

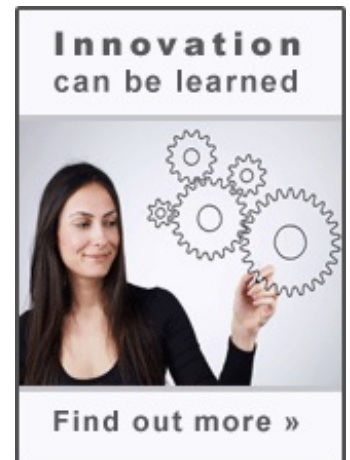
## Employees Need Direction and Encouragement to Foster Profitable Entrepreneurial Ideas

By Matthew P.  
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As the global economy continues its gradual recovery, companies want entrepreneurial ideas that spur growth. Oftentimes though we see a gap between what entrepreneurially-minded employees think about and what the companies that employ them want.

As an [Accenture study found](#), the problem is not a shortage of entrepreneurial ideas. Ideas abound. Many companies, in fact, may have too many ideas. Real innovation relies more on the ability to monetize ideas rather than their generation. The real challenge for many companies then is their ability to channel that idea creation. Yes, reward the efforts, but also rapidly test, grow or weed out the ideas with less potential on the path to commercial implementation.

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The need for an ambitious and collaborative approach to entrepreneurialism is clear when we look at the nature of today's innovation. The initial waves of digital and Internet technology innovation were disruptive, but they often gave incumbents time to consider their options versus the disruptors. Film photography saw digital coming for years. Today, however, digital technologies can create new business models and prove catastrophic for incumbents because there is virtually no time to react.

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Our research into employee and employer attitudes toward innovation and entrepreneurship found that employees at large organizations are eager to be entrepreneurial. In fact, more than half of those we surveyed (52 percent) have pursued what they thought to be an entrepreneurial idea within their company, and, of those employees, 72 percent said their company implemented the idea. And, most — 83 percent — said they are likely to pursue another.

This might suggest that large companies are a hotbed of employee entrepreneurialism. So you might ask: What's the problem?

Employees see entrepreneurialism as lukewarm at best where they work. They want their employers to be more supportive of it. Although very important to the generation of entrepreneurial ideas according to nearly half of the employees (49 percent), only one in five of those employees said their company delivers the support. Similarly, 42

percent of the employee respondents believe management needs to be willing to tolerate failure, but only 12 percent think their company displayed that attribute.

A number of other obstacles also seem to get in the way of entrepreneurial thinking. When asked about the biggest barrier to entrepreneurialism at their organization, 36 percent of the employees said their jobs keep them too busy to pursue new ideas; 20 percent cited a lack of management support for trying new things, and others said their employer does not provide incentives – bonuses or other monetary compensation – for generating successful ideas.

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Many of the employees believed that corporations have set a fairly high hurdle for measuring the success of an entrepreneurial idea, including measurable financial goals, making the company run more cost efficiently, and improving the company's industry leadership position identified most frequently as metrics of success. Proving out such large-scale impact, which can be difficult to achieve under the best of circumstances, takes time. Yet more than half of the employees surveyed said their company allows six months or less to determine if an idea has been successful, but 76 percent believe 12 months would be more realistic.

Senior management at large corporations understands the importance of entrepreneurialism, but they need to consider steps to foster entrepreneurialism and to convey its importance to the entire organization – even encourage the free flow of new ideas. Companies might consider a managed process of idea generation that rewards risk-taking and nurtures and harvests entrepreneurial thinking.

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Four key elements could help senior management maximize the effectiveness of their programs to encourage and support entrepreneurial thinking and activity among employees:

1. **Help employees learn how to generate the right ideas by putting up goal posts.** Communicate with employees about strategic objectives and challenges to help focus employees on areas that could help the business achieve its targets. Without that direction, employees may lack the right vision or focus to solve a problem or invent the next successful product, packaging, etc. that could deliver the types of wins that companies seek.
2. **Keep the innovation pipeline open to speed the idea vetting process.** Companies need to streamline the idea vetting process to enable more rapid investment decisions to convert ideas into successful innovations that can impact their business. Once companies commit to investing in an idea, they can create a safety net to identify and correct missteps and help employees get back on track when they go off-course.
3. **Provide more structure.** Senior management should incorporate appropriate levels of risk and tolerance of failure within business units. They can create programs to promote an entrepreneurial culture and clarify the rules of the game for employees, as they establish processes and infrastructures that encourage collaborative idea generation.
4. **Offer incentives.** Companies should offer incentive policies that include appropriate rewards for idea generation, not just successful implementation. An internal ecosystem – including mentors, outside business “angels” and venture capital expertise – can accelerate assessment and commercialization.

There also is another good reason to support entrepreneurial activity. Without such support, talented individuals who

like to innovate may move to companies that do a better job of encouraging new idea development, or they may leave and start their own businesses.

As our research showed, many large organizations are brimming with entrepreneurial ideas – oftentimes an overwhelming number of ideas. But by putting up the goal posts and focusing entrepreneurial thinking on strategic concerns, challenges and opportunities, companies have the opportunity to stoke their innovation engines and benefit from entrepreneurial activity with greater prospects for desired returns.

*By Matt Reilly*

## **About the author**

**Matt Reilly**, is the senior managing director for [Accenture Strategy](#), North America. Accenture Strategy operates at the intersection of business and technology. Because technology is transforming every organization, they need technology-enabled strategy to take advantage of the opportunities. Whether it's business strategy, technology strategy or operations strategy, Accenture drives value, shapes new businesses and designs operating models for the future.

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