

Corporate Entrepreneurship

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Agenda

- Presentation Round
- Course Philosophy, Syllabus, Rules, Grading
- Subject: The Nature of Entrepreneurship
 - R&R Case Discussion
 - Promoter vs. Trustee Orientation

The Course

- Philosophy:
 - Interactive workshop where you participate
 - Read chapter before class
 - Participate in Case Discussions
- Syllabus
 - See syllabus
 - See Orari

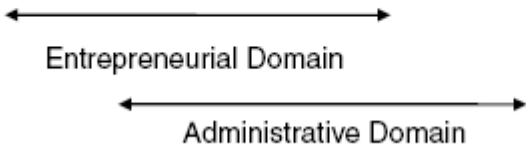
The Nature of Entrepreneurship

- Your Definitions / Ideas

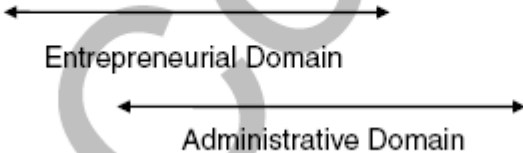
R&R Case

- What factors created an opportunity for Bob Reiss and the “TV- Guide Game”
- What risks and obstacles had to be overcome to pursue the opportunity
- How did Bob do it
- Would this approach have worked for a large corporation?
- What should Reiss do now?

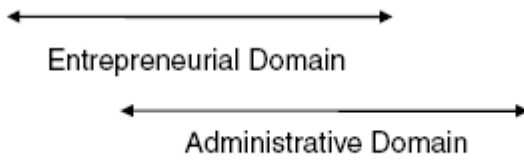
Promoter vs. Trustee Orientation

Promoter	STRATEGIC ORIENTATION	Trustee
Driven by perception of opportunity	 <p>Entrepreneurial Domain</p> <p>Administrative Domain</p>	Driven by resources currently controlled
<p>Pressures toward this side</p> <p>Diminishing opportunity streams</p> <p>Rapidly changing:</p> <ul style="list-style-type: none"> Technology Consumer economics Social values Political rules 		<p>Pressures toward this side</p> <ul style="list-style-type: none"> Social contracts Performance measurement criteria Planning systems and cycles

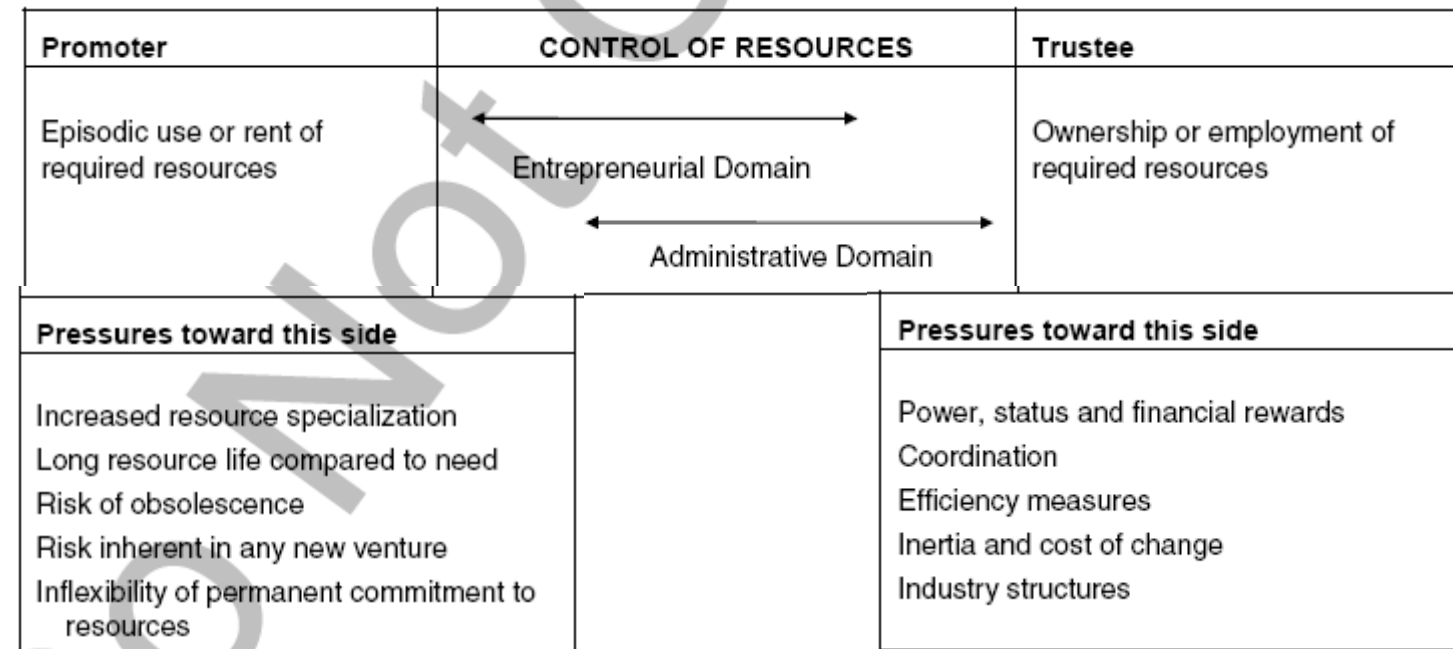
Promoter vs. Trustee Orientation

Promoter	COMMITMENT TO OPPORTUNITY	Trustee
Revolutionary with short duration		Evolutionary of long duration
Pressures toward this side		Pressures toward this side
Action orientation Short decision windows Risk management Limited decision constituencies		Acknowledgment of multiple constituencies Negotiation of strategy Risk reduction Management of fit

Promoter vs. Trustee Orientation

Promoter	COMMITMENT OF RESOURCES	Trustee
Multistaged with minimal exposure at each stage		Single-staged with complete commitment upon decision
<p>Pressures toward this side</p> <ul style="list-style-type: none"> Lack of predictable resource needs Lack of long-term control Social needs for more opportunity per resource unit International pressure for more efficient resource use 		<p>Pressures toward this side</p> <ul style="list-style-type: none"> Personal risk reduction Incentive compensation Managerial turnover Capital allocation systems Formal planning systems

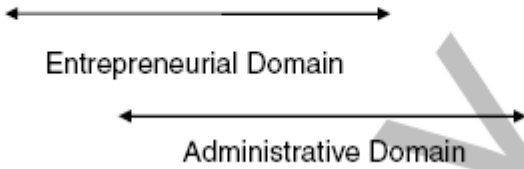
Promoter vs. Trustee Orientation



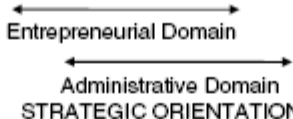
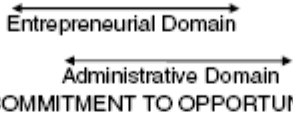
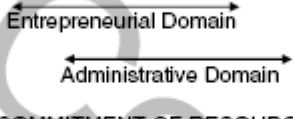
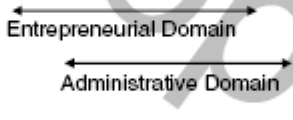
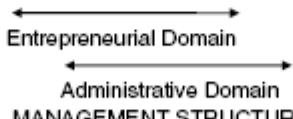
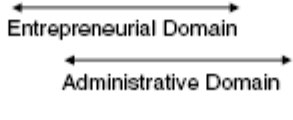
Promoter vs. Trustee Orientation

Promoter	MANAGEMENT STRUCTURE	Trustee
Flat with multiple informal networks	<p>Entrepreneurial Domain</p> <p>Administrative Domain</p>	Formalized hierarchy
<p>Pressures toward this side</p> <p>Coordination of noncontrolled resources Challenge to legitimacy of owner's control Employees' desire for independence</p>		<p>Pressures toward this side</p> <p>Need for clearly defined authority and responsibility Organizational culture Reward Systems Management theory</p>

Promoter vs. Trustee Orientation

Promoter	REWARD PHILOSOPHY	Trustee
Value-driven Performance-based Team-oriented		Security-driven Resource-based Promotion-oriented
Pressures toward this side		Pressures toward this side
Financial backers Individual expectations Competition		Societal norms Impacted information Demands of public shareholders

Promoter vs. Trustee Orientation

Pressures Toward This Side	Promoter	Key Business Dimension	Trustee	Pressures Toward This Side
Diminishing opportunity streams Rapidly changing: Technology Consumer economics Social values	Driven by perception of opportunity	 Entrepreneurial Domain Administrative Domain STRATEGIC ORIENTATION	Driven by resources currently controlled	Social contracts Performance measurement criteria Planning systems and cycle
Action orientation Short decisions windows Risk management Limited decision constituencies	Revolutionary with short duration	 Entrepreneurial Domain Administrative Domain COMMITMENT TO OPPORTUNITY	Evolutionary of long duration	Acknowledgment of multiple constituencies Negotiation of strategy Risk reduction Management of fit
Lack of predictable resource needs Lack of long-term control Social need for more opportunity per resource unit Interpersonal pressure for more efficient resource use	Multistaged with minimal exposure at each stage	 Entrepreneurial Domain Administrative Domain COMMITMENT OF RESOURCES	Single-staged with complete commitment upon decision	Personal risk reduction Incentive compensation Managerial turnover Capital allocation systems Formal planning systems
Increased resource specialization Long resource life compared to need Risk obsolescence Risk inherent in any new venture Inflexibility of permanent commitment to resources	Episodic use or rent of required resources	 Entrepreneurial Domain Administrative Domain CONTROL OF RESOURCES	Ownership or employment of required resources	Power, status, and financial rewards Coordination Efficiency measures Inertia and cost of change Industry structures
Coordination of key noncontrolled resources Challenge to legitimacy of owner's control Employees' desire for independence	Flat with multiple informal networks	 Entrepreneurial Domain Administrative Domain MANAGEMENT STRUCTURE	Formalized hierarchy	Need for clearly defined authority and responsibility Organizational culture Reward systems Management theory
Individual expectations Competition Increased perception of personal wealth creation possibilities	Value-based Team-based Unlimited	 Entrepreneurial Domain Administrative Domain COMPENSATION/REWARD POLICY	Resource-based Driven by short-term data Promotion Limited amount	Societal norms IRS regulations Impacted information Search for simple solutions for complex problems Demands of public shareholders