



What is Intrapreneurship?

Brought to you by Assemble you.

It's time to work on *you*, so sit back and listen to practical, actionable advice to accelerate your progress.

The business world is full of buzzwords and portmanteaus that are increasingly confusing to understand. Today, we'll be taking a look at one you may not be familiar with but has actually been around for a long time. We're talking about intrapreneurship. What exactly is intrapreneurship, and how can it help foster growth within your own company?

The term "Intrapreneur" comes from a 1978 white paper [1] written by Gifford and Elizabeth Pinchot. After the publication of this white paper, the term picked up speed. Intrapreneurship describes a system within a company that allows individuals to take on an entrepreneurial role — combining the terms "internal" and "entrepreneur." Deloitte defines it [2] as a "people-centric, bottom-up approach to developing radical innovations in-house," providing an opportunity for employees to exercise their entrepreneurial muscles without the increased financial risk. From an employee's perspective, intrapreneurship helps foster an innovator's mindset and can be a good base for developing the skills one might need to succeed as an entrepreneur. Maybe you think intrapreneurship doesn't sound like an ideal system to develop within a corporate structure. At first, it may seem like you would be taking away valuable, productive time from your employees, distracting them with a project that may not pan out in the long run. Also, an employee could end up getting bitten by the entrepreneurial bug, leaving you with a gap in your company. These are both understandable hesitations but indicative of negative, zoomed-in thinking. Successful intrapreneurship, according to Deloitte, "pays off many times over" in terms of company growth, culture, and talent.

Successful intrapreneurships are supportive and motivate workers to think outside of the box with limited resources. Attracting and holding on to talent can be difficult nowadays, and many employers underestimate the effectiveness of simply encouraging their employees' ideas. Focusing and amplifying your internal innovators can also attract like-minded thinkers to your company, which adds to your big-picture

development. Consider Google's "20% time" [3], a company policy that encourages employees to spend 20% of their time on side projects — it was in this "20% time" that Gmail was created.

Intrapreneurship can come in many different forms, but the critical element to remember is that it is an internal system that provides a creative solution and highlights innovative thinkers within your company. Just look at the example of Spencer Silver and 3M [4].

Can you imagine an office without Post-It notes? Effective when idea-building, brainstorming, or conveying quick messages to colleagues, you would think it resulted from decades of dedicated research into office communication. On the contrary, it is a result of an intrapreneurial mistake. In the 1960s, Spencer Silver was working at 3M to develop an adhesive for use in the aeronautics industry. He accidentally created a very weak, pressure-sensitive adhesive that was reusable and could be removed without leaving behind a sticky residue. The product was not useful for aeronautics, but 3M encouraged Silver to continue searching for ways to use this strange adhesive. He even tried coating billboards in the adhesive, thinking it could be a good alternative to pushpins! Eventually, his colleague, Art Fry, was searching for an alternative to loose page markers and suggested to Silver that maybe this reusable adhesive should be on a piece of *paper* rather than the surface to which the paper was meant to adhere. And so, the Post-It note was born. Had 3M decided against encouraging Silver to continue to find a use for his mistake, we never would have those iconic yellow squares.

It is essential to consider the needs of your company and develop systems that will provide actionable solutions to those needs. Intrapreneurships are most successful when they are focused on innovations rather than new products. 3M did not set out to disrupt the stationery industry with the Post-It. It was looking to improve a product the company already produced — adhesives.

Post-Its were born from an accident, and manufacturing lucrative accidents is nigh-on impossible. There are some tried and true systems of intrapreneurship you can introduce to your workforce to draw out the innovators you may have missed in the past.

It is important to note that intrapreneurships are different from research and development teams. Research and development, or R&D, is a whole department dedicated to researching and developing new products and services. Intrapreneurships are small teams and systems that innovate and think outside the strict rules and structures of R&D.

It's important to allow intrapreneurships to flourish separate from R&D, as one benefits more from breaking the rules than following them.

The first system of intrapreneurship is something called Innovation Time. Innovation time is an option for employees to take advantage of time in the workday dedicated to

side projects of their choosing. The most famous example is Google's "20% time", mentioned earlier. In their IPO documents [5], Google founders Sergey Brin and Larry Page wrote:

We encourage our employees, in addition to their regular projects, to spend 20% of their time working on what they think will most benefit Google. This empowers them to be more creative and innovative. Many of our significant advances... have happened in this manner.

Innovation Time comes out of your employee's daily working hours. So yes, there may be a small hit to daily productivity. But that minor hit is mitigated when you consider the rewards that innovation time could lead to. You may find a solution that keeps your company competitive for years to come. 20% of the average working day is only 96 minutes — which, in the big picture, is a small amount of time to encourage team members to commit to innovative ideas.

Innovation Time also doesn't have to be 20% of the workday. W.L Gore of Gore-Tex gives his employees 10% of so-called "dabble time." [6] That was enough for Dave Myers to develop the idea that would eventually become ELIXIR Guitar Strings, currently the top-selling guitar string on the market.

The easiest intrapreneurship system to implement is a pitch competition or idea fair. This is the time for employees to pitch a less formal version of a business plan, encouraging them to get their ideas out there. The prize is sometimes financial but can also be time and resources to develop their idea. For many intrapreneurs, the chance to dedicate their time to innovation is incentive enough. Companies could combine this with a sandbox fund to help their employees build a prototype or a more formal business plan. Employees pitch their ideas to the sandbox fund, and if it is approved, they can use the financial resources in the sandbox fund towards their pitch.

One intrapreneurship system rules above the rest when it comes to successful operations. It spawned Facebook's "Like" button, the programming language Java, and Shutterstock's "Oculus" data analysis tool [7]. A Hackathon or Hack Day is a marathon-like event with the goal of creating a functional piece of software or hardware by the end of the event. Obviously, this is a system that is better suited to a software or tech company. A Hackathon has clear limitations, goals, and rewards, and the competitive atmosphere tends to bring out the best in those with intrapreneurial characteristics: self-motivation, creativity, and proactivity.

Bill Aulet, the managing director of the Martin Trust Center for MIT Entrepreneurship, says [8]:

Intrapreneurship is not easy, but if you don't do it, you're going to die...your company is going to die. We can see that over and over again. You might think it but tomorrow's promised to nobody.

Intrapreneurship is one way to future-proof your company by encouraging innovation and utilising talent that is right under your nose. It feels risky because it thrives in places where the rules get thrown out the window, but the reward can be so much greater than the risks.

Companies need intrapreneurs — self-motivated, creative, and action-oriented workers — to stay competitive. Intrapreneurs find solutions to problems that haven't even occurred and usually develop the skills of an entrepreneur while doing so. Just take a look at all the companies that looked within their own ranks and ended up with a game-changing product. By creating the right circumstances and encouraging that entrepreneurial thinking, your company could create the next Post-It — or even find flaws in that and create a more innovative product.

[1] *Intra Corporate Entrepreneurship By Gifford Pinchot Ili And Elizabeth S Essay*, Gifford Pinchot Ili & Elizabeth S Essay (1978)
<https://www.bartleby.com/essay/Intra-Corporate-Entrepreneurship-By-Gifford-Pincho-t-Ili-F3QC4G5Z9J5W>

[2] *Five Insights Into Intrapreneurship*, Deloitte Digital (2015)
https://www2.deloitte.com/content/dam/Deloitte/de/Documents/technology/Intrapreneurship_Whitepaper_English.pdf

[3] *Want to Boost your Bottom Line? Encourage Your Employees to Work on Side Projects*, Adam Robinson (2018)
<https://www.inc.com/adam-robinson/google-employees-dedicate-20-percent-of-their-time-to-side-projects-heres-how-it-works.html>

[4] *The Post-It Note: An Intrapreneurial Success*, Fry Art (1987)
<https://www.proquest.com/openview/4bbd30798ce636ac6b207add07c6e810/1?pq-origsite=gscholar&cbl=40946>

[5] *Final Prospectus*, Google (2004)
<https://www.sec.gov/Archives/edgar/data/1288776/000119312504143377/d424b4.htm>

[6] *W. L. Gore: A case study in work environment redesign*, Nell Tambe (2013)
<https://www2.deloitte.com/us/en/insights/topics/talent/w-l-gore.html>

[7] *The Myth of the Intrapreneur*, Andrew Corbett (2018)
https://hbr.org/2018/06/the-myth-of-the-intrapreneur?ab=at_art_art_1x1

[8] *Bill Aulet: How to Foster Corporate Entrepreneurship*, MIT Sloan (2018)
<https://www.youtube.com/watch?v=anfUjwpYnfQ>