Company Name: The Hidden Value of Intrapreneurs – What Investors Need to Know
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<<Unidentified Company Representative>>

With that Dana the show is yours. Thanks.

<<Dana Bezerra, President, Heron Foundation>>

Great, thank you. So we have about 30 minutes. And it's been so fascinating to sit through the day today knowing that we were going to do this panel almost last. We've heard a bunch of concepts. I just want to call out and then we'll kind of weave together over the course of the next 30 minutes or so.

PRA's tribe-ing and tribalism, we heard about incumbent disruptors are the next stage. We've heard a lot today from all of our speakers about trust, and transparency and talent, including that twice as many people fear the pace of innovation as our confident about it. So in the work that we do, I'm a Dana Bezerra, I am with the Heron Foundation. Collectively, whether it's in our role as philanthropists, as investor, employees at corporations, executives at corporations, I think, there's one thing we've come to appreciate and it's that our communities globally are facing challenges of a complexity and of a magnitude that are larger than we've ever seen before.

And I think there's increasing appreciation that we need disruptive and scalable solutions to these things. But most conversations typically end up in some version of a spiralling how. How do we do that? And specific to today in our conversation, how do we make sure that inclusive business and social innovation becomes the rule and not the exception. And more than that how do we think about harnessing the innovation, capacity and the scale of business and enterprise to re-imagine or redesign a more inclusive economy in particular so that we can live sustainably on this planet.

So, with that, and hopefully with all of the answers, Maggie, the Global Co-Director of League of Intrapreneurs, you are operating in 12 or so countries, working with intrapreneurs to deliver corporate value, while innovating, which sounds amazing, but I have one question. What is an intrapreneur and why do we care?

<<Maggie De Pree, Global Co-Director, League of Intrapreneurs>>

Thanks, Dana. And I was really impressed that most of you have heard the term intrapreneurs. So it was a term that was coined in the 70s by a man named Gifford Pinchot to describe this concept of being an entrepreneur, but within an incumbent institution. And I thought it was really interesting that we heard from Martin today about incumbent disruption and that we're actually seeing that more as a trend.

I and a few colleagues in 2007 published research looking at intrapreneurship around sustainable development. So how is this concept being applied on these issues that we've been talking about today? Where was the disruption coming from the new business models, the new products and services that we're going to need to address these big global challenges like climate change or inequality from within the incumbent institutions?

And so I met people like Gib and you'll hear his story in a minute. I met people like Dave Berdish, who is working at Ford Motor Company. He was a third-generation employee at Ford. And he was looking at the trends that were happening and he could see so clearly that in 20 or 50 years time, Ford was not going to be making cars anymore. There was just no way with the urbanization trends, with the pollution trends, with the economic trends that that business model was sustainable.

So he started looking into what is our role as a mobility provider to get people from A to B that was 15 or 20 years ago. So the intrapreneur why we should care is they're the people that spot this stuff way ahead of other folks in the organization and they're actively prototyping, testing and building. So then when these CEOs come and have these strategies many of them have already kind of developed things and sometimes a bit under the radar.

<<Dana Bezerra, President, Heron Foundation>>

I suspect a lot under the radar.

<<Maggie De Pree, Global Co-Director, League of Intrapreneurs>>

Yeah.

<<Dana Bezerra, President, Heron Foundation>>

And speaking of how it operates and within companies, Gib, you're a veteran entrepreneur.

<<Gib Bulloch, Founder and Executive Director of Accenture Development Partnerships>>

Veteran.

<<Maggie De Pree, Global Co-Director, League of Intrapreneurs>>

Recovering.

<<Dana Bezerra, President, Heron Foundation>>

Recovering.

<<Gib Bulloch, Founder and Executive Director of Accenture Development Partnerships>>

Recovering, former, whatever yes.

<<Dana Bezerra, President, Heron Foundation>>

You started as I understand it, Accenture Development Partners. And you're the author of Intrapreneurs: Confessions of a Corporate Insurgent, which I love the title. And it's out there if anybody wants it. But talk to us a little bit about ADP. Where did that come from? And relative to this seeing challenges inside an existing business model, what you ran with ADP?

<<Gib Bulloch, Founder and Executive Director of Accenture Development Partnerships>>

So I didn't set out to be an intrapreneur. I had no idea what the term was. I didn't know what it was until Maggie came along and said hey I'm doing some research in intrapreneurship. Should we think one of these people appear they are Frenchmen, but we've already done to my language of entrepreneur and they have done something funny with it.

It's a mindset. It's a skill set. It's not a job though. Anyone can be one. It's not the CSR person. It's not the sustainability person. It's someone that gives up thumb about the state of the world, but wants to drive change within business. I was at Accenture many, many years, 20 years in Accenture. And for much of that time following a sort of epiphany, if you will, towards purpose, I tried to create a guerrilla movement within the firm. I tried to create – well some people called not-for-profit, I called it not for loss. It was more like a social enterprise within this huge organization. And it's scaled because we had people, employees crying out for this meeting. And we see it more and more in terms of the talent stuff.

They wanted to do good and they were queuing up to do it. We would have them even halving the salary. We'd have Accenture giving up profit and we'd have clients in the non-profit sector in developing countries actually paying for our services maybe $0.10 or $0.20 in the dollar and what you would pay for expensive consulting services. My job was to meet the thing breakeven. And it was scalable, it was sustainable, we grew. And if I'd been sitting here a few years ago, I was on the podium, it's all great and it was pushed account for this stuff.

The wheels came a bit off a few years ago. I had arguably some kind of burner of something. And that was the catalyst for the book. I didn't want to become an author, but the book is basically a story of that journey of trying to fight the immune system within the company, trying to drive change, the challenges of doing that, the opportunities of doing that. And yes, it's a bit of a yarn. If you do like normal business books, this is the one for you. It's just a story. There's goodies, there is baddies, there's ups and downs, success and failures, give it a read and as an author I'm not saying any if you want. It's better off if I don't say you can get more money on eBay probably if they're blank but – there you go…

<<Dana Bezerra, President, Heron Foundation>>

[Indiscernible] (0:06:44). While you're talking about the book, you did talk about this corporate immune.

<<Gib Bulloch, Founder and Executive Director of Accenture Development Partnerships>>

Yeah.

<<Dana Bezerra, President, Heron Foundation>>

Can you say more about that?

<<Gib Bulloch, Founder and Executive Director of Accenture Development Partnerships>>

Yes, so there is a chapter in there. I think the corporate immune system is a term I've coined too. It's an invisible kind of force within organizations of – you can't put your finger quite and what it is, and it's not one thing, it's norms, it's culture, it's middle management doing their job, following their objectives, succeeding to implement a policy which is wholly inappropriate to my bit of Accenture if you apply $80 billion corporate policy to this little startup thing, you're going to kill it.

So it's a bunch of these things, annual objectives, indicators, all these things are inhibiting talent and the point I would make is that the problem is that we are starting to hemorrhage intrapreneur in the firm, these are value creators these are people who can find new sources of value in some of these things that were traditionally the sort of social stuff.

Social stuff is now strategic stuff to business, you have got Elon Musk's and Richard Branson's and the like in your midst, but how and the question comes down and Maggie's maybe get some answers in this.

The question comes down to how do you identify these people? How do you empower these people? How would you stop them from leaving? And that for me is almost a much bigger indicator than some of these kind of ESG, indicators that we've got. These are the black swans or the white swans that will change the value of companies and we need to tap into that innovation potential.

<<Dana Bezerra, President, Heron Foundation>>

So Maggie, coming back to you, it sounds a little bit like you're advocating that decentralizing control as a way to create value and for those of us raised that are in leadership positions now, you're going to have to convince me. So, say more about distributed leadership and what it does to stimulate innovation?

<<Maggie De Pree, Global Co-Director, League of Intrapreneurs>>

Yes. Well, I don't think any one person has a monopoly on ideas and I certainly don't think it's the innovation department or the MBAs and I can say that isn't MBA. We see really disruptive ideas coming from people all across businesses. So, one of the first intrapreneurs I met with Sam McCracken who was sitting inside a warehouse in Nike in Beaverton, Oregon. And Sam is a native American from the Sioux tribe in Montana and he saw in his community this epidemic obesity crisis, which was resulting in an epidemic crisis of type two diabetes.

And he thought, well wait a minute, like I've sat inside Nike this big global sporting brand, like what can I do to make a difference in my community? And so here's Sam, he doesn't have an MBA, he doesn't have a title, but he sees a problem in his community and he goes out and he starts talking to people and it started very simply with just donating product and organizing funds runs, but then, then the designers in the company got excited about what he was doing and said, hey, let's design a whole product range and we'll raise money to invest in physical activity for native American youth to get them active.

He's now the General Manager of Nike's N7 Division. So, that idea came from Sam sitting in a warehouse. So, I think this idea of distributed innovation is so important because you just don't know where the good ideas are going to come from, but it does requiring let it go and that's the one thing, I think it's all, it's tough, right? It's tough to let go, it's tough to take control, but there are ways you can kind of channel the innovation, I think that's what organizations are not doing now.

You have intrapreneurs in your organizations right? They are there give them a framework, channel the energy rather than just kind of hoping serendipity. We'll connect it with the core of your organization.

<<Dana Bezerra, President, Heron Foundation>>

So, two questions for me coming out of what you both said, one is if CEOs want to embrace this, what do enabling conditions look like? And the other is it still sounds like do gooding, is the principle that intrapreneurship is driving business value and if so, what are your favorite examples?

<<Maggie De Pree, Global Co-Director, League of Intrapreneurs>>

I mean, I think the first one is so important, right? It's like there's a whole spectrum, so there's do-gooding, but if you look at what Gib did and you can talk more articulately about this, but it was about putting Accenture on the talent map, people started coming to Accenture instead of McKinsey because of ADP. Okay that's business value that's not do-gooding.

We have a number of intrapreneurs in our global community that are building out new markets. So you Rhian-Mari Thomas has set up a Green Bank at Barclays, she's got 10 profitable products in market that wasn't coming out of the investment bank. She had to set that up entirely new, so these are the forces of value creation. And, of course then some of them might lead into social enterprise but there's always a business case, this is not about philanthropy.

So, I could go on with example after example of value creation on intrapreneurs, the challenge of scaling it up and that's why we're publishing this research on Monday, looking at how do you create enabling conditions for this to scale up and I have to say I'm so honored to be here today and so impressed with the work that you are all doing this is so much a part of the solution, right? Because, what we hear over and over again, people like Gib, people like Rhian, people

like Dave Berdish and Sam, is that these short term incentives are the big Achilles heel for my innovation.

So, if I have to take my climate systems change innovation project that's never been done before and put it into short-term metrics for my company is going to get killed off before it even sees the light of day. I need a runway, I need room to experiment, I need people that get that these trends are out there and we don't have the solutions, but I need space to experiment. So, what you're doing here is so vital to intrapreneurship and innovation in companies, so thank you. I don't know Gib if you want to come in, but I also can share a bit about the framework.

<<Gib Bulloch, Founder and Executive Director of Accenture Development Partnerships>>

I mean, should come back and talk about the framework, just on the business case I couldn't agree more on this, this cannot be a heartstring pool or the CSR. CSR was frankly I spent 15 years trying to disassociate myself and distance myself from the CSR people, a lot against giving money into charity and doing some good stuff. It misses the point and Tim, I had a P&L.

I didn't want to make P and I didn’t want to make L, I was breakeven, cost neutral, but you know as Maggie said, I could point to the fact that independent research set, reduction of 32% in high performer attrition that has a dollar volume. That are today as I speak, the thing is still going, not gone but 50,000 Accenture employees are queuing up to half their salary and work on the other side of the world.

They can use a fraction of that number at the moment, but it just shows you an order of magnitude of the company that cracks the code on this talent thing, on this purpose thing that more and more millennials are having and let's face it. The courts of Accenture is 400,000 people on millennial. I am millennial more than mindset than age, than demographic, but there you go.

And so the last thing I would say in this next week, this business people pouring into New York and all the UN people are pouring in for this UN General Assembly, having meetings left, right and center, these sustainable development goals, there is 17 of them, they are the perfect business plan for business.

Erica said, I loved your stuff about access, and companies offering access. Access to education, access to healthcare, access to clean energy, access to the water and sanitation is for the next billion people in the planet these are business opportunities and the way you will tap into them is having an enabling environment, possibly an enabling environment that allows these things to bubble up and create new sources of volume.

<<Maggie De Pree, Global Co-Director, League of Intrapreneurs>>

We didn't rehearse that. So, we've spent the last six months, so basically our lead was established in 2012. We ran a global competition to find intrapreneurs around the world, to really even test the concept, you know, was the language valuable? Was this an idea that resonated globally? We have over 200 people enter the competition from 52 countries. So, it was really kind of validating a hypothesis that we had, these people were out there and they wanted to connect, and they

wanted to learn like how do I drive disruptive innovation with impact from within an existing institution?

So, we've developed a bunch of tools and a global community and trainings and workshops to support the individual or teams and what we've just found is they continue to bump up against these systems barriers. So, over the last six months we partnered with a number of organizations including Semex, the UK Department for International Development, BMW Foundation in Business Fights Poverty and looked at, okay, what does an enabling environment look like, so we can start lowering the barriers to intrapreneurship and innovation in companies.

So the first thing we've heard a lot about each day is purpose, so you need to have a motivating purpose so I can connect that idea for talent and people, and connect it to something that the company cares about, right? This can't be my own personal mission, but it actually ties in with a business purpose, but that has to trickle down. We really have to walk that talk on purpose, it can't just be something that is on your website, but actually, how are you evaluating purpose in your day-to-day decision making? Is that coming into tools?

So, we talked to Salesforce, they have a very, I guess a techie acronym. They called V2MOM, but they literally have a framework that every single new project gets evaluated by and that includes their values and their vision, so really making purpose, practical and actionable.

The second thing that came out is not surprisingly people, right? Like are you recruiting the right types of talent, the intrapreneurial talent, but also are you rewarding and incentivizing them in the right way? So we talked to Boehringer Ingelheim, a German pharmaceutical company, they completely revamped their performance rewards in line with innovation and intrapreneurship and actively have a principle of intrapreneurship where people are being evaluated.

So it's not just about outcomes, it's also how did you get there, were you experimenting, were you risk taking. Danone, the French food company is also doing something very similar. Just two other points about the enabling environment. So one is around power and this kind of gets back to your point about letting go. But we saw where intrapreneurs really could drive is where they had leaders that created space and let them go.

So, give a framework, set targets and objectives, and then give people the freedom to experiment and come up with those ideas. So a woman at Salesforce said, my boss has asked me for three new ideas a week, that kind of culture where you're trusting people. Coming back to this idea of like working in a space of trust and abundance as opposed to fear is going to unlock that innovation.

And then the final thing I would say is we just observed that actually, intentionally developing your pipeline is really important. So having accelerators, having investment funds like Danone’s Ecosystem Fund or Barclays Social Investment Facility of £25 million, like those things really matter. So dedicated capital, dedicated programming for intrapreneurs.

<<Dana Bezerra, President, Heron Foundation>>

Great. So mindful of time, two quick questions and then market we do audience questions or whatnot. Okay. So two quick questions. One, if somebody in the room is a secret intrapreneurs and they want to get in touch with you, how did they get in touch with leading to check out and…

<<Maggie De Pree, Global Co-Director, League of Intrapreneurs>>

Yes, we're a membership community, we're global, so you can join from anywhere any time. So leagueofintrapreneurs.com, you can come see me and yeah we'd love to have you. I mean, it's about learning, right. There isn't a roadmap for creating the new economy. So come, join us and let's figure out how to do it.

<<Dana Bezerra, President, Heron Foundation>>

Great. And then last question, given the audience in the room and my own interest in data, I imagine one could argue. So I'm interested in your thoughts, that a company that creates a culture that embraces entrepreneurship that might actually be a leading indicator for future long-term business value generation. Would you agree or disagree? And why?

<<Gib Bulloch, Author>>

Agree.

<<Dana Bezerra, President, Heron Foundation>>

Can you explain me that?

<<Gib Bulloch, Author>>

I think there's a – for me there is a challenge for leadership, because I think in the quiet onus moments with CEOs they will probably admit that they're ill-equipped to deal with this stuff, that ESG stuff. I mean, I don't know, out of this room, ESG, go and ask the Fortune 500 how many will know what it is. Even teachers in business schools and MBA 25 years and Michael Porter was a big shared value when I was doing my MBA, now Doug Leopold happens to change these sports and these are about shared value. And when he says that we all believe it. And when like Larry Fink starts talking, we all sit up and listen when Larry Fink says it.

So we have a problem there. There is a temperature inversion between level of affinity and understanding for this agenda and level of seniority in the front. And so I think this is a switch for something from leadership to something more like eldership, which for me is more about wisdom. And if you're a wise CEO, you're going to recognize that unique to push power down potentially outside the organization.

Novartis' new CEO, I was very impressed by Emma Walmsley. I think she is doing a lot of the right things there. Novartis Chief Executive Officer 41, I think, years old says I want to unbox the company. You know pretty cool. So I think there is a challenge there. But the challenge is

how you actually do create, not managing by annual objectives and things like that, but measure the kind of culture, and the behaviors, and the teaming and the innovation things. So one good answer to that yes, I agree, but there you go that's my backing to it.

<<Dana Bezerra, President, Heron Foundation>>

Great.

<<Maggie De Pree, Global Co-Director, League of Intrapreneurs>>

I mean just super quickly, I would say like culture, I would imagine as a leading indicator, but you are the investment expert. So I'd love to understand is there a way we could better measure this? I love George, wherever you, he wanted to come get some data from us. This is something that we're starting to develop a diagnostic for companies, for them to understand how they're performing and what they could change. We'd love to know over time does this really matter from an investment standpoint?

<<Dana Bezerra, President, Heron Foundation>>

Great, I think Mark we're ready for Q&A if folks have questions?

Q&A

<A>: Q&A I'm pretty sure.

<Q>: [Indiscernible] (0:20:53)

<A>: Yes, you should have posted online.

<Q – Emily Gray>: Hi there. Thanks for coming. My name is Emily Gray from Bank of America Merrill Lynch. My question is how do you convince senior leaders to jump on Board with your innovative ideas when you are starting out in your career?

<A – Maggie De Pree>: I wish to answer we have a toolkit for that.

<Q – Emily Gray>: Thank you.

<A – Maggie De Pree>: I think kids that are placed to that.

<A – Gib Bulloch>: Alright, it just comes back to this, the latent value, I think, that this can be a threat if you don't do it. I think that employee aspirations and wishes will be a big, big shaper of business strategy over the next 12, and this will wash over you, or you can be ahead of it. And the UN came up with the report, UN business commission saying there is a 13 trillion opportunity for businesses in engaging with these SDGs. So for me that is the business case, I'd ask to come back to this business case again and again.

<A – Maggie De Pree>: I think the other two things I would say that we hear over and over, like one is like as a young person starting out, you are also a consumer. And I think this is something if you look at the average age of companies like yours, I imagine that's on the older side so that you actually bring valuable insight as a young person. So don't be intimidated.

I think the other thing and we talked about this yesterday, is what language are the senior stakeholders using end-user language. Like at the end of the day does it matter that they invest to your climate change, credit card because they care about the polar ice caps melting or they see profit, like what do they care about and just get to yes. I think what's really important is having a sense of what's motivating them, okay.

<A – Gib Bulloch>: Okay.

<Q>: So I'm curious if you guys have kind of outcome studies? I'm wondering, intrapreneurs lose patience, they feel more urgent they leave at some point. Of course there's an initiative to become entrepreneurs. So I'm just curious, do you know anything about any associations about how many leave, do it themselves, how many stay the environments in which they do stay, stuff like that?

<A – Gib Bulloch>: There is a chap doing some this PhD on intrapreneurship to Cranfield University, a very interesting stuff. The informal data is that far, far too many of Maggie's case studies for a few years ago or even more recent things, there's that more than half of an attrition statistic, all they've had to move back into something more mainstream, if they stayed in the business. They've had to kind of dumb down their dreams and their hopes and things. So it is a problem, attrition is a big problem amongst this community and that's I think what you're trying to address and with the lead…

<A – Maggie De Pree>: I mean, it's a driver behind the research, because as a community that cares about impact and sustainable innovation, we need intrapreneurs to stay in it, maybe longer than they would. I think the other thing to say is what we need to equip intrapreneurs to do is also hook it back into the organization. It's just like the same challenge as an entrepreneur. It can be dependent on the founder, you have to institutionalize that.

So if you look at M-PESA, Nick Hughes left, you know, M-PESA is still part of Vodafone, you can argue with is that is inspiring and as it was when he started it, maybe not, but it's still going with that organization is still reaching millions and millions of customers without service every day. So I think if we can kind of work on both sides of the environment as well as equipping it, intrapreneurs will hook it back into the organization but it's a challenging.

<A – Gib Bulloch>: The intrapreneurs, they had opinion and they ask too much, really we are difficult, two parts, changemaker, one part, troublemaker, there's a fine line between the two. Try managing any Elon Musk if he was on your team or Richard, I mean, I think they're better themselves, they'd be a nightmare, but can you afford not to and if you try and manage them in the same way, that's why we've got these statistics. So I'll hold up my hand and say, yeah…

<Q>: You mean external value versus internal headaches?

<A – Maggie De Pree>: Because I think of it as constructive discomfort.

<A – Dana Bezerra>: Well done.

<Q>: That's much better.

<A – Maggie De Pree>: Great.

<Q – Kimberly King>: My name is Kimberly King. I actually work with a number of funds, but I work in public private partnerships. So I'm usually trying to bring the whole deal together. And I'm very much into impact investing and values based investing and I work with the SDGs. But I was an intrapreneur before it was cool on stage to do that. And I think I want to give a couple of messages and kind of connecting because I started my first company at 21 and it was solar, years later, they would call that a social entrepreneur.

But when I put impact in business strategy together, I am all-in. And now there's a whole generation of people who think that way. But when I discovered that my dreams were bigger than my capacity and there were no accelerators or startup ecosystem then. I stumbled into entrepreneurship and because I couldn't get enough traction, I put a deal together with American Express, that deal did $1 billion of incremental sales and we did it poorly.

So I definitely want to push back on anybody's thought that this is somehow not worth it or it's the Tinkerlab. If they didn't do it with me, they would have lost that because I was going to find a way, but I can tell you that in each of the cases were intrapreneurship was the path for me and others that bridge between the – you talked about the environment, but usually there is that environment starts with an individual who gives their capital on the intrapreneurs' behalf.

Someone had to run interference for that young one who was made to do my thing. And so he capitalized me in that way most of all. And now we have a lot more tolerance, a lot more I guess openness to young talent that was actually, he really had to fight for a young woman to do that a few years ago. But we still need somebody to do that bridging. We don't just throw them in there, so I think that being able to reinforce that because this is either going to be your competition next year or it's going to be your next $1 billion maker.

<A – Maggie De Pree>: I mean, it's one of the recommendations we've put out in the research. It came up over and over again. David Grayson, a professor at Cranfield University writes about the importance of the godparent, the senior champion. And it's very idiosyncratic, it's a lot about like with Nike, we pin it back to one VP was sponsoring like 20 different initiatives. So how do you systematize that? And I love one of the speakers talked about training up managers, are they training them how to manage innovators and it's managed, but how to create space for people to experiment and innovate. So we need more of those people. I'd love to see how we could recognize them formally, but also train up more who don't have those competencies.

<Q – Kimberly King>: Great.

<<Gib Bulloch, Founder and Executive Director of Accenture Development Partnerships>>

Well, thank you for your time. It's great panel.