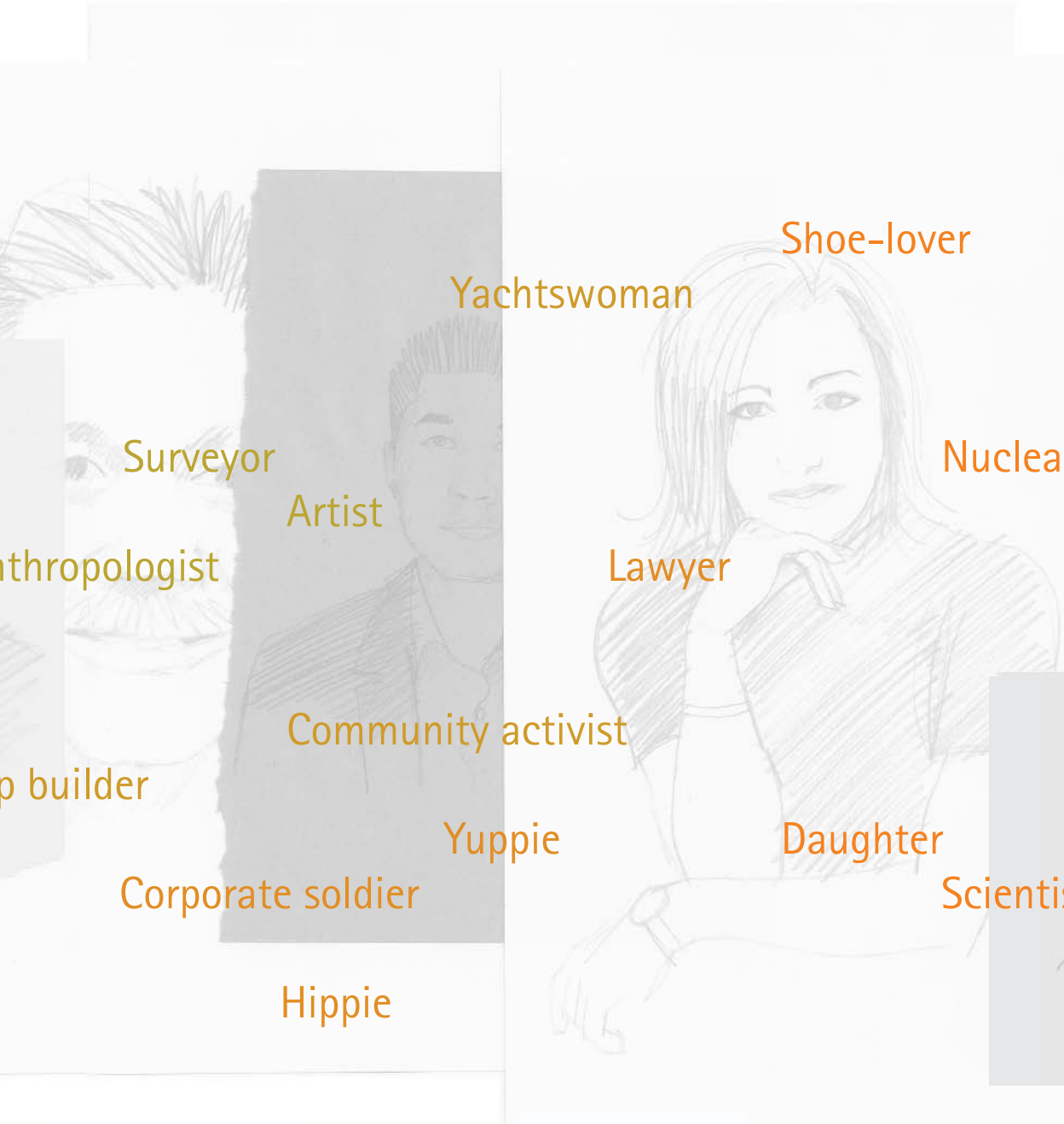
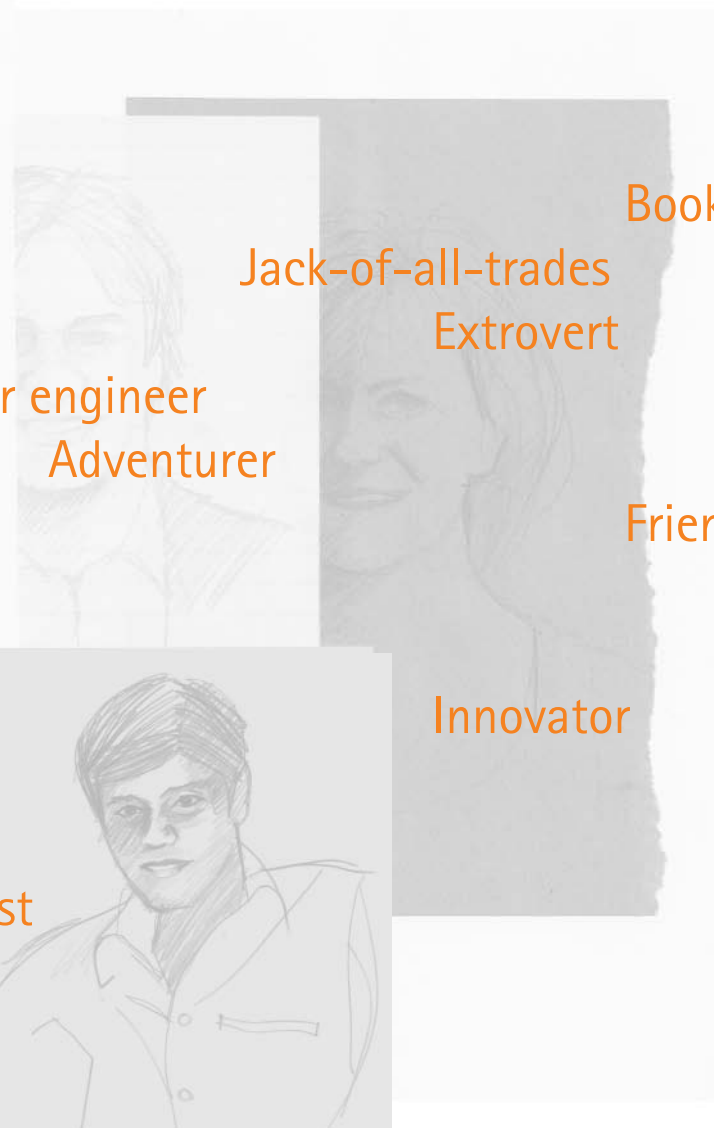


The Social Intrapreneur

A Field Guide for Corporate Changemakers



Forewords	1
Field Notes	4
1 Introduction	8
2 Origins of a Species	12
3 The Market Ecosystem	16
4 The Field Guide	26
5 Strategy of the Beaver	42
6 Wisdom of the Social Intrapreneur	52
7 Future Expeditions	60
Acknowledgements	65
Notes	66



r engineer

Adventurer

Bookworm

Jack-of-all-trades

Extrovert

Friend

st

Innovator

Foreword

SustainAbility

SustainAbility's second Skoll Program report investigates the role of the new breed of social intrapreneurs working within business – and assesses the potential for collaboration with social entrepreneurs.

Don't ask for permission, ask for forgiveness. That is the motto of many social entrepreneurs we have come across – and in some cases worked with. But I think I owe our readers a personal word or two of explanation both on the subject matter of this latest survey report and on its unusual style. When the Skoll Foundation awarded SustainAbility a three-year grant in 2006, the focus was on field-building in relation to social entrepreneurship. So why are we now haring off into the corporate world of social *intrapreneurs*?

Our reasoning runs as follows. Social entrepreneurs are some of the most extraordinary changemakers (to use Ashoka's term) in the world today.¹ And, with several winning Nobel Peace Prizes and many others spotlighted by awards from organizations like Acumen, Ashoka, Echoing Green, Endeavor and the Schwab and Skoll foundations, the assumption might be that – if the rest of us would get out of the way – these people would save the world. Hardly.

As *The Economist* put it in reviewing *The Power of Unreasonable People*,² the book summarizing our work in this field, "The greatest agents for sustainable change are unlikely to be [social entrepreneurs], interesting though they are . . . They are much more likely to be the entirely reasonable people, often working for large companies, who see ways to create better products or reach new markets, and have the resources to do so."³

This is the line of inquiry that we further pursue in this second round of our Skoll Program.

Who, we ask, are the corporate equivalents of social entrepreneurs, the people with whom entrepreneurs might want to engage to build the high-potential partnerships with mainstream business that featured so high in their wish-list during our *Growing Opportunity* survey.⁴ And how do they see the parallel fields of social entrepreneurship and intrapreneurship? Our research and findings are presented in what follows.

The Field Guide style is both a signal that we do not claim to have discovered Universal Truths on the basis of our work to date – and an effort to make a sometimes complex field more accessible to a wider audience, particularly senior policy-makers and decision-takers.

In closing, my personal thanks go to Jeff Skoll and Sally Osberg and their colleagues at the Skoll Foundation, to Maggie Brenneke and Alexa Clay at SustainAbility, who blazed our trail through the jungle, and to Rupert Bassett for helping us turn the Field Guide idea into what you hold in your hands. We enjoyed this project enormously – and hope that you find value in this report. Any comments would be much appreciated.

John Elkington
Founder
SustainAbility
elkington@sustainability.com

Foreword

IDEO

What does an innovator look like?

People often think of innovators as crazy-haired loners, pipe-chomping professors or charismatic entrepreneurs. As if the very nature of thinking differently requires innovators to be maverick characters – outsiders even – who owe their disruptive creativity to a life lived on the fringe.

This is largely a misconception. True innovators – the sort who are behind the vast majority of innovations that improve our lives every year – breeze through the doors of the giant corporations of the world and choose to make their mark from within. They are integrators, problem solvers and facilitators. They are likely to have honed less celebrated, but perhaps more reliable, characteristics of innovation such as political savvy, tact, teamwork and patience. Furthermore, rather than getting their way via force of personality or charismatic zeal, these innovators learn how to bring projects to life through the deft manipulation of the latent intellectual and financial capital inside their organizations.

Innovation companies like IDEO are interested in this kind of innovator. We call them clients, or marketing execs, or president of such and such, but rarely do we celebrate how unique these individuals are and the characteristics that make them successful. Where entrepreneurs choose autonomy or celebrity, they choose scale and impact. Where entrepreneurs prefer control, these individuals have the enviable ability to get things done from inside massively complex systems. They are, of course, players every bit as important as entrepreneurs – but behind the scenes.

Intrapreneurs are thus a special breed with rare, often hard-won, skills. Their value to businesses is incalculable. Indeed, our business would not exist without them. Now they're poised to become even more significant.

Within the enlightened boardrooms of the world, a new kind of intrapreneurial activity is emerging: sustainability and innovation have become the subject of overlapping discussions with a measurable impact on the bottom line. What was once corporate social responsibility (CSR) and marketing has become R&D, and vice versa.

With this change, a new breed of individual is being asked to step up: a social intrapreneur – someone who is capable of making a positive impact to their business and for the world. Identifying the challenges faced by these change agents and finding ways to support, scale-up and accelerate their work are now priorities for us at IDEO.

These are exciting times to be in the innovation business. Increasingly impassioned individuals are wrapping business pragmatism around visionary agendas. Understanding the social intrapreneur is thus a vital ingredient in maintaining any future edge. The age of the social intrapreneur has begun.

The IDEO team

Foreword

Allianz

Social entrepreneurship is changing the world. Finding solutions for the world's most pressing problems is no longer considered the exclusive business of governments, international organizations or large non-profits. Every day outstanding social entrepreneurs prove that almost no problem is too big to be tackled through innovation and business acumen. Extraordinary examples abound revealing that through ingenuity, optimism and hard work men and women are developing effective, scalable solutions for a wide range of societal challenges such as climate change, poverty alleviation and social inclusion.

Within this new scenario, the question emerges: what should be the role of corporations? Is social entrepreneurship the exclusive terrain of inspired individuals outside of the mainstream? Is true social or environmental innovation compatible with large corporate structures? Is it only about 'doing the right things' (leadership) or also about 'doing things right' (management)? Is it feasible to generate shareholder value while proactively addressing societal issues?

The following pages point to this opportunity. The social intrapreneurs depicted in this report are early markers of the incredible potential for the alignment of societal need and business value. No doubt, success in this space is not easily achieved. Yet, the tales contained herein are not only tales of great courage, but also of opportunity – the opportunity to both do well and do good.

Social intrapreneurs are a rare species. They may sit anywhere within corporate structures and are often hard to find. Their ideas are likely to be highly unusual and often appear in conflict with existing business priorities. Yet, this is a species that must be patiently nurtured. The promise for society and opportunity for business make the task of identifying and supporting social intrapreneurs within large corporations a highly rewarding challenge.

Our strong belief in the potential of social entrepreneurship led Allianz to support SustainAbility's *Growing Opportunity* report. We are very pleased to take this cooperation one step forward by supporting *The Social Intrapreneur: A Field Guide for Corporate Changemakers*.

Helping over 80 million customers worldwide plan for a more secure future, social innovation is core to our business. Whether through environmentally friendly insurance and investment products, retirement services or microinsurance projects, we strongly believe that identifying solutions that help address global challenges is key for our long-term competitiveness. For Allianz, supporting our social intrapreneurs in this endeavor is not only the right thing to do, but it is the smart thing to do.

Paul Achleitner
Member of the Board of Management
Allianz

Field Notes

*A brief word from the field
about a newly discovered species –
the social intrapreneur*

Social intrapreneur, n. 1 Someone who works inside major corporations or organizations to develop and promote practical solutions to social or environmental challenges where progress is currently stalled by market failures. 2 Someone who applies the principles of social entrepreneurship inside a major organization. 3 One characterized by an ‘insider-outsider’ mindset and approach.

Habitat and habits

The social intrapreneur is carving out a new niche within the multinational corporate habitat of our ecosystem. Their primary motivation is to incubate and deliver business solutions that add value to both society and the bottom line. They are hybrid individuals, who draw on values of social entrepreneurship to persistently champion a vision of change in the face of frequent cynicism and resistance. They cannot turn their backs on the savage global inequities and environmental degradation in the world, or on the profound social and economic value to be gained by delivering market solutions.

[See Chapter 2](#)

Evolutionary drivers

Social intrapreneurs are found in established multinational corporations. They understand business process and priorities as well as sustainability imperatives. They flourish when multinational business provides them with an effective base from which to create and leverage innovative societal solutions. The emergence of social intrapreneurs is the result of a series of ‘evolutionary drivers,’ including global market failures, shifts in personal motivations and increased societal expectations of business.

[See Chapter 3](#)

Identifying characteristics

Social intrapreneurs are more ambitious for social change than for personal wealth and advancement. They are willing and able to take risks, including moving across and between organizations and sectors to reach the locale where they can realize their vision. They combine tactical and strategic skill-sets with qualities of perseverance and strength, independence and teamwork, far-sightedness and practicality – all of which enables them to get the basics right, earn trust and deliver real results.

[See Chapter 4](#)

Pioneering approaches

Social intrapreneurs are creating and delivering new business models. They compel their host corporations to look outside their comfort zones – to see both the strategic risks and profound opportunities that exist beyond the purview of traditional business units. They are not satisfied with suboptimal equilibriums, where markets work well for some, but not at all for others. Their adept opposable minds exist to juggle dilemmas and catalyze new visions, products, services and solutions – some of which may fall beneath the radar today, but will eventually enable a scale of change that delivers value to society and business well into the future.

[See Chapter 5](#)

Related species

Although many social entrepreneurs shun the corporate habitat of social intrapreneurs, they have common traits, particularly when it comes to the motivation to deliver social change. Intrapreneurs can potentially provide social entrepreneurs with a new point of access to multinational business and all it has to offer in terms of investment capital, global reach, resource and scale.

[See Chapter 6](#)

Care and protection

Intrapreneurs are adept at fighting and surviving cynicism, caution and the status quo in large corporations. However, healthy corporate curiosity and support (including capital), along with an enabling appetite for exploration and experimentation, will definitely encourage this species to thrive.

[See Chapter 7](#)

The Intrapreneurs and their ventures

The following Field Guide draws upon in-depth interviews with twenty social intrapreneurs from a diverse sample of multinational corporations. Their work covers a wide array of environmental and social challenges and is in varying stages of development – ranging from incubation to market expansion. The characteristic common to all of these individuals is a passion for driving societal change through business in a way that generates long-term value for both their companies and communities.

Accenture Development Partnerships (ADP)

Gib Bulloch and his team work with corporate, government and NGO organizations to develop innovative, cross-sectoral solutions to global challenges. A recent project with CISCO brought e-learning to the Egypt Education Initiative. See pp. 15 and 48

Amanco

At leading pipe manufacturer in Latin America, **Andreas Eggenberg** led the development of an irrigation system targeted at low-income farmers and partnered with citizen sector organizations on distribution, training and financing. See p. 20

Banco Real

Maria Luiza Pinto has worked to mainstream sustainability training and development into the organization's management. This has resulted in numerous sustainability initiatives from financing biodiesel manufacturing to offering microfinance services in the favelas of Rio de Janeiro. See pp. 51 and 58

BP

Kerryn Schrank heads up BP's targetneutral campaign, encouraging drivers to 'reduce' petrol use. In addition to climate benefits, reducing energy use also benefits energy security. See pp. 61 and 64

CEMEX

Luis Sota worked with executives at CEMEX to develop low-income housing solutions for their Mexican consumers. See p. 39

Citi

Bob Annibale launched Citi's global microfinance initiative, which focuses on building commercial relationships with microfinance institutions and clients, enabling access among the underserved to credit, savings, insurance and remittance products. See pp. 45 and 56–57

Coca-Cola

Dan Vermeer at Coca-Cola works on water sustainability and other environmental challenges. His recent focus is to extend Coke's sustainability efforts across the value chain. See pp. 37–38 and 68

Dow

Bo Miller and **Scott Noesen** champion Dow's 2015 sustainability goals, which emphasize green chemistry as well as the development of products to solve societal challenges. They are currently focused on water quality and access, and recently took an equity stake in Water Health International – a social enterprise. See pp. 54 and 55

Ford

David Berdish has launched a Megacity Mobility project designed to address transportation needs among swelling urban populations in South Africa, India and Brazil. See pp. 11, 32–33 and 47

Hindustan Unilever

Vijay Sharma heads up project Shakti, which cultivates women entrepreneurs in rural villages. In addition to growing markets for Unilever's products, these women serve as agents of change, acting as positive role models in their communities. See p. 40

Microsoft

Orlando Ayala heads up Unlimited Potential to deliver relevant, accessible and affordable technology solutions to the 'next 5 billion' people around the world.

See pp. 41 and 61

Morgan Stanley

Henry Gonzalez drove Morgan Stanley's microfinance offer, which seeks to originate microfinance-related transactions for the capital markets and to manage Morgan Stanley's direct and indirect equity involvement in microfinance.

See p. 25

Nike

Sam McCracken launched the company's Native American Business, which leverages the power of the Nike brand to drive athletic participation among Native American communities.

See pp. 36, 54 and 57

P&G

Win Sakdinan developed the company's Future Friendly initiative, which educates consumers to save energy, water and packaging with its brands.

See pp. 55 and 59

Shell

Sachin Kapila is developing models for biodiversity markets similar to those established for carbon markets. One initiative, Project Rainforest, promotes biofuels sustainability by looking at how their impact could be offset through a market-based mechanism directed at the protection of existing forests.

See p. 46

Starbucks

Sue Mecklenburg is Vice-President of Sustainable Procurement Practices at Starbucks. She's pioneering a new approach to the supply chain, trailblazing opportunities for livelihood enhancement among key suppliers in addition to formalizing 'best practices' for accountable procurement.

See pp. 45 and 57

Unilever

Santiago Gowland is driving sustainability thinking across Unilever's diverse brands. He has pioneered an innovative 'Brand Imprint' assessment to identify and measure social, economic and environmental impacts.

See pp. 29 and 49

Vodafone

Nick Hughes and **Susie Lonie** have developed a mobile payment offering for Kenyan and Afghani customers.

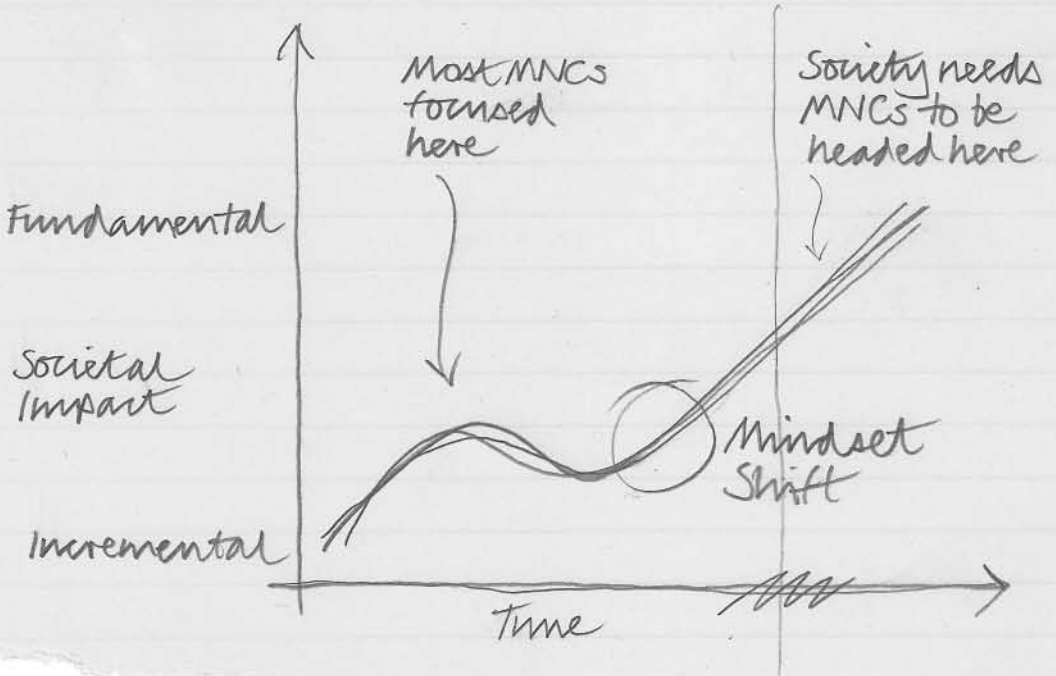
See pp. 35 and 47

Chapter 1

Introduction

Inside Out

Figure 1.1
Shifting mindsets – or paradigms



The world – and agendas – of the social intrapreneur

When we published our first survey of social entrepreneurs, people working entrepreneurially within corporations and other organizations said, in effect, “Great, but what about the entrepreneurs *inside* corporations – and *inside* government?” Given their potential role as an interface between business and the wider world of social enterprise – and their experience of driving social and environmental change from the inside – we decided to focus this second survey on social *intrapreneurs*, at least those inside major corporations. What follows is an early attempt at a field guide to their world – its challenges and opportunities.

The nature of a field guide

Because this project is a dip-stick test of an emerging hypothesis – that social intrapreneurs are gaining traction inside their organizations and, in the process, potentially offering crucial access points for social and environmental entrepreneurs wanting to engage business – we have developed this report in the style of a field guide or explorer’s sketchbook. Suggestive, hopefully. Full of things observed as we went about our work. But by no means the definitive work on the subject.

There are precedents for this approach. When, for example, Charles Darwin saw the wildly diverse finches of the Galapagos, he scribbled down his thoughts in his notebooks. Over time, a light began to go on in his brain – and he came to see how life had evolved and differentiated over countless generations.

We make no claims to be latter-day Darwins, but increasingly we find that when imaginative leaders in the private, public and citizen sectors are briefed on what social and environmental intrapreneurs are doing, a similar switch begins to flip in their brains. Here, they acknowledge, may be critical clues to how markets, business models and technologies will evolve in the future.

In keeping with our field guide metaphor, we use biological, zoological and ecological metaphors, concepts and symbols to illuminate key trends and challenges. The idea was sparked by the social intrapreneurs themselves. During our interview with Win Sakdinan of Procter & Gamble, for example, he suggested that large corporations can be like “elephants, as they take time to change directions, but when they do, they bring lots of weight or positive leverage.” And he didn’t stop there. Many of those who advise business leaders, he argued, are like high-flying birds, “dreamers,” seeing the landscape of risk and opportunity in useful ways, but often disconnected from the day-to-day responsibilities of business. By contrast, he concluded, he tries to be more like a giraffe, with “my head in the clouds to inspire sustainable innovation, but with my feet firmly planted on the ground, alongside the elephants.”

Of course, companies can be like gazelles as well as elephants, like dolphins as well as manatees, but the thought-train inspired the metaphor. And in reviewing much of the literature on intrapreneurship, innovation and competitiveness, extinction and survival are dominant themes.

“Social intrapreneurs are unsung heroes.”

Susie Lonie
Vodafone

Our exploration

If history teaches any lessons, it's that the long-term survival of today's corporations is by no means guaranteed.⁵ But, given the scope of innovation required to begin to tackle global market failures and sustainability opportunities, social intrapreneurship could be one key to shifting away from business as usual to something more sustainable. For over 20 years, SustainAbility has tracked a series of evolutions of the sustainable development movement. Today we see a growing recognition by corporations of the opportunity for greater alignment of business value and societal need – with social intrapreneurs as agents of change.

In the spirit of Ashoka's ambition of 'Everyone a Changemaker,'⁶ we define *corporate changemakers* as people – at any level in a company – who are trying to drive change through the development and deployment of entrepreneurial solutions to key social and environmental challenges.

In this work, we explore four primary questions:

- What are the forces driving business to more proactively address societal challenges, such as climate change, health care and human rights?
- What specific business ventures are emerging?
- Who are the people behind these initiatives and how do they work?
- What early lessons can be gleaned for aspiring intrapreneurs and those looking to support them?

Our research findings and analysis are presented in the following chapters:

Chapter 2 looks at the origin of this species of corporate changemaker: the social intrapreneur.

Chapter 3 explores some of the deep trends powerfully shaping the overall 'ecosystem,' or operating environment, in which business conducts its activities.

Chapter 4 provides a basic field guide to social intrapreneurship offering up specimens, case examples, of their work.

Chapter 5 explores how intrapreneurs are going about transforming their corporate habitats.

Chapter 6 offers tips for future explorers and considers some of the ways in which external parties, NGOs and social entrepreneurs, can play a role.

Chapter 7 pulls out our key conclusions and thoughts for the future of this field.

“You have to work in a corporate minefield!”
Off-the-record comment

Specimen
David Berdish

Species
Social intrapreneur

Niche
Megacity Mobility Project

Habitat
Ford, Detroit

Eureka moment
I had experienced life and death when my first wife died of cancer. Normally people think of business as life and death. It isn't. It's ok to take risks.

Personal
Has worked for Ford for 25 years; studied organizational learning at MIT; majored in poetry and statistics.

Challenge
Finding mobility solutions that address emerging urbanization/stratification dynamics, and more specifically, developing sustainable mobility solutions in South Africa.

Opportunity
Reputational advantage, carbon savings, new revenue stream, competitive advantage in new markets.

Ambition
First, to get this pilot in South Africa off the ground and then to develop more sustainable approaches to mobility in other emerging markets.

Motto
It's impossible to design a solution in the usual linear analytic way.



Loving husband
Cool rockin' daddy
Social intrapreneur

Business development manager
Third generation employee

Poet

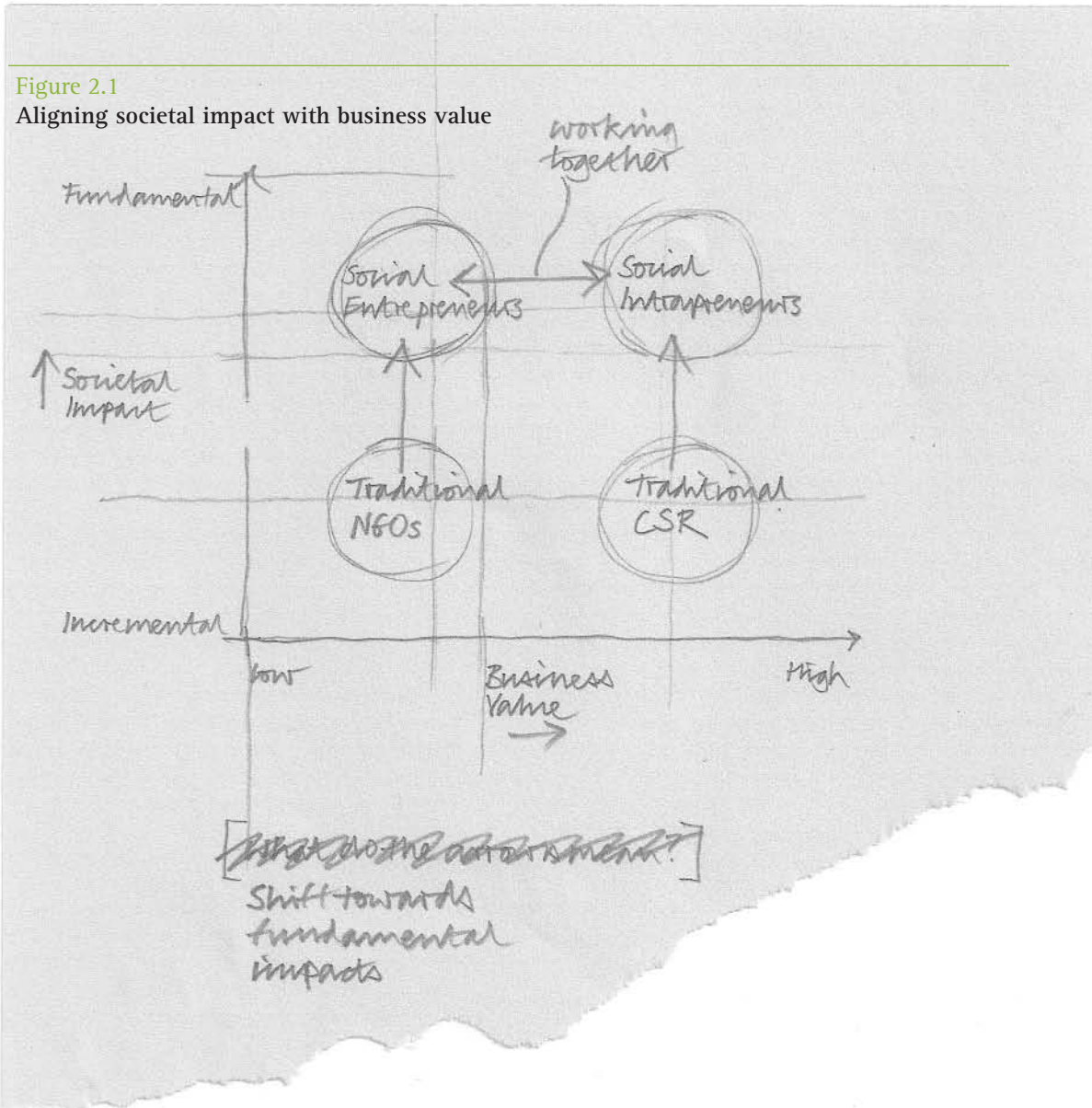
Catholic

Chapter 2

Origins of a Species

Is the social intrapreneur a new species – or a rediscovered one?

Figure 2.1
Aligning societal impact with business value



Even we find ourselves saying entrepreneur when we mean intrapreneur, and vice versa. So let's define our terms:

A *social entrepreneur* is an entrepreneur with a social or environmental mission at the core of their venture. Typically, the societal challenge they are tackling is their mission in life – with their organization and any profit generated seen as a means to that end. Social entrepreneurs are dogged in their pursuit of new models for change, harnessing the power of market forces to serve the unmet needs of society. They come in a number of varieties and work in diverse habitats.

Many social entrepreneurs operate outside mainstream markets, working directly with communities to drive change. Consider Bunker Roy of Barefoot College, who empowers India's poorest citizens – many of whom are illiterate – by training them to become 'barefoot' solar and water engineers, teachers, doctors and architects. Others, like Reed Paget, Founder of Belu Water, drive change through established markets. Belu is a non-profit bottled water company that invests the profits from its business in clean water projects around the world.

Yet, in parallel, there is a new breed of entrepreneur emerging. These people have many of the characteristics of the social entrepreneur, yet operate in a very different habitat – within multinational corporations. We call this new breed *social intrapreneurs*. Skeptics may argue that as salaried corporate employees, these people really should not be classified as entrepreneurs. True, most intrapreneurs haven't re-mortgaged their homes or maxed out their credit cards to fund their ventures. But, while the financial risks faced by traditional entrepreneurs are very real, social intrapreneurs also take on risks in their own way. Most obviously, they risk losing out in the race for promotion and for salary rises. But for some there is also a serious risk of losing their jobs.

They don't worry overly about that. Indeed, most of the intrapreneurs we interviewed appear to have cast off traditional notions of advancement in an organization in pursuit of what their colleagues are likely to see as a wild ambition or idea – backed by a fundamental belief that business must, and can, change. None of the intrapreneurs we met are motivated primarily by monetary gain; instead, they are inspired by a desire to drive real transformation. Take Santiago Gowland at Unilever. He gave up a lucrative investment banking job to start two social projects in Argentina. He then returned to the business world because, he believed, there was a greater possibility of achieving societal change on a large scale.

So social intrapreneurs, arguably, do resemble social entrepreneurs in a number of important ways. At their best, social intrapreneurs thrive on risk and uncertainty. They readily adapt to new circumstances – and regularly scan the horizon for new ways to solve societal challenges. Above all, they are innovators, coming up with key concepts, business models, products and services that will open out new opportunity spaces.

Yet there are differences between social intrapreneurs and entrepreneurs as well. Though both are inclined towards action, intrapreneurs also understand the need to tie into the processes and business case elements of the venture. Most intrapreneurs are comfortable acting as lone wolves for at least some of the time, yet uniformly value teamwork as well – understanding the critical need to engage others to develop buy-in and, ultimately, push ownership of new concepts through their organization. (Chapter 4 takes a closer look at the characteristics of a social intrapreneur.)

“As an entrepreneur, I have the freedom to pursue an individual and/or environmental mission – unconstrained by the needs of an existing organization.”

Reed Paget

Co-Founder, Belu Water

In addition to the social intrapreneur, however, we must also spotlight another set of critical actors in the evolving ecosystem. These people are *catalysts*, who come in at least two varieties. There are the senior *gatekeepers*, CEOs, CFOs, board members and so on, who can give permission for new types of initiatives. And then there are the *champions*, who may be heads of businesses or vice-presidents in relevant areas, who help resource social intrapreneurs – and, critically, support their efforts to embed their evolving initiatives into the mainstream business. As one social intrapreneur commented, at the very least, “. . . a senior champion of an initiative provides protection for the social intrapreneur from internal nay-sayers.”

Most catalysts hold a certain level of formal authority, either at an executive level or through direct reporting lines to corporate leadership. Examples of recent top-level catalysts include CEOs such as Jeffrey Immelt of GE, Lee Scott of Wal-Mart and Franck Riboud of Groupe Danone. Such people catalyze change by explaining how sustainability can drive business value, communicating their vision and ensuring that changemakers within the organization have the resources (staff and funding) they need, as well as formal accountability for results.

Other types of catalysts include vice-presidents responsible for sustainable development, sustainability or corporate responsibility. While many of these individuals are not responsible for specific profit and loss performance and generally do not incubate new products, services or business models, they are important champions for change. They work through existing systems catalyzing others in the business to take action.

Examples here include Niel Golightly, VP Communications and Sustainable Development for Shell Downstream, Maria Luiza (Malu) de Oliveira Pinto, Head of Corporate Responsibility for Banco Real, and Mike Barry, Head of Corporate Social Responsibility at UK retailer Marks & Spencer.

Sometimes individuals play both roles – intrapreneur and catalyst – as in the case of Pinto who both incubates new projects and works to drive change through the entire organization. What’s important here is to understand that two primary types of actors are playing an increasingly critical role in transforming corporations.

The hope must be that these catalysts and social intrapreneurs are preparing corporations for the future. Not all companies that employ such people will make good use of them, clearly, and market conditions mean that not all those companies that do make good use of such talented people will survive, let alone thrive. But our working hypothesis is that the existence of such people inside major companies will increasingly be seen as a leading indicator of corporate innovation, resilience and, ultimately, longer term sustainability (see Figure 2.1).

From the point of view of the social entrepreneur, the existence of social intrapreneurs could be seen as some form of competitive threat – but is much more likely to prove to be a crucial gateway into major businesses interested in addressing the challenges the entrepreneurs are tackling. And for the individual in search of ways to contribute to the seemingly intractable problems facing society – these individuals offer a clear message: ‘Make change from where you are.’

“Intrapreneurs must put the company,
not themselves, first.”

Guy Kawasaki
Venture Capitalist and
Serial Entrepreneur

Specimen
Gib Bulloch

Species
Social intrapreneur

Niche
Accenture Development Partnerships (ADP)

Habitat
Accenture, London

Eureka moment
Travelling on the London Underground and coming across an article on VSO in the FT looking for individuals with business skills to volunteer in developing countries. I'd thought development was only for doctors, nurses and teachers. Not business people like me.

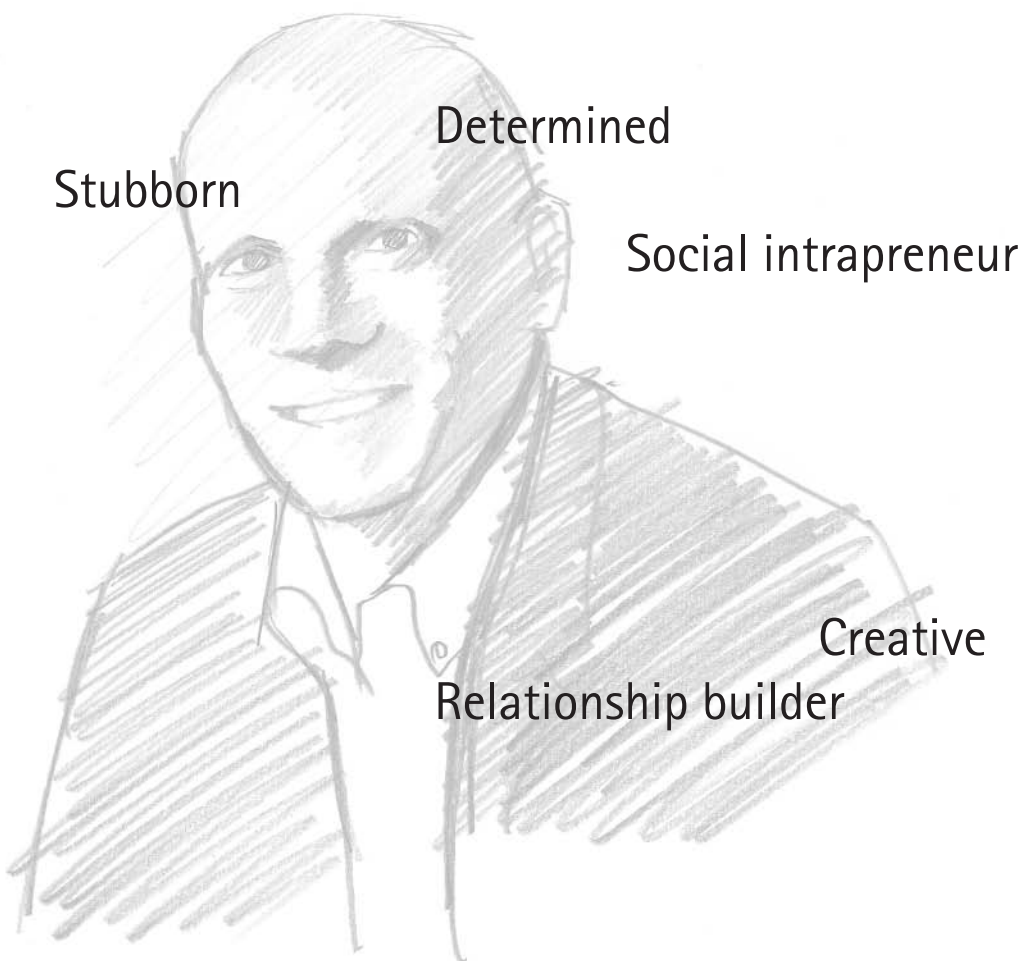
Personal
Spent a year on a VSO enterprise development project in the Balkans.

Challenge
Offering quality business and technology consultancy to NGOs and donor organizations on a sustainable basis at rates aligned to development sector norms.

Opportunity
Skills development, recruitment, retention.

Ambition
Combining Accenture's convening power in the corporate sector with ADP's in the development sector to help broker and integrate cross-sectoral coalitions to help tackle major social, economic and environmental challenges.

Motto
Affecting even small change in large organizations can lead to significant positive social impact.



Stubborn

Determined

Social intrapreneur

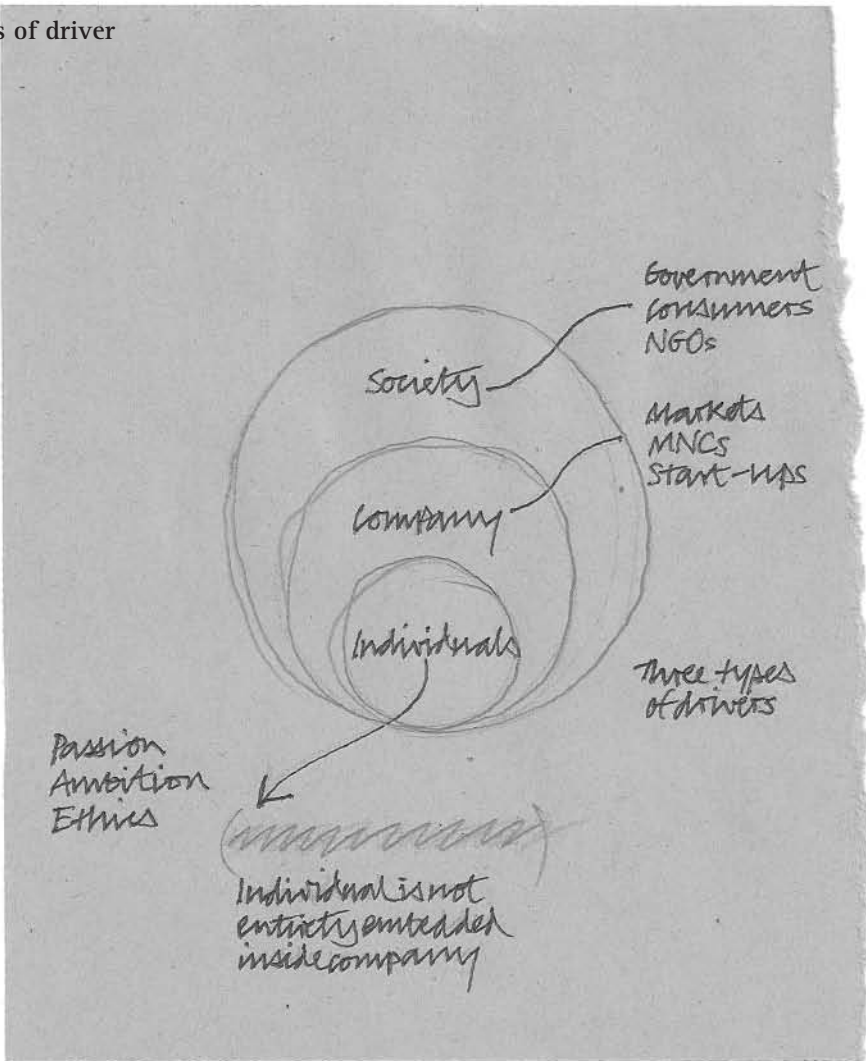
Creative
Relationship builder

Chapter 3

The Market Ecosystem

How 'demand-side pull' is driving social intrapreneurship

Figure 3.1
Three types of driver



Before zeroing in on the intrapreneurs, let's pull back the focus for a moment to look at the wider 'ecosystem' in which they operate. A key question must be: why does interest in social intrapreneurship appear to be building? In talking to intrapreneurs and entrepreneurs alike, their answers took three distinct forms. Pretty much everyone we spoke to referred to drivers operating at the level of challenges and opportunities being faced by society, business and the individual. But they also stressed that this isn't a question of 'either/or,' but 'all three and . . .'

The interest in social entrepreneurs and intrapreneurs, we believe, is growing precisely because they are addressing these key challenges – and doing so in ways that, potentially at least, offer greater leverage and scalability than much of what has gone before.

That said, the economic climate has been darkening for a while, with implications for the work of anyone dependent on corporate budgets. Since mid-2007, we have argued that parts of the global economy are headed into a deeper and more protracted recessionary period than we have experienced for some time. If true, the impact on the current generation of corporate responses to sustainability challenges could be profound.

Just as safety, health and environmental units were squeezed in previous downcycles, the likelihood – this time round – is that corporate citizenship and corporate social responsibility departments and budgets will come under pressure. At the same time, however, the global economic environment is likely to favour a new set of actors, particularly those focused on scalable entrepreneurial solutions.

This trend was implicit in the 2008 agenda of the World Economic Forum annual meeting in Davos, which closed with a call by business, government and civil society leaders for a new brand of collaborative and innovative leaders to address the challenges of globalization, particularly the pressing problems of conflict (especially in the Middle East), terrorism, climate change and water conservation.⁷

In the following pages, we explore how social entrepreneurs and intrapreneurs are working together to achieve the sort of change that the world so pressingly needs.

“The key challenge is to align the corporation of the future with societal trends.”

Orlando Ayala
Microsoft

Driver 1
Society

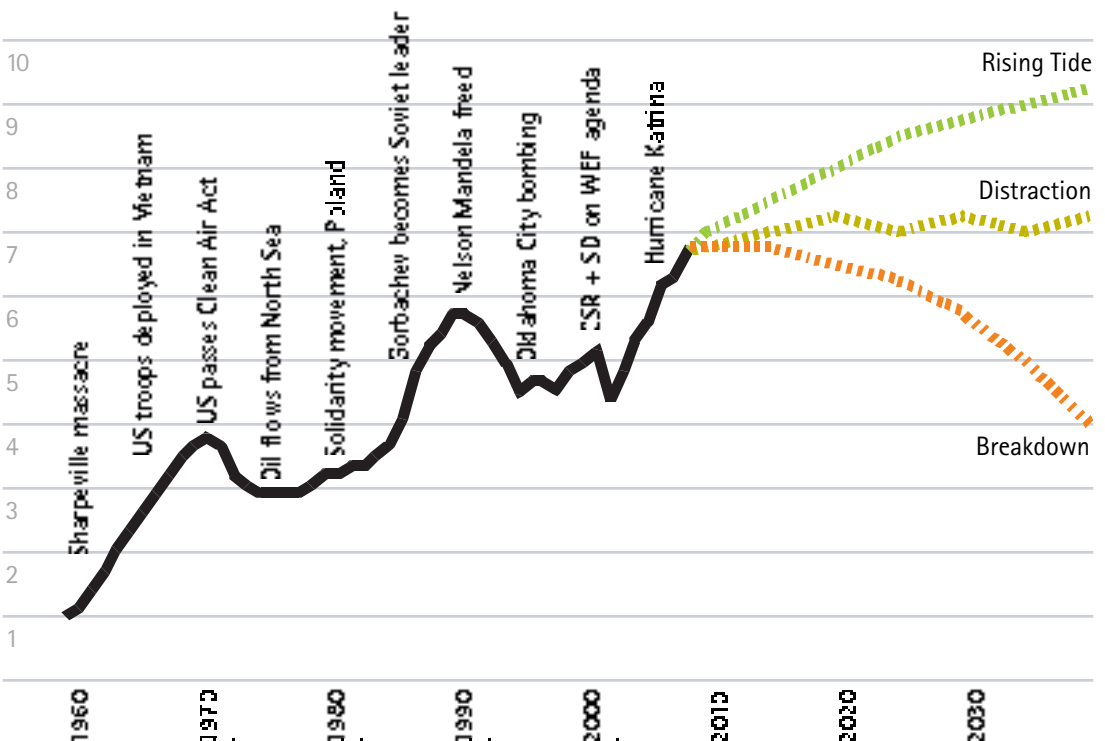
‘Society’ can be a difficult concept to pin down, but it is clear that people – as consumers, family members, workers and voters – are changing their priorities, globally, regionally and locally.

Recent years have seen a growing range of economic, social, environmental and governance issues push into the mainstream of politics and business. The priorities for action emerging from a range of summit meetings – such as the G8, the World Economic Forum and the Clinton Global Initiative – tend to share one common characteristic: that they all, pretty much by definition, relate to current market failures or dysfunctions.

While most societal challenges are not new, globalization has served to exacerbate many problems – such as wealth disparity and climate change. (See Figure 3.4 for a list of ten global divides.) And digitization is driving increased awareness about the scope of societal needs and the lack of progress to date by governments and traditional NGOs. Together, these trends are shifting societal expectations of the role that business has to play. SustainAbility has mapped four societal pressure waves (Figure 3.2) that have impacted and shaped the business response to sustainability challenges since the 1960s. Each wave has made different demands of the corporation and tended to involve a different set of specialists and expertise, as follows.

The first wave (1960s–1973) was focused mainly on greater regulation and enforcement, and the corporate response tended to be defensive, involving legal and public affairs professionals, as well as specific process engineers and project developers.

Figure 3.2
Catching the next wave



The second wave (1970s–1990s) was more consumer driven, with NGOs putting certain brands in the spotlight for complicity in social and environmental abuses. This saw corporate involvement expand to include brand and marketing people and new product developers, as well as those responsible for delivering against a proliferation of new voluntary standards, such as ISO 14001, the Global Reporting Initiative, SA 8000 and AA 1000.

The third wave (1999–2001) – curtailed by the 9/11 attacks on the US – was typified by the challenges of globalization and an array of issues to do with global and corporate governance – and their failure. Much of the corporate focus was on strategic risk management, and the locus of discussion tended to be at board level, with increasing involvement of supervisory boards and non-executive directors.

The fourth wave is currently building and brings a greater focus on the severity of global market failures and the related, urgent opportunities for scalable innovation, social intrapreneurship and entrepreneurship. In addition to those involved in responding to previous waves, new corporate participants will likely emerge from areas such as investor relations, new ventures and other strategic business units. So what underlies the dynamic of this latest wave? Entrepreneurship literature suggests that the types of challenges now facing society are precisely the seemingly insolvable problems to which entrepreneurs are attracted.

In a recent *Stanford Social Innovation Review* paper, co-authors Sally Osberg and Roger Martin⁸ (board members of the Skoll Foundation for Social Entrepreneurship) explain how entrepreneurs seek opportunity in situations of ‘suboptimal equilibrium,’ i.e. where society is settling for a poor solution to a problem because no one has yet come up with an alternative.

Figure 3.3

**Irreconcilable schism –
or bridging opportunity?**

What is it about social entrepreneurs and intrapreneurs that makes their thinking different from the mainstream? Perhaps it's their ability to use our mental equivalent of the thumb. Roger Martin, one of the authors of the *Stanford Social Innovation Review* article mentioned above, also wrote a book called *The Opposable Mind*.⁹ Just as the opposable thumb helped our species reach unprecedented levels of technology and civilization, so – Martin argues – the opposable mind promises to jump us beyond the tyranny of either-or decisions.

The idea here is that we can hold two conflicting ideas in constructive tension – and thereby move to new models and integrated solutions.

So we might simultaneously recognize that capitalism and markets leave many people unserved or under-served, yet at the same time conclude that new forms of capitalism and different market mechanisms can help bridge the gap – the crucial next step being to come up with technologies, business models and market frameworks that can drive the relevant processes of change.

The past decade saw many leading businesses seeking to involve a range of stakeholders in dialogue as a means of understanding and possibly reconciling opposing ideas and world views. The rise of the social intrapreneur can be seen as a similar response to this need to understand and hold conflicting ideas in creative tension. Both social intrapreneurs and entrepreneurs seek – in some way – to identify integrated solutions that deliver new forms of value for people and communities that were previously excluded from the benefits of the current system (or unduly exposed to its disbenefits).

Specimen

Andreas Eggenberg

Species

Social intrapreneur

Niche

Amanco

Habitat

GrupoNueva, Santiago, Chile

Eureka moment

Arriving in Guatemala, I was stunned that almost the whole economy concentrated on the 20–30% middle and higher classes, but nobody realized that the remaining 70–80% are not just the 'have nots,' but can represent a very interesting market.

Personal

I have a background in political science, which generates a certain understanding of social complexities, and creates a determination to contribute to its relief or mitigation.

Challenge

To see social and demographic challenges as business opportunities. More specifically, providing small drip irrigation systems to small-scale farmers.

Opportunity

Competitiveness in a new market.

Ambition

Designing products and services that make the formal economy more inclusive.

Motto

Create a good mood around a common objective.

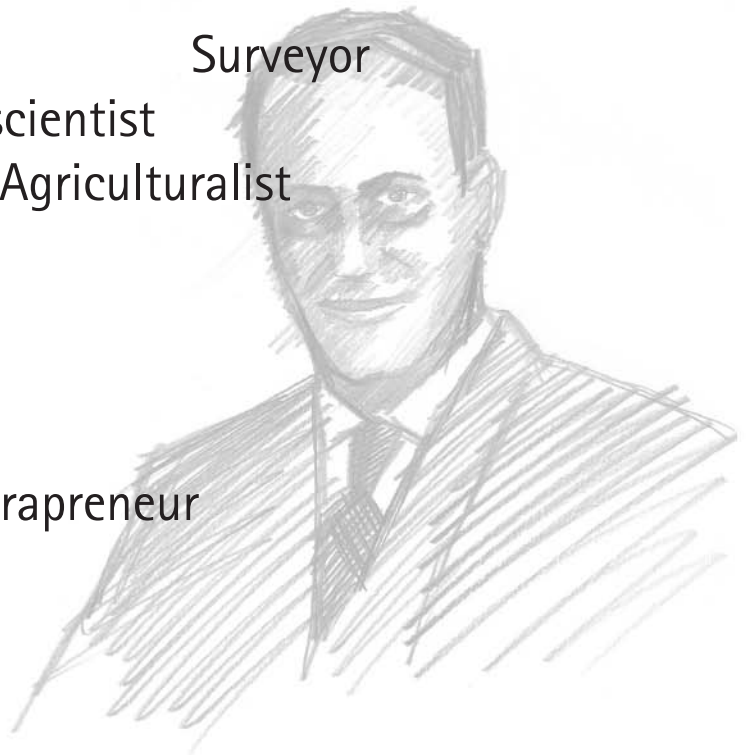
Surveyor

Political scientist

Agriculturalist

Businessman

Social intrapreneur



“Even though relevant impacts are created by civil society – the private sector can work more efficiently, once it switches on.”

Andreas Eggenberg

formerly with Grupo Nueva

Their case-studies include eBay and FedEx, where society previously settled, in the first instance, for physical limitations on its ability to resell goods, and in the second, on uncertain and slow mail delivery services. For any entrepreneur, this sort of disequilibria provides a perfect hunting ground for innovation.

The same is true, Osberg and Martin argue, for social entrepreneurs – and, we might add, social intrapreneurs – who are confronted by a suboptimal state in society that: “causes the exclusion, marginalization, or suffering of a segment of humanity that lacks the financial means or political clout to achieve any transformative benefit on its own.” Social entrepreneurs or intrapreneurs recognize such disequilibrium as “the opportunity to transform the situation by developing a social value proposition and bringing to bear inspiration, creativity, direct action, courage, and fortitude . . . [to challenge the status quo and] forge a new, stable equilibrium that releases trapped potential [and] . . . alleviates suffering.”

Their argument comes to life when they focus on Muhammad Yunus, founder of the Grameen Bank. “The stable but unfortunate equilibrium he identified consisted of poor Bangladeshis’ limited options for securing even the tiniest amounts of credit. Unable to qualify for loans through the formal banking system, they could borrow only by accepting exorbitant interest rates from local moneylenders. More commonly, they simply succumbed to begging on the streets. Here was a stable equilibrium of the most unfortunate sort.”

What is particularly powerful about the Grameen example is the way the growing success of Professor Yunus and his colleagues has inspired not only other social entrepreneurs, among them people like Roshaneh Zafar of the Khasf Foundation in Pakistan, but also social intrapreneurs working within major financial institutions – including Bob Annibale of Citi Microfinance, one of our interviewees.

Driver 2 Business

During the first decade of the new century, we have seen an accelerating tempo in the launch by business leaders of new initiatives designed to bridge an array of global divides facing society (Figure 3.4). At the national level, for example, we have had the UK Corporate Leaders Group on Climate Change and the US Climate Action Partnership, while internationally leading corporations have also been involved (sometimes alongside governments) in such ventures as the Extractive Industries Transparency Initiative (EITI)¹⁰ and the Partnering Against Corruption Initiative (PACI).¹¹

But there are concerns that even such initiatives are failing to go sufficiently far and fast. “The world is getting better, but it’s not getting better fast enough, and it’s not getting better for everyone,” argued Bill Gates, giving his last Davos speech as a full-time employee of Microsoft in 2008. “There are roughly a billion people who don’t get enough food, who don’t have clean drinking water, who don’t have electricity – the things we take for granted. Diseases like malaria that kill over a million people a year get far less attention than drugs that help with baldness.” Adopting a tone similar to that used by many social entrepreneurs, he stressed: “I am an optimist but I’m an impatient optimist” – and called for “creative capitalism.”

So what did he mean by that? “As I see it,” he explained, “there are two great forces of human nature: self-interest and caring for others. Capitalism harnesses self-interest in a helpful and sustainable way, but only on behalf of those who can pay. Government aid and philanthropy channel our caring for those who can’t pay. But to provide rapid improvement for the poor we need a system that draws in innovators and businesses in far better ways than we do today.” Such a system, he said, “would have a twin mission: making profits and also improving the lives of those who don’t fully benefit from today’s market forces. For sustainability, we need to use profit incentives wherever we can.”

Figure 3.4
Ten divides and opportunities

Divides ¹²	Realities	Opportunities
1 Demographic	The world is heading to a population of 9 billion by 2050, with 95% of growth expected in developing countries.	To meet the needs of billions of people affected by market failures in both developing and developed countries.
2 Financial	40% of the world's wealth is owned by 1% of the population while the poorest 50% can claim just 1% of the wealth.	Help the have-nots become bankable, insurable and entrepreneurial.
3 Nutritional	The world now produces enough food for everyone, but over 850 million people still face chronic hunger every day.	Address the needs of those with too little food – and too much.
4 Resources	60% of ecosystem services, such as fresh water and climate regulation, are being degraded or used unsustainably.	Enable development that uses the earth's resources in a sustainable way.
5 Environmental	The loss of biodiversity, droughts, and the destruction of coral reefs are just some of the challenges facing the globe.	Create markets that protect and enhance the environment.
6 Health	Some 39.5 million people live with HIV/AIDS in the world, now the fourth largest killer disease.	Create markets that encourage healthy lifestyles and enable equal access to healthcare.
7 Gender	Two-thirds of the world's 1 billion illiterate people are women.	Enable and empower women to participate equally and fairly in society and the economy.
8 Educational	About 100 million children within emerging economies are not enrolled in primary education.	Provide the mechanisms to transfer and share knowledge and learning that empowers all levels of societies.
9 Digital	Internet users worldwide topped 1.1 billion in 2007, but only 4% of Africans and 11% of Asians have internet access.	Develop inclusive technology that enables all levels of society to tackle each of these divides more effectively.
10 Security	Between 1994 and 2003, the majority of the 13 million deaths caused by intra-state conflict took place in sub-Saharan Africa and western and southern Asia – regions that are home to 75% of the world's 37 million refugees and displaced people.	Work to promote security and reduce conflict based on inequity and exclusion.

Gates called on corporations to “dedicate a percentage of their top innovators’ time to issues that could help people left out of the global economy. This kind of contribution is even more powerful than giving cash or offering employees time off to volunteer.” This area, in short, is where the best social intrapreneurs are focusing their efforts. But Gates could have been more forceful in also showing the potential benefits to business of addressing such challenges. The business case for involvement is clear. Social intrapreneurs can expose their colleagues – and senior leadership – to a series of lessons on new market risks and opportunities, as well as providing insight to the likely business models and leadership styles of the future.

As Sir Nicholas Stern’s review of the economic consequences of climate change put it, we now see the broad outlines of the biggest market failure in our collective history.¹³ But, as he and others have identified, our great social and environmental challenges also represent huge potential market opportunities, if tackled in the right way. Social intrapreneurs exist and thrive in this zone, seeking to understand profound risk in order to transform it into substantial new market opportunity. Their particular creative approach to problem-solving is symptomatic and indicative of a wider process of ‘reperceiving’ the challenges that face society.

Michael Porter and Mark Kramer sum up these new opportunities in their landmark *Harvard Business Review* article on the links between competitive advantage and corporate social responsibility (CSR). They conclude that CSR offers “many of the greatest opportunities for companies to benefit society.”¹⁴ Further, “if . . . corporations were to analyze their prospects for social responsibility using the same frameworks that guide their core choices, they would discover that CSR can be much more than a cost, a constraint, or a charitable deed – it can be a source of opportunity, innovation, and competitive advantage.”

In addition to business leaders switching on to the opportunity spaces that exist, corporate structures and management approaches are shifting and, in the process, opening up more space for creativity and entrepreneurship. While there is certainly much progress to be made, many companies are moving away from hierarchical, siloed management to more matrixed, networked approaches of working. There is growing interest in how to provide employees with the space and time to experiment and innovate.

“The outlines of the 21st century management model are already clear,” argues Gary Hamel.¹⁵ “Decision making will be more peer-based; the tools of creativity will be widely distributed in organizations. Ideas will compete on an equal footing. Strategies will be built from the bottom up. Power will be a function of competence rather than of position.” The work of leading social intrapreneurs plays nicely in this space.

“Why not welcome this productive tension?
Thinking with societal challenges in mind
is a great catalyst for innovation.”
Dan Vermeer
Coca-Cola

Driver 3

The individual

Finally, our respondents stressed the growing importance of the values and ambitions of individuals in all of this, themselves included. Most intrapreneurs, when asked about what motivates them, talk about necessity. Once they realized the power they had to make change through business, they saw no other way, but their current path. These intrapreneurs signal two broader trends. First, that greater numbers of people – young leaders in particular – view companies and individuals as ever more integral to solving societal challenges. And, second, that individuals are increasingly looking to align their personal values with their careers.

As much of the world economy moves into a recessionary environment, there is a growing risk that current business responses to these great societal challenges will be squeezed – and in some cases stalled. But the longer term trajectories and dynamics are likely to reflect the extent to which future leaders understand the issues and how they decide to respond. An interesting litmus test of the thinking and concerns of young global leaders is provided by a recent survey of 665 Young Global Leaders (YGLs)¹⁶ published by the World Economic Forum at its 2008 annual meeting, entitled *Future Mapping for the Global Agenda*.

The survey forecasts key dimensions of the world in 2030 by mapping significant trends, early signals and interrelationships and assessing the likely influences on global, regional and industry agendas. The findings broadly indicate a set of challenges that will demand long-term and globally coordinated responses of a type that the world's current political and economic frameworks do not support.

Strikingly, 86% of YGLs see multinational corporations and individuals gaining power and influence as the nation-state wanes. In terms of responsibility and power to act, 69% of YGLs believe the role of nation-states will decline, although they will still remain the most influential actors addressing such challenges. (China is expected to be the leading nation-state (88%), followed by the US, India and Russia, while Germany, France and the United Kingdom are expected to lose power.) Asked to name the most pressing issues in 2030, 59% of YGL respondents see global warming as the key challenge, followed by depletion of resources (37%) and asymmetric warfare (27%).

At the core of all this, there appears to be a shift in personal motivations. While intrinsic values aren't likely to have changed dramatically over the generations, the willingness to trade-off values for career seems to be on a path to extinction. Perhaps this is because the scale of global challenges are more transparent than ever before, along with the apparent failure of existing institutions to provide solutions in spite of a multitude of promises and commitments.

Richard Florida has made popular the notion of the 'Creative Class,' a segment of the workforce whose main job is to think and create innovative solutions to problems. He notes that creativity is becoming more valued in today's global society and that ability to channel self-expression is also a key element of job satisfaction and retention.¹⁷ Similarly, Don Tapscott and Anthony Williams in *Wikinomics* talk about the 'Net Generation' – those born between 1977 and 1996 – who "have a very strong sense of the common good and of collective social and civic responsibility."¹⁸ Related to this is an increase in the number of formal training programs, such as MBAs, now focused on social entrepreneurship and sustainability.

“I wanted to keep one foot in the company –
and one foot in society.”

Santiago Gowland
Unilever

Specimen

Henry Gonzalez

Species

Social intrapreneur

Niche

Microfinance

Institutions Group

Habitat

Morgan Stanley, New York

Eureka moment

Sharing my interest in writing my MBA dissertation on microfinance and capital markets with Morgan Stanley's vice-chairman while doing a summer internship in London.

She immediately connected me with the right managing director who supported my initial research interest and took it forward to build Morgan Stanley's Microfinance Institutions Group. "Never keep an idea to yourself, share it and you will see how quickly it catalyzes to become bigger and better."

Personal

Costa Rican, Skoll Fellow at Oxford, legislative advisor and chief of staff to Minister of Agriculture; worked at the World Bank, UNDP and the Global Exchange on Social Investment.

Challenge

Developing a systematic approach to social change and, more specifically, bringing microfinance offerings into the heart of a major financial institution.

Opportunity

New revenue stream, double bottom line, strengthening of client relationships, talent retention.

Ambition

To continue to expand the breadth of microfinance, using capital markets as a means to social change.

Motto

Change from within happens!

Determined

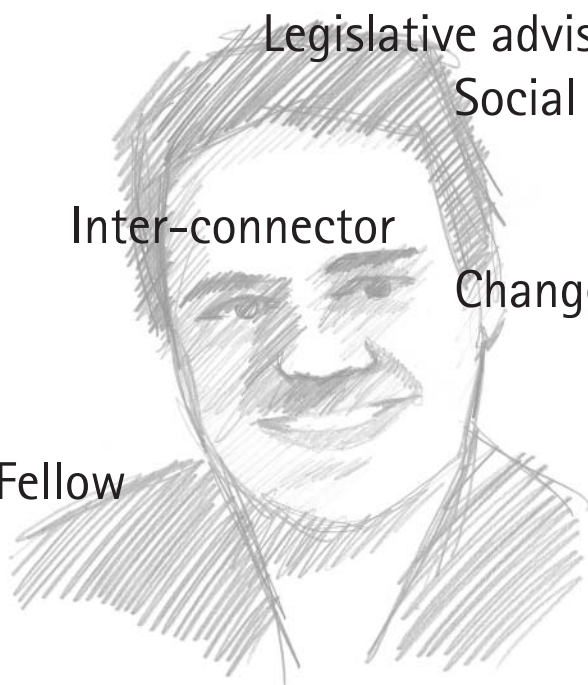
Legislative advisor

Social intrapreneur

Inter-connector

Changemaker

Skoll Fellow

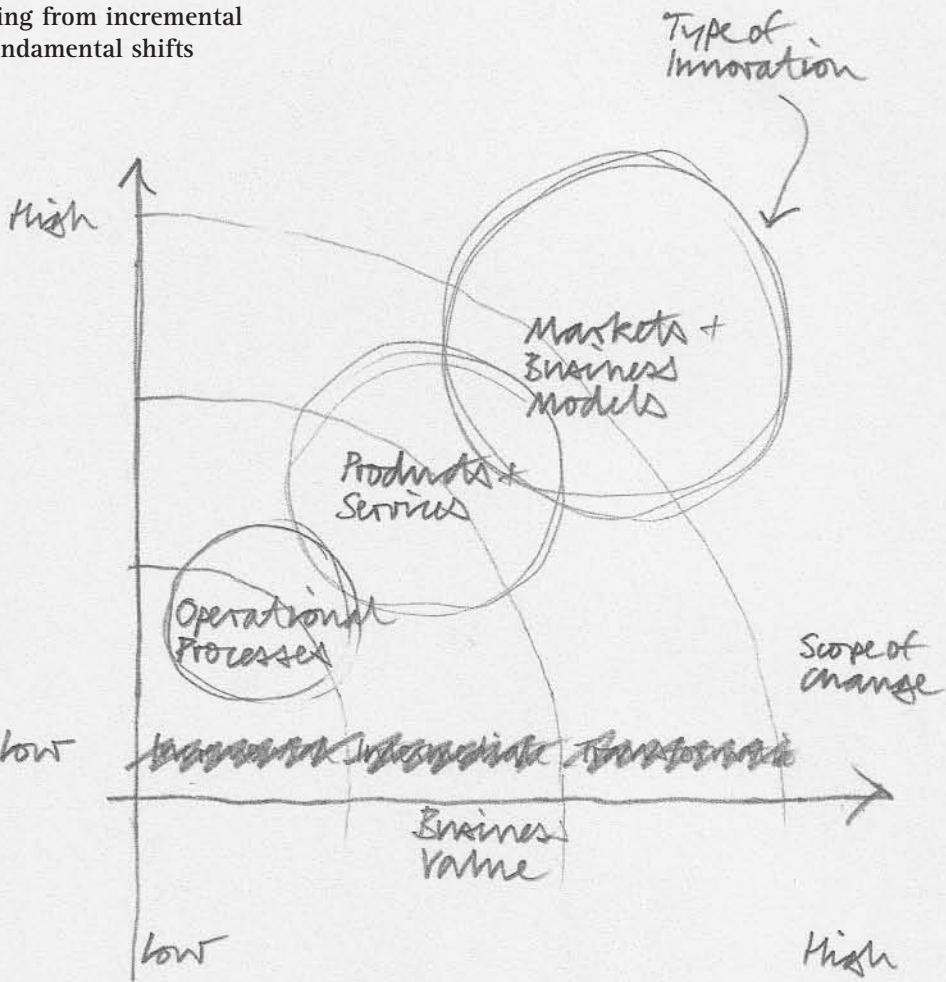


Chapter 4

The Field Guide

How to find your way through the landscape of social intrapreneurship

Figure 4.1
Moving from incremental to fundamental shifts



Enter a new territory with an appetite to learn about the various species found there and it helps to have a field guide prepared by those who went before. What follows is an early attempt to map and describe the world of social intrapreneurs – and to plot some of their diverse forms. In the process, we investigate a number of case studies, which illustrate the nature and potential of this emerging field.

But, first, how do we track down and identify social intrapreneurs? Ask any venture capitalist how to spot entrepreneurs and they’ll likely tell you: “You know them when you see them.” The same could be said of social entrepreneurs and intrapreneurs.

But, as indicated earlier, social intrapreneurs do possess a unique skill-set and are pursuing new ways of doing business – in a manner that manages to leverage the power of communities and corporations simultaneously.

In simple terms, intrapreneurship involves the exercise of entrepreneurial skills and approaches within a company or other large organization. And the key differences between intrapreneurs and entrepreneurs? There are a fair number, but one of the most important is that – unlike individual entrepreneurs – intrapreneurs potentially leverage the resources of their large host organizations. Figure 4.2 provides a provisional checklist for spotting social intrapreneurs.¹⁹

Figure 4.2

Spot the social intrapreneur

	Entrepreneur	Intrapreneur
1 Shrug off constraints of ideology or discipline	✓	✓
2 Identify and apply practical solutions to social or environmental problems	✓	✓
3 Innovate by finding a new product, service or approach to a social challenge	✓	✓
4 Focus – first and foremost – on societal value creation	✓	✓
5 Successfully navigate corporate culture, strategy and process		✓
6 Communicate social entrepreneurship in compelling business terms		✓
7 Build and inspire teams across a multiplicity of corporate divisions		✓
8 Jump in before they are fully resourced	✓	✓
9 Have a dogged determination that pushes them to take risks	✓	✓
10 Combine their passion for change with measurement and monitoring of impact	✓	✓
11 Have a healthy impatience – they don’t like bureaucracy	✓	✓
12 Run their organizations		✓

Is social intrapreneurship new?

The concept of intrapreneurship goes through cycles of discovery, retreat and rediscovery. The current cycle goes back at least 30 years to 1978, when Gifford and Elizabeth Pinchot wrote up their thoughts about the “intra-corporate entrepreneur” while attending the School for Entrepreneurs in New York.²⁰ The momentum began to build with a 1982 article in *The Economist*, in which Norman Macrae credited Gifford Pinchot for coining the word ‘intrapreneur.’

A few years later, in 1985, the book *Intrapreneuring*²¹ was published and in 1992 the word went into the *American Heritage Dictionary*. Over time, inevitably, the term has been mutated as new concerns and priorities have shaped the business agenda, with growing interest over the past decade in areas like ‘ecopreneuring’ and social intrapreneurship.²²

So the concept has been around for a while. Indeed, a number of the social intrapreneurs we interviewed stressed that their organizations had been founded by entrepreneurs who came to the task with social objectives from the outset – emphasizing that, as a result, their own intrapreneurial work is very much aligned with the company’s founding culture.

Henry Ford, for example, was not only a prolific innovator in technical terms, but also in the social domain. His 1914 \$5 per week pay offer to his workers nearly doubled what people were paid in other auto factories at the time. He believed that his company would benefit in a number of ways. First, better paid workers would be happier (and faster) on the job. Second, the pay increase would ease the pressure on the household. And, third, the workers were more likely to stay with the Ford Motor Company, leading to less downtime for training new workers. Another example is Citi’s history of focusing on the underserved middle classes, with its evolving base-of-the-pyramid strategy seen as a continuation of that vision.

That said, it is clear that many intrapreneurial solutions are qualitatively different from much of what is currently done under the headings of corporate citizenship or corporate social responsibility. And because they are more ambitious, they can be substantially harder to pitch and sell to decision-makers. We explore specific case studies later on in this chapter.

Specimen
Santiago Gowland

Species
Social intrapreneur

Niche
Vice-President Unilever
Brand and Global Corporate
Responsibility

Habitat
Unilever, London

Eureka moment
Life is too short.
Let's make it worthwhile.

Personal
Law and Political Sciences
degree in Argentina;
MBA, Thunderbird, Arizona,
USA; worked in investment
banking in New York;
engaged in social projects
in Argentina; joined
Unilever in 1999.

Challenge
To integrate social,
economic and environmental
considerations at the core of
business processes to ensure
business becomes a true
force for good in the 21st
Century. More specifically,
leveraging the power of
brands to engage consumers
in a new conversation
around citizenship.

Opportunity
Fuelling innovation,
building trust, enhancing
brand equity.

Ambition
Strive to make my small
contribution to make the
world more equal, fairer
and more sustainable.

Motto
The intelligence of the
collective is always higher
than that of any individual.

Yuppie

Hippie

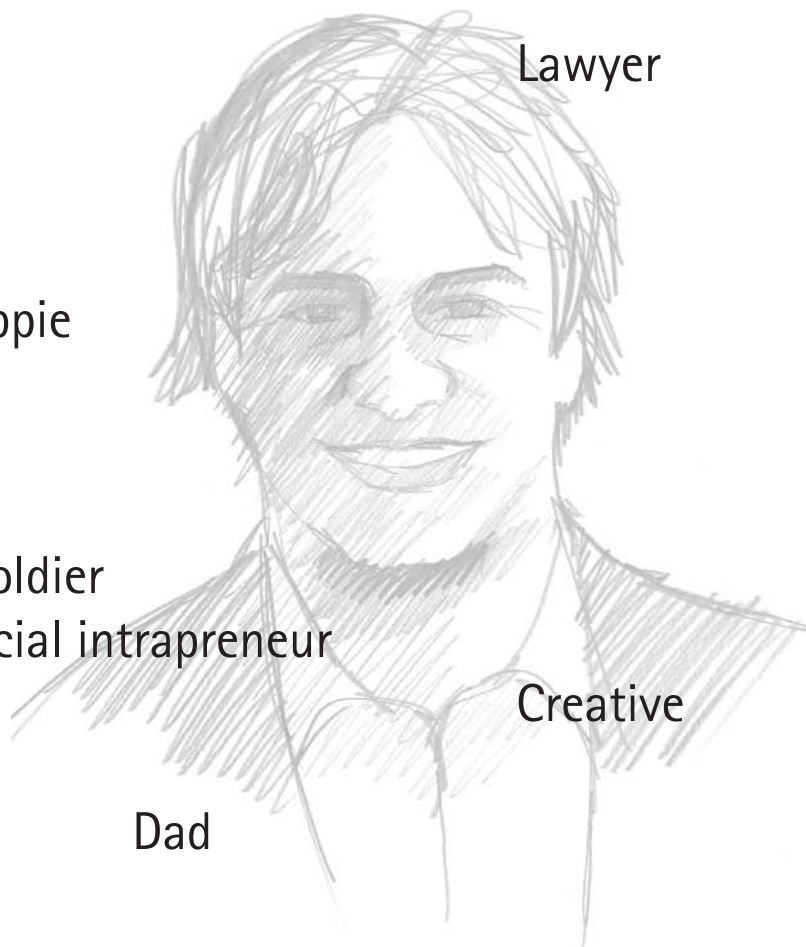
Corporate soldier

Social intrapreneur

Dad

Lawyer

Creative



How do social intrapreneurs operate?

In our conversations with intrapreneurs, four distinct and yet intersecting attributes surfaced. Typically intrapreneurs operate at the interface between the world of societal values and the market processes of value creation, between tactical day-to-day tasks and the more strategic role of helping their organizations to mutate and evolve towards more sustainable ways of doing business.

Many of the intrapreneurs spontaneously likened various aspects of their role to wildlife, and more than one perceived themselves as some sort of hybrid creature, for instance, part nimble-acoustic-dolphin and part plodding-persevering-trusty-donkey! Reflecting on the various roles that intrapreneurs play, we propose a basic, playful taxonomy (Figure 4.3) of the attributes they tend to demonstrate, as follows.

The taxonomy identifies two fundamentally tactical roles (*Donkey* and *Wolf*) and two strategic roles (*Giraffe* and *Beaver*). All of the intrapreneurs we spoke to played each of those roles at some point in their working lives, although their positioning on the two axes varied considerably. The key point is that successful intrapreneurship depends on an ability to move seamlessly and in a timely fashion between these different roles, while emphasizing at different points societal values and corporate value.

Donkey

It is in the very nature of business that there are loads to be borne – and many of the intrapreneurs reported carrying out some pretty basic tasks as part of their work. “Ultimately, you have to be able to keep plodding along with your eyes firmly on the path in front,” as Kerry Schrank of BP put it. Key elements of success include stamina and dogged determination.

Wolf

Several intrapreneurs described their role as that of a ‘lone wolf,’ at least at times. But being the lone voice, responding to issues as they arise, is a crucial role for intrapreneurs if they are to champion unpopular – or at least not-yet-popular – causes.

Key elements of success include the courage to speak out from the crowd and the ability to link up with others of their breed to hunt and deliver targets that would otherwise be beyond them. Just as wolves keep populations healthy by their predation, so a wolfish attitude is essential in order to know when weak business ideas should be killed off in order to pursue another.

Giraffe

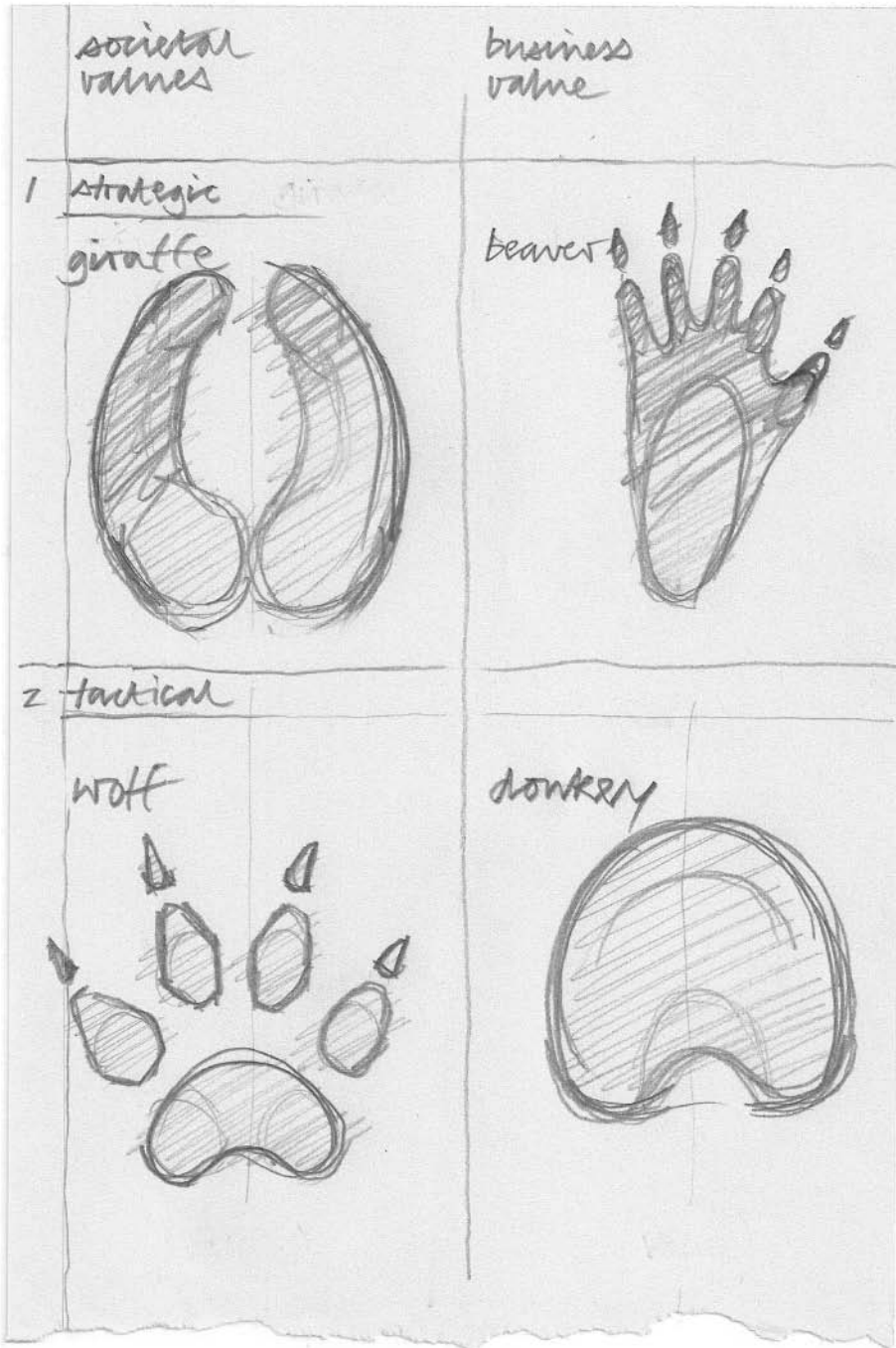
Win Sakdinan of Procter & Gamble describes his role as akin to a giraffe, with “my head in the clouds to inspire sustainable innovation, but with my feet firmly planted on the ground, alongside the elephants.” Key attributes are the ability to see further than others, and so to provide an early alert to emerging threats and opportunities. Giraffes can, of course, also reach opportunities that others cannot quite stretch to. A key element of success includes the ability to keep an eye on the wide landscape and to distinguish major trends from routine incidents.

Beaver

Intrapreneurs have the potential to profoundly reshape their landscapes and to create whole cascades of new opportunity for those around them – and this is what prompted the image of a beaver. Key elements of success include many of those already mentioned – perseverance in implementing small steps to achieve a clear intent and vision – but in addition the beaver brings its ability to engineer new dams and channels of value and to bend the resources of the wider ecosystem to the task at hand, and so transform the landscape.

So social intrapreneurs are often fleet and sturdy of foot, and flexible and focused of mind – they can think in and out of many different contexts without losing sight of purpose and reality. They can code-switch, understanding the logic of a local community one moment and then business logic the next, without losing sight of trends and realities. For many such intrapreneurs, the challenge of aligning different contexts is not only a matter of conviction, but a necessity when confronted with different world views, paradigms and thought-cultures.

Figure 4.3
A taxonomy of social intrapreneurship



“Through Patrimonio Hoy, CEMEX was no longer in the cement business . . . they were in the construction services business.”

Luis Sota
VISION

What are they working on?

In the big picture, social intrapreneurs are pursuing what some might call the grail of sustainability: a better alignment between societal needs and business value. They see the potential for corporations not only to minimize the problems they can cause as they create traditional forms of value, but also to create new forms of value by helping meet societal challenges.

Renowned architect and the author of *Cradle to Cradle*,²³ William McDonough often speaks of how companies should do “more good” rather than “less bad.” What he means by this is that a true path toward sustainability requires companies to consider how their activities can generate positive benefits across the board, from environmental protection to human rights. Current strategies that focus only on risk management or eco-efficiency simply aren’t sufficient to the task.

Consider the example of Ford Motor Company. Since the 1990s, Ford has conducted a variety of sustainability activities, many of them focused on improving the efficiency of their manufacturing operations. But, if we consider these efforts from a societal context, Ford is still having an increasingly negative impact on the environment. Its core business model is the manufacturing of vehicles, whose environmental impact occurs almost entirely during the use phase of the product (through the burning of fossil fuels).

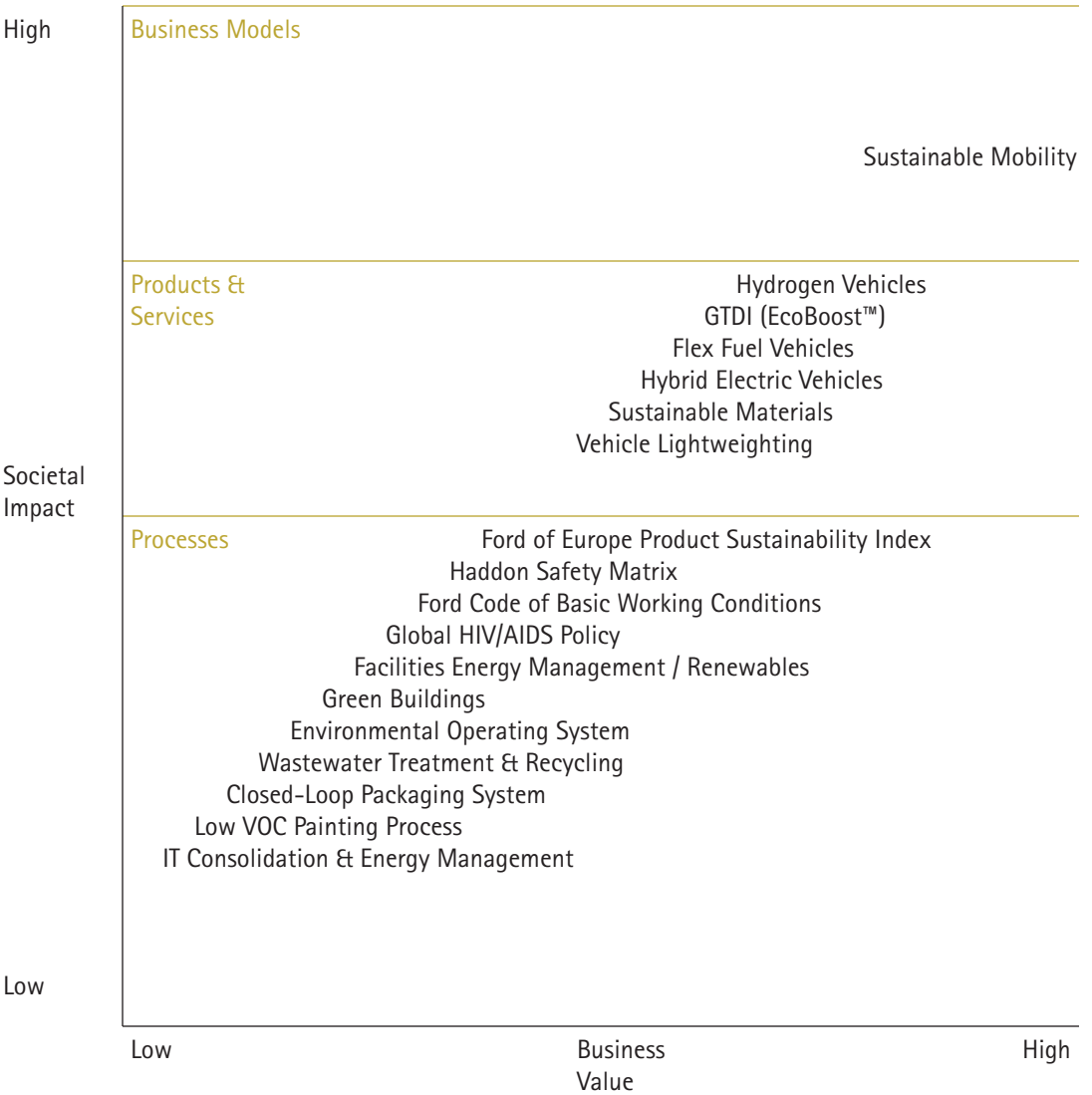
As populations swell, and Ford expands to meet rising demand, no matter how efficient Ford’s production process is, society is inherently worse off. If, instead, Ford considers how it can serve transportation needs of communities in the most sustainable manner, we begin to see how expanding its reach to more customers can actually have a positive societal impact by getting consumers out of their cars, to a greater or lesser degree. Figure 4.4 charts Ford’s sustainability initiatives, designed to address business and societal value simultaneously.

“You need to continually revisit what you assumed at your outset, working in and out of new contexts, markets and experiences. We recreate ourselves all the time.”

Bob Annibale

Citi

Figure 4.4
Fording the river of opportunity



The above diagram plots a selection of sustainability initiatives at Ford. These range from internally focused projects like energy management, through to activities with the potential to transform the economic landscape, including work on sustainable mobility and hydrogen and other alternate-fuel vehicles.

This mapping is purely indicative and serves to illustrate the spectrum of corporate sustainability opportunities. While the fundamental shift is where we hope companies will aim, it is clear from our interviews, that successes in incremental sustainability initiatives provide a critical foundation for changing corporate mindsets.

Another way of looking at this spectrum of innovation is to recall the thinking of Clayton Christensen. Well over a decade ago, he and his colleagues spotlighted two different forms of innovation, *sustaining* and *disruptive*.²⁴ “Sustaining technologies . . . improve the performance of established products along the dimensions of performance that mainstream customers in major markets have historically valued.”

By contrast, “disruptive innovations don’t, by traditional measures, meet existing customers’ needs as well as currently available products or services. They may lack certain features or capabilities of the established goods. However, they are typically simpler, more convenient and less expensive, so they appeal to new or less-demanding customers.”²⁵ They cite examples such as the PC vs. mainframe computer, mobile vs. wireline telephony and nurse practitioners vs. medical doctors.

Christensen and Stuart Hart point out that disruptive innovations are suitable for developing markets – because “they offer a product or service to people who would otherwise be left out entirely or poorly served by existing products.”²⁶ They also talk about a subset of disruptive innovations – *catalytic* innovations – where social change is the primary objective.

Interestingly, and not surprisingly, many of our intrapreneurs are pursuing disruptive paths that, while focused on emerging or new markets, have potential implications for the mainstream. Consider the following examples:

- Vodafone’s mobile payment service, which breaks down barriers to payment for customers without bank accounts, could potentially translate to mainstream markets as consumers increasingly use mobile phones for financial transactions.
- Citi’s biometric ATMs, which enable developing country customers to access Citi’s services using fingerprints, has leapfrogged technology in developed markets.
- Ford’s Megacity Mobility Initiative, which focuses on transportation solutions that minimize per capita car use, could potentially help more developed countries with traffic and pollution solutions.

This applicability to the mainstream also creates the ‘innovators’ dilemma’ – how to ensure that this disruptive innovation “is taken seriously within the company without putting at risk the needs of present customers who provide profit and growth.”²⁷ We return to this dilemma in Chapter 6.

“The CEO never imposed sustainability as a mandate . . . but he did set a vision and helped establish a common language: ‘Better bank for better market for better society.’”

Maria Luiza (Malu) Pinto
Banco Real

Specimen
Susie Lonie

Species
Social intrapreneur

Niche
Product Lead,
Mobile Payments

Habitat
Vodafone Group, UK

Eureka moment
Just getting phones into people's hands and having them test out the product really brought the value of what we were doing home.

Personal
Broad-based experience in nuclear engineering, consumer marketing and product innovation in Africa has set me up to tackle whatever challenges come my way, undaunted by little details like having little sense of what I'm getting myself into.

Challenge
Overturning long-established assumptions. More specifically, launching a completely new type of financial service in Kenya.

Opportunity
Extending core capabilities into new areas; new revenue stream.

Ambition
To create a worldwide financial service based on the needs and resources of the citizens of developing markets.

Motto
Do your research, lay your plans, then get on with it!

Shoe-lover

Bookworm

Jack-of-all-trades

Extrovert

Nuclear engineer

Adventurer

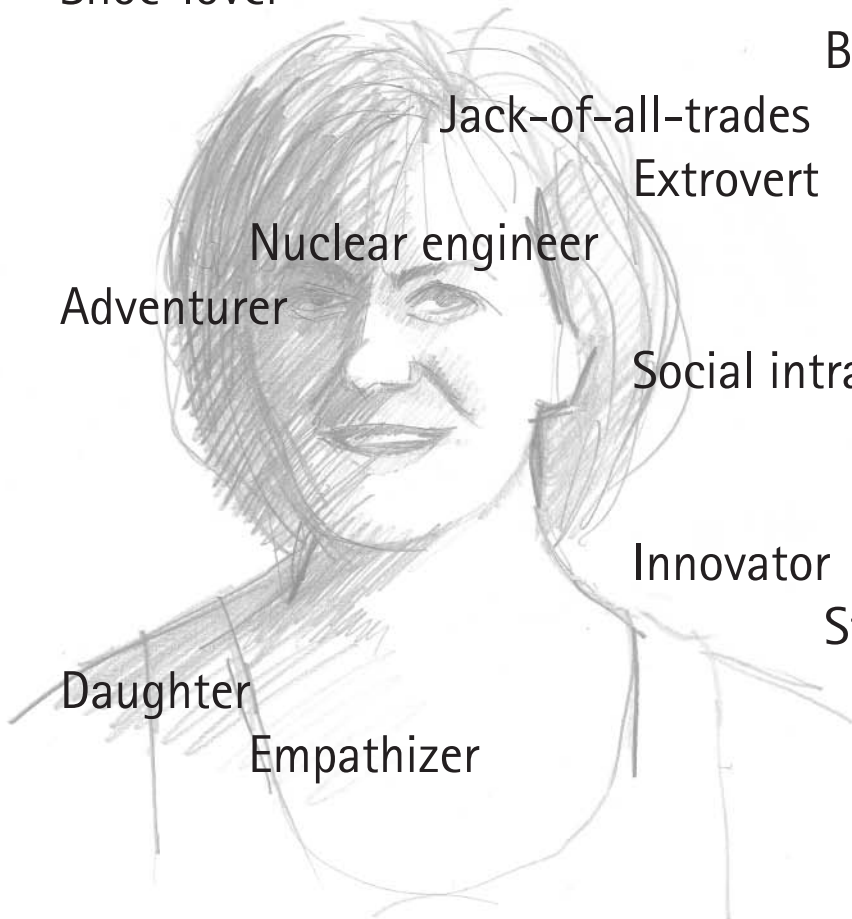
Social intrapreneur

Innovator

Storyteller

Daughter

Empathizer



Specimen
Sam McCracken

Species
Social intrapreneur

Niche
Native American Business

Habitat
Nike, Oregon

Eureka moment
When I can pick up the phone and hear a voice-mail from someone in the community, telling me that their community is changed because of a Nike product.

Challenge
Developing the Nike Air Native N7 shoe to promote physical fitness.

Opportunity
New revenue stream, reputational branding, competitive advantage, innovative approach to product design.

Motto
Have a vision, never give up, and never forget where you came from.

Basketball coach

Native American
Social intrapreneur

Loving husband

Manager
Change agent

Community advocate



Four specimen cases

So, to what extent – and how – are social intrapreneurs pursuing new business models? First, it's crucial to recognize that most successful intrapreneurs begin by evaluating their sphere of influence on society from a lifecycle standpoint and then consider how they can leverage their core competencies to do 'more good.' Often business model transformation emerges as essential, given that incremental improvements to the existing model are unlikely to address the relevant challenges at an appropriate scale and pace.

In our triple distilled case studies, we hone in on the journeys that four social intrapreneurs have taken to make their ideas reality. We examine the ways in which they have opened out new niches in the corporate habitat. We look at the key drivers and where the relevant ventures sit with respect to the core business. And we spotlight some of the potential contributions being made at the interface between business value and wider forms of societal value.

We selected these specimen cases because they are at different stages of development and because they help to illustrate the diverse approaches an intrapreneur can take to develop a new niche. For example, Hindustan Unilever's Shakti initiative is being run out of its core business; Coca-Cola's Water Stewardship Initiative is blurring the boundaries – firmly connected to core strategy, while pioneering value-sharing solutions outside its four walls; Patrimonio Hoy began as an external niche offering that later became its own business segment; while Microsoft sees Unlimited Potential as the future target area for business. Another way of looking at these four cases is to note that Specimen 1 focuses on today's risk, Specimens 2 and 3 on today's opportunities and Specimen 4 on tomorrow's opportunities.

Specimen 1

Coca-Cola's Global Water Initiative

Providing access to clean, affordable and sustainably produced water looks like one of the great challenges of the twenty-first century. Here's how one company is responding.

Collector's note

Interview 15 January 2008. The focus here is on risk assessment – based on an innovative assessment method.

Specimen

Dan Vermeer's job title is Director, Sustainable Value Chain, at Coca-Cola, where he has worked for seven years. Prior to coming to Coca-Cola, Vermeer lived for several years in Nepal and India conducting anthropological research. He also has worked in Silicon Valley, and has a Ph.D. in Learning Sciences. When it comes to developing shared solutions to water sustainability challenges, his approach is inclusive, working with a broad range of internal and external stakeholders to "develop innovative local approaches and then scale up those that work across Coca-Cola's global system."

Habitat

Founded in 1892, Coca-Cola launched its Global Water Initiative in 2004, which aims to make the company 'water-neutral' within its manufacturing and bottling operations.

Significance

Water scarcity poses significant risks to a company whose single biggest input is water. Following pressures in countries like India, Coca-Cola recognized how trends in water supply and use could pose financial, operational and reputational risks.

“Approaching water meant addressing systemic challenges that had the potential to drive transformative change,” explains Vermeer. “We aspired to understand these issues deeply, and used this understanding and the power of Coke’s global system to develop scalable water management solutions that would benefit the company and deliver value for local communities and other stakeholders.”

Ecosystem pressures

The project began as an investigation into the state of global freshwater resources. “We first examined water trends and long-term strategic issues,” Vermeer recalls. “We recognized that Coke had a major stake in the future of water resources, but many of our risks and many of our opportunities were outside our four walls.”

Symbioses

Established partnerships with a number of external organizations, including the United Nations Development Programme (UNDP), United States Agency for International Development (USAID), CARE, World Wildlife Fund, and many others.

Challenges

Three primary challenges:

- 1 Corporate Buy-In**
How would the initiative embed the issue of water scarcity into strategic decision-making at all levels of the organization?
- 2 Boundaries**
How could Vermeer and his team get the company to embrace the opportunity to work outside the four walls of its plants to address supply-side water challenges?
- 3 Global and Local**
How to develop a global approach that meets the unique challenges of local communities?

The solutions to these challenges were a combination of risk management and value creation approaches.

Coca-Cola first conducted an in-depth survey (300 questions!) of each of their plants in 20 regions and used the results to develop an innovative risk-assessment framework. (Note: the high response rate – nearly 92% – was driven by top management endorsement, but also ensured that Vermeer had a group of stakeholders highly interested in the results and ultimate project outcomes.) Thorough data analysis uncovered six primary categories of risk for which monetary values were assigned. These values were built into a scenario planning tool that could be used by strategic planners at all levels of the company to drive investment decisions.

Coca-Cola then developed local water stewardship initiatives engaging communities across its regions of operation. These were based on an assessment of local water dynamics and ranged from addressing water access and water contamination to watershed protection and post-disaster water system rehabilitation.

The company has taken a holistic approach to developing its strategy – inviting to the table friends and critics from a variety of sectors to explore opportunities for improving sustainability practices across its entire value chain.

Focus

Managing reputational, regulatory and operational risk; strengthening supply-chain relationships; embedding sustainability into core business practices; rigorous quantitative assessment of environmental and other sustainability issues; integrating sustainability across the value chain.

Lessons learned

Tackling water scarcity isn’t only about internal operational issues, such as water efficiency, wastewater treatment and new technologies. A sustainable water strategy requires real collaboration and engagement around water challenges with NGOs, governments and community members. While it is critical to have a global strategic approach, water is inherently local, and requires local solutions with other local actors.

Specimen 2

CEMEX's 'Patrimonio Hoy'

Base-of-the-pyramid markets offer an opportunity to align social and business value. The business case is increasingly clear – first mover advantage in a new market, new growth area and increased brand loyalty. The positive social impacts tend to be fuzzier, however. Here we examine a venture that pioneered a hybrid business model using an ethnographic approach to product development.

Collector's note

Interview 7 February 2008. The focus is on an innovative approach to product development.

Specimen

Luis Sota is CEO of VISION South America. He is Chilean, but left Chile with his family in 1974, shortly after the coup. He later developed a career as a consultant, built around a principle that “companies are networks of conversation.” He acted as a full-time consultant on CEMEX's Patrimonio Hoy (Patrimony Today) project.

Habitat

Founded in 1906, CEMEX launched Patrimonio Hoy in December 1999. Patrimonio Hoy offers do-it-yourself construction services to low-income households.

Significance

The CEMEX team noted that building physical assets in the shape of a well-built house was of central concern to many lower-income families. But financing, construction services, and building materials were difficult to come by. The concerns of these families couldn't be answered by a product. As a result, CEMEX developed a more robust offering. In addition to its core construction products, CEMEX developed offerings ranging from microfinance to architectural and technical advice. As Sota says, “We're not just selling cement. We're delivering patrimony [wealth] accumulation and construction services.”

Ecosystem pressures

The recent entry of competitors into the market had begun to erode CEMEX's share. This new business segment, made up of low-income homebuilders, provided CEMEX both with stable growth through economic crises in Mexico and was CEMEX's most profitable segment, representing 35% of the total market for cement in Mexico.

Symbioses

CEMEX partnered with VISION, a strategy and operations consultancy. The initial instincts of the executives were to bring its existing product – cement – to a new customer base. It was only after a team of managers spent time living in low-income neighborhoods in Guadalajara, Mexico, that they began to understand the needs and concerns of this new customer base. As a result, they developed a model that was built around a value proposition adapted to local needs.

Challenges

Since launching Patrimonio Hoy the company has been successful in scaling its initiative in Mexico and has nearly met its goal of enabling home ownership among over 800,000 families in Mexico. The next challenge will be to adapt the model to new country contexts where informal savings mechanisms (a critical success factor in the Mexican business model) may be strikingly different – or may not exist. Customer retention also has proven difficult as the novelty of the venture is wearing off and customers may choose to spend money elsewhere.

Focus

Employee engagement; reputation and branding; and profitable new business segment.

Lessons learned

“It was all about trust,” remarked Sota. “When you can have a beer with your customers, and really listen to their concerns, then you become aware of real opportunities to become a partner to their concerns.”

Specimen 3

Hindustan Unilever's Shakti Program

Our second base-of-the-pyramid case study moves the spotlight from Mexico to India – and from the cement industry to the retail sector.

Collector's note

Interview 21 February 2008. The focus here is on income-generating opportunities for rural populations.

Specimen

Vijay Sharma's job title is Business Head, Shakti. Sharma has an engineering background and worked in sales and marketing for ten years. He has been working to scale up the Shakti program for the past two and a half years. For Sharma the experience of managing the Shakti program has been transformative: "I used to have a very myopic view of business. Now I see the importance of looking at the environment that business operates in – generating solutions that integrate business and communities. For me personally, it's intellectually exciting and emotionally gratifying."

Habitat

Hindustan Unilever launched Shakti in 2001. Shakti aims to train and finance female entrepreneurs in India.

Significance

Hindustan Unilever realized that investing in income-creation was critical to expanding its reach and increasing sales. The barriers on rural development are "barriers that strip people of dignity, and strip business of opportunity," says Sharma.

Ecosystem pressures

Hindustan Unilever sought to increase its market share in rural villages with smaller populations, but discovered that no retail distribution network really existed and infrastructure for transport was poor. Responding to these challenges, Shakti was created to provide women with training in selling, commercial knowledge and book-keeping. Women can then choose to set up their own businesses or become Shakti distributors. These women, in turn, become role models in their communities, catalysts for mobilizing rural development.

Symbioses

Shakti works closely with the rural development departments of India's state governments, as well as numerous NGOs. Shakti sits smack dab in the center of Hindustan Unilever's sales department, so there is complete integration of this initiative into the business. The project is also stimulating core brands to consider their sustainability impacts – through procurement practices, etc.

Challenges

Scale! Shakti plans to more than double the number of women entrepreneurs from 45,000 today to 100,000, which would cover 500,000 villages and 500 million people. But there are always outstanding challenges – are you training the right entrepreneurs? Are you entering into the right kind of partnerships?

Focus

Increased sales; development of future markets; employee satisfaction; 'relationship capital;' reputation and branding.

Lessons learned

As businesses look to integrate social ventures into their core business, Sharma urges others, "Don't lose the basic character of the business you'd like to integrate. You always need to proceed with extreme clarity about the goals and deliverables of your initiative. Don't try and force core business metrics that aren't applicable."

Specimen 4

Microsoft's Unlimited Potential

Finally, the focus switches to information technology that is available and affordable for low-income people in less developed countries – with an eye to building a long-term competitive strategy for the software giant.

Collector's note

Interview 25 January 2008. The focus here is on creating future conditions for competitiveness through transforming education, fostering local innovation and creating jobs and opportunities.

Specimen

Orlando Ayala, Senior Vice President, Unlimited Potential Group. Orlando was raised in Colombia and was the first in his family to graduate from high school and university.

Habitat

Founded in 1975, Microsoft launched Unlimited Potential in 2007, to promote technology that is accessible, affordable and relevant in lower income populations.

Significance

The 'digital divide' refers to the gap between those people with access to digital and informational technology and those excluded. The aim of Microsoft's Unlimited Potential is to forge a strategy for future competitiveness built around technological inclusion.

Ecosystem pressures

Facing additional competition and a recessionary landscape in its mainstream markets, Microsoft looked to emerging markets as a future growth area. However, many of its current products were not ready to serve emerging clients.

Symbioses

Microsoft has some 750,000 partners around the world, which offer potential for collaboration on this initiative.

Challenges

"The biggest challenges have to do with being aware of the infrastructure that can absorb technology. Technology does not generate development alone. You need sound government policies, enhanced workforce skills and infrastructure investments," Ayala noted. Another key challenge Microsoft faced was creating a line of sight. This wasn't about business in the next two years. It was about business in the next ten. Unlimited Potential's aim is to lay the foundations for future business. As Ayala commented, "The profit is not obvious right away, but it's important to have a presence in these markets."

Focus

Competitive advantage in a new market, powered by locally driven innovation outcomes.

Lessons learned

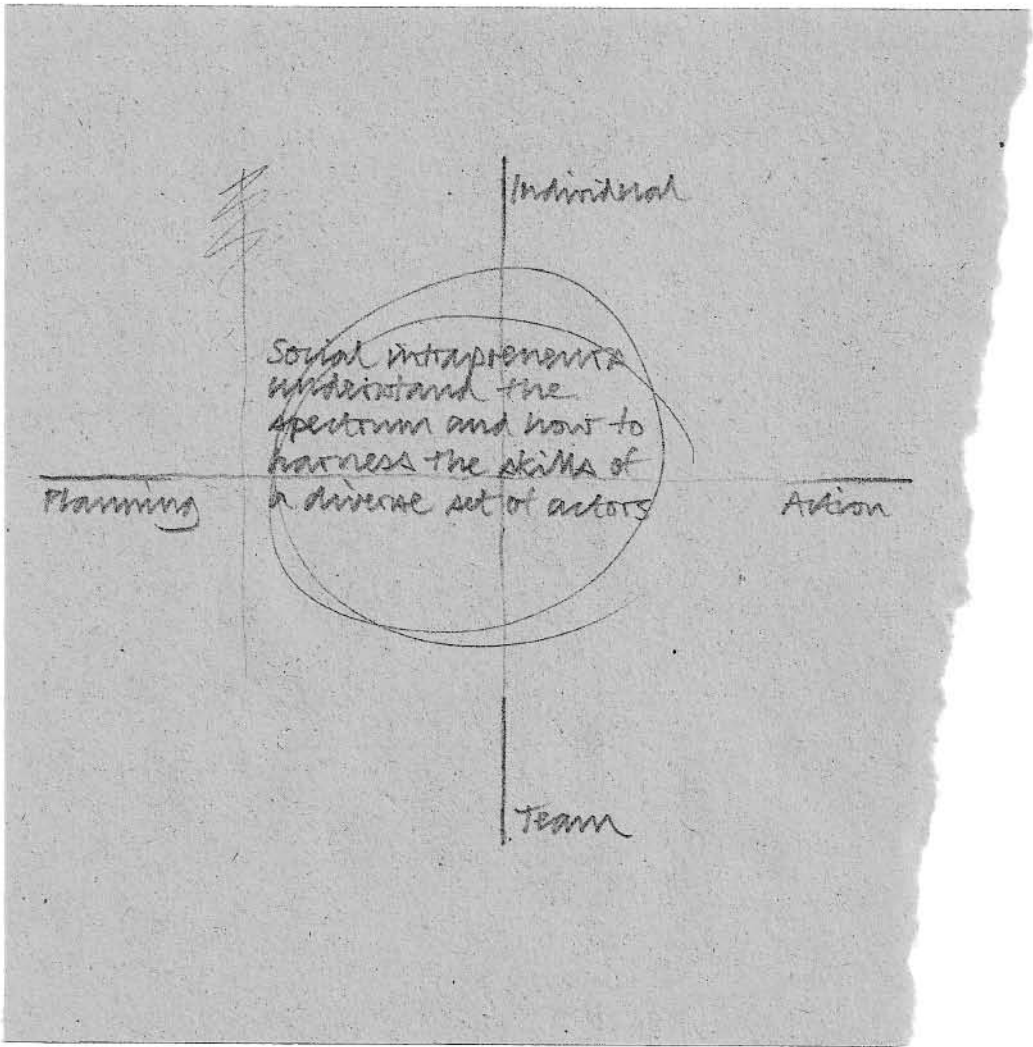
"It's important to create expectations that you can deliver on," Ayala commented. Working with partners has allowed Microsoft to be more realistic both about the context and expectations it sets for its initiatives. Ayala also noted that "you won't get anywhere unless your CEO has long-time horizons."

Chapter 5

Strategy of the Beaver

Successful intrapreneurs transform the landscape, internally and potentially externally, too

Figure 5.1
Working across multiple planes



If one characteristic jumps out from our sample of social intrapreneurs, it is that – while they see part of their role as warning their colleagues about impending challenges and clearing impediments to the progress of the business – their ambition is to change the landscape of thought and practice, both internally and (eventually) externally. “Social intrapreneurs create the prophecies that allow companies to make new business offerings. At the same time, they are re-envisioning the terms in which corporations engage society,” as Luis Sota put it.

But why pick the beaver as the symbol of this transformative part of the intrapreneurial agenda? The answer is that beavers are perhaps best known for their habit of building dams in rivers and streams, and then setting up homes, or lodges, in the resulting pond. Interestingly, too, they are also known for their danger signal: when startled or frightened, a swimming beaver rapidly dives, while energetically slapping the water with its tail. The resulting ‘slap’ is audible over large distances, both above and below water.

At the same time, their dam building can be beneficial for the wider ecosystem. For example, in restoring wetlands, with the incidental benefits including flood control downstream, biodiversity (by providing habitat for both rare and common species) and water cleansing, both by the breakdown of toxins such as pesticides and the retention of silt by beaver dams. Beaver dams also reduce erosion as well as decrease the turbidity that is a limiting factor for much aquatic life.²⁸

For all these reasons, we opted for the beaver as the icon of the social intrapreneurial movement. These people, at their best, are part of the wider processes of creative destruction and reconstruction. In their book *Creative Destruction*, Richard Foster and Sarah Kaplan cover the topic of mental models, attributing the collapse of large companies to the inability of executives to shift their models of thinking. A common weakness is that of ‘hubris’ – where a company comes to see itself as “more powerful than the collective forces of the market.”²⁹ Time and again, the intrapreneurs flagged the fundamental need to shift mental models inside their company – and in business more generally. The panel below is a sampling of the oft-heard responses from colleagues when intrapreneurs began to pitch their projects.

Figure 5.2
Torpedoing Beavers

When we asked social intrapreneurs what arguments were most often used by their colleagues to counter – and even sink – their proposals, they mentioned the following counter-arguments:

“This is a distraction.”
“We don’t have the budget.”
“Poor people have no money.”
“Consumers or customers won’t pay for it.”
“We’re not in that business.”
“We’ll cannibalize our existing business.”
“We’ll be seen to be greenwashing.”
“We aren’t sufficiently managing our own risks, so how can we possibly focus on opportunities?”

The habitat and challenge

When we asked the intrapreneurs what sort of animal they would see as best symbolizing the organizations they are trying to transform, there was a common refrain. Not surprisingly, perhaps, the answers tended to focus on large, slower-moving animals. “A big black bear,” said Ford’s David Berdish. “It moves slowly, but when it’s angry it strikes hard and will meet its objectives. Trouble is, it is in hibernation sometimes and can miss what’s happening!” Across at Unilever, Santiago Gowland opted for a fairly widely shared mental image. “An elephant,” he said. “Moving slowly, but consistently.”

Given how often the image of the elephant came up when the social intrapreneurs were describing their host companies or organizations, it is perhaps worth pursuing a little further. Elephants are intelligent and powerful, but often pretty ponderous, which is why they tend to feature in the titles of books like *Teaching the Elephant to Dance* by James Belasco, sub-titled ‘The Manager’s Guide to Empowering Change’³⁰ and *Who Says Elephants Can’t Dance?* by Lou Gerstner on his transformation of IBM.³¹ In his book, James Belasco argues that large incumbent businesses are often “shackled, like powerful elephants, to the past,” thereby robbing themselves “of the ingenuity required to meet new competitive challenges and escape the ‘re’ dimension trap (of re-engineering, re-organization and re-structuring) that concentrates on short-term fixes rather than long-term solutions.”

More recently, research like Rosabeth Moss Kanter’s *Transforming Giants*³² argues that change is afoot. Kanter writes: “large corporations have long been seen as lumbering, inflexible, bureaucratic – and clueless about global developments. But recently some multinationals seem to be transforming themselves: They’re engaging employees, moving quickly, and introducing innovations that show true connection with the world.”

The work reported involved Kanter and a research team venturing inside a dozen global giants, including IBM, Procter & Gamble, Omron, CEMEX, Cisco and Banco Real. Their goal was to discover what has been driving change. After conducting over 350 interviews on five continents, she and her colleagues came away with a strong sense that we are witnessing the dawn of a new model of corporate power.

The coordination of actions and decisions on the front lines, Kanter suggests, now appears to stem from widely shared values and a sturdy platform of common processes and technology, rather than top-down decrees. Interestingly, the values that engage the passions of far-flung workforces stress openness, inclusion, and making the world a better place. Through this shift in what might be called their guidance systems, Kanter argues, large companies are becoming as creative and nimble as much smaller ones, even while taking on social and environmental challenges of a scale that only substantial enterprises could attempt.

So, how are social intrapreneurs going about achieving change in such organizations? Successful species grow their niche, in some cases to the point where it becomes virtually the entire ecosystem. All the intrapreneurs we interviewed intend to grow their own niches, but most acknowledge significant challenges in doing so, and some even anticipate their efforts being spun out of the company altogether. “Most people still don’t get it,” explained one, while another worried that “it only takes one person in a powerful position to wipe out the whole thing.” When it came to the steps intrapreneurs take in developing and scaling their projects, we surfaced four (‘Getting It,’ ‘Selling It,’ ‘Doing It’ and ‘Scaling It’), though often they progress somewhat in parallel.

Getting It

This is the Aha! moment, the epiphany where the intrapreneur sees the opportunity to leverage his or her business to solve a particular problem. This may happen in an instant or, more likely, is the result of careful dedication to exploring the linkages between societal challenges – such as water scarcity or poverty – and the entire value chain of their business. The key, however, is about making a commitment to make change from within the business.

Accenture's Gib Bulloch, for example, spoke of his awakening as follows. "My crucible moment occurred on none other than the District Line of the London Underground. I came across an advert in *The Financial Times*. Voluntary Service Overseas (VSO) was looking for someone with strong business skills to volunteer on development projects in the Balkans." Within one week, Gib's context shifted from one of luxury hotels, posh London restaurants, and a high pressure business environment to living out of a suitcase, learning a new alphabet and singing Macedonian folks songs with his host family. Win Sakdinan of Procter & Gamble attributed his "moment of truth" to reading Al Gore's article in a green issue of *Vanity Fair*. This, he recalls, "Changed my life. Suddenly it clicked and I saw how you could mobilize business to address environmental challenges that are a win-win for everyone."

On the other hand, Nick Hughes of Vodafone noted that "There really wasn't an epiphany moment for me, but working at BP and seeing the effectiveness of the emissions trading mechanisms helped me to think more broadly about the ways commerce can be used to address sustainability." Other intrapreneurs agreed. Sue Mecklenburg of Starbucks reported that, "There wasn't one 'aha' moment. It's an organic process. Each step you take creates the conditions for the next."

And, while intrapreneurs may be influenced by emerging literature around sustainability, they are wary of swallowing new concepts wholesale. At a time when many business people are increasingly interested in bottom- or base-of-the-pyramid markets, for example, Bob Annibale of Citi noted that in Mexico, a key market where some 76% of citizens don't even have access to the most basic of bank accounts, the 'BOP' market "is not the bottom of anything. It's the bulk or majority of Mexico."

“During the pitch, one of the finance guys fell asleep. It was largely a question of time horizons. It would be the end of the decade before the company began seeing revenues!”

Off-the-record comment

Selling It

Once the intrapreneur has switched on to the challenge and committed to drive change, they must rally resources to develop the initiative. This involves navigating the complexity of a large organization to influence the key individuals who can help move the project along. Our intrapreneurs are no strangers to power points and typically will take a meeting – any time, any place – to sell their idea.

The biggest challenge to intrapreneurs in this stage is to keep going. Often, people’s knee-jerk reaction to any new idea is “No.” So, intrapreneurs look for ways to overcome the push-back and find people who are more likely to support their ideas. (Figure 5.2 presents some frequently cited reactions.)

The working environment can be *fractured*, with meetings across large organizations – and much time spent in transportation and waiting. “My working life centers around being constantly involved and connected – with my team, our partners and customers and others involved in social intra- and entrepreneurship, for example,” said Microsoft’s Ayala. “Frequent travel allows me to always be mindful of the real concerns and lives of the people who we are working constantly to reach, which at the end of the day is the most indispensable part of being able to do our job well.”

Networking is key. “I need to keep my finger on the pulse,” as BP’s Schrank put it. “An intrapreneur needs to know what’s going on in the organization and to stay abreast of strategy, policy or organizational changes to know how they potentially impact or can be used to leverage my project.” It’s all about finding synergies, argues Shell’s Sachin Kapila. He says he doesn’t understand and can’t connect with people who merely establish a relationship just to get something from it. He pursues relationships because he finds people interesting and has chemistry with people, not because they have something to offer. “It’s about authenticity, and yes, you never know one day when they might become useful – but that certainly shouldn’t be the driver!”

It is in the nature of the work that some intrapreneurial ambitions take a while to pull off, if they happen at all. So *stamina* is essential, particularly given the emotional toll this sort of work can impose. The intrapreneurs noted how dependent they were on more senior folk to give a green light to their proposals.

Courage is a vital asset. “Not being afraid to provide input and engage in internal discussion/debate” was high on the list of BP’s Schrank, alongside the ability to “challenge the status quo and, importantly, to keep key people informed/updated of my project and the associated issues.” Across at Shell, Sachin Kapila agrees, acknowledging that, “often I have to be quite stubborn!”

Equally, there is a need for carefully honed *diplomatic* and *political skills*, at every level – and for careful *intelligence gathering*. “I have to know what’s going on in the industry,” as one intrapreneur put it, “to keep up to date on issues and developments, so I am an expert on the issue that I’m dealing with. If people see me as a center of expertise, then they develop trust and confidence in the work and my project. I also spend a lot of time talking to people to learn how the organization works, to find out what their level of knowledge or understanding is on certain issues.”

Opportunism – of the best sort – is another key ingredient of success, we were told. “I’m always looking out for opportunities to progress or grow the program,” was Schrank’s answer here, “saying yes to speak at team meetings, contribute to think tanks, putting up displays, or sending out update reports. Crafting and strategizing ways to encourage teams to take on board operational elements of my program or suggest how they might incorporate the program in a customer offer and so on.”

Doing It

Any intrapreneur will tell you that no idea is worth anything without results. The quicker to realizing proof points, the better, they say. Of course, most intrapreneurs also advise to approach this stage with a great deal of humility. Most acknowledge that they didn't know what they were doing when they dove in, but by learning quickly, being open to ideas and hiring the right talent, they increased their chances for success.

Incubation at this stage is key. Yet, the best approach can be tricky. This gets back to Christensen's "innovators' dilemma" – how to successfully incubate your transformative idea without threatening the core business? No intrapreneur, no matter how skilled, can turn their companies around over night. In fact, most warn about the dangers of taking on too much too quickly. Small, start-up endeavors seem to be the first jumping-off point for any intrapreneur. Though their approaches vary from discrete islands of innovation to new businesses incubated within the current company structure. Below we present three models of intrapreneurial incubation: Islands, Bridges and Symbiosis.

Model 1 Islands

Incubating an initiative away from the business mainstream can provide a degree of freedom and clarity of perspective. Steve Jobs did this with his Macintosh team at Apple. Companies involved in this approach often use corporate venture capital to drive the innovation. Take Unilever's investment in Physic Ventures, a venture capital firm that invests in start-ups at the interface between food, technology and healthy lifestyles. Though Unilever has placed a staff member on the management team of the fund, Physic remains at arm's length when evaluating deals, believing that distance in the early stages of company development will result in uncovering more disruptive innovations. Similarly, companies like Groupe Danone are setting up social investment funds to launch their social business ventures.

Vodafone's M-PESA was originally conceived through a social product innovation fund – and their pilot incubated outside the mainstream business in Kenya. That said, the initiative did have some bridges back to the business through its relationships with safari.com, Vodafone's Kenyan subsidiary. David Berdish's Megacity Mobility project is being developed at Ford in a similar fashion. Launching pilots in several cities, the initiative has few direct ties to the mainstream organization and is likely to seek outside financing for its efforts.

A potential downside to this approach surfaces when companies attempt to reintegrate these start-ups. The cultures, processes and visions of the island inhabitants may clash with the existing corporation.

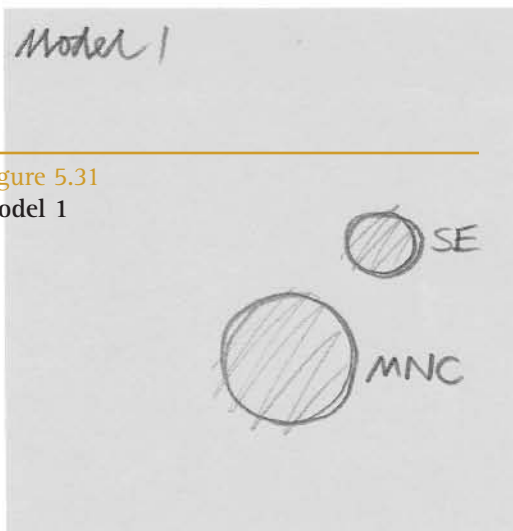


Figure 5.31
Model 1

Model 2
Bridges

Another approach companies may take in incubating their social and environmental ventures is a bridge relationship, with new units (be they previously independent, spin-outs or spin-ins) having clear – but relatively loose – links to the host company. Often these divisions receive more freedom than traditional business units.

Sam McCracken at Nike applies this model. While McCracken had access to the company’s resources, he developed an independent outfit with its own rules of the game. Shell’s wind division in the North Sea is another example, with the team physically located outside the corporate headquarters – but with access to Shell’s capital and other resources. As several of our intrapreneurs noted, their companies and brands can provide them with profile and access to resources and people that they wouldn’t enjoy as a traditional entrepreneur.

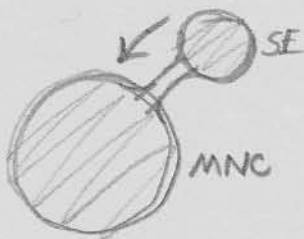
Model 3
Symbiosis

Finally, many intrapreneurs chose to incubate their initiatives right inside the host organization from the get-go. Accenture Development Partnerships (ADP) is an example, where Gib Bulloch built the non-profit consultancy to work in concert with the main business model, drawing talent from inside and using ADP as a leadership development tool. The model has continued to evolve to make even stronger links to the company’s core consultancy by developing a brokering function focused on developing client value and societal impact through creative public/private partnerships. Citi, too, located its microfinance division squarely in the consumer products group, working across business units to develop new product offers – such as microinsurance.

One key advantage of this symbiotic approach is that intrapreneurs appear able to ‘infect’ the rest of the organization more readily and with greater effect. That said, it certainly doesn’t come without its risks. If you fail in this model, you fail more publicly – and perhaps risk closing a bigger window of opportunity.

Model 2

Figure 5.32
Model 2



Model 3

Figure 5.33
Model 3

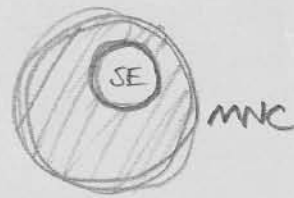


Figure 5.4
**Journey of an intrapreneur:
Unilever's Brand Imprint**

Getting It
Aha!

Unilever had a multitude of corporate sustainability initiatives living within silos and disconnected from the core business, particularly brand development and marketing – in spite of the fact that most of Unilever's core impacts relate to consumer use of their products (86% of their CO₂ impact, and 45% of their water impacts occur in consumer use). In 2005, social intrapreneur Santiago Gowland, and a team led by Unilever CEO Patrick Cescau, realized there was a substantial missed opportunity to engage consumers and market influencers in this new conversation about sustainability.

Selling It
Make the foreign familiar

Unilever wrapped a common, business-friendly marketing language around this initiative – 'gaining insights.' As Gowland commented, "We were going way beyond consumer-product insights. We were intent on examining the relationship between a brand and society, not just the psychological aspirations of consumers. This was a departure for us, but it was also something we could talk about in a familiar language."

Doing It
Be genuine, be realistic

The focus here was to integrate social, economic and environmental impacts into brand development in order to reduce negative and maximize positive impacts through innovation and brand communications. This was the strategic statement, but the execution was quite an organic process. Unilever turned to its core competencies. It relied on its best practices in lifecycle analysis, consumer marketing and trend spotting, and then coupled these skills with a value-chain and livelihood analysis completed in conjunction with Oxfam. Outperforming its initial target, Unilever ended up conducting 'Brand Imprint' assessments with 14 brands, where the initial expectation had been just five.

Scaling It
Growing the niche

The aim from the beginning was to look at transformative strategies. As Gowland commented, "Low-hanging fruit is important but insufficient. Balancing immediate growth areas with future trends is critical if long-term sustainable markets are to be carved out."

Scaling It

Scaling the solution is the end goal for most – if not all – intrapreneurs. As the three models illustrate, the big challenge for incubated projects is to incorporate into the mainstream. Too often, the tendency is for this work to be viewed as a threat to the existing business or organization. So the work of laying the foundations, shifting mindsets and getting buy-in early plays a central role in helping intrapreneurs align their longer-term goals with those of the host company.

“I have embedded various operational elements of the scheme into appropriate teams so that we can scale up the program,” reported BP’s Schrank. “Each market has set aside a budget and a project manager to implement the targets. I consult and support the markets rather than lead on these launches, so they have ownership and are able to ‘tweak’ the program to the local environment.”

This concept of giving away ownership of the program to others in the company was a recurrent theme. In this way, intrapreneurs pave the way for the expansion and replication of their initiatives. Working in collaboration – even informally – with people in the mainstream company helps to shift mindsets and helps others see the links between their work and the future opportunities presented by the intrapreneur.

Other than the most obvious threat of triggering the corporate version of the tissue rejection problems sometimes experienced in organ transplantation, the main barriers to integration and scaling referenced by intrapreneurs sound remarkably similar to those faced by social and environmental entrepreneurs:

- **Access to finance** was frequently cited, with intrapreneurs competing for scarce project funding within their organizations, and often competing with initiatives for which the market data is more robust and the timescales shorter.
- **Operational issues** and know-how were also cited as key challenges. Some intrapreneurs, among them Nick Hughes and Susie Lonie at Vodafone, said they had found themselves playing catch up when their initiative scaled more quickly than they had anticipated.
- And, finally, **staying true to the mission** was cited by many as a crucial consideration when scaling. While no one seemed to have the answer, most saw this as a very real risk in growing their businesses.

“Sketch a window, show the future opportunity.”

Orlando Ayala

Microsoft

Specimen

Maria Luiza de Oliveira Pinto

Species

Social intrapreneur

Niche

Sustainable development

Habitat

Banco Real, São Paulo

Personal

Background in psychology.

Challenge

Creating a better bank, for a better market, for a better society. More specifically, mainstreaming sustainability training and development into the organization's management.

Opportunity

Employee engagement, strengthening relationships with suppliers and customers, new revenue stream, competitive advantage.

Ambition

Provide formal training to clients and suppliers on integrating sustainability into their core business.

Motto

Everything is interdependent!

Catalyst

Social intrapreneur

Psychologist

Motivator

Holistic

Brazilian

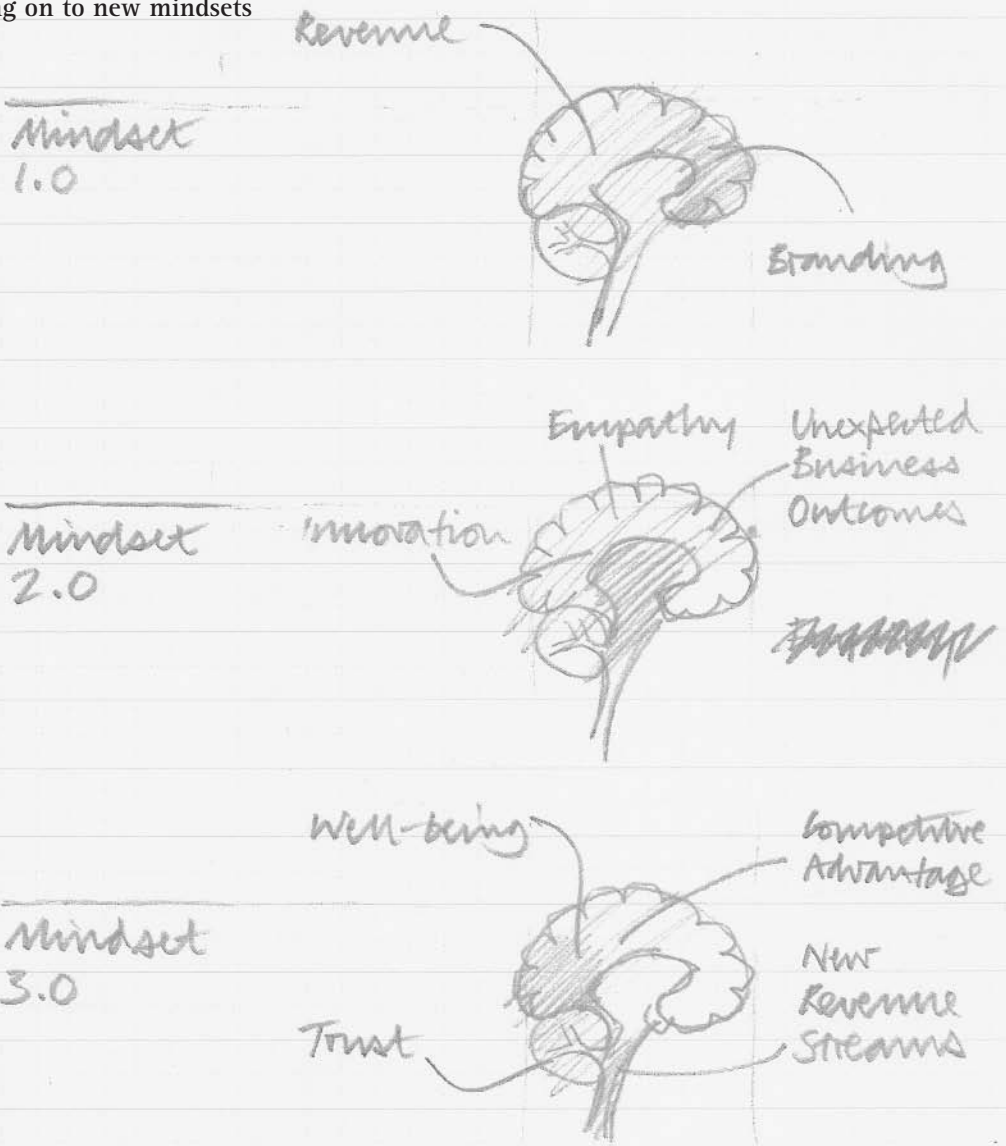


Chapter 6

Wisdom of the Social Intrapreneur

Signposts and survival-kit for success

Figure 6.1
Switching on to new mindsets



When we asked social intrapreneurs for insights into their success – most had to pause to consider their answers. They clearly weren't following well-scripted play books. Indeed, it was striking how many of the intrapreneurs used words like 'serendipity,' 'alchemy' and 'magic.' "You can't 'project manage' a cultural revolution," says Unilever's Santiago Gowland. "When you are dealing with projects that join mind and heart, the speed and scale of execution can change dramatically." But that doesn't mean change comes with a wave of a wand. Intrapreneurs, it seems, are a prime example of Louis Pasteur's principle that "chance favors the prepared mind." Having done their homework and created a concept for change, intrapreneurs are able to respond to opportunities when they arise.

Despite the lack of an A-Z manual on intrapreneurship, there are consistent approaches. One important finding of our research is the way that intrapreneurs view the outside world, in particular, the citizen sector. No longer do the businesses that these intrapreneurs help guide see citizen sector organizations as simply "stakeholders," able to offer advice at arm's length and then get out of the way. Instead, some social intrapreneurs are beginning to see NGOs and social entrepreneurs as potential strategic partners.

Intrapreneurs on entrepreneurs

When we asked social intrapreneurs about their views on social entrepreneurs, two themes emerged. First, it's fairly clear that intrapreneurs are inspired by the visionary thinking grounded in practical action approach for which social entrepreneurs are so famous. BP's Kerryn Schrank noted Bunker Roy of Barefoot College as an inspiration, citing "the fact that he has been a catalyst for lasting change." Similarly, Unilever's Gowland admires Juan Carr and Julio Vacaflor, "two Ashoka social entrepreneurs living in Argentina . . . [for] their values-led vision, spontaneity, conviction and freedom to do what they believe needs to be done."

But intrapreneurs see these folks as much more than inspiration. They view social entrepreneurs as offering ideas and insights into communities and the challenges they face. Some of our intrapreneurs interviewed have actively worked with social entrepreneurs and, in fact, see them as integral to the work that they do. Others are intrigued, but still considering the best approach.

Intrapreneurs on corporate changemaking

Next we've attempted to distill insights from our interviews into ten tips for other intrapreneurs – and the related opportunities for entrepreneurs.

"I heard there was a need in my community and I listened. I didn't have a grand plan."

Sam McCracken

Nike

Tip 1

**Focus on solving a problem,
not selling a solution**

It may sound simple, but prioritizing problem-solving is an essential element to successful intrapreneurship. Keen observers of their environments, leading intrapreneurs conduct rigorous research and constantly strive for deeper insight. It is this quest for understanding that yields more effective and innovative solutions.

At Coca-Cola, the Water Stewardship Initiative started out with a focus on understanding the global challenge of water scarcity. Only after in-depth exploration of the problem did they consider the company's role in tackling the issue. Similarly, Nike's Sam McCracken observed a problem in his community – and then worked to understand the concerns and challenges around Native American health. By listening and observing, he was able to offer a solution that could have real impact.

Advice for social entrepreneurs?

Grab a beer with your target intrapreneur. These people are hungry for information, insights and ideas.

Tip 2

Use storytelling, but build the business case

A critical challenge is getting colleagues to make a perceptual shift from today's reality to tomorrow's possibility. Mary Harmon of Trium Group, an organizational transformation consultancy, puts it this way: "It's important for people to have a line of sight. You need to show them not only where you want to go, but how you are going to get there." Most intrapreneurs find that storytelling, images and prototypes help people to grasp the opportunity.

At Nike, Sam McCracken noted that people finally "got it" after the company produced a video about his work. Similarly, the Vodafone team discovered that sharing photographs of potential Kenyan consumers was powerful in providing a more engaging picture of the opportunity. Chris Sherwin, formerly an intrapreneur at Philips, describes his challenge in getting a company focused on high-end medical equipment for developed markets to consider opportunity space in the developing world. "In addition to in-depth market research," he recalls, "I relied heavily on experiments and concept projects expressed through prototypes, sketches and storyboards to make these ideas come alive."

But stories alone aren't sufficient. Changemakers need to build the business case for action. In particular, intrapreneurs must be clear about the potential business benefits – and about the timescales likely to be involved. "People will want to know 'why us?'" as one intrapreneur put it. "What is the case for action?" Still, Dow Chemical's Scott Noesen warns, "Don't oversell it! Everyone wants to monetize the opportunity, but sometimes it is difficult. This is often about unarticulated needs in the market – and we are still at an early stage of articulating what those are."

Advice for social entrepreneurs?

Build a strong narrative, but make sure you have the facts at your fingertips.

"70% of my job is storytelling."

Gib Bulloch

Accenture

Tip 3

Align with the best of the company culture

Once the problem has been identified and carefully researched, successful intrapreneurs know they must focus on how their efforts can leverage the core competencies of their organization, including finance, innovation, marketing, distribution and access to global networks.

In some cases, the connection may be surprising. Dow, for example, recently took an equity position in Water Health International, a social enterprise that distributes water purification technology in developing countries. Initially, Dennis Merens in Dow's Venture Capital group thought access to technology and distribution capabilities were their key challenges. Instead, the biggest challenge for Water Health was accessing capital. So, Merens persisted internally and engaged Dow's finance group to help secure investments for the initiative.

Similarly, social intrapreneurs have found that their chances of success are greatest when they can link their projects to the company's ambitions, values, culture and history. Citi, for example, moved to 24-hour banking in the 1980s in an attempt to extend its services to previously underserved middle class consumers. Bob Annibale views – and pitches – his microfinance initiative as a logical extension of this movement to greater access to finance.

Advice for social entrepreneurs?

It makes sense in marriage and it makes sense in business: get to know your partner, in depth.

Tip 4

Go to the top

The intrapreneurs were insistent here. Don't get hung up on getting the support of top management, they said, but remember that companies tend to respond energetically to signals from the CEO and other leaders. At Ford, David Berdish noted that Bill Ford and his Senior VP got the sustainable mobility agenda "right away." Then, once top people have got the message, they need to keep banging the drum. "If you support the idea," as Procter & Gamble's Win Sakdinan insisted, "don't stop saying it!"

In siloed organizations, Sakdinan stressed, change takes longer – often much longer. "So be a broken record," he advised. "And be patient." Interestingly, many intrapreneurs stress the importance of remaining under the radar in the early stages. Shell's Sachin Kapila was particularly strong on this point: "If you get too high a profile too early on, your work can easily get blocked," he warned. "Get success first, demonstrate the possibilities, document your learnings, build alliances and go from there. Otherwise, you're just setting yourself up for a big fall."

Advice for social entrepreneurs?

Do the due diligence, early on. Does the person you're working with have the ability to get agreement on a partnership? If not, who do they need to influence? What are the risks if that person fails or goes away? Is there someone else in the organization who would be better at championing your effort?

"I use the Nike brand for inspiration. We have a series of eleven Maxims and I use them all – especially 'do the right thing.'"

Sam McCracken

Nike

Tip 5

Wherever possible, use existing processes

Most intrapreneurs attribute much of their success to their ability to integrate their new thinking and requirements into existing processes. This not only enables them to access company resources and know-how, but also helps to create support for their efforts by getting more of the mainstream company involved.

“It’s difficult to get buy-in to develop products and services from the Corporate Responsibility or Corporate Affairs divisions,” commented Nick Hughes of Vodafone. Instead, he set up his initiative as part of Group Marketing – and subsequently moved to Global Business Development. “I knew we had to be in the engine room of the company,” he explained. Along parallel lines, Citi’s Bob Annibale recalled, “We were successful because we were able to build it into our plumbing – policies, risk models, target market, etc. – we used our core business model as a foundation for growth.”

Advice for social entrepreneurs?

It is no accident that most of the ‘wisdom’ of social intrapreneurs is basic business sense. Rein in the temptation to reinvent the wheel – the vehicle for change may already be at hand.

Tip 6

Make sure you’re funded

Pretty obvious, isn’t it? But enthusiasts often leave the financial details until later – sometimes too late. The importance of ensuring you have a sensible budget, the intrapreneurs insisted, cannot be overstressed. Without it, they said, people you need to help you won’t take you seriously. “Once you have funding,” says Kerryn Schrank of BP, “people start to listen.”

In building your funding, it always makes sense to look for patient funding or capital, which allows you room to experiment. Some big companies have internal funds – like Shell’s ‘Changemaker’ group, which provides angel-type investment for projects. External sources, too, may be available. Among the outside sources of funding mentioned by the intrapreneurs were the International Finance Corporation (IFC) and national government agencies, such as the UK’s Department for International Development (DfID).

Advice for social entrepreneurs?

You might think that intrapreneurs have unfettered access to corporate coffers, but you would be wrong. Consider the financing challenges your corporate partner may have – and think of ways in which a joint initiative might be better placed to attract funding.

“1 + 1 = 3 . . . partnerships result in a much greater outcome.”

Vijay Sharma

Hindustan Unilever

Tip 7

Create a coalition, engage external stakeholders

“At Starbucks innovation is highly valued,” said Sue Mecklenberg. “It’s important to have a free flow of information across business divisions. Don’t underestimate the contribution of interpersonal relationships to innovation. People make decisions based on conversations they’ve had, and information they’ve exchanged. It’s important for companies to create incentives that allow for this knowledge-sharing.”

Time and again, intrapreneurs cite small coalitions of people who “get it” as key to their success. This is ‘Step 2’ in John Kotter’s framework for change management, with Step 1 to create a sense of urgency.³³ Leading intrapreneurs have shown themselves adept at finding others in the organization who share their vision, as well as bringing in the right people to support the project early on.

Build a coalition in support of your initiative, they suggest, but make sure that the right people are involved – and that the agenda is clear. And make sure that you engage external stakeholders in appropriate ways, throughout the process. To take just one example, Nike’s engagement with the Native American community helped to ensure that this initiative has credibility both with that community and with the wider world.

Advice for social entrepreneurs?

Keep an eye out for related coalitions that you can join – and help to shape. Companies that you want to engage may not yet see you as a significant stakeholder. Help them see the $1 + 1 = 3$ potential.

Tip 8

Pilot and execute

Intrapreneurs are overzealous in their views on execution because they understand the power of proof points. Once your idea moves from theory to action, you’re much more likely to get people’s attention, for good or ill. Early on, Santiago Gowland of Unilever warns that one “danger is to do too much talking and not enough delivering. The critical factor is to drive a robust business case.” Similarly Bob Annibale of Citi notes that “you can feel as mission driven as you want, but you need to achieve results.”

Annibale goes on to explain that “pilots and partners become stakes in the ground.” Most intrapreneurs start with pilot tests in specific markets before going big. This enables experimentation and learning, potentially minimizing risks. For intrapreneurs who are limited in resources, partnerships with third parties – such as universities – can provide useful avenues for incubating new thinking and initiatives.

Advice for social entrepreneurs?

Focus on results. Some of the work you have done on metrics for tracking such things as social and/or environmental value added may be pretty sophisticated by the standards of even some of the biggest companies.

“A small number of individuals who were religiously sold on the idea were key to our success.”

Susie Lonie
Vodafone

Tip 9

Maintain your integrity. Be patient

Along the journey, inevitably, an intrapreneur – like an entrepreneur – will be challenged and pulled in many different directions. But be patient and clear about what you are trying to achieve. Attempting to integrate an initiative into the business too early, or in the wrong way, runs the risk of diluting impact. Be opportunistic, but be careful not to be deflected from your core goals of fundamental change. Paths of incrementalism are very likely to emerge, in some cases purpose-designed to distract you. So remember the urgency of change. While successful intrapreneurs generally show an openness to improving their thinking and solutions, they won't budge when it comes to achieving real impact.

“The minute I'm no longer solving the problem, I'll leave the company,” as one put it. At the same time, however, they are more understanding than many social entrepreneurs would be of the time scales needed to achieve real change. “People need different timing to buy into an agenda,” said Unilever's Santiago Gowland. “You have to make sure you balance learning from challengers with movement from fast supporting early adopters. This allows you to sharpen strategic rigor while building momentum.” And, without over-simplifying, ensure that you bring clarity to complex situations. As Malu Pinto explained, when she started out in the intrapreneurial space, her organization – Brazil's Banco Real – had 22 different approaches for the 22 different directors of the business units. Over time, she has helped boil that complexity down into a much more coherent strategy and set of initiatives.

Advice for social entrepreneurs?

Decide on your goal, but be flexible in how you get there. If you are trying to engage a major business, be open to suggestion. The journey to success can take more than one route.

Tip 10

Share ownership – and have fun

It was apparent in our interviews that despite the many challenges and often long hours, the intrapreneurs are not taking the whole responsibility for change on their own shoulders – indeed they seek to share ownership of their initiatives with a range of key people inside and outside the organization. And, while they all work furiously hard, one more thing shone through from these conversations: these people enjoy their work and are having fun, most of the time.

Advice for social entrepreneurs?

Alongside all the other metrics, consider whether you – and the people you work with, or want to work with – enjoy what they do. Your chances of long-term success are immeasurably boosted if the answer is in the affirmative.

“Would your mother understand what you're doing?”

Susie Lonie

Vodafone

Specimen
Win Sakdinan

Species
Social intrapreneur

Niche
External relations

Habitat
P&G, Geneva

Eureka moment
My sustainability 'moment of truth' was reading Al Gore's article in *Vanity Fair's* famous green issue. It changed my life. Suddenly it clicked and I saw how you could mobilize business to address environmental challenges that are a win-win for everyone.

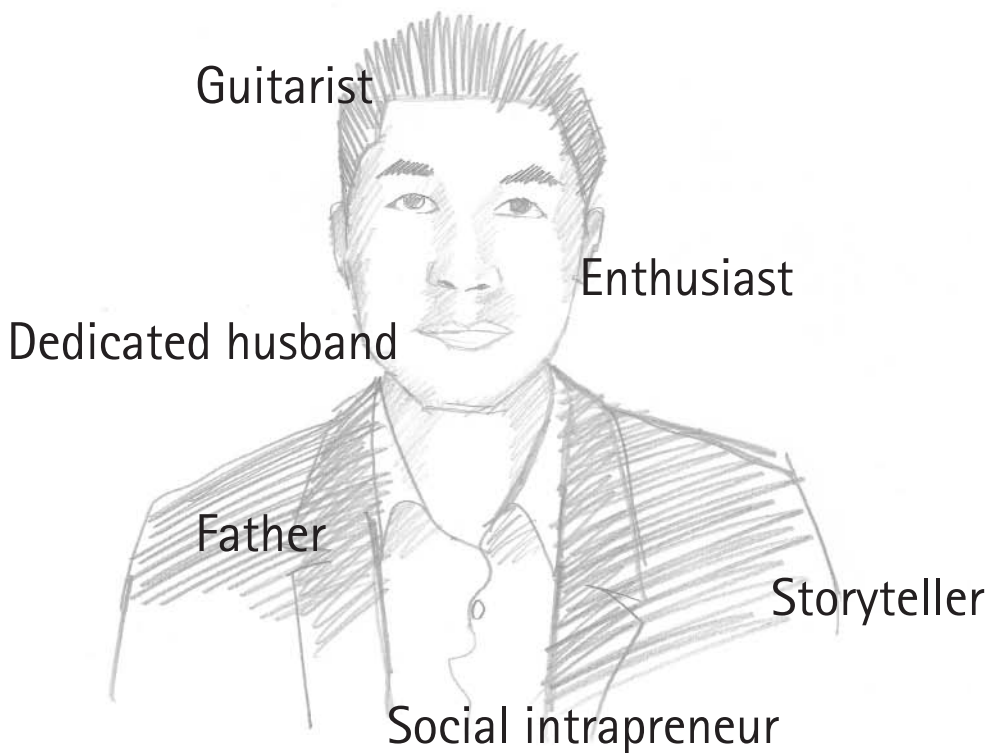
Personal
Lead guitarist in The Consumer Republic, P&G's in-house rock band.

Challenge
Creating product innovations that address sustainability challenges with mainstream consumers who want to do their bit for the environment.

Opportunity
Driving a sustainability strategy that is good for consumers, company and environment.

Ambition
Creating the next generation of business leaders with a sustainability mindset.

Motto
Carpe diem and have fun!

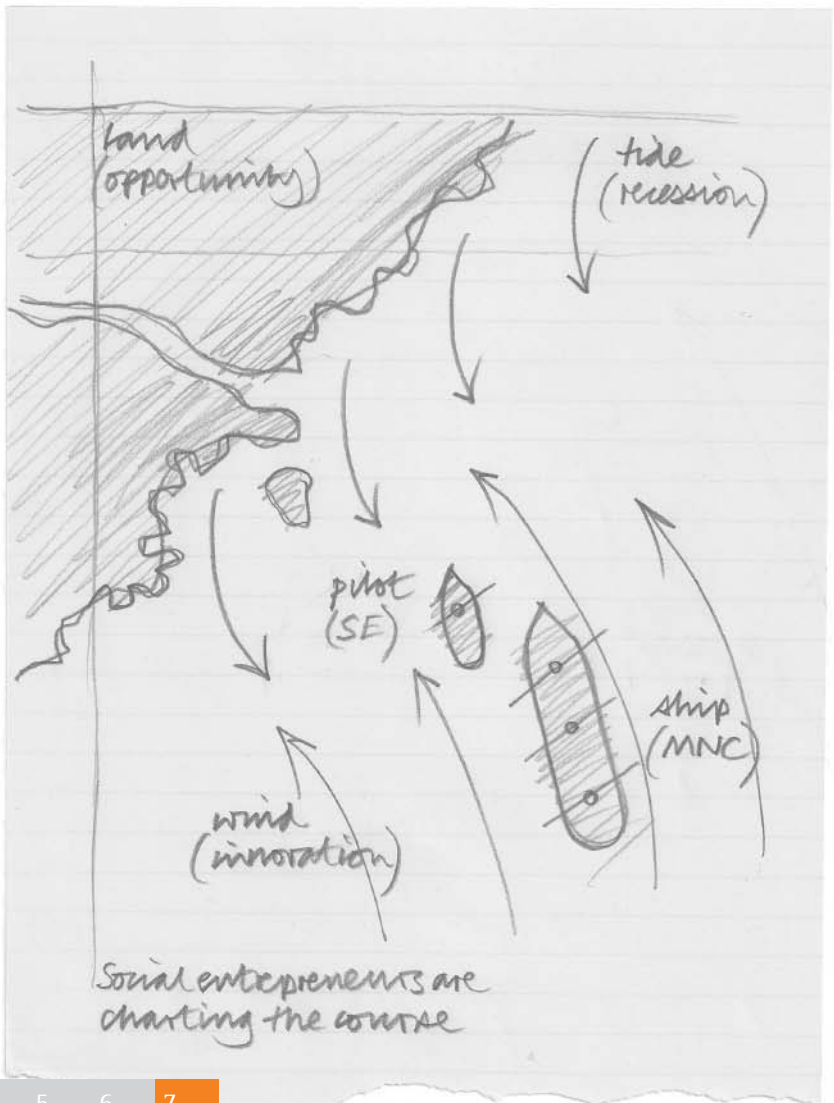


Chapter 7

Future Expeditions

Working towards Capitalism 3.0

Figure 7.1
Discovering the markets of the future



Eric the Red – and his son Leif Ericsson – came to mind while we were developing *The Social Intrapreneur*. They may have been rapacious colonizers, but they are credited with the first European discovery of what we now know as America. In the same way, we have made an early, halting voyage of discovery into a landscape which we hope will open out tremendously in the twenty-first century, though the fate of the Viking colony on Greenland should give us pause. Still, as we conclude this stage of our journey, we are clear that the social intrapreneurs covered here:

- represent a significantly different corporate approach to some of the great socio-economic and environmental challenges of our time;
- believe that there are large benefits in working inside major organizations to leverage their skills, financial muscle and other resources;
- have the potential to accelerate the evolution of strategies, business models and engagement processes that will be crucial in helping their host organizations to understand and move into the emerging landscapes of risk and opportunity;
- have much to teach social entrepreneurs in terms of how to engage large business organizations and bring their solutions to scale;
- are nowhere near achieving critical mass in any of the organizations we studied; and
- are increasingly interested in working with leading, high performance social entrepreneurs, as long as there are clear and shared market-related objectives.

Pioneering tomorrow's business models

When we asked leading intrapreneurs to comment on their potential to affect widespread change in their companies, the reactions were decidedly mixed. For most of them, it was clear, this remains the ambition. They genuinely see their way as the way of the future. They believe strongly that they are helping to pioneer new business models that are not only likely to be successful in their own right, but will usefully signal future directions for their organizations and, they hope, their industries.

At the more optimistic end of the spectrum, Microsoft's Orlando Ayala noted that developers of the company's next generation operating system are now considering how to design it so that it will function well with the growing number of low-cost computers in emerging markets. Equally bullish, Kerry Schrank talked about how the concept of 'reduce, replace and neutralize' with regards to mitigating CO₂ emissions is starting to take hold in various business units at BP. She noted that, despite recent restructuring, she is seeing her program gaining traction – and is expanding from the UK pilot into seven additional countries.³⁴ In Brazil, meanwhile, Banco Real says they now have so many sustainability-related initiatives that they can no longer keep track.

Others, however, were distinctly less bullish. At Vodafone, for example, Nick Hughes reported that in a recent slate of budget cuts funding for the social product innovation initiative was under pressure. Only two projects survived – one of which was M-PESA a mobile payment project. As he suggests, such initiatives utterly depend on top-level champions. He added: "It is too easy to go back to business as usual."

“Don't confuse us with charity . . . people are going back to mainstream Accenture from ADP and inspiring the rest of the company.”

Gib Bulloch
Accenture

Business as unusual³⁵

We have looked at the ‘ecosystem’ pressures that are opening out the niches that social intrapreneurs occupy (Chapter 3) and at the nature of the new niches now emerging (pp. 47–48). We have focused in on a small number of cases that illustrate the impact that these people can have (pp. 37–41). We have explored the ways in which they see both themselves and the organizations they are trying to change (p. 30). And we have spotlighted the advice these leading intrapreneurs would offer to others hoping to follow in their footsteps (pp. 54–58).

But, in terms of helping these people do more of what they want to do – and faster – what sort of wish-list emerges? What do the intrapreneurs see as their most critical needs? And where do social entrepreneurs fit in to this bigger picture? Here are some of the answers.

Access to capital

Perhaps surprisingly, given their belief that working inside out helps leverage resources unavailable to a social entrepreneur, a significant proportion of the intrapreneurs cited access to finance as a key challenge. They clearly compete for scarce resources with other new projects inside their companies. Some had been able to secure capital through internal venture funds. Others accessed external financing through governments or international entities such as the International Finance Corporation (IFC), which enabled them to operate “under the radar” until they felt they had captured enough “proof points.” Developing financing mechanisms, internally and externally, will be essential. Like social intrapreneurs, they also noted the importance of “patient capital” and the corporate equivalent of “angel investments,” given that many of their projects are unlikely to meet short-term investment criteria.

Leadership support

The intrapreneurs were absolutely clear that leadership support is “golden.” Many are effective at engaging at top management, but most felt the need for new allies and political support. While some manage to achieve progress without the benefit of a completely tuned-in senior management, all underscored the importance of management not only ‘getting it,’ but talking about it – clearly, consistently, repeatedly.

Space for experimentation

Specifically, the intrapreneurs argue that senior management needs to create space for people to experiment and generate new ideas. Successful intrapreneurship seems to emerge most often from groups or individuals who have been given the space to conduct in-depth research about emerging needs in the outside world. The ability to look outside the company walls – in depth and over time – was felt to be a critical success factor.

Talent-spotting and development

If businesses are to actively encourage intrapreneurship, they need to know where to source these people and how to develop a pipeline of trained talent. Just as those who have worked with social entrepreneurs see their entrepreneurial genius as being an innate characteristic, it seems likely that intrapreneurship, too, is something one is born into. While we may not yet know enough to answer the nature vs. nurture question definitively here, we do know that it takes both catalysts and intrapreneurs to achieve real forward momentum and to create the preconditions of sustained success. Leading business schools and other educational institutions are already considering how they can evolve their curricula and offerings to encourage more entrepreneurial thinking and approaches.

Recognition of success

A no-brainer, surely, but many of the intrapreneurs had received – and had been mightily encouraged by – internal recognition in the form of awards for their work. Such were cited as important not only for acknowledging the significance of their agenda, but also for communicating relevant messages across the company about the value of intrapreneurial solutions.

Celebration of failure

This has been a constant mantra of management scientists for decades. According to our intrapreneurs, however, there is still a yawning gap between the rhetoric and the practice. By the very nature of their work, intrapreneurs are going to fail, sometimes. More people will be happy to head down the intrapreneurial path if they know they won't be automatically fired or punished if their project hits the skids.

Coaching and mentoring

Intrapreneurs have no shortage of passion, but at least a proportion of them admitted diving in without sufficient knowledge about markets or operations. Pairing intrapreneurs with experienced mentors or coaches – from inside or outside the business – was suggested as a means to help them more quickly advance the learning curve of building, operating and scaling solutions.

'Yunus Inside'

Business cannot be expected to solve these challenges alone. Governments have a key role to play in creating enabling environments for new business models to thrive. Increasingly, policy-makers will need to scan the landscape of intrapreneurial solutions and consider their potential contribution, accelerating the development and scaling of relevant projects. They should also ask what intrapreneurship might look like in their own institutions and agencies.

Similarly, the citizen sector – NGOs and social entrepreneurs alike – needs to work out how to make more – and more generative – connections with these individuals and their organizations. Social entrepreneurs potentially have valuable insights into markets and societal challenges that can help social intrapreneurs develop more powerful solutions, but the benefit flows can run both ways. This is an area that we are actively exploring with the Skoll Foundation and the International Business Leaders Forum (IBLF).

Finally, if asked what this project has left us hoping for in the wider world, it would be the social entrepreneur's version of the cunning 'Intel Inside' strategy. As social enterprises like Muhammad Yunus's Grameen Group partner with growing numbers of mainstream companies, the challenge for those same companies, increasingly, will be to develop their own 'Yunus Inside' strategies and approaches. And that, whether or not they would explain it that way, is what all of the social intrapreneurs featured here are working towards. They are today's rather more progressive versions of Eric the Red, providing early blueprints of Capitalism 3.0 – very much more inclusive, hugely innovative and, above all, sustainable.

“Project Shakti has stimulated thinking across the company about how to approach brands in a more sustainable way.”

Vijay Sharma

Hindustan Unilever

Specimen
Kerryn Schrank

Species
Social intrapreneur

Niche
Fuels Management Group

Habitat
BP, London

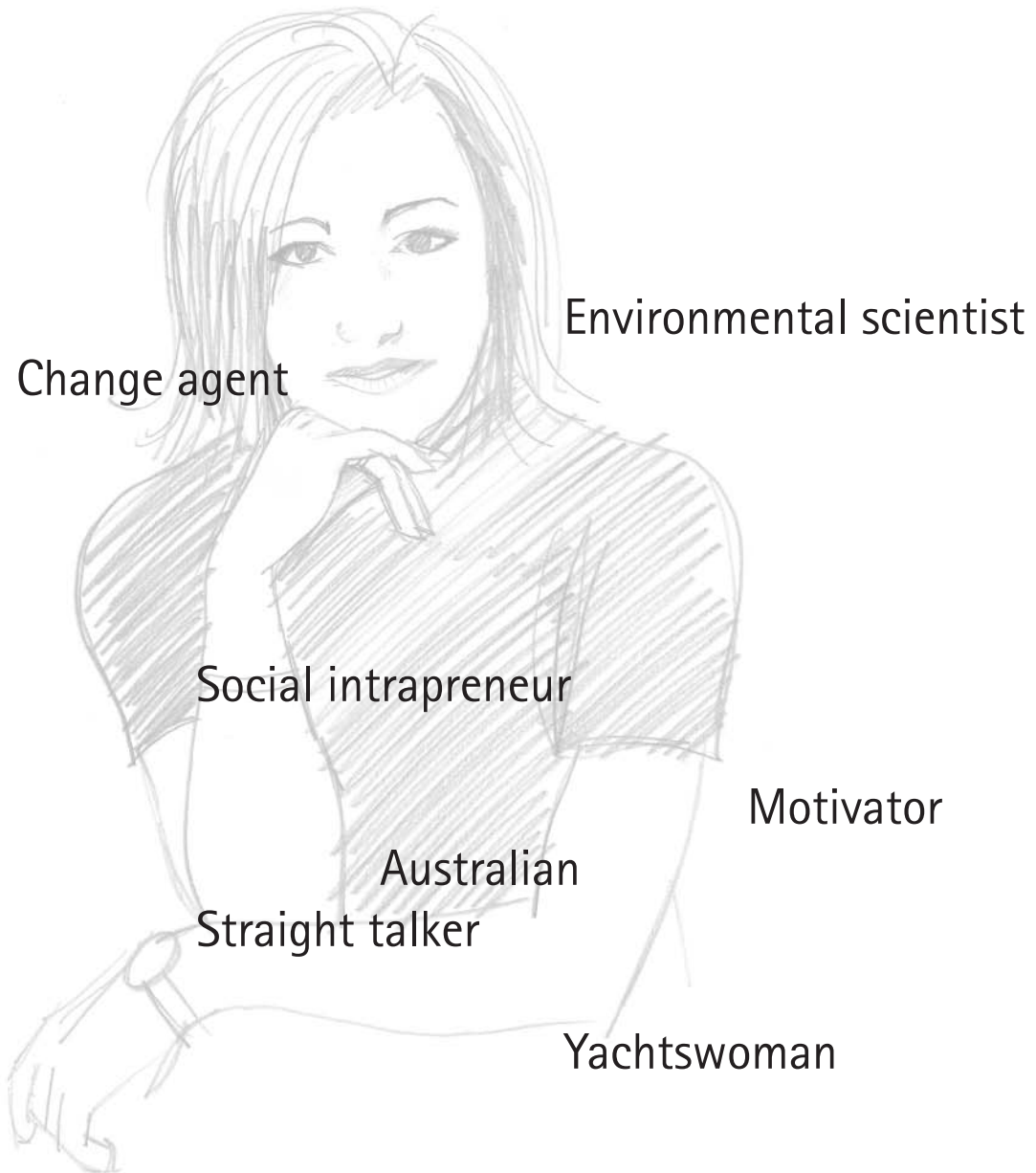
Eureka moment
Realizing that many people feel powerless to bring about changes in their work place. Whether they feel they lack the skills, knowledge, confidence or permission to do so . . . this is when it struck me. People can be an incredible resource if encouraged, empowered and given the opportunity to do so with the right guidance.

Opportunity
Reputational branding, employee engagement, new revenue stream.

Challenge
Reducing CO₂ emissions, finding business solutions to challenges posed by global warming and engaging consumers in the challenge. More specifically, developing BP's targetneutral campaign, which offers motorists a way of offsetting the carbon dioxide emissions of their car for the coming year.

Ambition
Extend the program to other markets.

Motto
Keep one eye internal and one eye external.



Acknowledgements

This guide was a collective effort – built foremost on the insights and journeys of a group of exceptional people within multi-national companies: the ‘social intrapreneurs.’ Our heartfelt thanks go to these individuals for sharing their stories – and to their companies for nurturing and supporting these valuable initiatives.

This publication would never have seen daylight had it not been for the financial support and wider inputs of Jeff Skoll, Sally Osberg and their colleagues at the Skoll Foundation. We are profoundly grateful to the Skoll Foundation and would like to acknowledge their efforts to advance entrepreneurial solutions to sustainability challenges. We are also enormously grateful for the support of our corporate sponsors, Allianz (where we thank Paul Achleitner, Mónica Aguilar, Nick Tewes and Kay Müller) and IDEO (where we thank Tim Brown, Santiago Matheus, Richard Kelly, James Parr and Carmen Marrero).

The Project Team from SustainAbility consisted of Maggie Brenneke, Alexa Clay, Meghan Chapple-Brown and John Elkington, with invaluable help from Yasmin Crowther, Chris Guenther, Sophia Tickell, Michael Sadowski, Kavita Prakash-Mani, Manuela Fremy, Ori Chandler and Sam Lakha.

In addition, we would like to thank others for their inputs, which in no small way helped to shape and set the tone of this publication: Chris Sherwin, Forum for the Future; Jed Emerson, Generation Foundation; Diane Osgood, Business for Social Responsibility; Ziba Cranmer, Nike; Stu Hart, Johnson School, Cornell University; Mary Harmon, Trium Group; Eric Rassman, UCLA; Ros Tennyson, IBLF; Daniel Vennard, Mars; Mark Goyder, Tomorrow’s Global Company; Virginia Barreiro, World Resources Institute; and Samantha Beinhacker. Our gratitude to Rupert Bassett for his design. As ever, all errors of omission or commission are ours alone.

Finally, we hope that for those social intrapreneurs who shared their stories, this guide provides a tribute to their courage and determination, a validation of their approach and a platform for imagining new possibilities of success.

“The role involves a measure of asking for forgiveness after the event, rather than asking for permission in advance.”
Off-the-record comment

Notes

- ¹ www.ashoka.org
- ² John Elkington and Pamela Hartigan, *The Power of Unreasonable People: How Social Entrepreneurs Create Markets That Change the World*, Harvard Business School Press, 2008.
- ³ 'Unreasonable people power', *The Economist*, 22 January 2008.
- ⁴ *Growing Opportunity: Entrepreneurial Solutions to Insoluble Problems*, SustainAbility, 2007.
- ⁵ Richard Foster and Sarah Kaplan in *Creative Destruction* estimate that by 2020 the average lifespan of a corporation on the S&P will have been shortened to about ten years! See Richard Foster and Sarah Kaplan, *Creative Destruction: Why Companies that are Built to Last Underperform the Market – and How to Creatively Transform Them*, Currency Publisher, 2001, p. 13.
- ⁶ www.ashoka.org
- ⁷ www.weforum.org/en/media/latest%20press%20releases/pr_closing_270108
- ⁸ Roger Martin and Sally Osberg, 'Social entrepreneurship: the case for definition', *Stanford Social Innovation Review*, Spring 2007. www.ssireview.org/articles/entry/social_entrepreneurship_the_case_for_definition
- ⁹ Roger Martin, *The Opposable Mind: How Successful Leaders Win Through Integrative Thinking*, Harvard Business School Press, 2007.
- ¹⁰ <http://eitransparency.org>
- ¹¹ www.weforum.org/en/initiatives/paci/index.htm
- ¹² See SustainAbility's recent work, *Raising our Game: Can We Sustain Globalization?*, for more in-depth coverage of the ten divides. www.sustainability.com
- ¹³ www.hm-treasury.gov.uk/independent_reviews/stern_review_economics_climate_change/stern_review_report.cfm
- ¹⁴ Michael E. Porter and Mark R. Kramer, 'Strategy and society: the link between competitive advantage and corporate social responsibility', *Harvard Business Review*, December 2006.
- ¹⁵ Joanna Barsh, 'Innovative management: a conversation with Gary Hamel and Lowell Bryan', *McKinsey Quarterly*, 2008, Number 1, p. 31.
- ¹⁶ The Forum of Young Global Leaders is a multistakeholder community of the world's most extraordinary leaders aged 40 or younger who agree to dedicate a part of their time and energy to jointly work towards a better future. Each year, the World Economic Forum recognizes 200–300 individuals, drawn from every region in the world and from a myriad of disciplines and sectors, as Young Global Leaders (YGLs) and invites them to join the community as active members. YGLs engage in task force work under the themes of development and poverty, education, environment, global governance and security, health, as well as values and society. www.younggloballeaders.org
- ¹⁷ Richard Florida, *The Rise of the Creative Class, And How It's Transforming Work, Leisure and Everyday Life*, Basic Books, 2002. <http://creativeclass.com>
- ¹⁸ Don Tapscott and Anthony D. Williams, *Wikinomics*, Atlantic Books, 2007, p. 47.
- ¹⁹ This list draws upon a multitude of sources for social entrepreneurial characteristics – including Schwab, Ashoka and the Skoll Foundation. www.ashoka.org
- ²⁰ www.intrapreneur.com/mainpages/history.html
- ²¹ Gifford Pinchot, *Intrapreneuring*, Harper & Row, 1985.
- ²² <http://209.59.162.229/~intrapre/cgi-bin/bbs/ikonboard.cgi>
- ²³ William McDonough, *Cradle to Cradle*, North Point Press, 2002.
- ²⁴ Clayton Christensen and Joseph L. Bower, 'Disruptive technologies: catching the wave', *Harvard Business Review*, January–February 1995, pp. 43–53.
- ²⁵ Clayton Christensen, Heiner Baumann, Rudy Ruggles and Thomas M. Sadtler, 'Disruptive innovation for social change', *Harvard Business Review*, Harvard Business Press, December 2006, pp. 94–101.

- ²⁶ Clayton M. Christensen and Stuart L. Hart, 'The great leap: driving innovation from the base of the pyramid', *MIT Sloan Management Review*, MIT, Fall 2002, p. 52.
- ²⁷ Clayton Christensen, *The Innovators Dilemma*, Harvard Business Press, 1997, p. xxvi.
- ²⁸ <http://en.wikipedia.org/wiki/beaver>
- ²⁹ Richard Foster and Sarah Kaplan, *Creative Destruction: Why Companies that are Built to Last Underperform the Market – and How to Creatively Transform Them*, Currency Publisher, 2001, p. 62.
- ³⁰ James A. Belasco, *Teaching the Elephant to Dance: The Manager's Guide to Empowering Change*, Crown, 1990.
- ³¹ Louis V. Gerstner, Jr., *Who Says Elephants Can't Dance? Inside IBM's Historic Turnaround*, Harper-Collins, 2003.
- ³² Rosabeth Moss Kanter, *Transforming Giants*, Harvard Business Press, 2008.
- ³³ www.johnkotter.com
- ³⁴ Note, however, that BP is simultaneously expanding into carbon intensive oil sands as it races to meet growing energy demand.
- ³⁵ First used by John Elkington in *Cannibals with Forks* in 1997, this phrase also appeared as the title of a book by Anita Roddick in 2005.

Specimen

Dan Vermeer

Species

Social intrapreneur

Niche

Water Stewardship Initiative

Habitat

Coca-Cola, Atlanta

Eureka moment

Realizing water's dual character, its necessity to the sustainability of the planet and its criticality as a primary input to Coke's products.

Personal

Lived in the Himalayas; worked for Gary Hamel.

Challenge

Developing risk-sharing and value-sharing solutions to water scarcity.

Opportunity

Develop innovative capacity for value-sharing; create competitive positioning through sustainability across the value chain; reduce risks to business continuity and reputation.

Ambition

To use the power of the brand and a global business system to transform the sustainability of our value chain.

Motto

Allow knowledge to flow up.

Outside-in worker

Anthropologist



Social intrapreneur

Thinker

Innovator

Localizer

Publication

*The Social Intrapreneur:
A Field Guide for Corporate
Changemakers*
First Edition 2008

Copyright 2008 SustainAbility Ltd.
All Rights Reserved. No part of this
publication may be reproduced, stored
in a retrieval system or transmitted in
any form or by any means, electronic,
electrostatic, magnetic tape, photo-
copying, recording, or otherwise,
without permission in writing from
the copyright holders.

ISBN

978-1-903168-22-6

Publisher

SustainAbility

Designer

Rupert Bassett

Printer

Seacourt

Paper

Robert Horne
Revive 100 Offset



Agriculturalist

Marketeer

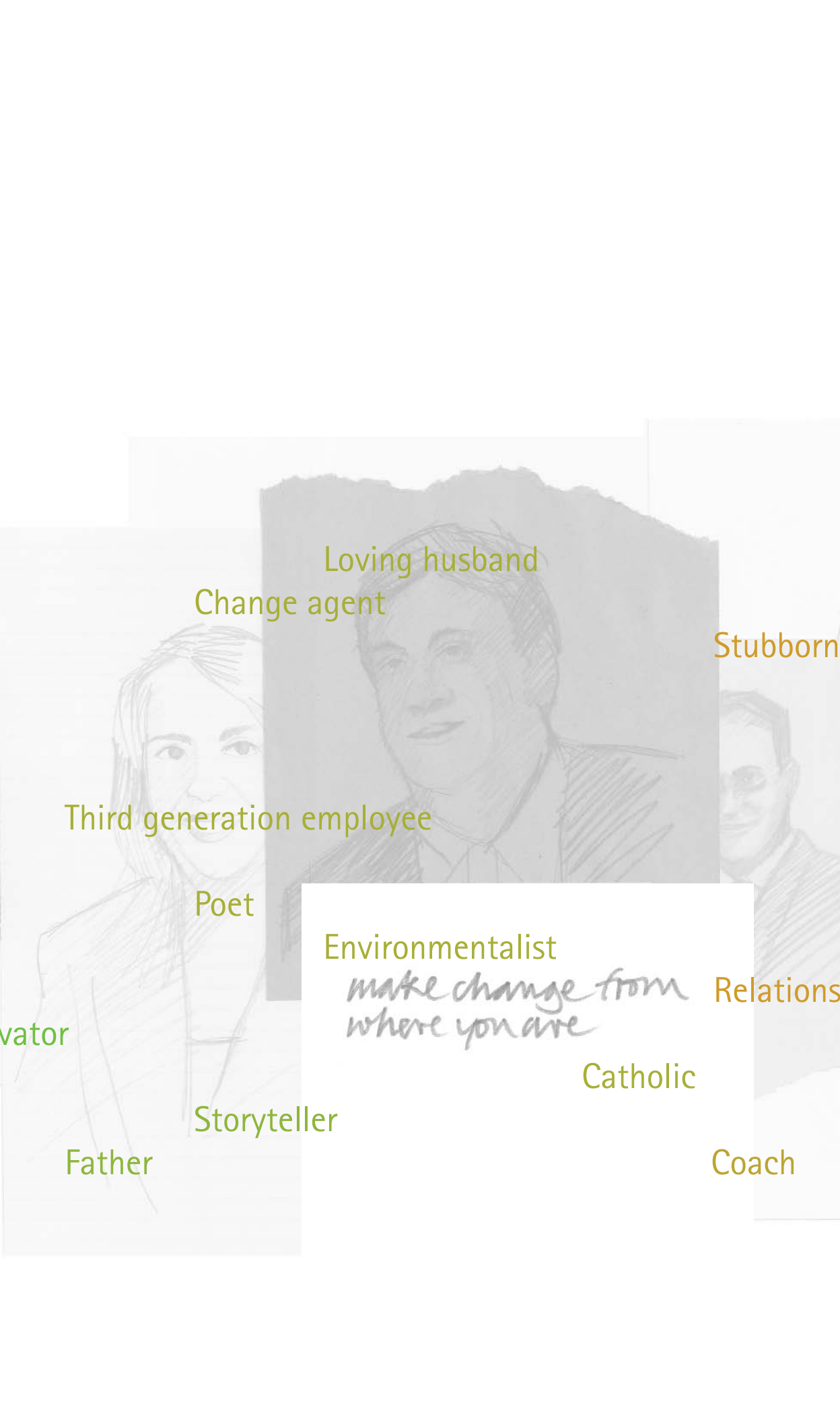


Guitarist

Thinker

Innovator

Creative



Loving husband
Change agent

Stubborn

Third generation employee

Poet

Environmentalist
*make change from
where you are*

Relations

vator

Catholic

Storyteller

Father

Coach