

Entrepreneurship management

Lecture 13

Innovative organizing – What is it?

- 'Not traditional, big-business' organizing
- 'Takes a different kind of leader to start a new activity than to run an old one'
- Another kind of drive or motivation?
- Other values?
- Other loyalties?
- Behaviors?

Shared vision, leadership and will to innovate

- Requires energy to overcome inertia and determination to change the order of things (e.g. NIH, core rigidities etc.)
- Identification and interpretation of weak, potentially disruptive signals
- Ability and will to help people with ideas and keep them around
- Able to articulate vision so as to change mindsets and (re)focus energies

Shared vision, leadership and will to innovate, cont.

- Long-term management commitment to projects.
- Acceptance of risk and uncertainty
- "Top-management commitment does not always mean being active agents present in the venture"

Creating appropriate organizational structures

- Not as simple as 'programmed' vs. 'nonprogrammed structures
- Innovation and entrepreneurship include corporate wide tasks (production, marketing, administration, purchasing etc.)
- From differentiation to 'de-differentiation'?
- Informal coordination mechanism for knowledge integration (brokers, quasi markets, boundary spanners, parallel working, etc).

Creating appropriate organizational structures, cont.

- Mintzberg's entrepreneurial organizations: simple structures (Apple in the early years) and adhocracies (NASA)
- Stimulate 'network organizations' (clustering, learning clubs, cooperative supply-chains, NPD consortia) to promote 'collective efficiency' and 'technological learning'
- Note that issues of risk sharing, locus of decisions, conflict resolution and knowledge capture must be addressed by through network governance.

Stretching training and development

- Beyond training for processes and equipment
- Takes the role as motivator – A source of personal value
- Incentive to take over the role of money or even promotion to power
- Opportunity for empowerment
- From know-how to know-why
- Stimulates the 'habit of learning' (e.g. LO)

High involvement in innovation

- Ideas of improvements from the whole of the organization can increase efficiency and lead to new products
- Sustained incremental problem solving among highly involved staff (Kaizen)
- Grassroot involvement increases the transferability of ideas in the company
- 'Policy deployment' – connecting high-level strategic goals with specific tasks and targets that individuals can engage in (in a 'cascade process')

Creative climate

- Everyone possesses creativity, but the style of expressing it varies
- Great inventions matters, but everyday hundreds of small problems must be solved creatively for a new innovation to take form
- Creativity can be learnt through exercises and games