Entrepreneurship, intrapreneurship, and strategy: Joining the dots

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What is entrepreneurship?

- Frame-breaking
- Innovation
- Radial change
- Risk
Different perspectives within entrepreneurship theory:

Individuals

- Individuals acting quickly to identify and exploit opportunity
- Individuals: high internal locus of control
- Bold risk-taking individuals
- Individuals: high need for achievement

- Individuals: innovative, disturbing the status quo
- Individuals willing to bear risk and uncertainty
- Individuals seeking profit, reward for investing and risking capital
Different perspectives within entrepreneurship theory:

New and small business

<table>
<thead>
<tr>
<th>Year</th>
<th>Perspective</th>
</tr>
</thead>
<tbody>
<tr>
<td>1960</td>
<td>Individuals acting quickly to identify and exploit opportunity</td>
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<td>1980</td>
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<td>entrepreneur as an individual: creativity and strong execution skills</td>
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Different perspectives within entrepreneurship theory:

Large organisations

<table>
<thead>
<tr>
<th>Year</th>
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<tbody>
<tr>
<td>1980</td>
<td>entrepreneurial process in different firms</td>
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<tr>
<td></td>
<td>model of the strategic process of entrepreneurial activity in firms</td>
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<td>conservative versus entrepreneurial firm</td>
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<td>innovative and entrepreneurial firm within 10 firm archetypes</td>
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<td>entrepreneurship in small businesses: entrepreneurial strategic posture</td>
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Different perspectives within entrepreneurship theory:

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<th>Businesses of all forms and sizes</th>
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<td>process</td>
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<td>process of opportunity identification and exploitation</td>
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<td>competitive behaviour - drives the market process</td>
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<tr>
<td>entrepreneurial orientation influencing corporate entrepreneurship</td>
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<tr>
<td>corporate entrepreneurship: entrepreneurial intensity</td>
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<tr>
<td>intersection of entrepreneurship and strategic management</td>
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<td>a process</td>
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<tr>
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<tr>
<td>process of opportunity discovery, evaluation, and exploitation</td>
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Different perspectives within entrepreneurship theory:

Entrepreneurship as a concept
It makes little or no difference whether the entrepreneur is a business or non-business public service organisation, not even whether the entrepreneur is a government or non-government institution. The rules are pretty much the same. In every case there is a discipline we might call entrepreneurial management (Drucker, 1985)
What is entrepreneurship?

At the heart of entrepreneurship is opportunity identification and innovation

“There's a way to do it better - find it.”

THOMAS EDISON

CREATIVE DESTRUCTION

Why fit in when you were born to stand out?

Dr. Suess
Entrepreneurship: Key concepts

Opportunity identification

Innovation

Risk
Entrepreneurship: Key concepts

Opportunity identification + Vision

Innovation  Flexibility

Risk  Growth
Opportunity identification

“If I had asked people what they wanted, the would have said faster horses”

Henry Ford
Innovation

At the heart of entrepreneurship is opportunity identification and innovation

Innovation is change that unlocks new value.

― Jamie Notter

Creativity is thinking up new things. Innovation is doing new things.

― Theodore Levitt

When it comes to innovation, an ounce of execution is worth more than a ton of theory.
Innovation

Incremental  Deliberate  Radical

Emergent
(Acceptance of) Risk
Vision
Flexibility & Growth
Entrepreneurship developed from strategy literature

1975
- Entrepreneurial strategy-making
- Entrepreneurship with a strategic intent
- Prospector firms
- Entrepreneurial strategy-making

1980
- Entrepreneurial management
- Entrepreneurial process
- Conservative versus entrepreneurial firm
- Tracking strategy in an entrepreneurial firm, entrepreneurial strategy-making
- Prospector firms

1985
- Entrepreneurial management
- Entrepreneurial process
- Conservative versus entrepreneurial firm
- Tracking strategy in an entrepreneurial firm, entrepreneurial strategy-making

1990
- Entrepreneurial strategic posture: proactive, innovative, risk-taking

1995
- Entrepreneurial orientation: autonomy and competitive aggressiveness
- "The edge": combining creativity and strong execution skills

1998
- Entrepreneurial orientation: autonomy and competitive aggressiveness
- "The edge": combining creativity and strong execution skills

2000
- Entrepreneurial strategy as the new dominant logic
- Entrepreneurial edge: strategic management within an entrepreneurial firm

Opportunity seeking + Advantage seeking

Ent’ial intensity

Creativity + Strong execution skills

Ent’ial strategic posture

Ent’ial orientation: Autonomy, competitive aggressiveness

Proactive, innovative, risk-taking

Conservative v Ent’ial firm

Exploitation + Exploration

Creation – performance relationship

Ent’ship with a strategic intent
Strategic entrepreneurship

**Foundation of strategic entrepreneurship:**
- opportunity identification, innovation, acceptance of risk,
- vision, flexibility, growth

**Foundation for strategic entrepreneurship:**
- developing a level of expertise,
- leveraging from core skills / resources
- transfer and application of skills /resources
- to create new products, services, markets
<table>
<thead>
<tr>
<th>Strategic entrepreneurship activity</th>
<th>Strategic activity</th>
</tr>
</thead>
<tbody>
<tr>
<td>Entrepreneurial activity</td>
<td>Neither entrepreneurial nor strategic activity</td>
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- Training simulator for air traffic controllers
- Leasing and cultivating land for farmers
- Innovative 3D weather graphics software
- Energy generation plant
- Business management software
- Tax-effective financing arrangement
- Leasing and cultivating land for farmers
- Innovative 3D weather graphics software
- Business management software
Strategic entrepreneurship: Supporting elements

<table>
<thead>
<tr>
<th>Core elements</th>
<th>Operational excellence</th>
<th>Supporting elements</th>
<th>Cost minimisation</th>
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<tbody>
<tr>
<td>Opportunity identification</td>
<td>• understand which opportunities are viable</td>
<td>• encourages opportunities to be sought and explored</td>
<td>• low-cost activity</td>
</tr>
<tr>
<td></td>
<td>• helps establish outside recognition / reputation</td>
<td></td>
<td>• can be done for multiple projects concurrently</td>
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<tr>
<td>Innovation</td>
<td>• confidence in org’s ability to pursue innovations</td>
<td>• encourages experimentation</td>
<td>• encourages innovation and experimentation</td>
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<tr>
<td>Acceptance of risk</td>
<td>• Minimises risk, business is aware of its strengths</td>
<td>• Encourages staff to be conscious of the relevant risks and deliberately minimise/manage them</td>
<td>• Minimises financial risk due to low financial investment in innovative or experimental pursuits</td>
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Entrepreneurship in the public sector

If [it] weren’t for [us] doing this project, I think someone else would have done it, but we happen to be a SOE (Senior executive, SOE E).

I think if we went and started to grow tomatoes, the Minister would be a little bit interested in that (laughter). But I think we find ourselves rooted in a domain expertise. We self-limit more than by edict.

If [a project’s] a success you’ll have plenty of politicians queuing up to say how well you’ve done, but if it’s a failure you’ll get kicked. (Senior executive, SOE D).

Public identity and profile
Because we’re a state-owned company people believe, rightly or wrongly, that they should have the ability to influence our policies and our business...from NGOs to the ‘Greenpeaces’ of the world, to the Minister of Finance (Senior executive, SOE D).
Thanks

Questions?