## Table of Contents

PREFACE	ix
AUTHOR PROFILES	xvi
Section I: Foundations of Corporate Entrepreneurship	1
CHAPTER 1 THE ENTREPRENEURIAL IMPERATIVE IN ESTABLISHED ORGANIZATIONS	3
Introduction	3
Turbulent Environments and the Embattled Corporation	4
The New Path to Sustainable Competitive Advantage	7
What Is Entrepreneurship?	9
What Is Corporate Entrepreneurship?	11
Management versus Entrepreneurship	12
Why Companies Lose Their Entrepreneurial Way: The Organizational	
Life Cycle	16
The Entrepreneurial Imperative: A Persistent Sense of Urgency	19
A Model of Corporate Entrepreneurship and Guide to Coming Chapters The Innovator's Notebook: Microsoft: Trailing in the	21
Innovation Race?	23
Summary and Conclusions	25
CHAPTER 2 How Corporate Entrepreneurship Differs	28
Introduction	28
Dispelling the Myths and Sidestepping the Folklore	29
Entrepreneurial Realities: Understanding the Process	32
How Corporate Entrepreneurship Differs	35
Where to Find Entrepreneurship within a Company	46
General Frameworks for Understanding Corporate Entrepreneurship	49
The Innovator's Notebook: The Challenge	
of Entrepreneurial Growth	53
Summary and Conclusions	55
CHAPTER 3 CAPTURING THE ENTREPRENEURIAL	
ORIENTATION OF THE FIRM	58
Introduction	58
Exploring the Dimensions of Entrepreneurship	58
Entrepreneurial Intensity: Combining Degree and Frequency of Entrepreneurship	74
Applying the Entrepreneurial Grid to Organizations	76
Applying the Grid at the Level of the Individual Manager	78
Things We Know and Don't Know about Entrepreneurial Intensity	80

	The Innovator's Notebook: Keeping Innovation Alive	
	at Procter & Gamble	82
	Summary and Conclusions	84
	CHAPTER 4 How Entrepreneurship Takes Different Forms	85
	Introduction	85
	Corporate Venturing: Bringing New Businesses to the Corporation	86
	Strategic Entrepreneurship: Innovating in Pursuit of Competitive Advantage	97
	The Business Model as a Vehicle for Corporate Entrepreneurship	102
	The Open Innovation Revolution	107
	The Innovator's Notebook: The World's Best Companies	
	for Innovation	109
	Summary and Conclusions	112
	CHAPTER 5 ENTREPRENEURSHIP IN NONPROFIT AND GOVERNMENT	
	Organizations	113
	Introduction	113
	Applying Entrepreneurial Concepts to the Nonprofit and Public Sectors	114
	Exploring Entrepreneurship in Nonprofit Organizations	117
	Exploring Entrepreneurship in Government Organizations	123
	How Public Sector Managers View Entrepreneurship	134
	Toward Entrepreneurial Government	138
	The Innovator's Notebook: Innovative Code Enforcement	
	by the City of Los Angeles	141
	Summary and Conclusions	143
SEG	CTION II: DESIGNING ENTREPRENEURIAL ORGANIZATIONS	145
	CHAPTER 6 CORPORATE STRATEGY AND ENTREPRENEURSHIP	147
	Introduction	147
	The Changing Landscape	147
	Does the Dominant Logic Fit the Competitive Landscape?	150
	The Role of Strategic Management and Corporate Strategy	151
	Integrating Entrepreneurship with Strategy	153
	Managing Innovation Strategically: A Portfolio Approach	157
	Technology, Entrepreneurship, and Strategy	162
	Technology Limits and Platforms	165
	Technology-Push versus Market-Pull Approaches to Innovation	168
	Key Strategic Concepts: Entrepreneurship as the Driver	169
	Entrepreneurial Strategy: Some Contributing Factors	174
	Implementation Issues: Fatal Visions	178
	The Innovator's Notebook: Reigning in	
	Innovation at Google	179
	Summary and Conclusions	182

C	CHAPTER 7 STRUCTURING THE COMPANY FOR ENTREPRENEURSHIP	184
	Introduction	184
	The Components of Structure	184
	How Structures Evolve	186
	Types of Structures: Links to an Entrepreneurial Strategy	188
	An Entrepreneurial Structure and the Concept of Cycling	196
	Structures to Support New Product/Service Development Projects	201
	Entrepreneurial Projects: Structures within Structures	204
	Structuring Relationships between Entrepreneurial Initiatives and the Corporation:	
	Some Organization Design Alternatives	207
	The Innovator's Notebook: The Signode V-Team Structure	210
	Summary and Conclusions	211
C	HAPTER 8 THE PEOPLE FACTOR I: FOSTERING CREATIVITY WITHIN	
	Organizations	214
	Introduction	214
	The Creative Individual in a Company	214
	The Creative Process	215
	The Creative Blocks	219
	Creativity Techniques and Creative Quality	221
	The Entrepreneurial Personality	222
	Motivating Entrepreneurial Behavior	225
	Are Corporate Entrepreneurs Different?	227
	Categories of Entrepreneurs	229
	Critical Roles in Corporate Entrepreneurship	234
	Myths about Corporate Entrepreneurs	236
	A Final Thought: Are You a Corporate Entrepreneur?	237
	The Innovator's Notebook: The Corporate	
	Entrepreneur Personas	238
	Summary and Conclusions	241
C	HAPTER 9 THE PEOPLE FACTOR II: HUMAN RESOURCES MANAGEMENT	243
	Introduction	243
	Understanding the HRM Function	244
	Creating the Work Environment	246
	HRM and the Paradox of Creative Abrasion	247
	HRM Policies and Entrepreneurship	248
	Some Evidence to Support the Relationships	252
	Entrepreneurial Motivation and the Critical Role of Reward Systems	253
	Subordinates' View of the Entrepreneurial Manager	259
	The Need for a Champions Program	261
	The Innovator's Notebook: Innovation through People at 3M	262
	Summary and Conclusions	264

CHAPTER 10 BUILDING CULTURES TO SUPPORT ENTREPRENEURSHIP	267
Introduction	267
The Nature of Culture in Organizations	267
The Pieces and Parts of Culture	268
Core Ideology and the Envisioned Future	271
Generic Culture Types	272
Elements of an Entrepreneurial Culture	275
Entrepreneurial Development through Culture: Eli Lilly & Co.	279
Exploring a Key Value: Individualism	279
A Culture with a Different View of Failure	280
Conceptualizing Failure	284
Learning from Entrepreneurial Failure	284
Cultures within Cultures	288
Leadership and Culture	289
The Innovator's Notebook: Why Intuit Welcomes Failure	290
Summary and Conclusions	293
SECTION III: CONTINUOUS ENTREPRENEURIAL PERFORMANCE	295
CHAPTER 11 DESIGNING ENTREPRENEURIAL CONTROL SYSTEMS	297
Introduction	297
The Nature of Control in Organizations	298
Organizations out of Control: A Story of Unintended Consequences	300
Dimensions of Control and Entrepreneurship	302
A Paradox: Simultaneous Looseness and Tightness	308
Approaching Control and Entrepreneurship as Complementary	310
Expanding on the Concept of Slack	311
Internal Venture Capital Pools	313
Control and Costs: The Open Book Revolution	314
The Concept of Profit Pools	316
The Innovator's Notebook: Sony's Aggressive Controls	
in a Dampened Economy	319
Summary and Conclusions	321
CHAPTER 12 LEADING THE ENTREPRENEURIAL ORGANIZATION	324
Introduction	324
Top-Level Managers in the Entrepreneurial Organization	324
The Entrepreneurial Imperatives of Strategic Leadership	327
Managing Ambidextrously: Balancing the Old and the New	329
Middle-Level Managers: Linchpins in the Entrepreneurial Organization	331
First-Level Managers and Nonmanagerial Personnel: Entrepreneurship	
at the Grassroots Level	335
Guidelines for Entrepreneurial Leadership at Any Organizational Level	336
Variations in Managerial Roles across the Forms of Strategic Entrepreneurship	338
Entrepreneurial Outcomes	340

The Innovator's Notebook: The Acordia Companies:	
A Product of Entrepreneurial Leadership	343
Summary and Conclusions	34
CHAPTER 13 FORCES WORKING AGAINST CORPORATE ENTREPRENEURSHIP	249
	348
Introduction	34
A Framework for Understanding the Obstacles	34
Coming Up Short: Limitations of the Corporate Entrepreneur	35
Corporate Innovators or Rogue Managers: An Ethical Dilemma	36
Overcoming the Obstacles and Constraints	36
Focusing on the Right Obstacles at the Right Time	36
The Innovator's Notebook: Is Apple Its Own Obstacle?	36
Summary and Conclusions	37
CHAPTER 14 MEASURING ENTREPRENEURIAL PERFORMANCE	37
Introduction	37
Assessing Entrepreneurial Activity in Companies	37
	37
A Systematic Approach: The Entrepreneurial Health Audit	
Assessing Individual Entrepreneurial Projects	38
Discovery-Driven Planning	39
Developing a Comprehensive Corporate Venture Plan	40
Sustainable Entrepreneurship: A Dual Focus	40
The Innovator's Notebook: Measuring Innovation at Samsung	41
Summary and Conclusions	41
CHAPTER 15 SUSTAINING THE ENTREPRENEURIAL COMPANY IN THE	
TWENTY-FIRST CENTURY	41
Introduction	41
A Personal Approach to the Entrepreneurial Process	41
The Importance of Sponsors	42
Beware of the "Dark Side" of Entrepreneurship	42
Recognizing and Managing the Triggering Events	42
Building an Adaptive Organization	42
Create a Sense of Urgency	43
The New Strategic Imperative: Embrace Paradoxes	43
	44
The Entrepreneurial Mindset	44
The Twenty-First Century Entrepreneurial Company: A Dynamic Incubator	44
The Innovator's Notebook: What Does the Future Hold	4.4
for the BlackBerry?	44
Summary and Conclusions	44
A Final Epilogue	44
REFERENCES	45
INIDEV	47