

Chapter 17

Corporate Entrepreneurship in Colombia: Contrast Cases of Two Colombian Manufacturing SMEs

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ABSTRACT

This chapter focuses on analyzing intra-entrepreneurship and corporate entrepreneurship as business renewal strategies, and to this end, it explores the case of two Colombian companies in the manufacturing sector. This is a qualitative study based on the analysis of contrast cases that were carried out in three phases: organizational characterization of companies, identification of corporate entrepreneurship through two dimensions of analysis (research, development, and innovation – R&D&I; and use of new technologies), and a contrast analysis among comparative firms. In this sense, a review of the literature was made to define the variables associated with intra-entrepreneurship and corporate entrepreneurship and how they have developed in the companies.

1. INTRODUCTION

The need for entrepreneurs and managers to adopt an entrepreneurial behavior to formulate strategies has become a priority as a result of the acceleration of technological change and increasing global competition in recent years. Covin & Slevin (1991) argue that the three entrepreneurial stances - risk sharing, innovation and proactivity - developed in new and independent business units can also be applied to corporate processes.

Therefore, this chapter focuses on analyzing intra-entrepreneurship and corporate entrepreneurship (CE) as business renewal strategies, and to this end, it explores the case of two Colombian SMEs manu-

DOI: 10.4018/978-1-5225-3543-0.ch017

facturing companies. This is a qualitative research based on the analysis of contrast cases, carried out in three phases: organizational characterization of companies, identification of corporate entrepreneurship through two dimensions of analysis (research, development and innovation - R & D & I-, and use of new technologies) and a contrast analysis among comparative firms. In this sense, the authors reviewed the literature to define the variables associated to intra-entrepreneurship and corporate entrepreneurship and their development in the companies analyzed.

This chapter is structured as follows: the first part will focus on describing the theoretical framework for CE and intra-entrepreneurship and their relation to the dimensions of R&D&I and the use of new technologies. The second section presents the results and main findings, as well as the contrast and comparison between the two companies analyzed regarding their practices about corporate entrepreneurship. Finally, the last part establishes the final considerations and main conclusions regarding the adoption of good practices or strategies related to CE in both companies.

2. THEORETICAL FRAMEWORK

The continuous change of the economic environment, characterized by the acceleration of globalization and the development of the knowledge-economy are acting as engines that transform companies (Katz, 2012). Nowadays, it is essential for companies to evaluate their competitive position and market share, in order to take advantage of the market opportunities that allow them to be competitive.

Entrepreneurship has been developing in Colombia, by means of public policies since the 90s, resulting in a stronger entrepreneurship ecosystem. Currently, researches are oriented towards the evaluation of the impact of such policies since results find higher rates of existence of subsistence entrepreneurship than dynamic entrepreneurship (Acs, Astebro, Audretsch & Robinson, 2016; Audretsch, Kuratko & Link, 2016; Parra and Argote, 2016a y 2016b)

There is a gap from the support to Nascent Entrepreneurship to the support gotten by Dynamic Entrepreneurship. Furthermore, according to different researches based on Global Entrepreneurship Monitor (GEM) data, the level of entrepreneurship has been increasing in emerging economies. However, most companies are one-employee businesses with low-growth intentions and few opportunities for economic innovation; in this context the challenge is to transform static entrepreneurship into dynamic entrepreneurship, going from routine entrepreneurship to Schumpeterian or Novel entrepreneurship (Acs et. Al., 2016; Parra and Argote, 2016:126).

Innovation is the spark of dynamic entrepreneurship. For Schumpeter, innovative actions transform the production function of firms, entrepreneurs must exhibit a dynamic rather than a passive behavior, since otherwise “his actions merely constitute repetitions of past procedures and techniques already learned and implemented” (Hébert & Link, 2009: 101). Entrepreneurs will have greater support inside than outside a company, due to the networks and connections that the firm could provide them as well as the economic support to implement their ideas. That is why CE is considered important for organizational performance and for development of innovation and technology adoption of SMES (Antoncic, & Prodan, 2006). Furthermore, several studies have identified that entrepreneurship within an organization could increase its likelihood of success in the market as well as its possibility to have having a positive impact in its socio-economic context (Kantis, 2009; Corduras, Guerrero & Peña, 2011).

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