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EDITORIAL

| *Growing corporate entrepreneurs*

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FOR YEARS, COMPANIES FOCUSED on cost-cutting to improve profitability. To achieve those same results these days, enterprises must increase revenue.

Mature companies must adopt styles of management that come more naturally to smaller, entrepreneurial businesses. Is it possible for these companies to drive revenue growth using entrepreneurial techniques? More to the point, is it possible to encourage entrepreneurial thinking in large corporations?

The boom in entrepreneurial activity has produced "mega-entrepreneurs" like Microsoft, Home Depot and Federal Express. And now Internet-driven commerce is propelling business opportunity at an incredible pace.

Yet behind each success and each new product or service innovation lies an entrepreneurial mind-set that extends far beyond the classic notion of a business start-up.

Entrepreneurs are marked by a passion for change and a willingness to take risks. These traits can be successfully applied to companies and organizations of any size.

Management guru Tom Peters has said for years that smart companies turn all of their employees

into entrepreneurs so they'll act like they own the company. But in reality, entrepreneurial behavior does not always lend itself to existing corporate structures.

Some companies have figured out a formula for encouraging entrepreneurial behavior. They are able to retain good people, deliver value to shareholders and grow their market share. In short, they remain aggressive. What's their secret? For one, they set the right tone at the top. The chief executive sets the tone for an organization, sending small but important signals that can either encourage or discourage creativity and ideas down the line.

These companies are obsessed with identifying business opportunities and pay attention to new markets. They are careful not to abandon opportunities prematurely. Entrepreneurial companies don't look for traditional measures of payback when looking at a project but ask, "What options will this give us one or two years down the road?"

When success becomes elusive, these companies are also willing to weed out duds. They don't become overly attached to an idea. Yet they are also patient, willing to incubate a venture until it can be assimilated into the corporate mainstream.

Successful companies don't "corporatize" ventures or overwhelm them with bureaucracy. Like a venture capitalist, they put together a team with the right set of skills to launch a venture, then give the team room to succeed or fail. Managers aren't afraid to fail. It's important to develop a variety of performance yardsticks that encourage risk-taking and accountability.

Finding innovative ways to reward and keep entrepreneurial talent is a hard issue for big companies, but it's essential. An employee who creates a million-dollar venture and gets only a 5% raise won't stick around for long.

Building an entrepreneurial environment takes time and commitment—and change doesn't happen overnight. Not everyone in the organization or on the management team will become an entrepreneurial thinker. But not every employee has to change. It only takes a few.

By understanding, empowering and rewarding entrepreneurial behavior throughout the organization, companies will be better positioned for profitability and growth.

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