Managing and Motivating Intrapreneurs

Are you an intrapreneur?

1. Do you have a new product or new market idea that could shift the current business paradigm?

2. Do you challenge the status quo?

3. Do you think of your workplace as a place to actualize your creativity?

4. Do you think of yourself as a steward of the business you’re in?

5. Do you find yourself solving a business problem at home, while driving, in your sleep, and in the shower?

6. Do you get excited talking about these ideas with like-minded colleagues?

7. Do you like being a valued employee of a successful company?

8. Do you find the risk or lifestyle of starting a new business on your own unappealing?

9. Do you hope to put your mark on the company you work for?

10. Do your friends and family advise you “not to take your work so seriously”?

If you answered “yes” to all of these questions, you’re an intrapreneur—somebody who innovates inside a company for the gain of the company and its shareholders. Intrapreneurs like to push the envelope of the status quo—not just to ruffle feathers but to build new businesses. Intrapreneurs like to “reinvent.” Intrapreneurs put their entrepreneurial instincts to work within the business environment they are employed in.

Once the intrapreneurial spirit finds you, it turns work into play, analysis into creativity, and dedication into passion.

Employee passion is defined* as the positive state of mind resulting from perceptions of worthwhile work, autonomy, collaboration, growth, fairness, and connectedness with leader, all of which lead to standards of behavior that include discretionary effort, long-term commitment to the organization, peak performance, low turnover, and increased tenure with the organization. (*Source: Perspectives on Employee Passion by The Ken Blanchard Companies.)

Intrapreneurs are passionate employees. But one thing about intrapreneurs that you must remember: their motivation for innovation is not necessarily increased tenure with the organization, or even to get rich, but rather their desire to leave a mark, to make a difference. In fact, intrapreneurs need to find new challenges from time to time, and sometimes these challenges take them to new organizations that can better benefit from their particular skill set.

Intrapreneurs are change agents. They work to render a change in the environment and conditions in which they work. They’re conformists yet non-conformists. Successful intrapreneurs must have the respect and credibility of their peers and their leaders; and in order to have gained this credibility, they must have conformed to the organizational culture to some degree. Yet intrapreneurs, by their very nature, are nonconformists, because the most exciting opportunities have not yet been introduced, understood, or embraced by the organization.
It’s not so much that intrapreneurs deliberately seek ways to challenge the status quo. It’s that they act on what they believe to be in the best interest of the company. Their motivation for change is rooted in the survival of the organization, or the maximization of opportunity for the organization. Intrapreneurs are advocates.

Are intrapreneurs desirable in all organizational cultures?

You might be thinking, intrapreneurs sound like they’d be great employees—and most times they are—so why wouldn’t they be desirable in all organizations?

Intrapreneurship is a positive force in companies that consciously or unconsciously seek change. Isn’t that all organizations? you might ask. Actually not.

Intrapreneurship can be a poor fit in organizations whose resources are already committed to a single strategy. For these organizations, intrapreneurs can distract, even threaten, the organization’s likelihood of successful execution. In other words, companies whose very survival depends on a very specific and predefined set of execution steps need to develop and train employees to conform. Examples of such organizations include franchises, where the marketing and operational success has already been proven in an accepted business model. Or, branch management of a large enterprise, where consistency of brand and customer experience have to trump intrapreneurs acting on their own compass. Or consider environments where operational standards are critical for maintaining safety and productivity. For these types of organizations, the organizational culture must reinforce the values of the company first and foremost, and communicate its strategy effectively to all stakeholders.

Managing Intrapreneurs

Even for organizations where intrapreneurs can be a vital creative force to enter new markets, invent new products, strike new partnerships, and test new marketing approaches, it is not always easy to manage intrapreneurs.

Intrapreneurs can be disruptive.

While their ideas and their affinity for experimentation have merit, intrapreneurs can be highly disruptive if the timing is wrong. An organization needs to be at a point in its growth and evolution to seriously contemplate these new ideas, without placing at risk its entire survival. Some stakeholders will feel that their agendas may be undermined because people, energy, and resources will be diverted to support new, edgy ideas that may never materialize into viable revenue streams.

It can become political—a contest of wills. And for organizations that can’t afford the distraction of a competing agenda, don’t hire intrapreneurs. If this is apparent about your organization, they likely won’t choose to work for your organization anyway.

Intrapreneurs may invite conflict and mistrust.

Though their intentions are good and honorable, intrapreneurs sometimes view those upholding the status quo as people who “just don’t get it.” There’s a distinct arrogance that sometimes develops among intrapreneurs who are trying to make the dark side shine brighter. Intrapreneurs need to remember that until their hypotheses are proven to be viable, they are still testing grounds, and the world is fraught with both seen and unseen risks that can spoil their best intentions.

The inherent conflict between those who get it and those who don’t usually results in distrust or mistrust. Without open communications and strong leadership to define the playing field and decision authority, relationships between intrapreneurs and “the rest of the world” can quickly deteriorate. When senior leaders don’t intervene quickly enough to reset the trust, the mistrust among key stakeholders within the organization may become redirected toward the senior leadership team. Who’s calling the shots here? Who’s spending our resources? Who’s watching our brand? Who’s taking care of our customers?

The positive force of intrapreneurship can unintentionally create a combative environment of win-lose. For organizations wanting to cultivate intrapreneurship, make sure there is open communication, clear lines of authority, and clear assignments of responsibility.

Intrapreneurs can be challenging to manage.

Without clear lines of authority and transparency to senior leaders, intrapreneurs can move too fast, without letting some of those “clueless” stakeholders know what they’re up to. Before you know it, some of the decisions and commitments made by
your intrapreneur backfires, because the right people within the organization didn’t sign off and the organization isn’t ready for the consequences. Unanticipated conflicts in market offerings start cropping up. Unanticipated pricing discrepancies cause you to anger customers who leave. Unanticipated messaging hits the marketplace, and customers start to tell you that you’re losing the authenticity of your brand.

Giving intrapreneurs decision power without checks and balances is the most dangerous situation for established businesses. In their zest to make their experiments successful, intrapreneurs may take risks on behalf of the company that could prove detrimental. This is because they become so emotionally attached to the idea they’ve hatched that they can lose their objectivity.

### How to encourage your intrapreneur without betting your entire business

Unlike entrepreneurs who are betting their own (or their investors’) money, intrapreneurs are betting their employer’s money. Placing controls on spending is probably the easiest of the many management controls needed. Remember, in addition to betting your money, your intrapreneur may also be betting the reputation of your company.

The best ways to minimize risk and to manage intrapreneurs are:

1. Define how much money is at the disposal of the intrapreneur.
2. Establish a review and approval process for the disbursement of additional funds.
3. Define what a good job looks like, with clear milestones.
4. Be clear about what decisions and commitments the intrapreneur is empowered to make on your behalf.
5. Insist on transparency. Establish norms for regular updates.
6. Ensure that your intrapreneur has adequate understanding of your mainstream culture, products, and brand, and knows how to operate successfully in that environment.
7. Require review and sign-off by the appropriate business unit or functional executive before marketing announcements go public or before commitments are accepted.
8. Consider branding any “disruptive ideas” under a separate entity name, so as not to tarnish your reputation, before marketing begins.
9. Ensure that key customer, employee, and partner stakeholders are informed before messages are launched publicly.
10. Provide sufficient communications support for new customers and partners generated by the intrapreneur.

### Maximizing Intrapreneurs

By definition, intrapreneurs grow up within your business. They may be hired in but they must spend sufficient time immersed in your business—getting to know the culture, product offerings, and decision making of the company. Most importantly, they must be able to demonstrate that they can operate successfully within the cultural and decision-making norms of the organization. Without this knowledge and this level of conformity, intrapreneurs will fail. This is because intrapreneurs must first establish their own credibility and relationships within the company and have enough personal equity to pursue a risky venture.

It is often the personal equity of the individual with great ideas—built within the walls of the prevailing organization and not based on past track records at other (however similar) organizations—that enables the intrapreneur to succeed.

Personal trust is an indispensible quality of a successful intrapreneur. That trust can quickly be eroded if the intrapreneur:
- fails to follow through on commitments
- overpromises and underdelivers
- operates with insufficient transparency

These classic trust-breakers pertain to all relationships, but they especially pertain to intrapreneurs because their initiatives are inherently risky. Trust and personal equity are the ways in which intrapreneurs earn permission from the organization to continue to explore a risky path.

In essence, intrapreneurship is based on the equity of trust, even more so than entrepreneurship. This is because an existing business, existing revenue and customers, existing operating models, and existing power structures are put at risk. The most valuable training for an intrapreneur is to thoroughly understand the prevailing business model and brand and the stakeholders within that environment.
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Do you have a success or failure story about intrapreneurship in your organization?

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