



BY CHARLOTTE THOMAS

WHAT is it? What does it take to SUCCEED? Do women make BETTER corporate entrepreneurs?

When she first began her studies at Babson College's F.W. Olin Graduate School of Business, Scarlet Batchelor expected to go into business for herself once she earned her M.B.A. Her concept of entrepreneurs - mavericks working out of basements - lined up with her bachelor's in art history and a subsequent job with an art dealer. Starting a business would satisfy her creative and analytical skills. But Batchelor changed her mind. "I realized there's a demand for entrepreneurs in the corporate world. My definition of entrepreneur and career has broadened ten fold," she says, speaking of how exponential market change has made companies rethink how they do business. She uses the example of how blogs affected the sales of a diet product because people kept mentioning it. She wouldn't mind tackling that with her entrepreneurial skills.

It's fortunate that Batchelor feels this way. American corporations need women like her and many actively seek them. Unfortunately, some women with the entrepreneurial drive don't consider corporations a rewarding context for their skills and go the start-up route. During the first three quarters of FY 2005, SBA loans to women increased by almost 50 percent.

Forward thinking companies realize they are missing out on entrepreneurial talent. Business is too competitive and changing too quickly to rely on traditional ways to achieve growth. Nancy DeViney,

General Manager, IBM Learning Solutions, who has been with IBM for 30 years and in the global services group for the last 10, leads a global team looking at emerging business opportunities in e-learning. She has observed the changes occurring as CEOs around the world turn their attention to growth after years of cost cutting. "They know they can't grow unless they innovate to serve their markets," says DeViney. Clark Gilbert, assistant professor in Entrepreneurial Management at Harvard Business School, agrees that corporations are looking for growth from innovation and cites globalization is one factor that has made business more competitive. He contends that the major difference between an individual entrepreneur and one in a corporation are the constraints each faces.

"I think corporate entrepreneurship is not recognized for what it is," suggests Susan Foley, managing partner of Corporate Entrepreneurs, LLC. "Corporate entrepreneurship is about change. As organizations mature they get trapped in a culture and structure." Though thriving corporations have always had "mavericks" who pushed brilliant ideas to market, the environment in which businesses now operate demand they recognize and foster entrepreneurship on a much wider scale.

"Corporate entrepreneurship is not a new phrase. It's an important attribute that companies are able to foster or not," remarks Robyn Denold, senior vice president of finance at Sun Microsystems. She has been a corporate entrepreneur in companies that encompass finance, manufacturing, and now high tech. She characterizes corporate entrepreneurship as the ability of a company to harness the power of creative thinking that turns ideas into products and services.

She also points out that good ideas are not hard to come by. With 30,000 employees, Sun potentially has 30,000 good ideas, but they must become competitive advantages. That's the value corporate entrepreneurs bring. According to Jeff Sube, vice president at T. Rowe Price, there's always room for highly visible superstars in most industries, but what companies need are those individuals who demonstrate initiative and accountability for making things happen and don't look to others for a formula to fit every occasion. Corporate entrepreneurs are self-sufficient, use their professional skills and judgment, and produce deliverables.

Harvard Business School's (HBS) definition of corporate entrepreneurship fits that mold. "We define it as the pursuit of opportunity without regard to resources currently in one's control," states Gilbert. According to Professor Myra Hart who also teaches at HBS, has authored books and articles about women's entrepreneurship, and was the former chair of the Center for Women's Business Research, "It's a way of managing, not a personality type." She has experience in the supermarket industry, which is not usu-

ally considered entrepreneurial, but she notes that selected players are meeting drastic marketplace changes in a very entrepreneurial way.

Successful companies in that industry "must be creative in what they offer, how they present it, and where they're located," she explains. "Supermarkets went from stocking basic food products to creating superstores that carry everything from greeting cards to full-service pharmacies. Then Wal-Mart moved into food, and many supermarkets chose to incorporate organic stores within their stores." According to Hart, corporate entrepreneurship is a behavior not a business structure. Though it begins with creative thinking, good ideas are not enough. Entrepreneurship is all about putting those ideas



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into action. To be successful, entrepreneurial efforts must serve a real need. It could be as simple as creating greater convenience or as complex as introducing a path-breaking technology. Entrepreneurs think beyond the constraints of resources they currently have, but eventually they do have to find creative ways to get the resources necessary to execute.

Three years ago, before online learning became as prevalent as it is now, DeViney saw an opportunity for IBM to take this emerging field to a new level. She assembled a team with diverse expertise from several IBM divisions and looked for those who were excited enough about the possibilities to put in extra effort and hours. "It was almost like a new business start-

up,” she remembers. Together the team defined the business plan using the team’s technological, services, marketing, and management skills, then built a business case to present to top IBM executives. In six months they had approval and funding.

Corporate entrepreneurship doesn’t always mean big. After first considering a business degree, Kate Conklin, now a second-year Babson MBA student, graduated with a B.A. in English and worked for Northeastern University’s college admissions. Early on she was given what looked like a mundane project to edit letters that were regularly sent to students and parents. She envisioned a lot more than correcting typos. She saw how the letters could affect recruitment numbers and devised a marketing plan which involved strategic mail flow - what was sent, to whom, to what regions, and when. After getting the support of her managers, she implemented the program and watched as recruitment numbers went up as a result of her ingenuity. Sube reflects that it’s not always large-scale programs that make the difference. Individual employees have plenty of room to affect change within their roles. “There are clear lines linking entrepreneurial initiative, personal accountability, and the drive for results,” he says, basically summing up Conklin’s experience.

What does it take to be a corporate entrepreneur?

Some argue that entrepreneurs are born, not made. But Hart points out that 300 business schools offer courses in entrepreneurship and contends that the study of entrepreneurship is similar to

that of music or golf. The outcome will always be a combination of skill and innate talent. Almost all students can learn the basic principles, however each one will have unique talents and there will be the occasional prodigy who shoots to the top.

“All the business skills I’m acquiring while getting my MBA are entrepreneurial skills,” says Juliana Camargo. Corporate entrepreneurship was not a term familiar to her while working in her home country of Colombia, but now in her second year at Babson, she’s convinced she can find opportunities in any environment.

Sube concurs that everyone has the ability to be an entrepreneur in a sense. It’s up to management to create an environment that elicits innovation or penalizes it. In fact Gilbert suggests that with access to research and development, branding, and distribution, entrepreneurs in large companies have an advantage over start-ups.

CAN YOU WORK WITHIN A STRUCTURE? Thinking outside the box is a well-worn cliché but Hart points out that some corporations really are boxes while others have structured ways to develop new concepts outside the mainstream. Some might not openly encourage entrepreneurship but will applaud its success. Companies that want to encourage entrepreneurship must have a high tolerance for failure.

Entrepreneurs are risk takers but in corporations they must work within limits. Sube calls them non-negotiables, such as industry regulations and corporate priorities. “To go outside those guidelines would be detrimental,” he states. It is incumbent on management to ensure that employees understand those non-negotiables. Conklin calls it working within a framework



ARE WOMEN BETTER CORPORATE ENTREPRENEURS?

The re-emergence of corporate entrepreneurship has sparked interest in whether women fit this role best—although they don’t call themselves corporate entrepreneurs or recognize themselves as such. Unfortunately there’s not only a lack of research to confirm or deny this premise of women being “better than,” but an absence of cross disciplinary study on corporate entrepreneurship as well.

Corporate entrepreneurs are the in-house counterparts of the classic entrepreneurs. They build new revenue-generating products and services and sometimes whole new business entities within and with the permission of their organizations.

Corporate entrepreneurs understand their companies’ overall goals; they know where the corporate boundaries are unyielding and where they can flex. They are passionate about creating new opportunities that fit the business strategy, and they can ably marshal and energize resources to create those opportunities.

As a rule, corporate entrepreneurs are skilled individuals who are interested in working for something greater than themselves; making a difference usually matters more than climbing the corporate ladder. They are willing to live with ambiguity and are ready to deal with policies, procedures, management systems and measurements that may not always support their efforts. They regularly cope with resistance, isolation and lack of peer support. They bump up against entrenched bureaucracy and may have to break existing rules to get things done.

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and uses her experience as a swimming teacher as an example. Kids learn swimming in many different ways. It's up to the teacher to know which one is appropriate for each child.

CAN YOU WORK WITHIN AMBIGUITY? “Corporate structures provide predictability but entrepreneurs must function when all the rules aren't so clearly known,” Hart says. Echoing her thoughts, Foley notes, “Ambiguity is not having all the processes, answers, or certainties in place.”

CAN YOU RISK FAILURE? Because of the differences in how corporations accept entrepreneurship, women who want to push the limits must be willing to learn from their failure and success, according to Foley. And they must value and acknowledge their drive to do so. “It's often harder to be an entrepreneur in a corporate setting because the culture encourages consistency. The enemy of innovation is conforming to a norm,” Foley warns. Women MBAs starting their careers are inclined to model themselves after successful people in the company, who might just follow the well-worn path.

DeViney took some risks in her team's venture into e-learning at IBM, but as she says, it was an informed risk that had been well-researched and thought through. “You have to do your homework ahead of time and share your point of view broadly so that everyone knows the odds of making the project succeed. It may not pan out,” she comments. Some companies, like IBM, have a pipeline of experiments going on and know that not all new ventures will succeed.

ARE WOMEN BETTER CORPORATE ENTREPRENEURS? CONTINUED

All this sounds like the very traits attributed to successful women leaders – comfortable with ambiguity, collective learning, diversity and self-directed teamwork. This is not the “glass ceiling” discussion. Business leaders need to look at the underutilized entrepreneurial talent in their midst to stem the talent drain that is steadily robbing their robbing companies of whatever entrepreneurial edge they have had. The dot.com boom took away some of the most capable corporate entrepreneurs. And today, there is a notable exodus of highly skilled women managers who are leaving corporations to set up successful businesses of their own.

As well, business leaders need to look again at the organizational models that best support the team-based, cross-functional, relationship-driven environments that are key to corporate entrepreneurship and the fact that these are environments where women consistently excel.

Entrepreneurial talent must be identified and tapped in order to drive growth through innovation. Indeed, little

Conklin recalls an expression she often hears at Babson, “It's better to ask for forgiveness than for permission.” But the consequences of failure can damage careers. Individual entrepreneurs can walk away from startups and are commended for doing their best. Hart comments, “In some corporations your superiors might have a high tolerance for failure, but it may still be hard to leave a failed project without baggage.” Because corporations are under a great deal of pressure to show short-term return, it takes discipline and commitment to set up some projects that will take a long time to develop and have a high probability of failure. “Corporate entrepreneurs have less up side and more downside than do their counterparts in start-ups. For example, they don't usually participate in the equity value they create when they come up with a big winner, nor can they walk so cleanly away from their failures,” Hart observes, noting that on the flipside there is greater risk to become a cog in the wheel, “condemned to being pedestrian in one's career for not having taken a risk.”

DeViney suggests that before recently hired employees champion any fresh ideas, they first learn how the business works and its priorities. But having said that, she points out that once the background knowledge is assimilated, being willing to take entrepreneurial risks does offer the opportunity to grow professionally.

CAN YOU MANAGE IDEAS AND PEOPLE? People and corporate culture often are the biggest obstacles to innovation. “Everything else you can deal with. You can break the rules and figure out how to get around corporate barriers, but it's the soft side of people that is a major hurdle,” Foley notes. For

progress has been made in developing a theory of corporate entrepreneurship. The topic is not included in most of the models or frameworks that have been developed to guide managerial practice. There also is limited understanding of the types of corporate cultures in which corporate entrepreneurship flourishes. Those knowledge gaps must be closed.

Until corporate entrepreneurship has been fully researched, there's no true defense for the argument that women make better corporate entrepreneurs. It may not be until many women step forward to tell their stories that there will be an incontrovertible body of empirical evidence. But the questions are well worth asking – and the need for corporate entrepreneurship won't be any the less whatever the answers. Isn't it time to take a closer look?

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her, fostering relationships and teambuilding are important components of entrepreneurship.

Denold is a fan of the Trojan horse approach, which effectively manages people from the inside by collaborating with them on their turf. Coming from the corporate financial side in the engineering firms she worked in, Denold knew she was viewed as the “watch dog enemy” by the engineers she needed to involve in one of her entrepreneurial ventures. But she actively sought them out. Though they initially resisted at first, she built their trust knowing that she couldn't come up with the next big design but could write business cases to show management the value of the project. Because she was able to communicate with the engineers, she understood what they were trying to accomplish and was able to facilitate the project at a lower cost and translate their ideas in ways that senior management could understand.

CAN YOU GET BUY-IN FROM UPPER

MANAGEMENT? It's not just team members or colleagues that need to become enthusiastic about an entrepreneurial idea. As Denold points out, senior management's goal is to make sure the objectives of the shareholders are achieved. “Corporate entrepreneurs become interpreters of the inherent value of a product or service,” she says. MBAs have the skill of understanding a market definition statement or a return on investment. They know about business models and case preparation. They can have an entrepreneurial impact by being facilitators of ideas. Denold uses a recent example from her experience with the grid computer market. Though the technology is not new, the big breakthrough was in the pricing mechanism that lowered the barriers to enter and exit the grid.

Are women better corporate entrepreneurs?

Foley thinks more research will determine the answer. Not enough people recognize corporate entrepreneurship in themselves or in an organization. Most see entrepreneurship in traditional product development or marketing plans, not realizing that being change agents in many different capacities is corporate entrepreneurship. The very qualities that women are acknowledged to bring to the workplace — the skills of collaboration, working with diverse people, the ability to function well in ambiguous circumstances — are the attributes of successful corporate entrepreneurs.



You must be a strong collaborator,” says DeViney. She worked across the entire IBM matrix of divisions to find people who were passionate and had insights about e-learning. Because of the cooperation she and others were able to foster internally as well as with external sources, they achieved “breakthrough thinking as a team,” she reports. DeViney is convinced that women are naturals at collaboration and the ability to encourage input and then filter it. “Don't take that skill for granted,” she tells women MBAs, “develop it.”

According to Gilbert, whether male or female, anyone looking to develop a career in a large corporation can “build a portfolio of initiative,” he says. Corporate entrepreneurship presents the opening to be innovative on a small or large scale.

WHO ARE THE ENTREPRENEURS INSIDE YOUR BUSINESS?

BY SUSAN FOLEY

It really registered for me at a recent executive breakfast when another woman introduced herself as a corporate entrepreneur. I had lived that role myself, and so had quite a few women and men I know. But here she was, stating it proudly and publicly as her identity. Not “vice president of this” or “director of that” but “corporate entrepreneur.” What she was really saying was: “I confidently help accelerate my company's growth.”

Her bold statement made me think about all the other managers I know who could describe themselves the same way — managers who successfully and consistently build businesses within businesses. It reminded me how much companies need entrepreneurial zeal today when their investors are so insistent on growth. And it made me realize that many companies may be letting significant growth opportunities slip by because they are not effectively harnessing the most able business builders they've got: their corporate entrepreneurs (or “intrapreneurs,” as they are now known.)

How can this be? It's not as if the topic has never been discussed. In his article “The Age of Entrepreneurial Tolerance,” author Joseph L. Rotman puts it this way: “The most sought-after professional for the 21st century economy will be a new breed of corporate entrepreneur, or intrapreneur whose education and experience are both broad and deep and who have the skills for identifying and exploiting opportunities; fostering team based innovation, creativity and managing change.”

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WHO ARE THE ENTREPRENEURS INSIDE YOUR BUSINESS?CONTINUED



Perhaps the lack of a clear definition of corporate entrepreneurs is a contributing factor. Corporate entrepreneurs are the in-house counterparts of the classic entrepreneurs you read about in Inc. magazine. They build new revenue-generating products and services and sometimes whole new business entities within an established organization.

What is abundantly clear is that many corporate executives still don't fully understand the difference between intrapreneurs and entrepreneurs. The research available in the area of corporate entrepreneurship suggests that each group uses very different processes, each representing a unique set of challenges and opportunities. Combine this with the shortage of role models who fully understand the dynamics behind corporate entrepreneurship and you can see why organizations have not tapped into this valuable resource.

Many organizations lost their entrepreneurial talent during the late nineties to start-ups. Others, under pressure to control expenses, have redirected entrepreneurial resources to "business as usual" efforts. So finding a corporate entrepreneur isn't easy. Potential employees who think they can do the job often underestimate its complexity. It is important to recognize that a corporate entrepreneur must also possess skills and values that are not required for an entrepreneur.

So how exactly do corporate entrepreneurs walk and talk? They are not always the inventors of new products, services or processes but they are very often the team builders who turn those ideas into profitable businesses. They are seen as "business architects" who design the work environment, create informal controls, provide the discipline, motivate change by promoting entrepreneurial

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behavior in others, open channels of communication, and establish clear roles and responsibilities, goals and measures.

They are classic change agents; they take calculated risks, have a high tolerance for ambiguity, prefer autonomy, have plenty of perseverance, and are passionate about making a difference. Their leader-

ship style lends itself to networking, building relationships, and empowering employees to achieve results. They have learned to deal with systems and structures that are not always supportive. Their motivations and behaviors mean that they inevitably run up against entrenched bureaucracies; they face plenty of resistance, isolation, lack of encouragement, and issues of control and are often forced to challenge existing policies and procedures.

Corporate entrepreneurs regularly blaze trails through uncharted territory. Good managers recognize the value of their attributes, and manage them very differently than they do their more conventional employees.

There's no need to dwell on why such skills are needed in corporate America today. Read any Wall Street analyst's report and you'll hear the growth drumbeat right away. Nor is it necessary to repeat the calls to institutionalize corporate entrepreneurship as a way to gain a competitive advantage. Unfortunately the lack of focus in many companies on this very important role and the limited research in this area are key impediments to leveraging this valuable resource. The long-term consequence: a talent drain that is steadily robbing companies of whatever entrepreneurial edge they may have had.

So my question is this: who are the real corporate entrepreneurs in your business? Perhaps a key resource is already sitting next to you in a meeting, across the table or down the hall. It's time for business leaders to add two tasks to this week's list of action items: to examine the underutilized entrepreneurial talent in their midst; and to seek out and maybe even sponsor research on the topic of corporate entrepreneurship. Every day that goes by without utilizing your company's entrepreneurs is a day further away from reaching your growth goals.

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