



# Being Nimble

How to build organizations with the flexibility to serve markets well and quickly.

# INTRAPRENEURSHIP

By Robynne M. Anderson

**N**O, IT'S NOT A TYPO – intrapreneurship is the application of entrepreneurial skills in large organizations. The innovation, flexibility, instinct, and quick decision-making that are prized in small business have advantages no matter what size the company. Intrapreneurship is a conscious decision to apply those skills by creating an organization that can anticipate market needs.

“The smaller companies have always been very flexible – fast on their feet and close to their customers – so they have been able to respond quickly to market changes,” explains Dean Cavey of Verdant Partners, a mergers and acquisitions firm with extensive experience in the seed sector.

Large organizations may have the capital and research advantage, but smaller companies are able to respond to market needs “on a dime”. In today’s competitive seed marketplace, it is important for big corporations to breed an entrepreneurial spirit and more important than ever for small businesses to hone their skills.

Tim Johnson, President of Seed Genetics, believes that consolidation has made intrapreneurship an essential part of survival.

“Intrapreneurship involves taking the best team spirit and applying it to business of any size,” Johnson explains. “There is a real need to stay focused on exceeding customer and market expectations. Intrapreneurs know their success is in making their customers (internal or external) and company successful.”

Typically, the two biggest impediments to being intrapreneurial are:

- a) chain of command
- b) timeliness

These issues are related as complex chains of command may involve multiple layers of management and even multiple committees. It takes time for decisions to be pushed up this ladder and back down. The cost is the inability to respond to changes in the market in a nimble manner.

As Gifford Pinchot III, a leading consultant on intrapreneurship, says “Intrapreneurs bridge the gap between inventors and managers; they take new ideas and turn them into profitable realities.” He writes of the need for a “hybrid organization” with a decisive centralized leadership which sets direction but then

## Intrapreneurial Organizations

- 1) **Use teams** – Have integrated teams exploring a total market/product life cycle.
- 2) **Empowerment** – The person(s) charged with a project must be able to make decisions quickly.
- 3) **Choose the right idea** – There may be many ideas, but select one and run with it.
- 4) **Aligning resources** – Provide a budget for the new project that is adequate, including a provision for the unforeseen. Budget authority must be aligned with the execution authority.
- 5) **Define for value** – The team must define the product and, most importantly, what it offers customers.
- 6) **Breakout positioning** – Develop or define industry standards.
- 7) **Integration efficiencies** – Find ways to co-ordinate or combine activities that provide a cost-savings, whether in production, delivery, or marketing.
- 8) **Have an advocate** – Inside the company, a member of senior leadership should resource, mentor, and advocate for the intrapreneur.

provides latitude to the layers below to implement that direction effectively.

For large companies, this means creating teams of people empowered to look for specific market opportunities or to flatten out the decision-making process. For smaller companies, it is a reminder to capitalize on close ties to customers. The ability to identify, understand, and serve a need in a matter of days or weeks is a market edge. These skills are often the foundation of small businesses and systems are needed to keep that entrepreneurial spirit alive.

As consolidation occurs, growing corporations must struggle against the tendency to get bureaucratic. There is a continual tension between the need for control and process versus the drive to be creative and flexible. In smaller enterprises, that tension is often eased because smaller structures make decision-making quicker and business systems easier. It is a natural advantage, which small seed businesses need to exploit.

However, Cavey is quick to point out that “some big companies are extremely entrepreneurial”. For those which are not, purchasing smaller businesses may be an opportunity to adopt a fresh culture – a great opportunity that, in Cavey’s experience, is sometimes missed. He notes that the due diligence process often helps purchasers explore the benefits of a vendor’s organization and consider the advantages a new business can bring to their existing corporate culture.

For the regional, niche, or family seed businesses, a concept like intrapreneurship becomes even more important to long-term survival. Ultimately it is all about the ability to satisfy customers. And for those that are not developing the next new great trait, the ability to satisfy those customers quickly could not be more important. **SW**

## Freedom Factors

According to Gifford Pinchot III, these factors are critical to the success of the intrapreneur in your company:

- 1) **Self-selection:** Does the company encourage the self-appointed intrapreneur?
- 2) **No hands-offs:** Does the company provide ways for intrapreneurs to stay with their intraprisers?
- 3) **The doer decides:** Can people do the job in their own way without always seeking permission?
- 4) **Corporate slack:** Are there quick and informal ways to gain access to resources for new ideas?
- 5) **Ending the home-run philosophy:** Can the company manage many small and experimental products and businesses?
- 6) **Tolerance of risk, failure, and mistakes:** Is risk-taking encouraged? Are people allowed to learn from mistakes?
- 7) **Patient money:** Can the company stick with the experiment through several false starts?
- 8) **Freedom from turfness:** Are people more concerned with new ideas or defending their turf?
- 9) **Cross-functional teams:** Is it easy to form autonomous teams?
- 10) **Multiple options:** Are people free to use the resources of other divisions and outside vendors?

Source: Gifford Pinchot III, *Intrapreneuring: Why You Don't have to Leave the Corporation to Become an Entrepreneur*

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