

Unleashing entrepreneurship in an uncertain world

Jordi Canals' 2015 book, *Shaping Entrepreneurial Mindsets*, lays out how to empower entrepreneurs in a world where innovation is increasingly necessary.

November 27, 2015

Companies need to innovate and leaders need to act entrepreneurially. The challenge is how to develop those capabilities.

That is the main question behind the 2015 book edited by IESE Dean [Jordi Canals](#), which brings together deans and professors from leading business schools to set the course for developing managerial capabilities that encourage innovation and entrepreneurship — as the times require.

[*Shaping Entrepreneurial Mindsets: Innovation and Entrepreneurship in Leadership Development*](#) (Palgrave Macmillan) addresses a pressing need, as the formal process of developing innovation in management is still lagging the demand for it. The threat of disruptive innovation, especially from digital transformation, is real. At the same time, the population is aging, demand is slowing and global competition is heating up. Stability is not an option for even the most successful companies today. They have to innovate with the agility of a startup, getting new offerings to market quickly and nimbly.

The book is intended to help CEOs and senior managers at established companies prepare for the uncertain future armed with innovation and entrepreneurial competencies (IEC).

"CEOs do not need to be the most creative people to be effective leaders in backing innovation," Canals writes. "But they need to know how to give support to innovation and entrepreneurship, as well as to the development of IEC to make the organization more

effective in introducing successfully new ideas to renew it." The book, in four parts and 12 chapters, lays out how to go about it.

A tale of two frameworks

In Part I, Canals sets the stage with two frameworks for developing leadership capabilities. The first lays out four key leadership competencies to develop: knowledge, capabilities, skills and attitudes. These four competencies are connected with three main areas for innovation and entrepreneurship in established companies:

1. Discover new opportunities
2. Nurture new business ideas
3. Accelerate and commercialize.

These three activity areas run the gamut from dreaming up new ideas (via listening to customers, experimenting, staying curious, etc.) to integrating them in a product portfolio with a marketing plan and supportive team.

The second framework helps divide a CEO's agenda into four key areas of consideration: context, ideas, people and structure (CIPS).

A CEO's agenda

To develop the right context, a CEO should work to instill corporate values and a culture that appreciates creativity and an entrepreneurial mindset. To stimulate new ideas, a CEO should focus on customers' experiences and work to serve them better, aligning with the firm's strategy and long-term goals. For people, a CEO should work on leadership development activities that enable managers to grow to become innovators — or, on the flip side, enable innovators to become managers. For structure, a CEO needs to organize the firm for innovation, a topic addressed by various authors in Part II of the book.

Entrepreneurship, intrapreneurship + innovation

Part II gathers academic expertise on entrepreneurship and strategic management applied to the task at hand — that is, shaping the entrepreneurial mindset.

[Pedro Nuevo](#), professor and president of CEIBS in China, explores entrepreneurship from the top (identifying an opportunity and transforming it in one company), intrapreneurship within corporations, and the acquisition of entrepreneurs to help insure an established

company's long-term survival.

The good news is that as entrepreneurship becomes better understood, it can also be better taught to make future entrepreneurs more likely to succeed, creating jobs and benefiting society in turn.

In their chapter, **Tony Davila** and Marc Epstein, co-authors of *The Innovation Paradox* (2014), offer strategic advice on the pursuit of breakthrough innovation in established companies. Too often, established companies focus exclusively on incremental innovation, they argue, missing the opportunities to seek more radical, transformative innovations. They present the model of the Startup Corporation for more innovative agility.

See also, "[Want to Innovate? Then Act Like a Start-up](#)"

[M. Julia Prats](#) and Susanna Kislenko aim for growth via intrapreneurship in corporations, laying out the conditions necessary for intrapreneurship to thrive. [Bruno Cassiman](#) writes about developing an innovation mindset via executive education, while [Joan Enric Ricart](#) presents the CEO as a business model innovator.

A new map for education

Part III addresses methodologies and learning processes developed at business schools, with articles by HBS's Srikant Datar and IESE's [Pankaj Ghemawat](#) and [Eric Weber](#) on design thinking, MOOCs and blended learning — innovating inside business leadership programs.

Finally, Part IV offers advice on how to create entrepreneurial learning contexts. Bernard Ramanantsoa, dean of HEC Paris, questions: how should entrepreneurship be fostered as a discipline and taught at business schools? He looks to the effectiveness of project-based teaching, focused on initiatives using finite resources with deadlines to impart valuable lessons for innovation in the real world.

The dean of Oxford's Saïd Business School, Peter Tufano, follows with a chapter on the creation of social value. Tufano proposes that business schools ask not only how and why but also where business, as a discipline, can improve society. Answers to the "where" question may be geographical — i.e., in developing nations — and may be topical — i.e., in environmental sustainability. Teaching entrepreneurship may offer students the means to offer business solutions to meet the future's vexing problems.

Entrepreneurs for the future and for the common good

"In the end, entrepreneurship and innovation is not only a must for companies to succeed in the future, and a challenge for CEOs, but a source of great joy — not only effort — for all the people involved in it," Canals says. "They help not only improve customers' experience and create jobs and social progress, but also help all of us involved in it develop better competencies and moral virtues to face the future."

If the future looks uncertain, make sure you can greet it with the agility and forward focus of an entrepreneur.



<https://www.youtube.com/embed/ny7umYOnI28>

www.iese.edu/insight