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SUMMARY

CORPORATE ENTREPRENEURSHIP – AN EMPIRICAL STUDY OF THE IMPORTANCE OF STRATEGIC CONSIDERATIONS IN THE CREATION OF RADICAL INNOVATION

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Principal Topic

Corporate entrepreneurship is more relevant than ever, as a viable means for existing organizations to continuously explore and exploit previously unexploited opportunities, thereby moving the organization (or some subset of individuals) to a new state of being. Focusing increasingly on the integration of strategic advantage-seeking and entrepreneurial opportunity-seeking behavior, the perspective Strategic Entrepreneurship (SE) emphasizes the importance of managing entrepreneurial resources strategically in order to obtain competitive advantage through corporate entrepreneurship. Acknowledging and building upon the theoretical contributions of SE, as well as the Schumpeterian perspective on the degree of innovation involved in entrepreneurial activity, the research presented in this paper explores empirical relationships between strategic advantage-seeking and opportunity-seeking behavior leading to radical innovation in a corporate context.

Methods

The author applied qualitative research methodologies in seven case studies in established companies involved in radical innovation, in order to discuss which influence strategic considerations have on the recognition and development of radical innovative opportunities in organizations. Over a period of one year between 3 and 10 in-depth qualitative interviews were conducted in each case, focusing on top-management, middle-management and developers in R&D.

Results and Implications

The results of the research argue that strategic action with an entrepreneurial mind-set takes place at several different levels of organizations, and that an understanding of SE should encompass this. Three different patterns of strategic considerations are found to be involved in successful entrepreneurial activities in a corporate context. The patterns are labeled: “The Pre-defined Journey” “The Personal Quest” and “The Infinite Journey of Opportunity Creation”, and illustrate respectively top-down initiatives, bottom-up initiatives and group-level activity. Combined they highlight the importance of incorporation of strategic considerations taking place at different levels of the organization, in order to obtain a desirable balance between entrepreneurial and strategic forces. Additionally, it is found that a dominant logic of effectuation seems to foster the right organizational climate for SE. Based on this understanding an Integrative Model of Strategic Entrepreneurship is suggested.

The insights into the strategic considerations made in connection with the successful recognition of radically innovative opportunities further add to the existing body of knowledge on management practices of corporate entrepreneurship.

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