



Unleashing Corporate Innovation

How Intrapreneurship will
determine Tomorrow's Winners



Wealth in this new regime flows directly from innovation, not optimization. That is, wealth is not gained by perfecting the known, but by imperfectly seizing the unknown.

Kevin Kelly, *New Rules for the New Economy*



Intrapreneurship is ...

- Opening up opportunities for entrepreneurial behaviour within a corporation
- Nurturing 'Dreamers that Do'
- A means of challenging the status quo and hence ensuring the corporation responds to change
- = Institutionalizing Creative Destruction



Examples

- IBM PC
- Macintosh
- Hetero Junction Chip at IBM
- Playstation at Sony
- Xbox at Microsoft
- DoCoMo at NTT
- DSP at TI
- Digital Imaging at Kodak
- Java



Summary

- Finding the Intrapreneur
- Creating a tolerance for risk
- Identifying Opportunities
- Economic Development

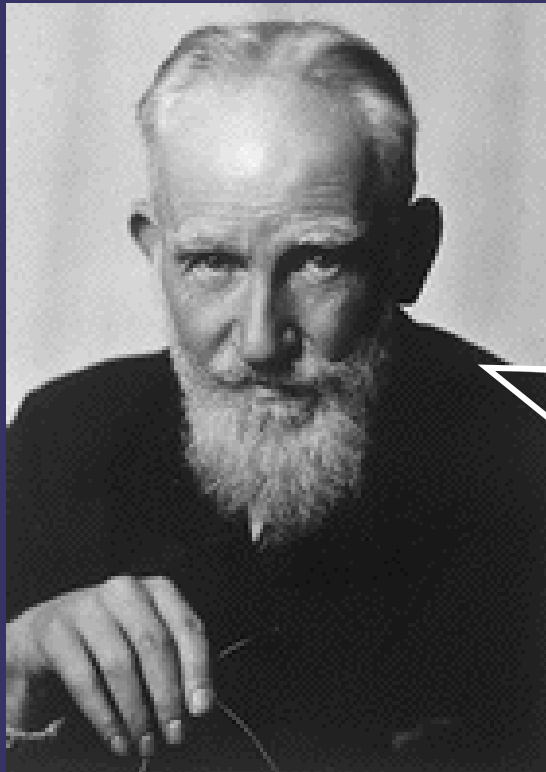


An Intrapreneur

- An Individual that
 - Conceives an Idea
 - Undertakes
 - Organises
 - Implements
 - Personally assumes risk
- For something totally new *inside* an organisation



Shaw



Other people see
things and say:
‘Why?’ ..
But I dream things
that never were and
say:
‘Why Not?’



Finding an Intrapreneur

We know where
the talent is – we
have an HR
department





What one looks like



The Hewlett-Packard Award for Meritorious Defiance. "For contempt and defiance above and beyond the call of engineering duty."



A Description

- commercial insight, market understanding and environmental awareness
- strength of character, persistence, stamina and staying power
- an innovative and creative approach to problems
- an ability to manage and direct change
- capacity for analysis, organisation and control of activities
- ability to get on with people at all levels, to engage their interest and ensure they are effective and successful



How to grow Intrapreneurs

- Business as an Educator (Stan Davis)
- Track performance using these criteria
- Create opportunities for employees to demonstrate these attributes



We found the intrapreneur ...

Now Manage the Risk



Managing Risk I

- VC Industry 50% dismal failures: 5% Successful
- Tolerate (and Celebrate) Failure
- CEO Backing
- Operate outside corporate boundaries
- Separate Units
- In house seed and venture funds



Managing Risk II

- Mission aligned with company's core business
- Capture parent's upside
- Beware of threats to an existing offering (e.g. .com version of a product)



Individual + Structure

... Find the Opportunity



Opportunities

- Welcome new ideas
- If Disruptive 30% chance of success
- If marginal improvement against an incumbent, 3%



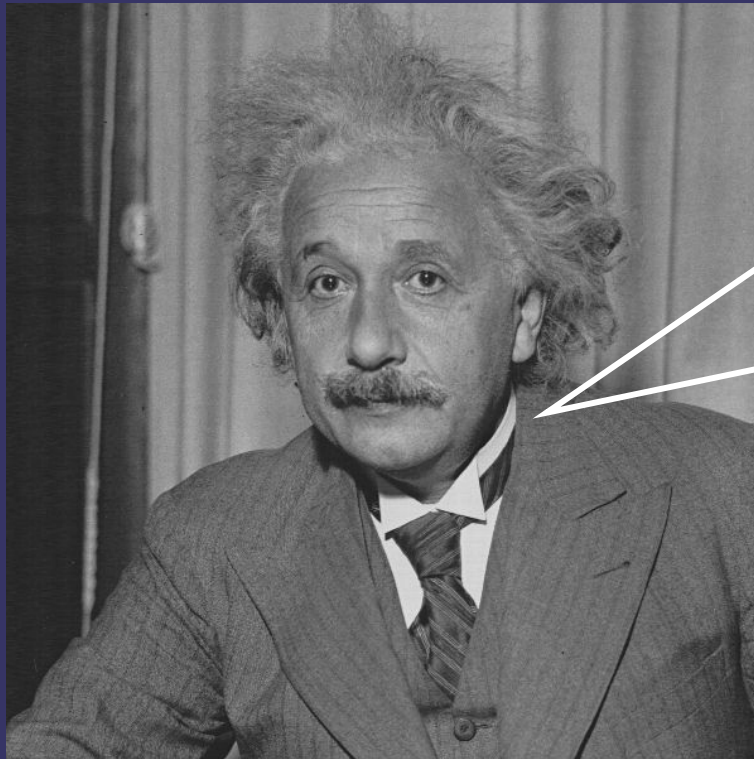
Lufthansa's Executive Board

There is no market
for
Low fare Airlines





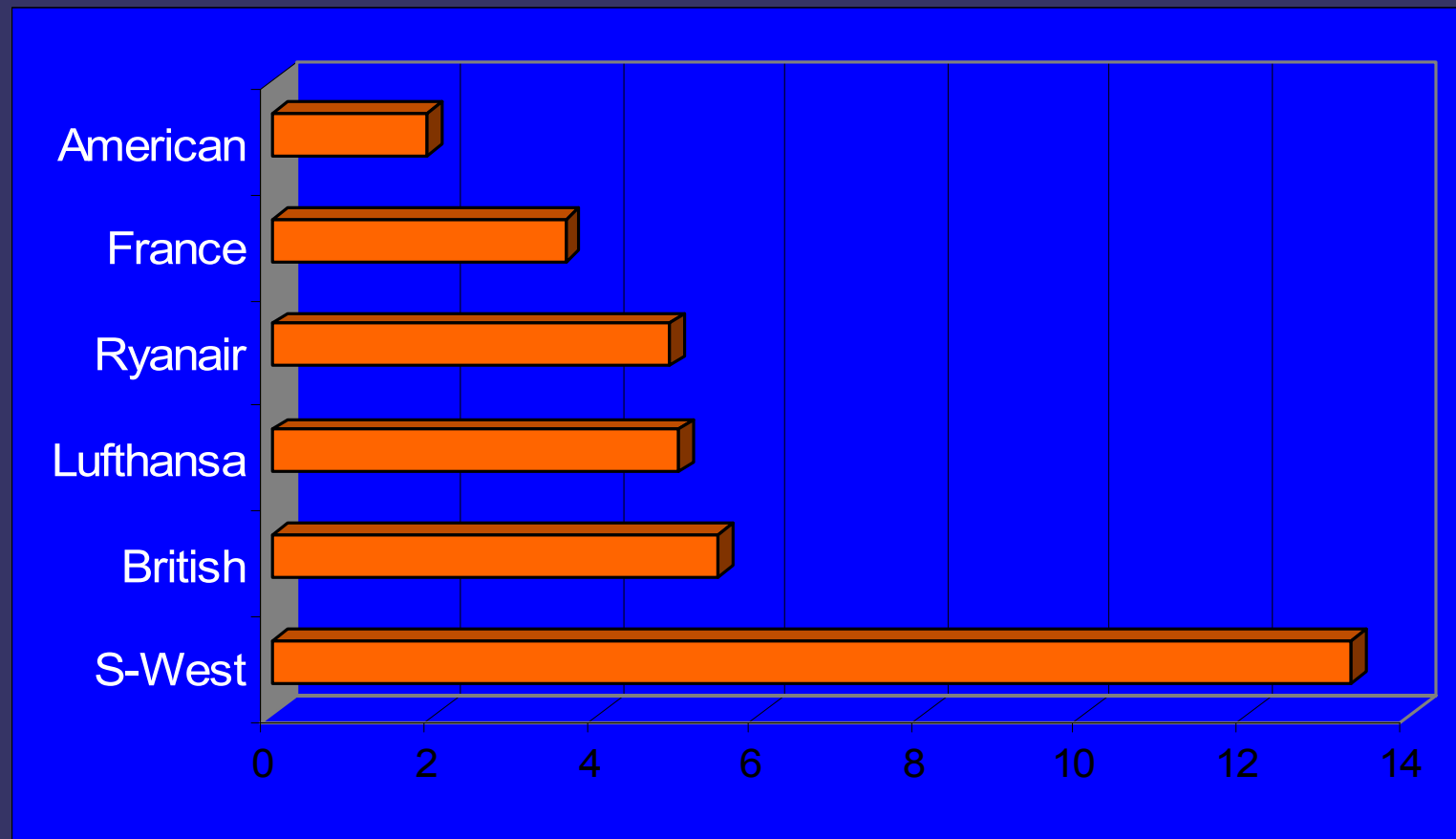
Einstein



If at first an idea is
not absurd,
then there is no hope
for it



Market Value – Top 6 Airlines





No Frills Services

	Lowfare	Traditional
Lounges	No	Yes
Meals	No	Yes
Seat Choice	No	Yes
Hub Connect	No	Yes
Helpful Staff	No	Yes
Price	Low	High



No Frills products and Services

- Customers that can't participate
 - Low Skills
 - Low Wealth
- BUT they are markets that can exhibit 30% growth rates



How old are you?





How old are you?





This is also from 1958





Is US = Ireland = Thailand?



Intrapreneurs & Development

- Focus on the local mindset
- Deploy existing technology in new ways
- Import global ideas
- Encourage MNC employees to transform local charter
- Create role models
- Convert local disadvantage into opportunity



Zhang Ruimin of Haier



if one only reviewed his
yesterday's success,
and lack of dreaming
about tomorrow, he is
not far away from the
failure.



Conclusions

- Find the 'dreamers that do'
- Manage the risks
 - Manage failures
 - Create suitable structures
- Identify high growth opportunities
 - Choose markets where participation is difficult for low income/skills



ขอขอบคุณ