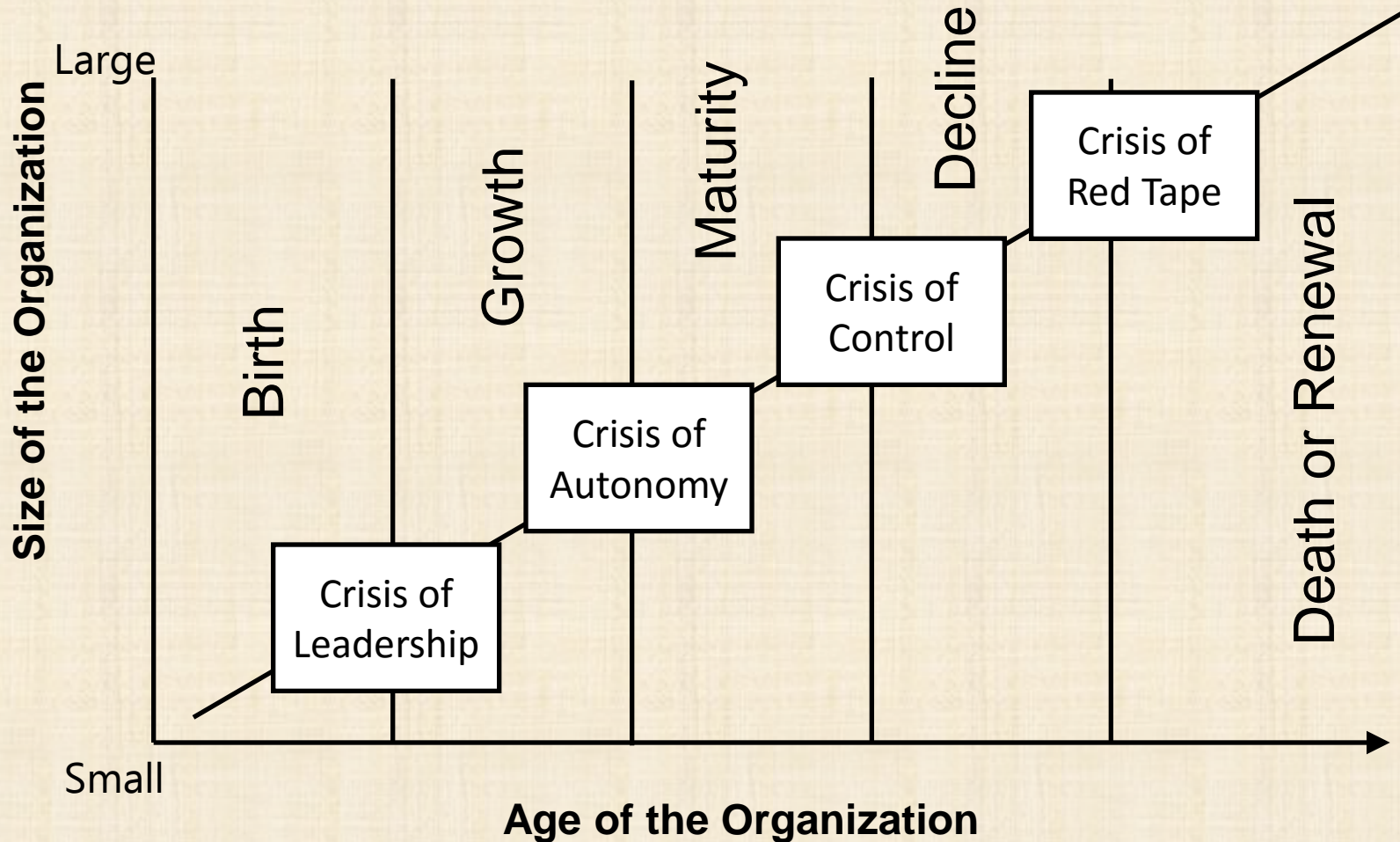


Business Entrepreneurship

Business Entrepreneurship

- A phase of lifecycle
- A permanent strategy

Organizational Life Cycle (Larry Greiner)



Organizational Life Cycle (Larry Greiner)

- Birth (**Entrepreneurial phase**)
 - Crisis of Leadership
- Growth
 - Crisis of Autonomy
- Maturity
 - Crisis of Control
- Decline
 - Crisis of Red Tape
- Renewal or Death

Permanent Entrepreneurial Strategy?

James Goodnight
CEO of SAS Institute

Business Organizations

- Market oriented
- Hierarchies
- Networks
- Projects
- Intrapreneurial
- Experience Oriented

Entrepreneurial Organization

- An organization that promotes entrepreneurial behaviour in its members, adapting its structure, management, and processes (both internal and external) to such activities.
- An organization that acts as an entrepreneur in its environment

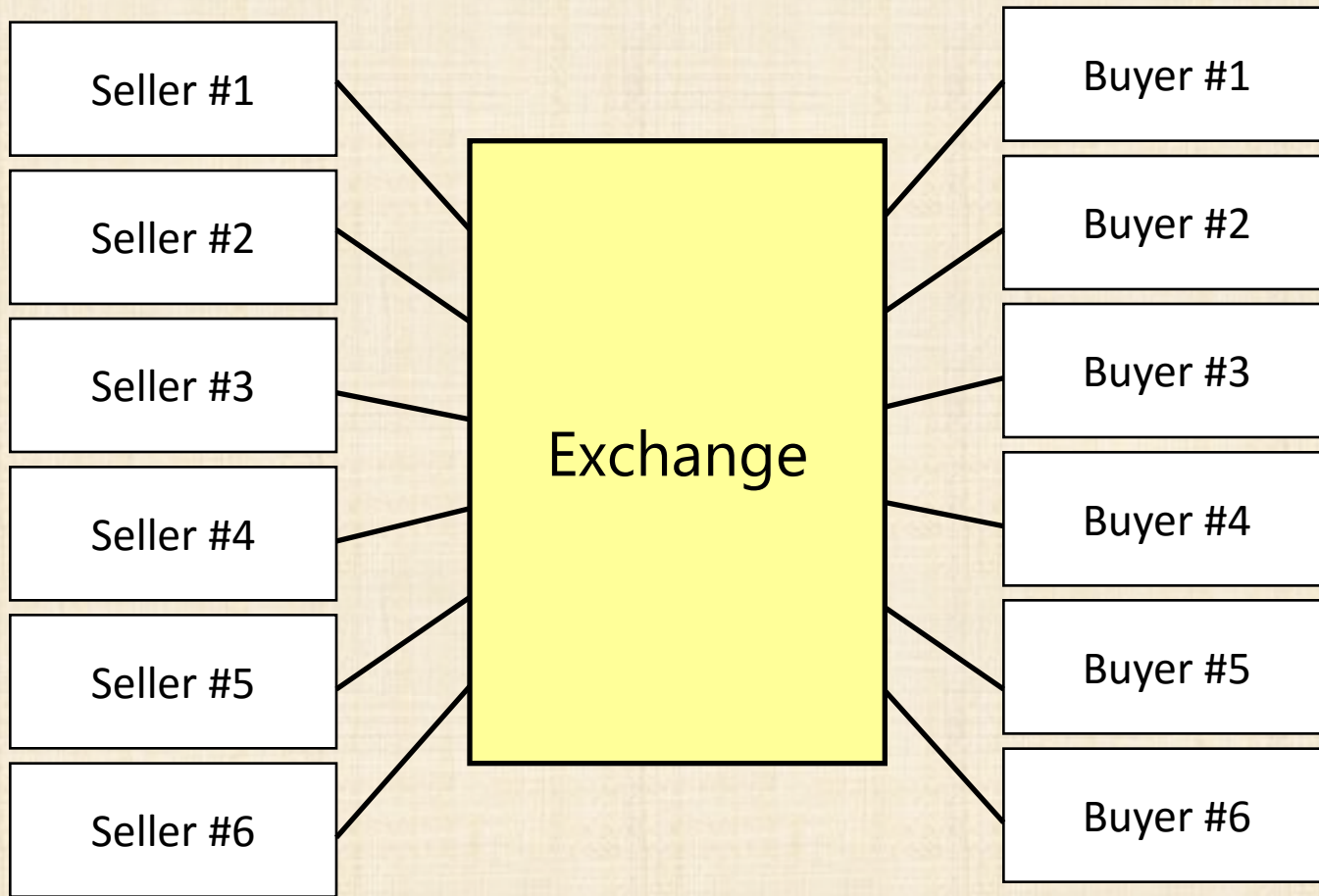
Entrepreneurial Organization

- Allows individual initiative
- Flexible and able to react quickly to changes in the market
- Focused on creativity and innovation
- Looks for partners and relationships outside, as well as inside the organization

Which Business Organizations Can Be Entrepreneurial?

Kent Thiry, CEO of DaVita

Market



Market: Advantages

- Economic freedom of the participants
- Encourages competition

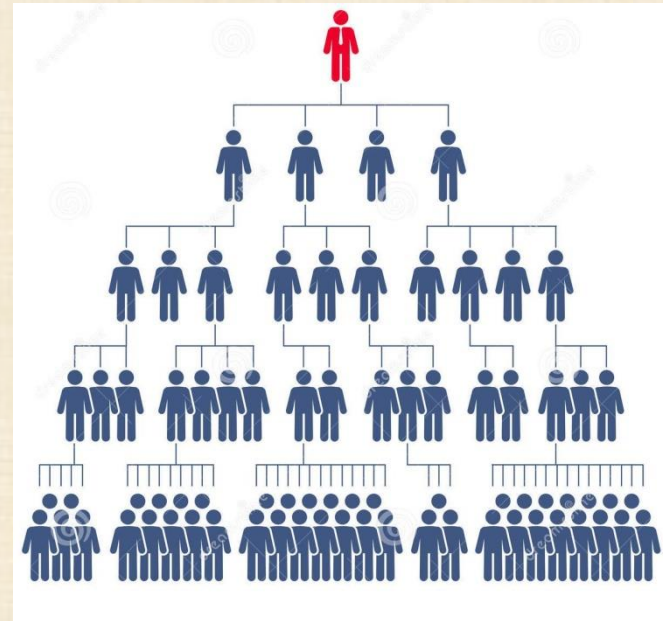
Elim Chew is the founder of the street wear brand, 77th Street

Market: Disadvantages

- High transaction cost
- Imperfect information leads to suboptimal outcomes
- Difficult to maintain in equilibrium

Hierarchy: Advantages

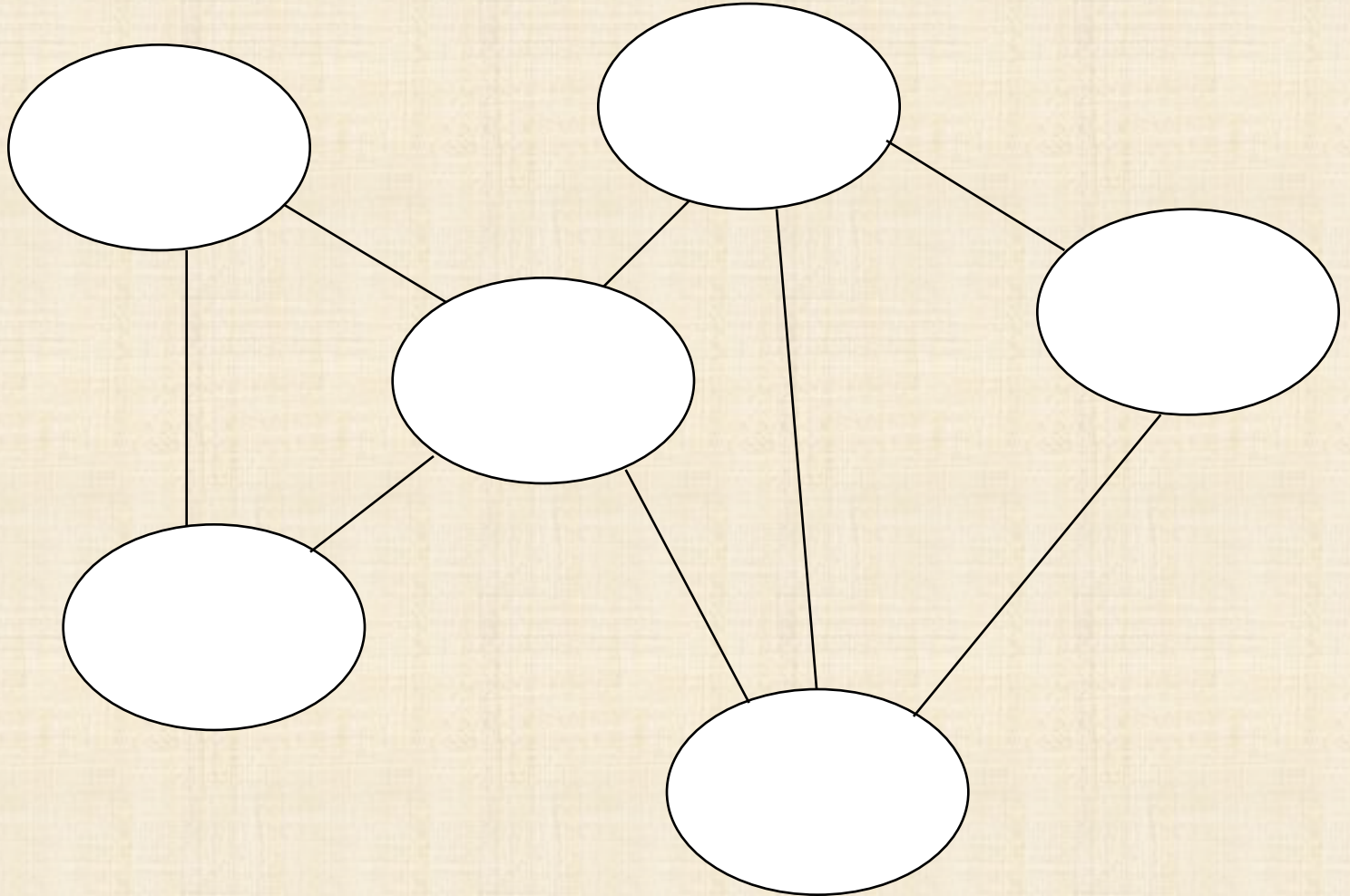
- Clearly defined areas of power and responsibility
- Low transaction costs
- Stability



Hierarchy: Disadvantages

- Little economic freedom
- Inflexible
- Susceptible to errors of judgement
- Procedures stifling creativity

Network



Network

- Can involve both hierarchies and markets
- Dynamic and scaleable
- No central power, though some nodes are more important
- Unpredictable

Project Organization

- Set up temporarily in pursuit of a clearly defined goal
- Bringing together social actors simultaneously involved in other organizations and projects
- Adapting its structure to the pursuit of its goal.

Intrapreneurship

- Internal Entrepreneurship
- Entrepreneurial activity within an established, and stable, organization
- Intrapreneurship engages subsets of a larger organization

Intrapreneurship

Positives:

- Stability and resources of a larger corporation
- Creativity and flexibility of a small start-up
- Promise of sustained entrepreneurship

Intrapreneurship

Negatives:

- Entrepreneurial culture can be difficult to reconcile with the values of the larger organization
- Possible tensions between different groups in the organization
- It is difficult to relinquish control

Experience Oriented

- Economic transaction as a spectacle
- The most sophisticated form of market activity
- Highly differentiated
- Very mindful of the needs of customers.
- Premium pricing

Wäpnö Gård & Mejeri

Which Business Organizations Can Be Entrepreneurial?

- Market oriented: **yes**
- Hierarchies: **no**
- Networks: **yes, but...** need for clear ownership
- Projects: **yes, but...** need for ownership, strategy and commitment
- Intrapreneurial: **yes, but** are they sustainable? (create **heterotopias**)
- Experience: **yes!**

Who Becomes a Business Entrepreneur?

- The inventor
- The unfulfilled manager
- The displaced manager
- The young professional
- The excluded
- Business heroes and heroines

Andrew Carnegie

What Can Corporations Learn from Entrepreneurial Organizations?

- Clear ownership! – or no deal
- Restructure and refocus! Some has to take responsibility
- Make space (physical and structural)! Allow for creativity
- HR policies! Place for business entrepreneurs
- Strategy based on identity! „All big organizations have been small, once” (Krzysztof Obłój)