15.394
Designing and Leading the Entrepreneurial Organization

MIT Sloan School of Management

Agenda

✠ Review

✠ Erik Peterson (C,D,E) & Richard Jenkins

✠ Course Overview

✠ Final Project

Mechanics of the Course

Grading: 50% Class Participation
(Optional Case Write-ups)
50% Final Project

Course Objectives

✠ Think analytically about how to design an organizational system.

✠ Assess your own leadership ability, style and social network.

✠ Recognize how leaders, especially founders, play a critical role in shaping an organization's culture.

✠ Understand what needs to be done to build a successful organization for the long-term.

15.394: Designing and Leading the Entrepreneurial Organization
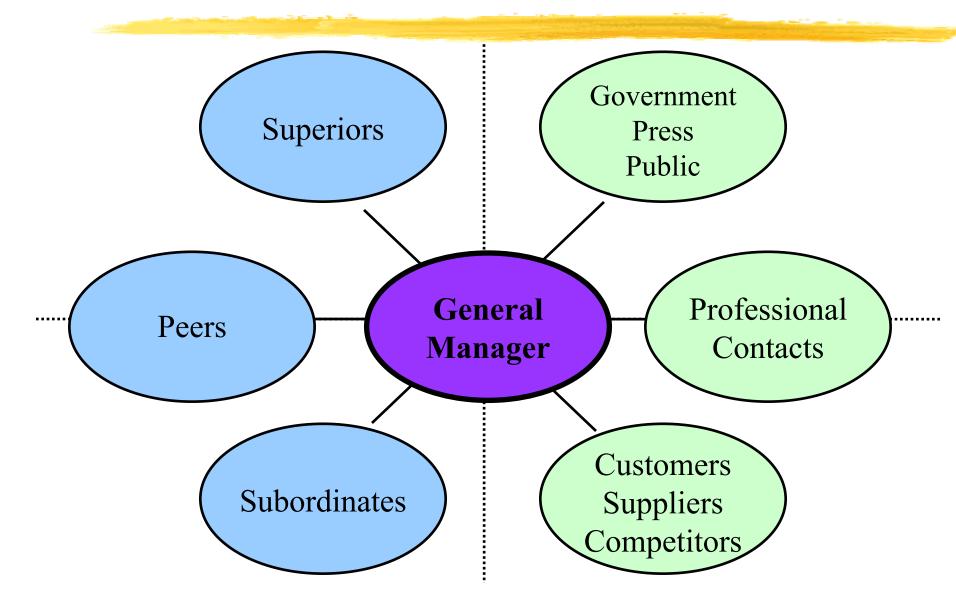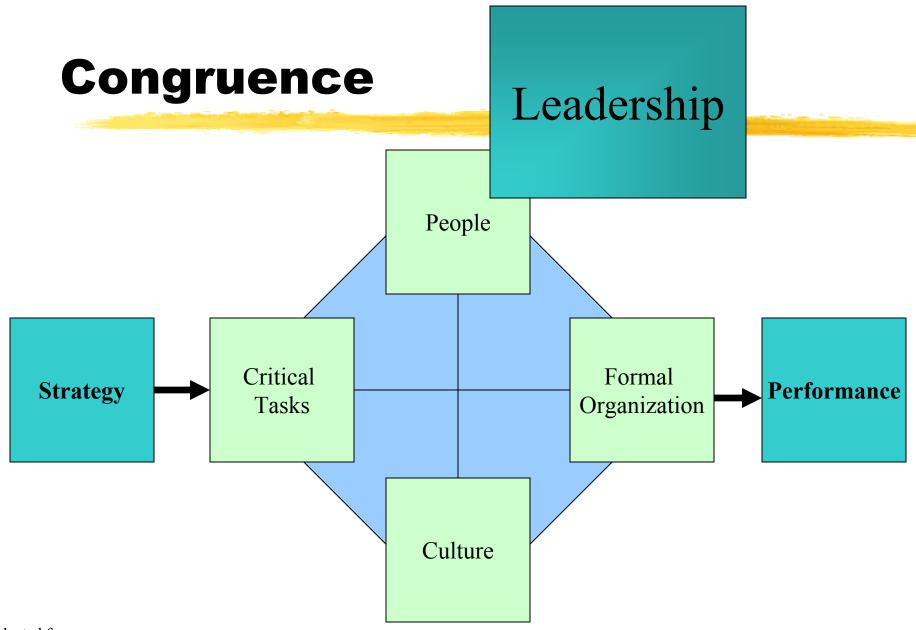
Strategy & Organizational Design	Leadership	Organizational Processes	Human Resource Management

Entrepreneurship

The Leader's Network

Congruence

Leadership

People

Strategy → Critical Tasks — Formal Organization → **Performance**

Culture

Adapted from:
Michael L. Tushman and Charles O'Reilly III (1997)
Winning through Innovation. Harvard Business School Press

Case Discussion

Erik Peterson (C, D, E)

Diagnosis

- Identify problems and causes
- Consider multiple dimensions & interrelationships
- Analysis and diagnosis instead of "facts"
  - Tell a story with implications for action
  - Focus
  - Evidence

Action Planning

- Goals
- Action Steps
- Sequencing
  - Urgency
  - Importance
  - Ease-to-solve
- Strategy and tactics
  - Tradeoffs
  - Risks and contingency plans

Evaluating Class Participation

- Impact on peer's thinking
- Sound, rigorous, and insightful diagnosis
- Realistic and effective action recommendations
- Constructive critiques of others' contributions
- Integrative comments across cases and/or courses
- So called "stupid questions"
- Clear and concise presentation
- Active listening

Course Overview

Leadership

Setting Direction	Building Organizational Capabilities	Mobilizing Employees	Sustaining Momentum

Social Capital

Setting Direction

Social Capital

Leadership

Vision

Strategy

Cases:

- Erik Peterson (2 days)
- Zaplet
- Jerry Sanders
- Heidi Roizen

Building Organizational Capabilities

Organizational Systems

- ✠ Commitment
- ✠ Engineering
- ✠ Star
- ✠ Bureaucracy
- ✠ Autocracy

Cases:

- HP
- Data General
- Apple Computer
- Sun Microsystems
- Cypress Semiconductor

Mobilizing Employees

Recruitment & Selection

✠ People Street

✠ War for Talent

✠ Vermeer

✠ Zero Defect Hiring

Incentives & Rewards

✠ Cambridge Technology Partners

Leadership, Culture & Motivation

✠ Influence and Persuasion

✠ Empowerment

✠ Workplace Design

Managing Performance

✠ Wolfgang Keller

Sustaining Momentum

Growth

- Iggy's Bread of the World
- Meg Whitman at eBay

Organizational Learning

- Experience, Exploration, Experimentation

Evolution

- Shouldice Hospital

Putting it all together

- SCORE! Educational Centers (2 days)
- Final Lecture

Course Project

- Apply the concepts of this course in a way that will further your learning and development as an entrepreneurial leader and organizational designer.
- Prefer team projects.
- Accounts for 50% of the final grade.

- Step 1: Pick a project.

Option 1: Studying an existing entrepreneurial firm

Firm Overview & References	Firm name, nature of your relationship, team
	Firm description: Industry/Product market, Customers, Key competitors, Founding story, investors
	Information sources: Prior knowledge, Interviews Web pages
	Must have at least 2 **public** sources of information: Lexis/Nexis, Analyst reports, ABI Inform, Local Business Press
Strategic Analysis	What is the firm's source of competitive advantage? How is it positioned relative to other firms in the industry? What are the implications for organizational design?
Social Capital Analysis	Who are the key people? What resources and relationships do they bring? What other resources and relationships do they need?
Organizational Analysis & Recommendations	How could this firm improve? What should it do to be successful in the long run?

Option 2: Personal Development

Learning Objectives	What are you trying to accomplish? Over what time frame? What can you do over the next 3 months to make a difference?
Social Capital Analysis	How does your current social network fit your goals? What positive changes can you make?
Developmental Experiences	One must require research using **public** sources of information: Lexis/Nexis, Analyst reports, ABI Inform, Local Business Press. One must be experiential. You will commit to do something and then reflect on the experience.
Personal Development Plan	

Option 3:   Write an expanded business plan

Industry Overview	Firm name, team members Firm description: Industry/Product market, Customers, Key competitors

Strategy and Competitive Advantage	What is the firm's source of competitive advantage? How is it positioned relative to other firms in the industry? What are the implications for organizational design? Must have at least 2 **public** sources of information about the industry and competitors: Lexis/Nexis, Analyst reports, ABI Inform, Local Business Press Information sources: Prior knowledge, Interviews, Web pages

Social Capital Analysis	Who are the key people? What resources and relationships do they bring? What other resources and relationships do they need?

Labor Market Strategy and Employment Model	Congruence analysis of firm Implementation plan for policies and practices