



Unit 37: Intrapreneurship and Innovation in an Enterprise

Delivery guidance

Approaching the unit

In our rapidly changing business world, the skills that employers require from their employees, such as intrapreneurship, innovation, collaborative leadership and teamwork, are fundamental to a business's ability to innovate and grow into the future. If these skills are ignored and not nurtured, it could lead to loss of opportunity and competitiveness, along with increased redundancy and inefficiency.

Learners must be able to distinguish between the characteristics and features of entrepreneurship and intrapreneurship. They also need to be aware of the implications for an enterprise of encouraging and developing innovation within its workforce. Encouraging intrapreneurship and innovation within its workforce will have an impact on the culture and leadership of the organisation, including management and workforce relationships (leadership styles), the structure and organisation of the workforce (the development of autonomous teams) and how it supports its workforce (workforce training and development). Learners should understand that the most successful innovative businesses are those that understand that developing an innovative culture may result in a change in attitude towards business risks (not all innovations are successful) and that a business's aims, vision and values will need to incorporate innovation as part of its long-term business strategy.

Innovation is directly related to creativity and encouraging the workforce to come up with ideas and suggestions for improvements to products, processes and systems. Sometimes the most simple ideas and suggestions made by individuals or teams can lead to significant improvements in business performance. For example, streamlining the response to customer service can promote customer loyalty and generate additional sales turnover. Similarly, making improvements to the way in which new customer leads are followed up can affect the bottom line. Learners must therefore understand that innovation and creativity within the workplace is not just about *new product development*, but it can also cover those activities more closely associated with *service delivery*, both within the business and with external stakeholders. Innovation in this context is therefore concerned with *new ways of doing things*, not just developing new products.

Your learners can be introduced to this way of looking at innovation by participating in a competitive group work activity that requires them to build the tallest tower from a given set of resources within a limited period of time (the internet has numerous examples of such team building activities). Participating in such an activity will allow each group to consider those factors that impacted both positively and negatively on their final outcome, and for the whole class to discuss those factors that resulted in one group building the tallest tower. These factors are likely to include aspects such as:

- working as a team
- identifying specialist roles within the team
- planning
- thinking creatively

- being innovative.

The link with business success and performance can be drawn from such an activity. For example, the efficient use of resources and the impact on costs of production (the tallest tower from a given set of resources); meeting the needs of the stakeholder/customer (in this respect, the teacher is the customer); creating a competitive advantage over its business rivals (the other learner groups). Translated into financial performance, this would result in an increase in profitability (profit margins).

In this unit, you can give learners more opportunities to build on the work they began in unit 1 to explore the characteristics of successful entrepreneurs. Learners will become familiar with a wide range of entrepreneurship-related concepts. You will be introducing them to the concept of innovation management and how this is different from standard strategic management theories and practices. They will gain an understanding of the main concepts and management tools for innovation activities within organisations – from small to large. They will also investigate the key innovation and entrepreneurial skills; these include managing technological change and innovation, start-up creation and growth, the importance of innovation for rethinking management, business strategy, technological change, managerial challenges, entrepreneurship and globalisation. Through the exploration of these aspects, your learners will be able to observe the benefits an intrapreneurial culture has to businesses and their employees.

Learning aim A is primarily concerned with the business environment in which an enterprise operates. This learning aim will explore the features of the environment through gaining an understanding of the impact of the external and internal business environment on decisions made by the entrepreneur. Environmental analysis tools such as SWOT and STEEPLE will be used to analyse the critical factors in the internal and external environments, and their influence on the decisions made by the entrepreneur. A key concept for learners to understand is the influence of stakeholders on planning and decision making, especially looking at the role and influence of social media and virtual communities. Additionally, learners will understand the impact of the risks faced by the enterprise when it engages in business activities. For example, learners could be asked to follow through a particular innovation that has recently entered the market, and identify the influences that led to its development and the associated risks faced by the business in marketing the product. Products based on technological developments, such as the introduction of electric cars, are particularly useful in this respect.

Learning aim B investigates how intrapreneurship can be developed internally to contribute to the success of an enterprise. In particular, learners will need to know the characteristics and impact of intrapreneur qualities and skills on the success of an enterprise. Learners will then look at how these qualities are used in different contexts. A critical concept for learners to grasp is the influence of different team and organisational structures on the development of an intrapreneurship culture within an enterprise. Ideally learners will be able to interview an intrapreneur to find out about the decision-making process and the influence of an intrapreneur in promoting changes in workplace practices. If this is not possible then a team leader working in a local enterprise could be invited to give an insight into how creativity and innovation is encouraged within their workplace.

Learning aim C requires learners to explore the role of innovation in promoting change in an enterprise. Learners will gain an understanding of the features and characteristics of Drucker's seven sources of innovation. This will be coupled with exploring the factors influencing innovation in an enterprise, and factors that stimulate and promote innovation.

Learning aim D is primarily aimed at examining the stages of innovation and their impact on the enterprise. Learners will gain an understanding of the main stages involved in the innovation process and how challenges in any of the stages are identified and addressed,



with some reference to the implications for the enterprise in addressing these challenges. Learners will acquire a thorough understanding of the factors identified in Drucker's model to clearly identify the factors that influenced the need for the development of a new product or service, improvements to an existing product or service, or changes to a specific internal system or process. To conclude, learners will investigate the ways in which innovation contributes to the success of the enterprise.

This unit develops a deep understanding of the role and relevance of innovation within all kinds of organisations. Learners are asked to identify critical issues, skills and knowledge needed to implement innovation activities or projects. This will be achieved through a combination of learning and teaching strategies, such as case studies and practical examples of the latest examples of innovations.

To complete this unit, your learners will need access to a range of research materials, which could include sources of information and tools on the internet, journals, magazines and books.

You can use a range of delivery methods in this unit, such as:

- discussions, e.g. class and small group discussions on the business environment
- individual or group presentations, e.g. covering stakeholders and their importance
- case studies illustrating enterprise for both well-known and lesser-known businesses
- videos, e.g. TED talks on sales techniques.

Group work is an acceptable form of delivery, but you must ensure that each learner produces sufficient evidence on their own for assessment.

You can involve local employers in the delivery of this unit by inviting them as:

- guest speakers
- members of the audience for learner presentations
- contributors to case study material
- providers of work experience for learners, and of business materials as exemplars
- mentors for learners.

Assessment model

Learning aim	Key content areas	Recommended assessment approach
A Explore the business environment in which an enterprise operates	A1 Features of the environment A2 Influence of stakeholders on planning and decision making A3 Enterprise risks	<p>A report examining best practice in developing an entrepreneurial culture within a specific enterprise. The report will involve conducting research on an existing enterprise that has established a reputation either locally, nationally or internationally for its innovative business practices.</p> <p>The report will include recommendations for an enterprise that wants to adopt an intrapreneurial approach.</p>
B Investigate how intrapreneurship can be developed internally to contribute to the success of an enterprise	B1 Personal attributes and qualities of a successful intrapreneur B2 Types of leadership and management styles B3 Teams and organisational structures B4 Intrapreneurship and enterprise success	
C Explore the role of innovation in promoting change in an enterprise	C1 Types of innovation C2 Drucker's seven sources of innovation C3 Drivers of innovation	<p>A case study examining an innovation in a specific enterprise, including:</p> <ul style="list-style-type: none"> • reasons for its development • how it was implemented • the impact the innovation had on the enterprise.
D Examine the stages of innovation and their impact on an enterprise	D1 Innovation development D2 Embedding innovation D3 Assessing the effectiveness of innovation	



Assessment guidance

This unit is internally assessed through two assignments. The first (a report examining best practice in developing entrepreneurial culture) covers learning aims A and B. The second (a case study examining innovation in a specific enterprise) covers learning aims C and D. Your learners should be given the opportunity of engaging in assignments which develop and support their knowledge of international business as well as their generic skills.

Research activities should involve your learners using different source materials which require them to present their findings in a variety of formats such as reports, business articles and presentations. In their completed assignments, your learners should show evidence of data analysis and evaluation which have been used to inform and justify any conclusions and recommendations that are included in the final submission.

For this unit, learners must have access to information on a range of businesses, including local, national and international.

It is expected that learners will select and research their own choice of business organisations. Throughout the unit, learners will show individuality of thought, independent collection, collation and judgement of evidence. The business organisations selected by the learner for learning aims A, B and C should be contrasting in terms of their features; for example, ownership and liability, purpose, sector, scope and/or size.

Getting started

This gives you a starting place for one way of delivering the unit, based around the recommended assessment approach in the specification.

Unit 37: Intrapreneurship and Innovation in an Enterprise

Introduction

The unit aims to develop learners' understanding of the role of innovation in an organisation, the benefits and limitations, and how innovation differs from enterprise, intrapreneurship and creativity. Learners will understand the features of an innovative business culture and how an organisation can foster this culture, including the most effective management styles. Learners will be able to use audit tools to measure the level of innovation in a work group (i.e. team, department, functional area, project team) or an organisation, and evaluate the effectiveness of the selected audit tools. Learners will understand how to analyse innovation models and evaluate the processes organisations use to unlock innovation.

Learning aim A: Explore the business environment in which an enterprise operates

- Begin by introducing the aims of the unit and giving an overview of the content of the learning aims and how your learners will be assessed. This will give a basis for the types of activities in which your learners will be engaged.
- For learning aim A, you will need to consider three related areas – key influences within the market, the role of stakeholders and how an entrepreneur can identify, evaluate and manage business risks.
- It is important to explain to learners the composition of the market in terms of the key determinants of demand and supply, and how each of these elements can have an impact on the decisions made by the entrepreneur.
- For learning aim A1, learners could choose an enterprise business and entrepreneur that they have an interest in or a knowledge of. They could then research analysis tools (SWOT and PESTLE) to analyse critical factors in the internal and external environments, and their influence on the decisions made by the entrepreneur.
- In undertaking a PESTLE analysis, learners will be introduced to the notion of stakeholders. For learning aim A2, you should aim to identify the main stakeholder groups and their respective influence in different situations. You may be able to use specific local circumstances, e.g. learners can be asked to research the local press to find examples of current local issues and concerns that are being raised by residents. International issues can also be investigated in areas such as energy supplies and housing developments.
- Ensure that learners are able to explain why an entrepreneur needs to take account of the main stakeholder groups and, more importantly, how entrepreneurs might respond to the influence of specific stakeholder groups. You can introduce the role of social media as a vehicle for uniting the interests of individual stakeholders, and present a case study of how a social media campaign has resulted in a change in the strategy of a specific business.
- Learning aim A3 can be addressed throughout all of the activities completed in this learning aim by ensuring that learners are always directed to identify the potential benefits and unintended consequences of proposed business tactics and long-term strategies. In doing so, the learners will start to become familiar with the notion of business risks. A case study can be used to look



at business risks from the perspective of a new business start-up and an established business. Learners can be divided into groups, with one group looking at the risks to a new business start-up and another group looking at an example drawn from an established business (e.g. a new product development by an established manufacturer). Learners should be asked to classify the risks as being financial, legal or reputational, and suggest appropriate strategies to monitor and manage these risks.

- Case studies can be used to gain an understanding of the interests of stakeholder groups.
- Video clips can be watched on the role and influence of social media and virtual companies.
- Learners can research what financial, reputational and legal risks an enterprise faces, alongside the potential impact of these risks on the financial security and performance of the enterprise.
- Learners can complete this aspect of the unit by identifying the relationship between the key learning points in a visual format, e.g. creating a spider chart or flow chart that highlights:
 - the features of the market
 - the influence of shareholders within the market
 - the identification, monitoring and management of business risks within the market.

Learning aim B: Investigate how intrapreneurship can be developed internally to contribute to the success of an enterprise

- Learning aim B1 seeks to show:
 - how the conventional role of an entrepreneur can be adapted within an established business to promote an intrapreneurial business culture
 - the benefits of pursuing such a business strategy.

This goes much further than traditional “employee engagement” objectives, since it will impact on the respective roles and approaches to the work of both managers and employees, and will also impact on the individual profile of potential recruits into the business.
- You could introduce this learning aim to learners by showing a short video clip on “what is an intrapreneur?” There are a number of online resources available.
- For learning aim B2, learners can work independently to identify the types of leadership styles that would inhibit the development of such a culture.
- In learning aim B3, you can ask learners to identify the different ways in which a business may be structured. The website www.businesscasestudies.co.uk is a useful resource, along with websites that look at specific businesses such as the Apple organisational structure.
- The research conducted by the learners can be used to help them to classify business structures into the main structure classifications.
- If your centre has a governing body, or a similar high-level strategic group with members drawn from local businesses, you can invite a representative to make a presentation to the class in which they explain how their business is structured. Ask your learners to prepare a list of questions to put to the guest speaker, covering aspects such as:
 - how their business is organised
 - an overview of their main market
 - how they engage with stakeholders
 - the main risks to their business

- the business's approach to product or service innovation
- how they would describe the predominant leadership style in the business
- the strategies the business employs to identify and utilise the potential of their employees
- the qualities they look for in new recruits.
- You could give the learners a range of profiles of entrepreneurs. They could then look at their characteristics, qualities and skills to see if there are any recurring features among them.
- This exercise could be extended to comparing their leadership and management styles. Are there any recurring features there too? If there are, why? If there are not, what does this mean?
- Select an enterprise that has been through many stages of change. Review how they successfully implemented these changes and what the decision-making process was.
- For learning aim B4, you can set learners an exercise in which they work in a group to address a specific business problem, e.g. how to address the concerns of a particular stakeholder group, or whether or not to market a new product. They will need to establish a strategy to implement any decisions they take, and identify the responsibilities of individual members of the group in taking the strategy forward. This exercise can be filmed and used by learners to identify the characteristics of successful teams, the benefits of teamwork in an intrapreneurial business culture, and the challenges presented in such a work environment.

Learning aim C: Explore the role of innovation in promoting change in an enterprise

- For learning aim C1, you can give learners an opportunity to review the work completed at the end of learning aim B to determine the stages in the decision-making process, and how these stages could be implemented in a traditional business structure compared to an intrapreneurial business environment.
- Set learners a case study of a business decision and ask them to identify the main stages in the decision-making process, and the associated responsibility and accountability of those involved in each stage in the process.
- Set up a class discussion in which learners explore the personal qualities that are needed in different work environments. They can then assess their own personal qualities and their potential for development.
- For learning aim C2, learners can use a case study to see how an enterprise has been through organisational change and how innovation influenced that change.
- For learning aim C3, this can be linked to Drucker's Seven Sources of Innovation to highlight the features and characteristics that were evident.
- You can conclude this by analysing and ranking the factors that stimulate and promote innovation.

Learning aim D – Examine the stages of innovation and their impact on an enterprise

- For learning aim D1, introduce the stages of the innovation process, i.e. the way the innovation pathway works from creation of new ideas to their selection and implementation.
- Split the class into groups. Within each group, ask each learner to take a main area and think about how it influences the innovation process. For example:
 - the use of information technology and how this is evolving constantly
 - the market identification process
 - the process of identification



- the integration of new processes with established ones.
- Ask each individual to report back to the other members of their group and lead a class discussion on the findings.
- For learning aim D2, you can invite guest speakers from successful enterprises to visit your centre to talk about the innovation process in their business, and how they assess the success of innovation.
- Ask learners to carry out research in pairs or small groups, and prepare a short report or article on how changing a process, product or service has affected an enterprise of their choice.
- For learning aim D3, you can ask guest speakers to explain how, once their innovation was successful, they assessed its effectiveness and embedded the innovation within their enterprise.
- Use the learners' findings to create presentations on the stages of innovation.

Details of links to other BTEC units and qualifications, and to other relevant units/qualifications

This unit links to:

- Unit 33: Enterprise and Entrepreneurs
- Unit 34: Launch and Run an Enterprise
- Unit 35: Survival and Growth

Resources

In addition to the resources listed below, publishers are likely to produce Pearson-endorsed textbooks that support this unit of the BTEC International Level 3 Qualifications in Business. Check the Pearson website (<http://qualifications.pearson.com/endorsed-resources>) for more information as titles achieve endorsement.

Textbooks

- Boddy, D – *Essentials of Management: A Concise Introduction* (Pearson, 2012)
ISBN 9780273739289
- Boddy, D – *Management: An Introduction*, 6th Edition (Pearson, 2014)
ISBN 9781292004242
- Davila, T, Epstein, MJ and Shelton, R – *Making Innovation Work: How to manage it, measure it and profit from it* (Financial Times/Prentice Hall, 2005)
ISBN 9780131497863
- Drucker, P – *Management: Tasks, Responsibilities, Practices* (Routledge, 1999)
ISBN 9780750643894
- Horibe, F – *Creating the Innovation Culture* (John Wiley and Sons, 2001)
ISBN 9780471646280
- McKeown, M – *The Truth About Innovation* (Pearson, 2008) ISBN 9780273719120
- Proctor, T – *Creative Problem Solving for Managers: Developing skills for decision making and innovation* (Routledge, 2009) ISBN 9780415551106

Journals

Business Review (Philip Allan Magazines) – a journal designed for Business Studies learners that includes relevant theoretical articles, as well as information on companies and markets.

Videos

- TEDEd offers a variety of relevant education videos.
TED offers online videos of short, powerful talks (18 minutes or less) covering almost all topics.



Podcasts

- Search for 'The Business Podcast'. The Business Podcast is a weekly podcast to all tutors and learners on current business topics using contemporary, relevant online newspaper articles. Subscription is free.
- Search for the 'Entrepreneurs on Fire' website. This website holds podcasts of interviews with inspiring Entrepreneurs.
- Search for 'Help My Business!'. This podcast helps entrepreneurs and small business owners to build their business.
- Search for 'The Introvert Entrepreneur'. This resource provides services for introverts and those who live/work/plan with them.

Websites

- Go to the British Chambers of Commerce website and search for the 'Find your chamber' page. Your Local Chamber of Commerce runs networking events so that you can make links with local businesses in your area.
- Search for the 'Business Case Studies UK' website. This site includes a wide selection of case studies covering different aspects of the business environment, such as business structure and markets. These can be used to design classroom activities and assignments.
- Visit YouTube for a variety of short videos and lectures relevant to this topic, such as *Dragons' Den* and *Shark Tank*.

Pearson is not responsible for the content of any external internet sites. It is essential for tutors to preview each website before using it in class so as to ensure that the URL is still accurate, relevant and appropriate. We suggest that tutors bookmark useful websites and consider enabling students to access them through the school/college intranet.