

Entrepreneurs at the gates

Large organisations have an awkward habit of setting their best people free. Dr Leandro Herrero suggests alternatives to the great escape

It has always surprised me. Corporations are resigned to letting their best entrepreneurs go, on the grounds that it is normal for those people to want to exit corporate life: they are not good at dealing with bureaucratic practices and procedures; they hate gratuitous reporting, they want an agile 'entrepreneurial environment'; they need to be free to make decisions that matter and to see the differences they make. So they have to go. Great! We acknowledge that rigidity, over-reporting, lousy decisions and lack of freedom are an inevitable part of corporate life. If a £2,000 laptop goes missing from the office, we will launch an investigation. If an entrepreneur leaves to create his own show, unable to stand the company's constraints, we call it a fact of life. How ridiculous. Instead of fixing the internal rigidity problems we prefer to let human capital go in search of a more motivating environment. We will even have a party to say goodbye and celebrate the loss. Accountants will be happier because they have just made a saving in the balance sheet. It's the surreal world of management: let somebody go and you'll save money.

It is probably impossible for the entire culture, systems and processes of a medium-sized or big company to change overnight to accommodate entrepreneurial groups, but can we do anything about it? Yes, we can. Provided that management is not scared of allowing different operating structures to cohabit within the firm, that there is no obsession with systems uniformity, and that the focus is on making the most of those entrepreneurs at the gates – in this scenario to get out, not to get in – there are ways. I call them symbiotic units (or symBUnits). These are self-contained, intrapreneurial business units within a large organisation that can be designed to take advantage of the large company context, but without its bureaucratic liability, and with the attraction of the small 'independent' organisation. Individuals don't have to open the gates and go. They can live a symbiotic life within the company. They're inside... but they are different from the rest. And here are the differences.

1. Protected boundaries. The borders of the unit must be protected (by management) but those borders may be permeable. They may even look more like Monaco borders than Heathrow borders: when in Monte Carlo you have to look hard to see

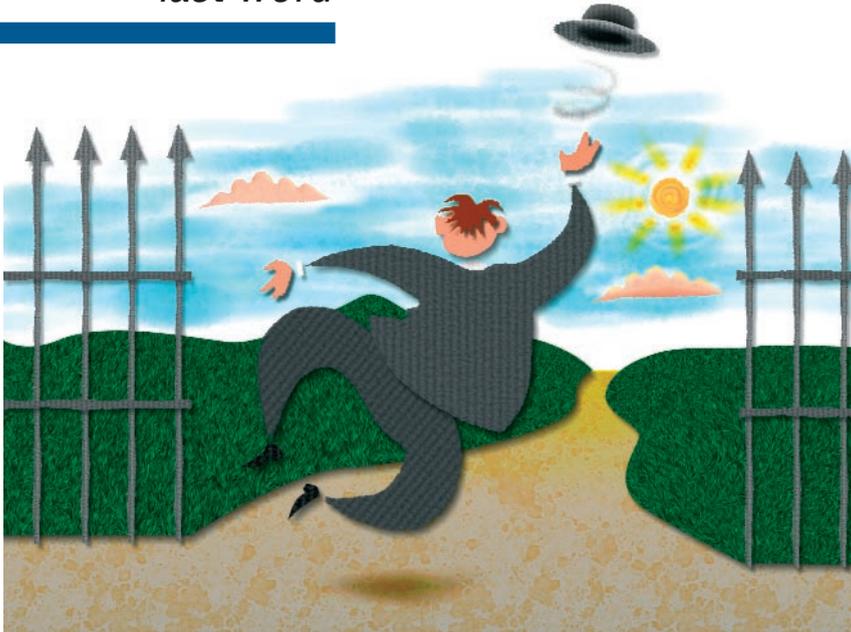
any visible difference from France, other than the policemen's hats. But as well as the police force, they have their own banking system, laws and government. Some symBUnits may be similar – more an osmotic membrane than a rigid organisation chart. But don't be fooled: accountability and clarity of goals will be there. A degree of ambiguity may be necessary, and this is not everybody's cup of tea. These units need to be particularly good at stakeholder management and at nurturing their interfaces with the rest of the organisation. They may need resources in and out, part-time people lent by other parts of the companies, and a mixture of secondees and fixed headcount, all in one. Today's structure may look different tomorrow. They may represent a bit of a moving target for HR departments. But management needs to protect that permeability and those semi-invisible borders to facilitate a sense of identity.

2. Clear, well defined output intent. SymBUnits must have a clear idea of what they are going to deliver in return for their protected uniqueness. Of course, that delivery must add value. Expectations must be clearly defined and aligned with their special charter which, incidentally, must be well documented and shared.

3. Operating model freedom. These units must be free to operate in a different way from the rest of the organisation. Within the agreed charter and its permeable boundaries, the units must have protected freedom to establish their own processes and sit outside the homogeneity of the rest of the firm. They make their own rules. They should not be forced to follow the same systems and procedures as everybody else. If there is a massive overall project management system with defined reporting and control, for example, they must be allowed to opt out if it's not suitable. There is no point in giving them borders, charters and protection and then expecting them to behave like everybody else. If project teams report monthly to management, these units may want to do it weekly or quarterly. That can be agreed upfront of course, but the whole point is that they can enjoy a more agile, fast track, tailored way of doing things. This is particularly worrying to command and control bosses, the ones we think don't exist any more, more fool us.

4. Resource control. Within the agreed framework, symBUnits must fully control their allocated resources, with direct, visible accountability of their use. They must be free to outsource if needed, whether because there are no internal resources available or because of the expertise needed. They should be allowed to spend the money in the way they need, not the way the rest of the organisation does. Scary again, but what's the point of having

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them follow the same rules? This is not as crazy as it sounds. If you trust them enough to allow their setup, why would you force them to use internal resources in all cases – as opposed to outsourcing – regardless of compliance with their needs or possible delays because of conflicting resourcing?

5. Magnet for talent. These units must be, by design, magnets for talent inside and outside the firm. They must exhibit the ability to seduce the best hearts and minds. They must pride themselves on becoming ‘the place to be’, a prestigious, elite space where growing intellectual capital is as easy as growing mushrooms (in places where mushrooms grow). Inevitably you are creating some sort of internal competition, but this is healthy. The role of other parts of the organisation is for them too to be ‘the place to be’, rather than complaining of unfair or different treatment. There is no law that says you have to run any part of the organisation as ‘the place not to be’. If there are lousy processes and boring work, these have been created by man. Man can change that.

6. Good brokerage skills. Although brokerage has become part of normal leadership, these units must excel at it. They will need constantly to negotiate with other parts of the organisation to protect their boundaries, use ad hoc resources, and make trade-offs. Their leader is their master broker, someone who has unapologetically contagious energy, determination and passion. Passion is not necessarily jumping around in the corridor, singing and clapping – business passion is simply a deep belief in what you’re doing. If in doubt, look at your entrepreneur friends who have passed out through those open gates.

7. Identity and destiny. Now it gets even more philosophical (and more scary for standard managers). These units must have a sense of ‘any-size-d’ destiny. I don’t mind whether you use a big ‘D’ or small ‘d’ but a sense of destiny means people share an awareness of their potential unique impact on the organisation. They want to be remembered as ‘the ones who did such and such, who developed that product, who created that new idea, who commercialised that opportunity’, etc. People in symBUnits

have a high sense of belonging: the unit is their reference place. They are aware of their elite status and of the benefits and liabilities associated with it.

8. Knowledge incubation. These units thrive on knowledge creation, sharing and transfer. They invest heavily in the development and training of their people for anything that is necessary, even if it’s not part of the company’s training portfolio. If somebody needs to be trained in something specific that is desperately needed by the unit, their attitude is: ‘here you go, here’s the ticket and the credit card, go and get it’. They take intellectual leadership seriously and pay a lot of attention to recycling skills and capabilities. They also control their own training budget, the one that would usually get cut around September time when the company needed to ‘make some savings to compensate for lower than expected sales in Singapore’ or ‘take account of the unfavourable currency conversion’.

9. Speed ethos. SymBUnits are Ferraris. They have a culture of fast thinking, fast action and a sense of urgency. They have a motto: ‘life is short’. They politely answer the concerns about quality by professing quality as a given, as a pass, as a baseline, not as an aim in itself. While other people produce quality ideas, quality products, quality services and quality goods for the sake of quality, they produce them for the sake of the output itself, which just happens to be high quality. Quality is a given, slowness is not negotiable. People around them might say that it’s one or the other, quality or speed, one compromises the other, they can’t have it both ways. To which they respond: ‘watch me’.

10. Emergent architecture. Over time, the shape of the symBUnit may change; the composition of members, the nature of their network, the size of the operation, may evolve. But the foundations remain. Structural evolution follows more a self-organising path than a designed plan. Identity remains high at all times, even when the borders of those Monacos look like a moving target.

SymBUnits are good for you. They introduce healthy competition and keep your entrepreneurs inside the gates, not outside in the competitors’ field. They are ideal for internal ventures, fast track development projects, expansion into new fields, special projects, one-stop problem solving ‘teams’, internal product incubators, hosts for different product-development lifecycles inside the same organisation, or just entrepreneurial pockets retaining talent.

A good client of mine often says, “If it feels comfortable, its no good”. I agree. If symBUnits make you uncomfortable, then we can start talking... 

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