

Corporate Entrepreneurship and Innovation

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ENT628
Entrepreneurship

Lecture 10



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Venture Teams And Entrepreneurs

LEARNING OUTCOMES

- Understand and explain Entrepreneurial characteristics Cultural characteristics of an entrepreneurial organization
- continuous, Structural characteristics of an entrepreneurial organization
- Critically analyze the Environment for the entrepreneurial organization

Technology refers to the use of tools, systems, and digital solutions that help individuals and organizations perform tasks more efficiently and effectively. In today's business environment, technology is a fundamental driver of change and innovation. It enables organizations to improve productivity, enhance communication, and make better decisions through access to real-time data.

Technology is important because it allows firms to innovate continuously, adapt to market changes, and gain a competitive advantage. It also supports the development of new products, services, and business models, making it a key element in corporate entrepreneurship and long-term organizational success.



Importance of Technology

- **Competitive Advantage:**
 - Firms that adopt advanced technologies can outperform competitors through efficiency, speed, and differentiation.
- **Improved Efficiency:**
 - Automation and digital tools reduce costs, minimize errors, and enhance productivity.
- **Better Decision-Making:**
 - Access to real-time data and analytics helps managers make informed and strategic decisions.
- **Market Expansion:**
 - Technology allows companies to reach global markets through digital platforms and e-commerce.

Technology and Innovation

Technology and innovation are closely linked, where technology acts as a **key enabler** for creating and implementing new ideas, products, and processes.

Role in Innovation:

Technology **accelerates innovation cycles**, reducing time from idea to market

Enables **new product and service development** through advanced tools and platforms

Supports **experimentation and prototyping** (e.g., digital testing, simulations)

Impact on Corporate Entrepreneurship:

Encourages firms to **explore new opportunities and markets**

Helps organizations develop **innovative business models**

Strengthens internal innovation through **intrapreneurship and R&D activities**

- Artificial Intelligence (AI):

Definition:

AI refers to systems that simulate human intelligence such as learning, reasoning, and decision-making.

Role in Innovation:

Enables predictive analytics and smart automation

Supports development of personalized products and services

Enhances R&D by identifying patterns and opportunities

Example:

Amazon uses AI for product recommendations and demand forecasting



Types of New Technologies

- Big Data Analytics:

Definition:

Big Data Analytics involves examining large and complex datasets to uncover patterns and insights.

Role in Innovation:

Supports data-driven innovation and strategic decisions

Identifies customer needs and market trends

Improves product development and service quality

Example:

Netflix uses big data to recommend content and create original shows



Types of New Technologies

- Internet of Things (IoT):

Definition:

IoT is a network of connected devices that collect and exchange real-time data.

Role in Innovation:

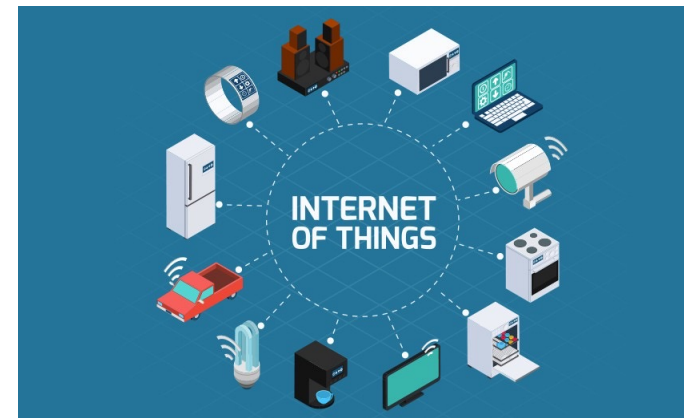
Enables smart products and services

Improves efficiency through real-time monitoring

Creates new service-based business models

Example:

Tesla uses IoT for real-time vehicle updates and performance tracking



- Blockchain Technology

Definition:

Blockchain is a decentralized digital ledger that records transactions securely and transparently.

Role in Innovation:

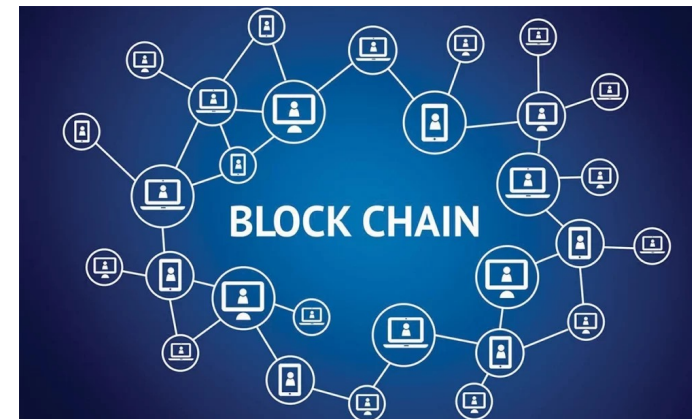
Eliminates intermediaries and reduces transaction costs

Builds trust in digital environments

Enables new decentralized business models

Example:

IBM uses blockchain for supply chain transparency



Types of New Technologies

- Cloud Computing:

Definition:

Cloud computing delivers computing services (storage, servers, software) over the internet.

Role in Innovation:

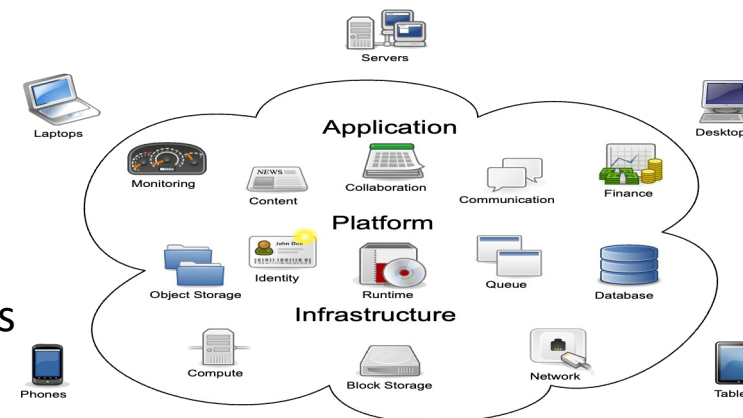
Enables rapid experimentation and scalability

Supports collaboration and remote innovation

Reduces infrastructure costs for startups and corporations

Example:

Google provides cloud services that support innovation for businesses worldwide



Types of New Technologies

- Automation & Robotics:

Definition:

Automation and robotics involve using machines to perform tasks with minimal human intervention.

Role in Innovation:

Increases efficiency and production speed

Reduces errors and operational costs

Frees employees to focus on creative and strategic innovation

Example:

Tesla uses robotics in manufacturing to increase productivity



Digital Transformation

Digital transformation refers to the integration of digital technologies into all areas of a business, fundamentally changing how organizations operate and deliver value to customers.

Role in Innovation:

Enables continuous innovation through **digital tools and platforms**

Improves **speed, flexibility, and responsiveness** to market changes

Supports creation of **new digital products, services, and business models**

Impact on Corporate Entrepreneurship:

Encourages organizations to **reinvent their strategies and processes**

Promotes a culture of **experimentation and agile innovation**

Enables employees to act as **intrapreneurs using digital solutions**

Technology and Entrepreneurial Opportunities

New technologies are a major source of opportunity creation for entrepreneurs and organizations

- Technology continuously creates **new ways of delivering value** to customers
- It enables entrepreneurs to **identify gaps in the market** and respond quickly
- Digital tools reduce entry barriers, allowing **more individuals to start businesses**
- Innovation becomes more accessible through platforms, software, and networks

Why it Matters:

Encourages the emergence of **new ventures and startups**

Supports **rapid experimentation and scaling of ideas**

Drives competition and industry transformation

Example:

The rise of online platforms (e.g., mobile apps and e-commerce platforms) has enabled many small businesses to operate globally without physical presence

Corporate Venturing

Corporate venturing refers to activities where established companies invest in or create new business ventures to foster innovation and growth.

Involves developing **new products, services, or business units** within or outside the organization

Includes approaches such as **internal startups, corporate incubators, and venture capital investments**

Encourages experimentation while leveraging the resources of the parent company

Helps organizations stay competitive in dynamic and uncertain environments

Benefits of Technology in Corporations

Technology provides organizations with tools that enhance performance, efficiency, and innovation capabilities.

- Improves **operational efficiency** through automation of tasks
- Enhances **communication and collaboration** within and outside the organization
- Supports **data-driven decision-making** using analytics and real-time information
- Enables faster development and delivery of products and services
- Reduces operational costs over time

Why it Matters:

Strengthens competitiveness in dynamic markets
Supports continuous innovation and business growth
Helps organizations adapt quickly to environmental changes

Challenges of New Technology

While new technologies offer many advantages, their adoption also presents several challenges for organizations.

Main Points:

- High **initial investment costs** for implementation and training
- **Resistance to change** from employees and management
- Need for continuous **upskilling and training** of the workforce
- Risks related to **data security and privacy**
- Rapid technological change can lead to **obsolescence**

Some companies struggle to adopt new digital systems due to employee resistance or lack of technical expertise, slowing down innovation efforts

Risk management in technology involves identifying, assessing, and mitigating risks associated with adopting and using new technologies.

Identifies potential risks such as cybersecurity threats, system failures, and data breaches

Involves implementing security measures and control systems

Requires continuous monitoring and updating of technology systems

Includes developing contingency and backup plans

Many companies collaborate with external developers or research institutions to co-create innovative solutions and technologies

Open innovation is an approach where organizations use both internal and external ideas, knowledge, and resources to accelerate innovation.

- Encourages collaboration with **external partners** such as startups, universities, and customers
- Allows companies to **share and acquire knowledge** beyond organizational boundaries
- Supports faster development of new products and services
- Reduces costs and risks associated with innovation
- Expands the organization's innovation capabilities
- Increases access to diverse ideas and expertise

Why it Matters:

Drives continuous innovation within the organization

Enhances employee engagement and motivation

Helps organizations adapt to technological and market changes

Strengthens long-term competitiveness

Example:

Companies like **Google** and **3M** foster innovation culture by encouraging employees to dedicate time to explore and develop new idea



Cultural Characteristics Of An Entrepreneurial Organization

- We have characterized the entrepreneurial environment as **highly competitive**, one of rapid change and uncertainty where speed of response and innovation are vital and knowledge and learning are of paramount importance. Where a multi-product, multimarket business has different organizational needs in its various operating divisions or subsidiaries, what is important is that the overarching structure linking the operating divisions or subsidiaries has an entrepreneurial architecture.

Entrepreneurial Architecture

The three capabilities are:

- **Reputation** — This is often encapsulated in brand identity but equally can be communicated through the relationships embedded in the architecture.
- **The way the organization innovates** — This is one of the defining characteristics of the organization's entrepreneurial architecture enabling innovation to take place again and again and again.
- **The organization's strategic assets** — These are the ones to which competitors do not have access. However, the most valuable is likely to be its entrepreneurial architecture because it is a multilevel activity and therefore difficult to copy.

Product/ Market Expansion

Establishing an appropriate corporate culture is vital if you want to develop an entrepreneurial organization. Based on values, norms, and beliefs, influences individual and social behavioral norms.

The culture should see change as the norm, certainly not something to be feared Above all, it should value strong relationships, creativity, innovation, empowerment, measured risk-taking through experimentation, and continual learning.

It should value relationships sufficiently to generate a strong sense of group identity. It should have confidence in its future. It should be egalitarian but slightly anti-authoritarian — always daring to be different.

Product/ Market Expansion

It will tolerate mistakes and should encourage learning from them. Individuals should feel empowered and motivated to make decisions for the good of the organization. Indeed, decision-making will be delegated down, as far as possible, and information will be shared rather than hoarded. There will be an attitude around the achievement of that value.

A strong organizational culture is particularly necessary because of the informal organizational structure and loose management control. The culture needs to build a strong identity (Hofstede's in-group). This can be built around the vision of the organization as well as its recognizable values, norms, and beliefs. It needs to be consistent with the leadership and management style adopted within the organization.

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Structural Characteristics Of An Entrepreneurial Organization

Structure is needed to create order within an organization but the most appropriate one depends on many other factors, such as the nature of its tasks or operations and the culture it wishes to encourage.

There is no single 'best' structure. Entrepreneurial organizations typically face a high degree of environmental uncertainty and turbulence.

If the tasks or operations they need to undertake are complex, they are best served by an organic organizational structure that may well change and evolve in different situations. An organic structure is like a spider's web made up of smaller spider's webs — teams working with other teams — with membership based upon expertise, not role, and each with considerable autonomy. It works well with an empowered, entrepreneurial culture.

Structural Characteristics Of An Entrepreneurial Organization

The common themes are that an entrepreneurial structure must be flexible to fit changing circumstances, with structures within structures that encourage smaller, often informal, organic structures to develop, each with considerable autonomy. As the levels of formal hierarchy are reduced, the managerial span of control will widen, with an emphasis on getting things done.

The processes underlying how the different levels of hierarchy interact and communicate are just as important as the structure itself. They should encourage rapid, open, effective communication across and throughout the organization, so that decision-making can be delegated as much as possible, giving staff greater autonomy and looser control, albeit with greater accountability. Structures, behaviors, even controls are likely to be more informal than formal, based on strong relationships. It certainly will not be bureaucratic in any way.

Developing Existing Products And Markets

Entrepreneurial organizations are likely to exhibit other organizational characteristics or forms:

- Structures to encourage and facilitate intrapreneurship, including project and venture teams;
- Facilities that can be used to encourage creative thinking and project experimentation and development;
- Structures to encourage and facilitate internal and external corporate venturing;
- Participation in numerous formal and informal, real and virtual networks, including crowdsourcing and open innovation;
- Strategic alliances/partnerships and joint ventures with other organizations, including licensing of technologies etc.;
- Relatively autonomous Strategic Business Units and a track record of spin-offs.

Leadership Characteristics For An Entrepreneurial Organization

- **Strategic thinker and learner** — They should be a strategic thinker, able to rise above day-to-day crises and see the bigger picture, perpetually scanning the environment for both opportunities and risks. They should be a strategic learner, trying to find patterns in the environment over time and looking for complex interactions so as to understand the underlying causes that give clues about the opportunities and risks.
- **Emotionally intelligent with strong interpersonal skills** — They should be able to listen, to influence others rather than to direct, and therefore be able to manage 'with a light touch' They should be adept at reconciling conflict and dealing with ambiguity and uncertainty. To be emotionally intelligent, they should be self-aware and reflective. They also need to exercise a degree of self-management

Role of Leadership in Innovation

Leadership plays a critical role in shaping, supporting, and sustaining innovation within an organization.

Main Points:

- Leaders provide a **clear vision and strategic direction** for innovation
- Encourage a culture of **creativity, experimentation, and risk-taking**
- Allocate resources (time, budget, talent) to support innovative initiatives
- Motivate employees and promote collaboration across teams
- Support change management and overcome resistance to innovation

Why it Matters:

- Strong leadership increases the likelihood of successful innovation
- Helps align innovation efforts with organizational goals
- Builds an environment where employees feel empowered to contribute ideas

Leadership Characteristics For An Entrepreneurial Organization

Relationship builder — They should be adept at using their emotional intelligence and interpersonal skills to build strong personal relationships with all the stakeholders in the organization.

Team player — They should value team working and be a team player, willing to share information and delegate to the team. They should have built a cohesive, open, and trusting top management team, although that might comprise just three or four individuals who share knowledge.

Builder of confidence — They should be able to encourage organizational self-confidence and self-efficacy in the face of uncertainty and risk-taking. They should be able to inspire others to share their visions and dreams through their emotional intelligence and ability to build relationships.

Strategies For An Entrepreneurial Organization

The strategies that an organization pursues are particular to its situation and difficult to generalize. However, an entrepreneurial organization faces a complex and inherently unpredictable environment and is likely to develop a strategy in a certain way and to be pursuing a number of typical strategies.

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Strategies For An Entrepreneurial Organization

Decision-making will tend to be decentralized, incremental, and adaptive, so as to maintain maximum flexibility. But it should be underpinned by a strong vision and an understanding of the strategies being adopted to achieve the vision. There may be some simple rules that provide guidance, but staff will know enough about the organization and be motivated to do the best they can. Mistakes will be tolerated and learned from. In this way, the organization will be able to respond speedily to opportunities or threats.

Strategies For An Entrepreneurial Organization

The organization will understand its strengths and its core competencies at both corporate and business levels. At the corporate level, a major strategic imperative will be the continuing development of its entrepreneurial architecture, and all that entails. If it is pursuing a policy of acquisition this should be part of a coherent strategy (for example, as part of buying into new markets, product developments, or developing industries). If it is a multi-product multi-market business, it will create value by operating effectively and creating synergistic linkages across all the operating units unifying diverse management and sharing resources, capabilities, and knowledge more effectively than might otherwise be the case

Technology Adoption Models

Technology adoption models explain how individuals and organizations accept and implement new technologies over time.

The Technology Acceptance Model (TAM) is widely used to study how users adopt systems based on usefulness and ease of use

- Help understand the process of adopting new technologies
- Identify different categories of adopters (e.g., innovators, early adopters, early majority)
- Highlight factors influencing adoption such as perceived usefulness, ease of use, and social influence
- Support managers in planning and managing technology implementation

Competitive Advantage and Technology

Competitive advantage refers to the ability of a firm to perform better than its competitors by leveraging unique resources, capabilities, or technologies.

Technology enables firms to achieve **cost leadership** through efficiency and automation

Supports **differentiation** by creating unique products and services

Enhances speed, quality, and responsiveness to customer needs

Strengthens the organization's ability to innovate continuously

Why it Important :

Helps organizations maintain a strong position in the market

Encourages long-term growth and sustainability

Allows firms to respond effectively to competitors and market changes

Sustainability and Technology

Technology plays an important role in supporting sustainable business practices and environmentally responsible innovation.

Companies use smart technologies and data analytics to optimize energy consumption and reduce emissions in production and supply chains

- Supports efficient use of resources such as energy, water, and raw materials
- Helps organizations monitor and reduce their environmental impact using data and analytics
- Encourages innovation in areas like renewable energy,
- green logistics, and waste reduction



Future Trends in Technology and Innovation

Emerging technologies continue to shape the future of innovation and transform how organizations operate and compete

Many industries are investing in AI, automation, and digital platforms to improve efficiency, enhance customer experience, and create innovative solutions

- Increasing use of Artificial Intelligence and Machine Learning in decision-making and automation
- Growth of automation and robotics across industries
- Expansion of data-driven innovation through
- advanced analytics and real-time insights



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Future Trends in Technology and Innovation



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Future Trends in Technology and Innovation

Top 10 Emerging Technology Innovation Trends-2022



Blockchain



Data Fabric



Cybersecurity
Mesh



Cloud-Native
Platforms



Hyperautomation



Privacy-Enhancing
Computation



Composable
Applications



Hyper
personalization



Generative AI



Quantum
Computing



Thank You