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Is Intrapreneurship Scalable? The Challenge Of Managing A Massive Internal Startup Call

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Intrapreneurship has long been identified as a means to increase the ability of firms to innovate. But can it, beyond exceptional champions, serve as a basis for the development of an innovation function capable of producing sustained radical innovation? In practice, the space of “deviance” left to collaborators for local initiatives favors more problem solving than radical innovation, and the champions are too few to reduce the risks. Can new collaborative technologies, including corporate social networks, that are increasingly used to organize “crowd-based” idea generation processes within firms, help to scale-up intrapreneurship processes? In this article, we analyze a large-scale initiative deployed in a major French bank, Société Générale: the “Internal Startup Call”. Through a case study based on collaborative research, we analyze the disruptive potential and the limits associated with this challenge implemented this year during the bank.

1. Introduction

Intrapreneurship has been identified for several decades as a powerful lever to increase simultaneously firm’s capacity to innovate and motivation of collaborators (Burgelman, 1983; Pinchot, 1985). Researchers used to define “intrapreneurship” as employees’ behavior and activities that contribute to new venture creation and strategic renewal of the firm (Antonic, & Hisrich, 2003; Ireland, Covin, & Kuratko, 2009). In order to face contemporary challenge of innovation competitiveness, developing organizations that are suitable for intrapreneur’s motivations and skills is still a contemporary managerial challenge (Castellion & Markham, 2013; Heidenreich & Spieth, 2013). Two main paths of intrapreneurship are already well known by practitioners: hiring external innovative entrepreneurs to work on strategic issues of the firm; and/or identifying highly innovative profiles among collaborators, whether or not they are already involved in entrepreneurial activities. For this purpose, “calls for ideas” have increased in practices through various forms of innovation contests (Adamczyk et al, 2012; Kokshagina et al, 2017).

External innovators competitions and participatory innovation processes both have existed in practices for several centuries: historians in UK and France relate private and public calls for inventors since the 17th century (e.g. Hilaire-Perez, 1991). Heirs of these competitions, large firms nowadays interact with external stakeholders through open innovation platforms (Frey, Lüthje, and Haag, 2011; Corvello and Iazzolino, 2013), corporate entrepreneurship teams that manage external virtual calls for startup (Schaeffer, 2015), or crowd-based innovation communities (Jensen, Hienert, and Lettl, 2014; Piller and Walcher, 2006) addressing an external crowd, such as users, customers, suppliers, and research partners (Blohnm, Bretschneider, Leimeister, and Krarm, 2011; Mortara, Ford, and Jaeger, 2013). At the same time, internal-firm competitions also grow in practice (Adamczyk et al, 2012), motivated by the ambition to feed innovation processes with ideas with high business potential (Bjork & Magnusson, 2009 ; Girotra, Terwiesch, and Ulrich, 2010 ; Zhu, Koch, Wentker and Leker, 2018). Thanks to the generalization of intranet systems, and more recently the rise of Enterprise Social Networks (ESN), a new generation of web-based participatory
tools emerged, more interactive and collaborative (Turban et al., 2011; Ellison, Gibbs & Weber, 2015). These technologies allowed large-scale calls for ideas through virtual campaigns that encourage thousands of collaborators to participate (Bjelland and Wood, 2008; Elerud-Tryde and Hooge, 2014; Zhu et al., 2018). Even these internal calls are recognized as a powerful attractor for intrapreneurs, these large-scale contests use to focus on innovation performance and idea development rather than on intrapreneurs identification. Thus, selection “gates” create a counter-productive effect for innovation capability, filtering most of them due to the competition between ideas, generating disillusions and distrust about the innovation process among high potential collaborators.

In this study, we experimented an empirical case that go against the mainstream of 3.0 calls for ideas, favoring the intrapreneurial behavior through guidelines and tools focused on internal startup building, to the detriment of the collective construction of ideas (Zhu et al., 2018). Through a case analysis that crosses these practices — a large-scale internal startup call —, our research addresses the issue of managing intrapreneurship-based campaigns to improve the innovation capability of the firm.

Our research draws on a case study based on a still on-going collaborative research (Shani et al, 2008) started in October 2017 with the innovation Department managers of the international bank Société Générale and the consultancy firm they partner with to manage the intrapreneural initiative. They started preparing the challenge together way earlier in a preparatory phase including another partner, Makesense, to elicit strategic themes for the challenge with the executive top-managers. This team managed an internal startup call through a dedicated virtual platform from November 8th, 2017 to January 8th, 2018 that resulted in the top-management decision to incubate 70 internal startups on February 16th, which gathered more than 220 intrapreneurs.

In a first section, we draw on innovation management literature to clarify what are the main challenges tackled by a scale-up of intrapreneurial activities. Then, we detail our research design and the initiative conducted in Société Générale across the three principal stakeholders: the animation team, the participants and the executive committee. Then, we discuss the impact of three scale-ups: intrapreneurial activities, intrapreneurial behaviors and duos of intrapreneurs/sponsor.

2. Making intrapreneurship scalable to build firm-level and manageable innovation capabilities?

Recent research has highlighted the need for firms to no longer make radical innovation an exception, tied to particular circumstances or to a few extraordinary individuals, but a organized “function” of the firm. This would be a condition for firm survival and preservation of competitive advantage and established positions. For instance O’Connor recently stressed the need to build a “sustainable capability for breakthrough innovation” (p. 100), highlighting the difficulty of moving away from an “ad hoc” view of radical innovation and engaging in a institutionalized or routinized vision of disruptive activities (O’Connor, 2018). Building long-term capabilities for radical innovation requires, for O’Connor (2018), a massive commitment from the firm's employees, and not just a few dedicated individuals, in ways of thinking or activities aimed at challenging established routines. She considers that this capability “is a form of corporate entrepreneurship”. Corporate entrepreneurship, also referred as intrapreneurship, has indeed often been presented as a way of allowing innovation to be the responsibility of the greatest possible number of collaborators within the firm, and not that of sole specialized “cells” or dedicated projects, thus allowing to leverage the disruptive potential content in a broad way within a firm (Burgelman, 1983). Peter Drucker already emphasized the role of entrepreneurship within firms as a means to “normalize deviance”, and thus to break with a vision of disruptive innovation as an ad hoc process (Drucker, 1985).

In this article we tackle the questions of the “scalability” of intrapreneurship processes, and of their ability to effectively be a lever for firms to create radical innovation capabilities that could fundamentally call into question their products or business models, as their organizational systems. It seems to us that, as they are generally deployed within firms, intrapreneurship processes have limits that prevent them from deploying a real firm-level disruptive potential. It is indeed mainly an approach which is limited to tolerating the existence of “rooms” for individual and local initiatives, in other words for micro “deviance” (Kelley, Peters & O’Connor, 2009). In addition, intrapreneurship processes are by definition highly decentralized, since they often rely on local, bottom-up micro-initiatives in the heritage of suggestion boxes that gathered employees ideas (Ekvall, 1971).

The characteristics of these spaces for deviances (micro, emergent, local, etc.) thus orient them towards problem solving or incremental improvement capabilities, rather than towards radical transformation projects. However, the accumulation within the firm of many incremental transformation capabilities via problem solving does not create a capability for radical innovation. There is indeed a difference in degree, and not in nature, between incremental and radical innovation, the consequence of which is that adding scattered initiatives will not lead to a radical transformation
of the firm as they are contained by the existing managerial systems (Leonard-Barton, 1992; Sehti and Iqbal, 2008). There are obviously exceptions: there may exist among the individuals to whom a space of initiative is allocated, one or few exceptional collaborators (the famous “champions”) who will be able, thanks to exceptional skills, to carry out a profound transformation (Shane, 1995; O’Connor, 2018). But relying on such champions is to make a “bet” that is too risky considering the scarcity of these champions if the collaborators are not trained to go beyond problem solving approaches. Such a view can not therefore be likened to the creation of a routinised and institutionalized capability for radical innovation.

Another limitation is that the processes of intrapreneurship, which convey a "participatory" conception of innovation, often go hand in hand with a passive attitude on the part of top managers, which are at best tolerant of local initiatives, but without actively supporting them. But we know that for the ideas resulting from intrapreneural initiatives are likely to be “absorbed” and deeply transform an organization, they need a sponsorship from members of top management, and not just benevolent silence (Pinchot, 1985; Smith, 2007). Moreover, the required implication of top-managers exceed enabling radical innovation projects to engage them in the building of a sustainable organizational capability for radical innovation (Kelley et al, 2011; Borjesson, Elmquist & Hooge, 2014). Obviously, this issue of sponsorship is a clear obstacle for intrapreneurship to be effectively deployed on a larger scale within firms, because of the necessarily limited time and resources that potential sponsors can give to projects. These various reasons make it difficult to consider that traditional intrapreneurial approaches can be part of a process of building institutionalized radical innovation capabilities, and raises questions about the scalability of the intrapreneurial process: can increasing the number of local initiatives produce more than an accumulation of uncoordinated local problem-solving capabilities? Can organizations support an increase in the number of projects without losing sponsorship capacity? This raises the question of how firms could foster an intrapreneurial approach that is not limited to scattered, weakly coordinated and contingent micro-initiatives, but could be actively coordinated and managed.

In recent years, within a lot of firms, new technologies of online collaboration have made scalability of idea search and generation processes possible. Indeed, the approaches such as crowdsourcing or ideas competitions are based precisely on the idea of mobilizing the creative potential of considerable masses of people. It is a change of scale of the ideation process. It is questionable to what extent collaborative digital tools, and especially social networks, can help stimulate intrapreneurship on a large scale within a firm. Indeed, they have the virtue of being able to link up fragmented initiatives and to favor the appearance of new links (Ellison, Gibbs, & Weber, 2015; Ferron, Massa, & Odella, 2011; Mäntymäki & Riemer, 2016). But does the deployment of large-scale ideation processes mean incorporation of radical innovation capabilities? Research on this emerging topic raises doubts about that. So far, the contribution of the study of collaborative tools and social networks for innovation analyzed their contribution to the generation and exchange of new ideas (Parjanen, Hennala, & Konsti-Laakso, 2012). In particular, several studies have been devoted to the popularity of "challenges" or "contests" of ideas developed in many companies (Adamczyk, Bullinger, & Mösllein, 2012; Bullinger, Neyer, Rass, & Moeslein, 2010), including "virtual idea campaigns" (Elerud-Tryde & Hooge, 2014). Quite similar to crowdsourcing approaches for the idea of appealing to a large mass of contributions beyond usual specialists, these approaches also aim to involve as many collaborators as possible in disruptive activities. But such large involvement does not necessarily induce the integration of firm capabilities to innovate radically in a routinized and institutionalized way. In particular, some authors have nuanced the truly “new” character of the contributions emerging from such challenges, making them appear more as devices of exchange and circulation than of generation of ideas (Mäntymäki & Riemer, 2016). Some limitations lies in the risk that firms implement too early evaluation devices on the quality on “good ideas” and do not focus on the transformation of organization and individuals.

Two approaches coexist in order to explain to what extent virtual collaboration on new ideas can contribute to create radical innovation capabilities. Work has stressed, that these calls for ideas have a dual purpose (Elerud-Tryde & Hooge, 2014): a short-term purpose of creativity and collection of innovative ideas; a longer-term goal of transforming the organization by involving many employees in innovation. Some authors focus on the transformation of relations induced by virtual collaboration that is alleged to increase the quality of ideas. In this approach new capabilities are induced by a transformation in the way collaborators interact (Björk & Magnusson, 2009; Zhu, Kock, Wentker, & Leker, 2018).

Beyond these debates, however, there has been little work to emphasize that short-term productivity goals in generating ideas and longer-term goals in creating radical innovation capabilities were not easy to combine. One could assume the existence of a tension within these challenges, between the objective of selection of the "good ideas", which requires decision devices such as "stage gate" or "vote", and that of the transformation of the behaviors and aptitudes of the individuals involved (intrapreneurs as managers), which implies less evaluating the productions than accompanying individuals, institutionalizing sponsorship, providing means, etc.
This article will examine to what extent it is possible to go beyond approaches aiming at transforming a large “mass” of collaborators into “ideators” and make them intrapreneurs, tackling the question of the scalability of intrapreneurship processes. In particular, we propose to focus on three research questions: i) could intrapreneurial activities be scaled-up through a massive internal startups call? ; ii) could intrapreneurial behavior be scaled-up through training that give capacity to individuals to address radical innovation? ; iii) how could a massive intrapreneurship with top-management sponsorship be sustainable?

3. Research design

3.1 Method

The paper relies on a single-case study analysis (Yin, 2017; Einsenhardt & Graebner 2007) of an intrapreneurship challenge initiated within an international established firm for all its collaborators — the Internal Startup Call (ISC) of Société Générale. The research has been conducted in the form of collaborative research (Shani et al, 2008) between researchers, the Innovation managers of the bank in charge of Le Plateau, and consultants from Stim in charge of the ISC deployment for the bank (who where also both in partnership with Makesense, an association that promote social entrepreneurship trough tools, trainings and workshop facilitation services among general public and professionals). Le Plateau is an entrepreneurial area located in the French Technology Hub of the bank that hosts internal and external start-ups. This area was created in 2016 in order to foster cooperation between internal and external project teams and FrenchTech ecosystems. Stim is a consultancy firm specialized in innovative design methods and the management of innovation capabilities development. The research group involved in this partnership gathered management scientists specialized in innovation capabilities, human resources management and strategic management.

The research group and the consultancy firm are involved in a longitudinal partnership (Shani et al, 2008) on methods and organizations for disruptive innovation strategy and sustainable innovation capability since 2014. This long-term collaboration led us to collaborate on the implementation and analysis of various original initiatives within diverse established firms (e.g., Klasing-Chen, 2015), including a worldwide internal-firm idea contest led online by a petroleum firm in 2016 (Dalmaso, Gand, Garcias, forthcoming). Main methods used together come from C-K theory of innovative design reasoning (Hatchuel and Weil, 2002), KCP workshops for federative building of disruptive innovation strategy (Elmqquist and Segrestin, 2009) and design-oriented organizations (Hatchuel, Weil, 1999; Hatchuel, Le Masson, Weil, 2001).

3.2 Data collection

The research is grounded in two main sources of data: documents generated by the stakeholders of the ISC (innovation managers, participants, consultants, facilitation team, decision-makers) and data generated by researchers through repeated interactions with these stakeholders (semi-directive interviews, steering meetings, online surveys for ISC participants). Table 1 presents the diversity of data gathered between October 2017 and May 2018.

<table>
<thead>
<tr>
<th>Data sources</th>
<th>Types of data</th>
<th>Types of data collection</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reflection meetings</td>
<td>Organizing team members (Innovation Managers &amp; Consultants)</td>
<td>- 4 + 2 meetings (All / Consultants only - 2h) Purpose and tools for intrapreneurship – specification of ISC and innovation strategy of the firm - 6 meetings of coordination on large-scale data (data collection and understanding of the different database structures / participants’ survey specifications and validation)</td>
</tr>
<tr>
<td>Weekly semi-directive interviews</td>
<td>7 interviews with Innovation managers (0,5 to 1h) 8 interviews with consultants (0,5 to 1h)</td>
<td>Recorded Timeline of events in the ISC Triangulation between organizing team members (mainly on events interpretation) Analysis of strengths and weaknesses of the ISC</td>
</tr>
</tbody>
</table>
| **Innovation and Organizational data** | Innovation team (Le Plateau) | - Managerial systems description and definition (organizational chart, Business Units organization, executive committee composition and governance rules)  
- Timeline and internal communication about ISC purpose, process, key dates |
| **ISC data** | ISC IT platform manager (data extraction) | - A database of startup proposals (597 distinct ideas of startup) – extraction as administrator  
- A database of the information given by holders of the business potential, SG benefits, expected sponsors, readiness level (Extraction of on-line visible information – 3,568 lines for the 359 projects validated)  
- Start-up data uploaded by holders (Extraction of final files submitted by project holders - 359 canvas, some with additional files) |
| **Facilitation team coordinators (Consultants)** | - Project and topics Analysis database: ISC tracking spreadsheet build by consultants to gather basic information on startup proposals (title, theme, holder, amount of likes, value proposition, etc.) from Ayno extraction with their own tools of analysis (startup quality quotation made by consultant)  
- Database sent to executive committee members for startup sponsoring decision (four sheets: Read me, Exploration Tool, Exploration Tool helper and Synthesis)  
- Managerial systems understanding (executive committee composition, BU location and interactions, acronyms and lingo used by intrapreneurs) |
| **Intrapreneurs & sponsors data** | Participants and startup holders | Debriefing survey (1,326 respondents including 1002 active participants of the ISC – High response rates of startup holders: Idea 40%, Proposals 58%, Pre-selected by sponsors 93%, Sponsored 100%)  
Semi-directive interviews (10 various stakeholders including 2 sponsors, boosters, managers, participants accepted or rejected for incubation program, and coaches)  
Spontaneous mails of feedback addressed to Innovation managers |
| **Public data** | Web | Société Générale website, Social media of stakeholders (LinkedIn, Twitter)  
French press (Usine nouvelle, Les Echos, Stratégie) |

Table 1. Data collection
4. The Internal Startup Call (ISC) of Société Générale

4.1 An initiative built by Innovation managers to initiate a large-scale involvement

The journey of managing the ISC started few months before the call that was conducted online from November 8th, 2017 to January 8th, 2018. In spring 2017, Innovation managers from Le Plateau co-initiated with external consulting firms specialized in disruptive innovation and startup incubation (Stim, MakeSense) an internal analysis to understand the innovation capability of the firm and the expectations of the executive committee. Based on this analysis, strategic themes of innovation for the firm and associated organisational challenges were clarified for both innovation managers and executives. Strategic themes covered topics such as data, banking platforms, payments, digital workplace, as well as “positive-impact finance” and major societal trends.

Innovation managers were mandated to propose multiple organizational solutions to increase the ability of the firm to explore and develop disruptive businesses. Among the diversity of propositions, the idea to build an internal innovation contest to make collaborators aware of the strategic themes and involve them in the search of opportunities quickly emerged. Combined with the resources managed by Le Plateau with the purpose of fostering entrepreneurial projects, the initiative took the form of an intrapreneurial contest, with the intent of opening the space’ innovation community to more internal projects and providing them support as a lever of innovative transformation of the firm. Moreover, the official managerial goal of such a call was twofold:

1) support collaborators in the development of disruptive business with strong potential for the bank through a process of facilitation that help project holder to go beyond ideas;
2) and stressing the whole company’s organization to reveal and overcome organizational rigidities that prevent radical innovation.

The large scale of the initiative was at the heart of its building: managers expected and create the challenge to induce a large-scale involvement of collaborators, large-scale sponsoring by executives, large-scale coaching of startup holders, large-scale funding of the incubation for the final selection of startups with a dedicated fund of more than an hundred million of euros. The Innovation director publicly announced all these intents at the 3rd Bordeaux FinTech Fair on the 6th of October 2017, few weeks before the launch of the ISC on the intranet. He was convinced that a large-scale process was compulsory to enable the bank to change globally and radically (both its businesses and organization) thanks to the challenge. These specificities of the call were explained to collaborators, and outside the firm, through the public website of the bank:

“Proposed startup concepts will be evaluated and supported in order to fine-tune them and create a team around them until February 2018. They will then be submitted for an initial selection process to the Group Management Committee. The startups selected at this stage will pitch to the members of the Management Committee on 16 February next. The committee members will then select those that they wish to sponsor to be accelerated into startup mode. The intrapreneurs will be accompanied by internal innovation teams or partners; the members of the project team will be able to concentrate full-time on the startup project for a determined length of time. The projects will therefore be evaluated every three months.”

[www.societegenerale.com, ISC dedicated web page, 25th October 2017]

As announced in this post, the challenge was planned across four phases of:

i) startup building, from 13th November 2017 to 8th January 2018;
ii) pre-selection by members of the Group Management Committee, from the 9th January to 3rd February,
iii) training of intrapreneurs to pitch techniques and pitches, from the 3rd to 16th February; iii) incubation, spring 2018.

During the first phase, all collaborators of the firm could connect on the ISC platform in order to post startup ideas, to comment on the proposals made, or to add “likes” to projects they view as having a high potential for the firm. To encourage broad participation on the platform, facilitators asked collaborators to carefully describe their business concept and elicit it value for the firm. At the same time, information was given about the strategic topics, and individuals were invited to discover and discuss on original topics. For the end of this stage, startup holders had to build a team with colleagues, to detail their project of startup in a homemade canvas, and suggest three Group Management Committee members as project sponsors. The canvas was structured in a main section on the “value proposition” adapted from the canvas of Osterwalder, Pigneur Bernarda & Smith (2014), complemented with questions regarding the startup concept maturity, economic potential and novelty for the firm. Then startup holders should indicate what were the main strengths and relevance of the gathered collaborators, as well as detailing the individual skills, know-how and motivations of each member of the team. To help them in this structuration of their project, startups were also offered
one hour coaching sessions by Stim and MakeSense to work on their canvas (a support they greatly appreciated according their answer to our survey). If their canvas was fulfilled, the ISC organizers validated it and the project moved to the second phase. All data from intrapreneurs were sent to the expected sponsors, highlighted by a set of assessments and two executive summaries made by the consultancy firm on how to select the startup to sponsor:

“Since 01/09, a set of assessments and recommendations has been put together by STIM (a disruptive innovation management consultancy), young employees (members of the WhyLab and Corporate University participants) and a risk feature team (members of the Group’s legal, compliance, operational risk and information security teams). It was designed with three goals in mind:

• To help you prioritize the startups that requested you as their sponsor;
• To help you take a targeted approach to exploring the startups that could interest you, but which did not request you, to potentially sponsor them;
• To help you evaluate all the startups and support your final decision by providing an external perspective on all of them.” [Introduction of STIM’S recommendations for pre-selection, January 19th]

Based on these data and information they gathered on their side, members of the Group Management Committee preselected 144 projects. For all of them, a large-scale training to pitch techniques was set up by the facilitators of the ISC with many professional trainers belonging to the Parisian startup ecosystem. This training was expected to allow them to pitch their project in front of the executive committee on the February 16th. Then, for the 70 selected internal startups started on May 22nd the still on-going incubation phase with various incubators both in France and abroad.

4.2 A large-scale initiative that meet collaborators enthusiasm

All collaborators of the group around the world — about one hundred and fifty thousand people — received an invitation to participate through an email of the CEO. During the eight weeks of the online contest, 15,130 individuals logged at least one time on the platform. It underlined a very massive attention of collaborators for the innovation initiative. Of course, all of them did not become active on the platform, and it is uneasy to define how many were “active” from the login data, but 597 proposals of start-ups emerged cumulating 1,436 collaborators in the different teams, generating comments and likes. At the end of the online part of the challenge, 359 teams fulfilled the canvas to validate their subscription, gathering 1085 employees. Even at the end, 220 collaborators commit themselves in one of the 70 sponsored startups. Most of them spent less than half an hour per week for the challenge, but 19,3% of them devoted more than one hour per week to the ISC, including 5% who exceeded one hour per day (if we focus on the startup holders that validated a canvas, the rate rises to 16%). The enthusiasm was global and cross-functional across the 17 business units of the group worldwide: all countries and business units of the group were represented on the platform through collaborators who proposed startups or participated in projects. At the end of the selection, the 220 intrapreneurs are coming from 9 countries (France, Great Britain, USA, Germany, Russia, India, Romania, Czech Republic and Bulgaria). From the survey we addressed in March 2018 to the collaborators, the involvement of individuals went beyond the virtual platform. Most of the respondents indicated they had information on the challenge through a large variety of channels: SG news, mails from the facilitators, but also physical events as conferences and meeting points, informal discussions with managers, innovation boosters and colleagues, and social medias as Twitter and LinkedIn. Startup holders also indicated this diversity of communication channels during the selection period (mails (59,1%), informal discussions with colleagues (45, 9%), hierarchy (19,8%), social networks (14,5%)). Moreover, 38% of respondents considered that the challenge allowed them to create new collaborations they would pursue beyond the intrapreneural initiative.

Main motivation to get involved in the ISC was curiosity (59,7%). The will to create a startup appears only fourth (17,7%), behind the desire to share ideas (24,9%) or the possibility to change of job. The curiosity motivation reflected mostly in the documentation of the projects and idea sharing. Participants’ curiosity was also focus on the discovery of entrepreneurship and startups rules (72,2%). Nevertheless, most participants (66,8 %) reported having learned about some others projects for the same motivation, more than to compare them in a competitive view, or help them to build their own proposals. Three quarters of startup holders said they would have appreciated to learn more about others projects but they lacked of time to do so. When we focused on the team building of the projects, curiosity becomes insufficient to commit individuals: at this stage of the challenge, they had to decide if their commitment was strong enough to quit their job to be part of the startup incubation. Thus, startup holders and team members indicated they motivated their decision mainly on their self-assessment of the relevancy of the project (81,1%), the membership of the project holder of their professional network (33,6%) or their will to change of job (25,9%).

Finally, teams had to propose a list of three sponsors for their project among the executives of the firm’ Executive Committee. From the survey, this selection was mainly motivated by the relevance of the area they had in charge to support the project (70,1%), nevertheless a large part of intrapreneurs also chose executive for their expected ability to help them to express the strategic potential of the project (38,5%) or their goodwill for innovation (21,6%).
4.3 Involvement of the Group Management Committee: from executives to sponsors

Members of the top-management team of the bank were involved a few months before the launch of the virtual challenge across consultants’ interviews on the innovation capability of the firm and the establishment of the strategic topics. This preparation phase also included collaborative workshops managed by consultants from Sttm and MakeSense to support them to build together the 17 strategic themes for the call and their description for the collaborators. As other collaborators, they also received the invitation to participate to the ISC. However, their main involvement started in the second phase of the challenge, when they received all the demands from intrapreneurs that namely asked for their sponsorship. As all the 359 validated startups asked for 3 potential sponsors, 1,077 requests were sent to the GMC, made up of around 60 senior managers, including the heads of the 17 Business Units (business lines, regions) and the 10 Service Units (support and control functions). Depending on their authority area and their innovation reputation, executives received in average 15 projects requests, some of them more than 50. The CEO actively encouraged his team to involve in the process as they had two weeks to pre-select individually those they considered the most promising for the group. Then, teams will be invited to pitch in front all of them during on day that will result in the final list of sponsored startups.

To help them for the pre-selection, executives received a “decision-making aid” by email from the innovation managers that included the package of documents from intrapreneurs (value proposition canvas, additional pictures or files) and recommendations gathered by the innovation managers. Still in the email, executives were invited to go beyond these data by innovation managers: “You can go ahead and meet with the startup teams that interest you now, no need to wait until 16 February!” In semi-directive interviews, both intrapreneurs and executives testified that some of them met or sent emails to informally explain the potential they expected to address or ask for further information.

For executives, the ISC is also a personal challenge. First, they had to assess the potential of the internal startups through entrepreneurial tools stemming from the startup ecosystem (value proposition canvas, pitch). Most of them were confronted to the tools for the first time and had difficulties in understanding it and in building bridges with the tools they used to manipulate to decide an investment. Even the type of project could be on “exotic” topics as the ISC motto called to “re-invent the bank through high potential businesses”. The pitch day on February 16th was the most collaborative part for the executives on the assessment part, as they had to finalize together the selection of startups to incubate. This day put the GMC in a very unusual position for a top-management team:

“The Internal Startup Call is a great opportunity for us to review our management methods at a time when we are working to develop new, more agile, collegial and horizontal ways of working within the Group. For instance, it has already allowed us to test our collective decision-making capacity. During the pitches and meetings with the short-listed startup teams, we succeeded in reaching agreement within the set time, and decided on sponsoring a certain number of startups. To do so, we also had to reach a shared understanding of what a startup actually is. We had to align our selection criteria. And we had to share our views on the missions and responsibilities of a sponsor. It was a good challenge to our managerial alignment. ”

Frédéric Oudéa – CEO of Société Générale – LinkedIn 9.04.2018

Second, the resulting behavior from the decision to sponsor a startup was really unclear for most of the MGC members: what they were committed in if they accepted to sponsor a startup? The innovation managers provide them a Q&A on sponsorship that detailed the new role they would assume:

“What is the sponsor’s role in an internal startup?
The sponsor is a full participant in the startup’s ultimate success or failure. He or she helps make choices and strategic decisions, promotes the startup when appropriate, supports it, helps it meet the right people to accelerate its progress, and above all decides whether to continue or stop the project during quarterly reviews. The sponsor’s role is to facilitate its development and validate financial aspects while leaving the startup a large autonomy in its decisions.
While day-to-day operational support can be delegated (dedicated staff within the BU/SU, innovation teams, external acceleration programs, etc.), the sponsor commits to taking time regularly to support the team (approx. 1 hour per week).
The sponsor also makes a commitment to the internal startup team by having the team members join his or her BU/SU as soon as it launches and by financing it (payroll, internal and external expenses) after the innovation fund’s support ends. Once notified, the managers of the leaving intrapreneurs will have a 3-month period to enable them to join the sponsor’s BU/SU. Sponsoring a startup means integrating the intrapreneurs into the sponsor’s BU/SU, even if the project ends prematurely.” [Q&A Sponsor - Le Plateau – 19 January 2018]
The Q&A also specified that startup incubation will be financed for the first 6 months by a dedicated innovation fund with a go/no go review after 3 months to decide if the startup continues incubation. This fund would fully cover startup’s expenses (full-time wages for the intrapreneurs, part-time salaries for any contributors, support for the teams, and the expenses incurred by the startup’s development (IT, external services, etc.)). It also explained how intrapreneurs would be accompanied by existing incubation and support structures, both within the Group (innovation teams, Plateau, technology hubs, labs, etc.) and in the external ecosystem (partner network, incubators, startup studios, etc.).

Moreover, when the incubation phase really started, the way executives would interact with intrapreneurs was still uneasy to define. They were encouraged to block time in their agenda to meet startups every week or so (and some have do it). Another external partner of the program also offered them training dedicated to their posture. Nevertheless, issues still remain: if their role is not allocating the funding, what does their participation in the project mean? In his LinkedIn message on the ISC, the CEO resumed and detailed his perception of this new role the executives will endorse:

“A sponsor is not a manager. They are there to advise, challenge and direct. It is the team who is the decision-maker. That is their responsibility. Our responsibility as sponsors is not to intervene in the discussions. Sponsoring an internal startup is like playing the role of an investor and ensuring that at every moment we have challenged them and pushed them as far as they can go with their project. This means the concept of sponsoring should not be taken lightly. It’s not just a name, a meeting every now and then every six months. It’s much more demanding than that, particularly in terms of time. You must be organized and set aside around one hour a week in your diary. You need this discipline, otherwise you risk getting snowed under and miss out on taking advantage of all the energy and effort put into this ambitious internal project. As I said to the members of the Management Committee, if they feel it’s too complicated to accompany a startup, it’s better they don’t do it. Dare to drop out rather than do it badly... Because it is vital this sponsoring works. I believe there will be no straightforward direction. We will have to help make readjustments where necessary, to turn things around at any time, be extremely flexible and progress on a test & learn basis. This means we will also have to look at different ways of working and be ready to shake up our internal organizations. We will also have to contend with the reality of complex internal decision-making processes, and sometimes we’ll have to forego our traditional models of governance... and accept the responsibility for this.

Another essential quality for a sponsor is to know when to stop a project and support the team with this decision. This won’t be easy, since a great deal of feelings and emotions are involved. But it is essential. We must be certain that at all times we are allocating valuable resources to “driver projects”. It’s also our responsibility to ensure that the right people are working on the project, with complementary skills and the ability to work as a team. This is very important. You can have a brilliant client-focused project, but if it’s not steered by motivated and complementary people, it’s very likely it won’t succeed. We will have to trust our intrapreneurs. It is through them that we will discover and learn new things.

Frédéric Oudéa – CEO of Société Générale – LinkedIn 9.04.2018

This message is really interesting also for both executives and intrapreneurs as it tried to explain a new type of interaction between them. While collaborators used to interact with top-managers for strategic decision-making, the ISC involves all the actors in an original decision-building process that requires more discussions and knowledge sharing between the operational and top-management than usual activities. As highlighted in this message, traditional processes of the firm would probably be inadequate and sponsors would take part of the collective effort to sustain the high potential projects despite this, learning both on the organizational capability of the firm and the skills needed to transform it.

5. Discussion

5.1 A scale-up of intrapreneurial activities focused on high potential businesses for the bank

Worldwide FinTech ecosystem contains a lot of startups that could address the 17 strategic challenges highlighted by the ISC. Besides, Société Générale regularly invests in external startups. Complementary to these corporate entrepreneurship levers, the internal initiative bets on the skills and knowledge held by collaborators to propose projects more appropriate to the firm than external solutions. Moreover, the ambition of the call was twofold: initiate numerous disruptive projects of startups with high business potential for the firm; and develop the organizational capability for radical innovation putting it in tension through a large panel of unusual demands that will stress its traditional processes.
At this stage of the challenge, 70 internal startups are starting an incubation program with dedicated support and sponsorship. If we compare with external Fintech incubators where large French banks are involved, this is one of the largest programs in France (around 30 startups expected in Swave, the Paris & Co incubators that take place in La Défense; 48 projects accompanied by the FinTech Boost program of l’Atelier BNP Paribas since 2014; around thirty startups incubated in the different regional Villages By CA created with the support of Credit Agricole since 2016). Internally, BNP Paribas launched a comparable program of intrapreneurship called Alpha program in the summer of 2017. Hundreds of employees involved in the first edition that resulted in 82 projects from 23 countries and 7 winners whose teams are currently incubated “with the assistance of multidisciplinary “squads” with whom they will be working for six months on-site at Bivvak! in Paris”.

From a quantitative point of view, the large number of startups incubated is obviously a real scale-up of intrapreneurial activities within the firm. But this change of scale poses a number of problems for the company. The first is the difficulty in assessing the disruptive potential of contributions. Many studies underlined that disruptive innovation activities are very difficult to compare and hierarchize, innovation ideas as much as more established exploratory projects. Corporate entrepreneurship boards and venture capitalists face the same problem to evaluate the potential of startups.

On the one hand, experts are evaluating the proposals trough the prism of their own awareness of technology availability and market expectations conjugated to the trust they give to the firm to achieve it (Mitchell, Agle & Wood, 1997; Bjork & Magnusson, 2009). Diversity in knowledge reference of experts led systematically to divergent assessments (Magnusson; Wästlund and Netz, 2016; Hoornaert, Ballings, Malthouse & Van den Poel, 2017; Zhu et al, 2018). In our case study, the same difficulty can be observed: the three groups that suggest recommendations for selection were divergent and top-managers selection is still different from the previous three. On the other hand, as innovation strategy and its links with corporate strategy were unclear for employees, most of proposals used to be considered out of the scope or irrelevant by executive managers (Cooper & Edgett, 2007; Kleinschmidt, de Brentani, Salomo, 2007).

The second problem is the organization of the sponsorship process for a large scale of intrapreneurial projects, that contains few dozens of simultaneous projects. Here the challenge at Société Générale presents surprising results, in the ability of the company to mobilize a very large number of sponsors among members of the top management. It was probably one of the most important potential brakes to the success of the challenge, but it is not on this point that the difficulties were most obvious. However, even a very large firm like the Société Générale does not seem to hold sufficient resources internally to support a process of this magnitude in few days. Since it was necessary, almost urgently, to seek the help of external resources coming from the Parisian ecosystem of startups to support both the training of intrapreneurs in order they quickly be able to present the potential of their proposal in a common format for the pitch day, and the tools for top-managers selection. Moreover, all these external partners were professionals of innovative entrepreneurship training, coaching and incubation, that was both a lever to gain legitimacy on the intrapreneurial process and put the organization in tension with a massive use of startup ecosystem methods, unusual within the firm.

An important limitation to the experiment observed also lies in the gradual evolution of the challenge towards a process comparable to the outsourcing of innovation activities, and to the recreation of structural ambidexterity forms. Indeed, the destination of the selected startups seems to be gradually leaving the organization and moving towards forms of autonomous development. This puts into question the ability of the challenge to actually organize a return to a transformation of the firm’s internal capabilities. In the one hand, we could assume that some projects could become spin-offs of the firm but this organizational strategy seems uneasy to multiply as it needs for each project an internal consultation to build the coherence with the organizational structures and offers in place. On the other hand, the incubation of the internal startups in a dedicated program search to increase the viability of the project across two main leverage actions: important focus on a lean startup management of all projects (Ries, 2014) and an active protection of startup projects from the organizational rigidities of firm processes and structures. In both cases, whether across a postpone transfers of new offers to existent business units or an ultimate cut off from the organization, it can not be held for the integration of sustained capabilities for radical innovation. Innovation capabilities would be concentrated in the stakeholders of the incubation (intrapreneurs, innovation facilitators and trainers) without inducing important transformation of routines, and may continue to be largely cut off from an organization always oriented towards the exploitation of known solutions and problem solving.

5.2. A scale-up of radical innovation behavior based on a massive startup methods training

On the other hand, one point that can be interpreted as the creation of radical innovation capabilities by the massive transformation of many employees into potential intrapreneurs is the considerable training effort provided to the participants in the challenge. These efforts can be likened to an incubation process on a particularly large scale, contrary to what is generally observed. It was as well a question of training more than a thousand employees to ways of thinking differing from problem solving, mainly through the entrepreneurial-based design of the ISC and the compulsory dispositive format of the startup projects through a value proposal canvas largely inspired from Osterwalder et al (2014), that dropped participants in the grammar of disruption inherent to startup ecosystem. It was also of endowing them with capacities to carry out their projects until their term, for example by helping them pitch their projects to convince potential sponsors.

This, however, is tempered by the fact that project holders and team members of unselected projects did not yet receive support from the organization to anchor the new skills they could have developed in their daily activity or in other innovation initiative. There is a risk of loss of potential from an innovation capability point of view, due to the exit of a large number of intrapreneurs of the organized process. Human Resource (HR) does not have in present state the ability to meet all the expectations generated by the challenge, especially as these actors are very dispersed in business and service units. On this point, the organization seems to have been overtaken by the success of its own large-scale operation and all innovation management resources are dedicated to the incubation of the 70 finalist startups. This points to a limit of the scalability of the intrapreneurial process, in the inability of the firm to take care of all the capabilities, expectations and desires generated by such initiatives. More than seven hundreds of individuals invested time and developed new skills in the completion of startup canvas for projects that have not been selected. HR services in particular are needed to develop specific plans of re-allocation of individuals and training macro planning to face of the scale of the issues to be managed.

5.3. Organizing a large-scale encounter of intrapreneurs and sponsors: a new step for overcoming the top-down / bottom-up frontier of intrapreneurship?

One of the most interesting theoretical paths opened by the course of the challenge lies in highlighting the fact that the animation of an intrapreneurial process via a large-scale social network can overcome the classical opposition between participatory/emergent approaches and centralized/organized innovation processes.

First, a large communication was organized by the ISC organizers through collaborators on the 17 strategic themes in order that everyone could benefit improve its understanding of the links between corporate strategy and the building of the innovation strategy. The aim pursued by innovation managers was to highlight the need of intrapreneurial projects to feed it and extend it consistently with the strengths of the firm. It fosters a better adequacy between collaborators’ proposal and top-managers expectations, and increases individual ability to contribute to all processes that constitute the organizational capability of the firm. Moreover, the incentive to build internal team for the startups supports original cross-functional collaborations to reach identified strategic areas, embedding existent skills in exploratory activities. This new type of interactions between top-management teams and collaborators can’t be thought independently of intermediary managers who were heavily impacted by the size of the initiative. They had many roles to endorse: communicating on the initiative, helping their subordinates to involve in a challenge both on strategic theme translation and in time, being able to pursue the “normal” activity even if some of their collaborators were involved in the ISC, and could leave the team to an intrapreneurial project, etc. Thus, even if they did not choose to act as intrapreneurs themselves, they were involving theirselves in the transformation of the firm.

Second, the massive organization of a sponsorship based on the application of the intrapreneurs to a limited number of the firm’s executive committee —individually chosen — led to a transformation of the role of an executive (individually as sponsor and collectivity during the pitch day, as previously described) but it also led collaborator to take an unfamiliar kind of look at the individuals that form the top-management team. Traditionally, the executive board used to be seen as an indivisible group which produce decisions on “the overall strategic direction of the firm, the composition of the project portfolio, and the allocation of resources across innovation projects” (Telke, Salomo and Kock, 2011). Looking for sponsor, intrapreneurs were not investigating executive decionnal ability but their individual skills and managerial ability to contribute to the nurturing of the value proposal. This projection in new kind of interactions, associated to an active perception of the role of sponsor by executives, could generate a new type of organization that will not be participatory neither centralized. It appears today more as an organized myriad of exploratory projects that commit all members of the board in a large investigation of business renewal of the firm.

To conclude, this case study rise new perspectives for both researchers and practitioners. From a risk perspective, this new organization with a large scale-up of duos {intrapreneur / sponsor} is particularly interesting as it reduces largely the probability that none of them will produce milestones for the future of the firm. Moreover, the set of projects is a
more robust approach to give the top-management team the required knowledge to decide collectively the decisive investments to sustain and improve competitiveness in the next years. Nevertheless, to this end, they have to go beyond their individual sponsor role and organize themselves as a “collective of sponsors”, an unprecedented managerial concept that has not be identified by research (to our knowledge). And finally, the multiplication of intrapreneurship challenges, each year growing in scale thanks to Entreprise Social Networks and a growing ability of Innovation function to organize the subsequent incubation in startup mode, call for more research on how HR departments could accompany all the unleashed energy in order to establish a sustainable organization of a scaled intrapreneurship.

References


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