



Education and Culture DG

Lifelong Learning Programme

Intrapreneurship concept and its importance in Lifelong Learning

FINAL SUMMARY PAPER





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Introduction:

This paper was created within the project of Partnership “Intrapreneurship – the new aim of vocational education and training” project No. CZ/09/LLP-PS/LdV/021. The paper is not a complex study about the Intrapreneurship phenomenon, but a short introduction of the Intrapreneurship, various aspects of its implication and its possible use in the marketing of Lifelong Learning. This paper represents a summary from the materials and findings made within the project and simultaneously a basis for future activities in the field of VET marketing through the aim of Intrapreneurship and its dissemination to wider public.

The paper is divided into following sections:

- Meaning of Intrapreneurship
- Preconditions for Intrapreneurship implementation
- Importance of Intrapreneurship for European businesses and organisations
- Intrapreneurship in official strategies and programmes
- Intrapreneurship – new aim in vocational education and training
- Importance of the Intrapreneurship in Lifelong Learning

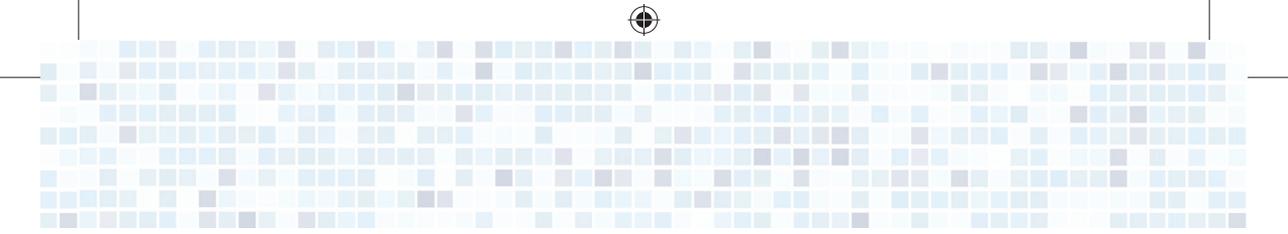
At the end of the paper, you can find more information about the Partnership and the subjects that participated in the project. You can also visit our web-sites www.intrapreneurship-eu.eu .



Meaning of Intrapreneurship

Intrapreneurs are employees thinking and acting as entrepreneurs, but within a company. They are aware of and accept the goals of the company. Within their scope of responsibilities they do their best to actively contribute to the achievement of these goals.



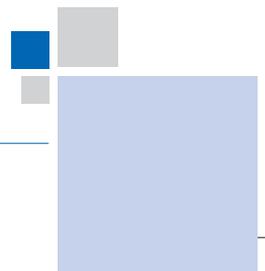


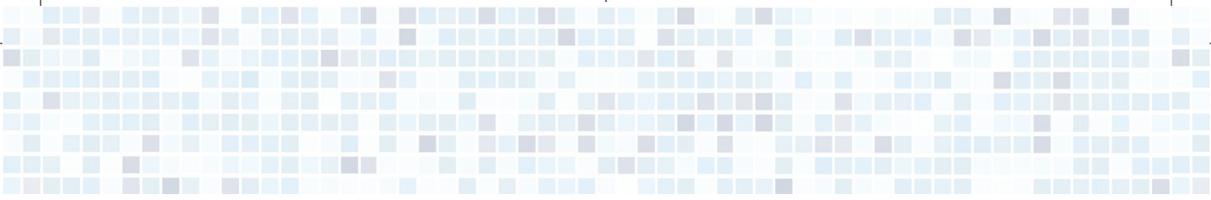
With this broad definition of Intrapreneurship, we deviate slightly from the more conventional one, which only recognises employees that directly advance innovations as Intrapreneurs. The more conventional definition of Intrapreneurship tends towards a more elitist approach (only a few particularly „good“ employees are capable of Intrapreneurship).

In our understanding an Intrapreneur demonstrates the following qualities:

- Knowledge and understanding of the goals of their business
- Knowledge (recognition) of what or how they can contribute to the goals of their business
- Awareness of the economic efficiency principle and the ability to apply this to their field of work
- Capability to see things from a broader perspective (see the bigger picture) and to recognise cause and effect relations, for example:
 - Customer-orientation without losing sight of business objectives
 - Sales-orientation without neglecting the costs
 - Cost-awareness without neglecting the customer
- Awareness for the requirements of the market, in particular the fact that the business - thus also their job - can only be maintained if it manages to enforce itself against global competition and swiftly adapt to the continuously changing conditions such as consumer behaviour, technology and environment.
- Awareness, that stagnation also means regression and consequently an open and positive attitude towards change and innovation.
- A positive attitude towards the economy and businesses in general: Entrepreneurs or businesses should not be part of a negative image (Note: A positive trend could be observed here since the end of the 1990s, but current public discussions and media reports on management salaries, greed, shareholder value, globalisation, etc. are undermining this development).

There is no doubt, that the above described concept is representing an ideal employee, not only for commercial enterprises but also for other organizations. But this concept brings several questions. Should all the employees possess these skills? Is this concept applicable for all types of organizations? On what conditions? And mainly – how to provide the employee with the opportunity to be an intrapreneur? ■





Preconditions for Intrapreneurship implementation



We assume that most people have „intrapreneurial“ capacities. They demonstrate this in everyday life (e.g. family budget) but also perhaps in their activities in associations and clubs (football club, fire brigade etc.) – although they are not paid for their contributions.

The share of those living out intrapreneurship in their company is however, rather low - although they are being paid for this work. The decisive factor may be that the environment and basic conditions for intrapreneurship are missing at the workplace.

Introducing the Intrapreneurship culture into an organization is linked with achievement of many preconditions. It is obvious, that the introduction is linked with significant organizational culture change. Based on the majority of the sources the implementation of the concept actually depends on the decentralization of the organizational structure. The decentralization can be defined by various factors – introduction of an internal market, responsibility of the organizational units for their profitability, autonomous decision making, or rather relocation of decision making competences to the lower levels of the organization etc. For many companies the crucial point is finding the appropriate level of decentralization, which will foster the Intrapreneurship concept and innovative spirit and concurrently is not a threat to the organizational stability.

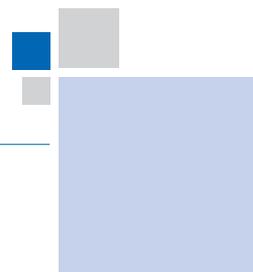
The project activities did not include the analysis of the complexity of the preconditions necessary for the implementation of the Intrapreneurship as it broadly exceeds the extent of the project. Therefore this topic will not be further addressed in this paper, but will be a subject of future activities. There will be

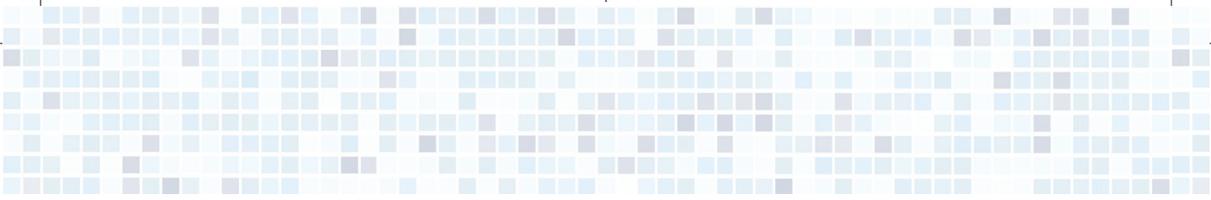


one single exception and that is the precondition of implementation of relevant education.

The available sources about implementation of the Intrapreneurship culture (often referred to as Internal Entrepreneurship, Corporate Entrepreneurship etc.) very often neglect this precondition. In our opinion this is actually the key success factor. If somebody does not possess sufficient business economy know-how to understand the organizational goals and their broader context, he/she will hardly be able to function as an Intrapreneur. Therefore, he business economy know how is the crucial point in the Intrapreneurship implementation.

Several studies already proved that this type of business economy know-how is sufficiently understood by only a small minority (e.g.the case study: Wirtschaftskompetenz in KWE - only available in German). There is thus an enormous potential to improve the situation and to show the positive direct impact of the properly realised vocational education and training on the achievement of companies goals and effectiveness. ■





Importance of Intrapreneurship for European businesses and organisations



European businesses can only withstand global competition if they foster a culture of intrapreneurship. The previous competitive factors that might be e.g. lean production are now a must and play no more the decisive role. The requirements shifted to soft factors and capability to foster the innovations. The companies thus need as many intrapreneurs as possible as well as environments and conditions that allow for intrapreneurship to develop and function effectively within them. Intrapreneurship is the competitive factor par excellence.

Even if they are not using the term “Intrapreneurship”, the most companies want to acquire this competitive factor. They do particular steps in this direction, but they do not see it as a complex of conditions and proper education. And if yes, the complexity can be found more by the bigger companies

than SMEs. The partners had the possibility to visit the company Microsoft in Amsterdam within one of their meetings. Microsoft implemented a set of provision to achieve their “ideal” work environment, the “new world of work”. There were a lot of reasons for execution of principal changes – among others the employees were overloaded, had unbalanced work and private life and were not satisfied with their jobs. This had of course very negative impact on the company culture and especially on the achievement of the goals set. As the company has to be strictly innovative and to bring new solutions to the market, the highest management of the company decided to change the work environment. Microsoft moved to another building that was designed especially for them to support the innovations and interpersonal exchange of information. The workplaces are shared and nobody has a fixed one. The whole



building was designed not as offices, but more as a point for informal meetings with colleagues. There are a lot of informal places where the employees can relax or discuss the topics. The most employees are also working regularly in the home office (that was appreciated by the employees also because of the huge traffic jams in the morning in Amsterdam). Of course all the changes have their pros and contras (not all employees are satisfied with the concept such working concept), but there are clear positive impacts not only on the employees, but also at the productivity and number of innovations launched. Microsoft wants the employees to think beyond the organisation. It invest a lot of sources into education (mandatory, optional from a list of specified courses or free education according to the specific wishes of the concrete employee). Even if the Microsoft represents a globally successful company, they invested into getting Intrapreneurs from their employees. This fact illustrates the wide possibilities of the Intrapreneurship concept to be used for the promotion of lifelong learning.

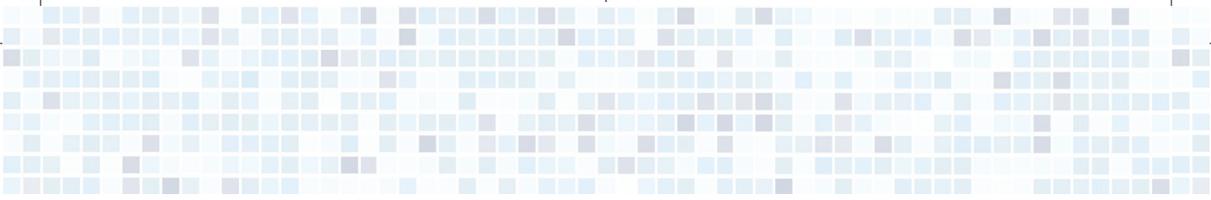
When talking about companies, we also have the similar view on the requirements put down on other organisations (NGO, schools, universities etc.). Also these organisations have their goals

that have to be fulfilled at the most effective level as possible. Even if the goals of these organisations might not be directly connected with the business indicators, it is necessary to understand the business economy and to have the sense for entrepreneurship and initiative. According to the experience of the project partners, there are more obstacles in implementing the Intrapreneurship concept lying in the human

Intrapreneurship is the competitive factor par excellence.

resources in these organisations than in companies (the people in the leading positions might incorrectly consider Intrapreneurship as suitable only for companies).

Intrapreneurship should be lived by all employees (not only those in managerial positions). However, the managerial positions are still of particular importance as these should not only be in command of intrapreneurship competencies, but should also be able to encourage and foster these in the employees. This is also an aspect that should be taken into consideration when designing an appropriate vocational education and training. ■



Intrapreneurship in official strategies and programmes



European businesses can only withstand global competition if they foster a culture of intrapreneurship. The EU-Commission has made the same conclusions and similarly anchored these in its papers, guidelines and programmes for the support and dissemination of entrepreneurship. It is not a goal of this paper to analyse the EU programmes in detail, thus only a short summary on key policy papers in the field of entrepreneurship support:

- Recommendation of the European Parliament and the Council: entrepreneurship a key competence for all (2006)
- Commission Communication on “Fostering entrepreneurial mindsets” (2006)
- Oslo Agenda on Entrepreneurship Education in Europe (2007): a detailed menu of actions
- Small Business Act for Europe (2008)
- EU 2020 strategy: focus school curricula on creativity, innovation and entrepreneurship (2010)

However, the EU-Commission chose not to distinguish between „entrepreneurship“ and „intrapreneurship“. Instead it defines „entrepreneurship“ very broadly, its main meaning being to „turn ideas into action“. It includes creativity, innovation and risk taking, as well as the ability to plan and manage projects. This supports everyone in day-to-day life at home and in society, makes employees more aware of the context of their work and better able to seize opportunities and provides a foundation for entrepreneurs establishing a social or commercial activity (2006 Recommendation on Key Competences for Lifelong Learning, presentation of Mr. Simone Baldassarri, EC).



In particular countries, the term “Intrapreneurship” is not included in the official documents, the strategies and national programmes refer more to entrepreneurship or business competences. This is partially because of the different national languages that are used in the official documents and that use another words or local synonyms for these competences. The entrepreneurship is also understood in the official documents to a certain level as the ability to set up an own business. This is exactly the point that can play a counterproductive role when motivating the organisations to invest their financial sources to the vocational education and training of their employees in this field.

Entrepreneurship is included in the national curricula of general secondary schools only in a small minority of European countries. In higher education, the entrepreneurship courses are offered mostly in business and economic studies. Given this situation, the entrepreneurship as a basis for the Intrapreneurship culture in the organisation has to be massively propagated and educated within the sector of vocational education and training. To increase the level of participation in VET, it is necessary to find effective tools and arguments for persuasion of the companies. ■



Intrapreneurship

– new aim in vocational education and training



There are a large number of initiatives to foster entrepreneurship. However, we agree with the European Union's estimation that these initiatives are missing a common framework and have only a little impact (presentation of Mr. Simone Baldassarri, EC, 2011). Furthermore, the programmes are often too long, too theoretical, too complicated and do not awaken general interest. Also, the initiatives often miss a basic factor - motivation: the participants can rarely recognise the value that can be gained through the programmes (which should be

improved chances for job and career or the improvement of the company's performance), especially as there is often no proof of academic achievement.

So, how to increase the motivation? How to persuade the organisations to invest in the education of their employees? The answer: to market the VET as a product they need. The marketing and also the product itself has to be clearly understandable, effective and has to offer solutions to the needs of the organisation. The Intrapreneur as an "ideal" employee is a concept that can clearly illustrate the possible impacts of VET and is therefore optimal for VET marketing.



The partners also searched for the best practice for the educational content that meets the above mentioned characteristics. The project group believes that the EBC*L system (European Business Competence* Licence) is an excellent mean to spread business economy competence and establish a wider basis for intrapreneurship, for the following main reasons:



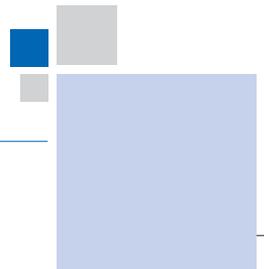
- The internationally recognised certificate offers the necessary motivation for one to make an effort to acquire the knowledge (this counts for all target groups and educational sectors)
- Already a Level A certificate covers all the content required to understand the aims of a business, enabling an employee to work more purposefully towards contributing to the achievement of these goals
- With the Levels A, B and as of 2012 Level C, EBC*L offers a framework for intrapreneurship training for employees as well as for managers and other leading positions.

To be competitive and attractive for the companies and other organisations, the educational concepts have to combine following factors:

- Low investment of time and money
- Competence-orientation
- Excellent academic achievements
- Lasting arousal of interest in the topics business economy competence and intrapreneurship

The partners had the chance to get familiar with the Easy Business Blended learning concept (some of them were also present directly in the Train the Trainer seminar in Vienna) and agreed that it combines these expectations as following preconditions are given:

- Use of a multi-award winning E-Learning programme
- Blended Learning Concept
- Self-directed learning
- Participant-centred
- The trainer as moderator of learning processes
- Business understanding as central theme





The Easy Business solution is based on requirements from employers and on practical examples. It allows the employers and their employees to take part in modern vocational training designed directly to their needs. In the trainings within the blended learning, the concrete data from the company are used. It is based on holistic, motivating and practically oriented learning. It combines the advantages of e-learning with the advantages of traditional training courses. The Easy Business blended learning is handed out in two steps:

- Gaining Competence - Training participants work individually with their easy business e-learning programmes and gain basic knowledge – wherever and whenever they want to. By doing this, they reach a high, homogenous level of knowledge. Precious time for courses can be reduced.
- Deepening Competence – in training course. During the course, the participants use their knowledge gained from the very first minute on with the aid of a qualified trainer.

This training concept reflects:

- Comprehensive Learning - Dry theory and definitions are replaced by example-based learning. An example of a concrete company will accompany the participants through their course. Business management so becomes relevant, interesting – and fun (according to the reactions of participants)!
- Activity of participants - A minimum of presentation by the trainer leaves room for working in small groups, discussions and learning games. Not the trainer but the participants are in the focus of attention.
- Transfer of knowledge into every-day business life - Trainers concentrate on comprehension questions in order to elaborate key statements. Participants construct a practical example for a concrete company. Results are presented and discussed. The topics are specific (e.g. balance sheet of a certain company). The training is aimed on „learning by doing“ and group dynamics (Group work, discussions etc.).



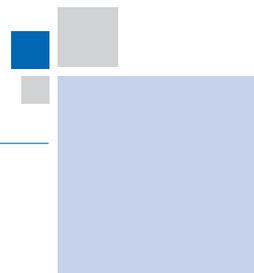


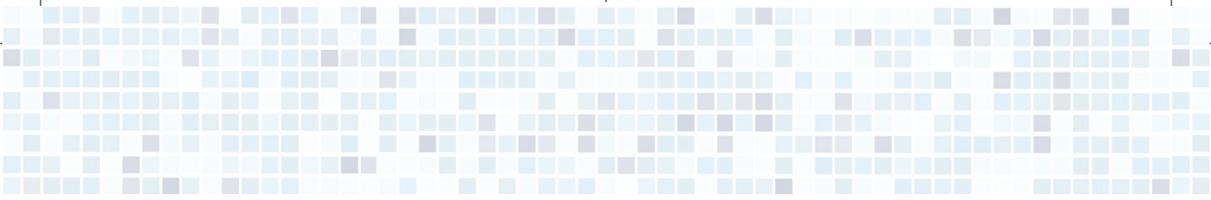
It has been demonstrated that the concept, adapted to each of the target groups, can be employed in all educational sectors:

- Schools
- Universities
- Adult education
 - Businesses / Organisations
 - Training programmes of the employment offices

Easy Business is the most recognised and most awarded learning programme for business administration in all German speaking countries. The wide recognition of the programme originates from its practical orientation, entrepreneurship content and high quality standards in e-learning and trainings. Within the blended learning, a number of quality provisions are fulfilled e.g. only certified trainers can lead the trainings, materials are explored by Council for Business Competence in Europe etc.

All the characteristics mentioned above lead to the best references from various companies in whole Europe. Companies like Siemens, T-Mobile, Philips and many others use the Easy Business blended learning to further develop the competences of their employees. This is a proof of the fact that the companies are willing to invest their resources to qualitative and effective means of education and that these characteristics have to be also properly promoted. Also the communication about the VET possibilities has to be directly oriented at the objectives and direct impacts. These can be shown on the Intrapreneurship that is in fact a result of lifelong learning process. ■

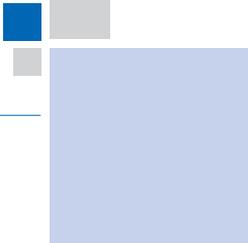
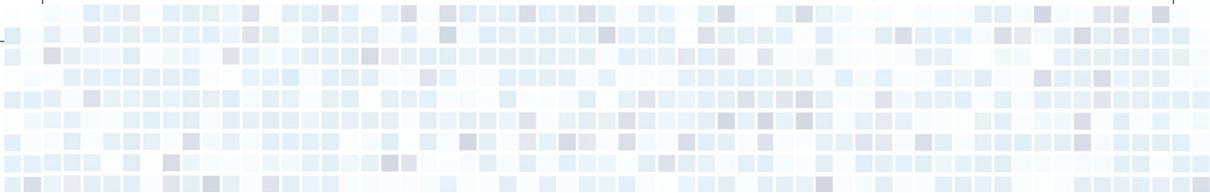




Importance of the Intrapreneurship in Lifelong Learning:

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- The term „intrapreneurship“ has a massive marketing advantage. In general use, entrepreneurship is widely understood as and linked to the founding of new businesses. This is of no interest for existing companies that, as a consequence, might begin to see their own employees as future competitors. Eventually this could even lead to a negative stance towards entrepreneurship or, in the worst case, prevention of entrepreneurship within the company.
 - Therefore it is advisable to the responsible EU institutions to expand the issue of „entrepreneurship“ through the term „intrapreneurship“ (and similarly create an own brand).
 - A linear continuation of traditional educational programmes will not lead to the goal of widespread intrapreneurship. Much rather this calls for special efforts and initiatives, as also encouraged and initiated by the EU-Commission.
 - The enormous marketing potential of the Intrapreneurship concept has to be used with the purpose to increase the interest of organisations, especially companies, in the VET. The main motivation aspect is the clearly understandable impact of the VET that can be illustrated by the concept.
 - The Intrapreneurship has to be promoted widely as competitive factor resulting from the lifelong learning process.
 - The importance of Intrapreneurship in Lifelong Learning should be strengthened by further project both at the international and national level.







About the Partnership:

The Partnership project “Intrapreneurship – the new of vocational education and training” took place from August 2009 till July 2011 and was sponsored by the Lifelong Learning Programme, Leonardo da Vinci Partnerships fund. The Partnership consisted of subjects mainly involved in vocational education or educational projects from various business fields and working positions from 5 European countries. Thus the Partnership combined the academic and practical view on the topic. The goal of this project was to cooperate on developing and disseminating of the Intrapreneurship concept as one of instruments how to increase the level of interest in vocational education and training.

The partners for this project were:



3P Consulting s.r.o. (Czech Republic) – the coordinator of the project. 3P Consulting is a small sized project management company. It provides project management for companies and is working on national and international projects in three main fields – education and training, human resources and Research, Development and Innovations. The whole firm functions on the principles of Intrapreneurship and attempts to spread this concept also to other cooperating firms.





EBC Licensing GmbH (Austria) – license holder of the EBC*L system (European Business Competence* License). EBC Licensing has a strong international knowledge in Business Administration education and trainings and acts also as a consultant for other educational companies.



Kuratorium für Wirtschaftskompetenz e.V. (Germany) - built as an initiative to increase the level of business competence in Europe through high qualitative education systems. It consists of university's professors from various countries and is cooperating on development and testing of possible educational approaches to various themes. It cooperates closely with experts from business and educational praxis.



ROC Aventus (Netherlands) – provides senior secondary vocational education, adult education and company training courses. Its learning environment is based on practical situations. The core principle of its programmes is to learn from practical business situations both in the classroom and businesses. ROC Aventus is also one of the biggest employers in its region.



Atama agencija za zaposlovanje, d.o.o. (Slovenia) - main sphere of activity is situated in employing and recruiting personnel for partner companies. This specific position between company's needs and candidates careers enables a unique view on the job market. Atama succeeded in establishing national HR web portal mojedelo.com, and provided idea and expertise in establishment of national educational web portal portalznanja.com. In recent year Atama established a network of partner agencies for filling up open positions in Slovenia and elsewhere in Europe.

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