



A Quarterly Journal from IUP

# Effective Executive

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## Building an Entrepreneurial Culture

Building an entrepreneurial culture is building a culture that encourages autonomy, risk taking and enterprising behavior. Entrepreneurial culture is not an optional but an absolute necessity in the present-day competitive world. Entrepreneurial culture thrives on four pillars—authenticity, commitment to people, commitment to business and continuous effort. To sustain the entrepreneurial culture, hiring right people is an absolute must, followed by autonomy and respect given to the employees, transparent environment with consistent communication and vision of the company.

Entrepreneurship is to society what creativity is to business. Entrepreneurship is about creating wealth. The Parable of the Talents clearly supports entrepreneurship. In the parable, a master is going on a pilgrimage. He beckons his three servants and gives them money each according to his talent. The first servant invests it in business and doubles the investment; the second servant invests it in, say, agriculture and also doubles the investment. The third is infested with fear and he digs a pit and hides the investment lest he should lose it. The master returns after some time. He is happy with his first two servants for their attitude to investment, and is deeply disappointed with the third servant who could not multiply his money. He feels if the amount had been deposited in a bank, it would have at least given him interest. Scriptures say, teach a man a trade, for it gives him food everyday, but if you give him a fish, it lasts for only one day.

Entrepreneurial spirit is like a radar to entrepreneurship. It is marked by the ability to take risks, innovate and push the limits of what is known and understood. Entrepreneurs are basically dreamers. When they realize these dreams, they create value—financial, social and cultural. These dreamers play for what is not there. The entrepreneurship center at Miami says, “Entrepreneurship is the process of identifying, developing and bringing vision to life. The vision may be an innovative idea, an opportunity or simply a better way of doing something. The end result of this process is the creation of new venture, formed under the conditions of risk and considerable uncertainty.”

The largest democracies of the world encourage entrepreneurship. As seen in the case of the US, entrepreneurship leads to democracy. This is evident from the history of America. America took off as a colony of entrepreneurs from Europe. Naturally, a majority of them were free thinkers, and this led to its emerging as a vibrant democracy of the world. America was a land of opportunities, is a land of dreamers and will be a land of visionaries—all meaning, an entrepreneurial culture to be proud of. India, the largest democracy of the world, started off as a socialist country, but soon gained maturity and started encouraging entrepreneurs. If in developed countries, it is creativity and quality investments, in developing countries, it is inclusion and microfinancing. Microfinancing is supported by Nobel Peace Prize winner Muhammad Yunus in his book *Banker to the Poor* and also by famed journalist Nicholas Kristof, in his book *Half the Sky*—as microfinancing leads to development of marginal women entrepreneurs. P Chidambaram, the Finance Minister of India and Harvard University alumnus, supports entrepreneurial culture not only among the privileged with good identity records, but also among the underprivileged without clear identities, with the financial inclusion policy of banks. Unique Identification or Aadhar card is acting as a catalyst in encouraging

an entrepreneurial culture in India. Encouraging entrepreneurship is the only way we can wipe out poverty. Giving microcredit helps in saving the basic human dignity of the poor. It is like saying, “we love you and we want you to prosper.” Poverty is the creation of society, hence, it is for the society to wipe out poverty from the face of the earth. And the only solution to the problem is entrepreneurial culture.

Entrepreneurship does not prosper in a stagnating business environment like License Raj. To encourage entrepreneurship, universities and industry should have closer tie-ups and should jointly promote entrepreneurship. The legal framework should also be changed favoring entrepreneurship. Government and private sectors should promote funding incentives and provide tax holiday plans for new startups.

Social entrepreneurs can provide innovative solutions to the urgent problems facing the society. Blake Mycoskie is a celebrity entrepreneur from Arlington, Texas, US. He has carved an identity for himself with Toms Shoes and Toms Eyeware. How does it matter that there is nothing new about such startups? Mycoskie is the chief giver of shoes and eyeware to the needy. He calls his business model ‘one to one’, i.e., for every pair of shoes sold from the 500 odd stores in the US and more worldwide, one pair of brand new shoes is given away to the less privileged for free. The same model is executed for eyewares as well. He gave away 10,000 pairs of shoes in Argentina, 50,000 shoes in South Africa and, more recently, 1,40,000 shoes in Argentina, Ethiopia and South Africa. He has given away shoes to the needy in 25 poor and developing countries. His advice: “Start something that matters.”

Dr. Verghese Kurien with his White Revolution and Jamshetji Tata with his pioneering work in steel manufacturing and launching of institutions like IISc, have broken the barriers of impossibilities. Now it's our turn.

**Nagendra V Chowdary**

# The Mind of the Entrepreneur: How Successful Entrepreneurs Learn

Brian K Chupp\*, Clinton O Longenecker\*\* and Sonny Ariss\*\*\*

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This paper sheds light on entrepreneurial learning and makes a call for action. The statistics show the importance of entrepreneurial organizations to every nation's economic success. To foster this success, it is imperative that all parties involved help entrepreneurs learn how to successfully learn and grow. In this sense, the implications of these findings are significant. For academic institutions, it is imperative not only to teach the functional skills necessary for effective entrepreneurial activity, but also to prepare students to become more effective in their role as 'lifelong learners'. Younger entrepreneurs need to be conditioned to understand the key dimensions of on-the-job and informal learning if they are to achieve and maintain success.

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**E**ntrepreneurial activity is vital to the health of any country and the vast majority of entrepreneurial organizations start as small businesses which are the engines of economic growth (Ireland and Webb, 2007). Today, entrepreneurship is one of the most popular topics in business literature and a wide range of research is underway in virtually every dimension of entrepreneurship to explore what is needed for successful entrepreneurial launches, proper capitalization, market penetration, and rapid ramp-up (Kim and Miner, 2007). Research makes it very clear that entrepreneurs have certain traits and characteristics that are associated with their

vocation, such as a propensity for risk-taking, high levels of creativity and innovation, a strong desire for autonomy, and disregard for bureaucracy (Barringer and Ireland, 2010).

It is interesting to note that while research on the functional skills, talents, and behaviors of entrepreneurs is well documented, our understanding of successful entrepreneurial learning is still in its infancy (Dermot, 2012). Amidst all these efforts to better understand what it takes for entrepreneurial success, there is a research gap on how entrepreneurs learn and develop as their organizations grow and mature. More specifically, the question is, How do

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entrepreneurs learn and develop as they face the various challenges associated with the business cycles of their organization?

The purpose of this paper is to explore and describe the learning and development challenges experienced by successful entrepreneurs as their organizations grow and mature. Greiner (1972) and others have suggested that the demands placed on business leaders change as their organizations move through the business life cycle of startup, high growth, continued growth, maturity, and decline or redevelopment. That is to say, these changing demands require different skills and talents to produce desired organizational outcomes. The goal of this research was to identify the common learning challenges and themes successful entrepreneurs share in their quest to grow their enterprises and the lessons learned in this regard.

### Entrepreneurial Learning

Senge (1990) has pointed out that all organizations and their leaders, regardless of size, structure, and industry, require an effective learning capability if they are to succeed in a complex, competitive, and rapidly changing global marketplace. The recent research in the entrepreneurial arena highlights the importance of entrepreneurs, not just learning how to adjust to the changing needs of their organization, but doing so quickly (Dermot, 2012). In addition, Warren (2004) has reported that if entrepreneurial enterprises are to survive, grow, and thrive, it is imperative that their leaders possess the ability to learn from a wide variety of both formal and informal sources. A quote from the research of Smilor (1997) illustrates that point:

Effective entrepreneurs are exceptional learners. They learn from everything. They learn from customers, suppliers, and especially competitors. They learn from

employees and associates. They learn from other entrepreneurs. They learn from experience. They learn by doing. They learn from what works and, more importantly, from what doesn't work (p. 344).

In this regard, entrepreneurial learning tends to be action-oriented, and it is speculated that learning occurs through experience and discovery (Rae, 2000; and Pittaway and Cope, 2007). Researchers have also proposed that entrepreneurs learn through doing and reflection, including learning by copying, learning by experimentation, learning by problem-solving and opportunity-taking, and learning from mistakes (Politis, 2005). In addition, some suggested that overcoming difficulties and problems have been identified as fundamental to how entrepreneurs learn, while major setbacks and sporadic critical events have been shown to be potential catalysts for learning (Minniti and Bygrave, 2001; and Pittaway and Cope, 2007). Finally, some believe that entrepreneurs not only learn through their own experiences but also by observing others' behaviors and actions and the consequences from those behaviors and actions (Holcomb et al., 2009).

All these studies point to the need for an expanded understanding of entrepreneurial learning that was best stated by Deakins (1996) as his thoughts live on in the 21<sup>st</sup> century:

We do not understand how entrepreneurs learn, yet it is accepted that there is a learning experience from merely establishing a new enterprise. The learning process that is involved in business and enterprise development is poorly understood, yet programs have been devised and interventions are made in business development... There is now a need for refocusing research away from the emphasis on picking successful

entrepreneurs or picking winners, to identifying key issues in the learning and development processes of entrepreneurship (pp. 21-22).

In this regard, we will identify the key issues and processes of entrepreneurial learning and development from the perspective of established and successful entrepreneurs.

### Methodology

The participants in this study were the entrepreneurial founders of their organizations whose enterprises had sustained growth and profitability for at least five years prior to this study. The sample was made up of entrepreneurs from diverse business sectors, including manufacturing, human resource consulting, finance, engineering, specialty retail, and heavy construction. The sample included ten males ranging in age from 49 to 64, with an average age of 56 and an average of 19 years of entrepreneurial experience. Eight of the ten had college degrees; five had Bachelor degrees; two had Master's degrees; and one had a Doctoral degree.

Since this study sought to identify the specific learning challenges of entrepreneurs, a descriptive ethnographic methodology was employed. Data was collected by conducting two semi-structured interviews with each participant. The initial interview was face-to-face, followed by a phone interview. The participant interviews were conducted using a general interview guide approach (Patton, 2002). This approach involved developing an outline of questions prior to the interview that focused on the learning challenges associated with starting and growing their business ventures. The guide allowed free conversation within a topic area, while ensuring all questions were adequately covered. Each participant was initially interviewed using the same interview

guide. The follow-up phone interview allowed for the opportunity to validate and verify the information from the first interview. It also allowed for additional questions to aid in focusing on central themes. These experiences were then compared and contrasted with the experiences of other entrepreneurs, and interpreted to identify similarities and patterns in their learning experiences.

### Our Observations on How Entrepreneurs Learn

"There is no question that if I am not learning and taking the steps to ensure that I am learning, there's a real good chance that I will fail in the next step of my business's growth pattern... This is a very sobering thought!"

– An Entrepreneur's Observation

Now let us share our observations on how entrepreneurs learn based on the in-depth analysis of the learning experiences of the successful entrepreneurs who participated in this study.

Observation #1: Successful entrepreneurs must be humble and honest enough with themselves to realize that they do not possess all of the requisite talents for ongoing success.

Entrepreneurs are often seen as confident, 'can-do' types of people who have great vision, passion, determination, and a willingness to either find a way or make a way to get things done as they launch and grow their businesses. The successful entrepreneurs who participated in this study stated that they needed to temper this confidence with the stark realization that they did not possess all of the talent and skills that it would take to make their organizations successful in both the short- and long-term. These entrepreneurs were quick to admit that while they were smart, driven, and passionate individuals, they needed to know themselves

and understand what they were good at doing and what they were not good at doing. This required humility, honesty, and self-awareness. Finding themselves in possession of a 'skills gap' was not the problem, the real problem was being unwilling to admit that a skills gap exists at any given point in time and to take the necessary steps to ensure that this skills gap did not damage their ability to make wise and effective decisions. Our participants were quick to admit that this is an ongoing challenge as their businesses become more successful and move through the business life cycle.

**Lesson Learned:** For entrepreneurs to be successful and maintain success throughout the business life cycle, they must be willing to keep their egos in check and listen, learn, and surround themselves with people who are knowledgeable to fill in the entrepreneurs' talent gaps that inevitably arise.

**Observation #2:** The skill sets of successful entrepreneurs must evolve and develop quickly to match the changing demands of their growing ventures.

As entrepreneurs steer their organization through the various phases of growth, they are faced with challenges that require different skill sets. Successful entrepreneurs are able to realize that building and maintaining a successful organization requires skills that they may not possess at any given point in the business life cycle. They might be a functional genius or technical expert, but there is a very good chance that they will lack a critical and needed skill at some point. The skills required during startup are not necessarily the skills that are required later on. Successful entrepreneurs must anticipate this and have a plan in place to acquire these skills themselves or bring on people with the required skill sets. Entrepreneurs must know themselves well enough to fully understand how they learn on an individual basis and how this

process must be accelerated as their businesses grow. When entrepreneurs stagnate or they do not take proactive steps to quickly expand their talents, their businesses will suffer.

**Lesson Learned:** Successful entrepreneurs realize that they must never stop learning and acquiring new skills/knowledge and as their businesses grow they must develop methods that allow them to learn rapidly.

**Observation #3:** Successful entrepreneurs learn via trial and error on the job while leading their ventures.

According to the entrepreneurs in this study, no startup venture happens without significant setbacks, and growth rarely, if ever, occurs without organizational growing pains. Our participants provided multiple examples where they had made mistakes that hurt their organizations in a wide variety of ways. Several things were important to these entrepreneurs in this regard. First, mistakes are inevitable when you are trying to create something new or take an enterprise to the next level. So entrepreneurs had to learn how not to get too angry with themselves for decisions they had made. Second, these entrepreneurs agreed that it is imperative not to make the same mistake a second time. Rather, it was imperative to learn from the mistake. Finally, since many of these entrepreneurs were engaging in business and leadership activities that were outside their current skill set, they frequently were unaware of what they were lacking. This fact made it imperative that they carefully think through decisions, surround themselves with talented people, and learn to draw lessons that allow them to build on their previous experiences.

**Lesson Learned:** Failure for an entrepreneur is not making a mistake; failure is not learning from the mistake and allowing a mistake to develop into a habit.



Observation #4: Crises can cause rapid personal and organizational learning for successful entrepreneurs.

Throughout the growth of their businesses, our entrepreneurs stated that they faced various crises rising from their lack of experience, poor personnel decisions, ineffective planning, financial difficulties, and sales and marketing meltdowns and operational blowups, among others. In other cases, crises emerged from forces outside their control such as the economy, competition, customer decision making, new government regulations, and raw material shortages and the like. Whether a crisis is caused by the organization itself or by factors beyond its control, these entrepreneurs made it clear that handling the crisis was their responsibility and an opportunity for powerful and accelerated learning. As is true in most crises, great learning can take place when a leader is properly focused and working hard to solve these significant problems. Our participants stated that through these critical events, entrepreneurs can learn to better process information, acquire additional industry-based knowledge, adjust strategy quickly, draw upon the collective wisdom of their business associates, and make better decisions. While our participants were quick to admit that no one wanted to find themselves in a crisis, they were equally quick to admit that crises have the potential to galvanize organizational action and provide rapid and even life-changing learning opportunities for all parties concerned.

Lesson Learned: Surviving a crisis provides entrepreneurs an opportunity to learn more things more quickly than might otherwise be the case and emerge from the crisis as stronger leaders.

Observation #5: Entrepreneurs recognized that their success in one phase of the entrepreneurial cycle could cause them

to become overly confident causing a host of potential problems.

Entrepreneurs understand that a lot of hard work and effort is required to get their business off the ground. However, the entrepreneurs in this study stated that success early in the startup and high-growth phases of the business life cycle had the potential of causing them to become somewhat overconfident going into the next phase of their business. Our participants stated that this overconfidence manifested itself in such negative behaviors as unwillingness to listen to others, unwillingness to delegate authority, engaging in behaviors that had worked when their businesses were smaller, and failing to take into account that their businesses had outgrown their leadership talent. In the end, our participants stated that it frequently took a major problem or a crisis or a personal confrontation to provide them with a reminder that confidence is a good thing but when taken to an extreme it gets in the way of entrepreneurial learning and development.

Lesson Learned: Successful entrepreneurs work hard to avoid the trap of allowing their current success to lead to overconfidence that will reduce the likelihood of future success.

Observation #6: Successful entrepreneurs listen and respond to feedback from a wide variety of sources for ongoing entrepreneurial learning and organizational growth.

Our participating entrepreneurs made it clear that they must understand the importance of what other people tell them concerning their venture, whether good or bad. This feedback can come from customers, mentors, peers, employees, financial institutions, and friends. Our participants made it clear that they must be listening and acting on this information if they are to move their organizations forward. Virtually,

every participating entrepreneur stated that it was easy to find themselves being so busy that they became unaware of problems that were taking place around them or unaware of business opportunities that were presenting themselves. Successful entrepreneurs made it clear that they must seek out feedback from a wide variety of sources and they must act on that information. The importance of seeking out sources of accurate information, listening to those sources, and acting on this information was paramount in the minds of our participants. Even though it may seem to the entrepreneur that they are 'on their own' and have to figure out everything themselves, there are actually many resources available to them, they simply need to seek them out.

Lesson Learned: Successful entrepreneurs understand the importance of feedback and surrounding themselves with a wide variety of information sources that will keep them apprised around the issues that impact their business.

Observation #7: Successful entrepreneurs realize the necessity of taking time for ongoing self-reflection and assessment. One of the most interesting observations that we would make about the entrepreneurs in this study dealt with the issue of taking time to think. Successful entrepreneurs credit periods of "stepping back and analyzing what was happening," "reflecting on what was going on around them," "assessing what was coming next," and "evaluating how things were actually going," as the major reasons why they avoided many poor or potentially damaging decisions as their venture grew. Growth and problems can happen quickly and if entrepreneurs do not spend time analyzing what is really going on, they may find themselves making decisions with incomplete information or understanding that will come back to haunt them at a later point in time. Our sample spent a great deal of time talking about the importance

of reflecting on where their organizations were at present, where their organizations were going, and how they were going to get there. Our participants made it clear that without this 'thinking time' mistakes, problems, shortcomings, and bad habits can easily creep into any entrepreneurial organization making growth and even survival more difficult.

Lesson Learned: Successful entrepreneurs schedule regular time to think and reflect about how to make their businesses and themselves more effective.

Observation #8: Successful entrepreneurs must learn that they 'outgrow' processes, procedures, and advisors and must be willing to let go of the past.

Participants in our study talked about the difficulties associated with 'letting go' of the people, practices, procedures, and processes that were critical in an earlier part of the business life cycle. Entrepreneurs work hard to make their businesses perform at a high level; when this high level of performance produces growth, this growth can place great strain on the organization's existing way of doing business (Greiner 1972). Our participants shared numerous accounts of how they had to painfully learn to move beyond 'past ways' of doing business so that their enterprises could achieve higher levels of growth. Entrepreneurs discussed the fact that pain was frequently associated with letting go of previous approaches to business in order to put the organization in a better position for future growth. As an entrepreneurial business grows, so must the processes and resources needed to propel that growth and that entrepreneurs need to be able to make adjustments that will support future growth.

Lesson Learned: The people and processes that help an entrepreneur get to one level of performance might not be the same that will

drive the entrepreneur to the next level of performance.

Observation #9: Successful entrepreneurs realize that they must surround themselves with talented people from whom they can learn.

Most successful entrepreneurs are quick to point out that they would not be where they are today if it were not for an important group of people around them. Successful entrepreneurs almost always have strong legal and accounting advisors who play a critical role in the startup and growth of their enterprise. Successful entrepreneurs are quick to hire the very best talent that they can afford and leverage that talent to the benefit of their organization and themselves. Successful entrepreneurs seek out strong personal advisors and mentors who can help them navigate through the various challenges associated with starting and growing a business. Successful entrepreneurs know that without the input, console, guidance, and accountability of people around them, their chances for success are greatly diminished.

Lesson Learned: Successful entrepreneurs must develop the interpersonal and emotional intelligence skills necessary to surround themselves with people that have the talent and strength of character to help them perform at an optimal level.

Observation #10: Successful entrepreneurs must learn from the host of ongoing intrapersonal trials, tribulations, and challenges they face in launching and growing their businesses.

Discussions with entrepreneurs about their enterprises are always very stimulating, passionate, and energized. Entrepreneurs are quick to point out that starting and growing their business is frequently described as a 'love affair', 'an all-consuming experience', 'a labor of love', 'craziness', and 'insanity', among other colorful things. These

comments are illustrated by the fact that entrepreneurs must face and learn from some very difficult realities that confront them along the road to success. Participants in this study made it clear that being an entrepreneur can be characterized by fear, uncertainty and doubt, and tremendous financial pressure. In addition, they admitted to experiencing high levels of stress, lack of work-life balance, and excessive workloads and working hours. Participants were quick to point out that these trials and tribulations placed great pressure on interpersonal relationships, marriages, and parenting relationships. The participants in our study were also quick to point out that all of these challenges provided powerful learning opportunities if they were properly addressed. However, if these challenges were not properly addressed they created a myriad of additional problems and potential tribulations for the entrepreneur. Therefore, all entrepreneurs must find ways to cope with all of the stresses that come with starting and growing a business if their goal is to have true long-term value.

Lesson Learned: Entrepreneurs must temper their passion for their business with the realities of taking care of themselves and their families for true long-term success.

When taken all together, these ten observations make it clear that successful entrepreneurs learn by doing, learn by thinking and reflecting, learn from others, and learn from dealing with difficult and challenging times. Finally, it is important to point out that a majority of learning and development factors discussed in these interviews were informal and on-the-job learning in nature rather than from more formal educational or pedagogical experiences.

### A Call for Action

This paper sheds light on entrepreneurial learning and demands a call for action. The statistics show

### Exhibit 1: An Assessment of Key Entrepreneurial Learning Dimensions

Instructions: Take time to read each statement and assess your effectiveness on each of the key entrepreneurial learning dimensions identified in this research. Any dimension that receives a score of less than 3 is an opportunity for performance improvement for any entrepreneur interested in taking their performance to the next level.

Ineffective = 1    Somewhat Effective = 2    Effective = 3    Highly Effective = 4

How effective are you at...

1. Keeping your ego in check and realizing that you do not possess all of the talent and answers necessary for success? \_\_\_\_\_
2. Rapidly developing the necessary talent to alleviate your skills gaps? \_\_\_\_\_
3. Learning from your mistakes? \_\_\_\_\_
4. Using crises as opportunities for both personal and organizational learning? \_\_\_\_\_
5. Recognizing that your success can cause overconfidence? \_\_\_\_\_
6. Seeking out, listening and responding to feedback from a wide variety of sources on an ongoing basis? \_\_\_\_\_
7. Taking time for ongoing self-reflection and self-assessment? \_\_\_\_\_
8. Demonstrating the ability to let go of past ways of doing business that are no longer effective? \_\_\_\_\_
9. Surrounding yourself with talented people from whom you can learn? \_\_\_\_\_
10. Working hard to address the intrapersonal trials, tribulations, and challenges you face in running your business? \_\_\_\_\_

the importance of entrepreneurial organizations to every nation's economic success. To foster this success, it is imperative that all parties involved help entrepreneurs learn how to successfully learn and grow. In this sense, the implications of these findings are significant. For academic institutions, it is imperative to not only teach the functional skills necessary for effective entrepreneurial activity, but is also important to prepare students to become more effective in their role as 'lifelong learners'. Younger entrepreneurs need to be conditioned to understand the key dimensions of on-the-job and informal learning if they are to achieve and maintain success.

For financial institutions, it is imperative that they assess the degree to which the entrepreneur or entrepreneurs engaged in an

enterprise take their personal learning and development seriously. Our findings make it clear that the successful entrepreneurs in this study identified a number of challenges that can prevent or stimulate learning, which lending institutions might explore to assess the 'risk factors' of the leaders of a given entrepreneurial undertaking. If the entrepreneurs in question demonstrate out-of-control egos, an unwillingness to address skill gaps, overconfidence, a reluctance to learn from previous failures, an inability to handle crises, an unwillingness to listen to others, failing to take time for self-reflection and self-assessment, failing to surround themselves with talented people and advisors, and an unwillingness to address the interpersonal and intrapersonal challenges that come along with an

entrepreneurial enterprise, we will venture that the probability for less than optimal organizational performance is high. We believe it would make good sense for financial lending institutions to assess learning talents of leadership just as they perform due diligence in other parts of their analysis.

Finally, we would challenge entrepreneurs to conduct a self-assessment on the ten learning observations we have made about successful entrepreneurs. The self-assessment in Exhibit 1 would help them understand their approach to learning and developing as an entrepreneur. To do so is a good opportunity for self-reflection and personal improvement. To not do so is to throw away an opportunity for learning at a time when the cost of not being a great 'learning entrepreneur' is exceptionally high. ☺

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# The Entrepreneurial Edge

Richard Cross\*

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Entrepreneurship is a term that generally carries a cachet. Recently there has been an inflation in the use of the term entrepreneur that such modern folk heroes can be found in any walk of life. How can countries balance the support to individual entrepreneurs all the way back to the Patent system and the ideas they produce, to create a sustainable societal legacy, rather than a winner-takes-all society? Where there is a will there is an entrepreneurial way.

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All hail the entrepreneur as the conquering hero with talent of Olympian heights who is going to turn around national, international and the world economy. Why is the entrepreneurial panacea important to business and politicians? What are the qualities of these celebrated and sometimes celebrities of the business world that capture the public and political imagination? What makes an entrepreneur different? Finally, are there any opportunities as well as any health warnings that should be attached to this fashionable field?

Entrepreneurship is a term that generally carries a cachet. Recently there has been such an inflation in the use of the term entrepreneur that such modern folk heroes can be found in any walk of life. Let us get back to the basics: entrepreneurship is at the center of the type of high and stable economic growth that creates prosperity. Today, as an example, America gets more than half its economic growth from information and biotechnology industries that barely existed a decade ago—such is the power of innovation. There is hardly a government across

the globe that does not try to activate or harness entrepreneurial potential as a source of new growth and the core focus of economic policies. In the UK, Prime Minister Cameron said: “If Britain is to compete on a global stage, we must do all we can to support budding entrepreneurs and build a nation where everyone aspires to great things.” A nationwide campaign conveys the message that there is a ‘business in everyone’ and aims to inspire potential entrepreneurs to start their own businesses and to encourage existing small businesses to grow.

President Obama endorses the entrepreneurial case too. In 2009, when being sworn in, he praised the US heritage of entrepreneurship, labor and charity. “It has been the risk takers, the doers, the makers of things who have carried us up the long, rugged path toward prosperity and freedom,” he proclaimed. The development and promotion of entrepreneurship have also been the strategic objectives of the European Union for some time. A key goal is the building of a stronger culture of entrepreneurship and creating entrepreneurial mindset in the European citizens, particularly

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young people. Entrepreneurship in India is topical too as described in Box 1.

Joseph Schumpeter (1883-1950), who brightened up the 'dismal science' of Economics with his own

#### Box 1: Entrepreneurship in India

India is a great place for women entrepreneurs. A June 2012 Women Global Entrepreneurship Study by Dell exudes optimism for women entrepreneurs. Amit Midha, Dell's Chairman for Global Emerging Markets, found the ideal country for a woman starting a business in 2012 could well be India (<http://content.dell.com/us/en/corp/d/secure/2012-05-31-dell-women-entrepreneur-network-india>).

Another survey captures the contradictions of business in India. Indians' unwillingness to risk failure has hobbled the creation of small businesses and led the nation to be ranked last in Asia in promoting entrepreneurship, according to a Gallup poll ([http://articles.economicstimes.indiatimes.com/2012-06-19/news/32317787\\_1\\_women-entrepreneurs-uk-business-confidence](http://articles.economicstimes.indiatimes.com/2012-06-19/news/32317787_1_women-entrepreneurs-uk-business-confidence)).

Gallup departs from Schumpeter in defining an entrepreneur as an individual who proactively seeks to generate value through expansion of economic activity and who creatively responds to challenges and needs encountered in the process of accomplishing this outcome. Successful entrepreneurs, they propose, are likely to be optimistic, goal-oriented, and persistent.

Gallup found that Indians were robustly confident about their economy. Yet the report notes that very few are willing to take the necessary risks to strike out on their own. The key barrier to current and aspiring entrepreneurs is the lack of a robust support system. Only 16% of respondents own a business. And more tellingly, less than a quarter of those do so in the formal sector, registering the business officially. The most interesting hurdle is the lack of financing across the country. Investors' funds, the report notes, have poured primarily into the IT sector while ignoring others, like energy and healthcare (<http://businessjournal.gallup.com/content/156143/india-big-problem-nurturing-entrepreneurs.aspx>).

Amid all the hype and hope, this breed is seen as the savior of the new world economy. But if you are going to develop an entrepreneurial culture in a company or country, it is critical to build strategies on a solid foundation of both theory and practice of what constitutes an entrepreneur and entrepreneurial talent. That is the essence of this paper, which starts with a review of preminent economist Schumpeter. The paper then compares his observations to pioneering research, comparing elite leadership performance in different settings from the special forces context to CEOs at the vanguard of change, with special reference to entrepreneurs and leaders in sport.

#### Schumpeter's Legacy

There is no better person to start with than the world's leading scholar of entrepreneurship,

personality and prescient lifelong emphasis on the entrepreneur as the pivot on which everything turns. Forbes, the US business magazine, named Schumpeter, not Keynes, the best navigator through the turbulent seas of globalization. Time has proved that assessment accurate. An outsider from Austria, he believed that outsiders in general were better positioned to imagine big changes and new opportunities. One of the most cosmopolitan and colorful of all economists, he described to one student how he set out to become the greatest lover in Vienna, the greatest horseman in Austria, and the greatest economist in the world. "Alas, for the illusions of youth," he added, "as a horseman, I was never really first-rate."

Fittingly, the earliest expert on entrepreneurs had a maverick streak. "Given the choice between being right and being memorable," recalled John

Kenneth Galbraith, “Schumpeter never hesitated.” Galbraith also characterized his colleague as, “the most sophisticated conservative of the 20<sup>th</sup> century.” He claimed allegiance to no school of thought and as a contrarian expressed concern about becoming the orthodoxy himself. Schumpeter reinvented himself as lawyer, professor, high government official, investor, and professor, again paving the way to a chair at Harvard in 1932.

For Marx, the seeds of change were to be found in the proletariat. Schumpeter focused instead on the engine of change, as the investment behavior of capitalists and the innovative activity of entrepreneurs. The source of change was in the entrepreneurial function. In his classic book of 1911, *The Theory of Economic Development*, Schumpeter broke with tradition emphasizing the entrepreneur as the source of all economic progress. Later, he proposed that the dominant Keynesian thinking overemphasized the role of the government and, in 1942, coined the phrase ‘creative destruction’ to describe the incessant changes typical of capitalist economies. This observation that the same innovation that creates an opportunity for one business destroys another prevails today. Organizations that excel strike a balance between creativity and destruction—managing continuity and change.

Every piece of business strategy (another term he coined), Schumpeter wrote in 1942, “must be seen in its role in the perennial gale [the essence and driving force of capitalism] of creative destruction; it cannot be understood irrespective of it or, in fact, on the hypothesis that there is a perennial lull.” Schumpeter cited examples of how fledgling ventures were able to take advantage of creative destruction. The factory wiped out the blacksmith shop just as the car made the horse and buggy obsolete. Nowadays, of course, this insight is highly relevant

with Internet-related change, as well as ideas and knowledge-based products such as music business, software, pharmaceuticals, publishing and mobile phones. Some industry leaders have lasted the course, others have not.

The French economist Richard Cantillon, in about 1730, is generally cited as the first to coin the term entrepreneur. In Cantillon’s view, entrepreneurs bought raw material—often a farm product—at a certain price, in order to process it and resell it at an uncertain price. Entrepreneurs were people who seized opportunities with a view to making profits and assumed the inherent risks. The first person to suggest that the core of entrepreneurship consisted in the idea of combination was, according to Schumpeter, a French economist, Jean-Baptiste Say, who maintained that the entrepreneur shifts economic resources out of an area of lower and into an area of higher productivity and greater yield. Schumpeter launched the field of entrepreneurship by building on this work and associating it clearly with innovation. Innovation as an endogenous process is doing more with the same amount of resources, and less about economizing within a known framework than about creating wholly new vistas. Incremental improvement was about routines and managers; by contrast, “the function of entrepreneurs,” Schumpeter stated, “is to reform or revolutionize the pattern of production by exploiting an invention or, more generally, an untried technological possibility for producing a new commodity or producing an old one in a new way, by opening up a new source of supply of materials or a new outlet for products, by reorganizing an industry and so on.”

Discarding his original use of the German word *Unternehmer* (literally meaning undertaker; it never caught on), Schumpeter’s 1934 definition and deployment of the word entrepreneur was pivotal:



“The carrying out of new combinations we call ‘enterprise’; the individuals whose function it is to carry them out we call ‘entrepreneurs’.” To Schumpeter, the essence of entrepreneurship was in “the perception and exploitation of new opportunities in the realm of business ... it always has to do with bringing about a different use of national resources in that they are withdrawn from their traditional employ and subjected to new combinations.” A new combination is not the same as an invention according to Schumpeter. As long as they were not carried into practice, inventions were economically irrelevant. “Introducing a new good, a new method of production, and so on may well be commendable but unless there also is profit, there is no entrepreneurship,” he wrote.

For Schumpeter, there are five manifestations that arise out of entrepreneurial activity: (1) the introduction of a new (or improved) good; (2) the introduction of a new method of production; (3) the opening of a new market; (4) the exploitation of a new source of new materials or parts; and (5) the carrying out of the new organization of any industry or in effect the reengineering/organization of business management processes. Associated with these five manifestations, there are at least four distinct organizational paths for entrepreneurship: small businesses, scalable startups, large companies, tycoons/magnates and non-profits. All of the individuals who start or work in these organizations can in some way be classified as entrepreneurial. Entrepreneurs and entrepreneurship reflect certain characteristics that relate to the processes through which it is applied, and this is not wholly the preserve of small companies or entrepreneurs. Individuals within big businesses may demonstrate entrepreneurship without necessarily having a stake in the company or seeing themselves as

entrepreneurs. One point worth emphasizing here is that it is tempting to assume that the creation of new businesses or more self-employed is the be all and end all. This is not the case at all. Entrepreneurship is not a euphemism for the general business environment or freelance self-employment.

While we may think that most of the economy around us today is dynamic, this is actually not the case according to Schumpeter. Nearly, everywhere economic reality is static. Statics—defined as no change or automatic change in response to outside forces is the general rule throughout the history of mankind. Statics work hard in what they do, they only act within the given limits. “The artisan does not want to change the way he produces his goods, and the peasant is at the most ready to switch from one type of crop to another to make some extra money. But neither is interested in doing anything that is radically new.” Entrepreneurs get on with the job of creating value by exploiting some form of change—be it in technology, materials, prices, taxation, demographics, or even geopolitics. They thereby generate new demand, or a new way of exploiting an existing market. In this respect (and this is why politicians jump on the entrepreneurial bandwagon), innovations not only break the mold; importantly, they yield far better returns than ordinary business ventures.

### The Quality That Makes Entrepreneurs Different

Schumpeter, in his homage to the philosophers Kant and Nietzsche, highlights the almost mythical Superman figure of the entrepreneur as a heroic leader, who sets new directions. However, he always expressed that it is basically an economic function that is being carried out by an individual, or by a firm, or (in later writings) by a firm occupying an industry monopoly position. It was

the function that took precedence over the person of the entrepreneur. Schumpeter in that context rested cycles of business fluctuation on activities in the real economy through the agency of entrepreneurial action. In order for something radically new to emerge, he recognized that the entrepreneur has to be bold and willing to take up a fight against the old. Certain groups have a material interest in the status quo. People are usually quick to spot and condemn differences in dress and manners, notes Schumpeter. They are even more hostile, he adds, when it comes to behavior that is different in areas that are more important to them, including the economy. Schumpeter quotes from early European economic history how “entrepreneurs were not necessarily strangled but they were not infrequently in danger of their lives.” The entrepreneur should, in his words, be strong enough to swim against the tide of the society in which he is living. The resistance, Schumpeter says, can be divided into three types. First, there is the resistance that is associated with the task; then there is the resistance associated with the psyche of the businessman; and finally, there is the resistance from the social environment. By resistance to a new task Schumpeter means that the economic actor will now have to do something that is not part of the circular flow and that he has never done before. As a result, the actor lacks data for his decision as well as rules of conduct that tell him what to do.

### The Importance of Intuition

As a military action must be taken, Schumpeter observed, even if all the data are not available, so also in economic life, action must be taken without working out all the details of what must be done. Even thorough preparatory work, special knowledge, breadth of intellectual understanding, and logical analysis may, under certain

circumstances, result in failure. This theme surfaces in the recent work of Christensen who suggests that if you listen to business schools and focus on fact or data-based decisions, you will be taking action after the deal is over. More recently, Saras Sarasvathy, a professor at the University of Virginia’s Darden School of Business, confirms that rather than meticulously segment customers according to potential return through MBA style causal reasoning, entrepreneurs itch to get to market as quickly and cheaply as possible through ‘trial and error’. See Box 2 for an example of an archetypal approach.

This modern perspective is consistent with Schumpeter. “To do the right thing presents few problems as long as everything is known, but it is very different when you find yourself in a new situation,” he commented. “In a static economy, the principle of rational behavior works perfectly well—but not when it is a case of economic development. Here the only way that the entrepreneur could handle the nearly unlimited number of choices was through intuition—the leap of logic. The entrepreneur simply bypasses the difficult problem of calculated choice by relying on intuition.” This is the capacity of seeing things in a way “which afterwards proves to be true, even though it cannot be established at the moment, and of grasping the essential fact, discarding the unessential, even though one can give no account of the principles by which this is done.” In the final analysis, as it were, Schumpeter confirms, “the success of everything depends on intuition.”

To break away from these routines is not straightforward, and few people have that great surplus of force or mental freedom that is needed to do so. This mental freedom is something peculiar and by nature rare, according to Schumpeter. In brief, if there is to be economic development, there has to be leaders—those very special people who display energy to act in

Box 2: How an Entrepreneur Thinks

Yvon Chouinard founded the company Patagonia in 1974. Decades before businesses embraced the green movement, Patagonia spearheaded campaigns to use eco-friendly materials and fabrics in its clothing and pioneered sustainable manufacturing practices, turning the outerwear industry on its head.

Chouinard argues: usually people do not know what they want, they think they know what they want—a combination of existing things that they are already familiar with. However, true innovation often requires you to try something so radical, so different, that the typical consumer would be dumbfounded.

Echoing many entrepreneurs he says, “It is a lot of gut instinct. If you study something to death, if you wait for the customer to tell you what he wants, you are going to be too late, especially for an entrepreneurial company. That comes from Henry Ford: customers did not want a Model T, they wanted a faster horse.” As he emphasizes he is improvement-focused, action-oriented but learns by trial and error. “I’m an innovator because I see things and think I can make it better. So I try it. That’s what entrepreneurs do.”

His way of learning is that he immediately takes a first step, and if it feels good, he takes another one; if it feels bad, he steps back. He minimizes risks and makes small bets that make it easier and safer.

Source: Jennifer Wang, May 12, 2010, available at <http://www.entrepreneur.com/article/206536>

new ways and are also motivated to do so. Schumpeter refers to this type as someone who does not accept reality as it is. In the Theory of Economic Development, Schumpeter contrasts the entrepreneurial to non-entrepreneurial person in a detailed fashion. He refers to the former as

the Man of Action and the latter as the Static Person (Table 1). Successful innovation is a feat not of intellect but of will. As Schumpeter expresses it, being apt and willing to take up an entrepreneurial task requires a rare attitude and a particular conduct.

Table 1: Schumpeter’s Man of Action Versus Static Person in Theory of Economic Development (1911)

Man of Action	Static Person
Leader	Follower
Dynamic	Static
Active, energetic	Passive, low energy
Puts together new combinations	Accepts existing ways of doing things
Makes an intuitive choice among a multitude of new alternatives	Makes a rational choice among existing alternatives
Does what is new	Repeats what has already been done
Breaks out of an equilibrium	Seeks an equilibrium
Feels no inner resistance to change	Feels strong inner resistance to change
Battles resistance to his actions	Feels hostility to new actions of others
Commands no resources but borrows from a bank	Commands no resources and has no use for new resources
Motivated by power and joy in creation	Motivated exclusively by needs and stops when these are satisfied

Entrepreneurs, he insisted, are not propelled solely by a wish to grow rich or by any motivation of the hedonist kind. Instead, they feel the will to conquer: the impulse to fight, to prove oneself superior to others, to succeed for the sake, not of the fruits of success, but of success itself. There is the joy of creating, of getting things done, or simply of exercising one's energy and ingenuity. Richard Branson, founder of the Virgin Empire, is clearly the same adventurous type. He quotes Schumpeter's view that "entrepreneurs are innovators who use a process of shattering the status quo of the existing products and services, to set up new products, new services." What an entrepreneur simply means for Branson is "being someone who wants to make a difference to other people's lives."

This perspective on the generic goal of the entrepreneur to make a difference is alluded to in one of the rediscovered chapters from his early work. This is centered around Schumpeter's idea that the concept of the entrepreneur not only constitutes a key to the economic sphere but to all other spheres in society, such as politics, art and so on. Everywhere he says these two types are very clearly demarcated, letting those spirits stand out who create new directions of art, new schools, new parties. Schumpeter emphasizes that social entrepreneurs, whatever the field of activity, are not necessarily inventors or creators of the new, but more importantly they are the carriers of the new, those who put the new into effect. The mere thought is not sufficient and is never pushed through on its own. The history of science, he argues, shows this in a drastic way. In this process, the new thought will be picked up by a forceful personality and, because of the influence that personality possesses, be pushed through. This personality does not have to be the creator of the thought, just as the entrepreneur, for instance, does not

have to be the inventor of the new method of production which he introduces. Here, as elsewhere, the leader is characterized by the energy of the act and not that of the thought. Thus, entrepreneurship is generalized across to all fields of social life as the vehicle of development.

### How Relevant Is the Entrepreneurial Outlook?

The promotion and virtue of entrepreneurship is the foundation of economic vitality. The interest is in creating successful and sustainable high-growth companies and indeed the creation of a business environment that nurtures and stimulates the growth of productive, competitive companies to compete on a world stage. It would be easy to dismiss Schumpeter as anachronistic and argue that the term entrepreneur is now so general that it precludes a detailed analysis. However, the psychometric research conducted into elite performers in a number of areas from world champions in sports to leaders in the military, tycoons, CEOs in business, the arts, media, and even a detour into the professional criminal world suggest otherwise. Those who make a difference and get to the top in these diverse areas have more entrepreneurial qualities in common than might be initially apparent. They are revisited and updated for the 21<sup>st</sup> century. The August 2011 Effective Executive interview on 'Talent' highlights this with reference to rugby, but this applies to other sports as well.

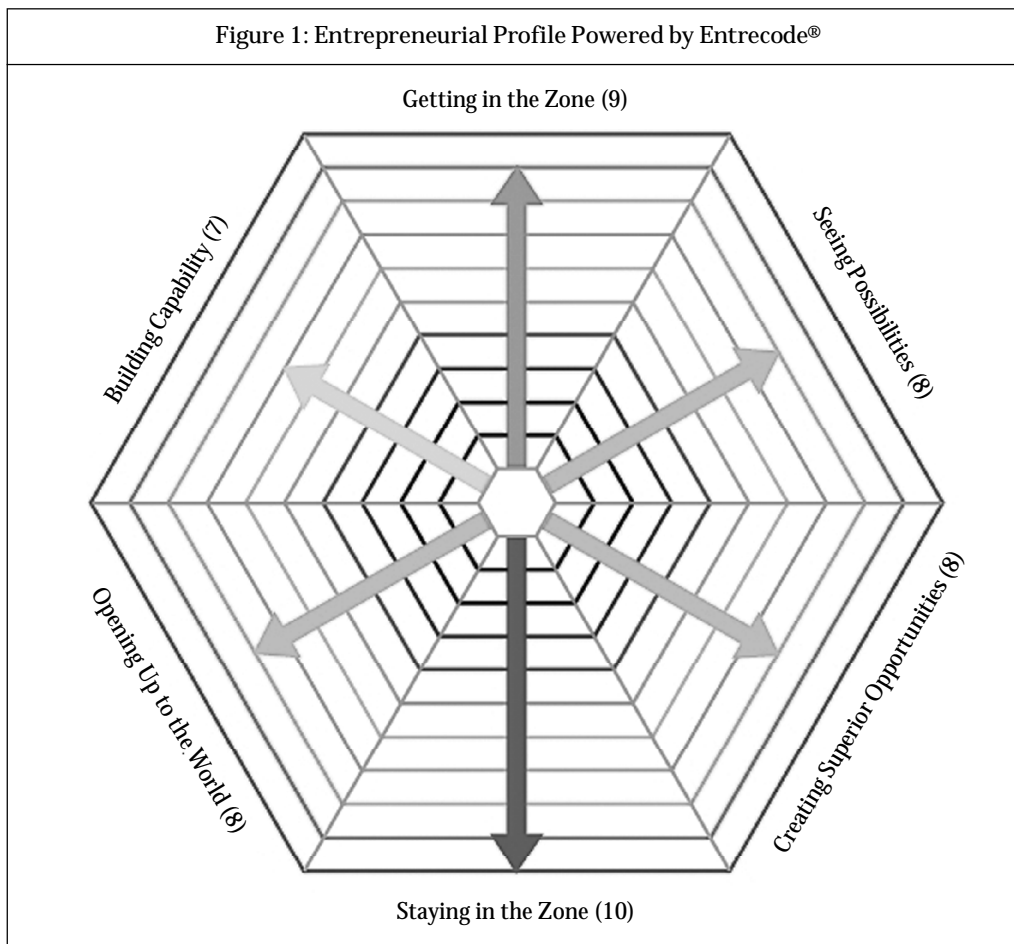
### 21<sup>st</sup> Century Research-Based Quality of Entrepreneurs

Professor David Hall 'cracked the code' in providing the Entrecode® data to power the entrepreneurial profile used in the research. An entrepreneur himself, he observed that the business-building process is more of a personal process than is conventionally taught at business

schools. The evolution of the Entrecode was instigated by observation of entrepreneurs and of how networking, building alliances and delighting customers were much more significant than formal branding or business plans. Hall collaborated with Wyatt Woodsmall, a former American coach to the US Olympic team who worked with gold-medal winners to identify how they won and then passed this wisdom on to other members of the team. Hall and Woodsmall were able to apply the approach to unlocking unconscious competence in high-performing athletes to the study of entrepreneurs. Saville Consulting in the UK worked with Hall to create a robust instrument for the identification of

entrepreneurial potential. The Entrecode report (Figure 1) allows a snapshot across six areas and 21 aspects of entrepreneurial potential, illustrating a person's relative strengths and the gaps preventing him from fulfilling his entrepreneurial potential.

A key discovery from Hall was that the entrepreneurial process resembles that used by successful innovators, business developers, corporate transformation experts and change-makers. They all deploy the same individual traits that an entrepreneur uses when setting up and delivering a proposition or company. Often outsiders, Hall found that they are people with vision, focus and a strong drive to achieve. They



make a difference through kick-starting revitalization, refocusing on what is most important and ditching distractions. These individuals' vision, passion for profession and positive mindset energize others in organizations to implement change.

These findings have been reinforced by this research and testify to the insight of Schumpeter. What is dramatically revealing is how many of the qualities link to Schumpeter's Man of Action.

What stands out (see Box 3) are how seeing possibilities and creating superior opportunities reflect entrepreneurial ability to develop new combinations. Most high growth businesses spot a customer's problem which is not being resolved. They use a process which is named as "problem-seeking – problem-solving." More than searching for opportunities, they make them. The role of intuition identified by Schumpeter is mirrored by the meaning of the term savvy—just like stars

Box 3: The Six Entrepreneurial Factors  
(Based on the Entrecode® Model)

Getting in the Zone means the optimal state of mind and achievement drive to create success. This is very similar to the attitude required of a sportsman at the beginning of his career. Far more important than systematic plans is the obsessive commitment, passion and compelling vision of the individual. Put simply, this means getting their mind and bodies focused and coordinated and showing energy to make things happen. Self-belief, inner drive and action orientation are all essential. Note how similar these factors are to the dynamic and energetic qualities of the Man of Action.

Seeing Possibilities is about how entrepreneurs view the world, take in information and create insights. Here it is all about focusing on the big picture not low level issues, options thinking and echoing Schumpeter being 'savvy', confidently using intuition and experience to make judgments.

Creating Superior Opportunities is about identifying client problems that need to be solved and leveraging solutions to transform business results or problem seeking. This requires the ability to make connections from different sources, through synthesis and spotting pattern that results in problem solving through commercial solutions that create distinctive opportunities and delight customers. Insight here enables the identification of new combinations.

Staying in the Zone is about prioritizing, sequencing and focusing energy on a specific target. A useful analogy is to think of goal-directed energy as a laser beam locked onto a specific target. This goal-directed energy is a key process that links vision and dreams to results. This is about focus, being single-minded and not being distracted, having a positive mindset in responding positively to new challenges, being self-determined taking firm, unwavering control of shaping their own destiny and showing persistence, seeing things to the end and in recovering from inevitable setbacks.

Opening Up to the World is concerned with building networks, and forming relationships to enable the business to develop. Entrepreneurs share a real passion for what they are trying to achieve and are highly inspirational. Through purposeful networking (though in some cases accidental), they develop appropriate networks to establish useful business relationships. They are skilled at creating partnerships. And are highly skilled at negotiating, generating sales and building strong commercial partnerships. They may not command resources but they must, as Hall puts it, beg, borrow and befriend others to support their goals.

Building Capability is concerned with focusing efforts on building the capacity of the business or organization. This entails building up the team by coordinating and motivating the right people, experiential learning through pragmatic experimentation and experience and staying on track through investing effort into maintaining performance and Kaizen, continuous improvement. This area reinforces Schumpeter's emphasis on leadership.

of sport, and the elite special forces (See Effective Executive, July 2011 for more on Coup d'oeil) entrepreneurs often operate on instinct honed on a full understanding of the basics or 'nuts and bolts of their business'.

Hall called his book *In Search of Heroes*. A revelation for the business world was the confirmation that peak performance in any activity comes when people get into and stay in the zone. This optimal mental state, similar to 'flow' in the world of sport, is relatively unknown and rarely discussed in business, but it emerged as crucial. Research identified, too, that entrepreneurs, as did those in Special Forces and Air Force and Navy, might take calculated risks but spent a great deal of time learning their trade, and looked to minimize the number of risks taken. This was also noticed in high risk sports.

What was also discovered often to their initial surprise was that many modern CEOs in fast-moving multinationals were strongly entrepreneurial. This was often the case when they had been involved in successful turnarounds; this applies to effective Head Coaches too as well as Captains of Cricket and Rugby. One of the surprises was just how many other (15% to 20%) elite performers in sport with no business experience came out as having strong entrepreneurial potential. The profile depicted in Figure 1 (10 is the score of the top 1% of the managerial group) is that of a former multi-World Champion and illustrates a well-rounded entrepreneur. A savvy experiential learner, she might have been an individual competitor, yet is highly skilled at creating commercial partnerships. This was critical in securing and keeping sponsors.

Along with other entrepreneurial performers, this champion confirms Hall's conclusion that entrepreneurs with a 'just do it' approach to

experiential learning and an ethos of taking calculated risks can be found in unexpected places. What else the research confirmed when examined in detail and comparing elite performers to the management population is the importance of the factor Opening Up to the world in general and specifically networking. An entrepreneur is typically only as good as the quality of their insight as well as the networks who believe in, fund and extend their ideas or talent. Connections lead to contracts.

This networking is, in a sense, a part of an entrepreneur's social capital or credit. The entrepreneur, as Schumpeter notes, represents the core ethos in capitalism in constantly looking for credit in launching new ventures. The word credit, he points out, originates from the Latin *credo*, meaning 'I believe', and represents a wager on a better future. It is both through their idea and network that entrepreneurs realize the value of their credibility and capitalize on their ideas. The value of their talent through who they are, and what they know can be radically multiplied by whom they know. This means the most effective entrepreneurs often rely on targeted networking. They look to build and use networks with people who can help them build their business. The elite performers, as in the case above, might be strong individualists but have an ability to understand the environment in which they operate. They quickly appreciate the need to partner with others. They network well, appreciate how to exploit connections reciprocally, and build momentum for their future. In this way, by developing the basis of trusted relationships and knowing when to compete, collaborate and partner with others, they avail of amazing opportunities. Research has shown that people in more diverse, entrepreneurial networks tend to be more successful. As Rob Cross, one of the world's experts, highlights, effective networks

alert people to problems and opportunities, help reveal the big picture, suggest various ways people can position their efforts, help bypass bureaucratic gridlock, drive innovation by exploring possibilities amongst people from different backgrounds and provide safety nets when help is needed quickly.

Elite performers too typically care little about past glories and have scant patience with the present. They have what Hall calls the Control+Alt+Delete mindset and look to the future. World champions or Olympians after their greatest success (or injury or failure) have to start again. As serial achievers, they have the enterprise of serial entrepreneurs. With their self-determining nature, they create their own luck and make their own future. These enterprising qualities were found in abundance across the board in comparing entrepreneurs and elite performers elsewhere. An interesting observation was that many female athletes had strong entrepreneurial potential. Sport appears to develop confidence and talents that can transfer to other arenas. Another observation is that age does not appear to be a determining factor. Once an entrepreneur, always an entrepreneur, or in some cases, social entrepreneur. Another lesson is, it is important to acknowledge. Most entrepreneurial areas can be coached and developed. Like it or not, though personality is stable after 20, it is possible to harness drive as well as hold it back through bureaucracy. But without drive and an enterprising nature as well as resilience, it will be impossible to stay the vicissitudes and exploration required to fulfill entrepreneurial excellence.

### Opportunities and Risks in Developing an Entrepreneurial Culture

What opportunities have been unearthed from the research? First there is a need to take an

entrepreneurial perspective in looking for entrepreneurial talent. It is very clear there is far more entrepreneurial talent developed by sport and the military than one might initially assume. And what jumps out from the data on elite performers is how so few female sports stars are aware of their entrepreneurial potential. Yes their name and brand recognition helps but they have talent in abundance. We may like to believe being an entrepreneur is an individual activity—the reality is, just as an F1 driver or Olympian Gold medalist, they have the backing of a team.

Another source of entrepreneurs is those from the 'professional criminal world', where as discussed in Box 4, there can be fine margins between criminal and entrepreneurial behavior. US census data has for some time shown entrepreneurial and professional criminal activities reflect economic cycles in exactly the same pattern as OECD 'self-employment' trends behave. Why through socialization mechanisms some enterprising persons pursue crime while others choose conventional paths is the question that warrants further investigation. What is clear is that with some exceptions the discipline and teamwork aspects of sport as well as respect for rules acts as a worldwide agent of change.

In their book *A New Culture of Learning*, Douglas Thomas and Seely Brown argue that the world is changing faster than ever and that our skill sets have a shorter lifespan. Understanding play is, in their view, vital to understanding learning. Play is universally recognized as a critical tool for children. It is how they come to understand, experience and know the world. As we get older, what we fail to grasp is that the conditions in which children use play to understand the new and unexpected, and change are exactly the conditions adults



#### Box 4: Professional Criminal and the Violent Entrepreneur – Those Fine Margins

Abraham Zaleznik, psychoanalyst and Professor at Harvard Business School, claimed that to understand the psychology of the entrepreneur you first have to understand the psychology of the juvenile delinquent. Data and experience from this and other research suggests otherwise. As Robert Desman concluded from his research on the sociopathology of entrepreneurs and professional criminals, the professional criminals who tend toward non-violent crimes like burglary, theft, larceny, forgery, fraud and 'victimless crime' may prove to be a better analog. Their backgrounds, motivations, and tendencies from his research are remarkably similar to those of the entrepreneur—typically committed, determined, opportunistic, goal-oriented, self-confident, creative, flexible, energetic, willing to learn from experience, and having a high tolerance for risk and ambiguity; professional criminals learn and practice their crafts in much the same manner as other professionals.

Research suggests that professional criminals are consummate students of their professions and the skills required to be successful in them and typically operate on networks based on trust. Coleman who studied abnormal psychology as far back as 1976 portrayed the professional criminal as a meticulous specialist who generally plans, rehearses, is quick to adopt emerging technologies, has an eye for opportunity, and is resourceful and innovative. For the professional criminal and the entrepreneur, there is a motivating obsession that borders on the extreme. Both are willing to exhaust their mental and physical energies in the pursuit of a competitive edge.

More recently, a sociologist from the University of St Petersburg introduced the notion of the violent entrepreneur. Historically, in the former Soviet Union, sports heroes were officially soldiers or police officers, and guardians of public order. Olympic Sports were prestigious, as one of the possible avenues for social advancement; champions were role models for the young and symbols of success. One consequence of the downfall of communism was as it broke up sportsmen had to find alternative employment. As Prof. Volkov said, who was strong when the state was weak. When the Soviet state weakened to the point that it could not contain violence, sports (especially violent one's) could supply everything to create a racketeering gang, fighting skills, willpower, determination, self-discipline and team spirit. It was an adaptive and fairly logical market-driven response on the part of sportsmen. What emerged was that the shared experience of being in a sports team, with regular training, competition as well as shared victories and defeats, created strong trust and group coherence. The gym and the street market were the origin of local capitalism. They were able to 'solve questions', a euphemism for enforce partnerships, they could get, control and share.

Criminal groups were simply more efficient than the state in solving day-to-day problems of the new Russian entrepreneurs. They spotted a gap and filled a void with a superior opportunity. The bandit's reputation and rise to the elite position of authority was built on precedents of vigorous and successful use or management of physical, later virtual violence; of central importance, the combination of skilful use of force and organizational skills. Unlike thieves, many bandit groups banned alcohol and drugs, instead they cultivated healthy lifestyle, strict discipline, and physical fitness was maintained. And who could blame those sportsman, as one is reported to have said "I had a warrior complex I wanted to test myself in action...and of course there was money." In search of new opportunities for the marketing of professional analytical skills of the intelligence service, private protection companies set up investment and organization consulting divisions linking themselves to the KGB brand and connections. Now subject to the logic of economic action, more civilized business enterprises with complex structures have emerged. The staff, according to Volkov, is divided into rank-and-file (either former sportsmen or special task force combatants) and upper-layer who stylized themselves as business elite.

face in the fast-paced world of the 21<sup>st</sup> century. Play, Thomas and Brown argue, allows us to make new things familiar, to perfect new skills, to experiment with moves and, crucially, to embrace change—a key disposition for succeeding nowadays as an entrepreneurs.

On the other hand, in certain respects, Schumpeter was astute and accurate in accepting that the modern corporation has historically not been led by classic entrepreneurs. To Schumpeter, the crucial fact about the modern corporation {of his era} was that its managers could not fill the strong social role played by the entrepreneur. Entrepreneurs are pillars of strength, symbols of legitimacy, and role models. They provide the new ideas and new blood that refresh the 'bourgeois stratum'. According to Schumpeter, the modern corporation (then first appearing on the scene), although a product of the capitalist process, socializes the bourgeois mind; it relentlessly narrows the scope of capitalist motivations; not only that, it will eventually kill its roots.

Now, business as usual does not apply anymore. It is only those who learn to handle complexity and uncertainty, combining genuine entrepreneurial and revolutionary talents, make more effective leaders in today's fast changing environment. Companies that look for conformity and more of the same as part of their promotional and high potential criteria are courting failure in the global market of ideas.

We should not put World Champions or entrepreneurs on a pedestal. As Schumpeter once argued, the stock exchange was a poor substitute for the holy grail. He warned too of the infinitely complex organism of capitalist society. "A social and cultural system as much as an economic one, capitalism can work for either good ends or bad ends. It can be moral

or immoral (most often moral). Everything depends on the context, mainly the degree to which a group or nation can maximize the creative components while mitigating the destructive side effects."

That perhaps is the crucial paradox—how can countries balance the support to individual entrepreneurs all the way back to the Patent system and the ideas they produce, to create a sustainable societal legacy (as the outcome of entrepreneurial activity), rather than a winner-takes-all society. Where there is a will there is an entrepreneurial way.

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# Building Entrepreneurial and Innovative Organizations

Colin Coulson-Thomas\*

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Traditional compliance can stifle enterprise while appropriate support can both liberate and reduce risk. The interests of customers, independent entrepreneurs, companies and investors are rapidly converging. We are at a turning point in the relationship between people and organizations and between micro-businesses and larger companies. Performance support gives us an historic opportunity to reconcile and align individual and corporate goals.

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**I**n seeking to generate new income streams, adapt to changing circumstances, differentiate and create new options and choices, many boards consider ways of making organizations more entrepreneurial and innovative. Should directors be looking to change a corporate culture as well as an organization's ways of working? If behavioral changes are sought, are there quicker and more affordable options than the protracted, costly and expensive approaches that are often adopted?

Companies need to become enterprise colonies that tap, build, and release the entrepreneurial potential within their people and relevant external networks and communities (Coulson-Thomas, 2007). In this paper, we will look at how to address the reality that, increasingly, ambitious individuals want to work with organizations rather than for them, and enable more creative responses, while at the same time avoiding unnecessary risks and maintaining prudent control.

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We will see that there are ways of ensuring responsible entrepreneurship. We will also look at innovation and the development, launching and selling of new offerings. Using traditional product development approaches only a very small proportion of projects initiated may lead to a profitable offering. The cost of recruiting teams of highly talented people for new initiatives and ventures that might not succeed can be daunting, if not prohibitive.

Also, the nature of the skills and behaviors required can vary significantly at each stage of the innovation process. Those needed for eventual successful operation may not be fully apparent until after development has occurred, and early launch experience and feedback achieved (Coulson-Thomas, 2012a). Speculation, and what might be, is not the best basis for attracting those who are perceived to be, and/or who perceive themselves as, highly talented and maybe existing talents could be energized.

### Conflicting Requirements

Designers of organizations, processes and systems face a dilemma. The standardization of steps and responses can result in simplification and cost reduction. Induction becomes easier and results more predictable. Yet if taken too far, standardization can inhibit innovation and the creative search for better alternatives and result in commoditization and frustrated customers.

Differentiation and bespoke responses may enable a premium price to be charged. Also, talented people are demanding more discretion. They have an unprecedented range of choice in relation to how, when, where, for whom and with whom they work. How can one give them greater freedom to innovate while also ensuring compliance?

Increasingly, the challenge for companies is to attract potential entrepreneurs and business

partners rather than dependent employees (Coulson-Thomas, 2007). More knowledge workers seek to live life on their own terms. Rather than approach organizations looking for work, ambitious, creative and confident individuals will treat corporations and colleagues as actual or potential collaborators. When comparing attitudes and approaches, there will no longer be such a stark divide between startup enterprises and established businesses. Entrepreneurship, either alone or with corporate support, will be for the many rather than the few.

### Changing Corporate Cultures

Many of those who advise companies define the developments required to support enterprise, innovation and entrepreneurship as a 'change management' challenge. Yet despite the attention devoted to change management, many people struggle to implement corporate transformation and culture change initiatives. In uncertain times, when agility and quick responses are required, why do people adopt long-term attempts to change corporate cultures?

A single culture might not be appropriate for very different activities and a variety of markets. A creative environment might require a diversity of cultures. Trying to replace a rich multi-cultural mix with identikit corporate clones whose standard competencies and profiles may or may not be appropriate for new technologies and opportunities that emerge seems perverse.

How many customers postpone purchases until they learn more about the culture of supplying organizations? How many vendors turn down orders until they are satisfied with the progress of their prospective customers' culture change programs? Do website users spend time thinking about the cultures and structures of site owners?

Research has thrown doubt on whether meaningful 'culture change' can be achieved (Pettigrew, 1990). Even if it could be delivered is it desirable or necessary? When challenges and opportunities abound, the opportunity cost of distractions can be huge. If the purpose of wanting to alter a culture is to achieve a change of behaviors, why not adopt an approach that can quickly deliver this with existing people and various cultures?

While certain fundamentals need to be addressed, relatively new and more affordable transformation options that can simultaneously deliver behavioral change and other benefits are being ignored (Coulson-Thomas, 2012a). In evolving and uncertain situations, by the time, many 'traditional' approaches have delivered, requirements and priorities may have changed.

### Changing Behaviors

An affordable route to creating high performance organizations, enabling changes of behavior and supporting innovation now exists (Coulson-Thomas, 2012a). Performance support need not require any form of culture change and has been used successfully in a variety of cultures in over 100 countries.

The approach emerged from a five-year investigation of corporate practice in areas such as change, talent and knowledge management. Evidence suggested that it was the most cost-effective way of improving performance in several sectors and for bodies of various sizes. It is quickly adopted, rarely requires 'change management' and returns on investment of over 20, 30 or 70 times were observed within six months to a year.

The purpose of the study was to identify more cost-effective ways of quickly and simultaneously achieving multiple objectives. The investigation's first two reports—"Talent Management 2" and "Transforming Public Services" (Coulson-Thomas, 2012a and 2012b)—suggest much effort devoted

to change management when attempting to improve or transform corporate performance is simply not required when more affordable alternatives are adopted.

### Expensive and Disruptive Approaches

Despite more cost-effective options, many boards continue to sign off costly multi-year transformation programs, whether a set of 'top-down' single issue initiatives such as reducing cost or speeding up responses or a general restructuring. This effort is often unrelated to critical success factors for key corporate activities such as winning business, building customer relationships, purchasing, pricing and creating and exploiting know-how and what high performers in these areas do differently.

Such programs are also not required if ordinary people can be enabled to excel at difficult jobs quite independently of corporate structure and culture. If one can work directly with frontline workgroups, customers, clients and members of the public, the form, structure and culture of an organization becomes increasingly irrelevant. Far too often corporate organizations are getting in the way of what is required.

Flexibility, affordability and speed of reaction are increasingly important. There is little point commissioning some initiatives when the circumstances and context might be different by the time they achieve any impact. Much better to adopt more affordable approaches such as putting the right 24/7 performance support arrangements in place to enable people to quickly understand and launch new offerings, implement new policies and achieve other objectives on a global basis (Coulson-Thomas, 2007, 2012a and 2012b).

When frontline staff and customers can be helped to help themselves, why devote effort to changing organizations rather than eliminating

areas no longer needed? Once customers, users and frontline staff are properly supported expensive and protracted corporate restructurings may no longer be required. Letting different areas of an organization organically evolve may be a cheaper and more sensible option.

A more affordable and 'bottom-up' approach such as performance support can simultaneously cut costs, speed up responses, enable bespoke responses, avoid risks and ensure compliance, while for individuals it can increase understanding and reduce stress. So why persist with approaches that alienate, rarely deliver and are resisted?

### Questioning the Questionable

Is devoting ever more effort to change management and culture evidence of failure, or a way of justifying additional overheads in corporate head offices? Do consulting firms advocate them to chalk up fees? Powerful vested interests can benefit for years from expensive, disruptive and time-consuming approaches to change and transformation. The various problems that result create further opportunities for putting snouts into corporate troughs.

Some organizations champion diversity, operate across many cultures, embrace very different operations, and attract customers, employees, suppliers and investors from a multitude of cultures. Why would they consider a 'top-down' and centrally-driven initiative to impose a single corporate culture when there are quicker ways of transforming performance and benefitting both people and organizations?

Why are so many people so dissatisfied with their fellow human beings that they would want to set out to change a corporate culture? If the ultimate aim is to alter behaviors, there are practical and affordable ways of helping people to adopt beneficial behaviors and prevent undesired ones that can quickly deliver results.

### More Affordable Routes to High Performance

Changing performance support to help people to do what is desired and prevent what one is seeking to avoid may well achieve the results required and other benefits in a small fraction of the time and at much less cost than 'traditional' change programs (Coulson-Thomas, 2012a and 2012b). People in frontline roles rapidly adopt easier ways of doing difficult jobs when their multiple benefits are soon apparent.

The right 24/7 support arrangements can be personalized and help people to cope with uncertainty and rapidly change direction. As we will see below, they can enable people to be set free and speed the adoption of innovations. They can impact directly upon behaviors, independently of corporate cultures, structures and processes, and enable bespoke responses to the requirements of individual customers.

People often resist changes they feel are unnecessary, half-baked or not in their best interests. Seeking to squeeze more out of them without any compensating benefit is unlikely to engage. Yet making it easier and less stressful for them to excel at difficult jobs can yield advantages for all. Such support is often quickly adopted without the need for 'corporate communications' and 'management of change' programs.

Are some HR and change management practitioners fixated with management fads and trendy terms such as 'leadership'? Are they fighting unnecessary battles rather than championing approaches which benefit both individuals and organizations? People rarely resist performance support. They readily and enthusiastically adopt it.

Many HR teams also commission development programs on how to motivate and lead people. But what about helping them?

However, motivated people might be, they may fail unless given practical performance support to enable them to cope with uncertainty, understand complexity and do difficult jobs in a winning way.

Preparing a cadre of future leaders may seem more important than helping today's people to excel at key jobs, handle difficult issues and remain current and vital. Time is spent discussing expensive coaching arrangements for the few rather than adopting affordable ways of providing key workgroups, business and channel partners, customers and users with 24/7 support (Coulson-Thomas, 2012a).

### Challenging Traditional Practices

People should understand why change is necessary and they should be helped to do what is required to bring it about, including developing and launching new and better offerings. However, in many contexts, the top leadership commitment needed to drive expensive, general and disruptive top-down initiatives through corporate organizations should be replaced by a focus upon cheaper and more flexible ways of providing bottom-up support that quickly delivers multiple objectives.

More directors and boards should challenge transformation practices. For example, why commission expensive culture change programs when different areas may need distinct cultures, relationships have to be built with people from many cultures, and the form of organization and culture required in future years may be uncertain?

Siren voices of vested interests for whom restructuring and culture and change management represent good business should be ignored when success is affordable with current people and cultures. Some directors engage in groupthink, behave like lemmings, and follow

fashions. The challenge provided by directors who have the capacity to think for themselves rather than run with the herd can be invaluable.

Getting the right balance between change and continuity is especially important. Unnecessary changes can be stressful and disruptive of important relationships. Boards should only change what needs to be changed and ensure that people understand its rationale and are equipped to make it happen.

Sometimes, it requires courage not to make certain changes when others are undertaking them. Some boards have been saved from the consequences of poor decisions by a reluctance of people to implement them. Marconi was not so fortunate and brought to its knees when its policy of outbidding others to invest in Internet-related businesses at inflated prices was driven through the organization.

Recognizing the changing context in which one is operating is one thing, reacting appropriately is another. In a dynamic situation, what may need to change is an organization's approach to change in order to adapt more quickly and with much less effort and collateral damage (Coulson-Thomas, 2012a).

### Entrepreneurial Corporate Environments

Many companies need to become an incubator and enabler of new enterprises (Coulson-Thomas, 1999 and 2007). New approaches, processes and tools for the encouragement of entrepreneurship and support of innovation are required. People should be asked to come forward with new business ideas and ask for venture capital support, access to central services, and development and marketing assistance. A growing number of internal employees will emulate potential external partners by also seeking a share of the rewards for successful intrapreneurship.



An extensive examination led by the author has identified key requirements for 'shaping things to come' and achieving both commercial success and personal fulfillment (Coulson-Thomas, 1999, 2001 and 2007). People need to consider what they would really like to do and are especially good at as well as what potential customers would most like to have. Many smart people get paid to do the things they love to do. Some turn their hobbies into moneymaking ventures.

Once a business concept and potential customers have been identified the next steps are daunting ones for many would be entrepreneurs. Securing initial funding, finding premises, recruiting staff and 'doing the books' can be time-consuming and frustrating for those who would prefer to do other things. This is where collaboration with an established company can help. Yet, too many corporations are bureaucratic and ill-equipped to handle new ventures. The emphasis is upon 'consolidation' and sticking to 'core competencies'.

As a consequence, many intending entrepreneurs do not think of taking their new business ideas to an existing employer or a local company operating in a related field or with complementary interests. Instead, they look elsewhere for support. Maybe they are worried about losing control or feel that a big corporation might not be interested in a new venture.

### Desire for More Positive Approaches

Attitudes towards entrepreneurship within larger organizations are changing. But much more effort still needs to be devoted to supporting innovation. Too often restructuring, retrenchment and reengineering are essentially negative activities, concerned with survival not growth. Yet in economic downturns the mood in some boardrooms swings against downsizing in favor

of creating greater value for customers and generating additional income streams.

Many people are fed up with the defensive cost-cutting practiced by unsuccessful companies—or losers—and tired of being asked to do more with less (Coulson-Thomas, 1999 and 2007). Many would like to change direction, reduce their dependency upon others, and lead more balanced lives. Employees used to seek security and a regular income. They undertook repetitive tasks, implemented standard procedures and followed prescribed rules. Today, many want more than material rewards. They also want to build, develop and grow.

Customers too are restless. They demand distinctive and bespoke responses that reflect their individual concerns and priorities. People in client facing roles are expected to behave more imaginatively when addressing their needs and creating offerings to meet particular requirements.

Market leadership in key sectors will go to winners who innovate, or assemble a novel combination of elements that represents greater value for particular groups of consumers. Rather than refer to manuals, mechanically apply a methodology or provide standard offerings, people have to make choices and take risks. They are required to consider alternatives, and manage resources and expectations. In short, they must think and act like entrepreneurs.

### Successful Innovation

Innovation and product development can require trying a number of alternatives and evaluating the consequences. Companies may be reluctant to give people a free hand because of legal, regulatory, quality and other requirements and implications. Ensuring compliance can require time-consuming assessment and testing, which may also inhibit the refinement, improvement or bespoking

of an existing offering. Some people may simply lack the confidence to have a go.

The ability of performance support, when appropriately adopted, to enable people to confidently address new and complex challenges in the knowledge that compliance checks are built in, can be liberating and conducive of faster innovation (Coulson-Thomas, 2012a). A basic application cannot be a panacea for every problem likely to be encountered, but relatively straightforward support can make a significant contribution, while the cost-effectiveness of tools increases with the number of users, options explored, and changes introduced.

The commercial return from successful innovation can depend greatly upon the speed with which new offerings can be rolled out into the marketplace. With appropriate support, a salesforce and business partners can be quickly enabled to understand and successfully sell them.

### Launching a New Product

In many sectors, the pace of innovation is such that companies need to introduce new products to survive. Demanding customers and the relentless activities of competitors force them to speed up and reduce the cost of new product launches. In the public sector, due to emerging needs, rising expectations, scientific and technological innovation, and periodic or frequent changes of government policy, there may also be new services or initiatives to introduce (Coulson-Thomas, 2012b).

The launch of a new product or service offering can stretch the resources and capabilities of internal and external sales and marketing teams, trainers and communicators, especially when it is inherently complex and difficult to understand. The more successful companies put greater effort

into taking practical steps to enable their people to compete and win (Coulson-Thomas, 2002, 2003 and 2007).

Smart and progressive companies are increasingly using various forms of performance support, from advice on what their more successful peers do differently to knowledge-based performance support tools to increase understanding, improve productivity and transform corporate achievements in key areas such as winning more business and launching new products and services (Coulson-Thomas, 2003, 2007 and 2012a). The latter area represents a headache for many sales and communications professionals, and in many companies more systematic approaches are required.

Let us examine the nature of the problem and what needs to be done, drawing upon the experience of organizations such as Eyretel, 3Com, Bolero, Cisco, Dana, ICB and The Innovation Group that have moved on from recruiting new and expensive specialists, and general knowledge management initiatives, such as posting material onto a corporate Intranet, to providing workgroups with the specific knowledge, skills, and support they need to do a better job (Coulson-Thomas, 2003 and 2007).

The acid test for any new change, project or post should be whether or not it helps people dealing directly with customers, citizens and/or patients to do a better job. The employment cost of just one senior manager or bureaucrat might fund a practical knowledge-based job support tool that could significantly increase the productivity of all members of a public sector workgroup. Switching the emphasis from greater bureaucracy and more 'management' to simple and proven ways of increasing performance and supporting innovation could massively increase our quality of life.

### Introducing a New Technology

One adopter of the approach of supporting people as and when required, wherever they might be, was SDX Business Systems Ltd. which is now part of Avaya Corporation (Coulson-Thomas, 2012a). The problems it faced resulted from the simultaneous launch of new products and a new technology. New offerings were being put into the marketplace that were based upon a different technology from that the corporation's sales staff and service engineers were familiar with.

To compound the challenge, SDX wanted to maintain secrecy about new offerings until the day of launch, and desired that everyone, and all channel partners, should be totally competent at selling them the next day. If this could be achieved, key customers and priority prospects could be signed up before competitors would have time to react. It was clear at the time that traditional talent management, HR, training and communication practices could not meet this requirement.

SDX looked for ways of working with the people they already had, and providing them with the support they would need to quickly comprehend and sell a new offering. The support would need to be provided simultaneously to a large number of people operating in many locations across time zones. This was done by asking Cotoco to bring together everything that was needed to understand and sell—simply and easily—into a single and accessible toolkit.

The resulting support that was provided was described by the company's sales and marketing director as having made a substantial contribution to the success of the business. Turnover tripled in less than two years. Although successful, post acquisition the solution developed has not been maintained. People still talk about it many years later, but following the initial boost in sales its champions have moved on, and with the products

introduced to the marketplace it has not been kept up to date.

### Introducing a New Offering to Multiple Groups

In some companies, people also exhibit a tendency to tackle pressing problems one at a time, rather than address related issues together. Sometimes considering them together would lead to even more cost-effective solutions, as elements of the support provided to one group might be relevant to another. An example would be where different communities have related requirements to understand a new offering.

Informing different groups about a new product represents a particular challenge (Coulson-Thomas, 2012a). There is likely to be new and possibly complex material to communicate to a variety of audiences with distinct information requirements. In particular, sales staff and indirect sales channels need to be equipped to sell new products; service engineers may need to be ready to service new offerings; and contact center and other support staff may need to understand and be able to competently answer questions about a new product or service.

Corporate communicators will need to know enough to be able to explain key features to media, analysts, key customers and other publics. Technical staff may need a significantly higher level of scientific, engineering or technical detail than their colleagues. Customers may also require implementation guides to derive the maximum benefit from the product. Finally, users of other products may need to be informed of upgrade opportunities.

In short, a variety of internal and external publics are likely to be involved. All these groups may need to be communicated with, against the background of tight deadlines. People may also need to either see or visualize a new product in

operation to fully appreciate its advantages and benefits, yet this may be physically impossible to organize in the time remaining and the budget available.

### Constraining Factors

New product managers face considerable pressure to get everything done quickly, and may require help from professional communicators. Every effort must be made to ensure the communication of consistent messages to multiple audiences, some of which may be potentially diverse in terms of their roles, languages and geography.

Limitations of budget and available resource in relation to the number of different audiences that may need to know about a new product can be compounded by a variety of other factors. For example, an instantaneous launch rather than a phased rollout may be required. There may be a need to communicate globally across many time zones. A new product may also incorporate features that are difficult to understand, sell and operate.

In some sectors, there may be regulatory constraints and legal requirements to observe, and these may vary from one territory to another. Furthermore, these may have to be implemented by individuals who are unused to them. There might also be certain specific commercial, quality, legal, regulatory or reputational risks associated with the new product that need to be addressed or minimized.

As we saw with SDX in competitive markets, there may be a requirement to keep the existence, nature or name of a new product secret until the moment of launch, and yet thereafter interested customers and prospects may expect both an internal team and a sales channel to be competent to explain and/or demonstrate it. Such a capability has to be quickly created simultaneously in widely scattered locations.

### Using Performance Support

Performance support can address these constraints and innovation requirements (Coulson-Thomas, 2012a). One option would be to capture all the relevant information related to launching new products within a single repository that can handle information and knowledge in many different formats, so that what is needed can be accessed from a single entry point. K-frame is one such knowledge framework that communicators can use. It incorporates a search facility that enables people to find what they need for a particular purpose very quickly.

The material that has been captured can be used to produce a communication tool for each of the groups that need to be informed about the latest offering and equipped to understand and explain, sell, buy or support it. Elements of the content are likely to be shared, thus spreading any costs of producing animations, graphics and other audio or visual material. The result can be much more cost-effective and quicker to implement than a set of conventional print media designed separately for each group.

A family of multimedia communication tools could be produced comprising one or more of: a sales support tool; an indirect sales channel support tool for dealers, distributors and agents; a service or engineering support tool; marketing communications and/or internal communications tools; an investor relations briefing for analysts and financial institutions; and customer information, manuals and interactive training. Each tool could incorporate appropriate quality and other checks.

The contents can be put into formats that make it easy for recipients to comprehend and learn. For example, voice-overs could accompany slide presentations, animations could be used to explain how something works, and video clips could show how to use or do something.

Interactive tools could also be included to help people understand, and capture and review what they have learned. All the derived tools aimed at staff and business partners can contain relevant on-the-job training and appropriate competence assessments.

Tools can be provided to operate over the Internet, a corporate Intranet or Extranet, and on CD formats, and can be integrated with social networking (Coulson-Thomas, 2012a). A device such as traffic lighting could be used to build checks and controls into work practices to prevent certain courses of action and change behavior. Automation of routine aspects of certain jobs could include configuration, pricing and issuing proposals.

### Advantages of Performance Support

Automating straightforward and repetitive tasks can free up time for people to tailor messages to the particular interests of individual groups. Thus, a library of images, slides and diagrams could be provided from which certain items could be selected to bespoke each proposal, e-newsletter or presentation (Coulson-Thomas, 2012a). Feedback mechanisms can also be built into each tool and communication vehicle.

All the information and knowledge required by those with launch, sales, account and communication responsibilities and the various groups that need to be informed about a new offering could be held within a single, scalable and searchable repository to facilitate access and reuse, for example to launch related and other products. A proven and award winning framework such as K-frame could be licensed and used to manage the material that has been stored and produce the performance support tools required.

Such an approach has many advantages and addresses the communication problems identified

above. It ensures consistent messages, which may help to build a brand image, and can enable simultaneous and bespoke communication to a diversity of audiences in multiple locations and languages. The result is likely to be more rapid awareness of a new product, and increased understanding of its value and benefits.

The suggested approach has many other advantages (Coulson-Thomas, 2007 and 2012a and 2012b). It can differentiate a company and enhance its reputation with the various publics it needs to communicate with. It can also provide a base for building future relationships with these groups, e.g., a product launch tool could be augmented to cater for existing and further new products and become a general sales support tool.

A clear demonstration of a product's value, advantages and superiority over competitive offerings may allow a premium price to be charged (Coulson-Thomas, 2002). Animation may make an underpinning scientific principle or innovation easy to understand, while video footage can show it in operation.

As a consequence of how an innovation or change is presented and/or portrayed, people can also be more engaged. They can actually visualize or see a new offering as well as being told about it. Engagement is important if effective learning is to occur (Bhatti and Kaur, 2010). The improved engagement offered by performance support can help communication and understanding.

### Performance Support and Entrepreneurship

Many existing employees are struggling to make the transition from corporate dependent to intrapreneur and business partner. More companies are likely to recognize that they need external help and that some independent

operators of smaller businesses may have the attitudes, skills and experience they require. Of course 'independents' are used to the freedom of operating alone. A clash of cultures could but might not arise as more big company bosses come to understand the requirements for contemporary market success.

Winners are more willing to empower responsibly. Giving individuals the discretion to do what they feel is most appropriate for each customer enables them to play a much more creative role. Their 'solutions' might contain unusual elements, unique features, novel approaches or new knowledge, which could be licensed to others. Opportunities abound for entrepreneurship and innovation in many walks of life.

Building controls and checks into performance support can ensure compliance with applicable rules and policies and prevent people from attempting courses of action that might not be technically possible or which would infringe a regulatory requirement (Coulson-Thomas, 2012a and 2012b). Windows can open to explain the issues involved so that people learn with each application. Users and their managers can feel more confident when trying out new possibilities.

Friends Provident commissioned Cotoco to develop a support tool to help the many independent financial advisers with whom the company worked to better manage their businesses and marketing programs. It provided practical help in preparing sales material and built-in controls ensured that leaflets and advertisements could not be printed unless they met legal requirements. With compliance assured, they were free to quickly design their own material without the delays caused by costly manual checks and being more entrepreneurial in responding to opportunities in the marketplace.

## Benefitting People and Organizations

The rapid adoption of e-Business is eroding barriers to entry. The imaginative can offer new ways of working, learning and earning that better match the preferences of those involved, and greatly increase the prospect of them achieving the twin goals of commercial success and personal fulfillment. This desired combination is most likely where personal and corporate aspirations are explicit, aligned and focused upon winning new business, establishing partnerships and benefitting customers.

Performance support provided on a 24/7 basis benefits people as well as organizations, for example, increasing their understanding, reducing stress and making it easier for people to do difficult jobs (Coulson-Thomas, 2012a and 2012b). It can also free people from dependence upon particular locations and hence enable more flexible and family-friendly ways of working.

Independent entrepreneurs and aspiring intrapreneurs will choose corporate patrons, partners and sponsors with care. For example, how much of the training budget is devoted to building entrepreneurial skills and supporting new business development? How much discretion will they have to try new options? They will consider whether the corporate support provided and working environment encourages initiative, innovation and enterprise or stifles them.

## Providing Practical Support

Pious statements about the need for enterprise and innovation are not enough. Contracts, facilities, processes and supporting systems and tools should allow and enable questioning, resourceful and inventive individuals and business partners to explore and create. The rewards of successful innovation and entrepreneurship should be fairly allocated in proportion to the

respective contributions of those involved. Separate incorporation of new ventures allows more people to become directors.

Successful innovation requires practical support that enables individual initiative and creative collaboration within an entrepreneurial environment. Organizations using performance support to capture and share what high achievers do differently may find they do not employ or cannot afford top-performing superstars. Farsighted companies will approach independent entrepreneurs when lining up the external support required by new ventures. Their internal procedures, processes and contractual arrangements will reflect the distinct and diverse needs of growing businesses. Their reward mechanisms will allow those responsible to participate in resulting financial returns.

Share-ownership, option or profit-sharing schemes may need to be established, to satisfy the increasing desire of individuals to build capital (Coulson-Thomas, 1999 and 2003). Energetic and talented individuals who create knowledge rather than merely consume it, and who can innovate and develop tailored solutions, are seeking a greater share of the value that they create.

#### Unsuccessful Approaches of Losers

The people of less successful companies or 'losers' exhibit certain characteristics (Coulson-Thomas, 2007). They tend to be cautious loners. They work in relative isolation and cling to the familiar. They settle into their role and associated lifestyle and endeavor to avoid significant changes. They 'stick to the brief' and try to resolve issues by themselves. When reviews are held individuals become defensive and protective of departmental interests.

Knowledge workers in 'loser' organizations take pride in their educational qualifications and

membership of qualifying bodies. Their professional status is important to them. They tend to resent being 'second guessed' by others and may interpret requests for a second opinion as a questioning of their integrity and competence.

Groups within 'loser' companies keep to themselves and departmental colleagues. They assume they know best and jealously guard their autonomy. Major bids, especially when time pressures are involved, may be dispatched without being subjected to any form of peer review.

People within 'loser' companies play their cards close to their chest and are reluctant to invite external comment. Some avoid networking opportunities. They worry about cost and confidentiality. Paradoxically, they also imagine that 'outsiders' would find it difficult to master the peculiarities of their businesses.

When occasional independent reviews are held of the processes and activities of 'loser' companies, little tends to happen. The pressure of work and preoccupation with non-critical or even trivial matters militates against the adoption of any suggestions or recommendations made.

#### Successful Approaches of Winners

'Winners' tend to be very different from such 'losers' (Coulson-Thomas, 2007). They are more open, self-assured and willing to change. Current contribution and future relevance rather than past achievements define personal standing. Teamwork, interaction and the sharing of information and knowledge are widespread and an integral element of working practices.

Individuals in 'winner' organizations receive practical support and are usually sufficiently secure to seek the opinions of their colleagues and peers. Drafts may be circulated to other departments and external parties for comment. In general, the interventions and contributions of colleagues are regarded as helpful and they are actively encouraged.

Business development teams seek whatever inputs will increase their chances of success. They submit significant proposals to a 'red team' review and listen carefully to any comments and reactions. People who have not been directly involved in preparing a bid response may find it easier to adopt an objective and customer perspective. Hence, their views can be of considerable value.

'Winners' are more likely to seek and use independent evaluations. They subject critical business processes to external reviews and 'health checks'. 'Winners' also circulate among their peers and look for opportunities to make new contacts and forge additional relationships. Their best defense against others copying them and catching up is to innovate and thus stay out in front.

### Choosing Partners and Collaborators

Intending entrepreneurs should seek out 'winners'—flexible organizations that are tolerant of diversity and allow and enable people to be true to themselves and to play to their distinct strengths. Enterprise flourishes where people are properly supported and enabled to work, learn and collaborate in ways that best enable them to harness their particular talents, and assemble new venture teams composed of individuals with compatible aspirations and complementary skills.

Confident people will join—and ambitious businesses will seek to work with—organizations that promote enterprise, support intrapreneurship and collaboration, and view them as potential business partners with ideas for new and profitable ventures (Coulson-Thomas, 1999 and 2001). Arrangements should be in place to assess their proposals and provide concept development support and venture capital. Practical advice on securing family support,

assembling a venture team and winning business should be provided, along with counselling on overcoming inhibitions, pitfalls and constraints, and getting started.

Investors should avoid 'losers'—companies that do not champion enterprise and support innovation and entrepreneurship. Their most capable people and most valuable customers will simply walk, and they will not attract the external partners they will require. Companies cannot afford to be excluded from successful new ventures established by independent entrepreneurs and past employees.

"Traditional" compliance can stifle enterprise while appropriate support can both liberate and reduce risk. The interests of customers, independent entrepreneurs, companies and investors are rapidly converging. We are at a turning point in the relationship between people and organizations and between micro-businesses and larger companies. Performance support gives us an historic opportunity to reconcile and align individual and corporate goals. When used to enable customers to make more responsible choices, it can also enable healthier and more sustainable lives. ☺

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Reference # 03M-2013-03-03-01

# Who Is Going to Do What, When and Why Is That Going to Happen? Fundamentals of Great Organizational Execution

Dan Coughlin\*

**E**stablishing a strategy, which is about determining the nature and direction of your business, determining your next innovative product/service, which is about providing appropriate value for your customers, and deciding on your desired brand, which is about identifying the value you want to be known for delivering to your customers, are all important activities.

However, none of them produces anything without effective execution throughout your organization. This paper is about how to get things done well as an organization.

## Clarify Who Is Going to Do What, When and Why That Needs to Happen

You are in charge of a group of people and you have the responsibility to achieve certain results. You have decided, or someone else has decided for you, on the type of business you are in and the general direction you want the business to

move in. You have, or someone else has, decided on which products and services to continue to offer and which innovations need to be introduced into the marketplace. Now you and the other members of your organization need to execute.

Write down a list of the names of every employee you have. If you have too many employees to do that effectively, write down the name of the group or department or function that represents large numbers of these people. Their manager can break down these groups into individual names and responsibilities later on.

Now answer this question, "Who is going to do what, when and why is that going to happen?" Write down your answer so you can see it, especially the part about why it is going to happen. Make sure every employee, or group of employees, has a clear role. On a piece of paper, write down the responsibilities for each role and put the name of the employee or employees next to the role.

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Step back and look at what responsibilities you have assigned to people. On a calendar, write down a draft when the various activities need to happen.

Now look at these two documents you have just created. Think about why you have placed the individuals and groups in these roles and on this timeline. Does it make sense to you? Do you believe this approach will help you to achieve the desired objectives? Is it clear why you want these things done and in this order? If it is not clear to you, it definitely will not be clear to other people.

Keep thinking through the responsibilities and the timeline by asking yourself, "Are these the key items for us to focus on, do I have the right people working on them, and is this the right order to do them in?" Keep making adjustments until you feel you have your plan as strong as you can make it. Make sure everyone in your organization has a clear role that you will be able to explain. Depending on the size of your organization, you may need to work with a few other key executives or managers to hear their insights and concerns before you finalize your plan.

### Communicate Clearly, Calmly, Conversationally, and Consistently

Once you have decided who is responsible for doing certain functions and the order in which those functions need to happen and you know why you want it done this way, your next job in executing effectively is communication.

As a business leader, most of your job includes your ability to communicate with other people. By far and away, the single biggest complaint about senior executives that I have heard is 'poor communication'. When you explain the plan for execution, there are a few key concepts to keep in mind.

#### Communicate Clearly

When you are done talking, did the other person or the other people understand what you said? One way to find out is to ask, "Please state in your own words what you heard me say?" If their remarks do not match yours, do not blame them by saying, "You're not listening." Instead say, "Okay, I realize I need to say that more clearly because that's not what I meant." Then explain your thoughts again with greater clarity. If a person does not understand his or her role or does not understand someone else's role, then keep the discussion going. The main goal is that people understand what is being communicated. They may not agree with it, but they have to understand it.

#### Communicate Calmly

If you get overly intense, the other person will not hear your message because they will be tuned into, or turned off by, your expressions and the tone of your voice. If you stay calm, then the other person can focus on what it is you are saying rather than on how you are saying it.

#### Communicate Conversationally

Just talk the way you normally talk in a conversation. If you take on a different persona or a different tone or a different vocabulary when you communicate with other people, they are going to wonder why you are not just being yourself.

#### Communicate Consistently

If one day you say you are all about customer service and the next day you say that your number one priority is bottomline profit on every sale, you will confuse people. If you yell one day and whisper the next, people will wonder what is going on. Just be yourself on a consistent basis and give clear input in a conversationally calm manner.

#### Provide Freedom in Executing Tactics

Once you have clarified who is going to do what, when and why that is going to happen, then

you have to be okay with stepping out of the way. This is very important. Making decisions and communicating your decisions is very important in the planning process. However, if you do not give people the freedom to decide how to do their responsibilities, then you will be seen as a micromanager and a controlling boss.

There may have been a time when employees were okay with bosses telling them what to do every minute of the day. I would say that time passed many years ago. The best plans are ruined by micromanagers. You need to give the people you have hired the room to make decisions about how to execute their tasks. It may not be the way you did it, and it may turn out even better than what you would have done.

### Implement, Evaluate, and Adjust

Of course, once you set the wheels-of-execution in motion, you are not permanently removed from the work. Periodically, you need to evaluate both the performances and the results. Are the various employees implementing the responsibilities they were given in the order you decided on? In other words, are they following the plan? Are they getting the results that you had hoped to achieve through executing the plan?

This is not micromanaging. You are trying to determine if the plan is being followed and if the results are being achieved. You might find that the plan is not being executed properly, which might mean you will need to get various people back on the original tracks. On the other hand, you might find that the original plan needs to be adjusted. You can only determine this by evaluating individual and team performances and keeping a close eye on the results that are produced.

### Hold Individuals and Groups Accountable with Positive and Negative Consequences

As the leader of the group or organization, you want to reinforce desired behaviors and change undesired behaviors. When you see people executing the plan with excellence and producing great results, provide them with positive consequences. Those can range from a pat on the back to public praise to bonuses and increased compensation. When you see people doing a poor job of executing the plan or producing poor results provide them with negative consequences. Those can range from a private conversation to a formal write-up to reduced compensation to letting the person go.

Keep in mind that the rationale for providing consequences is to affect habits. You are not just trying to rectify a situation one time. You are trying to influence how the person thinks about his or her approach to the work and how he or she will consistently act in the future.

### Continually Reclarify Who Is Doing What, When and Why That Is Happening

It is important to clarify on a consistent basis who is doing what, when and why that is happening. It is very easy for roles to get blurred and people to get confused. Then you add in retirements and new hires and promotions, and suddenly what once was clear is no longer clear. At least twice every year, bring your team together and communicate who has what role. It may feel like you are overdoing it, but the reality is there will be some people out there in your organization who are confused about roles and responsibilities. Then feelings get hurt and drama rises and time gets wasted and productivity goes down and execution is hurt. ☹

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Reference # 03M-2013-03-04-10

# Which Leadership Competencies Can Help Create an Entrepreneurial Culture in Egypt?

Stephanie Jones\* and Mohamed Mostafa Saad\*\*

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Definitions of leadership effectiveness in practice may be measured objectively, including people-oriented economic measures, such as income per capita, the reduction of poverty over time, decrease in unemployment, increase in the standard of living, lower levels of inflation and better purchasing power parity. It is also possible to consider countrywide measures such as GDP, GNP, and transportation and logistics statistics. International comparisons include FDI totals, the Corruption Perceptions Index of Transparency International, import and export figures, and the extent of the national debt. The creation of an entrepreneurial culture (or lack of) can be measured by these and other ways.

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**T**his year has seen the appointment of new leaders in Egypt—first of all, the president, to be followed by ministers and local government heads. Media commentators and observers have talked about how this presents an opportunity for change and improvement—especially how more leadership effectiveness could advance the country's economic goals, through encouraging entrepreneurship. But there are ideas of the competencies needed.

In response, the authors of this paper (part of a larger study) have created a list of 55 leadership

competencies from a variety of sources and through consultation with leadership experts. If leaders with these competencies were appointed, Egypt's economy could perhaps recover and prosper. Currently, the country is almost bankrupt.

Competencies (according to a definition quoted by author Richard Boyatzis in 1982) can be seen as "an underlying characteristic of a person which results in effective and/or superior performance in a job." What are the ideal leadership competencies to maximize economic

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performance? If there is a lack of these competencies, it could lead to continuing economic dislocation. Internationally-recognized economic indicators can be used as a measure of leadership effectiveness and to assess the improvements achieved.

So far, a few observers have tried to analyze leadership competencies and leadership effectiveness in Egypt, especially in terms of reviving the economy through entrepreneurship. The future is still rather uncertain. As suggested by the London-based *Economist* magazine in April 2012, "Egypt's next ruler will take on a post without a job description. His permanent powers will not be defined until a new constitution is approved. Parliament has only just begun to debate the composition of the body that is supposed to draft the constitution."

This is an opportunity for Egypt now because the old dictator has been removed, and the new leadership is emerging. For 30 years, there were a few opportunities to address the country's economic problems in a sustainable way. Arguably, Egypt has suffered considerable economic decline which only effective leadership can address.

The leadership competencies considered here include:

- The competencies of the effective leader;
- The leadership style of the effective leader;
- The personality of the effective leader;
- The behaviors of the effective leader; and
- The intelligence of the effective leader.

Definitions of leadership effectiveness in practice may be measured objectively, including people-oriented economic measures, such as income per capita, the reduction of poverty over time, decrease in unemployment, increase in the standard of living, lower levels of inflation and better purchasing power parity. It is also possible to consider countrywide measures such as GDP, GNP, and transportation and logistics statistics.

International comparisons include FDI totals, the Corruption Perceptions Index of Transparency International, import and export figures, and the extent of the national debt. The creation of an entrepreneurial culture (or lack of) can be measured by these and other ways.

The authors of this paper have tested their list of 55 competencies by consulting experts (professional leadership advisers, academics, managers in the private sector, former ministers, supervisors and subordinates, etc., from Egypt and overseas) to analyze the problem of the most suitable leadership competencies for the new Egypt, post-revolution. This takes into account the point that leadership effectiveness can be influenced by both internal (where leadership is one of the several factors) and external factors like the behavior of the local economy and the market demand.

The Arab Republic of Egypt—as with many other developing countries—faces many problems in its governmental organizations, defined by observers in a general way as 'lack of leadership' or—more specifically—as 'lack of professional leadership'. It has been argued in the media that this is one of the main reasons leading to the Egyptian Revolution of January 2011. What kind of leadership would add value to the society as a whole? Not just to the ruling elite itself but to the people and their wellbeing in Egypt?

So, can we define leadership through identifying competencies? Many academics, consultants and human resource managers report that the results of using leadership competency models have been mixed, especially as they can be too simplistic and derived from a narrow perspective. So, the authors of this paper decided to widen the concept of leadership competencies to include leadership descriptors included in leadership theories, studies of leader behaviors,

typical leader personalities and measures of leader intelligence—especially those related to developed entrepreneurship.

Much of the work on leadership competencies considers several specific categories of leadership practice, such as the extent to which a leadership style is goal and action-oriented—essential prerequisites for entrepreneurship. Also important for encouraging a more enterprising mindset is being concerned with people and trying to empower them, and the way in which the directing of subordinates is managed. The specific competencies related to entrepreneurship include efficiency orientation, proactivity, exploring new concepts and creativity, impact and influencing ability, self-confidence, presentations skills, accurate self-assessment and control, spontaneity, perceptual objectivity, stamina and adaptability, achievement orientation, concern for order, quality and accuracy, having initiative, being information-seeking, having interpersonal understanding, customer service orientation, organizational awareness, teamwork and team leadership, flexibility and long-term commitment to make things work.

A typical way of assessing job competencies needed includes five steps—determining the appropriate measures of job performance and how they can be assessed, job element analysis, critical incident review, use of tests and measures chosen to assess the various competencies, and integration of the results.

In addition to these, specific competencies are other ideas for encouraging entrepreneurship, such as the different mindsets discussed in Gosling and Mintzberg's Harvard Business Review article "Five Minds of the Manager" (2003). These are identified as the reflective mindset, or managing self; the analytical mindset, or managing organizations and their structures; the worldly mindset, or managing context; the action mindset,

or managing change; and the collaborative mindset, or managing relationships. These five mindsets, ideally, should be combined to achieve an effective, wide-ranging understanding of managing an organization, especially in a fast-changing context. In particular, Gosling and Mintzberg (2003) contrast leadership and management. They see the former as creating a clear and compelling vision, making major change happen, achieving breakthroughs in performance, taking big risks, innovating, and developing and implementing strategy. The latter—management—is seen as facing current reality, and taking actions, controlling and keeping things in a state of balance, achieving incremental improvements in performance, staying loyal to the mission, managing or mitigating risk, and managing tactics. Clearly, a primary focus on leadership with less emphasis on management can be helpful in fostering entrepreneurship. Currently, it would seem that in Egypt, the tendency of leaders to offer really professional, sustained leadership has been the exception rather than the norm, and even good managerial skills are rarely available.

Gosling and Mintzberg also make a distinction between 'Heroic Management' (based on self)—defined as:

- Separated
- Hierarchical
- Imposes strategy from high
- Allocates resources, including HR, based on facts from reports
- Rewards leaders based on performance
- What matters is what can be measured
- Thrusts his will on others.

and 'Engaging Management' (based on collaboration):

- Integrated
- Networked
- Nurtures change from inside
- Inspires people to engage

- Rewards everyone who improves the organization
- Earns the respect of others.

The incidence of 'Heroic Management' has been much more common in Egypt, with 'Engaging Management' much less forthcoming, and hence business and enterprise have reached a low ebb in Egypt, and the country is in dire need of a new attitude to leadership.

Other authors (see [www.humansynergistics.org](http://www.humansynergistics.org)) have added to the leadership competency list by considering 'Constructive Norms'—seen as having a positive impact on perceived quality and entrepreneurship—comprising:

- Self-actualizing
- Humanistic-encouraging
- Achievement-oriented
- And affiliative behaviors.

By contrast, 'Aggressive/Defensive Norms', seen as having a neutral impact on quality and developing new enterprises—sometimes good, sometimes bad—include:

- Perfectionistic
- Power-based
- Competitive, and
- Oppositional behaviors.

A negative impact on quality and creating improvement generally—'Passive/Defensive Norms'—can feature:

- Approval-seeking
- Dependent behaviors
- Conventional styles, and
- Avoidance.

These behaviors can create different cultures in an organization:

- Constructive cultures, in which members are encouraged to interact with people and approach tasks in ways that help them meet their higher-order satisfaction needs, and realize their potential.

- Passive/defensive cultures, in which members believe they must interact with people in ways that will not threaten their own personal security—these risk-averse behaviors are an anathema to real entrepreneurship.
- And aggressive/defensive cultures, in which members are expected to approach tasks in forceful ways to protect their status and security, which also tend to detract from creating new business opportunities.

The authors of the present study have also considered including competencies based on the personality of a typical leader, using the Myers Briggs Type Inventory as a source of listing competencies which can impact on improving levels of entrepreneurship. Examining personality types in a structured way, this approach can be used to enquire which personality type is likely to be most effective in a particular leadership context, especially one where the need for change is great.

Where do leaders focus their attention? According to this inventory, the *EI* scale describes two opposite preferences, the outer or inner world. Extraversion (E): people who prefer extraversion tend to focus on the outer world and the external environment. Introversion (I): explains that people who prefer introversion focus more on their own inner world, and are energized by what goes on in there—inside their heads—and this is where they tend to direct their energy.

How do leaders acquire information? Another scale describes opposite ways that leaders perceive about finding out about things. Sensing (S): one way is to use the sensing function: senses show what is actually there and actually happening, both inside and outside of the person. By contrast, Intuition (N): is another way to find out, which shows the meanings, relationships, and possibilities that go beyond the information



gained from senses. Intuition looks at the big picture and tries to grasp the essential patterns.

How do leaders make decisions? Looking at the TF scale, once you have acquired information through one of the perceiving functions, you must do something with that information. This scale describes opposite ways of making decisions or judgments about something. Thinking (T): one way to decide is through your thinking, which predicts the logical consequences of any particular choice or action. Thinking can lead to deciding objectively, on the basis of cause and effect. Feeling (F), by contrast, is to decide through your feeling function. Feeling considers what is important to you or to other people (without requiring that it be logical), and decides on the basis of person-centered values. How does a leader become oriented toward the outer world?

The final scale describes the way leaders deal with the outer world or how they refer back to the previous two scales, taking a primarily judging attitude (sensing or intuition) toward the world. Judgment (J): those who take a judging attitude (either thinking or feeling) tend to live in a planned, orderly way, wanting to regulate life and control it. Perception (P): those who prefer a perceptive process when dealing with the outer world (either sensing or intuition) like to live in a flexible, spontaneous way. When using perception, a leader is gathering information and keeping options open. People with a preference for perceiving seek to understand life rather than control it. Many leaders in the past in Egypt have taken a typical Extraversion, Sensing, Thinking, Judgment (ESTJ) approach—with much less perceiving, intuition and feeling than might be needed to develop new enterprises.

Another area of competencies which can help us here may be derived from potential leadership descriptors based on the work of Belbin (2010) on team roles, and Thomas and Kilmann's conflict

mode instrument (1974)—for the purpose of choosing appropriate leadership behaviors for particular contexts and team dynamics.

The Belbin inventory considers nine different team roles, and a person may and often may not exhibit strong tendencies towards these roles (as discussed in Belbin's team management text of 2010). What are these team roles?

Plants are creative, unorthodox and generators of ideas. If an innovative solution to a problem is needed, a plant can be bright and freethinking, but can tend to ignore incidentals and may have trouble communicating ideas to others. Multiple plants in a team can lead to misunderstandings and conflict (Belbin, 2010). There are very few plants in Egypt, especially as they are not generally fostered by the local education system.

Resource Investigators will use the plant's ideas, create new possibilities and can be excellent networkers, but have a tendency to lose momentum towards the end of a project and to forget small details (Belbin, 2010). This is a more popular team role in Egypt, and often leads to small-scale enterprises, but often not large-scale new businesses.

A Coordinator is a likely candidate for the chairperson of a team, since they have a talent for stepping back to see the big picture. Confident, stable and mature, they can recognize abilities in others, and are very good at delegating tasks to the right person for the job (Belbin, 2010). Due to lack of trust, this team role is also fairly rare in Egypt.

The Shaper is a task-oriented individual who pursues objectives in a committed and energetic way, with a need to achieve—winning is the name of the game. Shapers could risk becoming aggressive and bad-humored in their attempts to get things done, but are needed to start up and run businesses (Belbin, 2010). They can be

common in Egypt, but are often more self-seeking than found working for the general good, so do not always encourage sustained enterprise.

Monitor Evaluators are fair and logical observers and judges of what is going on in the team. They take a broad view while solving a problem, and by moving slowly and analytically, will almost always come to the right decision. They can have a hard time inspiring themselves or others to be passionate about their work (Belbin, 2010). Although there are many monitor-evaluators in Egypt, they are often better in subordinate roles and rarely lead change.

The Team Worker in a team can be seen as the oil between the cogs that keeps the machine running smoothly. As good listeners and diplomats, they can smooth over conflicts and help parties understand one another without becoming confrontational, but may not be able to take decisive action when it is needed (Belbin, 2010).

The Implementer takes their colleagues' suggestions and ideas and turns them into actions, in an efficient and self-disciplined way, delivering on time. They are motivated by loyalty to the team and will often take on jobs no-one else wants to do. Most of the managerial talent in Egypt is hardworking, but are they doing the right thing to help their country improve?

The Completer-Finisher is a perfectionist and wants everything to be 'just right', and all of this person's work will have been double-checked and then checked again. He or she tends to worry excessively about minor details and may refuse to delegate as they do not trust anyone else (Belbin, 2010).

Specialists are passionate about learning in their own particular field, and feel comfortable in their areas of expertise, always happy to find out more about their interests (Belbin, 2010). These final three types, very popular in Egypt,

can help to get things done but need direction, and that direction is not always available.

The Thomas Kilmann Conflict Mode Instrument, a conflict style inventory, was developed to measure an individual's response to conflict situations (1974). It uses two axes (influenced by the Mouton and Blake axes) called 'assertiveness' and 'cooperativeness', and identifies five different styles of conflict:

1. Competing (assertive, uncooperative): Win-lose.
2. Avoiding (unassertive, uncooperative): Lose-lose.
3. Accommodating (unassertive, cooperative): Lose-win.
4. Collaborating (assertive, cooperative): Win-win.
5. Compromising (intermediate assertiveness and cooperativeness): Win-lose; Lose-win.

This scale, although developed many years ago, is still used to assess conflict management styles, which can be seen as important characteristics of leaders. In Egypt, compromising and avoiding styles tend to be the most popular, with a relative lack of competitive and collaborative attitudes—those more likely to be successful in private business.

Leadership Intelligence: Here, the authors decided to refer to the work of Daniel Goleman and the five basic parameters of emotional intelligence, especially as discussed in the Harvard Business Review (2000 reprint) article, "What Makes a Good Leader?" In the competency listing made here, the authors used the five measures of emotional intelligence of the effective leader:

Self-awareness: The self-aware leader is aware of the strengths and weaknesses of the chosen way of operating, and the opportunities and threats being faced, without illusions.

Self-regulation: This is all about self-control, and self-managing to achieve results.

**Motivation:** An effective manager is highly self-motivated to develop his organization or country politically and economically, refusing to tolerate the current situation and to press for change.

**Empathy:** An effective leader is an emotional leader, in touch with his emotions and those of others, and able to respond to the feelings of others.

**Social Skills:** These are indicative of an ability to get on with many other leaders and followers, and to be seen as charismatic in social situations.

These emotional intelligence characteristics add to the researcher's competency list, producing a multifaceted view of potential leader characteristics and qualities.

### Creating an Initial Leadership Competency List

The descriptors mentioned above from a range of sources were compiled into a list comprising nearly one hundred descriptors. Duplicates were removed to create this list of 55.

The list of 55 was also confirmed by a variety of 'subject matter experts', i.e., academics and practitioners knowledgeable about leadership in Egypt. They agreed that a more 'private-sector' and entrepreneurial view of leadership competencies was necessary for the new Egypt. For too long, the leaders of Egypt have been politicians, soldiers, diplomats—not business people. This task of creating a list of competencies of leaders for the new Egypt has been described as impossible, that 'Leaders of the New Egypt' cannot be put in a competencies scheme like this. Competencies are much more related to specific positions and roles, and this list is too broad. Yet, this is a start in the process of deciding what Egypt needs to improve.

Based on the process and sources outlined above, the competencies suggested for the new Egyptian leaders, in order to improve

entrepreneurship, are listed below, in five main clusters:

#### Results-Oriented

- Has initiative.
- Ability to influence and impact.
- Achievement-oriented.
- Action-oriented.
- Competitive.
- Completer-finisher mentality.
- Purpose and mission-oriented.
- Concern with building capital.
- Strategic-orientation.
- Capable of transforming society.

#### Organizational-Related

- Efficiency-oriented and productive.
- Concern for order and structure.
- Quality-oriented.
- Customer service-focused.
- Concern for image of products and services.
- Adaptable.
- Organizationally-aware.
- Organizationally-committed.
- Concern with values, morals and ethics.
- Aligns systems to reinforce values and goals.

#### Managerial

- Interpersonal understanding.
- Transforming and developing others through meaningful and challenging work.
- Delegating.
- Balance between tasks and people.
- Directing, controlling, monitoring and evaluating.
- Able to manage group processes and resources.
- Information-seeking and hard data-oriented.
- Problem-solving.
- Planning and implementing.
- Transcends daily affairs.

#### Teamwork-Oriented

- Team leadership ability.

- Assertiveness.
- Shaper/driver-oriented.
- Relationship building.
- Cooperative.
- Collaborative.
- Coaching-oriented.
- Ability to accommodate others.
- Reflective thinking and perceptual objectivity.
- Follows and fulfills role expectations.

#### Personal Characteristics

- Professional management expertise.
- Extrovert and self-confident.
- Strong oral presentation skills.
- Logical and analytical-thinking skills, and ability to conceptualize.
- Accurate self-assessment.
- Self-control.

- Personal maturity.
- Worldly mindset.
- Creative thinking.
- Having feeling and sensitivity.
- Spontaneity.
- Judgment.
- Stamina and energy.
- Self-motivated.
- Self-actualized.☺

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Reference # 03M-2013-03-05-01

# Creating a Culture for Innovation

Bob Murray\*

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Not all organizations need to innovate, though all need the ability to be nimble and to be ready to make significant changes. What is not often realized by CEOs and others is that often what is needed is rapid adoption of innovation—the taking up and applying the ideas of others rather than concentrating on innovation itself. What corporations and firms need to do is to quickly apply innovations, whether their own or other people's. In order to institute any change—whether it is encouraging innovation, rapid adoption or a major strategic change—it is important to get the culture right. Without that, no transformation is possible. With it goes having the right leadership and sufficient trust—colleague of colleague, employee of manager (and vice versa), and in the organization as a whole.

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**A**lmost every organization that my firm and I work with claims to prize innovation. I hear the same thing from law firms seeking new ways to develop business, insurance companies, mining giants, builders and not-for-profits. They all want a 'culture of innovation.'

Personally, I think that there is no such thing. What is really needed is a culture which enables innovation, or rapid adoption of innovation, to take place. Such a culture is what I call a 'culture for innovation.'

And yet few of the leaders I speak to are prepared to do what is necessary to create such a culture. The kind of management style favored by the leaders of most companies would have to be unlearned to permit a real culture for innovation to take root.

The other problem is the amount of sheer denial, even now, around the need for real change. If you think that the times we are living through are an aberration and that the world will soon revert to a pre-2008 'normal,' there is less reason to look carefully at the processes and leadership styles which prevent innovation from taking place.

I spoke to a group of Australia's top lawyers the other day and they tried to convince me that the present, rather painfully slow, situation is purely cyclical and that things will soon return to 'business as usual.' This was an exercise in wishful thinking. In the business world as it is today, even lawyers have to innovate. Their clients can get advice from online law sites (for example, My Law Firm in Australia or Free Advice in the US) and save thousands of dollars.

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Indeed, there are law firms now that are almost virtual, which innovate as a way of life and try to survive in an era where all legal expertise is a commodity.

Darryl McDonough, the Chief Executive Partner of Clayton Utz, perhaps the most progressive of Australia's largest law firms, puts it this way: "You either innovate or the market and your competitors will leave you far behind. Law is a service industry; as such it is important, indeed vital, you continually innovate to improve the offer/service to clients in order to stay ahead of the market."

I work with a property development company that wants to innovate—but only in its sales department. The main obstacle to broader innovation up to now has been their CEO, whose management style seems rooted in the deep past of the pre-Lee Iacocca 20<sup>th</sup> century. I pointed out to him that he could not sack a large percentage of his workforce to save costs and then expect the rest to feel the safety necessary to be great innovators. The human brain does not work that way.

There is considerable confusion as to what innovation means and whom you want to be the innovators. Is it everybody in the company? Is it only one or two departments such as R&D or sales? Is what is needed really innovation or is it more the adoption of new ideas, or a combination of both? Almost every organization recognizes that they need, to some extent, to innovate, or to adopt the innovations of others, in order to survive the increasing competition and market restructuring that the 'new normal,' as a famous Deloitte research paper called it, demands.<sup>1</sup>

Every business has to adapt to the new rules of the game—ongoing economic uncertainty,

reduced consumer demand, the vastly expanded role of social media in every area of business, and higher structural unemployment than was previously thought possible.

And a huge number of diverse businesses are adapting to changes. A village hairdresser in Nigeria may have a webpage and a Facebook account. A graphic designer in Montana is perhaps competing for business with a firm in Vietnam; both using social media as their main marketing tool. In the future, there will be fewer viable purely local businesses serving only local customers. The hairdresser and the graphic designers are adopting innovation, but they are not innovating. And for the majority of companies that may be OK. Most do not need to innovate, only to adopt and adapt.

But for medium-sized and large corporations, high-tech or otherwise, or substantial professional service firms, or even for organizations working in the arts, this is not good enough (Throsby et al., 2010). They have to innovate, adopt, and reinvent themselves, on an almost continual basis.

In my 20 years of observing organizations of all shapes and sizes, what I believe to be certain is that any organization cannot be truly innovative, or adoptive unless it has a culture that allows for, and encourages, innovation and rapid adoption.

### The First Steps to Innovation

The invention of the iPhone seems to have been a seminal moment in the minds of corporate leaders. Suddenly, they all wanted to transform their companies into Steve Jobs' Apple Corporation. Innovation became a synonym for technological innovation, the realm of the R&D departments, of the boffins and the geeks. It became part of the drive for technical perfection

<sup>1</sup> [http://www.deloitte.com/view/en\\_US/us/Services/consulting/feature-offerings/enterprise-cost-management/c744c1d3f2821310VgnVCM2000001b56f00aRCRD.htm?id=us\\_furl\\_cons\\_db\\_q1pgroadmap\\_111511](http://www.deloitte.com/view/en_US/us/Services/consulting/feature-offerings/enterprise-cost-management/c744c1d3f2821310VgnVCM2000001b56f00aRCRD.htm?id=us_furl_cons_db_q1pgroadmap_111511)

and to be one step ahead of the market in the unending cycle of new smartphones, tablets, and social media sites.

But tech innovation is only one part of the story and it is the end product of a much deeper change. Indeed, this kind of innovation—essentially making better tools—is not even unique to humans. Experiments in Germany have shown that a cockatoo (a kind of parrot) is capable of inventing ‘innovative’ tools to solve particular problems.<sup>2</sup> The bird may never come up with an iPad, but that is not the point, she is a technological innovator of some skill.

It has been recognized for a number of years that innovation begins with the way the organization is managed, and in the organization’s culture (Chandy et al., 2008). There are a number of what I call ‘cultural fundamentals’ which are the necessary precursors of more surface technological modifications such as the wheel, Henry Ford’s production line, a new drug for Alzheimer’s, the tablet computer or even the iPhone itself.

These cultural fundamentals involve the way we manage people, how safe we make them feel, the way we relate to each other, the way we hold our meetings, the way we motivate, the way we inspire and unite our people to become one tribe, the way we coach and develop leaders, the way we persuade and influence our customers and our society, and the way we encourage experimentation among our employees. It is in these areas that necessary first steps to innovation take place.

Research has shown that in today’s business environment, there is one management style that is preeminently the style that promotes innovation and successful adoption. This is what

is called Transformational Leadership (Jung et al., 2003). The term was coined by James Macgregor Burns in 1978 to describe a form of leadership which was people-centered, which focused on individual development, good role modeling, challenging objectives and an energizing vision. According to Burns, “leaders and followers help each other to advance to a higher level of morale and motivation” (Burns et al., 1978).

In my experience, it is only transformational leaders who are able to inspire their organizations to make the fundamental changes that will lay the framework for the marketing and technological ‘innovations’ so prized by the admirers of Steve Jobs and Apple.

### What Makes a Culture for Innovation?

So what are the management essentials which allow the creation of a culture that enables innovation and rapid adoption to take place? I believe that there are nine of them. Each is vital if you want people to innovate, to come up with genuinely new ideas, or new ways of working. They hold true, whether it is within a corporation, a firm, a sports club or a nation. Developing them to suit your organization, implementing them in a way so as not to antagonize the ‘counter culture’ which exists in every medium-sized and large organization and getting people committed to the process, are essentially the job of the modern leader. The nine essentials are:

#### 1. Trust

Especially between peers, between employees and managers, and in the organization itself.

Without trust innovation dies. Even if a natural-born innovator works in your organization, if she does not trust her superiors or her colleagues

<sup>2</sup> Science Now, November 5, 2012, available at <http://news.sciencemag.org/sciencenow/2012/11/the-innovative-cockatoo-figaro.html?ref=em>

or the organization itself, she is not going to share her innovations. They will be lost to the firm or the corporation. This is one of the reasons that before we work with an organization to effect a new strategy, or introduce new risk and compliance procedures, or new marketing operations, we run an audit to find out the level of trust at all these three levels. In our experience, if any organization falls below a certain score on the Fortinberry Murray Trust Audit, we can confidentially predict that it will fail both to be innovative and to successfully effect any major change. It is the leader's role to engender the requisite amount of trust his people have in him and the process to ensure its success. Recent research shows that only a transformational leader can adequately do this (Barling et al., 1996).

## 2. Acceptance of Failure

David Brown, the COO of Wesfarmers Insurance (WI), one of the largest insurers in Australasia, was given the task of completely reorganizing the structure of WI which had been previously split into three different companies within the Wesfarmers' umbrella. This meant that people had to be reenergized, moved to new jobs, and inspired to find creative ways to solve problems that previously had not been thought of. At the beginning of the process, I spoke with him on a number of occasions to outline the work we were planning in the area of culture change—making the culture receptive to the changes that would be forthcoming. In one of these exchanges, he outlined his philosophy in terms of creating more innovation among WI's employees:

“Leaders must remain ever mindful of the need to create an environment where dynamic thought and ideas are encouraged and rewarded—this includes those that are unsuccessful. Regular, free form and diverse forums must be part of the business-as-usual processes. Give out some lead and back those

who are prepared to take calculated risks. A leader must increase his or her personal risk appetite. This includes giving up what some may perceive to be control, but in reality is an investment in the teams' collective innovative energy.”

A few corporate leaders are prepared to allow for the freedom that this philosophy implies. They are afraid of the failures that it allows for. Many have even instituted what they call a 'no defect policy.' It sounds good, but in the medium to long-term it is a disaster. What happens is that it leads to rigidly-adhered-to procedures which stifle innovation. People are afraid to try something new in case it fails. You get small successes in the short-term but big failures overall. The filmmaker Woody Allen put it neatly: “If you're not failing every now and then it shows that you're not doing anything very innovative.”

The trick in celebrating failure is not to follow the usual, clichéd advice to 'learn from your mistakes.' In fact, modern research shows that the more you concentrate on your mistakes, the more you will repeat them (Histed et al., 2009). Rather it is to ask the more intriguing question “What did I do right, which, if I do more of, will lead to success?” Concentrating on what employees did right, even when the immediate outcome is bad, primes the brain for innovation going forward (Histed et al., 2009).

Every coaching session, every performance review must concentrate on helping the coachee or the reviewee to understand and repeat what they did right and what they need to do more going forward (which does not mean that you cannot point out their mistakes). In the words of a Johnny Mercer song, “You've got to accentuate the positive, eliminate the negative, and latch on to the affirmative.” That is the key to learning and innovation.



### 3. The Establishment and Nourishing of X-Teams

As David Brown implied, in the earlier quote, and contrary to generally accepted folk law, innovation is mostly a team effort. Granted some of the really great innovative ideas have been like the proverbial light-bulb going on, but these are the famous exceptions and a corporation waiting around for one of its employees to have the 'Eureka!' epiphany will almost certainly be disappointed.

Many leaders recognize that it takes a dedicated team to come up with the new. But it takes a special kind of team. Truly innovative teams are what the researchers at MIT call 'X-Teams.'<sup>3</sup> These are designed to pull together internal and, more importantly, external thinking to bring new ideas into the organization. Going outside is a priority from day one.

X-teams are selected not only for their expertise, but also for their contacts outside their departments or their organizations. They will discover and analyze what is new and useful in what others are doing, especially in their failures. To an X-team, it is not what caused an innovator to fail that is of primary importance. It is what they did right that was ignored. True innovation is often a matter of taking such disparate ideas and melding them to make something really novel. It was just such a team, and such a methodology, which led Motorola to create the first flip cell phone.

### 4. Promoting Regular Communication Between Staff (the Water Cooler Effect)

The more opportunities employees have for informal contact with each other, the more creative and innovative they will be. Cisco famously found this when they decided to improve productivity by reducing the number of water coolers in their

offices. Innovation plunged. They restored them and encouraged people to use them and gave them time and opportunity to socialize. The rate of innovation went up. Since then the idea has become widely accepted and even digitized so that more and more people can share ideas by virtually socializing. In fact, they call these chatrooms 'digital watercoolers.'

The leader's job here is to promote communication and remove the restrictions to face-to-face and virtual informal sharing of ideas. That this is hugely more productive of new ideas than formal group brainstorming has been known since the 1970s (Lamm et al., 1973), yet formal brainstorming is still preferred in many organizations over allowing more informal gatherings.

With the increasing trend to home-office work arrangements, and the multinational nature of many teams, there are fewer opportunities for face-to-face socializing. For this reason, the role of these digital watercoolers will become vital to an organization seeking innovation. Some really progressive corporations such as Australia's Macquarie Bank have cottoned on to this and have established areas where employees can have virtual meetings using the most sophisticated video communication equipment.

### 5. Safety – Physical and Emotional

Contrary to many cherished beliefs, people innovate most often when they feel safe, not when they feel under threat (Baer et al., 2003). People who fear for their jobs, experience bullying directly or indirectly, or feel that they are not supported by their managers, will not be innovative. They may work harder, do more, but will not try anything new or be creative. This is one of the reasons transformational leaders are more successful. They take the time to make

<sup>3</sup> "X-Teams: How to Build Teams That Lead, Innovate, and Succeed", MIT Leadership Center, available at <http://mitleadership.mit.edu/pdf/X-Teams-researchbrief.pdf>

people feel supported and safe (Bass et al., 2006). Importantly, this means feeling safe enough to challenge accepted ideas—even those of the leader. In my experience, this is rare in most businesses.

#### 6. Praise for New Ideas

Nothing encourages innovation more than praise. Praise unleashes the primary neurochemicals behind innovation, and trust—dopamine and oxytocin (Zac et al., 2010). Most importantly, a leader has to specifically praise the innovation or adoption attempts that she wants to encourage, even if they do not work. General praise of the ‘well done team!’ variety is useless. Rather she must recognize and praise ‘how’ a person or a team works, what they are doing differently, and the new ideas they are coming up with.

#### 7. Encouraging Good Listening Techniques

A good innovation leader is, almost above all, a good listener. She takes the time to really hear what people are saying to her without interrupting, without giving advice and without talking about herself. She asks questions to elicit more details, being careful to show, by echoing or reframing the words the person speaking to her has used, that she is really listening. She will also make sure that all her managers are trained to be good listeners. The trouble is that the overwhelming majority of leaders and managers are really bad listeners. A manager or leader who wants to encourage innovation must show by their listening that they are interested in the person as well as their output. That way you get commitment, and through commitment you get safety and through safety, innovation.

#### 8. Encouraging Suggestions from Everyone and Responding

The most innovative companies are those that welcome suggestions from everyone. This has

become so accepted that it is almost considered a cliché. However, most organizations that I know of do not really do it, except within a very limited area. A new suggestion from the factory floor which improves moving goods is great. But beyond that?

Not long ago I was working with the finance department of a major US construction company. One of their senior managers came up with a brilliant new way of collecting and collating their financial data. Time, and therefore money, would be saved and accuracy would be increased. A win-win, one would expect. But instead of being given a bonus, or even promotion, an excuse was found to fire him. Why? Because the new system showed that the CEO’s profit forecasts were wrong. Much later, the SM was proven to have been right when the company’s auditors insisted on their adopting the new system. A year later, the CEO was forced out, but the SM was not offered reinstatement. Not all innovative suggestions are welcomed and not all innovators are rewarded.

“By their fruit shall you know them”, as the Biblical saying goes. A leader who asks for suggestions and then ignores them or does not follow through is doing his organization a great disservice. Too often, good suggestions are brushed aside with words like ‘we’ve tried that before’ or ‘that wouldn’t work’ or ‘it would cost far too much.’ What they fail to realize is that the suggestion, no matter how impractical, is merely the beginning of the conversation. It is the start of a process that Peter Senge calls ‘Generative Dialogue’ (Senge, 2006), in which true innovation is nurtured. We use this idea in teaching organizations the art of what we call High Performance Team Dialogue™.

#### 9. Reward Innovation

And innovation must be rewarded, and not just financially. Financial rewards do not, according

to all recent research, have a lasting effect (Mason et al., 2009). Public praise, recognition, an extra hour for lunch for a year, and increased responsibility are all examples of more effective rewards than financial ones. They add to the employee's or the team's sense of status, and thus to their wellbeing, mood and feeling of being valued. This will in turn encourage others to be innovative. I have seen this system work beautifully at Wesfarmers, a large Australian conglomerate, where Fortinberry Murray has worked on a number of culture change initiatives. The results included not only increased innovation but also increased collaboration and productivity.

An organization whose culture lacks any of these elements will probably not be very innovative. It is the leaders' and the managers' jobs to make sure that they are in place before they try to become a more innovative organization. It is not impossible after, but it is much more difficult. For example, a culture of praise takes time to implement and there will be many barriers against it, some cultural and some individual. People are just not used to giving and receiving praise and, by and large, do not do it well. But, as research by the Gallup organization has shown, the results of a successful implementation of such a culture are huge—not only for innovation, but also for the bottom line. They generally include a 20% increase in profits (Robinson, 2006).

### Innovation or Adaption?

Not all organizations need to innovate, though all need the ability to be nimble and to be ready to make significant changes. What is not often realized by CEOs and others is that often what is needed is rapid adoption of innovation—the taking up and applying the ideas of others rather than concentrating on innovation itself. Skillful adoption is what enabled Japan to recover after

the Second World War and China to become the major economic power it is today. Neither were great innovators, neither had the educational or commercial R&D capacity to innovate on a large scale. The United States had that in spades. Today, many economists claim that the slower growth rate of the US is due to its relatively slower rate of innovation adoption.

What corporations and firms need to do is to quickly apply innovations, whether their own or other people's. This diffusion of innovation can be seen most obviously in the smart phone industry and in fast food restaurant chains. Burger King and Wendy's have been recently making considerable inroads on McDonald's by quickly adopting the ideas and methods of their bigger rival (White, 2012), sometimes even applying them before McDonald's themselves.

In order to institute any change—whether it is encouraging innovation, rapid adoption or a major strategic change—it is important to get the culture right. Without that, no transformation is possible. With it goes having the right leadership and sufficient trust—colleague of colleague, employee of manager (and vice versa), and in the organization as a whole. Clayton Utz and Wesfarmers succeeded in establishing a culture of innovation because their leadership was willing to risk short-term failure for the longer-term outcome. It takes time to create a culture for innovation, but rapid adoption or innovation is impossible without it. ☺

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Reference # 03M-2013-03-06-01

# Evoking Entrepreneurial Culture Through Strategic Experiments

Mohit (Max) Bhanabhai\*

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Organizational culture implies and progressively dictates the practices, etiquette and behaviors that would be embraced as instrumental or those that would be detrimental to a firm's evolution. Organizational DNA represents the definition of processes, structure, systems and people capability which can—paradoxically—act as obstacles to enabling an organizational culture that fosters entrepreneurship. This paper provides insights to top level management on how to evoke a more entrepreneurial culture by recognizing activities that exist within the boundaries and often underneath the corporate radar. It does so by outlining three main challenges adopted from a compelling framework for strategic innovations.

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**W**ithin the confines of any organizational system there exists a unique, homogenous mode of conduct which is ubiquitously called 'culture' in the business domain. It is culture that acts as a 'control system' which operates unconsciously and institutionalizes values and assumptions that dominate organizational DNA. It is culture that could also, as research suggests, influence the degree of competitive advantage derived from innovation, team cohesiveness and consistent alignment of operations against high employee morale. Within this domain, the term 'entrepreneurial culture' titillates the corporate agenda towards embracing major change initiatives that aim to reengineer organizational DNA in an attempt to combat inertia, but which can potentially, especially in the case of large

corporations, create many subcultures which might overlap and contradict each other. The purpose of such change initiatives and reengineering practices is aimed at empowering employees to think beyond their jobs and begin to understand their role in contributing to the greater organizational goal. Whilst everyone can appreciate that entrepreneurs in general rarely come from business schools and instead emanate from diverse fields such as mathematics, biology, arts and engineering, it is imperative that top level management consider the various contingencies in entrepreneurial activities that may be brewing within the confines of the organization or even from customers who are ensconced through a process of co-creation. This viewpoint was conceptualized when Steve Jobs proclaimed during his 2010 iPad release that

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“It’s in Apple’s DNA that technology alone is not enough. It’s technology married with liberal arts, married with the humanities which yields the results that make our hearts sing.”

So how can management firstly identify the various types of entrepreneurial activity that could potentially be at play internally? In answering that—we must understand that in the current highly integrated, globalized and dynamic corporate environment—entrepreneurs actually inhabit the hidden spaces in between, amongst and across organizations. An article entitled “Virtual Entrepreneurship”, by Image5 LLC Principal Ray Symmes, summates these as Entrepreneur, Intrapreneur, Interpreneur and Extrapreneur. The purpose of this paper is to recognize that the individual characteristics defining these types of risk takers can be ensconced as a microcosm for the corporate enterprise in an attempt to influence an entrepreneurial culture.

As we are all familiar with the first variant (Entrepreneur), the Intrapreneur—coined by Gifford Pinchot nearly 20 years ago—refers to risk takers inside organizations who cultivate resources and employ innovative methodologies in an assertive attempt to improve organizational effectiveness, efficiency or performance. They can potentially emerge from a task force and operate as a team and flourish with the support of management to create sub-businesses within the greater organizational ecosystem. The Interpreneur, on the other hand, would represent a team that creates new ventures across organizations utilizing complementary resources. The parent entity or a top level management team of directors would dictate a specific ROI to be achieved by the new venture. An interpreneurial venture would therefore require not only unconditional support from the executive management team but also a clear set of principles and rules to be successful within the organization.

This builds into the next term of Extrapreneur which is distinctly attributable to a business pursuit which emanates with an open agenda that is across organizations or systems and of which its mission is to create value from separate but common competencies. An entrepreneurial pursuit would involve the utilization of organizational DNA and financial resources from the core entity, which is then appropriated to the new venture with specific business objectives.

So now that we have identified the variants of entrepreneurial pursuits, it must be noted that they each incorporate innovation, risk and implementation. They can also persist individually in an enterprise or amalgamate as a process that evolves through various stages, after which it establishes itself as the entrepreneurial paradigm. However, given the recognition of these types of activities which can often be endemic to specific corporate structures, how can executive management endorse an agenda that sets the imperative for entrepreneurial culture to emerge? It is a known fact that many attempts at creating the right environment, fostering the correct talent, breaking all the silos that inhibit innovation and implementing measurable metrics often fail at realizing the intended benefits. Whilst this has been the subject of various academic papers, case studies and management literature, there is a specific framework I appreciated which is extensively detailed in Vijay Govindarajan and Chris Trimbles’ excellent book titled *10 Rules for Strategic Innovations: From Idea to Execution*, which forms the basis for my suggestions that follow.

Essentially, the authors insightfully endorse the use of ‘strategic experiments’ as a basis for leveraging core capabilities from a ‘CoreCo’ and transpose, appropriate and adopt them within ‘NewCo’—a business that exists complementarily with the core enterprise and one that has been

created as a result of the strategic experiment. This is also established as a strategic innovation and manifests as innovation in process or product but always involves unproven business models. Whilst this begs the question as to why would a company try something so risky, demanding and complex, the authors have included detailed case studies with their analysis and overview of the 10 rules with empirical and theoretical basis for their framework. Our interest lies in the mechanics of the 10 rules together with the concepts of CoreCo and NewCo that could be seen as useful microcosms for the cultivation of entrepreneurial culture through a controlled, maturity model type of initiative. The first insight which is useful from a corporate entrepreneurship perspective is the three high level challenges that are labeled as the Forgetting Challenge, the Borrowing Challenge and the Learning Challenge. It can be conjectured that when applied at an organizational level and when properly institutionalized through change agents and task force teams, the three challenges would act as a road map for the types of entrepreneurial activities previously mentioned and most importantly, transform the corporate culture to break through the grips of organizational inertia.

The Forgetting Challenge—as the authors describe—relates to activities, procedures and systems that transgress the established framework that the enterprise has in place to deal with problem solving and business development. The core success formula or business definition in this respect must be forgotten. Basic answers to questions such as how does the enterprise deliver value or what value does the enterprise provide must be dismissed. The application for our purpose here is that by endorsing a forgetting challenge, employees of an organization are stimulated towards challenging assumptions and thus

embrace the need to innovate around processes. Whilst this may be counterintuitive, it could be incubated in a team of individuals that is firstly recognized. Such may include the aspiring intrapreneur individually or a team that could form as a task force to firstly identify subjects for the forgetting challenge, whether it be something defined in existing process or elements of the product development cycle altogether. For example, software companies often engage in product development through a rigid life cycle in a self-perpetuating maturity model. Whilst the majority of inputs into this system would come from the external environment, an organization that employs the forgetting challenge would stimulate internal and external stakeholders through serendipitous brainstorming process through a custom wiki, social or knowledge management platform. The very assumptions behind the development cycle could be challenged and hence ‘forgotten’. Questions that could be pondered include how the strategic experiment (or attempt at creating New Co) differs from CoreCo in business model, capabilities and metrics. Whilst there are a multitude of suggestions that exist in the business domain on how to effectively brainstorm around innovation, the key to instigating the entrepreneurial imperative is to understand the mechanics of the broader mandate which is in this instance defined as the ‘forgetting challenge’ as the starting point for the recommendations that follow.

Whilst the forgetting challenge is important in concept, it is futile when it exists independent of the borrowing challenge. The authors of the said book, Govindarajan and Trimble, delineate the importance of borrowing CoreCo’s assets such as existing customer relationships, distribution channels, supply networks, brands, economic and manufacturing capacity together

with expertise in a variety of technologies. The logic here is that whilst the forgetting challenge stimulates the entrepreneurial mindset, it is the rigidity of the borrowing challenge that ensures that the pursuit is not lost in an abyss of complexity and that key assets that have defined the success of NewCo are transplanted within the context of the strategic experiment. It is important that when this process initiates, the focus is cast on the strategic experiment, and that any emergent properties such as subcultures are quickly addressed as these could hinder the agenda altogether and the organizational teams might end up burning out. Now we might ponder that this is all great in theory and such a pursuit would consume scarce resources and create potential tensions especially at the prospect of NewCo cannibalizing Core Co's revenues and the status quo associated with nervousness that such activities might damage crucial CoreCo assets such as brands or customer relationships. This can be managed with communication strategies that educate stakeholders on the purpose behind the borrowing challenge with specific reference to NewCo acting as a microcosm for cultural change.

The final concept is attributed as the learning challenge which is equally as important as the incentive that drives entrepreneurial pursuits altogether. This concept ties in intrinsically to organizational learning which has attracted a great deal of energy and investment over the years. However, in this context, the crux of the learning challenge does not focus on knowledge management or dissemination but on the task of improving an ability to predict NewCo's performance which, after all, will determine whether the strategic experiment is a success or a failure. It's crucial that if the forgetting and borrowing challenges are conceived in theory and practice, the management team also endorses

an iterative feedback cycle that constantly evaluates what the authors call the 'critical unknown'. These are contingencies that relate to market growth, competition, technology and profitability. In this respect, the imperative shifts to scientific models could be employed to evaluate the strategic experiment, given that the learning environment is far from ideal. Tools such as theory-focused planning are excellent and justifiable reference points in contexts in which accountability to numbers works well.

So now that I have explained the various types of entrepreneurial activities that could exist within the confines of an organization and also outlined the essence of the forgetting, borrowing and learning challenges, the onus really lies on the top level management to recognize and set the agenda for strategic experiments. By acknowledging the three challenges, the top level management would be better equipped at setting the cultural imperative on everyone in the organization, and you do not have to be a middle level executive to take advantage of this at all.☺

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# Edupreneurs as Change Agents: An Opinion Survey of Beneficiary Students

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Edupreneurs are change agents for the goodness of the economy. Edupreneurs, as a social entrepreneurial clan, have done remarkably good alterations to the Indian society. Edupreneurship must be continued and edupreneurs must be encouraged to grow for the benefit of the economy. Edupreneurs, when patronized, will prove to be real assets of the economy, adding value to the varied aspects of the economy. Edupreneurs surely are change agents who work for the goodness of the society.

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## Introduction

Education is a crucial asset of the citizens of every developed economy. India, though a traditional seat of higher learning, has lagged behind in providing the opportunity of education to its citizens. India ranks with some Sub-Saharan African countries as far as literacy rate is concerned. India's quality of education does not get closer to the developed countries' benchmarks. India has problems as far as its education sector is concerned. Till recently, education sector was closed for private ventures in India. The government seems to have come to terms with the reality. The importance of private initiatives in the field of education seems to have been realized by the Government of India, and today Indian education system is being transformed with the entry of educational entrepreneurs.

The importance of entrepreneurs for the economic development has been recognized since

the 17<sup>th</sup> century. The 21<sup>st</sup> century entrepreneur is held high in status compared to the earlier centuries' entrepreneurs. The theory of entrepreneurship has been evolving and developing over the centuries giving it the due prominence and importance it has earned today. Entrepreneurship in all sectors of the economy is essential for the overall growth and development of the economy.

## Edupreneurs Defined

Educational entrepreneurs, otherwise Edupreneurs, are individuals who carry out educational initiatives, organize educational institutions and innovate educational programs for improving the educational system in the economy. According to Arun Kumar M V P, educational entrepreneurs are outlined as people who bring new ideas and concepts into the business world as far as public education is

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concerned. Edupreneurs are related to public education system. The very essential characteristics of edupreneurs as proposed by Arun Kumar are: acting as change agents, bringing new mindsets and beliefs, and encouraging experimentation and constant learning. Edupreneurs have the inherent ability to recognize opportunity. They are capable of attracting the right talent and retaining them to scale up the organization's efforts. They are also capable of getting the right people on board, able to create reforms by changing the attitude of people involved in the system and are able to create financially viable models. Edupreneur is defined as "a person who takes hands on responsibility in creating and developing a program, product, service, and/or technology for the enhancement of learning consistent with the stated goals of and supported by that organization." Edupreneur is also, "a person who leverages his experience as an educator to create and develop programs, products, services, and/or technology resources for the enhancement of learning for all students regardless of student background, student ability, or student family means of achieving personal educational goals."

Educational entrepreneurs in India can be categorized into those corporates supporting educational institutions with education supportive services, facilities or softwares and educational institutions offering formal education. The formal education providing edupreneurs can further be classified based on the level of education they provide: edupreneurs of school education, edupreneurs of higher education, edupreneurs of vocational education, edupreneurs of certifying technical education (NIIT, Aptech, Tally Academy Computer, etc.), franchising coaching services for professional entrance, administrative services, bank employment, etc. For the purpose of the study, educational edupreneurs have been

identified as those individuals who have started higher education professional institutions for bringing about positive changes in the educational system through their investment, resources, creativity and knowledge. These are individuals who have launched higher education institutions offering engineering degree or management degree.

### Indian Education Sector

India, with its 62% literacy rate, finds itself in the company of many African countries like Rwanda, Burundi, Uganda, Malawi, Ghana, etc. India is home to 35% of world illiterates, though it holds only 17% of the world's population. With such poor statistics in the basic education system, India's higher education system has more lacunae. In order to develop the higher education system, the government established the University Grants Commission (UGC) in 1953. The primary role of UGC has been to regulate the standard and spread of higher education in India. There has been a remarkable progress in the expansion of higher education in India. The higher education system in India now comprises more than 17,000 colleges, 42 central universities, 259 state universities, 130 deemed universities, 10 IIMs, 15 IITs, and 13 institutes of national importance. This would soon inflate with the addition of more than 30 central universities, 8 IITs, 7 IIMs and 5 IISc. The other side of the higher education story is, while 150,000 students leave India every year for higher education, only 30,000 come to India for higher education. India loses ₹45,000 cr every year due to this outflow of higher education learners. In India, the education facilities are far below the global standards. Though there is an expansion in the number of institutions offering higher education, the investment has not been significant. India's total expenditure on higher education is only 0.6% of the GDP. The government has set a budget of \$72 mn for the newly announced central universities. In

contrast, Harvard University has endowments worth \$30 bn. The education industry needs huge investments. The government has been controlling education from becoming a full-blown business. Too many constraints, checks and obstacles have kept educational entrepreneurs from investing in education.

India is aiming to be a superpower by 2020. India boasts of the largest youth population of the world. To make this population a productive asset of the nation, quality higher education for our youth is crucial. With the aim of educating the youth and providing them with technical and professional education, India privatized higher education. Educomp Systems, Amity Groups, NIIT, Career Launcher, etc. are a few of the successful educational ventures.

### Edupreneurs as Social Entrepreneurs

Social entrepreneurs are called agents of social change. Some of the social entrepreneurs could be edupreneurs, but all edupreneurs are social entrepreneurs. Social entrepreneurs aim at improving social values. They are agents of social change, questioning the status quo, grabbing the new yet overlooked opportunities and changing the world for better. Social entrepreneurs work in a direction to change the mindset of people. Social entrepreneurs bring goodness to the society by innovating creative and sustainable solutions for the social problems, without focusing on profits or financial returns alone. They determine to change the way things function in the existing system; they are confident of the change and are willing to work from outside the system. Edupreneurs are social entrepreneurs as their primary concern is social change through education, which is of improved form than what the existing system offers. Edupreneurs are different from the traditional entrepreneurs as their focus is fixed on improving the existing

education system through their contribution of capital, resources, effort, time, creativity, etc. They continue to stay outside the formal education system but add tremendous value to the system.

### Importance of Edupreneurs for India

With the liberalization and privatization of Indian education system, the government has been able to address two crucial social issues—illiteracy and unemployment. Edupreneurs have been effective in saving a significant part of foreign exchange outflow and the accompanying brain drain. They have thus helped and will help India in conserving the scarce foreign exchange reserves and also our precious talents who love the country and understand the country better than any foreign consultant can. Edupreneurs have contributed by providing more employment opportunities for educated youth who qualify to teach in higher technical institutions. The standard of living of families of the individuals has risen.

Uttar Pradesh is a solid example of what education can do to India. Uttar Pradesh, one of the least developed states of India, boasts of 600 higher education institutions imparting quality techno-managerial education in 2010 against just 46 in 2000. The stupendous growth could not have been achieved without the critical contribution of a new breed of educational entrepreneurs who diversified their business interests from other sectors to the field of education.

### Methodology

The study was carried out by collecting data through a structured questionnaire. The respondents selected for the study were students currently undergoing professional education in the higher education institutions of Kerala and Tamil Nadu. The sample size was 300 students from a total of 15 engineering colleges of Ernakulam, Kozhikode and Kanyakumari districts.

Twenty students from five colleges from each of the said districts were selected using convenience sampling. The districts are known for their 100% literacy rates and attach high importance to education. The choice of the districts was based on the large number of engineering colleges and the accessibility of the places to the researchers. The data was collected by three enumerators who were oriented for the purpose. The collected data was tabulated and analyzed using simple percentage analysis.

### Data Analysis and Interpretations

The simple percentage analysis of the collected data revealed the following:

All the respondents agreed that edupreneurs are change agents bringing goodness to the society. A small percentage of the respondents (8%) said that edupreneurs are not perfect blessings for the society. Though they bring goodness to the society, they are also causes of some ills to the society.

The positive changes identified by the respondents were: personality, teaching-learning, economic, social, infrastructural, spiritual and ethical changes. The personality change topped the list with 85% respondents mentioning it. The second most important change cited was the change in the teaching-learning process, techniques and supportive technology and services for learners, as 72% respondents opted for it. The third rank was obtained by economic change, with 60% respondents suggesting it. The fourth important change was found to be social change, as 57% respondents chose it. Infrastructural changes were chosen by 55% of the respondents and was ranked fifth. Spiritual changes and ethical changes were ranked sixth and seventh, respectively with 54% and 52% respondents opting for it.

The most important social change cited by the respondents was highly (professionally)

educated society (72%). The second important change opted for was rural development (69%). Uplifted and highly informed society was the third choice (66%). Cordial social relationship was the fourth important change chosen (64%). Increased sense of social responsibility was assigned the fifth position by the respondents (62%). The positive social changes can be broadly categorized as those affecting individuals, families and community; and benefits that fall immediately and in the future. The positive social changes opted for by the respondents were more of relevant community benefits and immediate benefits.

The personality changes suggested by the respondents were: improved positive outlook about life, increased creative approach to life, high level of confidence about the future, and being helpful to others. Among the suggested changes in the personality, creative and positive approach to life topped the list with 79% responses. The increased level of confidence about future scored 70% responses, and helping attitude scored 63% responses.

Teaching-learning changes were named as educational changes. Both quantitative and qualitative changes were cited by the respondents. The improvements in teaching-learning methods, techniques, technologies, and services for the student community have improved in quality and quantity (89%). Improved professional education (86%), industry-institution interaction (81%), practical and realistic education (78%), education resulting in research for improved technologies (61%), etc. were the other educational changes identified by the respondents. Increased knowledge (76%) and technological advancement (72%) were the other important educational changes cited.

Economic changes were identified by the respondents as a crucial change brought about by the edupreneurs. The various economic changes cited were: reduction in the cost of higher

education for students, financial support for the poor and backward class students, employment opportunity and resultant additional income for households and improved standard of living, increased money circulation leading to higher disposable income for individuals and development of the economy, and additional source of revenue for state and central governments through taxes. The most significant economic change is cost reduction in higher education (87%) as students can learn from their hometowns and no hostel stay was involved; further competition among colleges was pulling down the cost of fees. Increased employment opportunities and the resulting income increasing the standard of living of individuals and families was the second predominant economic change cited (84% responses).

### Findings

The major findings from the opinion survey based on percentage analysis were:

- Edupreneurs as positive change agents is a fact accepted by the beneficiary students of higher educational institutions. There are respondents who accept this fact with the caution that edupreneurship is not an unmixed blessing.
- The positive changes brought about by edupreneurs are experienced in the following aspects of the economy: individuals' personality, educational system, economic, social, spiritual, ethical and infrastructural. The best changes were said to be experienced in personality, educational system and society.
- The significant social change pointed out by most respondents was an highly professionally educated society.
- The most important educational change brought to light by the respondents was the improvement in teaching-learning quality and quantity.

- The crucial economic change cited by the respondents was the cost reduction in professional education for the students.
- The obvious infrastructural change identified was the access to information through Internet. Every small town could offer the facility. Also, better roads and drinking water availability were pointed out as a consequence of the changes in infrastructure resulting from edupreneurs' efforts.
- The positive ethical changes highlighted by the respondents were: significance attached to truth and honesty, fair practices, high morale, social commitment, abiding by rules and regulations, etc. High level of transparency and social commitment were also pointed out as the important ethical changes due to edupreneurship.

### Conclusion

Edupreneurs are change agents for the goodness of the economy. Edupreneurs, as a social entrepreneurial clan, have done remarkably good alterations to the Indian society. Every coin has two sides—the concept of edupreneurship has its own woes. The wiser way of looking at edupreneurs is to see the positive changes they infuse into the society. India has surely benefitted in the short span during which it permitted edupreneurs to contribute to the economy. Edupreneurship must be continued and edupreneurs must be encouraged to grow for the benefit of the economy. Edupreneurs, when patronized, will prove to be real assets of the economy, adding value to the varied aspects of the economy. Edupreneurs surely are change agents who work for the goodness of the society. Edupreneurs are important to help India achieve its ambition of becoming a superpower by 2020. ☺

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