

Corporate Innovation & Entrepreneurship

Foundations of corporate entrepreneurship

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The corporate startup

Turbulent environments and the embattled organizations

a global entrepreneurial revolution

= the existing assumptions are challenged by entrepreneurs in every industry

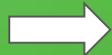
turbulence in companies' external environment has become a way of life

This challenges also established companies which have two options :



join the
revolution

get killed by
new, aggressive
competitors



Companies must continually **adjust, adapt, and redefine** themselves

Turbulent environments and the embattled organizations

So what is changing?

Technological environment – greater difficulty of protecting intellectual property

Economic environment – unpredictability of prices, costs, interest rates...

Competitive environment – highly innovative competitors; competition from non-traditional sources with non-traditional tactics; competitors can be also customers or partners

Labour environment – growing scarcity of skilled workers, growing mobility

Resource environment – increasing resource scarcity

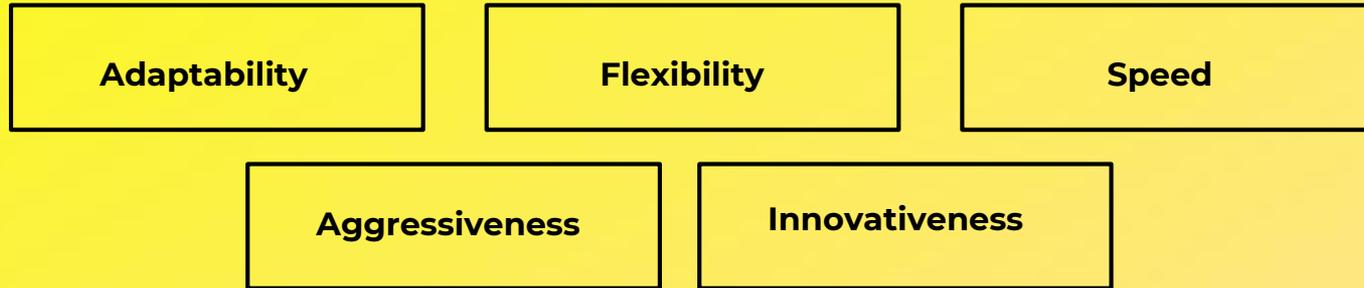
Customer environment – more demanding and complex customers; emphasis on investing in and capturing a customer's lifetime value

Legal and Regulatory – more aggressive regulation; virtually unlimited product liability; increasing environmental regulation etc.

Global environment – real-time communication, production, and distribution virtually anywhere in the world; competitive advantage often achieved through global outsourcing and international strategic alliances

The new path to sustainable competitive advantage

Five key **company capabilities** are needed



Companies that master these five skills are better positioned to **not only adjusting** to their changing environment but also **creating change themselves**

These five capabilities come down to one – **entrepreneurship**
– which is **the core source of sustainable advantage** in companies today

What is entrepreneurship?

7 perspectives on the nature of entrepreneurship:

1. creation of **wealth**
2. creation of **enterprise**
3. creation of **innovation**
4. creation of **change**
5. creation of **jobs**
6. creation of **value**
7. creation of **growth**

Corporate entrepreneurship

= entrepreneurial behaviour inside established mid-sized and large organizations

"the sum of a company's innovation, renewal, and venturing efforts"

- Ling et al. (2008)

The corporate startup

Tendayi Viki
Dan Toma
Esther Gons

A model of corporate entrepreneurship



Dispelling the myths

*“Entrepreneurs are **born**, not made”*

*“Entrepreneurs must be **inventors**”*

*“There is **a standard profile** or prototype of the entrepreneur”*

*“All you need is **luck** to be an entrepreneur”*

*“Entrepreneurs are extreme **risk takers** (gamblers)”*

*“Entrepreneurial people are **academic and social misfits**”*

*“All entrepreneurs need is **money**”*

*“**Ignorance** is bliss for entrepreneurs”*

*“Most entrepreneurial initiatives **fail**”*

*“Entrepreneurship is **unstructured** and **chaotic**”*

How entrepreneurship works – six stages

1. Identifying the opportunity
2. Defining the business concept
3. Assessing the resource requirements
4. Acquiring the necessary resources
5. Implementing and managing the concept
6. Harvesting the venture

These apply also in corporate entrepreneurship

but there are **also major differences** regarding e.g.

who takes the risk (an individual or a company),

who owns the innovations,

access to resources

more room for failures: a company can absorb failure etc.