Innovation management framework: exploring the synergy with corporate entrepreneurship and innovation management

ABSTRACT

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The aim of this paper is to discuss the innovation management within the corporate context, with an organizational structure dedicated to manage corporate innovation, called Innovation Management Office. The organizational structure for innovation management is presented connected with the corporate entrepreneurship process, as an opportunity to enhance the performance of a new results using innovations. The innovation management process is coordinated since the ideation stage, passing through the corporate acceleration process to develop and validate a set of prioritized ideas and then implemented using project management best practices. In the backstage of this process, there is an innovation and strategic portfolio of projects selected and balanced in the organization. After all, it is shown the Innovation Management Framework including all these stages. The methodology used was bibliographical research to build constructs to support the framework proposed in this work. This paper was presented as relevant in a strong demand environment for innovation management in organizations and because of the shortage of literature on the framework involving Innovation Management Office and corporate entrepreneurship.

Key-words: innovation; innovation management; corporate entrepreneurship.

INTRODUCTION

Innovation is a construct with diverse definitions, which translates into the conversion of knowledge and ideas into new or improved products, processes or services to gain competitive advantage. Innovation could be also set as a process of transforming an opportunity into a new idea and using it as widely as possible. The definition used by Tidd et al. (2015) for innovation is: "all beneficial change for the organization, being a fundamental condition for companies to realign their level of competitiveness towards their environment for sustainable success." Managing the innovation process in organizations is the field of innovation management that has not been widely researched and applied in practice yet (LENDEL et al., 2015). Innovation management must take into account the changes required in companies to provide an open environment that conducts to creativity and learning also based on honest error.
Changes can be addressed in the external environment in which it is inserted, such as participating in business networks (GRONUM et al., 2012), or in the internal environment. Such changes should be reviewed to align the following points: organizational structure, culture and business values, people management with their various subsystems (mainly based on competency management) and knowledge management. At the same time, innovation management should be linked to the organization's corporate governance context, to monitor performance and effectiveness, and to create elements that support the innovation process in organizations, which involves governance roles in the perspective of approval and sponsorship (BELLOC, 2012; O’SULLIVAN, 2000).

In this context, entrepreneurship initiatives appear in organizations to work with ideas within the business environment. Corporate entrepreneurship initiatives can also be placed as intra-entrepreneurship actions within the area of entrepreneurship knowledge. However, entrepreneur is not the one who opens a business, but that one who age in a proactive way within the organizations and is responsible for implementing innovative ideas, taking risks, defending their projects and creating alternative paths to obstacles that arises in an organizational environment, as well. Pinchot III (1989) called this individual an intrapreneur and it has recently been called a corporate entrepreneur. This individual contributes to the increase of the competitiveness of the company, influencing the competitive capacity through innovation. There is researches on this role in organizations (BIRKINSHAW; GIBSON, 2004; Todorovic et al., 2015; Sakhdari, 2016; Cruz; Kuratko, 2017; Morales, 2017; Provusnek et al., 2017; Moraes et al., 2018; Shafique; Kalyar, 2018; Tseng; Tseng, 2019), considering it on the ambidexterity of organization and presenting the corporate entrepreneurship as a strategy for innovation performance.

The objective of this paper is to present an organizational structure dedicated to the corporate innovation management, called Innovation Management Office (IMO). This structure approach is linked with the corporate entrepreneurship process to optimize the innovation processes and performance, using also the best practices of project management. The methodology was a bibliographical research to build the construct, based on innovation, innovation management and corporate entrepreneurship constructs. Afterall, the features and roles of IMO is proposed, linking and exploring the synergies of these constructs. This paper is relevant in a context of intense demand for
management of innovations in organizations and at the same time by the lack of literature on Innovation Management Office, confirmed by searching for these keywords in the main academics’ bases, that reinforce the contribution of this paper. And it is interesting to build a process that coordinated the innovation management chain since the ideation stage, passing through the corporate acceleration process to develop and validate a set of prioritized ideas and then implemented using project management best practices, after an innovation and strategic portfolio of projects selected and balanced in the organization, exploring the corporate entrepreneurship practices as well.

1. THEORETICAL REVIEW

The Innovation Management Office is a new approach and there is a lack of literature on how to structure a staff function to support the innovation management processes in organizations, using the corporate entrepreneurship features. This term is somewhat cited in papers linking to an university-market connection function, however, that is not the point of this paper. This gap of bibliographic references leads to a theoretical review about some inherent constructs to build a framework to support the construction of a theoretical bases necessary to substantiate this work. In this context, the constructs presented in the theoretical review are Innovation, Innovation Management and Corporate Entrepreneurship.

An innovative environment perceives efficiency with innovation, scarcity of resources, leadership of the innovation team, encouraged learning and resource dependence (MACHADO, 2007). The new global trend is the transition from the knowledge economy to the innovation economy, with a direct influence on the evolution of the corporate model, becoming a priority for the CEOs of the organizations, since it is not possible to compete only with the cost vision, of a process that leads to different needs of your business. For ensure the sustainability of the process, in addition to seeking alternatives to deliver value, the barriers to copying products, services or processes must also be concerned, or looking for substitutes that deliver similar value. There are diverse challenges that can be driven to meet business demands, such as increasing competitiveness, growth hacking, empowering employees for collaboration (ANDREWS; CZARITZKI, 2014).
In the meantime, the organization needs some internal elements for innovation: existence of matrix teams, decentralization of planning, operation and control functions, existence of work cells, reduced levels of hierarchy and outsourcing of staff (ARMBRUSTER et al., 2008). Withal, it would be interesting to manage this complexity to achieve innovation benefits and is here that the innovation management comes, as the implementation of managerial practices, processes, structures or techniques that are new in the state of the art and are oriented toward future organizational goals (BIRKINSHAW et al., 2008). The innovation process needs to deal with a non-linear model capable of responding to the organizational context and the external environment, with practices to generate innovation, through experimentation, error and techniques of problem solving and refinement of ideas, among other practices.

The complexity and non-linear natures of the innovation management is compatible with entrepreneurship characteristics, such as self-efficacy, sociability, planning, leadership, risk-taking, new business venturing, self-renewal, proactivity and innovation (MORAES et al., 2018; SHAFIQUE; KALYAR, 2018). The combination of entrepreneurship and innovation is vital for the organization success, according to Urban and Wood (2017). In this way of thinking, the corporate entrepreneurship rises as a construct to embrace this topic and this overarching theme goal is to understand why some companies are able to generate higher levels of entrepreneurial activities, such as innovation, venturing, and strategic renewal (SAKHDARI, 2016). This construct is related to intrapreneurship and there are some innovative outcomes if this set of skills is explored in organizations: motivating individuals to engage in innovative behavior, concentrating entrepreneurial ventures through a newly minted organization within a corporation, helping innovative-minded people to reach their full potential, rewarding a corporate entrepreneur, encouraging people to look at the organization from a broad perspective and educating employees about corporate entrepreneurship (TSENG; TSENG, 2019). This is the key to connect the innovation management to corporate entrepreneurship.

Therefore, once the theoretical context of innovation management and corporate entrepreneurship was stated, delimiting the theoretical framework that guided the research itself, it will be presented the proposal of an innovation management model in the context of the organization, with the objective of organizing the chain of innovation management, from the ideation to corporate acceleration, and then to project management.
2. Innovation Management Framework – the proposal

A typical scenario in organizations of a (non-) innovation process shows long times in the activities, lack of specialists involved, lack of process to facilitate cross-functional transparency and collaboration, overwork to refine a split idea, lack of method for socialization etc. There is a need for a process to present the ideas, with support when formulating them, with elicitation and analysis stages, in order to lead to a selection decision process, to be supported and monitored in its execution. Meanwhile, the organization requires to develop a culture of innovation. Working with this context, taking account that innovation will compete with the routine and the operation of organizations, without a structure guiding to leverage the process of innovation management, is like to believe that ideas will not reach the expected result. In this way, this paper presents a structure dedicated to the innovation management process called Innovation Management Office - IMO.

Among the duties of the IMO, the role of defining, proposing and managing the corporate innovation strategy stands out, including its governance model and its operational process. The IMO is placed as a change agent to actively promote and develop a collaborative, pro-innovation culture in the organization. It provides a formal way of managing relationships with the internal and external innovation ecosystem (academia, government, entrepreneurs, funding agencies, venture capital). It is a practical way to implement a results-oriented and indicator-based framework to manage the innovation process, managing the innovation portfolio and seeking to accelerate the cycle involved between the idea and the result with the implementation of the innovation. The IMO is responsible for designing and implementing a change management program necessary to accelerate the adoption of the innovation management process, providing training and ideation programs for leaders and other internal audiences and promoting community management, needed to facilitate and promote collaboration, including the virtual environment (platform). In short, IMO is responsible for the process of innovation management, transformation of culture, availability of just-in-time knowledge, and management of the innovation platform.

IMO implementation success stories, according to Brightidea (2016), take place in organizations such as Lan Airlines, CMPC, Elementa, SAG. In an internet survey, it is also seen other organizations that have chosen to adopt this organizational structure
internally or as a solution for their clients, such as Algar, Microsoft, Accenture and Deloitte. For example, an IMO implementation is conducted by Brightidea, developing an innovation team dedicated to developing and managing the organization's innovation pipeline. The IMO implemented becomes a center of excellence and a source of innovation expertise under a shared service model. Among the characteristics and responsibilities of an IMO are: teams experienced in innovation, responsibility for delivering results related to innovation, use of methodologies legitimized in other contexts, including structured innovation tools and processes, accelerated learning by sharing best practices, measurement of innovation results and acceleration of time to catalyze the result.

Accenture has a corporate program called InnovAction that provides a framework called the Innovation Management Office (IMO) or Office of Innovation Management (OIM). This framework is a specific model for leadership, management and operation of innovation in an organization. In a report made available by Accenture (2011), they point to the application of this model in two banking institutions, four insurance institutions, two telecommunications institutions, three public services and two in other sectors. This structure seeks to support the innovation process from the generation of ideas, analysis, planning, proof of concept (or prototyping), testing, validation and project expansion for the business. The IMO proposed by Cintra and Silveira (2017) has typical functions presented in Table 1.

### Table 1 - Innovation Management Office (IMO) Roles

<table>
<thead>
<tr>
<th>Function</th>
<th>Activity</th>
</tr>
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<tbody>
<tr>
<td><strong>Ideation</strong></td>
<td>Explore</td>
</tr>
<tr>
<td></td>
<td>Invent</td>
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<tr>
<td></td>
<td>Collect</td>
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<tr>
<td><strong>Selection</strong></td>
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<tr>
<td><strong>Implementation</strong></td>
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<tr>
<td><strong>Achieving Value</strong></td>
<td>Managing Results</td>
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<td></td>
<td>Portfolio Management</td>
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Source: Adapted from Cintra and Silveira, 2017.
The IMO then tends to work with innovation projects and consequently with the management of innovation projects. Originally developed in the mid-twentieth century, project management has become a distinctive way for contemporary business management. Another important breakthrough was the universal recognition of the role of innovation in change, growth and corporate profitability. Usually innovations are conducted in the corporate environment as projects. However, the innovation and design subjects were conducted in theoretical studies over time as separate disciplines. Filipov & Mooi (2010) then presents the concept of project management innovation, with an idiosyncratic nature that differentiates it from a traditional project. Basically, the authors propose that innovation projects are those that involve product / service development, technologies, research projects. Within the corporate context, they are less functional and more matrix projects. However, their objectives should be more specific and less broad, with a multidisciplinary and multidepartment team composition, in order to abroad the thinking for the specific purpose during a certain period of time. The standards of best practices referenced to project management is from the Project Management Institute (PMI, 2017), including the Agile Guide (PMI & AGILE ALLIANCE, 2018). These standards could be used separately or in a hybrid way, but the context of the project and the team has to be evaluated before setting a standard that best fits.

In this context of innovation management, there is an opportunity to exploit a synergy that this movement has as corporate entrepreneurship initiatives (KURATKO & AUDRETSCH, 2013; KURATKO et al., 2015). Entrepreneurship in companies seeks to work with ideas within the business environment (intra-entrepreneurship). This movement in organizations can also be seen as a corporate acceleration, promoting entrepreneurship with a combination of entrepreneurial knowledge, a network of mentors and access to specific resources of the institution. In return, the institution builds a portfolio of investment opportunities, to create values for its business or new business, not only offer a window with a new conception of new technologies and new visions ventures, but also providing an extraction of new values of already available resources in the organization. This initiative offers gain strategic, cultural and financial benefits. The concept of corporate acceleration is formed in the junction of concepts of acceleration, incubation and corporate risk investment, bringing characteristics of each one, leading to the context of an organization. Corporate acceleration can happen with...
companies that are supporting the development of another one (corporate commitment),
or through a joint venture, or within the organization itself (embedded). Lehmann
(2013) investigated the recent phenomenon of corporate acceleration, in which he even
claims that there is little literature on the subject. Cintra et al. (2019) present a case
study specifically about a program coordinated in an organization using corporate
acceleration and intra-entrepreneurship development elements together. The impact of
this program inside the company, according the authors was a cultural transformation to
facilitate the innovation and reinvention of the organization by itself.

Galunic and Eisenhardt (2001) present the term of dynamic communities in
organizations as an adaptive organizational form involving diverse and quasi-
independent sectors which purpose and capacity are often combined to create new
productive assets within a context of market change and organizational evolution. These
communities do not present centralized control, but a self-organized and decentralized
behavior, in a matrix structure. In this way, innovative uses for existing organizational
resources will be sought and through an innovative organizational architecture, the
engine of innovation will be legitimately increased. This architecture values the
coexistence of situations that generate tensions, posed by the authors as healthy for the
engine of innovation, such as: modularity and relationship, competition and cooperation, order and disorder.

After all, in order to raise ideas, develop them as proposals and support the
achievement of results, corporate acceleration can be an organizational tool used by the
IMO in the management of the innovation process and its portfolio of innovations. For
example, a company's IMO can generate a challenge (internal and / or external) for
groups to present ideas on certain topics, such as cost reduction, operational efficiency,
new business adhering to the corporate strategic mission / vision, product / service
creation, development of business models as new opportunities (VISNJIC et al., 2016)
among other themes defined in the governance structure supported by the IMO. There
would then be support for developing ideas, team-building, in identifying problems and
opportunities which are led by the office staff. Once this step was over, there would
then be judgmental bench to evaluate the presentations of the works, with the
opportunity to clarify doubts, and then select ideas to advance in the process, under
criteria previously defined and disclosed. Groups that have been approved for the next
step would receive a set of training and mentoring to better develop the idea, with more
information, tools and techniques, provided by the IMO, to arrive at structured and
grounded proposals for innovation projects. Once again, it would have a judgmental bench stage to select the proposals that would advance as projects, which in turn would have budget, staff and conditions to implement, being supported and monitored by the IMO, which during the implementation would identify other synergies as opportunities in the portfolio of innovations and would also assess whether the initiative continues to make sense for the organization.

3. FINAL CONSIDERATIONS

Over the paper, the construct of innovation management in organizations was presented and the contextualization, enclosing the need of having an organizational structure dedicated and guided to results in order to manage the process of innovation in organizations. It was discussed the approach of this concept with the practice of corporate entrepreneurship in the innovation management process. It is interesting to note that the creativity must be balanced with a process discipline, since as organizations and their collaborators work by processes, which in turn organizes the initiatives, manages expectations and makes communication easier. The fact that the teams know what the selection criteria are in a strategic and objective way, maximizes the relevance of the ideas treated, for example, the financial return that ideas can generate if implemented, or the optimization of budget allocated in strategic values. In addition, exploring business opportunities improves the speed and robustness of the selection of ideas.

The IMO initiative intends to address this context and at the same time be a result driven governance mechanism through innovation. Synergy with corporate entrepreneurship initiatives creates opportunities to leverage results and improve the process of managing innovations in organizations. It is believed that the expansion of the application of this practice, exploiting this synergy, can reinforce organizations in the challenge of reinventing themselves in the quest for their institutional sustainability, exploiting their internal intellectual capital and also working in the logic of open innovation. In organizations that already have a culture favorable to innovation, the model can be proposed with greater receptivity, and it is possible to move towards co-innovation (LEE et al., 2012). In other organizations it would be very important to have a visionary leadership (YAN et al., 2012) to support cultural change, and then IMO to support this movement. The IMO would work with the whole innovation management
chain, since the ideation, evolving design thinking workshops, passing through an acceleration program to validate and develop the prioritized ideas and after all implementing the projects selected into a strategic and innovation portfolio, using the best practices widespread by PMI.

Since this paper was based on bibliographical research, a proposal for future works is to explore case studies in organizations that implemented IMO to find more elements (lessons learned and good practices) in order to broaden and mature the use of this organizational structure. In the meantime, it would be interesting to assess the potential synergy with corporate entrepreneurship in other cases. Another proposal would be to do other case studies on organizations that have used corporate entrepreneurship as a tool for culture change and innovation management, also seeking more elements (lessons learned and good practices) in order to broaden and mature the use of this initiative. There is an opportunity to gather some case studies in the future, because of the launch in 2019 of the ISO 56002, that define a framework to an innovation management system adherent with the proposal of this paper (ISO, 2019).

BIBLIOGRAPHICS REFERENCES


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