Intrapreneurship, corporate entrepreneurship (CE), and corporate venturing (CV) are all terms/phrases used interchangeably until recently. While the study of entrepreneurship within organizations started with a focus on CV, it is now widely acknowledged that CV is not CE. Scholars of strategic management and entrepreneurship have contributed to this expansion in the understanding of reinvigorating the enterprise. CE is now broadly described to manifest as either CV or strategic entrepreneurship (SE) (Morris, Kuratko, & Covin, 2011). CV involves creation of new ventures, and manifests either as internal, external, or collaborative ventures. SE involves large-scale or consequential innovations that equip the organization in its pursuit of competitive advantage. While CV results in a new venture formation, SE may or may not result in the creation of a new venture. The book under review attempts to explore, document, and distil best practices for implementing CV programmes.

The two main authors (Jessica van den Bosch and Geert Duysters) and the three contributors (Arjan van den Born, Victor Gilsing, and Stijn van den Hoogen) present eight cases (CbusineZ, AkzoNobel, Unilever Ventures, Oce Canon, Rabobank, Eindhoven University of Technology’s Innovation Lab, Sanoma Ventures, and nrc-next) of CV efforts in the Netherlands. The main authors have also provided a discussion and 10 best practices towards the end of the book. While six cases in the book showcase CV in action, two cases stray into the domain of SE. This also depicts the reality of the perennial grey space that exits between theory and practice.

To make the book practically useful, the authors introduce four operational elements (model, portfolio, staffing, and integration) through which they view the cases. Though there is little academic justification as to why these four (no more, no less) comprise the operational elements necessary for successful CV implementation, it brings structure to the lay reader.

Model, the first operational element, refers to the structured ways in which an institution intends to organize and manage its innovation efforts. Many research studies of the past as well as real-life experiences greatly support the need for a model. While all cases in the book broadly follow the stage–gate model with their institutional variations, how structured or flexible it should be in practice remains a
question. The cases bring to light the variety ranging between tightly followed processes (CbusineZ and Oce Canon) and flexible ones (AkzoNobel and Innovation Lab). Should the model be a rule or a guideline remains unanswered. The authors suggest the proverbial middle path, a fine balance which seems an eternal quest. The stage–gate model (including all its variations) has innumerable weaknesses: escalation of commitment, less room for experimentation, and non-suitability for transformational innovations. But for want of better, even the two cases (nrc-next and Rabobank) of SE have used the stage–gate model approach in principle.

The second operational element is creation of a portfolio. This seems important for every organization considering the fact that organizations have a set of competencies as well as limited resources. Leveraging competencies, building new ones, and looking for disruptions should propel organizations to search for venturing opportunities in domains of strategic interest. This need not only mean core and adjacencies of the current business. The cases of Sanoma Ventures and Rabobank showcase how broadly or narrowly a company can define its lenses to view future opportunities. The portfolio approach enables corporations to de-risk, bring effectiveness, and focus, apart from aligning venturing efforts to corporate goals. While the earlier (wound up) avatar of the new ventures unit of AkzoNobel did not take a portfolio approach, the new experiment begun recently has changed its stance. Does this reflect organizational learning? Does this reflect the importance of a portfolio approach? How should a CV portfolio look remains a topic of future research interest.

The third operational element, namely staffing, requires serious thought and action. Staffing requires to be thought of at two levels: people running the venturing programme and those running the ventures. While both need to be entrepreneurial, the book’s focus is more on the latter. The importance of people to the success of an entrepreneurial venture is clearly depicted in the thought ‘horse or jockey—whom should one bet on?’ The cases bring out a plethora of alternatives on finding the right people for corporate ventures. These entrepreneurial folk could come from the parent company (AkzoNobel or Oce Canon) or from outside (nrc-next or CbusineZ). The CbusineZ case highlights the importance of constant oversight on a venture team and its composition. It seconds the widely acknowledged thought that the team is more important than any individual. As the case suggests, at times, two good individuals may have to be sacrificed for the sake of saving the venture. Though the experience of every case is different on this component, they agree on a few common themes: individuals must be go-getters, self-motivated, and action-oriented; a diverse team is essential; and the multidisciplinary nature of the team brings strength. In collaborative external venturing, the professional relationship between the parent venture team and the venture is critical.

The last operational component used by the authors is the venture’s relationship with the parent organization. Based on the case analysis, the authors feel that the relationship with the parent organization is critical, especially at two points: start of the venture organization and when a particular venture needs to be integrated. Maintaining a good and healthy distance (physically, mentally, structurally, and professionally) between the parent and the venture team needs to be strategized. Many options exist as the cases highlight between the two extremes, namely, Eindhoven University of Technology’s Innovation Lab/Unilever Ventures and Rabobank. The venture managers also have to think through thoroughly how they plan to integrate a venture with the parent (‘spin-in’). This again, as the cases depict, can be done in a number of ways: mutual participation in brainstorming (CbusineZ) or getting the parent company staff to work part-time/full-time in the venture (AkzoNobel). There are also factors to consider when integrating ventures into parent organizations: size, culture, alignment, etc.

While the pre-final chapter does provide a good analysis of the various cases with regard to the four operational elements, the last chapter attempts to distil the top 10 practices for managing corporate ventures. These 10 practices could have been suggestive in nature or called ‘next practices’ (Prahalad, 2010). This, in my opinion, is far from a conclusive list of the best practices even based on the cases detailed in the book. Being a book for practitioners, this chapter could have provided more specific suggestive practices. While some of them are useful, such as ‘physical/organizational separation’, ‘alignment and top management commitment’, ‘building a healthy portfolio’ and ‘tying performance, rewards and bonus to goals’, many others are too general and difficult to implement (‘team, team,
team’, ‘speed is king’, ‘use of stage-gate process’, ‘small is beautiful’, ‘capturing experiences’). Since they are listed as practices, they could have been more pointed.

Every case is written by a different combination of authors. This is reflective in the style and presentation of the individual cases. While the cases themselves provide a wide-ranging set of examples in CV, I found a few of them more illustrative and providing better reading. The only case that I truly found difficult to read was CbusineZ—it took me multiple readings and a number of assumptions to decipher.

The short chapters and well-designed layout of the book make it comfortable for its intended audience, the busy practitioners, and consultants. The publisher, Edward Elgar, needs appreciation for producing such a wonderful book, which is a pleasure to hold, read, and shelf. Every bibliophile would love to own one.

Corporate venturing is an emerging phenomenon with limited examples in the real world. Observing and recording cases of its many experiments by researchers will not only increase its practice but also help understand it better as a phenomenon. The book apart from serving its intended audience of practitioners would also inspire scholars of CE to venture deeper into this important phenomenon. We need a lot more study of the venturing practices from the real world before we create useful theories and arrive at best practices. The book definitely makes a positive beginning.

Where did Digital Equipment Corporation, Kodak, or Nokia go? They came into existence because of their innovations and drove thousands of others into obscurity. But once they were big, they could not repeat the entrepreneurial act. CV is one way of avoiding the risk of obsolescence. The large corporations of today would do well to read and learn from such stories/cases. How can we forget the proverbial wisdom—innovation is the key to both survival and growth? The book apart from being a good reminder for today’s managers also provides a number of ideas and suggestions to kick-start venturing within their enterprises.

REFERENCES

Morris, M. H., Kuratko, D. F., & Covin, J. G. (2011). Corporate innovation and entrepreneurship (3rd ed.). Mason, OH: South-Western, Cengage Learning.

Prahalad, C. K. (2010, April). Best practices get you only so far. Harvard Business Review. Retrieved 15 November 2015, from http://hbr.org/2010/04/column-best-practices-get-you-only-so-far/ar/1

Raj K Shankar
Doctoral Student
Entrepreneurship Development Institute of India
Gandhinagar, India
e-mail: raj01@ediindia.org