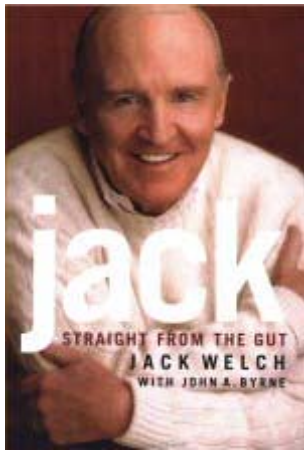


Monday, May 03, 2004

Corporate Entrepreneurship (05) - By General Electric

As **promised**, and after some definitions (I hope you have seen that this kind of notion is actually quite...large, complex but interesting ;-), it's time to look at some concrete examples. Let's begin with **General Electric** and some thoughts about Corporate Entrepreneurship from **Jack Welch**.

Concerning Jack Welch and to avoid misunderstanding: Mr. Welch is definitely NOT my leadership model in all fields. On the other hand, it is unquestionable that he was a great leader and that he developed some interesting ideas, not all very ethic to my "European" point of view ;-). His story, linked with the development of GE during the 1981-2001 period, is greatly related in his autobiography - not so many leadership's information but definitely a great book:



About Corporate Entrepreneurship:

- Welch wanted GE's operating-level managers to develop their roles around what he defined as ownership, stewardship and entrepreneurship of the company's portfolio of competitive businesses.
- The behavior Welch was most trying to create within GE was a sense of entrepreneurial drive and initiative.
- Welch also wanted to signal clearly the kind of entrepreneurial behavior he sought by reinforcing it through the reward system. [...] He started acknowledging true corporate entrepreneurs with salary increases in the 10 to 15 percent range, bonuses of 30 percent to 40 percent to many fewer managers, and stock-options that he began distributing to hundreds of effective frontline managers rather than continuing the practice of reserving them for the top echelons. [1]

Bibliographical references:

[1] The Individualized Corporation: A Fundamentally New Approach to Management
Sumantra Ghoshal, Christopher A. Bartlett, 1999