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Disclaimer

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This report was prepared by Declan Curran & Chris van Egeraat.
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Executive Summary

Introduction and methodology

This report presents an assessment of the regional situation in relation to intrapreneurship in the South East Region in Ireland. In doing so, this report provides an assessment of the extent of intrapreneurship in the South East Region, as well as insights into: how successful intrapreneurship structures work, the barriers to intrapreneurship emerging within companies, challenges to maintaining an intrapreneurial culture within companies, and the gaps in the current enterprise support system in relation to intrapreneurship.

In order to explore the extent of intrapreneurship, this study employs a mixed-methods approach, integrating both quantitative and qualitative data. While it is qualitative data - collected via an extensive set of interviews - that underpins the core of the analysis undertaken in this study, quantitative data is utilised initially to situate intrapreneurship levels observed in the South East Region within a national and international context.

The quantitative data used in this study is drawn from the database of the Global Entrepreneurship Monitor (GEM). The GEM 2018 and 2019 annual reports present intrapreneurship data at a national level for a selection of OECD countries, including Ireland. In addition to this, unpublished data on intrapreneurship levels across Irish regions in 2019 has been kindly provided by the GEM report authors. The quantitative data for this study has been collected via a set of interviews undertaken with 29 companies as well as 16 local and regional support institutions in the South East Region. The company sample includes companies active in the following sectors: agri-foods, engineering, financial services, ICT, medical technology, and pharmaceuticals. In addition to these sectoral interviews, 5 serial entrepreneurs were also interviewed as part of this set of company interviews.

Intrapreneurship: definition and related concepts

There is no generally accepted definition of intrapreneurship. As a consequence, the boundaries between a number of concepts related to intrapreneurship have not been precisely delineated in existing literature. For this reason, intrapreneurship is analysed here in the context of a number of related activities, including continuous improvement, intrapreneurship in the context of serial entrepreneurship, and subsidiary intrapreneurship.
In this research project, intrapreneurship is defined as activities that include the following four features.

- The entrepreneurial behaviour of employees and the development of new ventures within the existing structure of an organisation.
- A bottom-up approach to creating and developing ideas that can enhance the competitiveness or productivity of the company from within the company.
- It can involve new products/services, or the setting up a new business entity, for the employer.
- A system that allows an employee to act like an entrepreneur within a company.

Continuous improvement programmes are strategies implemented by firms for bringing about incremental changes with a view to enhancing productivity and stripping out inefficiencies. These programmes are participative, in that the proposed changes emanate from employees within an organisational culture that stimulates and supports such process improvements. Continuous improvement programmes are distinct from intrapreneurship, yet intrapreneurial initiatives may leverage the analytical rigour and implementation strategies inherent in such programmes.

One particular form of intrapreneurship occurs in the context of serial entrepreneurship. Intrapreneurship can occur in this context when an employee is supported by his/her employer (a serial entrepreneur who has founded the business) to develop an idea for a new venture which subsequently becomes a stand-alone company residing within the serial entrepreneur’s corporate group structure. The serial entrepreneur remains the dominant figure in the group. A special case here is it that of family businesses. The development processes can, to an extent, be perceived as bottom-up. However, in contrast to ‘pure’ intrapreneurship, the resultant organisational entities reside outside the existing organisational domain of the initial business.

Subsidiary intrapreneurship is defined as bottom-up actions by the site management of a subsidiary to upgrade the functionality of the subsidiary in the global corporate context, leading to the development of new ventures. The ideas are generated and developed primarily by the local site management. In that sense the actions cannot be considered bottom-up from a subsidiary perspective. But they can be considered bottom-up from a global corporate perspective. The actions do not generally involve a corporate culture or programme for subsidiary intrapreneurship.
The extent of intrapreneurship in the South East Region: quantitative analysis

In order to situate the South East region’s intrapreneurial endeavours within the context of Irish and international intrapreneurship levels, this report provides an analysis of one pertinent source of cross-country intrapreneurship information: The Global Entrepreneurship Monitor (GEM). The findings reported in the annual GEM report are based on data gathered via an adult population survey. The annual GEM survey instrument includes a number of questions on levels of intrapreneurship across the set of observed countries. The GEM definition of intrapreneurship shares a significant overlap with the definition of intrapreneurship utilised in this report.

Table 1 presents 2019 GEM data on intrapreneurship rates across a selection of OECD countries, expressed as current active intrapreneurs as a percentage of adult employment within each country sample. Ireland ranks well internationally in terms of intrapreneurship: in 2019, Ireland’s intrapreneurship rate (8.2% of the adult employed population) saw it rank 4th amongst OECD countries. The OECD average intrapreneurship rate for observed OECD countries in 2019 was 5.2%, which Ireland surpasses comfortably. Indeed, this strong Irish intrapreneurship rate is also evident in 2018 sample data, with the 2018 GEM report estimating Ireland’s intrapreneurship rate in that year as 9.8%. In general terms, these GEM findings indicate that intrapreneurship is an activity which is relatively well appreciated and relatively widely practiced in the Irish context.
Table 1: Levels of Intrapreneurship in selected OECD countries (base: employment population)

<table>
<thead>
<tr>
<th>OECD Countries</th>
<th>Currently active as intrapreneur</th>
</tr>
</thead>
<tbody>
<tr>
<td>Slovenia</td>
<td>9.2</td>
</tr>
<tr>
<td>Australia</td>
<td>8.9</td>
</tr>
<tr>
<td>United Kingdom</td>
<td>8.4</td>
</tr>
<tr>
<td>Ireland</td>
<td><strong>8.2</strong></td>
</tr>
<tr>
<td>United States</td>
<td>7.5</td>
</tr>
<tr>
<td>Luxembourg</td>
<td>7.3</td>
</tr>
<tr>
<td>Germany</td>
<td>6.9</td>
</tr>
<tr>
<td>Canada</td>
<td>6.7</td>
</tr>
<tr>
<td>Israel</td>
<td>6.5</td>
</tr>
<tr>
<td>Switzerland</td>
<td>6.5</td>
</tr>
<tr>
<td>Portugal</td>
<td>6.0</td>
</tr>
<tr>
<td>Chile</td>
<td>5.5</td>
</tr>
<tr>
<td>Sweden</td>
<td>5.2</td>
</tr>
<tr>
<td>Latvia</td>
<td>4.9</td>
</tr>
<tr>
<td>Netherlands</td>
<td>4.8</td>
</tr>
<tr>
<td>Slovakia</td>
<td>4.1</td>
</tr>
<tr>
<td>Spain</td>
<td>3.0</td>
</tr>
<tr>
<td>Greece</td>
<td>2.9</td>
</tr>
<tr>
<td>South Korea</td>
<td>2.8</td>
</tr>
<tr>
<td>Norway</td>
<td>2.5</td>
</tr>
<tr>
<td>Poland</td>
<td>2.4</td>
</tr>
<tr>
<td>Japan</td>
<td>2.4</td>
</tr>
<tr>
<td>Italy</td>
<td>1.2</td>
</tr>
<tr>
<td>Mexico</td>
<td>0.2</td>
</tr>
</tbody>
</table>

Source: GEM 2019 Data

In terms of intrapreneurship across Irish regions, unpublished GEM data yield insights into regional intrapreneurship rates observed. As is evident in Table 2, 5.9% of employed respondents in the South East Region were engaged in intrapreneurship in 2019. In the South East region, rates of intrapreneurship are lower than the those reported in Dublin (12.1%), the Mid East (8.8%), the South West (7.3%). The South East intrapreneurship figure for 2019 is also below overall national level (8.2%). This data suggests that there is significant potential to increase the number of intrapreneurs in the South East Region. However, while the annual GEM reports provide valuable
headline data on cross-country intrapreneurship levels, these reports do not in themselves seek to explain or analyse regional or national intrapreneurship trends.

Table 2: Levels of Intrapreneurship in the Regions of Ireland (base: employment population)

<table>
<thead>
<tr>
<th>Region</th>
<th>Currently active as intrapreneur</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dublin</td>
<td>12.1%</td>
</tr>
<tr>
<td>Mid East</td>
<td>8.8%</td>
</tr>
<tr>
<td>South West</td>
<td>7.3%</td>
</tr>
<tr>
<td><strong>South East</strong></td>
<td><strong>5.9%</strong></td>
</tr>
<tr>
<td>Midlands</td>
<td>5.9%</td>
</tr>
<tr>
<td>Mid West</td>
<td>5.8%</td>
</tr>
<tr>
<td>West</td>
<td>5.4%</td>
</tr>
<tr>
<td>Border</td>
<td>4.3%</td>
</tr>
<tr>
<td><strong>Ireland</strong></td>
<td><strong>8.2%</strong></td>
</tr>
</tbody>
</table>

Source: GEM 2019 Data. Sample 2,000.

Corporate intrapreneurial programmes and actions: qualitative analysis

In this report, the activities of the respondent companies are disaggregated into the following categories: continuous improvement; intrapreneurship; subsidiary intrapreneurship; and intrapreneurship in the context of serial entrepreneurship. Table 3 indicates the number of respondent company engaged in each of these categories.

Table 3: Number of respondent company engaged in intrapreneurship categories and continuous improvement

<table>
<thead>
<tr>
<th>Category</th>
<th>No. of companies</th>
</tr>
</thead>
<tbody>
<tr>
<td>Continuous Improvement</td>
<td>24</td>
</tr>
<tr>
<td>Intrapreneurship</td>
<td>4</td>
</tr>
<tr>
<td>Subsidiary Intrapreneurship</td>
<td>6</td>
</tr>
<tr>
<td>Intrapreneurship in context of serial entrepreneurship</td>
<td>4</td>
</tr>
</tbody>
</table>

Note: The number of companies do not sum to 29 as the categories are not mutually exclusive.
Continuous improvement

Of those companies interviewed, 24 companies confirmed that they have implemented continuous improvement programmes. While companies of all sizes engage in continuous improvement, larger companies tend to dedicate greater resources to their continuous improvement initiatives as well as putting in place more robust organisational systems around these initiatives. Firms operating within multinational corporate structures tend to engage in continuous improvement at a local level but can accommodate global input should the proposed change be applicable across multiple subsidiaries or at a global level. Respondents characterise continuous improvement as a means to unlocking the expertise of operatives and shop-floor employees. As such, continuous improvement is predicated on employee participation. Suggested improvements tend to emerge via submissions to ideas boxes, by logging suggestions to an intranet system, through informal discussions with supervisors, or via regular brainstorming meetings.

Continuous improvement and intrapreneurship functions may overlap within organisations and, indeed, strategies aimed at implementing continuous improvements can be leveraged in the development of the intrapreneurial idea. In addition, five respondent companies implemented continuous improvement programmes that have become very advanced, thereby crossing the boundary between continuous improvement and intrapreneurship. Such cases are referred to as “Continuous Improvement Plus”. Bottom-up ideas, evolving from standard continuous improvement programmes, can be selected for inclusion into more advanced programmes that can draw greater resources and involve a range of departments. These programmes can result in substantial technological innovations. However, the focus remains predominantly on process development as opposed to new products or services. CI Plus programmes generally do not lead to new ventures, although in two companies they did. These can be referred to as ‘accidental ventures’ because new ventures are not the objective of the programmes.

While continuous improvement programmes have been implemented by the majority of companies in this study, interviewees do highlight a number of barriers encountered in the initial implementation of these programmes as well as challenges to their effective delivery on an on-going basis. Firstly, lack of engagement by management in the continuous improvement can undermine the process. Secondly, given the participatory nature of continuous improvement, the process can suffer if it is foisted on employees as an instruction. Thirdly, providing timely and detailed feedback to employees that have proposed improvements is crucial in order for the process to succeed. Disengagement or disillusionment on the part of employees can see the continuous improvement process grind to a halt. Finally, tension may exist between pre-existing organisational structures and newly implemented continuous
improvement programmes. The full report includes solutions for these barriers and challenges.

**Intrapreneurship**

Although the definition of intrapreneurship, adopted in this report, is relatively detailed, the categorization of businesses is not always clear-cut, and inevitably includes grey areas. One ambiguity is related to the term ‘new venture’. Not all additional products, services or activities should be considered a new venture. Another ambiguity is related to the term ‘bottom-up approach’. Not all ideas for a new product or service, developed by middle-level management or below, should be considered ‘bottom-up’ in the context of intrapreneurship. The differentiating factor is whether or not the researchers are instructed to develop specific ideas. Finally, in some cases continuous improvement programmes can become very advanced, thereby crossing the boundary between continuous improvement and intrapreneurship. Such cases are referred to as “Continuous Improvement Plus”. On these grounds, several respondent companies are excluded from the intrapreneurship category.

This research came across four companies in the South East Region that fit the narrow definition of intrapreneurship (not counting the four companies characterized by intrapreneurship in the context of serial entrepreneurship (see below)).

Some of the main barriers to intrapreneurship are related to the fact that many companies operate as subsidiaries in a broader corporate structure. In those cases, depending on the corporate organisation, the limited functionality of the subsidiary, and/or the level of the staff, can work against corporate intrapreneurship. For example, a number of subsidiaries are mainly production facilities with limited research, development, sales and marketing functions. These latter functions are often located overseas. Depending on the organizational structure, this can be a barrier to the generation and actual development of bottom-up ideas at the local site. Most subsidiaries have some freedom, and a limited discretionary budget, to develop small-scale ideas. But more substantial ideas are handed over to other units or corporate headquarters. The absence of a product development and sales and marketing function is an important barrier.

One challenge that was identified by several interviewees was that ideation can lead to too many, often poor, ideas. This can potentially lead to a serious draw on time and capital resources. The weakness of the ideas is in some cases related to the fact that ideas were generated and developed by individuals with bounded skill sets. Here, the problem often lies in the company structure, the lack of a suitable ideation programme and the absence of appropriate tools.
The case studies in the full report present details of structures and programmes in intrapreneurial companies. Companies adopt different structures and programmes, partly driven by the type of business and sector. Most intrapreneurial companies have an organisational structure that facilitates bottom-up idea generation and intrapreneurship and a set of bespoke tools that suit the business of the company. It generally involves a tool for suggesting and processing ideas. It also generally involves a committee to evaluate ideas at an early stage. Ideas with a poor chance of success need to be turned off at an early stage. But the ones with the best chance of success need be supported, notably by developing a team that is sufficiently resourced and that contains all the relevant skill sets at an early stage.

This relates to the challenge of motivating staff, including those whose idea have been rejected. Important here is that all ideas receive formal and constructive feedback. Another element to the solution lies in the reward system. Most intrapreneurial companies operate some kind a reward system, often involving a cash bonus. But it is also important that ideas that are not pursued are acknowledged.

More generally, developing an intrapreneurial enterprise involves change. This change brings challenges that need to be managed. Key pitfalls include a lack of buy-in and communication. Staff need to understand that the company wants them to be intrapreneurial. Staff also need to be made aware of what intrapreneurship entails. In addition to this, they need to be assured that the structures and tools are in place, and that the requisite resources are available. Employees need to feel that the programme starts from the top in terms of commitment.

Finally, two interviewees mentioned the challenge of securing the benefits of the intrapreneurial activities for the company. In many companies this challenge is partly solved by protecting the resultant intellectual property.

Subsidiary Intrapreneurship

This research came across six companies in the South East Region that presented elements of subsidiary intrapreneurship. In three of these cases the actions had led to new ventures, notably the addition of R&D units. In the other three cases, local management undertook intrapreneurial actions, but no new ventures (narrowly defined) had been established. In one case this can be linked to the young age of the facility.

Subsidiary intrapreneurial action is often driven by a desire to secure the development or survival of the local site. The intrapreneurial actions are generally not taken in the context of a specific corporate programme to drive subsidiary intrapreneurship. On the contrary, although the ventures are eventually approved by corporate headquarters, the initial development, and even financing, often happens under the
radar of corporate headquarters. The process is referred to as ‘guerilla intrapreneurship’.

The main barriers and challenges to subsidiary intrapreneurship are related to the subsidiary being part of an integrated global production network where the functions of sites are clearly set by corporate management. Another barrier lies in the limited discretionary resources at subsidiary level. This limits the size of the initiative before the involvement of corporate. Some of the local sites have overcome this by drawing resources from a range of sources and projects. In general, having a track record as a performance site helps subsidiaries attract such projects.

Intrapreneurship in the context of Serial Entrepreneurship

The phenomenon of intrapreneurship within a serial entrepreneurship context was evident in the four cases (including two family businesses). One respondent - a serial entrepreneur with six businesses within one group structure – exemplified this type of intrapreneurship:

“Each of the businesses in the group have been developed via internal intrapreneurship [..] They are subsidiaries within the group. They all have their own independent management structure. I am the majority shareholder in each and I am the chairman of the group.” (Interview C11)

A special case here is it that of family businesses. Intrapreneurship can also be observed within family businesses where family members are encouraged to develop new ideas into new ventures within the family group. As with the serial entrepreneurship examples discussed above, these family businesses consist of a set of companies residing within a group structure. The founding family members tended to remain dominant within the family business group. The development of new ventures is not reserved to family members only. A number of instances of intrapreneurship within family groups involved non-family employees.

A number of barriers exist to intrapreneurship emerging in the context of serial entrepreneurship. One barrier to intrapreneurship within the context of serial entrepreneurship can be the perception at group level that intrapreneurial initiatives are outside the remit of subsidiaries and their employees. In such a scenario, there is scope for support agencies to inform serial entrepreneurs of the benefits that formal intrapreneurship programmes can deliver to their business groups.

Another barrier is related to the dominant role of the serial entrepreneur. In the instances of serial entrepreneurship, it is often the serial entrepreneur who ultimately decides which ideas and new ventures within the group should be allocated resources.
This can create tensions with employees within the subsidiaries when those employees bring forward ideas that are not supported by the serial entrepreneur. Finally, family businesses can bring with them organisational features particular to familial relations.

Similarly, it is evident that there are challenges to maintaining intrapreneurial dynamics within serial entrepreneurship settings. While the founders of the family business play an entrepreneurial role, the second generation may be inclined to assume the role of guardians of the family business. As such, ideational processes and intrapreneurial initiatives may become more significant for family businesses as early business activities mature and new ventures are needed to reinvigorate the business group. Developing formal intrapreneurship structures may offer a means for family businesses to discover new market opportunities and add new ventures to the existing family business group.

**Intrapreneurship and spin-outs**

Intrapreneurship is sometimes linked to the formation of entirely new spin-out companies, as well as being linked with an attendant positive impact on regional development. This view is based on the industry dynamics observed in archetypical industrial clusters, notably Silicon Valley.

The research undertaken for this report has investigated the relevance of such processes in the context of the respondent companies in the South East region. The findings are somewhat sobering. Over the last ten years, nine of the 29 interviewed companies have experienced employees leaving the company to set up their own business (not counting the companies established by serial entrepreneurs). None of these cases fully fit the idea of spin-outs resulting from intrapreneurial projects.

Many of the cases involved very small enterprises, unrelated to the activities of their source companies. It is questionable whether these should be perceived as spin-outs. In other cases, employees set up businesses related to the source company’s business, but the spin-out was not related to intrapreneurial activities undertaken within the source company. In most cases the entrepreneurs received no, or very limited, support from the source company in establishing the spin-out.

A substantial number of interviewees were quite negative towards the idea of staff spinning out companies or, at least, did not see why their company would operate an intrapreneurial programme that may lead to spin-outs and valuable staff leaving the company.

It is important to note that this research analysed intrapreneurship at the level of the organisation, as opposed to the level of the individual employee. Some of the spin-outs described in the report may have involved intrapreneurial behaviour of individual employees in the context of a non-intrapreneurial company.
It seems that, in the South East Region at least, the regional development benefits of intrapreneurship do not manifest themselves via the emergence of new spin-out companies.

Intrapreneurship support in the South East Region

A large number of institutions and programmes provide a range of enterprise and innovation support services in the South East region. The list includes the two national enterprise agencies, Enterprise Ireland and IDA Ireland, which operate regional offices. There are five main institutions providing start-up support, either in the form of business advice, business facilities, or early-stage funding. Some of these services are provided on behalf of Enterprise Ireland. Early stage investment is provided by HBAN. Seven research centres, linked to third-level institutions, and two technology transfer offices support innovation in regional businesses. Finally, in addition to the third-level education institutes, the South East Regional Skills Forum works with the regional business community in closing specific skills gaps. The regional support ecosystem functions as proper rhizome network. Further co-ordination is driven by the Regional Action Plan for Jobs and the South East Office.

A substantial number of indigenous respondent firms availed of the Enterprise Ireland support for implementing continuous improvement programmes. Other respondents funded their own consultants to inform the Lean management programmes, or relied on internal resources. Seven indigenous companies and entrepreneurs have also benefited from more general business support and start-up assistance provided by the agencies and institutions in the region. In relation to research and development, 16 of the 29 respondent companies (both foreign and indigenous) have availed, to some extent, of the services of the regional research centres.

Clearly, the institutions and agencies in the South East do promote and support innovation and skill formation and, through this, facilitate intrapreneurship in the regional enterprise base that comes through their programmes. But this research did not find specific intrapreneurship policies or programmes at the regional or national level.

The most relevant institution is the Design+ Technology Gateway, based at the Institute of Technology Carlow. The research centre provides a design-led approach to projects in the areas of engineering, ICT and bioscience. It provides close-to-market technology solutions that allow companies to develop new products, processes and services by leveraging the research expertise available within each Institute of Technology. The Design+ team enables companies to define and develop new products and concepts, drawing on a broad spectrum of technical, business and marketing expertise. Design+ started off focusing on product design but has recently
developed design thinking and a Design Strategies Project. The team have developed their own version of existing design thinking processes. It looks at how firms can implement design thinking around an idea regarding a new product or line of service.

This project has many characteristics of an intrapreneurship project. It differs from intrapreneurship in that it primarily deals with SMES and, within those, with the owner-managers. Also, the current focus of Design+ appears to be on progressing individual ideas as opposed to an overall intrapreneurial culture. However, one of their clients has used Design+ support to change their entire corporate culture. This particular project was developed only recently.

Although beyond the scope of this research, respondents did comment on the general enterprise and innovation system within the South East region. Almost without exception, respondents were positive about the general enterprise and innovation supports available to them. More specifically in relation to intrapreneurship, since intrapreneurship is not an established culture or tool in the minds of most respondents, these respondents do not identify a gap in the support system around intrapreneurship. This is not to say that companies dismissed the benefit of a potential intrapreneurial programme or tool. Respondent did express an interest and offered to test potential tools in their companies.

The question arises as to what agencies or institutions should be involved in an intrapreneurship policy and strategy in the South East region. Few of the existing regional agencies have this function within their remit. The most suitable candidate, at a national level, would appear to be Enterprise Ireland. Intrapreneurship fits comfortably within the Enterprise Ireland agenda of new job creation, in this case by increasing the growth and competitiveness of its client companies. But an initiative of this nature would have to be supported by its parent Department. Intrapreneurship would probably align most closely with the Competitiveness Unit of Enterprise Ireland.

In terms of the development of an intrapreneurship programme, an Intrapreneurship Programme could borrow many elements of the successful Lean Support Programme (see Section 7.1). The first task would be to educate the client base as to the benefits of intrapreneurship. Here, it is important that intrapreneurship is not linked to the development of entrepreneurship and business spin-offs. According to the agencies, companies would perceive a risk of losing core staff if intrapreneurship was presented in terms of new firm formation.

Enterprise Ireland could establish a national network of intrapreneurship specialists capable of providing high standard consultancy services. This network could be expanded to include institutions and firm champions. Case studies could be developed of successful intrapreneurship, several of which are included in this report. The network
should organize events involving leading Lean practitioners from international companies. There is scope for sharing expertise and knowledge across European regions. Ireland and the South East Region may benefit from learning about programmes in other regions that have progressed from initial concept through to eventual implementation.

The actual intrapreneurship programme offering could be modelled on the Lean Support Programme, involving a stepped programme with supports and funding for firms at different stages of their Intrapreneurship journey. One issue here is that most subsidiaries of multinational companies cannot avail of Enterprise Ireland funding, so a different funding mechanism would need to be developed to accommodate these subsidiaries. One of the main barriers to a national roll-out is the shortage of expert strategists with industry experience that could deliver these programmes.

Clearly, Design+ (see Section 7.1) could play an important role in a national intrapreneurship network. It could act as a provider of intrapreneurship consultancy services. “Our design strategies project does what you have in mind with your toolkit” (Interview Design+). This would require a significant upscaling of their existing activities. Continuity of service would require the creation of specific strategist roles as part of the core staff. More importantly, Design+ could act as a national flagship research institute, responsible for education, research and programme content development.

The third-level institutions could play an important role in promoting the concept by integrating it in their business school curricula, notably the curricula of MBA programmes. The business schools could play a further role in developing bespoke intrapreneurship training programmes for management staff at individual companies. An example of such a programme in the South East region is presented in the full report.

Conclusions

This report provides an assessment of the regional situation with regard to Intrapreneurship in the South East region.

In order to situate the South East region’s intrapreneurial endeavours within the context of Irish and international intrapreneurship levels it has provided a quantitative analysis of the data contained in the Global Entrepreneurship Monitor (GEM). The regional breakdown of the GEM 2019 survey showed that 5.9% of employed respondents in the South East region were engaged in intrapreneurship. This is below the overall national level (8.2%). Taken as a whole, this regional disaggregation of the 2019 GEM data suggests that there is significant potential to increase the number of intrapreneurs in the South East region.
In order to get a more detailed insight into situation of intrapreneurship, 45 interviews were conducted with institutions and companies in the South East Region. Based on the interviews, this report distinguishes four different types of intrapreneurship and related concepts: continuous improvement; intrapreneurship; subsidiary intrapreneurship; and intrapreneurship in the context of serial entrepreneurship.

Most respondent companies operate continuous improvement programmes. Although related, continuous improvement is not considered intrapreneurship. This research came across four companies in the South East Region that fit the narrow definition of intrapreneurship and four companies that can be characterized by intrapreneurship in the context of serial entrepreneurship. Finally, this report identified six companies that presented elements of subsidiary intrapreneurship.

Each type of intrapreneurship is confronted by its own barriers and challenges. Focusing on intrapreneurship, the main barriers to intrapreneurship are related to the fact that many companies operate as subsidiaries in a broader corporate structure. In those cases, the limited functionality of the subsidiary, notably the limited R&D and Sales and Marketing functions, and/or the level of the staff can work against corporate intrapreneurship. Further challenges relate to the amount and poor quality of ideas, motivating staff, managing change, and securing the benefits of the intrapreneurial activities for the company. Solutions to these challenges are discussed in Chapter 5 of the report.

Since intrapreneurship is sometimes linked to the formation of entirely new spin-out companies, this research also investigated the relevance of such processes in the context of the respondent companies in the South East region. The findings are somewhat sobering. Over the last ten years, nine of the 29 interviewed companies have experienced employees leaving the company to set up their own business (not counting the companies established by serial entrepreneurs). None of these cases fully fit the idea of spin-outs resulting from intrapreneurial projects. The closest cases were found in the family enterprises. It seems that, in the South East Region at least, the regional development benefits of intrapreneurship do not manifest themselves via the emergence of new spin-out companies.

A large number of institutions and programmes provide a range of enterprise and innovation support services in the South East region. Clearly, the institutions and agencies in the South East do promote and support innovation and skill formation and, through this, facilitate intrapreneurship in the regional enterprise base that comes through their programmes. But this research did not find specific intrapreneurship policies or programmes at the regional or national level. The most relevant institution
is the Design+ Technology Gateway based at the Institute of Technology Carlow. This project has many characteristics of an intrapreneurship project.

Since intrapreneurship is not an established culture or tool in the minds of most respondents, these respondents do not identify a gap in the support system around intrapreneurship. However, respondents do express an interest in intrapreneurship tools for their companies.

Enterprise Ireland, at a national level, would be the most suitable candidate for developing an Intrapreneurship policy and programme. Such a programme could borrow many elements of the successful Lean Support Programme. The first task would be to educate the client base as to the benefits of intrapreneurship. Enterprise Ireland could establish a national network of intrapreneurship specialists capable of providing high standard consultancy services. This network could be expanded to include institutions and firm champions. The actual intrapreneurship programme offering could be modelled on the Lean Support Programme, involving a stepped programme with supports and funding for firms at different stages of their Intrapreneurship journey. Design+ could play an important role in a national intrapreneurship network. It could act as a provider of intrapreneurship consultancy services. More importantly, Design+ could act as a national flagship research institute, responsible for education, research and programme content development.
1. Introduction and background

Though the term *intrapreneurship* may be a recent addition to the business lexicon, the importance of employee initiatives in driving innovation and competitiveness within firms is well recognised by corporate management and policymakers alike. What is more, recent evidence indicates that employees within Irish firms are very much engaged in intrapreneurial activity. The Global Entrepreneurship Monitor, for example, consistently ranks Ireland as being among the top OECD countries in terms of intrapreneurship rates among employees. Policymakers have now begun to pay greater attention to the supports within and around companies that can best foster intrapreneurship. Indeed, the *South East Regional Action Plan to 2020* recognises that there are a number of exemplar companies who have succeeded in unlocking the potential of intrapreneurship: "Typically, multinational enterprises (MNEs) and some large Irish owned businesses have sophisticated internal structures to support and encourage in-company innovation and intrapreneurship." (p.14). The challenge for policymakers now is to use such anecdotal intrapreneurship exemplars to design a suite of fully-fledged intrapreneurship supports that can add value not only to multinational subsidiaries and the largest domestic companies but to firms of all sizes and organisational structures.

This report is the second deliverable under a project funded under the Directorate General for Structural Reform Support (DG REFORM) of the European Commission. The project aims to assess the level of intrapreneurship in the South East Region of Ireland and to develop a strategy for supporting and facilitating increased intrapreneurship within companies in the region. The South East of Ireland combines counties Carlow, Kilkenny, Tipperary, Waterford and Wexford. The region as a population of 582,000, which accounts for over 12% of the total population of Ireland (2016). In Q1 2019, unemployment within the region stood at 6.7%, higher than the State level of 5%. Gross Value Added (GVA) per person in Ireland South East was €33,039 in 2015, well below the €52,461 for Ireland as a whole.1 Agriculture and Manufacturing have traditionally been the strongest economics sectors. However, there is a process of ongoing structural change in the region with a shift in employment to higher value added sectors and activities, concentrated in a number of clusters in Agri-Food, Global Business and Financial Services, BioPharma and MedTech, ICT and Engineering, and the Creative sectors.1

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The overall objectives of this project are as follows:

- To prepare an analysis of intrapreneurial activity within companies in the South East Region
- To present an overview of the current situation with regards to successful intrapreneurship in Ireland and selected leading countries
- To develop an Action Plan and associated toolbox and provide recommendations of relevant programmes to increase intrapreneurship within companies
- To capture the learning and recommendations from the project, and prepare a strategy for the South East Development Office to communicate the results of the project regionally, nationally and across the EU
- To embed and sustain the outputs to maximise the effectiveness of the technical assistance in the longer term, set out a clear path forward for ISEDO and disseminate the project to a wider audience

This report addresses deliverable 2 of the project, by presenting an analysis of intrapreneurial activity within companies in the South East region. In the first instance, this report presents an assessment of the extent to which intrapreneurship is undertaken in the South East region. In doing so, this report provides insights into how successful internal intrapreneurship structures work, the barriers to intrapreneurship emerging within companies, challenges to maintaining an intrapreneurial culture within companies, and the gaps in the current enterprise support system in relation to intrapreneurship. This report is quite a timely one, as it is well documented within academic research in the field of intrapreneurship that there has been little progress in understanding the role of intrapreneurship in local and regional development. Given the focus of this report on the South East region, the findings of this report – derived from 45 interviews undertaken with companies as well as local and regional institutions in the South East region - offer novel insights into intrapreneurship not only within companies but also across local and regional business ecosystems.

This report is structured as follows:

- **Section 2** details data sources and methodology utilised in this report.
- **Section 3** presents a discussion of definitions and key concepts.
- **Section 4** present a brief quantitative analysis of intrapreneurship rates in the South East region.
- **Section 5** presents an analysis of the findings from the extensive set of company interview data that has been collated for the purposes of this study.
• Section 6 considers the contribution of intrapreneurship to the emergence of spin-out firms.

• Section 7 provides an overview of the South East enterprise support system insofar as it applies to intrapreneurship.

• Section 8 identifies intrapreneurship-related gaps in this support system.

• Section 9 concludes by setting out a number of key overarching discussion points.

• Appendices:
  - Appendix A: provides details on interview guidelines.
  - Appendix B: provides a list of the key institutions that provided interviews.
2. Data and methodology

In order to explore the extent of intrapreneurship in the South East region, this study integrates both quantitative and qualitative data by utilising a mixed methods research methodology. While it is qualitative data - collected via an extensive set of interviews - that underpins the core of the analysis undertaken in this study, quantitative data is utilised initially to situate intrapreneurship levels observed in the South East region in a national and international context.

The quantitative data used in this study is drawn from the database of the Global Entrepreneurship Monitor (GEM). The GEM 2018 and 2019 annual reports present intrapreneurship data at a national level for a selection of OECD countries, including Ireland. In addition to this, unpublished data on intrapreneurship levels across Irish regions in 2019 has been kindly provided by the GEM report authors. In this way, data on intrapreneurship rates in the South East region can be discussed in the context of relevant national and international comparative data.

The quantitative data for this study has been collected via a set of interviews undertaken with companies as well as local and regional institutions in the South East region. An inventory of companies and institutions has been compiled from existing data sources, information provided by the project stakeholders, and recommendations of institutional interviewees.

The set of institutions interviewed has been selected with a view to representing the full range of institutions in the South East region that potentially support intrapreneurship or have encountered intrapreneurial activities within their client companies. In total, 16 local and regional institutions have been interviewed for the purposes of this study.

The companies interviewed for the purposes of this study have been drawn from the inventory outlined above by a process of purposive sampling. This sampling approach has sought to ensure that medium- and large-sized companies are represented within the sample. A second sampling criterion has sought to ensure that the sample reflects the industrial structure of the South East region. With this in mind, the company sample includes companies active in the following sectors: agri-foods, engineering, financial services, ICT, medical technology, and pharmaceuticals. In addition to these sectoral interviews, 5 serial entrepreneurs were also interviewed as part of this set of company interviews. In total, 29 companies have been interviewed for the purposes of this study. The full set of interviews were completed over the period October to December 2020. All interviews were undertaken via Zoom or Teams communication platforms, with interviews lasting approximately 45 minutes in duration.
Interviews were conducted in a semi-structured format (see Appendix A for two interview guides). Institutional interviews sought to ascertain the extent to which the interviewees have supported or encountered intrapreneurship within their client companies, as well as seeking to identify barriers and challenges to the emergence of intrapreneurship and intrapreneurship-related gaps in the existing enterprise support system. Company interviews were guided by a stepped interview approach. The first set of questions sought to establish whether or not a company had successfully cultivated intrapreneurship. A second set of questions sought to elicit information pertaining to the company’s internal policies and actions in relation to supporting intrapreneurship, any barriers and challenges the company encountered in relation to intrapreneurship, each company’s engagement with the regional innovation ecosystem as it sought to stimulate or sustain intrapreneurship, and the perceived gaps in the relevant support system.

Interview data was collated and analysed by means of qualitative thematic analysis. Individual interview transcripts were coded by themes relating to the workings of the intrapreneurial process within companies, specific intrapreneurial examples, barriers and challenges to intrapreneurship, and the local and regional support system related to intrapreneurship. Findings from this thematic analysis are presented in Section 5.
3. Key Concepts and analysis framework

As will presently be explained, there is no generally accepted definition of intrapreneurship. As a consequence, the boundaries between a number of concepts related to intrapreneurship have not been precisely delineated in existing literature. This section discusses the definitions of intrapreneurship and related concepts as applied in this report. In what follows, this section will discuss intrapreneurship, continuous improvement, intrapreneurship in the context of serial entrepreneurship, and subsidiary intrapreneurship.

Figure 1: Intrapreneurship and related concepts

3.1 Intrapreneurship

The term ‘Intrapreneurship’, or ‘corporate entrepreneurship’, is often used to describe the entrepreneurial behaviour of employees within an existing organisation. Although the concept of intrapreneurship is more than 40 years old, there is no generally accepted definition. Definitional and conceptual overviews have tended to problematize the definition by dealing with the different dimensions of intrapreneurship, including entrepreneurship, venturing, innovation, nature of sponsorship and so forth (De Jong and Wennekers, 20082; Sharma and Chrisman, 19993). This work shows that the definition of intrapreneurship can be general or more specific, depending on what is integrated into these dimensions.

Sharma and Chrisman (1999) distinguish between independent entrepreneurship and corporate entrepreneurship. Independent entrepreneurship refers to entrepreneurial efforts of individuals operating outside the context of an existing organisation. Corporate entrepreneurship refers to entrepreneurial efforts within an existing organisation. The term intrapreneurship is generally linked to the latter.

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Entrepreneurship encompasses acts of organisational creation, renewal, or innovation. Therefore, the term intrapreneurship should not be equated with innovation, because organisational creation or renewal can occur in the absence of innovation (ibid, 1999). In addition, not all innovative activities in an organisation are part of intrapreneurship. Innovative activities, including in research and development units, are only intrapreneurial if they involve bottom-up processes (see below).

We can also distinguish between the nature of the sponsorship or the degree of formal authorisation of the actions. Sharma and Chrisman (1999) distinguish between formal (sponsored by the organisation) and informal entrepreneurial efforts based on employees’ initiative without formal organisational sponsorship. This is related to the distinction between top-down and bottom-up processes. In this research we associate intrapreneurship to bottom-up processes. It is of course possible that individual employees display intrapreneurial behaviour in the absence of formal sponsorship. Here, we do not treat this is intrapreneurship.

A final dimension is related to the size of the creation or renewal achieved via intrapreneurship. Intrapreneurship should be concerned with new ventures - some sort of ‘internal start-up’ such as a new subsidiary, a new outlet, a new business unit, a new division or at least a new project team (De Jong and Wennekers, 2008). Corporate venturing refers to corporate entrepreneurial efforts that lead to the creation of new business organisations within the corporate organisation. Sharma and Chrisman (1999) distinguish between external and internal corporate venturing. Internal corporate venturing refers to the corporate venturing activities that result in the creation of organisational entities that reside within an existing organisational domain. Intrapreneurship is linked to this internal corporate venturing. External corporate venturing refers to corporate venturing activities that reside outside the existing organisational domain. One well-known example of external corporate venturing is the formation of spin-off companies.

In this research project, intrapreneurship is defined as activities that include the following four features.

- The entrepreneurial behaviour of employees and the development of new ventures within the existing structure of an organisation.
- A bottom-up approach to creating and developing ideas that can enhance the competitiveness or productivity of the company from within the company.
- It can involve new products/services, or the setting up a new business entity, for the employer.
- A system that allows an employee to act like an entrepreneur within a company.
Intrapreneurship can be analysed at the organisational and individual employee level (De Jong and Wennekers, 2008). At the level of the organisation, the focus is on the entrepreneurial organisation and the way in which organisations encourage and promote the formation of new ventures. At the level of the individual employees, the focus on the individual characteristics of the entrepreneurial employee or intrapreneur.

3.2 Continuous improvement

Continuous improvement programmes are strategies implemented by firms for bringing about incremental changes with a view to enhancing productivity and stripping out inefficiencies. These programmes are participative, in that the proposed changes emanate from employees within an organisational culture that stimulates and supports such process improvements. Continuous improvement programmes, typified by Lean management techniques, can in principle be applied to all types of businesses and processes. As outlined below, continuous improvement programmes are distinct from intrapreneurship, yet intrapreneurial initiatives and ideational processes may leverage the analytical rigour and implementation strategies inherent in such programmes.

Initially developed as a production system that eliminated inefficiencies in Toyota’s automobile manufacturing plants in the 1960s and 1970s, Lean management has evolved into a management approach that seeks to enhance all processes at each level of an organization. A Lean approach to continuous improvement can be defined as follows:

“A systematic and very focused approach for guiding employee learning, education, and practice of Lean principles and philosophies across an enterprise. Lean management encompasses both an individual and a collective organizational transformation plan for the deployment of a Lean educational system, Lean sociotechnical system (belief system), and Lean change management system.” (Charron et. al. p.3)

Lean techniques focus on increasing customer value, eliminating waste, and optimizing operations. However, as indicated by the definition above, Lean management programmes seek to build a particular type of organizational culture: one that stimulates employees to pursue opportunities to improve their work practices and share ideas for continuous improvement. As such, it seeks to embed incremental continuous process improvement initiatives within a wider participative organisational system. Informed by its fusion of Japanese and US management principles, key Lean concepts include: a Just-in-time approach to production; Jidoka (a stop-and-respond
approach to addressing production problems); *Heijunka* (a smoothing approach to production); and *Kaizen* (an incremental approach to continuous improvement).\(^4\)

Lean management can be applied to all types of businesses and processes.\(^5\) Lean management techniques are perhaps mostly associated with manufacturing activities, as manufacturing facilities seek to move away from traditional batch-based systems and embrace a balanced one-piece-flow Lean manufacturing approach. However, companies operating in other industries can tailor Lean management to address their own specific requirements. For example, applications of Lean within the Food industry seek to implement Lean in a way that takes account of issues relating to sustainability, environmentally-friendly production methods, ethics, and public accountability. Lean management in services industries, on the other hand, seeks to address issues such as complexity reduction, enhanced sales force productivity, service excellence, and greater employee engagement.

Continuous improvement is distinct from intrapreneurship, but not unrelated. Continuous improvement and intrapreneurship functions may overlap within organisations and, indeed, strategies aimed at implementing continuous improvements can be leveraged in the development of the intrapreneurial idea.

### 3.3 Intrapreneurship in the context of serial entrepreneurship

In the course of this report we discern one particular form of intrapreneurship that occurs in the context of serial entrepreneurship. Intrapreneurship can occur in this context when an employee is supported by his/her employer (a serial entrepreneur who has founded the business) to develop an idea for a new venture which subsequently becomes a stand-alone company that resides within the serial entrepreneur’s corporate group structure. The serial entrepreneur remains the dominant figure in the group – for example, as majority shareholder. A special case here is it that of family businesses where family members are encouraged to develop new ideas into new ventures within the family group.

This development processes can, to an extent, be perceived as bottom-up. However, in contrast to ‘pure’ intrapreneurship, the resultant organisational entities reside

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outside the existing organisational domain of the initial business (although within the group structure of the serial entrepreneur).

3.4 Subsidiary intrapreneurship

Subsidiary intrapreneurship is defined in this report as bottom-up actions by the site management of a subsidiary to upgrade the functionality of the subsidiary in the global corporate context, leading to the development of new ventures. The ideas are generated and developed primarily by the local site management. In that sense the actions cannot be considered bottom-up from a subsidiary perspective. But they can be considered bottom-up from a global corporate perspective. The actions do generally not involve a corporate culture or programme for subsidiary intrapreneurship.

The fields of international management and business studies have made important contributions to our understanding of multinational subsidiary upgrading and evolution processes. Birkinshaw and Hood (1998) provided an influential model of subsidiary evolution, emphasising three drivers: the parent company (decisions made by head office managers regarding the allocation of activities); subsidiary choice; and the host country environment (including support of the host government and inward investment agencies and the strategic importance of the country). Based on this model, Paterson and Brock (2002) present a more elaborate model that more specifically includes the idea of interaction amongst the drivers. This framework proved productive in empirical studies of subsidiary upgrading processes in Ireland (Van Egeraat and Breathnach, 2012).

The model emphasises the fact that many subsidiary upgrading processes are not primarily driven by a top-down corporate process of idea generation and decision making. In fact, many instances of subsidiary upgrading are driven by local site management. In the context of the current research, this can be interpreted as bottom-up from a corporate perspective.

Humphry and Schmitz (2002) distinguish four types of upgrading: process, product, functional and inter-sectoral upgrading. Process upgrading involves the more efficient transformation of inputs into outputs by reorganising the production system or introducing superior technology. Product upgrading refers to firms moving into more

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sophisticated product lines. Functional upgrading involves the acquisition of new functions to increase the overall skill content of activities. Finally, inter-sectoral upgrading refers to firms moving into new productive activities. The last three types generally involve the creation of new ventures at the local subsidiary.

The actions can be perceived as bottom-up (from a subsidiary perspective) and lead to new ventures within the existing structure of the organisation. It does, however, generally not involve a formal corporate culture or programme. In the context of the current research, we refer to this as subsidiary intrapreneurship.

The following table summarises the key characteristics of the various types of intrapreneurship presented above.
Table 1: Key characteristics of the different types of intrapreneurship

<table>
<thead>
<tr>
<th>Types of Intrapreneurship</th>
<th>Key Characteristics</th>
</tr>
</thead>
<tbody>
<tr>
<td>Corporate Intrapreneurship</td>
<td>Entrepreneurial behaviour of employees &amp; the development of new ventures within existing structure of an organisation.</td>
</tr>
<tr>
<td></td>
<td>Bottom-up approach to creating &amp; developing ideas that can enhance the competitiveness or productivity of the company from within the company.</td>
</tr>
<tr>
<td></td>
<td>Can involve new products/services, or setting up a new business entity, for the employer.</td>
</tr>
<tr>
<td></td>
<td>A system that allows an employee to act like an entrepreneur within a company.</td>
</tr>
<tr>
<td>Subsidiary intrapreneurship</td>
<td>Bottom-up actions by the site management of a subsidiary to upgrade the functionality of the subsidiary in the global corporate context, leading to the development of new ventures.</td>
</tr>
<tr>
<td></td>
<td>Ideas are generated &amp; developed primarily by local site management &amp; can be considered 'bottom-up' from a global corporate perspective.</td>
</tr>
<tr>
<td></td>
<td>Actions do generally not involve a corporate culture or programme for subsidiary intrapreneurship.</td>
</tr>
<tr>
<td>Intrapreneurship in the context of serial entrepreneurship</td>
<td>Employees are supported by their employer (a serial entrepreneur) to develop an idea for a new venture.</td>
</tr>
<tr>
<td></td>
<td>New ventures become stand-alone companies that resides within the serial entrepreneur’s corporate group structure.</td>
</tr>
<tr>
<td></td>
<td>A special case here is it that of family businesses where family members are encouraged to develop new ventures within the family group.</td>
</tr>
<tr>
<td>Continuous improvement</td>
<td>Continuous improvement programmes are strategies implemented by firms for bringing about incremental changes with a view to enhancing productivity &amp; stripping out inefficiencies.</td>
</tr>
<tr>
<td></td>
<td>Programmes are participative, in that the proposed changes emanate from employees within an organisational culture that stimulates and supports such process improvements.</td>
</tr>
<tr>
<td></td>
<td>Continuous improvement programmes are distinct from intrapreneurship, yet intrapreneurial initiatives and ideational processes may leverage the analytical rigour and implementation strategies inherent in such programmes.</td>
</tr>
</tbody>
</table>
4. Intrapreneurship in the South East Region: quantitative analysis

In order to situate the South East region’s intrapreneurial endeavours in the context of Irish and international intrapreneurship levels, this section provides a brief analysis of one pertinent source of cross-country intrapreneurship information. This data source, the Global Entrepreneurship Monitor (GEM), has recently begun to collate and publish cross-country data on intrapreneurship. While primarily an annual monitor of aspiring, nascent, and established entrepreneurship across countries, in recent years annual GEM survey instrument has been expanded to include questions on levels of intrapreneurship across the set of observed countries. In what follows, Irish intrapreneurship data published in 2018 and 2019 GEM reports is discussed in relation to international comparators. In addition – and of particular relevance to this study – unpublished GEM data on intrapreneurship levels across Irish regions is also presented and discussed.

The findings reported in the annual GEM report are based on data gathered via an adult population survey. For each country included in the report, a random sample of at least 2,000 adults aged 18 to 64 years inclusive complete the survey. In order to ensure that the sample is representative of the national population, the sample is weighted to reflect national demographic and geographical factors. Respondents across countries are asked a consistent set of survey questions. The margin of error attached to the published findings of the survey is +/- 1.3%. The annual GEM report defines intrapreneurship as follows:

“Intrapreneurs are employees that develop new products/services, or set up a new business entity, for their employer. It does not include, for example, work on optimising internal operations of a firm.“

Notwithstanding its exclusion of continuous improvement (“optimising internal operations”), this GEM definition of intrapreneurship shares a significant overlap with the definition of intrapreneurship utilised in this report.

Turning our attention now to the data, Table 1 (below) presents 2019 GEM data on intrapreneurship rates across a selection of OECD countries, expressed as current active intrapreneurs as a percentage of adult employment within each country sample. As is evident in Table 1, Ireland ranks well internationally in terms of intrapreneurship: in 2019, Ireland’s intrapreneurship rate (8.2% of the adult employed population) saw it rank 4th amongst OECD countries. The OECD average intrapreneurship rate for observed OECD countries in 2019 was 5.2%, which Ireland surpasses even when the

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9 For details of GEM report methodology and definitions, see GEM (2019, p.64).
margin of error is taken into account. Indeed, this strong Irish intrapreneurship rate is also evident in 2018 sample data, with the 2018 GEM report estimating Ireland’s intrapreneurship rate in that year as 9.8%. In general terms, these GEM findings indicate that intrapreneurship is an activity which is relatively well appreciated and relatively widely practiced in the Irish context.

Table 2: Levels of Intrapreneurship in selected OECD countries (base: employment population)

<table>
<thead>
<tr>
<th>OECD Countries</th>
<th>Currently active as intrapreneur</th>
</tr>
</thead>
<tbody>
<tr>
<td>Slovenia</td>
<td>9.2</td>
</tr>
<tr>
<td>Australia</td>
<td>8.9</td>
</tr>
<tr>
<td>United Kingdom</td>
<td>8.4</td>
</tr>
<tr>
<td><strong>Ireland</strong></td>
<td><strong>8.2</strong></td>
</tr>
<tr>
<td>United States</td>
<td>7.5</td>
</tr>
<tr>
<td>Luxembourg</td>
<td>7.3</td>
</tr>
<tr>
<td>Germany</td>
<td>6.9</td>
</tr>
<tr>
<td>Canada</td>
<td>6.7</td>
</tr>
<tr>
<td>Israel</td>
<td>6.5</td>
</tr>
<tr>
<td>Switzerland</td>
<td>6.5</td>
</tr>
<tr>
<td>Portugal</td>
<td>6.0</td>
</tr>
<tr>
<td>Chile</td>
<td>5.5</td>
</tr>
<tr>
<td>Sweden</td>
<td>5.2</td>
</tr>
<tr>
<td>Latvia</td>
<td>4.9</td>
</tr>
<tr>
<td>Netherlands</td>
<td>4.8</td>
</tr>
<tr>
<td>Slovakia</td>
<td>4.1</td>
</tr>
<tr>
<td>Spain</td>
<td>3.0</td>
</tr>
<tr>
<td>Greece</td>
<td>2.9</td>
</tr>
<tr>
<td>South Korea</td>
<td>2.8</td>
</tr>
<tr>
<td>Norway</td>
<td>2.5</td>
</tr>
<tr>
<td>Poland</td>
<td>2.4</td>
</tr>
<tr>
<td>Japan</td>
<td>2.4</td>
</tr>
<tr>
<td>Italy</td>
<td>1.2</td>
</tr>
<tr>
<td>Mexico</td>
<td>0.2</td>
</tr>
</tbody>
</table>

Source: GEM 2019 Data
In terms of intrapreneurship across Irish regions, unpublished data kindly provided to us by GEM yield insights into regional intrapreneurship rates observed in 2019. Of course, moving from a national to regional focus has implications for the representativeness of the sample. While the sample is constructed to be representative at a national level, this statistical representativeness does not hold at a regional level. National survey responses are distributed nationally according to a regional population weighting derived from CSO (2017) annual population estimates. Within this regional population weighting, the South East region accounts for 10.45% of the population. This means that of the 2,000 sample respondents, 209 reside in the South East region. This can be compared for example to the Dublin region, whose 29.65% population weighting corresponds to 593 respondents of the 2,000 national sample.

Bearing this caveat in mind, a regional breakdown of the GEM 2019 survey responses nonetheless provides us with an indication of intrapreneurship levels across regions. As is evident in Table 2 (above), the 5.9% of employed respondents in the South East region were engaged in intrapreneurship in 2019. In the South-east region, rates of intrapreneurship are lower than the those reported in Dublin (12.1%), the Mid-East (8.8%), the South West (7.3%). The South East intrapreneurship figure for 2019 is also below overall national level (8.2%). If the South East intrapreneurship rate of 5.9% was representative of the regional intrapreneurial population, it would be the equivalent of about 1 in every seventeen workers in the South East region engaging in intrapreneurship. For comparison, in Dublin the corresponding number would twice this - about 1 in every eight workers.

Taken as a whole, this regional disaggregation of the 2019 GEM data suggests that there is significant potential to increase both the number of intrapreneurs in the South
East region. However, while the annual GEM reports provide valuable headline data on cross-country intrapreneurship levels, these reports do not in themselves seek to explain or analyse regional or national intrapreneurship trends. With this in mind, we contend that the interview-based analysis provided in this report is ideally placed to reveal the factors which both encourage and inhibit intrapreneurship within the South East region.
5. Corporate intrapreneurial programmes and actions

5.1 Descriptive statistics

As detailed in Section 2, 16 local and regional institutions and 29 companies have been interviewed for the purposes of this study. The set of institutions interviewed has been selected with a view to representing the full range of institutions in the South East region that potentially support intrapreneurship or have encountered intrapreneurial activities within their client companies. All institutions who were approached with a view to providing an interview responded in the affirmative and contributed to the interview process. As such, the response rate for these institutions was 100%.

The companies interviewed for the purposes of this study have been drawn from the inventory outlined above by a process of purposive sampling. This sampling approach has sought to ensure that medium- and large-sized companies are represented within the sample. A second sampling criterion has sought to ensure that the sample reflects the industrial structure of the South East region. With this in mind, the company sample includes companies active in the following sectors: agri-foods, engineering, financial services, ICT, medical technology, and pharmaceuticals. In addition to these sectoral interviews, 5 serial entrepreneurs were also interviewed as part of this set of company interviews. A sectoral breakdown of the companies interviewed in this study is provided in Table 4 (below).

Table 4: Sectoral Breakdown of company interviews

<table>
<thead>
<tr>
<th>Sector</th>
<th>Interviews requested</th>
<th>Responses</th>
<th>Response rate (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agri-foods</td>
<td>6</td>
<td>4</td>
<td>67%</td>
</tr>
<tr>
<td>Engineering</td>
<td>7</td>
<td>4</td>
<td>57%</td>
</tr>
<tr>
<td>Financial Services</td>
<td>10</td>
<td>4</td>
<td>40%</td>
</tr>
<tr>
<td>ICT</td>
<td>5</td>
<td>3</td>
<td>60%</td>
</tr>
<tr>
<td>Medical Technology</td>
<td>7</td>
<td>5</td>
<td>71%</td>
</tr>
<tr>
<td>Pharmaceuticals</td>
<td>8</td>
<td>4</td>
<td>50%</td>
</tr>
<tr>
<td>Serial entrepreneurs</td>
<td>5</td>
<td>5</td>
<td>100%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>48</strong></td>
<td><strong>29</strong></td>
<td><strong>60%</strong></td>
</tr>
</tbody>
</table>

In the remainder of Section 5, the set of company interviews are analysed with a view to understanding the situation of intrapreneurship in the South East region. The activities of the respondent companies are disaggregated into the following
categories: continuous improvement; intrapreneurship; subsidiary intrapreneurship; and intrapreneurship in the context of serial entrepreneurship. Table 5.2 (below) indicates the number of companies analysed within each of these categories.

Table 5: Number of respondent company engaged in intrapreneurship categories and continuous improvement

<table>
<thead>
<tr>
<th>Category</th>
<th>No. of companies</th>
</tr>
</thead>
<tbody>
<tr>
<td>Continuous Improvement</td>
<td>24</td>
</tr>
<tr>
<td>Intrapreneurship</td>
<td>4</td>
</tr>
<tr>
<td>Subsidiary intrapreneurship</td>
<td>6</td>
</tr>
<tr>
<td>Intrapreneurship in context of serial entrepreneurship</td>
<td>4</td>
</tr>
</tbody>
</table>

Note: The number of companies do not sum to 29 as the categories are not mutually exclusive.

5.2 Continuous improvement

This section presents findings in relation to the extent to which the respondent companies engage in continuous improvement programmes. Continuous improvement programmes are strategies implemented by firms for bringing about incremental changes with a view to enhancing productivity and stripping out inefficiencies. These programmes are participative, in that the proposed changes emanate from employees within an organisational culture that stimulates and supports such process improvements. Continuous improvement programmes, typified by Lean management techniques, can in principle be applied to all types of businesses and processes. As outlined below, continuous improvement programmes are distinct from intrapreneurship, yet intrapreneurial initiatives and ideational processes may leverage the analytical rigour and implementation strategies inherent in such programmes.

5.2.2 Continuous improvement in the South East Region

Of those companies interviewed, 24 companies confirmed that they have implemented continuous improvement programmes. While companies of all sizes engage in continuous improvement, larger companies tend to dedicate greater resources and put in place more robust organisational systems to their continuous improvement initiatives. Firms operating within multinational corporate structures tend to engage in continuous improvement at a local level but can accommodate global input should the proposed change be applicable across multiple subsidiaries or at a global level. In what follows, the key features of continuous improvement programmes as implemented in our company sample are expanded upon: the role of support agencies
in delivering continuous improvement offerings to firms; the incremental nature of changes arising from continuous improvement programmes; the relevance of continuous improvement to both production and services functions; the role of employee participation in the programmes, the importance of cultivating the requisite organisational culture within which continuous improvement can thrive, and the potential for continuous improvement programmes to be leveraged in the intrapreneurial process.

**Continuous Improvement as incremental change**

As noted above, *Kaizen* - an incremental approach to continuous improvement – is a core principle of Lean management. This emphasis on continuous improvement as incremental change rather than as a disruptive departure from existing processes is prominent in respondents’ characterisation of their Lean management processes. As one respondent noted, "*Kaizen can be small-step improvements that get the organization to a better place*" (Interview C7). However, Kaizen are not ad-hoc changes, but rather process improvements that require a clear execution strategy. For example, one respondent had implemented a Kaizen system as follows: "*It is done at two levels: individual Kaizen – a small scale thing addressed by a direct manager; then we also have a Kaizen team event which runs to a much higher scale of savings*" (Interview C16).

Indeed, it is the small-scale nature of incremental changes that render them suitable for implementation by supervisors or line-managers without recourse to a formal assessment process involving senior management. As one respondent noted, "*Many initiatives don’t require money, just time. We call these “Just do it” initiatives. They are easily green lit*" (Interview C10). This ease of implementation is particularly evident in instances where the improvement does not require a budget allocation or financial resources: "*If it was related to new process reorganisation that didn’t need capital spend, it is very easy to organize the resources to do this. These are about local organization, set-up, or workflow*" (Interview C8). Despite the small scale and incremental nature of these changes, they are still regarded by respondents as significant efficiency gains: "*The improvements are not just profitability. These items don’t have a monetary value but are important to us*" (Interview C26).

**Continuous Improvement both in production and services functions**

Those respondents whose functions are predominantly based around production activities emphasise the importance of continuous improvement initiatives in driving efficiencies within that process. For example, one Agri-food producer described their continuous improvement process as follows:
“We have what we call a Cost-out/Value-in (COVI) programme. It is similar to continuous improvement. Cost-out involves improving the way we do things, as we try to become more efficient in our production process. Value-in can been seen when we put in improved equipment, we need to get the value from that. Similarly, we need to use existing equipment to its full capacity” (Interview C24).

Similarly, medical technology and ICT manufacturers characterised continuous improvement in terms of either being most effective on the production side [“Operators have improved on useability, productivity, efficiency.” (Interview C9). or indeed only being practiced in their production activities [“Yes, we do have continuous improvement – but only really on the production side.” (Interview C23).

However, services firms emphasise continuous improvement as a means to improve client engagement. One services provider - a customer contact centre - explained how Lean Management techniques enhanced their employees’ ability to deal with customer dissatisfaction: “You are taught about assuring customer that you are going to fix the problem. Because we gave frontline staff this empowerment, their tone reflects this and this allows for better engagement with client” (Interview C14).

Indeed, wider aims, such as establishing reputation and showcasing environmental credentials were also cited as possible outcomes from continuous improvement initiatives. One respondent noted that Lean management “provides a structured approach around improving customer experience, finding value added, increasing efficiencies, and improving our environmental credentials” (Interview C25).

Continuously Improvement based on employee participation

Respondents characterise continuous improvement as a means to unlock the expertise of operatives and shop-floor employees. As noted by one respondent: “On the shop-floor, our workers are the real experts of the process – we’re trying to tap into that knowledge” (Interview C24). Similarly: “There’s a realization that the person on the ground doing the job has more to offer than anyone in terms of improvement” (Interview C26). As such, continuous improvement is predicated on employee participation. Suggested improvements tend to emerge via submissions to ideas boxes, by logging suggestions to an intranet system, though informal discussions with supervisors, or via regular brainstorming meetings.

As noted by one respondent, Lean techniques gradually begin to shape how issues and proposals are articulated within the organisation: “We even now have a very structured was of setting out issues when operative staff discuss this with us”(Interview C12). Depending on the scale of proposed change (and the organisation structure),
changes may be implemented by line managers or brought to senior management to be assessed. Usually there is ongoing employee involvement in the implementation of the proposed change: “The supervisor and staff work through how they would bring ideas to feasibility. It is given resources if it is agreed that there’s a benefit to be gained” (Interview C1).

Successful changes are regularly acknowledged within firms via rewards. However, as one respondent noted, reward systems also requires judicious management: “There were quarterly prizes – it started out as being prizes for the best idea, but that’s a bit subjective. Then all approved Kaizen were put in a draw for a small quarterly reward” (Interview C7).

**Continuous Improvement as a meeting of culture from top down and initiatives from bottom up**

While continuous improvement is predicated on employee participation, respondents were keen to emphasise that there is an onus on management to create an organizational culture within which this employee participation is encouraged and supported.

One example of developing the requisite culture for continuous improvement involves communicating to employees how value is generated across the organization and how each improvement contributes to the value creation process: “Lean is about fostering improvement and adding value. The key is determining what value is and getting everyone to see how they are linked to that value chain and how they add value” (Interview C7).

Other examples include encouraging employees to be lean champions; active ongoing involvement by senior management in the continuous improvement process; regular site meetings in which improvements can be proposed by employees and discussed with line managers and supervisors; and including those employees who propose changes in the implementation of those changes. Indeed, encouraging employee engagement in continuous improvement offers an opportunity to strengthen employee retention and develop the next generation of managers: “We want our younger staff to be the Lean champion. So hopefully this helps to develop our future managers” (Interview C26).

**Continuous Improvement Plus**

Continuous improvement and intrapreneurship functions may overlap within organisations and, indeed, strategies aimed at implementing continuous
Improvements can be leveraged in the development of the intrapreneurial idea. In addition, five companies implemented continuous improvement programmes that have become very advanced, thereby crossing the boundary between continuous improvement and intrapreneurship (see Section 5.3). Such cases have been referred to as “Continuous Improvement Plus”. Bottom-up ideas, evolving from the standard continuous improvement programmes, can be selected for inclusion into more advanced programmes that can draw greater resources and involve a range of departments, including research and development. These programmes can result in substantial technological innovations. However, the focus remains predominantly on the processes as opposed to new products or services. CI Plus programmes generally do not lead to new ventures, although in two companies they did. We refer to these as ‘accidental ventures’ because new ventures are not the objective of the programmes.

5.2.3 Barriers, Challenges, and Solutions

While continuous improvement programmes have been implemented by the majority of companies in this study, interviewees also highlight a number of barriers encountered in the initial implementation of these programmes as well as challenges to their effective delivery on an on-going basis. These barriers and challenges relate to the level of management engagement in the programmes, the need to ensure a participatory process, the provision of feedback in order to maintain employee engagement, and potential tensions between pre-existing organisational structures and newly implemented continuous improvement programmes.

Management engagement

As detailed by one respondent, lack of engagement by management in the continuous improvement can undermine the process in a number of ways, for example: “if people come with ideas and we don’t support it. If there’s no follow-up on our side. Or if we set up a type of innovation hub, but the site leader driving it doesn’t come to meetings” (Interview C1). In order for a continuous improvement process to be successful, both line managers and senior management should demonstrate commitment to all stages of a clearly defined continuous improvement process: from encouraging and attending brainstorming or discovery meetings; engaging with the proposals that emerge from such meetings; providing timely feedback to employees who put forward proposals; and either supporting the proposed change or explaining why a proposal cannot be acted upon. As one respondent noted: “Leadership has to start from the top, in terms of commitment. Around that purpose, you then need to have a process that people can engage with that flushes out the ideas“ (Interview C9).
Ensuring a participatory process

Given the participatory nature of continuous improvement, the process can suffer if it is foisted on employees as an instruction. As one respondent explained, "if it is top down – an instruction that you need an ideas system – then it gets pushed on supervisors and they don’t see a purpose for it" (Interview C1). Similarly, another respondent noted that "in continuous improvement, we sometimes tended to do continuous improvement to people rather than involve people in the continuous improvement." (Interview C9).

In order to create genuine participation in the continuous improvement process, the value of continuous improvement to the organization should be clearly communicated to employees. As one respondent expressed it: "It [continuous improvement] makes them [employees] more innovative in their day job, and it empowers them to find solutions and think outside the box" (Interview C10). Firms should also ensure that employees are provided with sufficient space to generate and develop proposed changes. However, as one respondent noted, lean firms may find it challenging to set resources aside for assessing and developing proposed changes: "We struggle with the space – when we’re very busy, it is hard to free up space, resources, time for ideas" (Interview C9).

As well as encouraging employees to bring forth proposals for continuous improvements, supervisors and line managers also need to be trained to constructively communicate with employees in relation to proposed changes. As one respondent recalled:

“When we initially introduced our Just Do It scheme, we never trained supervisors on how to have the conversations with people and set time aside to review applications from staff. We assumed that this would work out well. But we got harsh feedback – people were coming up with infeasible ideas or line managers were not entertaining the ideas in the first place” (Interview C1).

Feedback and employee engagement

Providing timely and detailed feedback to employees that have proposed improvements is crucial in order for the process to succeed. As one respondent noted, “no feedback or response would cause people to disengage. There’s a responsibility on management to take it seriously and provide very good feedback for ideas” (Interview C4). Feedback particularly important if a proposed change is not being pursued. All proposed improvements should be acknowledged in order to avoid employee disengagement with the continuous improvement process. When an employee’s proposed improvement is being implemented, that employee should be
involved in the implementation process. As one respondent noted, “on-going communication regarding development and support for an idea is critical. Otherwise it becomes a negative and demoralized staff” (Interview C10).

Disengagement or disillusionment on the part of employees can see the continuous improvement process grind to a halt. As one respondent explained, “we’ve seen the amount of ideas dry up. There are challenges in terms of both motivating ideas and maintaining an active ideational process” (Interview C27). The continuous improvement process must be regularly reinvigorated and refreshed, in order to maintain the flow of improvement proposals emanating from employees.

*Continuous improvement and organisational fit*

Those firms that do not have, or were less enthusiastic about, formal continuous improvement programmes nonetheless indicated a willingness to encourage staff improvements – but it tends to be left to the individual staff members. As one respondent noted, “We often get certain types of individuals who come forward with suggestions for improvements. They work though informal channels – through their supervisor or colleagues in HR, engineering, or marketing in order to further that” (Interview C18). These firms also tended to downplay the frequency of such proposed changes, either due to a dearth of ideas coming forward [“We aren’t inundated with new ideas“ (Interview C31)], the demands of the day-to-day job [“many just want to clock in and clock out, and do their job” (Interview C18)], or the rigor of the Lean techniques ["People liked the flexibility and not being tied to something. But Lean is very methodical and follows ideas out to the end" (Interview C25)].

However, as one respondent noted, apprehensiveness regarding formal continuous improvement programmes can be addressed via a gradual cultural shift within the organization:

“It was a big change from the old culture. A lot of people weren’t buying into it – it took five years. But we’re in a good place with it today – we’re at the top level in the Enterprise Ireland Lean programme. It is now part of our culture” (Interview C26).

Reluctance to engage in formal continuous improvement programmes can also arise in the context of labour unions. As one firm noted:

“From the shop floor, one of the biggest barrier is unions. We’re a strongly unionized company. They sometimes don’t want to engage in the process if there’s no benefit to them. Or some workers within union are old school and
they don’t believe in these processes. It can lead to “work to rule” action and the process stops” (Interview C16).

5.3 Intrapreneurship

In this research project intrapreneurship is defined as activities that include four of the following features.

- The entrepreneurial behaviour of employees and the development of new ventures within the existing structure of an organisation.
- A bottom-up approach to creating and developing ideas that can enhance the competitiveness or productivity of the company from within the company.
- It can involve new products/services, or the setting up a new business entity, for the employer.
- A system that allows an employee to act like an entrepreneur within a company.
- A bottom-up approach to creating and developing ideas that can enhance the competitiveness or productivity of the company from within the company.

5.3.1 Intrapreneurship in the South East Region

Although the above definition is relatively detailed, the categorization of businesses is not always clear-cut, and inevitably includes grey areas. In relation to the first component of the definition, one ambiguity is related to the term ‘new venture’. Some interviewees pointed to staff coming up with ideas for new customers or market opportunities for products or services. Not all of these are considered new ventures in the context of intrapreneurship. In this context a new venture typically involves its own specialist people to develop and run it, its own budget, its own finance stream, and its own manager. A number of companies are excluded from the intrapreneurship category (partly) on these grounds. For example, staff in one financial services company developed new fund types for the Irish market. This is not considered a new venture. Similarly, a number of engineering companies involved in one-off projects were excluded. In principle, in these companies every new project could be considered a new venture, but not in the context of intrapreneurship.

Another ambiguity is related to the term ‘bottom-up approach”. Not all ideas for a new product or service, developed by middle-level management or below, should be considered ‘bottom-up’ in the context of intrapreneurship. A substantial number of companies have a dedicated R&D group. In many instances it is the job of the scientists
and engineers in these groups to come up with innovative ideas. In some cases, these ideas may even lead to new ventures. But in many cases, these ideas are not part of a bottom-up approach. The crucial differentiating factor is whether or not the researchers are instructed to develop specific ideas. One interviewee at an intrapreneurial company explained it as follows:

“In most companies [senior management] dictates - this is what you work on. [With intrapreneurship] what you actually have is that the researchers arrogantly dictate to [senior management], these are the products that we want to work on, instead of the other way around. So, it reverses the mindset. It reverses the whole synergy of the business.” (Interview C2).

Similarly, in a number of engineering companies, the engineers and operatives were not involved in a truly bottom-up fashion. For example, in one engineering company every engineering project is new. “We would sit down as a team to discuss how we would approach the manufacturing. [...] If we are starting to manufacture items, people do suggest that certain types of machinery might help. We always listen to our people on the shop floor.” (Interview C17). Although lower-level employees are involved in creating and developing ideas, this involvement should not be considered bottom-up in the context of intrapreneurship.

Finally, in some cases continuous improvement programmes can become very advanced, thereby crossing the boundary between continuous improvement and intrapreneurship. Such cases have been referred to as “Continuous Improvement Plus” (see Section 5.2). Bottom-up ideas, evolving from the standard continuous improvement programmes can be selected for inclusion into more advanced programmes that can draw greater resources and involve a range of departments, including research and development. These programmes can result in substantial technological innovations. However, the focus remains predominantly on the processes as opposed to new products or services. As noted in Section 5.2, CI Plus programmes generally do not lead to new ventures, although we have identified two companies in which new ventures did arise. We refer to these as ‘accidental ventures’ because new ventures are not the objective of the programmes. Five multinational companies were excluded from the intrapreneurship category (partly) on this ground. This research came across four companies in the South East Region that fit the narrow definition of intrapreneurship (not counting the five companies characterized by intrapreneurship in the context of serial entrepreneurship (see Section 5.2). Case studies are included in Boxes 1-4.
Box 1:

**Company 2** is a subsidiary of a medium-size American multinational company with Irish origins. The company develops and manufactures generic pharmaceutical for international markets. All business functions, including product development, are present at the Irish site. The company operates a Continuous Improvement programme. In addition to this the company runs a structured innovation ideation process which is championed by the CTO. The scope of this process is around new products. The management wanted to feed the product pipeline. They recognized they had the talent within the organization to generate ideas that are worth pursuing.

The company’s intranet includes a dashboard where anybody in the organization can log ideas that can be brought to the innovation board. The innovation team will meet to do some initial technical consideration and marketing evaluation. This involves leaders in terms of process R&D, formulation development, regulatory affairs, patents, business development and so forth. A steering committee, which again includes a combination of staff at different levels in the organisation, will then undertake a final review of the nature of the ideas and whether they should be taken forward for presentation at corporate headquarters.

If an idea is taken forward as a project, time and capital resources are allocated to it. All ideas are coded and people can assign their time to an innovation code. This means the company has a handle on the amount of time and resources dedicated to those ideas. The whole process is managed by the Project Management Office.

The process has led to several new ventures. Each product line is a new venture for the company. A good example involves a new drug that started out as a straight generic. It started as a proposal from the team. Management pushed it back at first, but another team member said it can be used in combination with another product, and that it could be developed in different strengths. A formulation scientist came up with initial idea and was supported by regulatory affairs and patent affairs. The same scientist then came with the first value added idea. A clinical person came with the additional strength idea. The team then evaluated the market conditions, the patent and the process. It was then considered whether the company could partner up with another company that has worked in this space so the drug could be formulated in a capsule. The head of Research and Innovation was also engaged in this process. These ideas were then pitched to corporate management.
**Box 2**

**Company 21** is a medium-size Irish multinational. It provides software solutions for an international customer base. The company operates a Lean and Agile Continuous Improvement programme. Leveraging from this, there is a formal ideation structure. The structured process involves accelerator tools to speed up the innovation process. Staff are perpetually challenged to come up with ideas which might be worthwhile to explore. Intrapreneurship is not a mandated element in the personnel performance review, but it is an area that is encouraged. Within the operations department, an idea gets submitted to an individual technical director from a given employee and then up to the Technical Director group. It is then submitted to Chief Operating Officer and, if significant investment is required, on to the senior management team. If technical directors and management above that level approve the idea, it will be given the requisite supports.

Resources are put to approved ideas and subsequent investment is provided to bring it to maturity. The original idea generator remains part of the development team but resources are added. The company operates a “bench” system, similar to a substitute bench in team sports. Staff are circulated on and off the bench to support ideas. Completion of a project typically takes 12-18 months. Individual projects can require investment of €1-2 million.

Some projects have led to new ventures. A good example of a new venture that was seeded by intrapreneurship was the development of a new design practice (a new business offering). The company was frustrated with the processes that were available in the market. One of their technical directors developed a concept and suggested the company established its own, in-house, design practice and become a centre of excellence for it. The practice has become a whole new venture for the company that was spun out of the existing organizational structure.
Box 3

**Company 22** is a medium-size Irish multinational ICT company, developing security monitoring systems for international markets. The company had always operated an ideas box in which people could make suggestions. High quality ideas were regularly submitted but it was noted that there was a gap between senior management and other staff who didn’t have the tools or formal training to develop ideas. In response, the company, in conjunction with a local university, organized an 18-month bespoke training programme for its employees. Staff worked on identifying inhibitors and ideas of how to do things differently.

This resulted in an internal template for managing innovation - the company’s Innovation Project program. To make sure that all ideas were respected, one of the company’s founders acted as the intrapreneurship manager. Individual staff members are encouraged to make presentations to the board. As part of that, staff has to outline what their “ask” is: what they need to complete the project, as well as the anticipated outputs of the project. Most of the participants in the training programme ended up heading projects. All participants have to sign a contract to ensure that the IP is protected for the company. Intrapreneurial action is not part of a formal personnel performance review but the company does recognize intrapreneurial action with a monthly award and cash bonus.

The programme has resulted in several successful products. A good example of a new venture was the *hotspot* monitoring system. One of the field engineers spotted a possibility to extend the use of the exiting monitoring system by incorporating thermal imaging technology. The company built a team around the idea, including staff from the R&D department, Sales and Marketing and Finance. The project was led by the Head of R&D but the original idea generator remained heavily involved. This team came up with a strategic plan that included ideas for production, component suppliers, costing and potential markets. This innovation project led to a new product and new market for the company.
Company 20 is a medium-size subsidiary of a large multinational company. It develops software and offers IT solutions for the global market. Intrapreneurship is seen as the DNA on which the company is based. The company creates software using an open source philosophy: a set of principles built upon an open forum for ideas where communities can form around initiatives to solve a problem or develop a new technology. This open culture is also applied to the company’s internal innovation processes.

There are three sources for new ideas: the customer, the community and the in-house engineers. The company has a range of initiative to stimulate bottom-up idea generation. Lunch and Learn sessions are used for staff to present new technologies he/she has been experimenting with. Each quarter, large segments of the company take a Quarterly Day of Learning during which staff get the opportunity to develop an idea they choose to work on. But, most importantly, staff are expected to form, or join, new open source communities.

Intrapreneurship and innovation are concentrated in the global engineering function. The company has different levels of engineers, dispersed across the different global locations of the company and organized around the different businesses. The global engineering groups have regular global planning meetings during which bottom-up ideas are prioritized. The innovation system can involve small and very large projects. The simpler ideas, such as an efficiency in how to build software, require an engineer to write a brief about the project, including the expected return on investment. The bigger ideas, such as entering the area of artificial intelligence, could also start with someone in the team getting more engaged with an open source community around this area. But such projects require the support from a global manager to allocate resources to it and to support it for an extended period of time.
5.3.2 Barriers, challenges and solutions

Some of the main barriers to intrapreneurship are related to the fact that many companies operate as subsidiaries in a broader corporate structure. In those cases, depending on the corporate organisation, the limited functionality of the subsidiary and/or the level of the staff can work against corporate intrapreneurship.

Quite a number of subsidiaries are mainly production facilities with limited research, development, sales and marketing functions. These latter functions are often located overseas. Depending on the organizational structure, this can be a barrier to the generation and actual development of bottom-up ideas at the local site. Most subsidiaries have some freedom, and a limited discretionary budget, to develop small-scale ideas. But more substantial ideas are handed over to other units or corporate headquarters.

“Some ideas are more innovative or creative, in that they are about doing things in a different way. Some of these we can pursue but some not” (Interview C4)

“We have a global engineering function based on this site. Some projects can be run within [our local] resources but some projects extend beyond just one site. These areas are run by our global engineering functions. We review projects as they come up. Some go to local engineering and some go to our global engineering arm [...]. Our business is quite capital intensive and some of the ideas would require spending a sum of money. That won’t happen within the context of a work group. The resources wouldn’t be within the group.” (Interview C8)

“We have discretion and a certain budget. We may be able to finance [small ideas] regionally. But if the idea had global implication, we could go to headquarters for support. [...] I guess there’s a balance to it. If it is research on product development, we would centralize this. Process and service development is encouraged in all sites. Innovations regarding product would be taken to the centre.” (Interview C19)

“Developing new ventures is the job of the business development office. If you ask the people on site if they feel the conditions are there to develop new ventures, I am not so sure that people at that level in the organisation would see that as something that is possible for them [...] It may be relevant at a certain level. At management level, part of job is to find new revenue streams. To find new ventures, that’s a big step. It is hard to make this work at all levels of the organisation. At a certain level, we expect that people are looking beyond the current situation, how to grow business, corporate strategies, and adding new capabilities. This happens once you get to a certain level in the organization, senior director level. Plant managers are tasked to a certain extent with growing business in conjunction with a management team focusing on commercial success. So, intrapreneurship might happen at plant manager level and above. Not many multinational companies have corporate offices in Ireland.” (Interview C7)
The absence of a product development and sales and marketing function is an important barrier.

“The local development of new ventures wouldn’t happen often. New ventures come from those in the global organization, who have a better line of sight of these opportunities, for example the director of consumers. When we talk about involving our people in new ideas, it is on a much smaller level.” (Interview C9)

Ideas that relate to changes to the manufacturing process can have significant implications for the end-product, the customer and corporate intellectual property, and functions related to these areas reside in other locations.

“With some of [the ideas] we can’t stray from a particular way of doing things because it impacts upon the master file and what the customers have requested. Proposed changes have to go through Global Change Control. This is probably the same for all regulated processes.” (Interview C4)

“If we change the manufacturing process, we would have to consult with the end user. We don’t have free reign to do it. We work with the design team in France. [The development of new ideas must involve other locations], due to the scale and the implications for the company and clients. It would involve so many different areas.” (Interview C16)

The solution to these barriers lies, to an extent, in the global corporate organizational structure. Multi-locational corporations can adopt heterarchical structures that are conducive to bottom up idea generations and the development of these ideas in multi-locational, multi-functional, multi-level, project teams. Indeed, this report has identified companies that have adopted such structures (see, for example Box 20).

One challenge that was identified by several interviewees was that ideation can lead to too many, often poor, ideas. This can potentially lead to a serious draw on time and capital resources

“We probably have too many ideas. We are not trying to qualify the ideas so that we don’t have too many ideas in play at one time.” (Interview C3)

“Freeing up time for idea development can be an issue. Also we have to ensure that the ideas are still relevant by the time we develop them. We need to make the decision quickly and act on it. If we have seven months to develop the idea, then the market opportunity might be gone.” (Interview C12)

“Time is the biggest enemy. And the usual resources in the communal areas are on a lot of the projects. It is just the demand of trying to keep more plates spinning.” (Interview C24)
“It requires funding in order to develop ideas. In private companies, there is no cash to waste. Every penny counts. You don’t have the luxury to invest just for the sake of it.” (Interview C31)

“A shortage of resources is a barrier, and the cost of running a project that does not work out. Also, how do you recoup the costs? We might not be able to persuade someone else that the product is appealing. [...] There is no market for this” (Interview, C18)

The weakness of the ideas is in some cases related to the fact that ideas were generated and developed by individuals with bounded skill sets.

“In the past we employed an [ideation] manager. But we stopped. We did not get many good ideas. Engineering had some good ideas, but they can lack the commercial reality of expertise. So, it is not possible to manufacture, or there is no market for it. It is hard for us to find the all-rounder scenario, which brings together, engineering, IP and a knowledge of market demand and price points” (Interview C23)

“There is a danger that someone gets so invested in an idea that they almost exclude the possibility that there might not be a market for it. Alternatives may already exist in the market. Or, perhaps you can’t achieve the price point necessary.” (Interview C2)

The problem often lies in the company structure, the lack of a suitable ideation programme and the absence of appropriate tools.

“We used to have think tanks, ideas boxes, brainstorming and so forth. But it used to become a source of frustration for employees. We couldn’t manage it.” (Interview C18)

The case studies in this section presented detail of structures and programmes in intrapreneurial companies. Companies adopt different structures and programmes, partly driven by the type of business and sector. Most intrapreneurial companies have an organisational structure that facilitates bottom-up idea generation and intrapreneurship and a set of bespoke tools that suit the business of the company. It generally involves a tool for suggesting and processing ideas. It generally involves a committee to evaluate ideas at an early stage. Ideas with a poor chance of success need to be turned off at an early stage. But the ones with the best chance of success need be supported, notably by developing a team that is sufficiently resourced and that contains all the relevant skill sets at an early stage.
“You need to have a structure around it. How do you bring it in? [And you need to] have a closing date. Projects can either evaporate or just keep going on and on. You need to have the discipline around it in terms of timeline and budget.” (Interview C22)

“So, a process like this could get unwieldy with variation in idea quality and no control. It could become a runaway train. So, we need a steering committee to manage that.” (Interview C2)

This relates to the challenge of motivating staff, including those whose idea have been rejected. Important here is that all ideas receive formal and constructive feedback.

“I suppose one challenge is that sometimes people can get very offended if their idea isn’t chosen, isn’t accepted. [...] It can very often lead to people quitting.” (Interview C11)

“I liken it to a chocolate bar vending machine. It is annoying for staff if they don’t hear back. Even hearing that idea is good, but we’re not pursuing it now, is still okay. It is very important that they get some feedback.” (Interview C12)

Another element to the solution lies in the reward system. Most intrapreneurial companies operate some kind a reward system, often involving a cash bonus. But here to, it is important that ideas that are not pursued are recognized.

“We are creating a culture and environment in which it is okay to fail. So, as to rewards, we have celebrations for the failures as well as the successes. We treat both equally because if we don’t, nobody is going to try.” (Interview C2)

More generally, developing an intrapreneurial enterprise involves change. This change brings challenges than need to be managed. Key pitfalls include a lack of buy-in and communication. Staff need to understand that the company wants them to be intrapreneurial, what this entails, that the structures and tools are in place and that the resources are there. Employees need to feel that the programme starts from the top in terms of commitment. For this reason, in some in companies, the company founder played an important and visible role in the programme. “I was the intrapreneurship manager. I dealt with all ideas. This was important so that the ideas were respected.” (Interview C22)

Finally, two interviewees mentioned the challenge of securing the benefits of the intrapreneurial activities for the company. In many companies this challenge is partly solved by protecting the resultant intellectual property.

“I brought a good [scientist] in a couple of years ago, and now he is developing products. It took a lot of hand holding. There are a lot of different skill sets needed
to develop an entire project. Now, I would almost need to have a non-compete contract with him.” (Interview C3)

“We gave specific projects to individuals to develop under [the company’s] banner. They all sign contracts ensuring that the intellectual property belongs to [the company]. We created incredible products by using this model. But these initiatives were all in-house and intellectual property was held by the company.” (Interview C22)

5.4 Subsidiary Intrapreneurship

Subsidiary intrapreneurship is defined here as bottom-up actions by the site management of a subsidiary to upgrade the functionality of the subsidiary in the global corporate context, leading to the development of new ventures. The ideas are generated and developed primarily by the local site management. In that sense the actions cannot be considered bottom-up from a subsidiary perspective. But they can be considered bottom-up from a global corporate perspective. The actions do generally not involve a specific programme for subsidiary intrapreneurship.

5.4.1 Subsidiary intrapreneurship in the South East Region

This research came across six companies that presented elements of subsidiary intrapreneurship. In three of these cases the actions had led to new ventures, notably the addition of R&D units. In the other three cases, local management undertook intrapreneurial actions, but no new ventures (narrowly defined) had been established. In one case this can be linked to the young age of the facility. Boxes 5 and 6 provide illustrative examples.

Subsidiary intrapreneurial action is often driven by a desire to secure the development or survival of the local site.

“As a manufacturing site, you want to get your roots in deeper. You want to develop back into the product development side, so that it is not easy to move site to somewhere else.” (Interview C4)

"We are trying to grow our business in order to protect our base. [...] How can we add complexity? We want to be ahead of any negative situation such as that in Dell. We have tried to move up the value chain in recent years. Not be just a manufacturing base, though that is core to what we do. [...] Protecting our core by adding value to other functions." (Interview C9)
The intrapreneurial actions are generally not taken in the context of a specific corporate programme to drive subsidiary intrapreneurship. On the contrary, although the ventures are eventually approved by corporate headquarters, the initial development, and even financing, often happens under the radar of corporate headquarters. The process is referred to as ‘guerilla intrapreneurship’.

“We used grants and credits to gain a foothold in R&D here. No one asked us to do it – we would have been told no. It is like ... we have arrived, and we did not tell anybody we were coming.” (Interview C6)

“We try to do these ‘skunk works’. We do stuff under the radar. If we make an efficiency gain, we do take resources and put them to things that will make further developments. In the corporate structure it is not always easy to get inside the tent. Once we were able to develop an idea, but now we have to put ideas in the corporate bucket. So, we try to work within site, using ‘skunk works’. “(Interview C9)

“It involved the local guy. It could have been set up and running before anyone at corporate knew about it.” (Interview C7)
Box 5:

**Company 1** is a large-size subsidiary of a foreign multinational pharmaceutical company. The subsidiary operates a well-established ‘continuous improvement plus’ programme (see section 5.3.2). The subsidiary was established in 2001 as a manufacturing facility but over time a range of lab-services were added, including standard commercial testing and a small process development lab at the back of the site. The sophistication of the services increased over the years and the scientists became involved in global project teams.

A member of the executive board and other influential persons in the organisation were due to visit the site in 2018. Local management decided to use the opportunity to pitch for the status of a process development ‘centre of excellence’. Local site management used its discretionary resources to build a new process development lab at the entrance of the site. The guests were made aware of the incrementally developed process development capabilities on the site. This made a big impact at executive level. One year later, the site received the status of ‘centre for excellence’ and further investments were made. These actions at local site level typify what is referred to as “guerilla intrapreneurship”.

Box 6

**Company 6** is a large-size subsidiary of a foreign multinational company operating in the medical devices industry. The site has a strong background in manufacturing and distribution. The subsidiary operates a well-established ‘continuous improvement plus’ programme (see section 5.3.2). Ten years ago, the subsidiary got more involved in process development and within the last five years it has entered into product development. The 100 R&D staff are a mix of process and product development staff.

Local management deliberately set out to develop an R&D function. The unit was built incrementally, from the bottom-up, not following a corporate decision. In fact, the early development of the unit took place “under the radar” in relation to corporate headquarters. The company used grants and credits to gain a foothold in R&D. There were a few raised eyebrows as to why the subsidiary was doing all this work on site. But corporate headquarters was impressed by the enhanced R&D capability. In the end, local management won over corporate in terms of their ability, speed, technique, and formal ties were established with other R&D units. Corporate was not looking to establish or develop those functions in a peripheral location. “We built R&D capabilities from the bottom up”.

5.4.2 Barriers, challenges and solutions

The main barriers and challenges to subsidiary intrapreneurship are related to being part of an integrated global production network where the functions of sites are clearly set by corporate management.

“I don’t think [subsidary intrapreneurship] happens here. Our bank is like a very big oil tanker. We keep taking on assets and that is what drives revenue. So, locally there haven’t been innovations or ideas that change the structure of what we do. There are local structural changes, but they are driven by global rationalizations.” (Interview C10)

“I guess there is a balance to it. If it is research on product development we would centralise it in order to avoid duplication.” (Interview C19)

The initiatives of local management should certainly not go against the overarching strategy of corporation.

“You can bring forward an idea not aligned with the corporate organisation because it would never be accepted. It would look bad if the site manager focused solely on the site. It has to be good for the full organisation. If the new development meets all the objectives, people are far more open to this. If the plant manager was going off on a development away from the strategy, you won’t survive.” (Interview C7)

Another barrier lies in the limited discretionary resources at subsidiary level. This limits the size of the initiative before the involvement of corporate. Some of the local sites have overcome this by drawing resources from a range of sources and projects. In general, having a track record as a performance site helps. “It is a competitive situation and other sites have woken up to this.” (Interview C8)

5.5 Intrapreneurship in the context of Serial Entrepreneurship

As well as in corporate and subsidiary settings, interviewees have also documented their engagement with intrapreneurship within the context of serial entrepreneurship. Specifically, intrapreneurship can occur in this context when an employee is supported by his/her employer (a serial entrepreneur who has founded the business) to develop an idea for a new venture which subsequently becomes a stand-alone company that resides within the serial entrepreneur’s corporate group structure. The serial entrepreneur remains the dominant figure in the group – for example, as majority shareholder.
5.5.1 Intrapreneurship in the context of Serial Entrepreneurship in the South East Region

This phenomenon of intrapreneurship within a serial entrepreneurship context was evident in the four cases (including two family businesses) in this study. One respondent - a serial entrepreneur with six businesses within one group structure – exemplified this type of intrapreneurship:

“Each of the businesses in the group have been developed via internal intrapreneurship [...] They are subsidiaries within the group. They all have their own independent management structure. I am the majority shareholder in each and I am the chairman of the group.” (Interview C11)

The respondent provided an example of how new companies emerged within the group structure:

“One of our heads of payroll experienced a problem managing payroll so we developed a solution [...]. Internally we had the willingness to support the idea generation for the benefit of the business. The issue was identified by the individual and together we devised the solution and developed it into a separate business. The individual would have been involved in the process of setting up.” (Interview C11)

In this instance, the new company did not emerge via a formal intrapreneurship programme: “We don’t have a formal structure in place but we are very open to new ideas in this company” (Interview C11). Similarly, another respondent – a serial entrepreneur with three companies – detailed the role of unstructured intrapreneurship in developing a spin-off company:

“In Company X, the key researcher is employee A. The innovation partnership was funded by [the parent company] and allowed her to work on this within [the parent company]. Employee A had been working with me on the development of these products and we recognized that a more efficient product could be developed. Early on we decided that he/she would be a partner when it spun-out into a company.[...] I’m the main shareholder of each company. I am setting up a holding company. [...] We have a formal structure [for managing intrapreneurship] now. Initially we just had ideas and tried to develop them.” (Interview C3).

A special case here is it that of family businesses. Intrapreneurship can also be observed within family businesses where family members are encouraged to develop new ideas into new ventures within the family group. As with the serial entrepreneurship examples discussed above, these family businesses consist of a set of companies residing within a group structure. The founding family members tended to remain dominant within the family business group – notwithstanding
eventual succession planning considerations: “They [the founding family members] were very hands on – they wanted to work at floor level. They are doers. So there was always an open relationship with employees and always open to new ideas.” (Interview C29)

The development of new ventures is not reserved to family members only. A number of instances of intrapreneurship within family groups involved non-family employees.

“Company X was driven by a person outside of the family. He’s been there since nearly the start. He was an employee initially. He came in on the finance side and has developed the company. [...] We had the business before he came to it. It was always the case that partners came in and we worked with people. A lot of this is relationship driven.” (Interview C29)

5.5.2 Barriers, Challenges, & Solutions

While the contribution of intrapreneurial initiatives to serial entrepreneurship has been outlined above, a number of barriers exist to intrapreneurship emerging in this context. Similarly, it is evident that there are challenges to maintaining intrapreneurial dynamics within serial entrepreneurship settings.

Lack of intrapreneurial culture at group level

One barrier to intrapreneurship within the context of serial entrepreneurship can be the perception at group level that intrapreneurial initiatives are outside the remit of subsidiaries and their employees:

“Within our organization, we’re not inventors. We utilize, adapt, blend technologies to develop solutions. Employees are encouraged to develop solutions. But there’s rarely a situation where someone invents a solution. They may recombine existing technologies to develop a new solution. [...] we do encourage people to be responsible and give them authority to come up with new ideas. We aren’t inundated with new ideas. We don’t use the term intrapreneurial. Not everyone wants to do this. The few who do are the exception.” (Interview C31)

[Holding Company X] is the 100% owner of each company, and each company has a management team. [...] We have a management structure in each division and a global executive team. Subsidiaries need authority and financial support of executive team in order to develop new ideas” (Interview C31).

In such a scenario, there is scope for support agencies to inform serial entrepreneurs of the benefits that formal intrapreneurship programmes can deliver to their business groups.
**Dominant role of the serial entrepreneur**

In the instances of serial entrepreneurship outlined above, it is often the serial entrepreneur who ultimately decides which ideas and new ventures within the group should be allocated resources. This can create tensions with employees within the subsidiaries when those employees bring forward ideas that are not supported by the serial entrepreneur:

“*Sometimes people can get offended if their idea isn’t supported. It can lead to people quitting – often to pursue their own idea. Or people thinking that their idea is so valuable that they should receive a bigger compensation. But ideas are liabilities, they are distractions – until you can make them happen and turn them into assets. I and the management team are the decision makers as to whether we should develop an idea. Others mightn’t agree with our decisions.*” (Interview C11).

One possible solution in such an instance may be to ensure that employees are aware of the aims and objectives of the business group, in order to ensure that intrapreneurial proposals align with organisational strategies at the group level.

**Family business organisational features**

Family businesses can bring with them organisational features particular to familial relations. As one interviewee noted, “*In a family, you’ve got strong personalities. It was not just about succession planning – it was about everyone’s expectations of the business, vision, values*” (Interview C29). While the founders of the family business play an entrepreneurial role, the second generation may be inclined to assume the role of guardians of the family business. As such, ideational processes and intrapreneurial initiatives may become more significant for family businesses as early business activities mature and new ventures are needed to reinvigorate the business group.

“*First generation family businesses are not so much into this kind of [formal ideational] structure. You have to have that culture – and we’re aware that we could lose this, and that we may have to replace this with a formal structure.*” (Interview C29)

Developing formal intrapreneurship structures may offer a means for family businesses to discover new market opportunities and add new ventures to the existing family business group.
Table 6: Summary of barriers, challenges and solutions in fostering intrapreneurship and related activities

<table>
<thead>
<tr>
<th>Continuous improvement: Barriers and challenges</th>
<th>Solutions</th>
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</table>
| Lack of engagement by management in the continuous improvement can undermine the process and result in staff disengagement. | • Management demonstrate commitment to all stages of a clearly defined continuous improvement process:  
   o Encouraging & attending brainstorming or discovery meetings.  
   o Engaging with the proposals that emerge from such meetings.  
   o Providing timely feedback to employees who put forward proposals.  
   o Supporting the proposed change or explaining why a proposal cannot be acted upon. |
| Continuous improvement programmes that are foisted on employees as an instruction are not conducive to employee participation. | • Value of continuous improvement to the organization should be clearly communicated to employees.  
   • Employees are provided with sufficient time & space to generate & develop proposed changes.  
   • Train supervisors and line managers to constructively communicate with employees in relation to proposed changes. |
| Lack of timely & detailed feedback for employees that have proposed improvements can cause employee disillusionment with continuous improvement programmes & can ultimately lead to the flow of proposed changes drying up. | • All proposed improvements should be acknowledged.  
   • Feedback particularly important if a proposed change is not being pursued.  
   • When an employee’s proposed improvement is being implemented, that employee should be involved in the implementation process.  
   • The continuous improvement process must be regularly reinvigorated and refreshed, in order to maintain the flow of improvement proposals emanating from employees. |
| Companies must be willing to adapt existing organisational practices in order to implement continuous improvement programmes. | • Address management apprehensiveness via a gradual cultural shift within the organization.  
   • Cultural shift must be embodied by management & communicated clearly to employees. |
| Reluctance among employees to engage in formal continuous improvement programmes can arise in the context of labour unions. | • Management to communicate the benefits accruing to both employees and the company as a whole from successful continuous improvement programmes. |

<table>
<thead>
<tr>
<th>Intrapreneurship: Barriers and challenges</th>
<th>Solutions</th>
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</thead>
<tbody>
<tr>
<td>Limited functionality of the subsidiary in a broader corporate structure</td>
<td>• Multi-locational corporations can adopt heterarchical structures that are conducive to bottom up idea generations &amp; the development</td>
</tr>
<tr>
<td>Level of staff of the subsidiary in a broader corporate structure</td>
<td>of these ideas in multi-localational, multi-functional, multi-level, project teams.</td>
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<tr>
<td>Ideation can lead to too many, often poor, ideas &amp; potentially lead to a serious draw on time and capital resources.</td>
<td>Organisational structure that facilitates bottom-up idea generation &amp; intrapreneurship</td>
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<tr>
<td>The weakness of the ideas is in some cases related to the fact that ideas were generated &amp; developed by individuals with bounded skill sets</td>
<td>Set of bespoke tools that suit the business of the company.</td>
</tr>
<tr>
<td>Unsuitable global company structure, the lack of a suitable ideation programme &amp; the absence of appropriate tools.</td>
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</tr>
<tr>
<td><strong>Motivating staff</strong></td>
<td><strong>Solutions</strong></td>
</tr>
<tr>
<td></td>
<td>All ideas receive formal and constructive feedback.</td>
</tr>
<tr>
<td></td>
<td>A reward system</td>
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<td></td>
<td>Ideas that are not pursued are recognized.</td>
</tr>
<tr>
<td>Developing an intrapreneurial enterprise involves change which brings challenges that need to be managed.</td>
<td><strong>Solutions</strong></td>
</tr>
<tr>
<td>Key pitfalls include a lack of buy-in and communication.</td>
<td>Staff need to understand that the company wants them to be intrapreneural</td>
</tr>
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<td></td>
<td>Structures, tools &amp; resources are in place &amp; available</td>
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<td></td>
<td>Employees need to feel that the programme starts from the top in terms of commitment.</td>
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<td><strong>Challenge of securing the benefits of the intrapreneurial activities for the company.</strong></td>
<td><strong>Solutions</strong></td>
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<td></td>
<td>Protect intellectual property</td>
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<td><strong>Subsidiary Intrapreneurship: Barriers and challenges</strong></td>
<td><strong>Solutions</strong></td>
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<tr>
<td>Being part of an integrated global production network where the functions of sites are clearly set by corporate management.</td>
<td>Drawing resources from a range of sources &amp; projects</td>
</tr>
<tr>
<td>Limited discretionary resources at subsidiary level limits the size of the initiative before the involvement of corporate.</td>
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<tr>
<td><strong>Intrapreneurship in context of serial entrepreneurship: Barriers and challenges</strong></td>
<td><strong>Solutions</strong></td>
</tr>
<tr>
<td>The perception at group level that intrapreneurial initiatives are outside the remit of subsidiaries &amp; their employees</td>
<td>Support agencies should inform serial entrepreneurs of the benefits that formal intrapreneurship programmes can deliver to their business groups.</td>
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<tr>
<td></td>
<td>The serial entrepreneur should ensure that employees are aware of the aims &amp; objectives of the business group, in order to ensure that intrapreneurial proposals align with organisational strategies at the group level.</td>
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<tr>
<td>Dominant role of the serial entrepreneur in approving employee intrapreneurial initiatives &amp; allocating the requisite resources can lead to tensions with employees.</td>
<td>Developing formal intrapreneurship structures may offer a means for family businesses to discover new market opportunities</td>
</tr>
<tr>
<td>Family businesses can bring with them organisational features particular to familial relations.</td>
<td>Add new ventures to the existing family business group.</td>
</tr>
<tr>
<td>While the founders of the family business play an entrepreneurial role, the second generation may be inclined to assume the a more risk-averse role of guardians of the family business.</td>
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6. Intrapreneurship and spin-outs

Intrapreneurship is sometimes linked to the formation of entirely new spin-out companies, as well as being linked with an attendant positive impact on regional development. For example, Kenton (2020)\textsuperscript{10} writes that intrapreneurs may use what they have learned as part of an organisation’s team to create their own company and reap the benefits of their hard work rather than letting another organisation profit from their ideas. This view is based on the industry dynamics observed in archetypical industrial clusters, notably Silicon Valley.

The research undertaken for this report has investigated the relevance of such processes in the context of the respondent companies in the South East region. The findings are somewhat sobering. Over the last ten years, nine of the 29 interviewed companies have experienced employees leaving the company to set up their own business (not counting the companies established by serial entrepreneurs). None of these cases fully fit the idea of spin-outs resulting from intrapreneurial projects.

Many of the cases involved very small enterprises, unrelated to the activities of their source companies. It is questionable whether these should be perceived as spin-outs.

“\textit{There are no examples of spin-outs in [our company]. Certain staff have gone on to set up their own business, but we never invested in the ideas. People set up a training company. Somebody from the cafeteria set up a food company ... marketing. Nobody has set up a company in [our line of business].}” (Interview C14)

“\textit{There would have been a few digital platforms from time to time, and also a sandwich company. But not too many examples. We would have been involved in a limited way, but not at a management level.”} (Interview C24)

In other cases, employees set up businesses related to the source company’s business, but the spin-out was not related to intrapreneurial activities undertaken within the source company. Employees may have developed important skills while working in the source company, but the ideas for the spin-out were not developed in the context of an intrapreneurial project.

“Individual consultants have set up their own businesses around a given service. But that service is not something unique to what we developed.” (Interview C12)

“Not as a result of the ideas developed in our company. In the past sales people would have gone off to sell another product … a horizontal shift. They went off with a different brand. Targeting the same customer base, but with a different product. They went and got a franchise.” (Interview C27)

“We did have a site lead a few years ago who went on to buy a company and developed it. He may have felt that corporate rules and structure constrained him. Through [working at our company] he may have seen the potential and was perhaps influenced by his time and work here.” (Interview C9)

In most cases the entrepreneurs received no, or very limited, support from the source company in establishing the spin-out.

“Someone working on one of our product development areas went off on a tangent. At the end of the day he became a customer of us, but not a very successful one. We let him go and do it. He was initially doing it in our organisation despite our reservations. Our information was telling us that this was not the key market for this product. He turned it into a business that employs him and one other. We did not really support him. He used our time to develop it and we had to agree to part ways. Not a particularly harmonious parting. He was unhappy that we did not invest in the idea.” (Interview C18)

“No, we did not stimulate or support them. We just accepted that they wanted to do their own thing. We didn’t stand in their way.” (Interview C31)

“He left here on very good terms. [...] and maybe he had some resources of his own. He went off and did it on his own.” (Interview C26)

A substantial number of interviewees were quite negative towards the idea of staff spinning out companies or, at least, did not see why their company would operate an intrapreneurial programme that may lead to spin-outs and valuable staff leaving the company.

“Spin-offs don’t benefit the company. We want people to stay and invest in the ideas here and reap the rewards here.” (Interview C2)

“Nobody approached me to spin-out and I did not suggest that idea to anyone because I could not see the benefits of the idea for the company.” (Interview C22)

“I don’t want to create entrepreneurs in [the company]. I know how those people think and it would be disruptive for the culture.” (Interview C31)

“It may not be the best story to be telling multinational companies.” (Interview C28)
It is important to note that this research analysed intrapreneurship at the level of the organisation, as opposed to the level of the individual employee (see Section 3.1). Some of the cases described above could have involved intrapreneurial behaviour of individual employees in the context of a non-intrapreneurial company. In one case, employees tried developing their ideas within the organisational structure of the source company but were not supported. This resulted in a spin-out. Such cases could lead to the conclusion that an intrapreneurial culture could, to an extent, work against spin-outs, rather than stimulating them. These ideas are illustrated by the experience of a spin-out entrepreneur:

“To some extend we did [try to develop the idea in the source company]. We sought to make the local site relevant within the corporation. So, we pitched our idea of a more sophisticated product. The idea did not gain traction. It never got to a stage of development within the company. On reflection it could have been very good for the company. In a more stable situation, our pitch might have been more successful.” (Interview C28)

Again, none of the cases fully fit the scenario of intrapreneurial projects leading to spin-outs, although some cases came close. One intrapreneurial company did spawn three companies in related businesses. The ideas for the spin-out were, to an extent, developed by employees while working in the source company. But the source company did not support the idea of the spin-out. Two other cases involved source companies without an intrapreneurial culture. In both cases, the employees’ work on the idea prior to the companies spinning off was ‘condoned’ by the source company, with (limited) support of the source company.

The closest cases were found in the family enterprises. In some instances, the family business can be seen to support employees develop ideas into independent companies that remain external to the family business group.

“Mr. X worked in our company for a good number of years. He had an entrepreneurial idea at the same time that we needed a specific component. Between his forward thinking and our need, discussions developed. But there was a lack of capital and support. We provided this support.” (Interview C30)

“Employees set up their own businesses, helped by our family in terms of order pipeline, mentoring, and premises. We’ve done this in a few cases. We gave encouragement and a leg up for these new companies. [...] The original company was built on seeing opportunities and coming up with solutions. We foster this thinking throughout the organization.” (Interview C30)

It seems that, in the South East Region at least, the regional development benefits of intrapreneurship do not manifest themselves via the emergence of new spin-out companies.
7. Intrapreneurship support in the South East Region

7.1 Enterprise and innovation support in the South East region

A large number of institutions and programmes provide a range of enterprise and innovation support services in the South East region. The most relevant ones are listed in Table 7.1. The list includes the two national enterprise agencies, Enterprise Ireland and IDA Ireland, which operate regional offices. There are five main institutions providing start-up support, either in the form of business advice, business facilities, or early-stage funding. Some of these services are provided on behalf of Enterprise Ireland. Early stage investment is provided by HBAN. Seven research centres, linked to third-level institutions, and two technology transfer offices support innovation in regional businesses. Finally, in addition to the third-level education institutes, the South East Regional Skills Forum works with the regional business community in closing specific skills gaps.

Although apparently fragmented, the various institutions are cross-linked via reporting lines and/or steering committees and, in some cases, they share the same offices. The regional support ecosystem functions as proper rhizome network. Further coordination is driven by the Regional Action Plan for Jobs and the South East Office.

Table 7: Enterprise and innovation support in the South East Region

<table>
<thead>
<tr>
<th>Type</th>
<th>Description</th>
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<tbody>
<tr>
<td>Enterprise Support</td>
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<tr>
<td>Enterprise Ireland</td>
<td>Enterprise Ireland is one of the statutory enterprise development agencies responsible for the development and growth of Irish enterprises. They provide a wide range of programmes, supporting investment, innovation and business development in Irish companies. Many of the programmes operate through the regional institutions mentioned in this overview. It operates regional offices in Waterford and Cork.</td>
</tr>
<tr>
<td>IDA Ireland</td>
<td>IDA Ireland is one of the statutory enterprise development agencies focussing on attracting and facilitating foreign direct investment in Ireland. The Agency operates under the aegis of the Minister for Business, Enterprise and Innovation, who is empowered to provide funds. It operates regional offices in Waterford and Cork.</td>
</tr>
<tr>
<td>Start-up support</td>
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<tr>
<td>NDRC @ Arclabs</td>
<td>NDRC stands for National Digital Research Centre. Its initial mission spoke of collaborative translational research - the funding of research that had potential to be commercialized. NDRC is registered as a charity and is publicly funded. Start-</td>
</tr>
</tbody>
</table>
**ups are required to be fully established before NDRC can invest in them. NDRC provides funding at the early stage of a company’s development, where private investors are often reluctant to invest. NDRC has set up two regional accelerators in Ireland, one of these is located at Arclabs at Waterford Institute of Technology**

<p>| <strong>South East Business Innovation Centre (BIC)</strong> | The South East BIC, located in Waterford, is part of a network of four Irish BICS. It is funded by the Dept. of Enterprise. The BIC operates in parallel with Enterprise Ireland. They support companies that want to scale up. They have a service level agreement in place with Enterprise Ireland to provide a suite of services. The BIC provide consultancy support. This can involve input in relation to a company’s business model, advise in relation to the business team, and so forth. The BIC is unique in that its ambit is a regional one. |
| <strong>Local Enterprise Offices</strong> | LEOs are local authority-level First-Stop-Shops for anyone seeking information and support on starting or growing a business in Ireland. They provide advice, information and support to people in starting up or growing their business. LEOs tend to focus on micro-enterprises. They also help Enterprise Ireland identifying HPSUs. |
| <strong>Arclabs</strong> | Arclabs is the enterprise incubator for Waterford Institute of Technology. It aims to build the entrepreneurial pipeline for the region. It focusses on IT companies. |
| <strong>New Frontiers Carlow and Waterford</strong> | New Frontiers is the national programme designed to develop entrepreneurs. It is delivered on behalf of Enterprise Ireland by Institutes of Technology and Universities. The programme operates out of the two third-level institutions in the South East. New Frontiers has three stages through which it develops new start-ups and road-tests their business idea: (i) Part-time programme; (ii) Full-time programme; (iii) They also help to secure funding for a smaller number of participants. |
| <strong>Investment</strong> | HBAN in Waterford is a trusted network for business angels, matching investors with pre-screened early-stage companies. HBAN is an all-island organization - a joint venture involving Enterprise Ireland, Invest NI and Intertrade Ireland. HBAN is a programme run by the BIC Network. HBAN introduces entrepreneurs to investor syndicates and an angel network. |
| <strong>Research + Innovation support</strong> | |
| <strong>TSSG</strong> | TSSG, funded in 1996, is a centre for ICT research and innovation at the Waterford Institute of Technology. It reports to the office of research at WIT. It has about 80 staff and is 100% self-funded through research projects. It carries out a wide spectrum of industry-informed research in Information and Communications Technologies. It translates the knowledge base into leading edge products and services by engaging with industry in collaborative R&amp;D, knowledge generation, and knowledge transfer. |
| <strong>SEAM</strong> | South Eastern Applied Material Research Centre, based in WIT, is an industry focused applied research centre, providing materials engineering solutions to companies from wide-ranging sectors such as Medical Devices, Pharmaceuticals, Micro-electronics, Precision Engineering and Energy Sectors. SEAM is part of the Technology Gateway network, run by Enterprise Ireland in partnership with 11 Institutes of Technologies. |
| <strong>RIKON</strong> | RIKON is a hybrid centre of innovation in Business Technology Management with its origins in the School of Business at WIT. The Centre is involved in Research and Business Consultancy. The business consultancy department specialises in solving business problems and creating commercial opportunities through research advancements across business strategy, innovation, design, operational excellence and technology optimisation. It is an applied research centre where both academics and professional business developers collaborate to deliver tangible benefits to industry. |
| <strong>PMBRC</strong> | The Pharmaceutical and Molecular Biotechnology Research Centre is a Technology Gateway based at the Waterford Institute of technology, established in 2009. The Technology Gateway network is run by Enterprise Ireland in partnership with 11 Institutes of Technologies nationwide. It is an applied research, consolidating research in the chemical, pharmaceutical and biotechnological sciences. The centre seeks to support R&amp;D activities within the pharmaceutical and healthcare industries, thereby stimulating research and innovation and allowing companies to embed R&amp;D directly into their activities. |
| <strong>Design+</strong> | Design+ is a Technology Gateway based at the Institute of Technology Carlow, providing a design-led approach to projects in the areas of engineering, ICT and bioscience. The Design+ team enables companies to define and develop new |</p>
<table>
<thead>
<tr>
<th><strong>products and concepts, drawing on a broad spectrum of technical, business and marketing expertise. Design+ can support a wide range of design projects.</strong></th>
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<tr>
<td><strong>Kinetic Labs</strong></td>
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<td><strong>Insurtech Network Centre</strong></td>
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<td><strong>Technology Transfer Offices</strong></td>
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<td><strong>Skills</strong></td>
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A substantial number of indigenous respondent firms availed of the Enterprise Ireland support for implementing continuous improvement programmes.\(^{11}\) Enterprise Ireland commenced its Lean Support Programme in 2009. The first action was to educate the companies as to the benefits of Lean management techniques. Subsequently, the agency developed a stepped programme with supports for firms at different stages of their Lean journey.

\(^{11}\) For details of Enterprise Ireland’s Lean Business supports, see: https://www.enterprise-ireland.com/en/Productivity/Lean-Business-Offer/
This involved EI approved consultancy services and grant aid for training. As one respondent noted: “Very much encouraged by Enterprise Ireland, we’ve taken on the whole Lean manufacturing programme and brought that through a number of stages” (Interview C26). This Enterprise Ireland Lean support is available in three levels:

- **LeanStart**: this programme offers companies an introduction to Lean concepts. It provides grant funding for 80% of the project cost up to a maximum of €6,300 (€5,000 grant) based on 7 days’ support from an external training or advisory service. The programme is typically run over an 8-12 week period. It is open to SMEs and large companies that are Enterprise Ireland clients.

- **LeanPlus**: this medium-scale training programme aims to improve productivity within the company by establishing and embedding continuous improvement systems and behaviours. It provides grant funding for 50% of the eligible project costs up to a maximum of €100,000 (€50,000 grant). The grant can be used to source an external training or advisory service or to cover part of the salary cost for up to 3 Lean project champions over the project duration. The programme typically lasts for 6-9 months and is open to SME’s and large companies that are Enterprise Ireland clients.

- **LeanTransform**: this extensive training programme focusses on developing the capabilities of employees, with a view to generating higher quality jobs and productivity improvements within the organisation. The percentage and level of funding is determined on a case-by-case basis by the Enterprise Ireland Investment Committee, with maximum rates being 50%, 60%, and 70% for a large, medium, and small companies, respectively. This programme typically runs for 12-24 months and is open to existing and potential clients of Enterprise Ireland or Údarás na Gaeltachta.

Enterprise Ireland has put together a national network of Lean specialist consultants that met rigorous criteria. This network has evolved into a network that includes firm champions and it has become a valuable tool for information and knowledge flow. The network organized events, including a flagship annual conference that hosts leading Lean practitioners from international companies. In this way, Lean has become part of the everyday conversation of companies. Case studies have been together so that companies embarking on Lean programmes can see how the implementation of Lean management techniques has fared across a variety of company settings.

Other respondents funded their own consultants to inform the Lean management programmes, or relied on internal resources, including: prior management experience
of Lean; Lean management resources within the wider corporate group (in the case of subsidiaries); and observation of peer companies. As one respondent noted, “In my own background I had done a lot of work on lean, as had our senior management. We’ve been fairly self-sufficient on this” (Interview C7). Similarly, another respondent noted that “We have put that in place ourselves. [...] The process itself is simple – the hard part is implementing it properly” (Interview C4).

Seven indigenous companies and entrepreneurs have also benefited from more general business support and start-up assistance provided by the agencies and institutions in the region. The has involved a wide range of services including, feasibility studies, business planning, funding, capital investment, introduction to partners and customers and trade support. In relation to skills, several companies benefited from contact with third-level institutions in the recruitment of skilled students.

In relation to research and development, 16 of the 29 respondent companies (both foreign and indigenous) have availed, to some extent, of the services of the regional research centres at Waterford Institute of Technology and Carlow IT. The involvement ranges from contract analytical services to co-operation in joint research projects. Projects are funded through a range of programmes, notably Innovation Vouchers, EI and IDA grants, Innovation Partnership and Horizon 2020.

Clearly, the institutions and agencies in the South East do promote and support innovation and skill formation and, through this, facilitate intrapreneurship in the regional enterprise base that comes through their programmes. But this research did not find specific intrapreneurship policies or programmes at the regional or national level.

The most relevant institution is the Design+ Technology Gateway based at the Institute of Technology Carlow. The research centre provides a design-led approach to projects in the areas of engineering, ICT and bioscience. It provides close-to-market technology solutions that allow companies to develop new products, processes and services by leveraging the research expertise available within each Institute of Technology. The Design+ team enables companies to define and develop new products and concepts, drawing on a broad spectrum of technical, business and marketing expertise.

Design+ started off focusing on product design but has recently developed design thinking and a Design Strategies Project. The team have developed their own version of existing design thinking processes. It looks at how firms can implement design thinking around an idea regarding a new product or line of service.

“The idea of organisational culture is important and we try to bring in a design strategy. [...] It takes the buss words and puts a process behind them. It is important to show the client that there is a process and toolkit behind those
words and phrases. [...] We are empowering them to come up with new ideas and try to develop them.” (Interview Design+).

This project has many characteristics of an intrapreneurship project. It differs from intrapreneurship in that it primarily deals with SMES and, within those, with the owner-managers. Also, currently the focus appears to be on progressing individual ideas as opposed to an overall intrapreneurial culture. However, one of their clients has used Design+ support to change their entire corporate culture. The project was developed only recently. The first client engagement commenced in 2020.

7.2 Gaps in the intrapreneurship support system

Although beyond the scope of this research, respondents did comment on the general enterprise and innovation system. Almost without exception, respondents were positive about the general enterprise and innovation supports available to them. There is always space for more resources, of course. “R&D has an insatiable appetite [...] so we will never have enough resources. We do need EU and Government support.” (Interview C24) In relation to the regional innovation centres, two companies commented on how third-level research institutions and private enterprises work on different timescales. This can reduce the relevance of the research centres to regional enterprise. Entrepreneurs did not suggest significant regulatory, fiscal or financial barriers, although one respondent experienced difficulty borrowing money from Irish banks during the start-up phase (now 10 years ago).

More specifically in relation to intrapreneurship, since intrapreneurship is not an established culture or tool in the minds of most respondents, these respondents do not identify a gap in the support system around intrapreneurship. This is not to say that companies dismissed the benefit of a potential intrapreneurial programme or tool. Respondent did express an interest and offered to test potential tools in their companies.

“We would love to have an ideation process with ideas coming from people other than the founders. But we need a framework to allow people to be comfortable with bringing ideas forward. We would love to have this because it is tiring for us to come up with new ideas when we also have to mind the core business. An intrapreneurship programme could also be a good selling point for us when we are trying to recruit new staff.” (Interview C23)

“To have intrapreneurship in the management and leader group would be ideal.” (Interview C18)
The question arises as to what agencies or institutions should be involved in an intrapreneurship policy and strategy in the South East region. Few of the existing regional agencies have this function within their remit. The most suitable candidate, at a national level, would appear to be Enterprise Ireland. Intrapreneurship fits comfortably in the Enterprise Ireland agenda of new job creation, in this case by increasing the growth and competitiveness of its clients. But an initiative of this nature would have to be supported by its parent Department. Intrapreneurship would probably align most closely with the Competitiveness Unit of Enterprise Ireland.

In terms of the development of an intrapreneurship programme, an Intrapreneurship Programme could borrow many elements of the successful Lean Support Programme (see Section 7.1). The first task would be to educate the client base as to the benefits of intrapreneurship. Here, it is important that intrapreneurship is not linked to the development of entrepreneurship and business spin-offs. According to the agencies, companies would perceive a risk of losing core staff if intrapreneurship was presented in terms of new firm formation.

Enterprise Ireland could establish a national network of intrapreneurship specialists capable of providing high standard consultancy services. This network could be expanded to include institutions and firm champions. Case studies could be developed of successful intrapreneurship, several of which are included in this report. The network should organize events involving leading Lean practitioners from international companies. There is scope for sharing expertise and knowledge across European regions. Ireland and the South East Region may benefit from learning about programmes in other regions that have developed intrapreneurship programmes from initial concept through to eventual implementation.

The actual intrapreneurship programme offering could be modelled on the Lean Support Programme, involving a stepped programme with supports and funding for firms at different stages of their Intrapreneurship journey. One issue here is that most subsidiaries of multinational companies cannot avail of Enterprise Ireland funding, so a different funding mechanism needs to be developed in order to accommodate these subsidiaries. One of the main barriers to a national roll-out is the shortage of expert strategists with industry experience that could deliver these programmes.

Clearly, Design+ (see Section 7.1) could play an important role in a national intrapreneurship network. It could act as a provider of intrapreneurship consultancy services. “Our design strategies project does what you have in mind with your toolkit” (Interview Design+). This would require a significant upscaling of their existing activities. Continuity of service would require the creation of specific strategist roles as part of the core staff. More importantly, Design+ could act as a national flagship
research institute, responsible for education, research and programme content development.

The third-level institutions could play an important role in promoting the concept by integrating it in their business school curricula, notably of MBA programmes. The business schools could play a further role in developing bespoke intrapreneurship training programmes for management staff at individual companies. An example of such a programme in the South East region was presented in Section 5.3.1.
8. Conclusions

This report has provided an assessment of the regional situation with regard to Intrapreneurship in the South East region.

In order to situate the South East region’s intrapreneurial endeavours in the context of Irish and international intrapreneurship levels it has provided a quantitative analysis of the data contained in the Global Entrepreneurship Monitor (GEM). The regional breakdown of the GEM 2019 survey showed that 5.9% of employed respondents in the South East region were engaged in intrapreneurship. This is below the overall national level (8.2%). Taken as a whole, this regional disaggregation of the 2019 GEM data suggests that there is significant potential to increase the number of intrapreneurs in the South East region.

In order to get a more detailed insight into situation of intrapreneurship, 45 interviews were conducted with institutions and companies in the South East Region. The interviews aimed to derive insights into internal intrapreneurship structures, the barriers to intrapreneurship emerging within companies, challenges to maintaining an intrapreneurial culture within companies, and the gaps in the current enterprise and innovation support system in relation to intrapreneurship.

Based on the interview, this report distinguishes four different types of intrapreneurship and related concepts: continuous improvement; intrapreneurship; subsidiary intrapreneurship; and intrapreneurship in the context of serial entrepreneurship. Most respondent companies operate continuous improvement programmes. Although related, continuous improvement is not considered intrapreneurship. This research came across four companies in the South East Region that fit the narrow definition of intrapreneurship and four companies that can be characterized by intrapreneurship in the context of serial entrepreneurship. Finally, this report identified six companies that presented elements of subsidiary intrapreneurship.

Each type of intrapreneurship is confronted by its own barriers and challenges. Focusing on intrapreneurship, the main barriers to intrapreneurship are related to the fact that many companies operate as subsidiaries in a broader corporate structure. In those cases, the limited functionality of the subsidiary, notably the limited R&D and Sales and Marketing functions, and/or the level of the staff can work against corporate intrapreneurship. Further challenges relate to the amount and poor quality of ideas, motivating staff, managing change, and securing the benefits of the intrapreneurial activities for the company. Solutions to these challenges were discussed.
Since intrapreneurship is sometimes linked to the formation of entirely new spin-out companies, this research also investigated the relevance of such processes in the context of the respondent companies in the South East region. The findings are somewhat sobering. Over the last ten years, nine of the 29 interviewed companies have experienced employees leaving the company to set up their own business (not counting the companies established by serial entrepreneurs). None of these cases fully fit the idea of spin-outs resulting from intrapreneurial projects, although some cases came close. The closest cases were found in the family enterprises. It seems that, in the South East Region at least, the regional development benefits of intrapreneurship do not manifest themselves via the emergence of new spin-out companies.

A large number of institutions and programmes provide a range of enterprise and innovation support services in the South East region. Clearly, the institutions and agencies in the South East do promote and support innovation and skill formation and, through this, facilitate intrapreneurship in the regional enterprise base that comes through their programmes. But this research did not find specific intrapreneurship policies or programmes at the regional or national level. The most relevant institution is the Design+ Technology Gateway based at the Institute of Technology Carlow. This project has many characteristics of an intrapreneurship project.

Since intrapreneurship is not an established culture or tool in the minds of most respondents, these respondents do not identify a gap in the support system around intrapreneurship. However, respondent do express an interest and have offered to test potential intrapreneurship tools in their companies.

Enterprise Ireland, at a national level, would be the most suitable candidate for developing an Intrapreneurship policy and programme. Such a programme could borrow many elements of the successful Lean Support Programme. The first task would be to educate the client base as to the benefits of intrapreneurship. Enterprise Ireland could establish a national network of intrapreneurship specialists which meet rigorous criteria and have proven capabilities in providing high standard consultancy services. This network could be expanded to include institutions and firm champions. The actual intrapreneurship programme offering could be modelled on the Lean Support Programme, involving a stepped programme with supports and funding for firms at different stages of their Intrapreneurship journey. Design+ could play an important role in a national intrapreneurship network. It could act as a provider of intrapreneurship consultancy services. More importantly, Design+ could act as a national flagship research institute, responsible for education, research and programme content development.
Appendix A: Interview Guides

A.1 Interview Guide: Institutions

*Note:* Interview guides are customized to the specific institutions. This interview guide was designed specifically for interviews with Technology Transfer Offices.

**Definition of Intrapreneurship.** Rather than trying to cover the concept in one sentence, a number of features of intrapreneurship can be outlined:

- The *entrepreneurial behaviour of employees* and the development of new ventures *within the existing structure of an organisation*.

- *It is a bottom-up approach* to creating and developing ideas that can enhance the competitiveness or productivity of the company from within the company.

- It can involve *new products/services, or the setting set up a new business entity*, for the employer.

- *A system* that allows an employee to act like an entrepreneur within a company

### Intrapreneurship

<table>
<thead>
<tr>
<th>Prompts</th>
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<tbody>
<tr>
<td>Please outline the remit of the TTO</td>
</tr>
<tr>
<td>Have you encountered examples of corporate intrapreneurship in the SE (not limited to your role in the TTO)?</td>
</tr>
<tr>
<td>If yes, please outline intrapreneurial programmes / actions / initiatives in companies</td>
</tr>
<tr>
<td>Does the TTO currently foster corporate intrapreneurship?</td>
</tr>
<tr>
<td>Do you see a (greater) role for the TTO in fostering corporate intrapreneurship?</td>
</tr>
<tr>
<td>Please discuss the barriers to corporate intrapreneurship and the pitfalls</td>
</tr>
</tbody>
</table>
Do you perceive gaps in the support system?  
Government departments; agencies; subsidies; third level institutions

**Spin-offs**

Please outline the remit of the TTO in relation to spin-offs / spin-ins

Examples of successful spin-offs last 10 years  
Corporate spin offs?  
University spin offs?

If applicable, please discuss the spin-out process and the role of TTO offices

Are there examples of corporate spin-ins  
(companies externalizing staff to work in the third-level setting to develop intrapreneurial ventures).

Did the processes involve external support?

Do you perceive gaps in the support system?

What can we learn from this process? Positive lessons?

Please discuss the pitfalls / barriers

**A.2 Interview Guide: Companies**

**Definition Intrapreneurship.** Rather than trying to cover the concept in one sentence, a number of features of intrapreneurship can be outlined:

- The **entrepreneurial behaviour of employees** and the development of new ventures **within the existing structure of an organisation**.

- **It is a bottom-up approach** to creating and developing ideas that can **enhance the competitiveness or productivity of the company** from within the company.
- It can involve **new products/services, or the setting up a new business entity**, for the employer.

- **A system** that allows an employee to act like an entrepreneur within a company

<table>
<thead>
<tr>
<th>Interview Guide</th>
<th>Prompts</th>
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<tbody>
<tr>
<td>Please provide a brief overview of the company and its activities</td>
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<tr>
<td>Number of employees</td>
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<td>Intrapreneurship</td>
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<tr>
<td>Please discuss intrapreneurial programmes / initiatives in the company</td>
<td>Even if there are no formal policies, it is possible that individual managers try to promote intrapreneurship</td>
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<tr>
<td>Please discuss intrapreneurial actions and processes in the company</td>
<td>These can exist in the absence of policies. Here we are looking at concrete examples of intrapreneurship and the processes involved</td>
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<tr>
<td>Please discuss the barriers and pitfalls to intrapreneurship in the company</td>
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</tr>
<tr>
<td>Did the policies, actions and/or processes involve external support?</td>
<td>Government departments; agencies; subsidies; third level institutions</td>
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<tr>
<td>Do you perceive gaps in the support system?</td>
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<tr>
<td><strong>Spin-outs / Spin-ins</strong></td>
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<tr>
<td>Did ventures spin-out over the last 10 years?</td>
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<tr>
<td>Did ventures spin-in third level centres?</td>
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<tr>
<td>If applicable, please discuss the spin-out process</td>
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</tr>
<tr>
<td>What can we learn from this process? Positive lessons?</td>
<td></td>
</tr>
<tr>
<td>Please discuss the pitfalls / barriers</td>
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<tr>
<td>Did the processes involve external support?</td>
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<tr>
<td>Do you perceive gaps in the support system?</td>
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## Appendix B: List of Institutional Interviews

### Institutional Interviews (16)

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<tr>
<th>Institution</th>
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<tr>
<td>Arclabs</td>
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<td>Design+</td>
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<td>Enterprise Ireland</td>
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<td>HBAN</td>
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<td>Kinetic</td>
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<td>Local Enterprise Office, Carlow</td>
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<td>NDRCS @ Arclabs</td>
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<tr>
<td>New Frontiers WIT</td>
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<td>PMBRC</td>
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<tr>
<td>Regional Skills</td>
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<tr>
<td>South East Business Innovation Centre (SEBIC)</td>
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<tr>
<td>Technology Transfer Office - IT Carlow</td>
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<td>Technology Transfer Office – WIT</td>
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<td>TSSG</td>
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