INTRApreneurship
in Portugal

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INTRApreneurship in Portugal

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Executive Summary

The Entrepreneurship Task Group of the American Chamber of Commerce (AmCham) undertook a study on intrapreneurship with the participation of 12 organizations working in Portugal. The term INTRA-PRENEURSHIP refers to corporate entrepreneurship, an entrepreneurial approach to problem-solving within a corporation. Intrapreneurship also serves as a way in which companies can develop their employees' capacity to innovate.

The 12 participating organizations represent the Banking, Government, Insurance, Information Technology, Pharmaceutical, Nonprofit and Service sectors. They were selected from their responses to an online survey that assessed the level of intrapreneurship of their respective organizations.

The 12 entities were profiled using a detailed interview constructed by the AmCham task group. The interview content focused on the impact of intrapreneurship at several organizational levels (Decision-making, Human Resources Management, Innovation Department (or equivalent) and Customer Facing). These interviews covered different domains of practice and focused on how these companies foster an entrepreneurial climate.

The interview protocol was developed by two senior researchers and conducted by 27 MBA students from The Lisbon MBA. An initial testing phase was initiated from June 4th to June 14th, 2012. The interviews were conducted from June 15th to July 3rd 2012. In most organizations the interviewee was the CEO or a Member of the Board of Directors or the Human Resource Manager. We also had the participation of individuals responsible for innovation in the company. Each interviewee answered questions on organizational culture and intrapreneurship practices in their company. The results were used to profile the companies in terms of their intrapreneurship development and how it works for the organization.

Based on the findings of the study, the AmCham Task Group concluded that the implementation of a training program on best practices in intrapreneurship would benefit other established companies working in Portugal.

1 Introduction

Intrapreneurship in Portugal and the Goals of this Study

T The AmCham's Intrapreneurship Task Group is committed to the goal of furthering entrepreneurial mindsets and skill sets in Portugal. Empowering intrapreneurship in companies that work in Portugal is an emblematic goal, as it has the potential of promoting good governance, economic growth and job creation, among other benefits. The need to pursue corporate entrepreneurship has arisen from a variety of pressing problems including: **(1)** The necessity of avoiding stagnation and decline in the marketplace that requires change and innovation; **(2)** Inherent weaknesses in the traditional methods of corporate management; and **(3)** The turnover of innovative-minded employees who are disenchanted with bureaucratic organizations (Kuratko *et al.*, 1990).

However, the pursuit of corporate entrepreneuring as a strategy to counter these problems creates new and potentially even more complex challenges on both a practical and theoretical level. On a practical level, organizations need some guidelines to direct or redirect resources toward effective intrapreneuring strategies. On a theoretical level, researchers need to continually reassess the components that predict, explain and shape the environment in which corporate entrepreneuring flourishes. The aim of this study was to verify that there exist practical examples of organizations that facilitate intrapreneurial activities in Portugal and take from them some general conclusions about intrapreneurship in Portugal.

Intrapreneurship is defined by Pinchot (1985) as entrepreneurship inside of the corporation. He proposed that as intrapreneurs, individuals will "champion" new ideas from conception and develop them through to profitable reality.

For the true potential of intrapreneurship to be realized in Portugal, research must also focus on showing its benefits to Portuguese organizations willing to innovate and take risks. These organizations are the target of the present study. It intends to show how intrapreneurship is currently being developed within companies working in Portugal.

The main goals are: **(1)** To develop a qualitative study that may offer an accurate perspective of the factors that stimulate and/or obstruct corporate intrapreneurship in Portugal; and, **(2)** To produce a guidebook with recommendations on how to implement an intrapreneurship program in Portuguese companies.

The specific goals are:

1 To characterize intrapreneurship in the Portuguese context based on case studies of established companies.

2 To define and profile an intrapreneur in Portugal, within the values and attributes of the Portuguese culture.

3 To determine the impact that intrapreneurship has on the commercial strategy of the most successful companies and presenting them as models.

4 To determine the extent through which different environments, both internal and external, generate intrapreneurial activity in Portuguese companies.

5 To find out how intrapreneurship activities can result in better performance as well as a means of influencing the design and implementation of company strategy, especially in turbulent times.

2 Intrapreneurship
Theory and Practice

What is Intrapreneurship?

"The intrapreneur is an essential ingredient in every innovation".

Dr. William Souder
10-year life cycle study of 289 innovations in 53 companies

Intrapreneurship refers to an entrepreneurial approach to problem solving and the pursuit of innovation within a corporation. Trying to break the corporate mold of thinking takes a special effort, often referred to as intrapreneuring. It has been recognized that both external factors and work environment play a role in fostering an entrepreneurial attitude in companies. Intrapreneurship can be seen as a means through which companies can develop their employees' capacity to innovate.

These concepts are summarized by Zahra (1991), "Corporate entrepreneurship refers to formal and informal activities aimed at creating new business in established companies through product and process innovations and market developments. These activities may take place at the corporate, division (business), functional, or project levels, with the unifying objective of improving a company's competitive position and financial performance. Corporate entrepreneurship also entails the strategic renewal of an existing business."

Personal characteristics of an intrapreneur:

- Driven by vision
- Moderate risk takers
- Persistent
- Intuitive and analytic
- Honest rule breakers
- Face reality
- Use feedback

Why Intrapreneurship?

A review of empirical studies shows the important role of intrapreneurship in improving organizational performance. In a study, Zahra *et al.* (2000) examined the relationship between innovativeness and venturing as two dimensions of intrapreneurship in 231 U.S. medium-size companies. They found that innovativeness has a significant and positive relationship with profitability, growth and shareholders' wealth.

In another study Antoncic and Hisrich (2001) examined the relationship and organizational performance in terms of profitability and growth. In their research of 51 U.S. and 141 Slovenia companies using the SEM method, they found a significant association between intrapreneurship and profitability and growth in Slovenian firms. In another study in Finland of 217 organizations, researchers found a positive and significant relationship between intrapreneurship and organizational performance in terms of market share, sales volume, market access, profitability and de-

velopment image (Jantunen, *et al.*, 2005). Luo, Zhou, and Liu (2005) in another study, in China, of 218 firms found that corporate entrepreneurship (i.e. being proactive, risk-taking and innovative) is positively correlated to business performance.

Zahra (1991) observed that intrapreneurship leads to product and process innovation and market development. An innovation can be a new product or service, an administrative system, or a new plan or program pertaining to organizational members. Promoting an intrapreneurial philosophy in organizations results in several advantages, including the development in the size and/or diversity of the product and service range, and in helping the organization to expand and grow. An entrepreneur blends existing factors and new combinations in a business. This approach also helps create a workforce that can help maintain its competitiveness and promote a climate conducive to high achievement.

Schaper and Volery (2007), stated several reasons that justify the development of intrapreneurship in an organization:

- To grow and diversify the business. Corporate ventures are often formed in an effort to create new businesses in a corporate context;
- To satisfy and retain bright and motivated staff;
- To exploit underused resources in new ways;
- To eliminate non-core activities.

A 2010 survey polled 263 of the world's leading entrepreneurs –all of them award-winning entrepreneurs. Eighty-two percent of the respondents agreed strongly that the ability to innovate was critical to the growth of their organizations. Interestingly, nearly half of the respondents surveyed said that generating innovative ideas became more difficult as their organizations grew in size and complexity.

The survey's findings were as follows:
"Intrapreneurship is not a feel-good gesture – it is a sound business strategy that is vital to business success and essential for economic recovery" (Maria Pinelli, Americas Director,

Strategic Growth Markets, Ernst & Young LLP, 2012). Successful intrapreneurship helps companies sustain their growth trajectory, maintain a competitive edge and ensure the company's future.

Kuratko (1990) emphasized the consequences of corporate entrepreneurship in a firm and suggested that such a firm is first in the offering of new products and services rather than responding to competition. Many use the term "proactive" to describe the firms practicing corporate entrepreneurism (Kuratko, 1990). Such firms try to improve their processes, products and people to increase their value to their customers.

How does an Organization Foster Intrapreneurship?

According to Burgelman (1983) relatively little is known about the process through which large, complex firms engage in corporate entrepreneurship. Corporate entrepreneurship refers to the process whereby firms engage in diversification through internal development (Burgelman, 1983). Such diversification requires new resource combinations to extend the firm's activities in areas unrelated, or marginally related, to its current domain of competence and corresponding opportunity set.

There are specific elements that determine the corporate's intrapreneuring strategy. Kuratko and Hornsby (1996) describe five main aspects:

1 "Developing the Vision".

The first step in planning a strategy of intrapreneurship for the enterprise is in sharing the vision of innovation that executives wish to achieve. Since it is suggested that corporate entrepreneuring results from the creative talents of people in the organization, then employees need to know

and understand this vision. This shared vision requires identification of specific objectives for corporate entrepreneuring strategies and the programs needed to achieve those objectives. It also implies:

2 Making sure that the current system, structures, and practices do not present obstacles to the flexibility and fast action needed for innovation.

3 Providing the incentives and tools for supporting intrapreneurial projects.

4 Seeking synergies across business areas, so that new opportunities are discovered in new combinations while at the same time business units have operating autonomy.

5 "Developing Innovation".

Innovation is described as chaotic and unplanned by some authors while other researchers insist it is a systematic discipline. Both of these positions can be true depending upon the nature of the innovation (radical vs incremental, as defined by Dent (1990)). Both types of innovation require vision and support. One of the most effective ways to encourage internal innovation is to give individuals or teams enough time away from their day jobs to work on creative projects.

At **3M** employees are allowed to spend up to 15% of their time working on ideas that they think might benefit the company. If an idea is proven viable, the company officially funds it. One such funding program is called the Genesis Grant, which offers researchers up to $85,000 to carry their projects past the idea stage. A formal panel of technical experts and scientists reviews the ideas submitted and send promising projects to another committee of senior technical experts and management. This group specifically looks for creative ideas that might lead to a competitive advantage, projects where some preliminary experimental work has already been completed, and projects for which resources required from both within and outside 3M have been identified. About 15 grants are awarded each year.

● **"Development of Venture Teams"**

A third key aspect in developing an intrapreneurial strategy is to focus on venture teams. Companies that have committed to a venture team approach (very popular since the 1990's) often label the change they have undergone a "transformation" or a "revolution". This new breed of work team is a key strategy for many firms. Collective entrepreneurship is a practice that ensures that individual skills are integrated into a group, building a collective capacity to innovate, a group that is greater than the sum of its parts. Venture teams thus offer corporations the opportunity to utilize the talents of individuals but with a sense of teamwork.

Paul Sagan, CEO of **Akami**, states that entrepreneurship is often accomplished by relatively small groups of people - sometimes only one or two. In large companies, "the committee process fights entrepreneurship… that's why entrepreneurial teams should be kept separate from the rest of the organization: because everybody else is going to hate them and try to thwart them. So put them somewhere no one can find them, until they're big enough to stand on their own."

● **"Structuring for an Intrapreneurial Climate"**

In reestablishing the drive to innovate in today's corporations the most critical step is to invest heavily in entrepreneurial activities that allow new ideas to flourish in an innovative environment. This concept, when coupled with the other specific elements of a strategy for innovation, enhances the potential for employees to become venture developers. In fact, researchers have found that companies need to provide more nurturing and information sharing activities when developing employees as a source of innovation. In addition to establishing entrepreneurial ways and nurturing intrapreneurs, a climate that will help innovative-minded people reach their full potential needs to be developed. The perception of an innovative climate is critical to signal

management's commitment to not only the people but also to innovative projects.

Google has set up a formal process for encouraging internal entrepreneurship. Several years ago, Google implemented its concept of **Innovation Time Off** to encourage creativity among its employees and support continuous innovation. About 20% of an employee's time was to be spent on company-related work that was of personal interest. Almost half of Google's new-product launches — including Gmail, Google News and AdSense — are said to have originated from the Innovation Time Off program.

Factors that Determine Successful Intrapreneurship

• Create a culture of flexibility

Established companies with defined processes may never be as lively as entrepreneurial startups. But they can still modernize or eliminate burdensome procedures that may prevent them from bringing an idea to market quickly. The challenge is to create an organizational mindset that takes market uncertainty for granted and develops enough flexibility and resilience to cope with it.

• Examine risk constraints

An intrapreneurial culture generates greater risks for the company. In fact, in their original manifesto on intrapreneurship, Gifford and Elizabeth Pinchot wrote that an intrapreneur should be financially prepared to take on the risks of failure, including "financial sacrifices such as having no salary increases until the new business becomes a success or even a salary decrease until project bonuses arrive". While this may not always be feasible, companies should reevaluate their risk profiles to allow intrapreneurial efforts.

• Be attentive to internal tensions

Research shows that many promising ideas have been spoiled by bad relationships among co-workers or managers who do not want a risky venture on their budgets. It is therefore vital for senior leaders to "sell" the idea of internal innovation as vital for market leadership — and even survival — not only for the administration but for everyone in the company.

• Look at the forefront

True innovation requires a pipeline — a predictable flow of new ideas that the company can rely on. Setting up an "intrapreneurship unit" within the company gives you an idea reservoir to draw from at any time.

• Encourage the process

Many entrepreneurial successes occur because someone found new uses for an old product, chanced upon a discovery or ventured into new industries or geographies. It is hard to always keep thinking about the Next Big Thing, especially if the company is already the industry leader, but it is a reliable way to renew the entrepreneurial spirit.

Hisrich and Peters (1986) studied a number of Fortune 1000 firms and established nine characteristics needed for a good environment within which new business units can be created. Among these characteristics are top management support, resources, experimentation and multidisciplinary teamwork.

Schuler (1986) outlined the essential structural practices that corporations need to implement in order for entrepreneurship to be facilitated in organizations. Structural freedom and support, along with flexible policies and procedures, were highlighted by Schuler as distinguishing elements to be addressed.

In order to summarize the most relevant aspects in literature regarding what brings successful intrapreneurship into a company, we designed the following categorization table:

Table 1: Dimensions to be Considered in Studying Intrapreneurship

DIMENSIONS	DEFINITION
NEW PARTNERSHIPS	Creation of new business units or autonomous/semi-autonomous companies
NEW BUSINESSES	Attempts to create or creation of new businesses related to new existing products or markets
INNOVATION ON PRODUCT/SERVICES LEVEL	Creation of new products or services
INNOVATION ON THE PROCESS LEVEL	Technical innovation or innovation of productive processes
RISK CULTURE	Assuming the possible losses that might come from taking quick action and allocating resources to search for new opportunities
PROACTIVITY	Specific orientations, established by decision-makers, that promote groundbreaking initiatives
EMPLOYEE EMPOWERMENT	Ensuring employee autonomy and organizational support to encourage entrepreneurial behavior

In sum, successful corporate entrepreneurship would seem to depend both on the capabilities of operational level participants to exploit entrepreneurial opportunities and on the perception of corporate management that there is a need for entrepreneurship. From the perspective of top management, corporate entrepreneurship is not likely to be a regular concern, nor an end in itself. Instead it is a kind of "insurance" against external disturbances or a "safety valve" to mitigate internal tensions resulting from pressures to create opportunities for growth. As such, corporate entrepreneurship is typically the result of the interlocking entrepreneurial activities of multiple participants. Intrapreneurship is conceived as the extent to which an organization's competitive advantage can be established through internally generated innovation. The internal innovation of a firm can significantly alter the balance of competition advantages within an industry, or create entirely new industries – and this is extremely relevant for Portugal.

Strategies that Work

Based on insights gleaned from the literature and practices on intrapreneurship, these are key strategies that have proven effective:

● **Setting up a formal structure for intrapreneurship**

It is critical to give people enough time away from their day jobs to work on creative ideas, while setting up formal processes to make sure those ideas go somewhere. **Corning Incorporated** gives its scientists and engineers a great deal of freedom, allowing them to use 10% to 15% of their time to work outside their current projects. Many times intrapreneurs work across the area of multiple business areas simultaneously and thus need support from various people in the organization. Having formal programs such as the Corning example gives intrapreneurs the support they need to pursue their intrapreneurial projects while still being able to work within the corporate hierarchy.

● **Ask for ideas from all employees**

Encouraging everyone from all ranks and functions to contribute to the innovative process is crucial to create a pipeline of new ideas. **IBM**, for example, uses "jams" – massive online brainstorming conferences – to generate ideas and solve problems. Its famous 2006 Innovation Jam involved 150,000 participants and resulted in US$100 million being appropriated to start 10 new businesses. In Portugal, **Millennium bcp's** "Mil Ideias" program encourages all employees to present ideas to boost efficiency, improve services and reduce costs. In 2011, 799 employees of the bank in Portugal, Poland and Greece submitted more than 1,100 suggestions.

● **Designing a career path for intrapreneurs**

Intrapreneurs tend to dislike conventional administrative jobs, so non-traditional ways are devised to advance their careers. Social and financial rewards can be an effective way to foster professional growth. **Hovione** offers its intrapreneurs awards for new ideas and/or product innovations. New ideas can be uploaded through an intranet application available to all company staff. These ideas are analyzed every week by a team of experts and continuous updates

of those ideas implemented are given about their status (financing, resources, research, profits for the company, etc.).

● **Preventing the fear of failure**

Bold ideas do not always work. Companies must be prepared to deal with failed ventures, internal conflicts, financial risks and intellectual property battles. Setting risk limits up-front is a way to cope with these difficulties by accepting that they might bring about these consequences. Successful intrapreneurship implies looking at failure as a possibility, not as an obstacle to risk-taking. The success of these initiatives depends on senior management support and a true philosophy that intrapreneurship is an end-to-end process. Intrapreneurs need encouragement, support and resources from senior management, as well as the freedom to fail without the threat of punishment.

By following these key strategies, and providing a supportive and nurturing environment, companies can institutionalize intrapreneurship so that it becomes an inseparable part of its operations. Only then can the process of continuous innovation take place – allowing the company to keep its place as a market leader.

Figure 1: Factors of Innovation
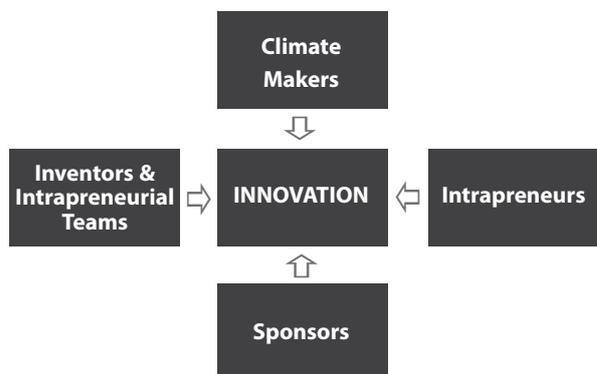
Learning Organizations

Learning is a key characteristic of entrepreneurship, as it fosters the acquisition of business skills, as well as improving knowledge, habits and attitudes. A learning organization manages to detect and correct errors, recognizes and selects opportunities, and increases capacities to achieve organizational goals. Learning organizations encourage their employees to act as intrapreneurs by taking ownership of a product from concept to market, keeping a group of intrapreneurs separate from the rest of the firm and rewarding innovations. The most relevant skill for an entrepreneur is the ability to

capture new ideas and strategies that will improve organizational performance. This capacity is developed within an organization that supports and facilitates both individual and organizational learning.

The most important goal for all organizations is to achieve the highest possible performance. To sustain high performance and develop a competitive advantage, organizations need to focus on intrapreneurship as a competitive factor. For organizations to foster intrapreneurship they have to become **learning organizations.**

Figure 2: Model of Learning Organizations (Alipour *et al.*, 2011)
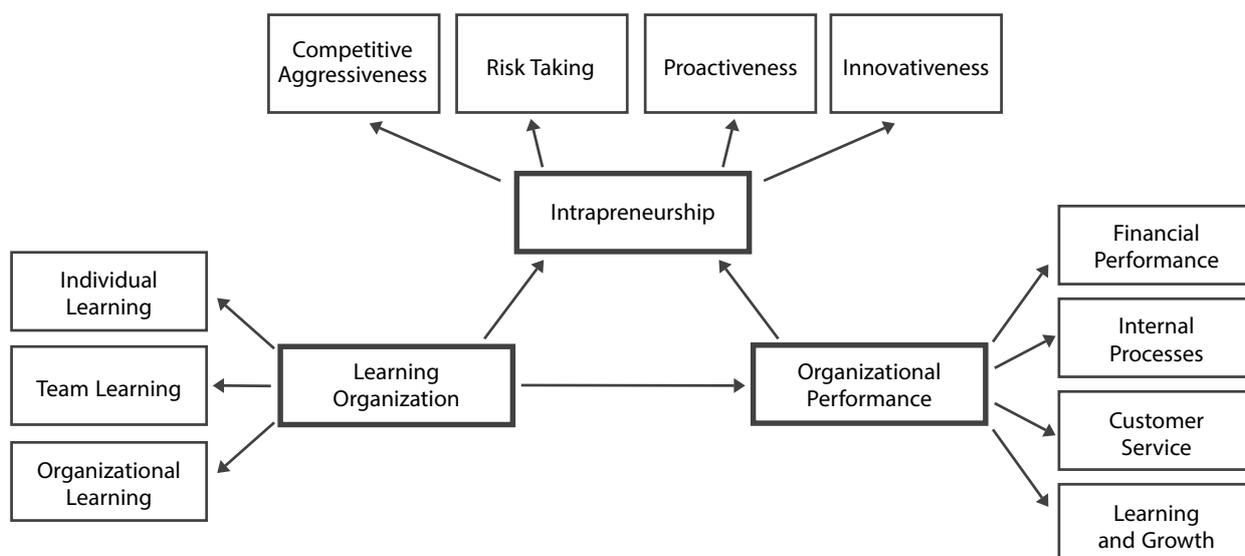
Showing Appreciation for Intrapreneurs' Contributions

Failure does not always have to do with a product or service; it can also be a consequence of timing or the market's

readiness for innovation. Many successful products only met approval years after they were invented.

Rewarding intrapreneurs for their contributions, even when the outcomes turn out less profitable than expected, is very

important to keep the flow of creativity going in a company. Intrapreneurs often quit to form their own businesses if they do not feel appreciated and supported by their company.

Gifford and Elizabeth Pinchot wrote extensively on the topic of compensation. They advocated an equitable division of profits between the intrapreneur(s) and the corporation. They propose that a company establish "a trusted committee to "buy" completed research from its intrapreneurs for some pre-established fraction of its value to the company as determined by an established accounting system".

At **McKinsey**, intrapreneurs are seen as "the motor of the corporation" and there is no management intervention in their decisions. **EDP** and **Hovione** sponsor "groups of interest" and "idea development groups" that establish their own goals and manage their work with autonomy and little supervision. These groups are rewarded both financially and "emotionally" through internal events at the company. In **Millennium bcp,** employee-generated ideas are posted on a dedicated site on the bank's intranet, and all employees are encouraged to assess and eventually vote on the ideas proposed to "road test" them before they move to implementation.

Institutionalizing Innovation

Where there is much risk and uncertainty involved, the organization needs to change its behavior across many dimensions. To accomplish this, companies need the right processes, talented management and governance, which clearly differs from those used in more traditional forms of management.

In order to measure innovation, evaluation must focus on activity-based metrics, rather than outcomes (a common practice at **McKinsey**), because they reflect the inherently experimental nature of a process. It has to encourage risk, but with discipline.

In the following scheme, constructed by David Tranfield (Sapsed *et al*, 2002), a model of knowledge management that sustains an innovative environment within a company is proposed. The three conceptual areas of Discovery, Realization and Nurture correspond to different phases of the innovation process and thus imply different approaches from the organization.

Figure 3: Model of Knowledge Management for Innovation
(Sapsed *et al.*, 2002)
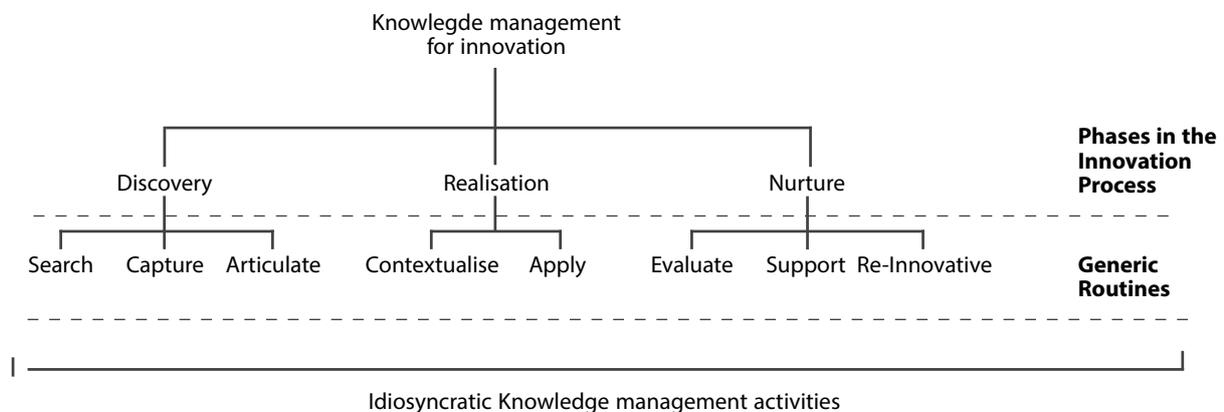
In "Discovery" phase, the company is challenged to look for new opportunities, giving its intrapreneurs the space to learn, deal with pressures and understand the behavior of their competitors. In "Realization" phase, a process that leads to the creation of a particular product or service must be enhanced: intrapreneurs and top management are challenged to decide, from all potential ideas, which ones are worthy to implement and, to consequently, allocate resources. It is expected that the company provide the right amount of support and commitment to the selected ideas, conveying its tolerance to failure and providing tools of risk management. Finally, "Nurturing" refers to the practices of innovation sustainability: in order to nurture innovation, experiences of success and failure need to be analyzed to serve as learning experiences for future developments. Knowledge and experience are at the base for re-innovating and starting the cycle again.

3 Participants and Organizational Profiles

The 12 study participants are established companies in the sectors of Banking, Government, Insurance, Information Technology, Pharmaceutical, Nonprofit and Services sectors.

Table 2: Profiled Organizations

ORGANIZATIONS

1	AIG	8	HP
2	AON	9	IBM
3	CISCO SYSTEMS	10	Instituto Marquês Valle de Flôr (Cooperação Portuguesa)
4	EDP	11	McKinsey & CO.
5	EGEAC	12	Millennium bcp
6	GALP ENERGIA		
7	HOVIONE		

Table 3: General Organizational Profile Template
(Used for the Interviews at Companies)

CATEGORY	AREAS / QUESTIONS TO BUILD YOUR INTERVIEW GUIDE:
	MOST IMPORTANT: TELL A STORY OF INTEREST THAT WILL INFORM READERS ON THIS SUBJECT OF INTRAPRENEURSHIP – Look for organizational best practices
SUMMARY OF ENTREPRENEURIAL PRACTICES THAT WORKED	✓ *What is the company's overall philosophy and strategy regarding innovation?* ✓ *In the introduction of recent products and/or services, how did your company anticipate market development and the need for these particular products/services?* ✓ *Is there a story of a corporate "spin-off" or "innovation teams" or "new collaborative partnership" or some type of project that did not have a formal structure but was intrapreneurial?*
INNOVATION & NEW PRODUCTS, SERVICES OR BUSINESS	*Innovation comes from 4 main sources:* • *The <u>platform</u> or business model for delivering value* • *The <u>processes</u> by which work gets done*

CATEGORY	AREAS / QUESTIONS TO BUILD YOUR INTERVIEW GUIDE:
INNOVATION & NEW PRODUCTS, SERVICES OR BUSINESS	• *The products/services the company offers its customers* • *The people who do the work* ✓ *How are innovations produced? Is it possible to go through a recent example of how a new business was developed?*
ORGANIZATIONAL CULTURE	*Provocative questions on company's entrepreneurial vision in practice. Specific examples given by interviewees, e.g.* ***Initiatives used to breakdown organizational silos and practices that prevent the fear of failure:*** ✓ *How does the company inspire an organizational climate that promotes an entrepreneurial mindset within its employees?* ✓ *How does the company break down organizational silos? (como combate a mentalidade das "quintas")?* ✓ *How is uncertainty and failure dealt with in a positive and productive sense? Can you provide a recent example/s?* ✓ *How does the company motivate employees to come up with new ideas without the fear of failure? (good solutions found)*
EMPLOYEE EMPOWERMENT & HR STRUCTURE	*Discover the good practices of the company in recruiting, training and motivating employees towards intrapreneurship* ***(Company's best practices in rewarding self-initiative; Good solutions on recruitment and training; Strategies of motivation/team spirit/intra-competitiveness):*** ✓ *How is employee autonomy managed in the hierarchy? Is there a task/responsibility orientation? To what extent are employees expected to manage their problems?* ✓ *How does management deal with employees when they present innovative ideas and suggestions? For example, does the organization have financial and/or non-financial rewards for entrepreneurial behavior?* ✓ *Does HR recruit and train new employees regarding intrapreneurship? If so how? What is offered to assure that employees continue to stay motivated?* ✓ *Is rotating through different jobs possible for employees in the organization? If so, how?*

Figure 4: Organizational Profile Template for IMVF

CATEGORY (choose the most suitable)	QUESTIONS TO CHOOSE FROM TO BUILD YOUR INTERVIEW GUIDE:
NGO COOPERATION W/ GOVERNMENT	*Questions on organizational best practices:* ✓ *What is the NGO's overall strategy towards cooperation with government?* ✓ *In identifying needs, what are the internal and external practices of the NGO?* ✓ *Does the NGO have a clear commitment to research and to the seeking for new projects? How does it fit in the organization structure?*
ORGANIZATIONAL CULTURE	*Provocative questions aiming at gaining knowledge on the entrepreneurial vision in practice. Specific examples given by interviewees, e.g.* **Groundbreaking initiatives used to break organizational silos and practices that prevent the fear of failure:** ✓ *How does the NGO inspire an organizational climate that promotes an entrepreneurial philosophy/vision with its employees?* ✓ *How does the NGO break down organizational silos? (como combate a mentalidade das "quintas")?* ✓ *How do NGO decision-makers deal with uncertainty and failure? Can you provide a recent example/s?* ✓ *In the funded projects, how does the NGO deal with failure (e.g. projects that did not meet the established goals)?*
NEW PROJECTS	*Assess the thinking model of the partnership (Portuguese Cooperation+NGO) towards achieving new projects* **(How is knowledge produced in the partnership (good solutions found); What's the method used in starting new projects?)** ✓ *Has the NGO recently taken part in the development of new projects funded by the Portuguese government? Is it possible to go through a recent example of how a new project was developed?*
INNOVATION	*Find out the story behind the development of innovative projects funded by the Portuguese government:* ✓ *Thinking about the recent projects, how did your organization anticipate the needs of the target-group(s) for these particular services?* ✓ *How is the introduction of new services or projects compared with those of other organizations in the same field?*

(cont.)

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in Portugal

(cont.)

CATEGORY (choose the most suitable)	QUESTIONS TO CHOOSE FROM TO BUILD YOUR INTERVIEW GUIDE:
EMPLOYEE'S EMPOWERMENT & ORGANIZATIONAL STRUCTURE	*The goal of the set of questions proposed for this theme is to understand the perception of autonomy and empowerment of employees:* ✓ *How is employee autonomy managed in the hierarchy? Is there a task/responsibility orientation? To what extent are employees expected to manage their problems?* ✓ *Is rotating through different jobs possible for employees in the organization? Is so, how?* ✓ *Are there particular practices of recognition in support of entrepreneurial behavior? Can you give the latest example?* ✓ *How does management deal with employees when they present innovative ideas and suggestions? For example, does the organization have financial and/or non-financial rewards for entrepreneurial behavior?* ✓ *How does Human Resources recruit and train new employees in terms of intrapreneurship? What do they offer to ensure those they recruit are motivated, poses initiative and hold entrepreneurial attitudes?*

Table 5: Organizational Profile Template for EGEAC

CATEGORY	QUESTIONS TO CHOOSE FROM TO BUILD YOUR INTERVIEW GUIDE:
INTRAPRENEURSHIP INSIDE THE GOVERNMENT	*Questions focus on organizational best practices:* ✓ *What is EGEAC overall strategy towards innovation?* ✓ *In identifying needs, what are the internal and external practices of EGEAC?* ✓ *Does EGEAC have a clear commitment to research and to the seeking for new projects? How does it fit in the organization structure?*
ORGANIZATIONAL CULTURE	*Provocative questions aimed at gaining knowledge on the entrepreneurial vision in practice. Focus on specific examples given by interviewees, e.g.* ***Groundbreaking initiatives used to break organizational silos and practices that prevent the fear of failure:*** ✓ *How does EGEAC inspire an organizational climate that promotes an entrepreneurial philosophy/vision with its employees?*

(cont)

| PARTICIPANTS

CATEGORY	QUESTIONS TO CHOOSE FROM TO BUILD YOUR INTERVIEW GUIDE:
ORGANIZATIONAL CULTURE	✓ *How does the EGEAC break down organizational silos? (como combate a mentalidade das "quintas")?* ✓ *How do EGEAC decision-makers deal with uncertainty and failure? Can you provide a recent example/s?* ✓ *In the funded projects, how does EGEAC deal with failure (e.g. projects that did not meet the established goals)?*
NEW PROJECTS	*Assess the thinking model of EGEAC towards achieving new projects* **(How is knowledge produced in this part of the public sector (good solutions found); What's the method used in starting new projects?)** ✓ *Has EGEAC recently taken part in the development of new projects? Is it possible to go through a recent example of how a new project was developed?*
INNOVATION	*Find out the story behind the development of innovative projects:* ✓ *Thinking about the recent projects, how did your organization anticipate the needs of the target-group(s) for these particular services?* ✓ *How is the introduction of new services or projects compared with those of other organizations working in the same field?*
EMPLOYEE'S EMPOWERMENT & ORGANIZATIONAL STRUCTURE	*The goal of the set of questions proposed for this theme is to understand the perception of autonomy and empowerment of employees:* ✓ *How is employee autonomy managed in the hierarchy? Is there a task/responsibility orientation? To what extent are employees expected to manage their problems?* ✓ *Is rotating through different jobs possible for employees in the organization? If so, how?* ✓ *Are there particular practices of recognition in support of entrepreneurial behavior? Can you give the latest example?* ✓ *How does management deal with employees when they present innovative ideas and suggestions? For example, does the organization have financial and/or non-financial rewards for entrepreneurial behavior?* ✓ *How does Human Resources recruit and train new employees in terms of intrapreneurship? What do they offer to ensure those they recruit are motivated, poses initiative and hold entrepreneurial attitudes?*

AIG
Profile

"Portugal is a good country for innovation not only because it has committed people, but also because it is big enough to test the success of a new product and small enough to avoid significant losses" states Nuno Antunes, General Manager of AIG in Portugal.

Underscoring the entrepreneurial orientation of the company culture he continues, "This Company is one of the biggest insurance companies in the world but is very flexible".

Each director takes ownership of his line of business as if it were his own company and that people in the company know that everything is possible as long as there is a good idea and the capacity to develop it. Innovation is mostly centered on new products, namely in equipment insurance. In fact, the Portuguese branch of AIG has helped to develop several new concepts (such as videogame insurance) that are now being replicated in other countries.

Fueling a culture of Intrapreneurship

Several key elements are the "fuel" of the intrapreneurial culture at AIG. This includes:

- Each business area is run as if one's own company;
- Function with a high level of commitment;
- An orientation towards objectives that does not compromise collaborative approaches;
- The company's organization and the specific units that support innovation processes;

- A company culture that tolerate failure so as not to jeopardize the focus on innovating.

To support the innovation process, the company's organization is very important, concentrating technical expertise by international product line but at the same time have a local person to report to. There is also an important commitment in terms of resources allocated to the New Product Development team. However, the General Manager said that the main asset of the company in Portugal "was the level of commitment", which he considered to be something specific to the country. The fact that everyone has the budget number "written" in the back is evidence of this commitment. The focus on budget numbers does not, however, compromise a collaborative approach. It is a "game of equilibrium" that needs to be managed.

New Products and Innovation

A new idea is initially developed on an informal basis, at the team level. Once the idea is proposed internally, it starts being developed on a formal basis. The business head may contact the New York office directly, to discuss the idea and see whether it is feasible. Confidence and interpersonal relationships are crucial to getting support from the head office.

The company promotes innovation and an entrepreneurial culture, as it feels that the development of new products is key to success. When a new team member is recruited for

an underwriter position, there is an assessment of his/her innovative capacity.

There is one person in Spain who is in charge of new product development for Spain and Portugal. However, each underwriter has an active role in the generation of new ideas. When an underwriter detects an opportunity, they first speak with the General Manager for Portugal for a first opinion. If they get a green light, then the underwriter's line manager contacts the Madrid-based person in charge of new products. There is also an Innovation Council, based in Madrid, where people from different areas have a seat.

Tolerance of Failure

Regarding failure, the perception is that this should not be penalized, as the group has the philosophy of "disciplined risk-taking". Clearly, the group has a culture of openness towards new ideas. When questioned about how the company deals with failure two main points were emphasized:

- Lessons learned: it is essential to go further and understand if there are internal responsibilities for which someone should be accountable;
- Ensuring that the failure is not repeated in the future.

The message conveyed is that if the company wants to innovate, and thus cannot blame a collaborator for failure, as long as that collaborator did everything they could to make things happen well. According to the General Manager, the level of tolerance for new product failures is bigger, because people in the company cannot assume that everything that is done will work as planned. Lack of tolerance towards failure would kill the creative capacity. However, in the "business as usual" work the company management has to be more demanding and here the tolerance level is much more reduced because of the nature of the business.

AON
Profile

Teamwork to Stimulate Innovation

Aon provides risk management, insurance and reinsurance brokerage, human resources solutions and outsourcing services. As a multinational company, it is an $11 billion business with more than 500 offices worldwide, in 120 countries, employing around 54, 000 people. Aon is in Portugal since 1989 and has 2 offices with close to 100 employees.

As an international company, Aon tries to stimulate teamwork as part of its culture and incentive to innovation and intrapreneurship.

Initiatives like the "Pass It On" program and the "People Finder" platform are recent examples that, despite not specifically targeted to innovation and intrapreneurship, aim at creating a favorable framework for cooperation and knowledge sharing:

The 2011, the "Pass It On" program combined elements of employee engagement, community service and client partnerships. Regional teams from Aon – Asia Pacific, Europe, Middle East and Africa, and the Americas – were competing for points as they pass Manchester United footballs along three transcontinental routes. The footballs stopped at Aon offices and additional points of interest around the world. At the end of 2011, the footballs had already visited 67 offices in 11 countries, traveling more than twenty-seven thousand kilometers in a demonstration of global cooperation at Aon.

"People Finder" is the Aon intranet platform that combines social media and content marketing to help Aon employees locate their fellow employee as needed. Employees can use the platform to micro-blog and communicate with each other directly. To help organize the information in People Finder, various departments and geographies have "Knowledge Ambassadors," who spend about one-quarter of their time ensuring that the content is up-to-date.

Leveraging Diversity to Innovate

Being a multinational company in 120 countries, with an extensive list of products in risk management, insurance, human resources and outsourcing, Aon leverages their product portfolio and network of offices to service customer needs.

For example, in Portugal, an advisory service for customers in need of assistance (regarding insurance claims) has brought together Aon's skills in engineering and risk prevention as well as its knowledge base in claims management. This service was developed by Aon's Portuguese engineering team together with colleagues in Spain to help with cross selling service for retail companies. The service allows for segmented sales of insurance products using digital marketing tools and CRM information gather by inbound calls.

The "Innovation Committee"

A good example of Aon's commitment to the promotion of innovation and intrapreneurship in its Portuguese office was the creation of an "Innovation Committee". It was created by the end of 2010 and was comprised of eight staff members, covering the different business areas and ranging from people at lower levels of the organization to top management. The "Innovation Committee" was mandated to identify and quickly put into practice actions that involved and challenged employees to innovate within the company and, particularly, in Portugal.

The most iconic initiative of the committee was the "Innovation Lab", with a dedicated room created in the Lisbon office, which any member of the staff can use to brainstorm or develop ideas that may be turned into innovative services or products for the company. The room was design in such a way (bright colors, puffs sofas, drawing walls, etc.) that creates an informal and comfortable atmosphere, well suited for creative thinking.

Another action promoted by the "Innovation Committee" followed an Aon's international initiative named "Marketplace", targeted at company executives and that allowed them to get better acquainted with the global portfolio of products in the different businesses worldwide.

The Portuguese offices shared that information with its employees, through the creation and exhibition, in the "Innovation Lab", of summary product sheets. Sharing knowledge and information about different solutions is expected to lead, not only to cross-selling opportunities, but also to new and innovative ideas for the company.

Something that is in the future plans of the Aon's Innovation Committee is the "Ideas Market" game. Potential intrapreneurs will be challenged to submit their ideas to the "market" and let the other member of the organization assess it, putting credits in the ones they believe are best. The concept is similar to a stock market and, at the end of the game, intrapreneur(s) with the most credited idea(s) will be given the opportunity to put them in practice. The project is currently being tested in a specific management platform and is expected to be implemented soon.

CISCO SYSTEMS Profile

Cisco Systems Portugal is a two-fold operation: It has a Sales Division, and an International Shared Services Center for the EMEAR (Europe, Middle East and Russia) region. With aproximately 50 employees in the Sales division, Nuno Carvalho, Director of Portuguese Operations, explains: "we may be small, but we're fast. And the Portuguese market size makes it very attractive for innovation: big enough to create a reference, small enough not to be too risky". These characteristics create a very proactive approach in Cisco Portugal, namely when the Global R&D department comes up with new products, or when a new company acquisition makes new technology available. "We're usually the first country to win projects in new technologies. Back in 1998 the very first worldwide customer for the IP telephony was ours here in a Portuguese bank."

Innovation Travels Up and Down the Value-Chain

This innovation drive also has an impact on Cisco Portugal's partners. Cisco's "go-to-market strategy" precludes direct selling to end-customers; rather it always goes through integration partners (this enables Cisco to keep a comparatively small fixed cost structure, whilst leveraging on the size of its partners to address the market). In Portugal, whenever there's a new technology available, these partners, along with Cisco employees, are urged to get new certifications and training in order to be able to sell these

new projects. So its proactive approach creates a chain effect on the rest of the eco-system. Another example of how an entrepreneurial spirit can change outcomes that would seem like foregone conclusions was how the Shared Services Center came about. "The short-list was already made. It was going to one of the "usual places", says Nuno Carvalho, "but at the time, five years ago, we believed we could still win it". A four-member team was assembled promptly, and quickly turned to highlight the advantages Portugal presented: weather, culture, prices, safety, food as well as welcoming and skilled people. "It's not like we're the best at every single one of those items; it's just that we probably present the best combination of all of them". Portugal won, and the then 50 people operation grew to 220.

Cisco also understands that innovation can come from anyone, anywhere: "our intranet has come a long way. It's now called, Integrated Workforce Experience". It is fully customizable by employees, and has a specific innovation area. This tool, with its high customizable interface allows for employees to get real time updated information about the areas or topics in which they are interested. There is also an area dedicated to innovation, where employees anywhere in the world can pose questions and suggest ideas in any area of Cisco, from administrative services to product development. Cisco understands that the product development cycle should start from its customers, so the site enables them it to minimize the stages of getting customer feedback to the right people.

This proactive attitude is discoverable by management through worldwide quarterly awards for best ideas, opportunities, most innovative projects and business deals that are publicized across the company.

If You Never Failed, You're Not Risking Enough

These rewards sponsor an entrepreneurial approach, and are balanced with a certain tolerance for failure. Nuno Carvalho explains "if you've never failed, it's because you've never risked enough. In Cisco we always have to take some risks. It's part of our culture. And if you do not risk, you do not fit the Cisco culture". But only as far as a specific condition is met, as Cisco "is not a company of heroes: never lose alone. Cisco is too big, too resourceful a company for someone to lose a project because they didn't use all the resources Cisco can provide".

Culture, therefore, also plays a big role in sustaining the entrepreneurial drive of Cisco's employees. And, Human Resources play a key role in upholding this culture. "HR is part of every one of our management meetings" says Nuno Carvalho "as they manage our people which are the key assets that make the difference in our organization. We need people that go the extra mile, are self-motivated, even – and especially – during tough times. Because it is during difficult times when customers are won over."

Staying Out of Your Comfort Zone as a Competitive Advantage

This cultural risk-taking attitude, allied to the awards given to the best ideas, makes an environment where people proactively try to find ways to improve the way they work, or Cisco products themselves – even if it feels uncomfort-

able at times. "For us innovation is what we can do more than the others by trying to stay out of our comfort zone" says Nuno Carvalho. But at least along the way, everybody knows where they stand. "Feedback given to our employees is crucial". For the Operations Director, this is a great source of motivation, and "motivated employees work better". And for the second year running the company has won the "Great Place to Work" award.

EDP
ENERGIAS DE PORTUGAL
Profile

Co-creation of Innovation

Energias de Portugal (EDP) has approximately 12,000 people working in different sectors and multiple geographies. Although there is a specific department whose mission it is to think about Innovation (EDP **Inovação**), the company's innovation strategy relies on networking and building synergies between all business units.

Because EDP is such a large company challenges in communication could ensue. To prevent this, the company has enhanced its information exchange through several types of "virtual and group-facing" meetings. One interesting example is the creation of "interest groups" that gather to study and work on particular themes (such as solar energy, charging units or distribution). In these interest groups, information flows more smoothly, allowing intrapreneurs to get a better chance to create and present initiatives. The groups are extremely autonomous, with adequate space to focus on experimentation, and receive little supervision from the hierarchy (though regular updates/reports are requested).

One of the ways to participate in the company's product innovation (such as the above mentioned charging system) is a micro-site, open to the public: www.cocreation.pt. This permanent source of ideas and product development is used to improve the company's services. At the internal

level, all employees have access to EDP Click Idea - on the intranet - an application that allows posting and voting for new ideas. These two initiatives help to break down barriers that could be posed by a complex chain of hierarchy.

As noted in the company's statement "we are certain that the implementation of innovative strategies gives us a competitive advantage in our people management and our investment in them is reflected in the way in which our team carries out our strategy and commits to our goals."

Open Innovation

"Open innovation is a paradigm that assumes that firms can and should use external ideas as well as internal ideas, and internal and external paths to market, as firms look to advance their technology" (Chesbrough, 2003). It involves innovating with various partners as well as sharing the risks and rewards.

One practical example of this method is the EV Charging System (a fast charging station for electrical vehicles) developed in cooperation between external researchers and EDP Inovação. The challenge was to decrease the costs of production from approximately €1,000 to €500. This challenge was made to both internal and external individuals

and companies to improve the cost of production and hit the "game changing" €500 mark. Ideas were presented, a prototype was built and the technical plans for the Charging System were published.

Because EDP works over various geographies and business areas, EDP Inovação created a network of "focal points", or individuals in various groups that exchange information on current projects. The focal points gain visibility for their projects in the organization as well as knowledge of what others are doing. An EV Charging System is something that the group in Brazil was also looking to develop. Through co-development with two universities in Sao Paulo, EDP Brazilian operations will adapt the current technical plans to also work in the more humid and warm conditions of South America.

Prática-Sociedade (Civil Practice)

Innovation is also something that EDP wishes to inspire in the external community. One of EDP's latest initiatives has been to "lend" several of the company's creative minds to 5 NGOs and small non-profit associations struggling with various organizational problems. Through brainstorming sessions, EDP's employees developed solutions and concrete practices for these organizations that resulted in an over 30.000€ in savings. With these initiatives, EDP keeps its staff motivated and builds a bridge between society and the workplace. Another example is EDP's ongoing initiative of **volunteering**.

All EDP staff members are allowed to actively participate in volunteering actions for 4 hours per month (previously agreed with the hierarchy). The commitment and active participation increases employee's self-esteem and motivation, as well as helping to develop skills that benefit the company and its businesses (leadership, communication, teamwork,

networking, etc.). All EDP Group employees are oriented and expected to continuously develop their individual competencies and to meet the company's goals.

Breaking down Obstacles in Communication:

Aware of the communication obstacles that are inevitable in large companies, EDP tries to break down communication formalities through several strategies:

- EDP's Intranet provides general information for its staff and publishes constant offers of internal mobility and job opportunities;
- All staff members have the possibility to communicate directly with the company's CEO;
- EDP's "ON magazine" and "ON TV" permanently updates staff about company initiatives;
- EDP University has an online "Campus" to exchange knowledge and foster e-learning;
- Internet allows the general public to be aware of the company's current projects.

Valuing Experience Program

Recently, EDP won a European Commission award in the European year of "Active Aging and Solidarity Between Generations" through its practice of "Valuing Experience". Experienced employees of EDP were challenged to assess their most important achievements in the company and share this knowledge with others (writing a technical manual, training newcomers, etc.). This practice gave value to their contributions and reinforced the notion that they are an asset to the company and to their less experienced colleagues.

EGEAC
Profile

⚓EGEAC
Câmara Municipal Lisboa

EGEAC is a municipal public company under the supervision of Lisbon's City Hall. The company's formal responsibilities are the management of cultural premises (such as museums, monuments and theatres) and the creation of artistic events in the city of Lisbon. Supported by a staff of 180 people, this wide variety of cultural diversity implies catering to very diverse audiences, which is the main challenge of this organization.

Creating Socio-Economic Impact
through Cultural Promotion

The company tries to go beyond the scope of its formal responsibilities by embracing a vision to position Lisbon as a dynamic city in the national and international context through cultural activities that yield socio-economic impact. EGEAC relies on an organizational framework that allows for space and autonomy for all its collaborative cultural agents and expects them to be a source of innovative solutions and creative ideas.

"The arts and culture are areas of permanent and systematic innovation. Artists continuously try to understand how they should position themselves before their audiences," says Miguel Honrado, CEO of EGEAC. For Honrado, being an entrepreneur and taking risks is inherent to this line of work. Human resources are EGEAC's main asset. The artists and cultural agents that contribute to the company's initiatives are the distinctive factors that nurture the excellence and

growth of its projects. Attracting staff that represent the best talent and then train them, motivate them and create conditions for them to develop their careers within EGEAC are the guiding doctrine that is followed by the company. In order to maintain an innovation flow, EGEAC fosters a governance model that balances autonomy and responsibility:

- Each cultural unit (which can be compared to a "business unit") has its own "Executive Director" and many also have an "Artistic Director";
- In order to give the cultural units a "public face", the Executive Directors of each frequently interact with the media and the general public;
- Each cultural unit team defines yearly programs, autonomously;
- Initiatives can be proposed either by the cultural units or by external agents (through the submission of cultural projects);
- EGEAC's Management Board uses a "coaching" approach, coordinating all cultural units and ensuring internal consistency among their activities.

Through decentralization EGEAC has set the grounds for innovation in the public sector. Relying on its collaborators' autonomy, making them accountable and responsible for their projects and providing team leaders a bottom-up approach, both internal and external agents have an easy access to the company and are thus encouraged to produce and present new ideas.

How a Sardine Changed
the Face of the City

One of the challenges EGEAC faces is the creation of a single and distinctive cultural personality for Lisbon. At the same time, EGEAC's Management has to promote internal cohesion amongst all its cultural units.

These challenges are met through clear and consistent planning and the coordination of activities that promote cooperation for company events such as the "Festas de Lisboa" (annual festivities celebrating the birthday of Saint Anthony, the City's patron saint). These festivities became an opportunity to increase the company's network both internally and externally, generating unique momentum to make real change to Lisbon's cultural panorama.

The choice of the Sardine as an icon for these festivities was a type of disruptive innovation, which has become one of the key success factors of the "Festas de Lisboa". By focusing on one unifying symbol, the organization was able to optimize the cohesion between its various entities, events and audiences. In addition, EGEAC's public competition to "design a sardine" extended this cultural activity to an even broader public and gave the community ownership of this emblematic symbol of the summer festivals.

Tolerance of Failure
and Rewarding of Success

As far as failure is regarded, EGEAC's CEO has the conviction that, "there is always a positive lesson to take from every experience, even failures, because risk is in the DNA of any cultural area".

Although having inherited a bureaucratic culture from the public sector, EGEAC recently started the implementation of a program to recognize employees based on merit. During this journey of internal change, EGEAC is considering to go a step further by compensating innovation.

Traditionally, EGEAC rewarded its intrapreneurs' initiative by sponsoring the best ideas, inviting the author of the innovation to be part of the implementation team and giving him/her public recognition. In the new merit recognition process, all EGEAC collaborators, including administrative staff are involved, ensuring that innovation is progressively extended to the non-artistic areas of the company.

GALP ENERGIA Profile

The core business of Galp Energia is finding, extracting and delivering oil and natural gas. Innovation is essential to the business and the company uses numerous means to develop new products and services. Galp has created its Energy Solutions Program (Galp Soluções de Energia). That provides customers with important tools to optimize fleet management and improve energy efficiency. It is based on technological solutions to optimize energy efficiency in order to minimize client energy costs and carbon dioxide emissions. A good example of this is the renewable energy technology that is studied for a specific client to promote its energy efficiency. Galp Soluções de Energia also assists clients by developing financial plans to support their decision-making process. Usually, the financial plans also provide the client links to European Commission financing programs. These energy solution Programs are designed for manufacturing, construction and transportation clients. They also allow the Innovation Department to work directly with clients to better understand their needs in order to more effectively develop solutions. Galp Soluções de Energia functions like a spin-off from within the company and works like a program developer and not a separate business unit.

The Galp Innovation Challenge is a competition to develop apps on IOS and/or Android smart-phones to minimize client costs and, at the same time, sell Galp products. Galp has developed a partnership with Portugal Telecom in order to gain the necessary technical and commercial expertise to build such products. One winning idea was the outdoor terrace heaters that are now widely used in Portugal. Winners of the Innovation Challenge receive an award and their product is now deployed for Galp customers.

A pilot project, Smart Galp, is an integrated fuel, electricity and gas program aimed at helping clients optimize their energy consumption and is managed by the Innovation Department at Galp. Monitoring is done on a day-to-day basis with pilot program clients. In addition, Galp has established several partnerships with automobile manufactures such as the new hybrid car from Toyota. Select Galp employees are provided these vehicles for use in their day-to-day lives in order to assess whether the vehicle is viable or not for clients.

University-Industry Partnership

The Galp Innovation Network (Rede Galp Inovação) is a partnership made with university research centers, IT companies and other organizations from across Portugal. In the area of energy efficiency these institutions have been asked to provide their ideas on ways to improve Galp's operations, refinement production and technology systems. The network uses a platform of a password-protected portal that only internal and selected external collaborators have access. One important example is the Galp2020 program

that is dedicated to identifying and developing new innovative talents (20 people towards the year 2020). This university program rewards the best ideas. Students work on new energy systems and/or behaviors to be implemented in the industry and/or in new building construction. Their work is principally tied to auditing and regulating energy usage of Galp clients with the goal of reaching more energy efficiency.

Galp is also helping to create new university programs in engineering. The new majors were developed through an agreement with five Portuguese universities to develop petrochemical courses in Porto, Lisboa and Sines. These programs are given at the locations and by videoconferencing. Several of the new courses were scheduled on Fridays and Saturdays so that people currently working could update their skills and further develop their careers by attending the programs. Galp has also partnered with Petrobras, three Portuguese universities and two Brazilian universities in an international university-industry collaboration to provide a geo-engineering course for Portuguese and Brazilian students as well as for Petrobras and Galp employees. Sixteen PhD students are also integrated into the company and allows for their use of real data in the development of their doctorial work.

Innovative Suggestions from Within

The Galp Internet portal, *MyGalp*, is where employees can make innovative suggestions without any limitations. These ideas are then voted on in regard to the value they create for the company. The internal awards are made twice a year. Furthermore, the Innovation Department is just a phone call away from any employee's idea. New ideas are initially developed on an informal basis, at the team level. Once the idea is proposed and accepted internally, it starts being developed on a formal and structured basis.

HOVIONE Profile

H HOVIONE

In the last two years Hovione has created a new vision for innovation within the company. Previously, quality was the number one concern for everyone. However, innovation has been placed at the same level as quality in terms of the organizational goals, says Peter Villax, Country Vice President for Pharma and Innovation. To address this new goal, Hovione has developed a sophisticated system in which any employee is allowed to propose an idea that may benefit the business regardless of whether it is related to a process at the production site, or a new chemical formula, or even a new company practice.

An Innovation Platform at the Heart of Hovione

The innovation platform that Hovione created over the last two years focuses on processes, products and people. Anyone in the organization, in any of the geographies where the company operates, has access to this intranet platform (innovation. hovione.com). The application enables employees to fill out a template for their idea(s), including general information, the problem being addressed, how the idea can be applied, the resources needed and how it benefits the company.

In a second phase, all ideas are evaluated by an innovation committee, composed of three top managers including the VP for Pharma and Innovation, the Director of Innovation and the Chief Scientific Officer. "Our weekly meetings allow us to have

a pre-emptive look at the ideas being proposed. We review many proposals each week", says Peter Villax. Following this preliminary analysis, the best ideas follow one of two paths. They can either be implemented immediately, and in this case the projects receive the required funding and the promoter of the idea is allowed enough time and human resources to implement it. Or, it joins the "best ideas pipeline" for future implementation. Ideas that are not worth implementing are simply dropped without further implications. The intranet platform allows both the idea's promoter and the innovation committee members to be informed in real time about all updates of the process.

The innovation platform has an additional characteristic; people are rewarded for their efforts. "If an idea is set to be implemented, then the promoter knows immediately that she or he will receive a monetary reward", says Peter Villax. "This is really crucial", he adds. The reward may go up to several thousand Euros or rather be an "emotional reward", such as iPads or other gifts. If the idea is able to compete for a patent application that reaches a definitive filing in the national patent office, additional rewards may be granted in line with the business that it creates for the company. Full transparency on the company's profit from new ideas is provided and made accessible to all employees. The company makes sure to communicate to its employees that if an idea is not accepted, the failure is not personal but rather, of the idea per se and its applicability. Peter Villax clarifies, "It's really not the person that is at stake. It's the

idea". Mary O'Donovan, Director of Organization Development, adds, "Our employees can really put forward their ideas and fail without being blamed for that".

An Organizational Culture that Supports Innovation

The last five years have been very important in terms of growth and in additional support measures being implemented. Hovione started out as a family company, based on family values. The role of the Director of Organization Development (responsible for Human Resources) is to be a catalyst who takes ownership for creating the right environment and promoting the opportunities for those willing to contribute with ideas. Hovione's organizational matrix style helps to accomplish this goal.

Empowerment is taken very seriously at Hovione, giving HR a role of natural influence in making people feel confident. To manage employee development, HR makes sure that each year there is a report on goals and objectives accomplished. High performers are identified and their succession plans are developed conjointly. There is a balanced review of both productivity related objectives and behavioural competencies. Hovione values not only what is accomplished but, more importantly, how it is accomplished. Approximately 90% of new hires are graduates that Hovione trains internally, and there are very high standards for anyone who applies to join the company. When hiring employees for specific positions, the company first looks internally. This is important to not only ensure organizational fit but also career progression opportunities for all employees. In order to encourage innovation from the very beginning, Hovione conveys the belief that learning is only possible when there is space to make mistakes and very little room for punishment. Employees are expected to continuously look for different ways to do things, both more efficiently and more cost-effectively.

To achieve this mindset, Hovione trains its employees to "think out of the box". The innovation programme is split into two different areas: the science program and the manufacturing program. There are specific criteria to evaluate new ideas and once a quarter there is at least half a day devoted to presenting awards for the best ideas at a formal meeting, in front of all peers. This constant social recognition supports the innovation environment and makes sure that it is maintained.

In addition to the organization's cultural traits described above, employees have the opportunity for international rotation as well as across functions. In fact last year 18% of all employees rotated. Teams that remain stable for many years are not the rule, but the exception – only likely to be found among the ranks of production engineers.

Setting Up a Formal Strategy for Innovation

Following a strategic review that highlighted the importance of innovation to Hovione's long-term success, the company engaged in a series of consistent actions to transform itself into a true innovation engine.

A Vice President for Innovation was nominated and clear goals were defined to develop the right internal processes and tools, as well as the incentives and frame of mind needed to support them. Among other challenges, this process involved a transformation of the way the company viewed itself, from a company of Excellence – where Quality was the supreme value – to a company that valued Innovation as much as Quality. This shift was accomplished by developing a permanent, company-wide, open-to-all-ideas contest that gives public recognition for innovative thinking. The company uses its high-quality, diverse workforce and cultivates its corporate culture to form the right environment for innovation to flourish. The fact that it has achieved 24% growth in sales in 2011 seems to confirm the potential of this approach.

HEWLETT PACKARD (HP) Profile

The Information Technology (IT) industry has fierce competition and only the most innovative and creative organizations survive and thrive. In this fast moving industry, Hewlett-Packard (HP) has had to adapt quickly and this is part of the DNA of the company.

In 1939, Bill Hewlett and Dave Packard founded HP in Packard's garage. Their first product was an audio oscillator and one of their first customers, the Walt Disney Company. Disney purchased eight oscillators to develop the sound system for the movie Fantasia. The HP Garage in Palo Alto is also known as the birthplace of Silicon Valley.

Creating an Innovation Mindset in Portugal

HP Portugal has four main business units: (1) hardware, (2) software, (3) enterprise services and (4) personal computing. In Portugal, while the main focus is given to services, there are incentives to create new products through sharing patent revenues with their inventors.

"In Portugal we are intermediaries; we receive the products and deliver them. The innovation is on the feedback side." states Manuel Lopes da Costa, Managing Director of HP in Portugal.

Product innovation typically comes from the HP Labs abroad. The Labs deliver business value through a variety of paths in commercialization (including technology transfer to HP businesses), demonstrations, co-innovations with customers, licensing and creating transformational solutions to "real-world" problems. Worldwide, there is an initiative to provide a seamless experience for customers and in this way overcome organizational silos. This initiative is called "ONE HP".

Celebrating Success and Tolerating Failure

Success is clearly celebrated at HP. In Portugal, whenever a new contract or important goal is achieved a bell is rung and a brief celebration is made. Worldwide, HP holds annual meetings where the most recognized innovative projects are presented to all employees.

HP tries to sustain a mindset of excellence and non-failure, although failure is not criticized when it happens. There are examples of HP failing to realize the full potential of products such as PDAs and Tablets, but the organization is committed to learning and act on these particular examples of failure. "Business as usual is much more comfortable but the markets will hurt us if we do, so we need to learn from the

mistakes. Not being able to fully leverage on the acquisi-tion of Palm and its technology to realize the potential for the smartphones market was a mistake that we have learn from", states the Managing Director of HP in Portugal.

Building the Right Structure
to make Innovation Happen

A working environment is one of the key aspects to foster creativity with HP team members. All business units utilize, "extensive open space areas, with no closed doors" accord-ing to Adolfo Martinho, Account Manager of HP Portugal. This environment sets up an informal and appropriate con-text for open discussion and exchange of ideas, which quite often generates innovation.

The company has an internal "Innovation Portal" in which new ideas are recorded. This portal is structured in such a way that it allows new ideas to be visible to any HP team member worldwide. Additionally, it permits a fast search by clustering ideas into groups of similar concepts. This in-creases the chances to use them to generate other ideas. The Innovation Portal tool is the core of HP's innovation and intrapreneurial process within HP Portugal.

The innovation process in HP Portugal could not be imple-mented without the continuous assessment of trends in the IT market and a continuous flow of information relative to the launching of new products in HP. The Innovation Man-ager (and Market Analyst), Pedro Canas Ferreira does con-tinuous analysis of the needs of the Portuguese market and has regular meetings with the Account Managers to inform them of emerging market trends. The Account Managers then provide up-to-date information relative to their local customers. Another important function of the Innovation Manager is to propose new tools to be developed locally, in collaboration with Portuguese universities.

Planting Seeds for HP's Future and Breaking Down Silos

Adolfo Martinho, HR Manager, looks for people with talent, creativity and can potentially be successful team members. "HP University" is a program designed to find these people. A formal protocol has been established with Portuguese universities to provide HP trainee programs. Successful can-didates have the opportunity to join HP as employees.

During the training of new recruits the values of innovation and excellence are immediately conveyed. After two years in a position, HP employees are encouraged to include in their goals rotating to other positions in the company to prevent the formation of silos and to facilitate interdiscipli-nary collaboration.

IBM
Profile

Encouraging Innovation

Innovation has been present in IBM since its very beginning, which makes it part of the "company's own DNA" and is, therefore, highly promoted and encouraged. The most effective source of innovation in IBM is its intrapreneurs. The company has highly qualified people, the best of breed in some technical areas and with many years of experience in the market. Therefore, listening and empowering its own people takes care of most of the organization's problems, as well as improving the ability to do things better in both processes and products.

One example of this practice is the well-known "jams" which gather company staff, customers and even the staff's own family members, to brainstorm and come up with new solutions. IBM also organizes more specialized full-day sessions with its senior employees, inviting them to present their own ideas on how to increase productivity and improve the company's products and processes. From these sessions, typically, four or five proposals are chosen to be implemented.

Being a technology development company, another important source of innovation is the creation of new products in IBM's innovation laboratories. New products are always supported by the company's knowledge and experience in meeting the market's needs. "Innovation is a key factor to address the market, but it always needs to be a useful in-

novation", says José Eduardo Fonseca, Chief of Technology at IBM Portugal. Innovation is also encouraged by design, which means that one of the components of yearly objectives is innovation and, IBM employees are evaluated according to this metric.

In addition to these practices, IBM boasts an "open-door management culture", where hierarchy levels tend to be flattened into a more informal and open environment, giving people the confidence they need to present their own ideas.

Risk-taking and Failure

One of the most important factors in IBM's recruitment and evaluation of employees (especially managers) is their risk-taking ability. IBM relies on the leadership and autonomy of its staff and a leader has to assume risks and make difficult decisions. All decisions are expected to be carefully measured and analyzed, however, IBM trusts the professionalism and responsibility of its managers and encourages risk-taking and touts it as an essential competence to become an IBM leader. An interesting practice in IBM Human Resources is that risk-taking is encouraged and evaluated in all professional categories, regardless of function. If two employees have the same technical evaluation scores, risk and innovation can be key parameters to differentiate them, even if they do not have any kind of management responsibility.

Avoiding Group-Think and Silos in a Highly-Specialized Environment

IBM has the need for technical expertise, which means that some specialists must work exclusively in a very particular aspect of technology, in order to produce excellent work. Having excellent technical specialists is a key factor for the company, but it also means that this staff cannot be constantly rotated which increases the risk of creating silos. In order to fight this tendency, IBM rotates its specialists among the several projects available, allowing staff to interact, network and get used to working with different people.

Another source of mobility opportunities comes from the company's own condition as a worldwide supplier. In IBM's intranet a constant and diverse offer of positions worldwide is displayed, open to employees in all countries. This international mobility is actively encouraged in the company and is a part of the personal development plan prepared by each employee, his hierarchy and the human resources department.

Retaining the Right Staff

IBM seeks people that are talented, innovative and entrepreneurial from the beginning, because when they are not, they might never meet the company's expectations. What IBM looks for in people is their capacity to lead and to create new solutions, as well as a generally positive attitude towards their line of work. Portugal has a lot of talented and innovative people, and that must be the differentiating factor. It cannot compete in cost, compared to Bulgaria, Czech Republic and many other countries where IBM operates, but Portugal provides IBM with leaders and intrapreneurs who are able to create new solutions.

In order to keep the right people in the company, managers are given budgets and are informed about the market place offers for each particular position. Managers are given full autonomy to decide how they will use their budgets on employees. The rule is that intrapreneurs must be rewarded and differentiated from their peers. António Cerejeira, head of human resources at IBM Portugal, recognizes that in the first year the company implemented this practice, the tendency of managers was to match the salaries, in order to avoid conflicts within their teams. Nonetheless, time has proven that differentiation, used with full transparency, serves the company better, as it promotes a continuous search for self-improvement.

Peer recognition is a very important aspect in keeping the right people at IBM. The company created an internal tool of rewards that allows, in addition to the more common prizes for productivity and talent, a "peer-to-peer reward". This tool enables any staff member to recognize a colleague for being supportive, helping with his expertise in a particular project or other like reasons. This prize is made public through the company's intranet and can be financially rewarded, if the hierarchy agrees with that proposal.

Keeping in Touch with the Community

IBM Portugal celebrated the company's centenary by volunteering in the community. To show appreciation for its employees and recognize the importance of the external community, IBM Portugal conducted several meritorious "missions" across the country, highly participated in by former and current employees. In fact, volunteering ideas are highly encouraged by the company and several former employees have already presented and were supported by the company in small projects that were recognized and rewarded by IBM (either financially and/or with equipment).

INSTITUTO MARQUÊS DE VALLE FLÔR Profile

IMVF
Instituto Marquês de Valle Flôr
ONGD

Instituto Marquês de Valle Flôr (IMVF), created 60 years ago to support research in the area of health and to assist the poorest people in Portuguese-speaking countries. The IMVF is an example of a successful organization that is promoting and benefiting from an intrapreneurial spirit. According to Hermínia Ribeiro, member of the Department of Development Cooperation and Ahmed Zaky, Project Director, innovation and entrepreneurship have a major importance in the day-to-day life of this NGO.

The Role of Innovation

Unlike what happens in most "traditional businesses", projects at IMVF emerge as a direct response to demand. Until now, IMVF has been out of the spotlight, focusing instead on providing good service to its "customers" – countries that need assistance and with whom projects are launched. In the last decades, IMVF has gained an enormous reputation among Portuguese-speaking countries; as a result of IMVF's performance it does not need to proactively look for projects, demand is enormous and, alas, not all projects have a "go ahead". The big added value of IMVF is how to run a project. The institute implements true "programmatic actions", refusing to intervene ad hoc. "IMVF is not about a charity business", the goal is rather to adopt structuring projects that will, from a long-term perspective, help a country to handle its needs by itself, and at the same time, reinforce the credibility of IMVF among its customers. This posture helped IMVF become renowned among competent entities and partners. Innovation,

in an organization like IMVF, plays a very important role in project deployment. The approach is not fully formalized, but the principles of innovation are embedded in IMVF procedures, guaranteeing unique and successful solutions for each project. Innovation is fuelled by an organization that is open to accepting and implementing new solutions and ideas arising from all stakeholders.

High-Tech Lagoons in Cape Verde

A very interesting mix of highly modern engineering solutions and very traditional construction techniques resulted from the ideas of local teams, local methods (based on clay construction) and complex engineering techniques. This partnership approach (gathering local knowledge with expert knowledge from public institutions in Portugal) was so successful that other project teams are now following it and has resulted in people being encouraged to cooperate and exchange knowledge.

Learning Organization

IMVF is organized so that each team has responsibilities according to a geographic region; there is also a horizontal structure, less formal, where people, according to their abilities, are involved in different projects. On another level there are the local teams that complete the team project, which is formed by people with many different backgrounds, skills

and interests. IMVF is able to profit from this organizational model, which is the base for the creativity, innovation and success that characterizes the "company". The impact of this goes far beyond innovation and creativity, as it brings a commitment from all stakeholders, which is a pillar of success in IMVF projects. "Only through empowerment of populations is it possible to boost the sustainable development of communities". IMVF fosters the search for new learning opportunities –getting help outside of the institute to solve particular problems is a normal practice. This humbleness has reinforced IMVF's reputation in the market. A practical example of the company's willingness to learn new methods is its pioneer implementation of a "Tele-medicine" system in S. Tomé and Príncipe. At this point, only four other institutions in Portugal use this system of clinical healthcare. Monitoring this practice is a step towards future developments and innovation in healthcare.

Preventing the Fear of Failure

Performance is critical at IMVF. Managing highly complex transnational projects, IMVF has very strict control mechanisms implemented not only internally but also by external entities. Controlled risks create a feeling of no fear of failure but at the same time all activities are closely monitored. Being a learning organization, IMVF sees failure as an opportunity to learn.

MCKINSEY & COMPANY Profile

McKinsey&Company

Conscious risk-taking

McKinsey & Co. promotes the idea of the internal entrepreneur very strongly, as he/she is believed to be the key for their company's success. As management consultants, McKinsey encourages its clients' to use strategy development and risk-taking initiatives to optimize their approach to their markets. McKinsey believes that it is necessary to sustain effective strategies in order to improve performance in business decisions. Clients are assisted in putting in place board-level risk oversight, designing and implementing a corporate risk-management function, and establishing risk policies, processes, and systems.

Examples of these practices are:

- Working with a bank to structure its Basel II implementation program by estimating necessary parameters, conducting use tests, and assessing regulatory compliance;
- Working with a medical products manufacturer to map key event risks in its portfolio and determine how to address them;
- Helping a multinational real estate manager navigate the impact of global macroeconomics and country risks related to its portfolio;

- Supporting a major telecommunications company in upgrading its risk-management organization and processes;
- Optimizing a company's reinsurance strategy by building alternative risk-transfer strategies.

Fostering Intrapreneurship

Relative to the recruitment process, McKinsey believes that the people being recruited need to demonstrate not only extreme talent but must possess outstanding autonomy potential. Working at McKinsey, all staff has to be autonomous in their approach to work and be responsible for their business choices.

After a consultant is admitted, the company gives its employee the opportunity and space to pursue initiatives beyond the scope of their usual functions. The more senior team members are expected to develop new opportunities, clustering around new customers and expanding new areas of knowledge. Senior Consultants develop "microcosms" within the company, expanding their customers' base, leveraging knowledge and enhancing company practices. This is what McKinsey refers to as "dynamic knowledge cells". While geographies are perennial, the functions and

the sectors are dynamic, which means that company staff members are expected to create new possibilities and explore their capabilities to the fullest.

An entrepreneurial practice of HR at McKinsey is their mentoring network in opposition to a more formal leadership model (the company does not have a formal structure of hierarchy). Employees move around from project to project, industry to industry, constantly changing their leaders and teams. The idea behind this practice is to create a sense of multidisciplinary teams, with the ability to adjust quickly and cope with new challenges and realities.

New Products and Innovation

McKinsey nurtures flexibility of thought and management of opportunities, while strongly emphasizing the construction of meaningful services and products. The company strongly supports its people and keeps them active and involved. To promote employee involvement, McKinsey encourages constant job rotation, which helps with a continual acquisition of competences in new areas, new sectors and different geographies.

As a demonstrative example of this mobility encouragement, years ago a group of employees decided to explore and develop the private equity area. The company supported the initiative and provided them with resources to learn and experiment. The small team went around the world learning and studying the subject, searching and detecting the best practices in the field. McKinsey ended up developing a strong position in this market, attracting new customers and developing new projects. Currently the company holds itself as the market leader in private equity and this is a direct result of a non-conformity culture and the constant search of new opportunities and market needs.

Tolerance of Failure and Rewards for Intrapreneurs

As far as risks are concerned, McKinsey always expects their senior staff to be successful in general. Tolerance for individual failure is high whereas tolerance for long-term lack of success or to the misjudgment of opportunities is low. In sum, McKinsey expects people to take their options autonomously, and to do it wisely and in a responsible manner. The junior staff members are always protected in order to assume risks and pursue autonomous decisions. The risk is managed and mitigated by managers who are ultimately responsible for their junior consultants.

There are no standard prizes for individual targets. Employees are instead evaluated in a holistic fashion with emphasis on long-term perspectives. Evaluation is made via ranking and people are recognized for their impact instead of the sole generation of business. Self-initiative is recognized even when it does not become an actual project. The fact that something new was explored and new ideas were developed is core to the culture. That is how McKinsey has become a company that keeps highly competitive, while continuously exploring new concepts and developing different ideas.

As an example of its tolerance for failure, years ago the company invested in Mediterranean countries, starting with an interesting businesses opportunity in Egypt. Several employees from Portugal, Spain, Italy and other close countries where McKinsey already operated were relocated to Algeria, Tunisia, Morocco, amongst other countries, in order to expand the company's businesses. As a consequence of the "Arab spring", McKinsey was forced to dismantle and close its recently created business units. The employees, though, were given the opportunity to be temporarily relocated and are now slowly restarting their previous groundbreaking businesses, as the Mediterranean countries start to stabilize.

Millennium bcp Profile

With 27 years of history, Millennium bcp continues to affirm itself as a leading banking company in Portugal. Its banking services and financial products are considered benchmarks in the sector, in terms of innovation and success. The bank's long history of innovation – from the launch of the first streamlined retail network, Nova Rede, to more recent advances in cutting-edge technology for online banking --is used to inspire and motivate new employees, to ensure they share the company's vision on innovation, from the very beginning.

Millennium bcp's mission is "to create value for the client through banking and financial products that observe rigorous patterns of credibility, ensuring an attractive return to shareholders."

In order to accomplish this Millennium bcp allocates permanent resources into the search for new ideas and suggestions that can be put into practice and generate value for both the company and their clients.

"Mil Ideias" (1000 ideas)

One of the current initiatives (which started in 2004) is an interactive platform, available on the company's intranet, called "Mil Ideias". Its management model is based on (1) collaborative spirit (ideas can be voted by peers); (2) Creativity and (3) Enrichment of ideas (everyone can be involved in the analysis& development of ideas).

The platform aims to identify and implement best business opportunities and organisational improvements while encouraging creativity, participation in corporate decisions and product innovation. An advisory board (composed of company managers, including the human resources department, marketing department and others) evaluates and decides on how to implement the best ideas.

One of the interesting aspects of this program is that, while encouraging participation in the company's developments in an informal way, employees can simultaneously develop their entrepreneurial skills. For instance, in order to get their ideas voted on by peers, employees can learn creative ways to propose and advertise their ideas. This informal, internal competition is likely to improve their knowledge of the company's products, as well as to generate opportunities to spot top performers.

In 2010 this program was internationally distinguished for its human capital involvement and human resources management, by the Corporate Executive Board. During 2011,

47% of Millennium bcp employees participated in the Mil Ideias program and more than 892 ideas were received.

Examples of successfully implemented ideas include PETIS, a health insurance product for pets, and a bank-wide rule for printing (by default, all documents are currently printed using both sides of the paper); which reflect two completely different levels of innovation.

One of the key aspects for the success of the program, according to Erik T. Burns, Head of Media Relations, is participation: "All ideas are accepted equally, even if some might seem ridiculous. Failure is irrelevant. One of the strongest points of the program is its high rate of participation. The platform is used by everybody to such a degree that you can't look silly when proposing any idea."

Participants in this program are rewarded with non-financial bonus, up to now, although human resources management keeps track of the program's achievers, and they are properly certified. When identifying top performers, the HR management takes into consideration employees' input in all company initiatives, including Mil Ideias.

Growing Inside the Company

In order to minimise the company's silos, staff rotation is strongly encouraged within Millennium bcp. Internal mobility campaigns, including a recent effort to promote shifting from back-office operations to "frontline" work in branch offices, allow company employees to change areas, engage in different projects and develop their careers.

The company also promotes a program destined to identify and retain new talent, called "People Grow". Participants rotate through different areas of the bank, while learning and receiving training. At the same time, Millennium bcp

benefits from their knowledge and skills during the whole process. In addition the company established the program "Grow Fast", directed to further development of Employees with professional experience.

Opening the Door to Innovation

In 2011, Millennium bcp held its second "Porta Aberta" (Open Door) workshop, with the goal of exchanging and sharing good practices of innovation with external participants (including companies from different sectors). This practice is a good way to generate new ideas & developments in the company, through dialogue and reflection about innovative practices. It also is a way to keep up with market demands and maintain the competitive advantages that innovation provides.

4 CONCLUSIONS

Setting up an intrapreneurial environment requires the transformation of an organization's cultural "DNA" as expressed by several of the chief executives interviewed for this study. Organizations working in Portugal that employ an entrepreneurial approach to problem-solving are opening up new markets and improving customer interaction, and are some of the most financially successful companies in the marketplace. To accomplish this, trial, error and failure must be accepted in the process of creating innovation and development, along with success.

For larger, US-based organizations such as AIG, Cisco, HP and IBM, the smaller Portuguese market means these organizations can act more swiftly when reacting to changing market conditions and when testing new products and services. Almost all the HR Directors interviewed for this study cited having the "right culture" as the key to the creation of intrapreneurship.

Several questions help management assess an organization's culture and preparedness for intrapreneurial change:

- Has the company developed effective ways for employees to access the resources needed to try new ideas?
- Are managers encouraged to experiment with new products or services?
- Does the organization encourage risk-taking and tolerate mistakes?
- Are there silos in the organization that limit cross-disciplinary innovation?
- Does top management support the formation of autonomous project teams?

Almost all of the companies profiled in this study make specific resources available for innovation, and give their intrapreneurs the discretionary resources needed to explore and develop new ideas. Although strategies vary from firm to firm, there is a common set of assumptions, including:

1 The importance of innovation and new market goals with a system of feedback and positive reinforcement;

2 A continual, proactive approach to a changing marketplace, consistently challenging the status quo;

3 A bias toward calculated risk-taking;

4 An emphasis on empowering individuals and giving them personal responsibility;

5 Formal and/or informal incentive structures to recognize intrapreneurial initiatives.

In establishing internal motivation, successful companies tend to set up an appropriate reward system that combines both monetary and non-monetary factors. Less inventive managers believe money is the only motivation. In most companies, too little effort is spent developing non-monetary sources of motivation. Intrapreneurial managers "bet on people, not on analysis alone".

Intrapreneurship in Portugal is also found in the Portuguese public and charitable sectors. As profiled, the Instituto Marquês de Valle Flor works with a network of international organizations and uses internal intrapreneurial practices to achieve their goals. In Lisbon, EGEAC's choice of the iconic sardine for the annual "Festas de Lisboa" brought together various entities, events and audiences, an excellent example of entrepreneurial best practice.

One of the identifiable best practices of the organizations studied was the extent to which they grant employees autonomy. HR managers serve more like "coaches" than "authoritative experts" regarding what employees should or should not accomplish. The art of intrapreneurship is to optimize employees' personal skills without compromising the more formal goals of productivity that have been established with the hierarchy. In Portugal, many organizations have had to cut budgets and reduce the use of external consultants. Deploying internal resources to accomplish the mission that external consultants used to play can help to

cut costs, spur innovation and have the same people that set strategy follow up with the project implementation.

To breakdown the silos that commonly exist in large organizations, internal rotation programs, as well as the formation of cross-disciplinary groups, are used. At Hovione, 18% of employees rotate job functions regularly. At EDP, there is an internal structure called the "Focal Points Group," a network that brings together managers from various internal groups to disseminate innovative projects and practices in different business units and geographies.

Intrapreneurs and intrapreneurial organizations tend to open up the company to outside influences. Many companies in the study, including Cisco, EDP, Galp Energia, HP and IBM, have formed organized outreach networks with universities in Portugal and abroad. This collaboration between academia and business helps generate further innovation as well as bringing the right people together in these organizations.

Harvard University's definition of entrepreneurship is, "The pursuit of opportunity beyond the resources you currently control." The definition of intrapreneurship should therefore be, "The pursuit of opportunity within the resources you currently control". The question for the entrepreneurial manager is, "How do I unlock the entrepreneurial potential of their employees and give them the resources and support they need to be entrepreneurial?" Leaders must be prepared to handle corporate entrepreneurs differently than they would "traditional managers". By understanding the critical differences of the intrapreneur in their actions, status, decisions and problem solving methods, managers can help to develop procedures and policies that motivate rather than inhibit employee performance.

This study is an important first step in recognizing the importance of intrapreneurship in Portugal and identifying a set of leading companies that are breaking new ground in this area, with extremely successful results. Given the complexities of the current economic environment in Portugal and abroad and the resulting pressure on managers everywhere to curtail costs and increase efficiency, while maintaining top levels of innovation and customer service, intrapreneurship is clearly a winning strategy, motivating staff while yielding measurable, positive business results.

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