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## The new Intrapreneurial Company

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It has been our experience that organizations go through many cycles in their growth and development. One of the most significant is a transitional point that takes place around the two to three year mark for start-ups (and for high-tech companies at about 18 months to two years). This is the point where we refer to transitioning from an entrepreneurial to an 'intrapreneurial' firm. This is the time – and we believe the reason – that many young companies fail. The same holds true for enterprises embarking for new frontiers – be they areas of business or regions, countries or continents.

### What does it mean to be an »intrapreneurial firm«?

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It's the stage that a company reaches where the chaos of beginning a project with much zest, enthusiasm and strong focus on developing something new begins to cry out for order. At this point, there is a strong need to refocus the energies away from almost purely concentrating on research and product development to bringing the product to full scale market. Prior to this point, most of the employees in the organization take on generalized roles. They will do whatever it takes to get the »project« moving, often wearing 5 or 6 different hats. For a small organization with a core group of people this works well. They are small enough for the »head of« the group to be able to lead them directly, the focus for each team member is the own specialist expertise and communication, albeit haphazard, is usually effective. The hectic, creative atmosphere is full of life and newness.

In the two to three year range, the firm has usually progressed to the point where they have a product, are selling some, but need to make the decision of whether they are going to expand. It is no longer possible for each member to take on haphazard roles. Growth of the organization means that direct communication between all members across all levels becomes difficult if not impossible. It is not because flexibility does not work - flexibility is essential to any company's survival. Instead, what is happening is the sheer the volume of work and the need to put processes in place to handle this new structure become apparent. Work and communication need to be organized in a more formal manner to avoid organizational dysfunction and default. The entity moves from an entrepreneurial project to a managed enterprise. New expertise is required; management means to guide people, to execute the management triangle of POS: planning, organizing and supervising. What makes most start-ups – including the disembarking to new frontiers of experienced enterprises – fail is the avoidance of both this need for changing and creating new roles for the players in the organization and of focusing these roles to meet their (potential) customers' (internal and external) needs effectively with clear communication channels.

### Why do start-ups fail?

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When a company starts up, usually there are two to five people with varying skills but a clear focus of what they want to achieve. They build on each other's expertise and create a synergy with the main focus around developing their product and furthering their ideas – in short their specialist's know-how. In time they will develop a product and they may also use this know-how to develop further and build a client base. Then they reach a point where they are at their full capacity. They will have to reframe the organization. At the same time, they may also need to reframe their product(s) to attract new customers or develop other products.

It becomes simply stressful and inefficient or even impossible now for the firm to operate under the same scheme. What was once exiting, maybe even energizing becomes a hindrance to progress and a source of frustration. There is a strong need to refocus on where the enterprise now wants to go, or otherwise it will flounder or even die. This might start with the vision, created some time before and now possibly mostly realized, it will certainly include the operational and organizational structure of the company or branch and it puts new demands on the soft skills of the whole team **including top management** who generally have never been prepared for the task of leading larger entities and on-boarding new staff or haven't acknowledged the need to change their approach.

## What can be done to make the transition successful?

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We have found that, by taking the time to go through the steps outlined below, the likelihood of success is significantly enhanced, as is the overall working environment.

- (1) **Refocus:** determine who you are right now
- (2) **Clarify your mission statement:** Why are you in business? What is your purpose?
- (3) **Make an inventory:**
  - ❖ Externally: trends - global, industry and local
  - ❖ Internally: milestones and lessons learned
  - ❖ Strengths/weaknesses
- (4) **Create a new and »shared vision«**
- (5) **Evaluate your barriers to success:** Support needed?
- (6) **Adapt to a customer focus:** Who will you target and how?
- (7) **Products:** look at the transferability of your products, services and/or customer base
- (8) **Create your brand**
- (9) **Re-frame or adjust your vision**
- (10) **Set up an internal structure and structure internal processes** to make things happen
- (11) **Own responsibility and redefine roles:** put a new structure in place
- (12) **Re-evaluate and modify**

Each step carries with it its own value and gift for enabling clarity of direction at both the individual and corporate level. Making the transition from an entrepreneurial to an intrapreneurial entity is difficult for some. There are many changes that need to occur to be successful, including letting go of the past. Most importantly, there will be a shift in power and control, as well as commitments and new responsibilities. If this is done well, everyone involved will feel that they have won and are in a better, chosen position and flow and energy return to the system. Making the transition and reaching a new level of accomplishment at work in a healthy, fluid way has its price — but in the end everyone can be a winner! The process is far easier, quicker and enjoyable than you would think. Contact us for collaborative creation of a **shared vision** and **branding** at [s.weiner@expatbiz.eu](mailto:s.weiner@expatbiz.eu) and for the management triangle, for an **organizational manual** at [dr.herdmann@expatbiz.eu](mailto:dr.herdmann@expatbiz.eu) and for cross-cultural integration and **on-boarding** at [j.reeves@expatbiz.eu](mailto:j.reeves@expatbiz.eu)!

## Culture of engagement

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In most situations, employees resist assimilation to new situations presented to them. Co-creation and collaborative development of the New Identity through employee involvement creates loyalty and commitment enabling the realization of a shared future. Instead of focusing on a sense of loss caused by the changes, a sense of belonging and community is created. At the same time, cross-organizational networks and project teams are quickly established. From this emerges a new, vibrant corporate culture, absorbing what is consistent and enabling the new direction and organization to emerge.

A collaborative approach quickly establishes a corporate **New Identity** that supports the formation and implementation of an integrated corporate culture and core strategy. It engages internal and external stakeholders in a larger and wider process of engagement by creating a new **Corporate Identity** and roles and sustainable entities that grow from their strength and power.

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