

How do we accelerate internal entrepreneurial innovation?

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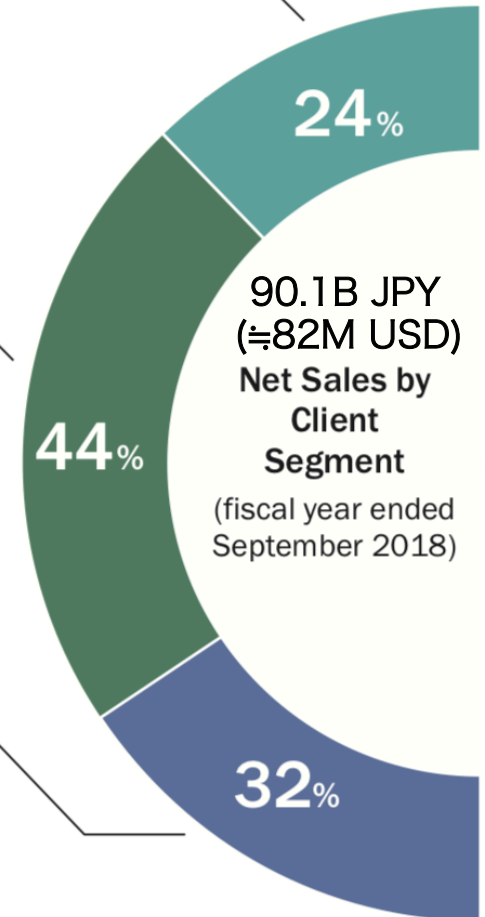
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How do we accelerate internal entrepreneurial innovation?

internal entrepreneurial innovation means

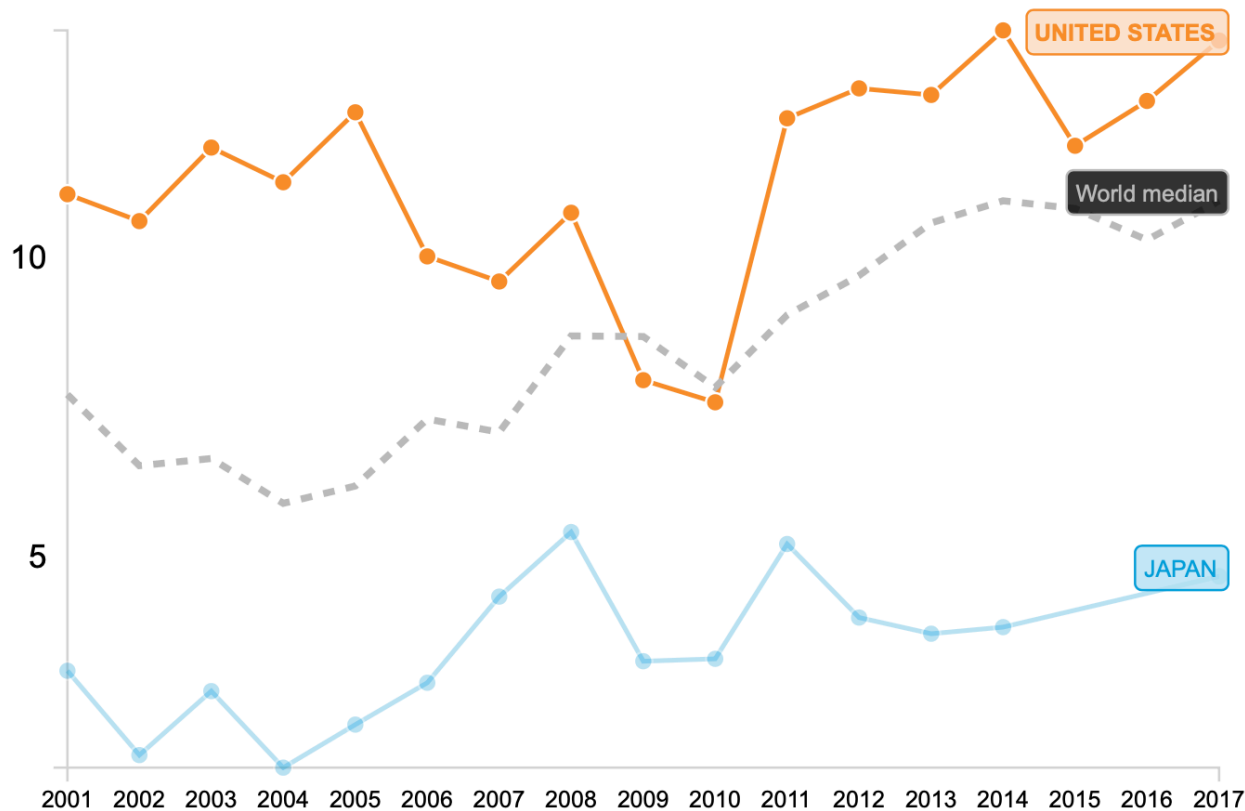
Innovation that take place inside of large company

- Not top-down,
- Not just extension of current products/service

1. Research Background

1-1. Entrepreneurship rate difference between JP and US

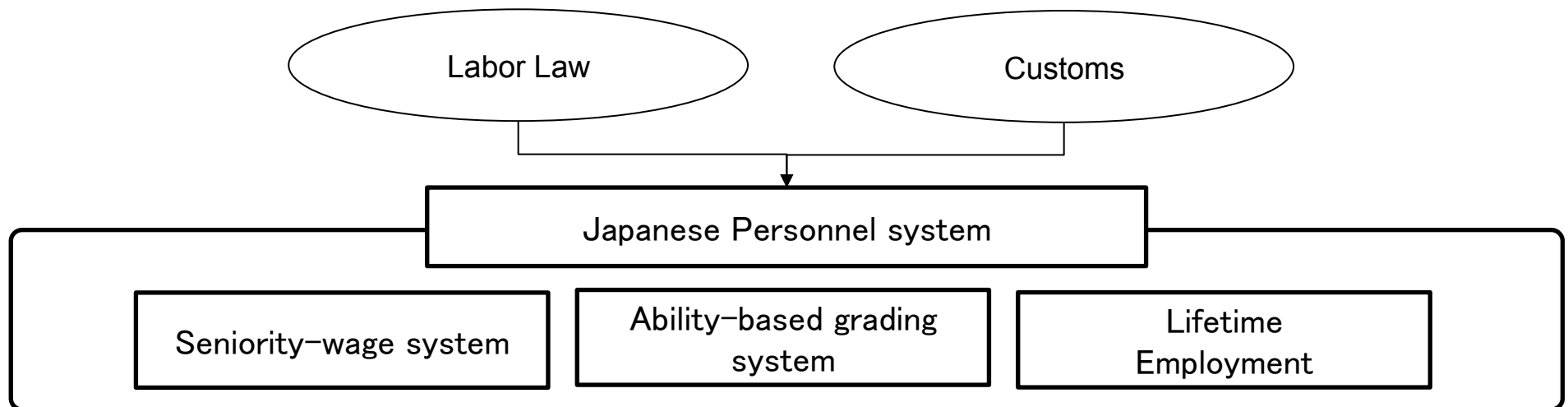
- The TEA (total entrepreneurial activity) rate in Japan has been lower than in the US for a long time
 - TEA rate: (number of the new companies / the total number of the all company)



1. Research Background

1-2. Labor system and entrepreneurship

- Many Japanese people find employment in large companies after graduating from university



- As long as lifetime employment track employees stay at their companies, they will earn a stable income.
- Once they leave the company, it is difficult to get back on the lifetime employment track.

So few people start a new business in Japan

1. Research Background

- It is **NOT** easy to change the law and it is even more difficult to change the customs.



- Japan should make use of the unique characteristics of Japan's employment system for creating new businesses.
 - Personnel Systems etc.

The Japanese personnel system is suitable for internal entrepreneurial innovation

2. Problems of Internal Entrepreneurial Innovation

- There are challenges in creating entrepreneurship within large companies
- I focus on: the “motivation of internal entrepreneurs”

1. Innovation's dilemma:

- ✓ Performance in a single year is emphasized
- ✓ Small businesses (even with high growth rates) tend to be ignored
- ✓ Existing business-centric decision-making

New ideas tend to
be killed,
too early.

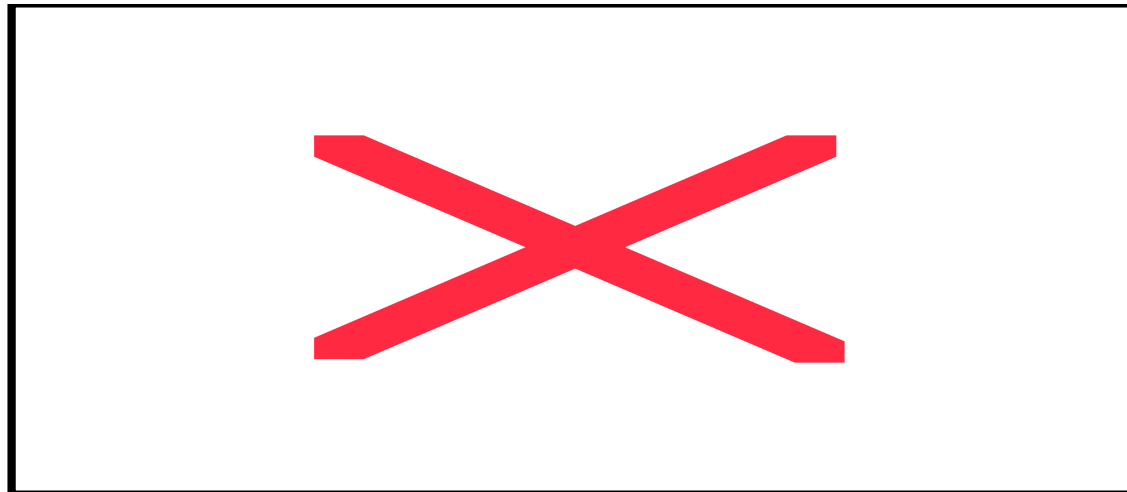
2. Motivation of internal entrepreneurs

- ✓ In Japan, evaluating by deducting points.
- ✓ Lack of an incentive systems

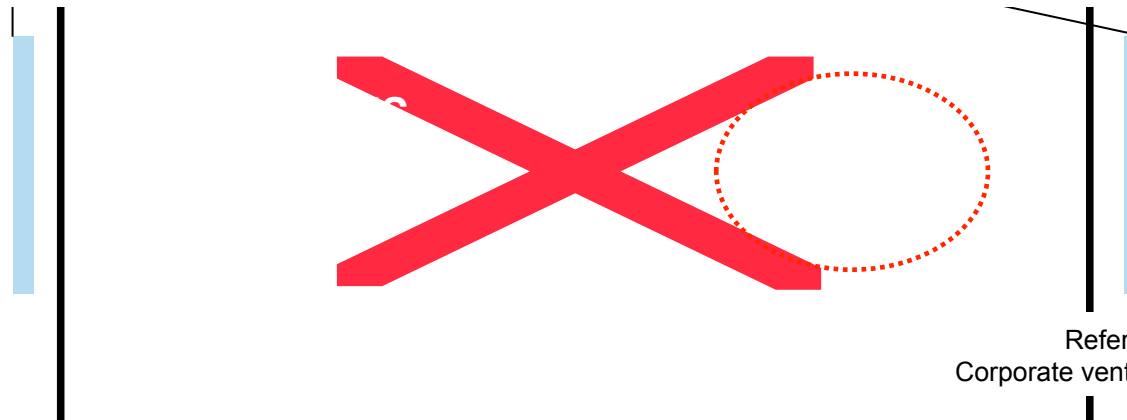
2. Problems with Internal Entrepreneurial Innovation

- Around 18% companies have some kind of program for supporting “intrapreneurship”
- But, in 46% of those companies, no applications for these programs have been submitted in the past 3 years

**Do you have an
“Intrapreneurship”
system ?**



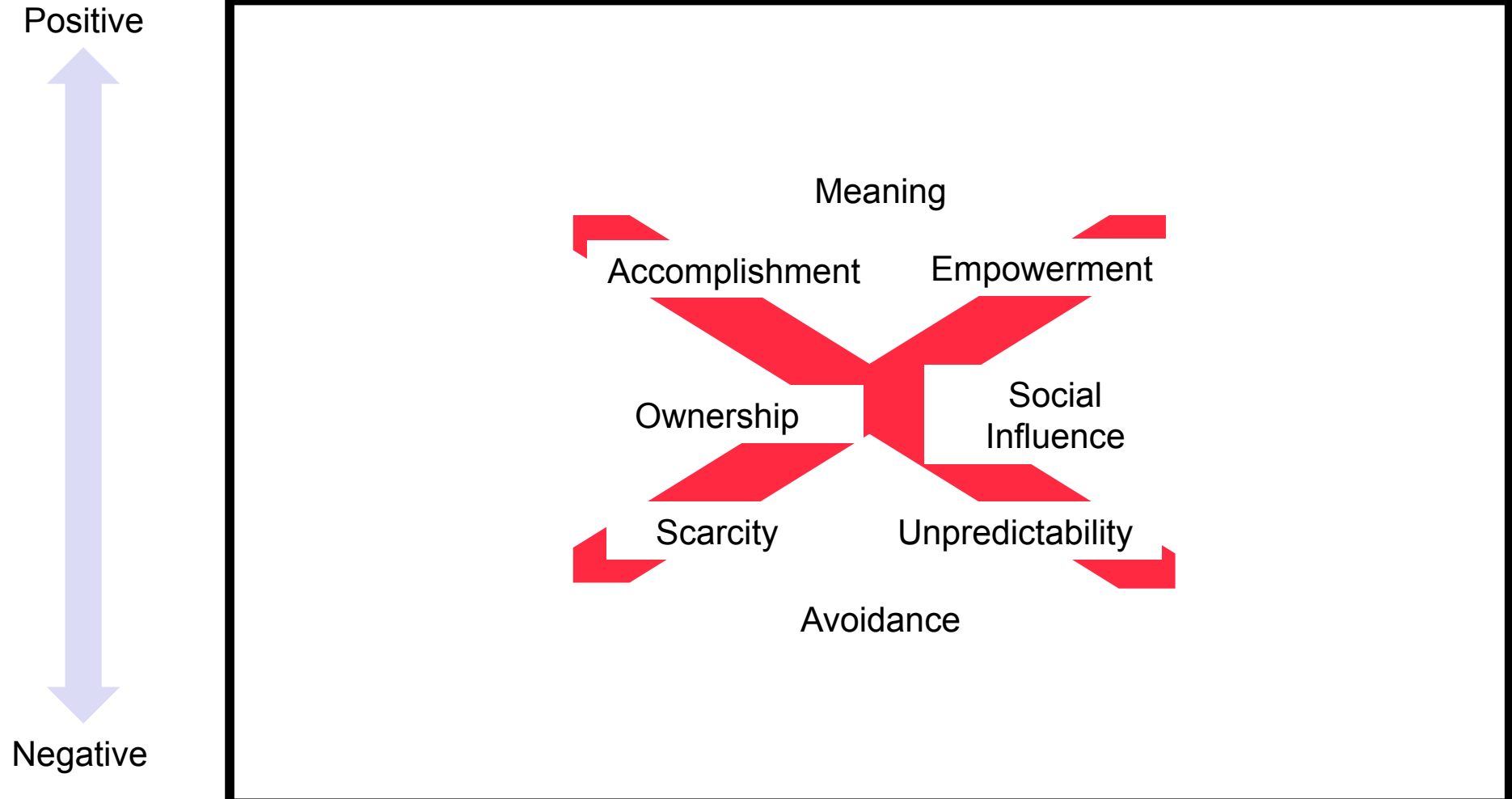
**Applications in
recent 3 years**



Reference: Research on
Corporate venturing ,METI (2014)

3. Motivation Framework

- Octalysis is a framework of gamification



4. Summary

1. Especially in Japan, accelerating internal entrepreneurs is the key to creating new businesses.
2. It is important to improve the motivation for establishing a new company.
3. “Octalysis” may be helpful in considering how to motivate people to start new businesses.

Thank you