

How any employee can become an intrapreneur

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An intrapreneur is the reason why South African insurance clients have gone from speeding and harsh braking to driving with the cautiousness of someone transporting a chocolate cake on their back seat. Intrapreneurs also gave us the free 'Please Call Me' cellphone message, the 'like' button on Facebook, as well as Google Maps, Sony PlayStation and other staples of modern life.



'Intrapreneurship means exercising your entrepreneurial thinking inside the organisation, which is very different from entrepreneurship in terms of challenges and mindsets,' says Dr Jefferson Yu-Jen Chen, GIBS full-time faculty. The fundamental difference is that intrapreneurs are 'internal entrepreneurs' who generate ideas for the organisation that employs them.

In contrast, entrepreneurs start something external for themselves (and therefore have to raise their own finance and carry the risk). In short, intrapreneurs have been described as playing under a pre-built shed while entrepreneurs build a roof of their own and play under it.

To highlight local intrapreneurship, Chen talks about the Vitality Drive incentive-based model that has reduced speeding, harsh braking and car accidents in South Africa. It's a behaviour-centred programme by Discovery Insure, which rewards clients for driving well.

Discovery employee Themba Baloyi (now an executive director) came up with the idea after watching a documentary on aircraft crashes. Inspired by the inflight 'black box' used to reconstruct aviation accidents and learn from them, he also looked at real-time data in Formula One racing to build his telematics business concept.

It reportedly took nine rejections and several years before the Discovery executives took his idea further. Baloyi's shared value model for car insurance led to clients being involved in 24% fewer accidents. This translates to huge savings for the insurance company, which in turn paid out rewards worth R1bn over the past 10 years.

Yet it's not only ground-breaking ideas like Baloyi's that turn employees into intrapreneurs, says Chen. 'If you have helped your company to create more or new value, irrespective of how big or small, you can consider yourself an intrapreneur.' He gives a further example of a local employee recovering company debt. 'She just kept on pushing, using different methods to recoup a couple of million rand that her company had already written off,' says Chen. 'That lady – and anyone who does something slightly new to create value within the organisation – is an intrapreneur.'

What's in it for me?

There are multiple ways to reward such intrapreneurial efforts, ranging from monetary rewards and formal recognition to social incentives and other creative perks. Steven Zwane, GIBS lecturer and permanent faculty member, says he witnessed the positive impact of an authentic intrapreneurship programme that awarded 'real prizes' for the ideas of 'real teams' when First National Bank employed him.

'The prizes ranged from a "force for good" idea that could earn you and your team R50,000 to a commercially viable idea that could net the winning team a whopping R2 million.' Zwane and a team of FNB colleagues won (and shared) R50,000 for their idea to boost youth employability through life skills and mentorship. That was for me the biggest learning and exposure to intrapreneurship, driven through a deliberate strategic investment and intentful execution,' he says.

Traditionally, employment contracts stipulate that inventions created on company resources (time, tools or infrastructure) belong to the company. Any external business activities often need to be declared or are not permitted. When no such clauses are in place, it can still be tricky for an employee to prove ownership of an idea and even trickier to get suitably rewarded. The 'please call me' concept is a prime example, with the inventor embroiled in a legal dispute with his former employer Vodacom for the past 14 years.

'Companies must not forget that employees are human beings,' says Chen. 'Before you ask them to be intrapreneurial, you should find out what they expect to get out of it. For mutually gratifying outcomes, companies need to apply empathy and build psychological safety.'

From idea to execution

The sourcing of new ideas can include staff suggestion boxes, accelerator programmes, and competitions such as hackathons or innovation festivals. Chen emphasises the importance of creating the culture and mechanisms to promote intrapreneurship. Here are some steps to consider:

1. Leaders should motivate everybody throughout the organisation to **embrace intrapreneurship** and have the desire to contribute.
2. Employees need *time and autonomy* to scope, develop and implement ideas. When your diary is packed, you won't have the headspace for innovation. Google famously created Gmail and Google Maps by freeing up 20% of employee time to think about passion projects.
3. Another challenge is **collaboration**: taking an idea all the way up the pipeline with top management supporting it, empathising with your frontline employees, breaking the organisational silos, and involving your customers wherever necessary are all important ingredients of a successful intrapreneurship.
4. **Filtering and prioritising**: Jørgen Vig Knudstorp, the former Lego CEO who turned the Danish giant from the brink of bankruptcy to a profitable enterprise, warned that companies 'die from indigestion, not starvation'. Chen says, 'It's paradoxical: you want as many people to bombard ideas, but you also have to be selective to achieve the best results. You, therefore, need different tiers of filtering and different levels of rewards.'
5. Invest **concerted effort** as promised. Don't launch many attractive initiatives without considering how to translate the ideas into impact, as this will cause frustration. Align all key stakeholders to ensure great ideas can be supported and

implemented.

6. Companies must understand **‘good’ and ‘bad’ failures**. The notion of ‘fail fast, build forward’ refers only to praiseworthy failures (where processes were followed correctly) but not to blameworthy ones (such as insubordination or not completing due diligence) that need to be eliminated.
7. **Reward. Reward. Reward.** When companies instil mechanisms for intrapreneurship that solve pain points and lead to tangible solutions – such as improved road safety through better driving – the entire nation benefits. As Chen says, innovation shouldn’t be restricted to a select few within an organisation. Anybody can be an intrapreneur.

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