
Strategic corporate entrepreneurship: a configuration approach-based case study

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Abstract: This article approaches strategic (corporate) entrepreneurship as a response to increased complexity and turbulence confronting professional service firms. By applying the configuration approach, we analyse the strategy, operating environment, organisational structure and effect of the founding person on a highly successful professional service firm in The Netherlands. Our analysis shows that a company that actively manages all four proposed configurational domains is not only better able to create organisational change, growth and financial returns, but is also more resistant to crisis situations.

Keywords: intrapreneurship; strategic entrepreneurship; strategic management; corporate entrepreneurship; configuration approach; case study; venturing; service firm; entrepreneurship; crisis.

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This paper is the further development and thorough update of a previous version which has been published in the form of the inaugural lecture booklet by Prof. Sascha Kraus (2009) at Utrecht University, the Netherlands, which has been amended with additional – empirical as well as theoretical – content. Minor parts of the content have also served as the basis for a teaching case study in the *International Journal of Entrepreneurship & Innovation* (Kraus and Rigtering, 2010).

1 Introduction¹

In today's business world, established/large enterprises have to deal with two major challenges:

- a responding to the technological and global challenges of rapidly changing markets (Kemelgor, 2002; Kuratko et al., 2004)
- b their own internal, often inflexible and bureaucratic structures, which leads to slow decision making and/or the inability to easily adapt to new situations (Hammer and Champy, 1993).

In order to maintain their survival, growth and long-term success, enterprises need to be innovative and creative (Teng, 2007). Entrepreneurial behaviour is considered to be one of the most promising ways to achieve this.

During the last decades, entrepreneurship was mostly considered in terms of – often very unique – entrepreneurial personalities who started new ventures (Thornberry, 2001). Recently, a growing consensus has emerged that sees not only new ventures, but also established and/or large enterprises as needing to nurture entrepreneurial behaviour throughout their operations in order to successfully compete in rapidly changing environments. Entrepreneurial behaviour in established and/or large organisations is called corporate entrepreneurship (CE), and is considered to be the main driver for success in any modern organisation (Hayton and Kelley, 2006; Covin and Lumpkin, 2011).

CE describes a firm's formal and informal entrepreneurial activities which are aimed at innovations and market developments within established/larger organisations. CE allows organisations to create new value through innovation, renewal and revitalisation of their activities (Zahra and Covin, 1995) and is often viewed as the driver of new business activities within existing organisations (Dess et al., 2003). Since entrepreneurial behaviour always has a strategic dimension as well, the enterprise's strategy (content) and strategic planning (process) are related to corporate success (Kraus and Kauranen, 2009). Within established and or larger organisations, strategic corporate entrepreneurship, i.e., CE under a strategic perspective, might also be an important factor for corporate success. The aim of this study is to offer a comprehensive but state-of-the-art overview of the field of CE and to link this contemporary body of knowledge to the field of strategic entrepreneurship, using the intersection as a theoretical basis for a configuration-based case study analysis of strategic CE.

2 Theoretical foundations

2.1 Entrepreneurship

Since the last decade of the 20th century, entrepreneurship has become a fully accepted discipline within management sciences with more and more academic scholars taking it to higher level of sophistication with their conceptual, modelling and empirical research studies (Barrett and Weinstein, 1998). Although the term *entrepreneurship* has been used for decades, it continues to have no generally accepted generic definition (Watson, 2001). Essentially, entrepreneurship refers to individual opportunistic actions that create value and bear risks. Entrepreneurship is also strongly associated with innovation (Brem, 2011). Stevenson et al. (1985, p.16) define entrepreneurship as: “the process of creating value by pulling together a unique package of resources to exploit an opportunity”. In a Schumpeterian sense, entrepreneurship goes along with innovation, which can either be

- 1 the introduction of a new good
- 2 the introduction of a production method
- 3 the opening of a new market
- 4 the conquest for a new source of supply of raw materials
- 5 the carrying out of a new organisation of any industry (Kraus, 2009).

To foster innovation is to foster entrepreneurial behaviour, and the link between innovation, entrepreneurship and growth has become centrally proclaimed and emphasised (Audretsch and Thurik, 2001).

2.2 Corporate entrepreneurship

Entrepreneurial behaviour and entrepreneurial orientation is often a firm-level phenomenon that can be found in all kinds of enterprises regardless of their size, age or profit orientation (Miller, 1983, 2011; Kraus et al., 2012; Rigtering et al., 2014). CE (sometimes also called *intrapreneurship*; e.g., Antoncic and Hisrich, 2001) as the manifestation of entrepreneurial orientation in established or large enterprises promotes strategic agility, flexibility, creativity and continuous innovation, with the aim of transforming administrative-oriented employees into intrapreneurs. The major difference between entrepreneurs and intrapreneurs is the business environment in which they operate. Where the individual entrepreneur takes personal risks, has limited resources and flexibility in changing the company course, the typical intrapreneur has to operate within a predetermined set of rules, procedures and bureaucracy, but has company resources and an established business network behind him (Morris et al., 2008). Intrapreneurs are therefore typically inclined towards lower personal risks.

Some authors advocate the view that CE automatically involves the creation of new enterprises either within or outside the boundaries of the organisational domain, i.e., the so-called internal corporate ventures (ICVs). ICVs are entrepreneurial initiatives that originate within a corporate structure and serve as the inception for new businesses for the corporation. ICVs are used by established/large enterprises for strategic renewal and

growth (Garvin, 2002), while being completely independent units formed for a specific purpose of developing new products or entering new industries (Burgelman, 1983). Since corporate ventures can reside either within or outside the organisational domain, they can be classified as external, cooperative or internal. Corporate ventures that reside outside the organisational domain are referred to as *external corporate ventures* (Sharma and Chrisman, 1999; Miles and Covin, 2002). *Cooperative corporate venturing* is manifested as joint ventures and alliances (Miles and Covin, 2002), while *internal corporate venturing* refers to venturing activities that result in new organisational entities residing within the organisational domain (Sharma and Chrisman, 1999).

In opposition to the view that CE automatically involves the creation of new enterprises, this article views CE as any kind of entrepreneurial behaviour and/or orientation within an established organisation regardless of the question whether there is a formalised ICV, a business unit, profit centre or only a task force taking care of the innovations. This view allows CE to also be present in smaller SMEs, because they often do not have the necessary resources for the start-up of a completely new venture ('liabilities of smallness', e.g., Aldrich and Auster, 1986). Because of the plethora of their different types, providing an exact definition of CE is almost a matter of personal choice. There are however some similarities between the different definitions. These similarities as summarised by Thornberry (2001) are:

- 1 CE involves the creation of something new
- 2 the creation requires additional resources or changes in patterns of resource deployment
- 3 the creation results in learning which stimulates the development of new capabilities
- 4 the novelty is intended to produce long-term value for stakeholders
- 5 financial returns are predicted to be better than the status quo
- 6 CE results in increased risk for the organisation.

As opposed to bureaucratic enterprises which are characterised as being highly risk-averse, not very innovative, and reactive within their own structures (Barringer and Bluedorn, 1999), entrepreneurial enterprises display rather innovative, proactive and risk-seeking behaviour (Stacey, 1993; Stevenson et al., 1999). Innovativeness refers to a firm's willingness to support new ideas which might lead to new products or services (Lumpkin and Dess, 1996; Kuratko and Hodgetts, 1998). Proactiveness implies taking the initiative by anticipating changes in the environment and pursuing new opportunities (Venkatraman, 1989; Lumpkin and Dess, 1996). Risk-seeking entails a firm's particular willingness to take calculated risks and engage in risky projects (Zahra, 1993a). Along with these three well-known dimensions, Saly (2001) identified two additional dimensions – corporate venturing and self renewal – in a meta-analysis which characterised the intensity of CE in an organisation. Corporate venturing includes all activities that eventually lead to new corporate spin-offs (Sharma and Chrisman, 1999). Self-renewal deals with the strategic repositioning of an enterprise. Zahra (1993b, p.321) calls it "the redefinition of the business concept, organisation and the introduction of system wide changes for innovation". In contrast to the corporate venturing dimension, the entire enterprise is considered, not just one business unit.

One of the main issues researchers attempt to answer is what influences the different CE dimensions and how CE can be strengthened within an enterprise. The resource-based-view of the firm suggests “that the real source of successful performance is to be found in the ability of the firm to develop and effectively utilise special competences” (Chamanski and Waago, 2001). Entrepreneurially-oriented enterprises must therefore feature aspirations beyond current capabilities, such as team-orientation, capabilities to resolve dilemmas or learning capabilities (Baden-Fuller, 1995).

2.3 Current state of (empirical) research

The current research discusses CE and its conceptual meaning, develops conceptual models, and analyses the relationship between CE and performance – which is, according to a meta-analysis by Rauch et al. (2009), generally a positive one. Among the numerous studies, three different approaches that focus on a different entrepreneurship scale and topic can be identified (Baum et al., 2001). *Behavioural approaches* take a look at the individual human characteristics and life events that cause people to act entrepreneurially (Gartner, 1988). The *organisation characteristics approach* sees entrepreneurial behaviour as the results of complex processes where environmental and organisational factors help shape the opportunity structures where people or groups function. Although the organisation characteristics approach acknowledges the value of individual entrepreneurship (individuals act entrepreneurially within an organisation and not the organisation itself, see e.g., Rutherford and Holt, 2007), this approach concentrates on internal contexts that can act as a catalysts or barriers to entrepreneurship (Zahra and Covin, 1995; Dess et al., 2003; Burns, 2008). An important implication of this approach is that creating an entrepreneurial organisation requires a transformation to a more supportive control system, organisational culture, structure and management (Kuratko, 2007).

The *environmental approach* focuses on interactions between the organisation and the environment. For the most part, CE appears to be positively related to superior financial performance, especially for organisations operating in changing and highly competitive environments (Zahra and Covin, 1995; Chandler et al., 2000; Antoncic and Hisrich, 2001). Along with an increase in profitability, CE has been shown to increase revenue stress, promote company growth, and empower employees (Zahra, 1996; Barrett and Weinstein, 1998). This is especially true for larger organisations. The more all three major elements of CE (proactiveness, innovation, and risk taking) are encouraged, the stronger enterprises’ overall performance, flexibility, market orientation and probability for radical innovations will be (Barrett and Weinstein, 1998).

CE has also displayed itself as a management process that differs from what is considered to be ‘conventional’ management due to its higher level of uncertainty and intensity of knowledge (Kanter, 1985). CE is based upon a firm’s capability to learn through exploration of new knowledge and the exploitation of existing knowledge (Hayton, 2005; Yiu and Lau, 2008). Although CE results from a top-down initiative originating from and facilitated by the head(s) of a company, empirical evidence shows that CE can best be realised through management involvement and support, time availability, work discretion/autonomy, and resource availability (Zahra, 1991; Hornsby et al., 1993; Antoncic and Hisrich, 2001). In order to foster CE, an entrepreneurial culture is required that enhances innovative behaviours, proactiveness, and risk-taking among

employees. Since top management is usually more or less isolated from the actual day-to-day business, it is instead often the middle managers who act as change agents, playing an important role in communicating the company's missions goals and priorities to the employees (Hornsby et al., 2002). Middle managers can therefore be regarded as 'the locus of CE' (Jones, 2005).

2.4 Strategic entrepreneurship

Sharman and Chrisman (1999) have consolidated the different (and sometimes overlapping) forms of CE into two main types: corporate venturing that leads to the creation of new venture formation within the organisation; and strategic entrepreneurship. Strategic entrepreneurship (SE) does not necessarily involve the creation of new business units, but instead combines the attributes of the entrepreneurial (opportunity-seeking) perspective and the strategic (advantage-seeking) perspective (Morris et al., 2008; Kraus and Kauranen, 2009). SE deals with the actions an enterprise takes in order to exploit the innovations which result from its efforts to continuously explore opportunities (Ireland and Webb, 2007) and involves taking entrepreneurial actions that have strategic perspectives (Ireland et al., 2009; Kraus et al., 2011). In this article, strategic (corporate) entrepreneurship within established organisations will be the object of analysis.

2.5 The configuration approach

According to Dess et al. (1993), a configuration contains relationships among elements or items representing multiple domains. Within a configuration, a complex set of interconnected variables can either assist or hinder one another. As a methodical principle, the configuration approach goes beyond universal or contingency approaches that are, although more popular, mono-causal and less justified (Robinson and McDougale, 2007). A major problem with mono-causal approaches is the underestimation of complexity and interrelations. Mono-causal approaches offer a simplified view of a true relationship because they do not analyse the interactions between more than two domains at the same time. The configuration approach on the other hand allows the expression of complicated and interrelated relationships among many variables without resorting to artificial oversimplification of the phenomenon being addressed (Dess et al., 1993). By always analysing an essential variable in light of other variables that could be affected by this variable, the configuration approach expands beyond mono-causal approaches in its ability to model both dependencies as well as interdependencies. Although not all relevant variables can be included in one configuration analysis, the ability to account for relevant (mutual) causalities is unquestionably greater with the configuration approach (Dess et al., 1997).

A key idea of the configuration approach is that there is a limited number of firm types that can be equally successful (equitinality) (Harms et al., 2009). Ideal configurations which represent overly successful firms can be identified in two ways:

- 1 detecting real types, i.e., taxonomies (e.g., Scherer and Beyer, 1998)
- 2 analytically deriving configurations by developing ideal types, i.e., typologies via theoretical reasoning (e.g., Mintzberg, 1979).

Configuration analyses can be used for quantitative as well as qualitative research (Mugler et al., 2003; Wiklund and Shepherd, 2005). They're not just applicable for economic reasons, but also suitable for spawning new theories of organisation across all of the social sciences (Mintzberg, 1990).

Miller (1987) applied the four traditional strategic management domains (leadership, structure, strategy and environment) for his configuration analyses. Harms et al. (2007) adapted Miller's (1987) model in order to make it suitable for the topic of new ventures. They proposed that leadership should be integrated into 'the founding person' concept, seeing the founder as the driving force of a start-up company. Another proposal was to change the structure domain, addressed as the formal (hierarchical) structure of a company, to the element of resources (e.g., Kraus, 2009). Within SMEs, the resource configuration provides the structure for the organisation. SMEs (as well as new ventures) often have difficulty in acquiring and managing strategic resources to obtain and keep a competitive advantage. Although SMEs might be more flexible, they mostly do not have sufficient resources and the same capabilities as large (established) firms. Following Kraus (2009), the following four domains are thus proposed for our analysis:

- 1 strategy
- 2 founding person
- 3 environment
- 4 structure and resources of the enterprise.

For this analysis, a qualitative approach was chosen which combines the case study method (Yin, 2009) with personal in-depth interviews with the entrepreneur and company founder as well as with one of the managing partners of the firm. Carrying out interviews with the top management, this research follows a key informant approach (Silk and Kalwani, 1982; Huber and Power, 1985) and regards the highest management level in SMEs as the most suitable respondent on issues relevant to a firm's strategic approach. The combination of in-depth interviews and a case study is well respected in research on small-and-medium sized enterprises (Curran and Blackburn, 2001). The interviews were fully transcribed: excerpts will be quoted within the analyses where appropriate.

3 Empirical part

3.1 The case company: &samhoud

The case company &samhoud celebrated its twenty-fifth birthday in 2014. &samhoud is a medium sized² firm with 178 employees based in Utrecht, The Netherlands. &samhoud started off as a consulting firm. Currently, the firm encompasses several brands and has branch offices in Zurich (Switzerland) and Kuala Lumpur (Malaysia). The company history began when Salem Samhoud ran into his former university friend Kees Arends in 1989. Both agreed that they were unhappy with their experiences in working life. Salem was nearly bankrupt after trying to start up two medical centres, while Kees had lost his faith in the product market. The two young entrepreneurs therefore decided that they should take a chance in the service market.

Equipped only with a video camera, the two sole employees of the new company set out to film the driver of a bus company as he rudely interacted with the passengers. The management of the bus company was shocked when confronted with the footage and as a result gave the new entrepreneurs their first consulting contract. Arends and Samhoud Dienstenmarketing was born, and the company subsequently specialised in consulting services for public transportation in The Netherlands. Larger projects followed with the Schiphol Airport in Amsterdam as well as other transportation companies. The company eventually leased office space in Utrecht, a city of 300,000 inhabitants about 40 kilometres south of Amsterdam, and hired its first employees. In 1995 Arends & Samhoud Dienstenmarketing, and the spinoffs Marketing Services and Traffic and Transport, were regularly in the news with their progressive way of treating employees. Salem Samhoud was asked on national television to explain why his employees were allowed to take (power) naps during working hours.

In 1998, Kees Arends left the company (which at that point in time consisted of seven business units) mainly because he could not agree with Salem Samhoud on the overall (growth) strategy of the firm. Salem took the departure of his co-founder pragmatically, renaming the company according to the formula:

$$(Arends \ \& \ Samhoud) - (Arends) = \&Samhoud$$

The ‘&’ in the name allows the names of clients, employees and suppliers to put their name before the company’s own, creating an open and cooperative interaction in the consulting process. 1998 was also the year of the first bestseller by Salem Samhoud. In *Eigen Doel (Own Goal)*, readers are encouraged to contemplate their goals in life and how to achieve them. During this time, &samhoud opened offices in Germany, the USA, Sweden, and Spain. Ultimately, only the most promising location in Spain would survive. Salem Samhoud therefore decided to first shape the business model of &samhoud to its core competency. Divisions merged or were closed down, and everything would now focus on the mission of realising breakthroughs by inspiring and connecting people.

In 2003, the second bestseller by &samhoud *Plezier en Prestatie (Fun and Performance)* was released. This book, in which the term ‘fun management’ is introduced for the first time, was also published in German and Spanish. From 2006 onwards, &samhoud focused more and more on vision creation. The experience built up over the years in the area of vision and strategy resulted in the 2007 book *Kus de Visie Wakker (Awaking the Vision)*, which was nominated for the ‘Management Book of the Year’ award.

2007 onwards saw enormous growth, both in the number of employees, turnover, and profits. The turnover increased with an average of 35% annually and the net profits with an average of 41.5%. &samhoud was also awarded the first-place ‘Great Place to Work Award’ in The Netherlands in 2008, 2009 and 2010. In 2010 &samhoud was additionally awarded the first-place ‘Great Place to Work Award’ in Europe and won the prestigious European Business Award for best employer of the year. Besides increasing their employee satisfaction level from 8.2 in 2008 to 8.4 in 2010, &samhoud also increased customer satisfaction from an average of 8.0 in 2008 to 8.9 in 2010. In 2015 &samhoud was elected as the ‘smartest company of The Netherlands’, a price that is awarded to the firm uses its human capital in a creative and purposeful manner. The essential values of the company’s corporate culture are: intensity, authenticity and friendship. These values are strengthened and reaffirmed through regular seminars and workshops.

3.2 Configurational domain 1: strategy

Strategy comprises the first domain needed to determine SE configurations. Strategy is the part of business policy that deals with the overall direction and long-term aims of a company. The facets of strategy, content (the strategy itself), and process (the implementation of a strategy) have seen increasing research interest in recent years (Reynolds and Storey, 1993).

Different types of firms display different type of strategies. Miles et al. (1978) distinguish four different types of organisations:

- 1 defenders (planners with a narrow product – market domain, high amount of expertise but no active search for new opportunities),
- 2 prospectors (entrepreneurial firms who continuously search for new opportunities)
- 3 reactors (firms who only adapt to change when forced by environmental pressures)
- 4 analysers (firms operating in two or multiple product/market domains at the same time: one rapidly changing, the other(s) relatively stable).

The case company of this article is a corporate consultant concentrating on concept development, strategy, leadership development, and changes in corporate culture. It can be described as a professional service firm (PSF) that offers knowledge-intensive consultancy services for companies and government institutions (e.g., Jensen et al., 2010). Although &samhoud is a private B2B company, it is not solely limited to economic transactions. The overall business model is based more on an overall societal view and its sub-system of economy. Managing partner Jeroen Geelhoed emphasises this: “Our higher goal is creating a brighter future. We are constantly looking for new and better ways to realise that. Our new ideas and activities are really vision driven, we want to create a movement”. When the company was founded 20 years ago, financial returns even then were not the primary goal. Founder Salem Samhoud puts it like this: “Our audacious goal is to be the best place to work for and with, in five countries. Our proposition is: creating breakthrough by inspiring and connecting people: real sustainable large scale change in large organizations. This goal is important for 80 to 90% of our employees”.

The concept of breakthroughs clearly corresponds to &samhoud’s overall company philosophy of embracing change. Salem Samhoud: “Breakthroughs are durable financial results stemming from high employee satisfaction and high customer satisfaction. Breakthroughs come about when people view the need for change rationally (analyse/think/act), and experience that need for themselves too (see/feel/change)”. This focus on change and employee satisfaction are two main strategies of &samhoud that are interlinked with one another. Instead of paying out their profits at the end of 1991, founders Salem Samhoud and Kees Arends decided to use this money to enrol in a Harvard Business School course on the value profit chain (Heskett, 2003). The basic idea is that when a company takes care of its employees, they will, in return, take care of the customers. Happy customers will then lead to good financial results (growth, revenues and/or profits) for the company. The value profit chain (Heskett, 2003) is implemented using a management style that motivates both management and employees towards entrepreneurial thinking. Salem Samhoud talks about the entrepreneurial spirit within &samhoud: “We do not want everyone to run his own business, but we do want everyone

to think business-wise; for the customer as well as for &samhoud. We want everyone to develop an entrepreneurial spirit, to think like an entrepreneur. Externally this means identifying chances, developing breakthrough knowledge and concepts for customers and making a successful and durable business. Internally it means acting like it is your own organisation, going the extra mile, thinking about the future of &samhoud and taking responsibility". By focussing on employee value and change, &samhoud underlines the role of middle managers in promoting CE (Jones, 2005) and provides the working climate to foster entrepreneurship (Stevenson and Jarillo, 1986; Kuratko, 2007). This includes creating work autonomy (Zahra, 1991; Antoncic and Hisrich, 2001; Hornsby et al., 2002) and encouraging risk-taking behaviour (Barrett and Weinstein, 1998; Lassen et al., 2006). For &samhoud, taking risks and giving people autonomy/responsibilities also includes leaving room for mistakes. For example: when the first internationalisation in Germany and the USA failed due to young and inexperienced staff filling certain positions, there was still room for a second chance. Salem Samhoud emphasises the combination of high performance and leaving room for errors: "Our culture allows room for errors, but if you are not delivering within 2 or 3 years you should go. Out of 10 people we have maybe 2 or 3 failures".

The willingness to take risks is also reflected by the fact that &samhoud is willing to strategically venture into completely new domains. With the opening of &samhoud places, a two star Michelin restaurant in the city centre of Amsterdam, in 2012 &samhoud was no longer was only B2B consultancy firm, but also a restaurateur. Het Financieele Dagblad (the Dutch financial times) asked several prominent Dutch marketers in 2012 to evaluate this strategic choice and new concept in which not the chef, but a consultancy company takes the lead in developing the concept for the restaurant. Many labelled the idea as 'high risk', 'strange' or mentioned that it was 'unlikely to create synergies'. For Salem Samhoud, it was another way to contribute to his higher goal of 'creating a better future' and a first step to start making an impact on the food market as well. Next to being a successful top quality restaurant, &samhoud places is designed as a 'laboratory for creating innovative dishes'. Such dishes are now tested in 'StreetFood', the more casual restaurant located next to &samhoud places, and finally further developed for mass production by &samhoud's new venture &samhoud food. In 2014 the largest supermarket chain in The Netherlands, Albert Heijn, introduced a range of healthy pre-prepared (microwave) dishes from &samhoud food.

With its focus on innovation and change, &samhoud can be categorised within the terminology of Miles et al. (1978) as a prospector. At &samhoud it is clear that cooperation, innovation and shared responsibility, along with an entrepreneurial spirit, represent the foundation for sustainable company success. The value profit chain (Heskett, 2003) forms the foundation of the consultancy approach applied by &samhoud. First, the consultants obtain an overview of the dynamics within a company and its strategic direction. Here, gauging is an important element in the consulting process. Among other things, how leadership and strategy are lived out in the client's company is surveyed, along with employee and customer satisfaction, what kind of energy and effectiveness is coming from the corporate culture, and how well and sustainably it achieves its financial results. It can, in other words, be seen to what extent the company differs from the ideal company philosophy as put forth by &samhoud, from which necessary changes can be identified and concrete steps for them can be set in motion.

3.3 Configurational domain 2: the founding person

The founding person, or entrepreneur, is the second domain when it comes to deriving SE configurations. He or she is normally the primary decision maker and strategist in SMEs and new ventures. The responsibilities of the entrepreneur include the development and implementation of the company vision, mission and strategies (Analoui and Karami, 2003). Strategic decisions within an SME or new venture are therefore always the result of the subjective orientation and attitudes of the entrepreneur (McKenna, 1996). It is often argued that every business needs an explicit strategy (e.g., Sandberg et al., 2001). However, in practice, many entrepreneurs run their business day in and day out without doing any strategic planning at all. Another major challenge for entrepreneurs is coping with the necessary changes that are needed for their enterprise to grow, as well as changes that arise in the operation environment (Thompson, 1999).

The founding person of &samhoud, Salem Samhoud, grew up as the child of a single mother in the Dutch town of Apeldoorn. He paid for his economics studies at the well-known Nyenrode Business University by washing dishes. After successfully completing his degree, he obtained a postgraduate qualification at the University of Lyon in France (Mullick et al., 2001). Following this, he worked as a corporate consultant, as well as for Unilever. Education is for Salem Samhoud an essential personal goal. Even when his company was growing at a breakneck pace, taking him to his personal limit, he continued to attend seminars at top universities such as Harvard, Stanford, MIT, London Business School and INSEAD.

In terms of SE, the entrepreneur must be a transformational leader who transforms people, teams and the company by going beyond the status quo and, in doing so, affects the firm's ability to innovate and adapt (Ling et al., 2008). Salem Samhoud uses his publications (articles, magazines, books, movies) as well as public relations to communicate his ideas and vision to as wide of a public as possible in both companies as well as society in general. In 2006, he founded the social initiative 'Vision 21', whose goal was the development of a future vision for The Netherlands. Each of the then 53 employees at &samhoud invested five percent of their work time in this project. With his first ever project with the Union of Dutch Regional Transport Companies, Salem Samhoud already laid the foundation for his company's philosophy. The goal of the consulting projects is not only to find a solution for the customer, but also to solve problems in society. This means that the consulting approach is not solely directed at fulfilling customer wishes. In a greater sense, &samhoud seeks collective, overall and comprehensive solutions for problems that are brought to the company by customers. This was made especially clear when Salem Samhoud introduced a competitor into the market of a client in order to break through antiquated business behaviour. Salem Samhoud:

"I wanted to definitely change regional transport... When I advised the Union of Dutch Regional Transport Companies (VSN) contrary to their wishes, they refused to pay the bill. From this I deduced if they were unwilling to change by looking outwards, they had to be changed from the outside in. As such I introduced a competitor to the Dutch regional transport market – the American company Vancom."

Salem Samhoud's view of the economy as a sub-system of society that is expected to derive its own objectives from those of society serves as an inspiration for the employees of &samhoud. Personnel trainings at e.g., Harvard Business School or at INSEAD are not

primarily aimed at acquiring new knowledge but, as Salem states instead, “finding your own authenticity”. The ability to stimulate others and create motivation through inspiration are, according to Bass (1985), key dimensions of a transformational leader. Along with the entrepreneur, other key actors of SE activities are the employees who implement new ideas, and managers who support them (Bhardwaj and Momaya, 2006). This is what Stevenson and Jarrillo (1990) call the ‘crux’ of CE, i.e., that opportunities for the enterprise need to be pursued by the individuals within it. Much of the research on CE understands that entrepreneurial orientation as an organisational culture requires a focus on taking advantage of opportunities (i.e., proactiveness), innovation, and risk taking (Miller, 1983; Covin and Slevin, 1989; Wiklund, 1999). But how can you align the interests of individuals with those of an organisation, and how can you motivate employees to engage in risky behaviours (Chung and Gibbons, 1997)? In addition, the role of the founder Salem Samhoud plays a critical role in creating the overall corporate culture, and requires individual consideration when sorting out this classical ‘agency problem’.

The transformational leadership style of Salem Samhoud goes hand in hand with an entrepreneurial mindset that encourages risk taking, innovation and proactive behaviours. With the consultancy philosophy that may directly contradict customer interests, Salem Samhoud has set the stage for more risky projects. He also creates room for others to develop themselves, be innovative and take responsibility. Salem Samhoud: “It is easy to let go when you have the right people with the same view that make decisions”. Sharing and giving responsibility does however not mean that employees are on their own. Here the high level of individual consideration comes into play. &samhoud states: “We strive after a free mind for every individual, so he/she can choose with energy what is best for them. Responsibility goes hand in hand with a free mind. Every employee has a yearly personal contract with his/her goals for the specific year”. By developing a personal vision with every employee – and helping them to make it happen – intrapreneurship is highly encouraged within &samhoud. This has resulted in a high number of innovative services and new ventures that all have a direct link with the parent company.

3.4 Configurational domain 3: environment

A company’s (internal and external) environment is the third elementary domain of deriving SE configurations. A company’s strategy is heavily dependent on the environment. Jennings and Lumpkin (1992) determined that companies that implement a differentiation strategy scan their environment for new opportunities. Firms with a cost leadership strategy on the other hand scan the environment to identify any potential threats in order to secure their survival.

Any strategic process must start with an environmental analysis that evaluates and disseminates information from the external environment of the company. An environmental analysis should identify strategically important factors and opportunities, together with threats and uncertainties which might affect a firm’s future success. Research by Analoui and Karami (2003) has shown that firms who systematically scan their environment are more successful than firms that do not. Processing the environment internally involves the bundling of resources and leveraging of capabilities to exploit the opportunities to develop and sustain a competitive advantage. With SE, the identification of an opportunity and exploitation comprises the basis of resources and the foundation of the new venture/SMEs strategy (Shane and Venkataraman, 2000). SE aims to exploit an

opportunity by creating value by assembling a unique constellation of resources. Recognising opportunities involves identifying ideas for new products, markets, services or production methods that are currently not or under-exploited (Shane, 2003). Opportunities are, in turn, the foundation of a firm's resources which later on can represent a competitive advantage (Alvesson and Busenitz, 2001).

The most important players in a company's environment are its customers, competitors and other stakeholders (Grant, 1991). The most recognisable customers of &samhoud are currently bank and insurance companies (e.g., Achmea, Rabobank, AMB, Generali, AEGON); government institutions (including five Dutch federal ministries as well as a variety of municipalities); the Dutch Chamber of Commerce; the postal service and railway system; the Dutch Soccer Federation; KPMG; as well as the firms Akzo Nobel, McDonald's and SEAT. &samhoud is however still very dependent on one or two big clients. Jeroen Geelhoed states: "In 2003 there was a problem because one big client stopped the relationship. This is our business model, but now we are doing different projects at one big client, so we are already spreading risks". Along with the efforts to spread risks, &samhoud also uses more specific strategies. Jeroen Geelhoed: "Our strategy is to have good relations with board members and make sure that we do significant projects. We are adding value, if there is a risk we try to diversify".

In terms of competitors, &samhoud believes they are essential when it comes to delivering better service and greater value to its own customers. As Salem Samhoud puts it: "Companies need an entrepreneurial perspective and a strategic perspective and we are able to deliver both, which some of our competitors cannot". Since the added value of a consulting firm most of the time derives from its employees, one may ask why a big competitor such as McKinsey would not hire key employees away from &samhoud. Salem Samhoud thinks that this threat is neutralised by &samhoud's corporate culture: "There is a difference between what they can't do and what we can. McKinsey's people may want to work for us, but I do not see McKinsey as a competitor. They are a 'strict father', we are a 'caring mother'".

Salem Samhoud's vision to create solutions for their customers that are also beneficial to society also makes society itself one of the most important stakeholders for &samhoud. It also means that &samhoud always has to look for opportunities to use their knowledge and expertise for social initiatives. Jeroen Geelhoed gives an example of how &samhoud tries to make an impact in society:

"&intoconnection is a social initiative that is based upon the higher goal of inspiring and connecting people... For this we did a worldwide survey on connection and went to 14 different cities around the world to convince people to get connected to other people. Our contribution to society is very important for us, because we want to build a brighter future."

To achieve this goal, 5% of the company profits are annually used for social initiatives and charity work.

The economic downturn and recession that has plagued many European countries in the time period 2007-2014 initially had little effects on &samhoud with the consultancy business still growing rapidly. After the period 2010/2011, the severe problems in the PSF sector also started to affect &samhoud. The branch office in Madrid was closed down and growth in the Dutch and other offices stagnated. In comparison to other consultancy firms, little downsizings efforts where, however, necessary. &samhoud

places and the new venture &samhoud food offered new opportunities. In 2013 they already decided to open a new consultancy branch office in Zurich.

3.5 Configurational domain 4: structure and resources

Firm structure and resources are the fourth elementary domain for deriving SE configurations. An organisational structure is comprised of the relationships between communication, authority and workflow (Ireland et al., 2009) and is the basic element of an effective implementation of strategy, because it enables the entrepreneur to allocate work, resources and administration which are needed for the control and implementation of a firm's strategy (Analoui and Karami, 2003). Chandler (1962) was one of the first to analyse how firms develop new organisational structures to facilitate organisational growth. Changes in organisational structures are also needed when strategies change, which in turn may lead to economic inefficiencies and administrative problems (Lynch, 1997). One should also remember that sheer firm size has an influence on structure, i.e., smaller firms tend to have a simple and functional structure, while large firms that operate in different markets or have multiple products require a more complex structure such as a matrix organisation, multidivisional organisation, or a strategic business unit structure (Analoui and Karami, 2003). In SE the structure should support the organisational culture and the constant search for entrepreneurial opportunities in order to create and sustain competitive advantages (McGrath and MacMillan, 2000).

&samhoud uses a strategic business unit structure. At the top of the structure is the holding company, which is owned by Salem Samhoud and his seven partners. Within the holding, there are three subsidiary companies: &samhoud Netherlands (which has a divisional structure), &samhoud international (it also has a divisional structure) and &samhoud New Ventures. Each of the companies has its own legal entity that facilitates the entrepreneurial behaviour of the respective CEO and its team. Salem Samhoud is convinced that entrepreneurial behaviour can only be fostered if you give your employees more responsibilities. He states: "The only way to grow within a professional service firm is to share. Sharing is not a problem, but rather an adventure". This approach has resulted in a number of new (social) ventures such as &samhoud Women, &samhoud School, and Zoekmachine.nl.

Taking a resource-based view (Wernerfelt, 1984; Barney and Wright, 2001) of SE, resources can be combined or developed to create unique capabilities that increase a firm's competitive advantage (Amit and Schoemaker, 1993). In the early stages of enterprise growth, the identification and acquisition of resources is usually more important than allocating them (Katz and Gartner, 1988). As an enterprise grows, resources have to be developed and reallocated in a way that retains a proper fit with the environment (Chandler and Hanks, 1994). The kind of resources that allow an organisation to develop and sustain competitive advantage(s) depends on the environment. Firms that operate in dynamic and hostile environments generally require intangible resources, while companies operating in stable environments usually require tangible resources (Lichtenstein and Brush, 2001).

Human capital has a significant influence on the strategy and performance of an enterprise (Hayton, 2005). This holds particularly true for a PSF. &samhoud puts a lot of effort not only into strengthening their corporate culture, but also in developing their employees as professionals. Jeroen Geelhoed: "For each of our employees we jointly formulate a personal vision. It is not mandatory to grow into the hierarchy but you need

to grow as a person and also in knowledge". In order to facilitate the development of their human capital, &samhoud offers internal courses and external trainings on different subjects. In 2009, for example, they went to Harvard Business School to attend a seminar on entrepreneurial behaviour. The company also offers employee development trainings at Santiago de Compostela in Spain and philosophy courses at Delphi in Greece.

4 Conclusions

A configuration-based case study approach on strategic (corporate) entrepreneurship was used for the analysis above. The case study company &samhoud has shown a tremendous emphasis on all four configurational domains, especially the domains of strategy, founding person, and environment. In a strategic (corporate) entrepreneurship context, they indicate that strategic (corporate) entrepreneurship might be a good way to cope with the threats of dynamic times. &samhoud has shown both excellent financial results as well as a growth in the number of employees, employee satisfaction and customer satisfaction. These results are even more remarkable in light of the financial crisis and the way the PSF sector has been affected by the financial crisis in The Netherlands. Entrepreneurial thinking and venturing into new domains was an important part of this success and created the strategic diversification that was needed to adequately address the problems in the PSF sector.

Entrepreneurship and intrapreneurship are lived out at &samhoud, and the corporate culture supports entrepreneurial behaviour on every management level. This includes tolerating mistakes up to a certain point, creating a focus on entrepreneurial opportunity recognition, promoting change throughout the organisation, and giving responsibility to employees. With its unconventional approach, &samhoud sometimes exposes itself to the danger that the customer will not initially agree with it. Employees at &samhoud are responsible for individual projects and therefore have to practice a well-balanced stakeholder management. On the one hand, they are obligated to the vision of Salem Samhoud that requires them to find solutions that are beneficial to society. On the other hand, they must give their attention to finding a solution to the problems presented to them by the customer. These standards often stand in contrast to one another, and meeting this challenge requires entrepreneurial thinking. Only flexible, self-accountable, opportunity-oriented employees who act as independent entrepreneurs can take productive advantage of the tension that results from the dialectic objectives of &samhoud. After all, the employees of the firm are considered to be the main source of the company's competitive advantage. Incongruent standards and the dilemmas that result from them for the individual employees are the motor of perpetual rejuvenation at &samhoud. Against the background of extreme complexity, the company must see to as high of a level as possible of security in the remaining realms of its relationship to the employees. This occurs through building friendly relations and a tight organisation.

The founder of the firm, Salem Samhoud, is still very present within the firm, but he has also shown that he is able to 'let go' (which is rather unusual for entrepreneurs in general) and has released major company tasks as well as subsidiaries to his colleagues, especially to the seven people who already have become 'partners' in the holding company. With a clear mission and an organisational structure that is flexible and as un-bureaucratic as possible, fast decision making and the ability to adapt to new

situations is guaranteed. The company can therefore be characterised as innovative and creative, although it mainly works in the finance sector, a segment that is not well known for innovativeness.

All in all, &samhoud has shown to be a *good practice* – example of entrepreneurial behaviour within established enterprises. CE *does* seem to pay off in terms of long-term corporate success if all four domains of strategic CE (strategy, entrepreneur/intrapreneur; environment; structure/resources) are considered important within the enterprise. It will be interesting to observe to what extent this enterprise develops in the future.

The results of this case study analysis indicate that CE is a driver of corporate success, including during times of recession. The verification of the existence of such a relationship should be tested in future research that is of both a qualitative as well as quantitative (large number) nature.

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Notes

- 1 This article is the further development and thorough update of a previous version which has been published in the form of the inaugural lecture booklet by Prof. Sascha Kraus (2009) at Utrecht University, the Netherlands, which has been amended with additional –empirical as well as theoretical–content. Minor parts of the content have also served as the basis for a teaching case study in the *International Journal of Entrepreneurship & Innovation* (Kraus and Rigtering, 2010).
- 2 According to the official EU definition, see European Commission (2003).