

## LESSON 8-5: Entrepreneurship

### Creating an Entrepreneurial Culture

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*“Culture eats strategy for breakfast.”* – Peter Drucker, Author

*“Culture is like the wind. It is invisible; yet its effect can be seen and felt.”*

– Bryan Walker, Partner and Managing Director, Ideo

### WELCOME & PRAYER

### PREVIOUS LESSON FOLLOW UP

- How did you assess the way your company might become more entrepreneurial using the form attached to the previous lesson?

### KICK OFF QUESTION

- Culture is the heartbeat of every organization. How would you describe the culture of your company and your church? How do they compare?

### PRIMARY SCRIPTURE

“Work willingly at whatever you do, as though you were working for the Lord, rather than for people.” Colossians 3:23 (NLT)

#### Discussion Question:

- How can you work willingly for the Lord and be an entrepreneur at the same time?

### BIG PICTURE

We learned about Entrepreneurial Thinking in Lesson 8-2. In Lessons 8-3 and 8-4, we reviewed entrepreneurial companies. Now our task is to figure out how to have a company that fosters Entrepreneurial Thinking so that we can grow Entrepreneurial Companies. To have this type of thinking, we must promote and build this type of culture. This lesson is a stepping-stone toward discovering how to create an Entrepreneurial Culture.

As can be gleaned from the two quotes above, culture is really what defines a business. It is much bigger than mission statements.

**Culture is the written and unwritten philosophy that defines how a company’s leaders and staff act and interact both internally and externally.**

Culture is like a living dynamic being. How you treat and foster it defines how the organization functions through its people. But no matter what is written down about a company’s culture, how people act is what defines its culture. The words of company leaders

should be reinforced by their actions. As we all know, actions speak louder than any word, but if these match, it serves as a great catalyst.

Freedom, empowerment and creativity of thought are the overarching cornerstones of a robust entrepreneurial culture. Entrepreneurial employees constantly think beyond standard expectations to find new ways to add value to the customer experience. Over time, this pattern of thinking can become ingrained as the corporate culture, anchored by the belief that employees should not be afraid to share new ideas that could benefit a customer's well-being.

An entrepreneurial culture encourages shared ownership by all team members. The key implementers of entrepreneurial thinking are the front-line employees who work closely with the customer. However, it is the company leadership that promotes and fosters this shared ownership. Many companies think they want entrepreneurship, but the actions of leadership say just the opposite.

A November 21, 2019 article in the Wall Street Journal described how Amazon has replaced GE as the new CEO factory of American business. The WSJ article stated that: "At the core of Amazon's ethos is a scrappy startup mentality that encourages employees to constantly innovate and challenge the way things are typically done." The attachment at the end of the lesson outlines Amazon's Leadership Principles, which have led it to become the CEO factory of American business. In contrast, GE's belief that they were bigger and better than everyone else created an attitude of arrogance. Arrogance is the antithesis of an Entrepreneurial Culture.

Here are examples of companies or products that once were the leader of a market segment that today have been replaced:

- AltaVista (first internet search engine) replaced by Google
- Folgers replaced by Starbucks
- MySpace replaced by Facebook
- MP3 Players replaced by iPods

## CONCEPTS TO UNDERSTAND

As we learned above, 1) freedom, empowerment and creativity of thought are the overarching cornerstones of a robust entrepreneurial culture, and 2) culture establishes how people function in an organization. So, what are philosophical qualities we must promote in our companies to have an entrepreneurial culture? Here is a list to spur our thinking and conversation. These are not in rank order. (In the Exercise that follows, you are asked to complete the table for your organization.)

## Key Elements of an Entrepreneurial Company:

Your Company	Criteria
	<ul style="list-style-type: none"> <li>• <b>Empowering</b> - Leadership empowers front line staff and managers to find new ways to meet customer needs.</li> </ul>
	<ul style="list-style-type: none"> <li>• <b>Willingly Promote Change</b> - Change is expected and encouraged. No one stymies change.</li> </ul>
	<ul style="list-style-type: none"> <li>• <b>Learning</b> - There is an environment of continual learning that promotes discovering new ways of doing business and serving the client.</li> </ul>
	<ul style="list-style-type: none"> <li>• <b>Customer Obsession</b> - The whole idea of entrepreneurship begins and ends with an obsessive view of serving the customer better.</li> </ul>
	<ul style="list-style-type: none"> <li>• <b>Bias for Action</b> - They take action, sooner rather than later. Be willing to make a decision with incomplete information.</li> </ul>
	<ul style="list-style-type: none"> <li>• <b>Shared Ownership/Shared Success</b> - Leadership creates the feeling that everyone in the organization is treated like an owner. Staff own opportunities and problems while sharing solutions and successes.</li> </ul>
	<ul style="list-style-type: none"> <li>• <b>Transparent and Truthful</b> - Every element of the company is transparent, especially communication and finances.</li> </ul>
	<ul style="list-style-type: none"> <li>• <b>Encourage Risk Taking</b> - A fundamental part of being entrepreneurial is taking risks. If the company does not support taking risks, it is unlikely staff will take their own risk on any opportunity.</li> </ul>
	<ul style="list-style-type: none"> <li>• <b>Perseverance</b> - There is an attitude that we are going to climb mountains to make the idea successful, while at the same time realizing there might be a better path to the summit.</li> </ul>
	<ul style="list-style-type: none"> <li>• <b>Good Business Instincts</b> - Everyone needs to understand the potential risk/reward of every hypothetical venture. An idea is not a good idea if it cannot be monetized in a tangible manner.</li> </ul>

### Summary

The culture of an organization is established in large part by the leadership of the organization. If an organization wants an Entrepreneurial Culture, it must start at the top. And the leadership must take the risk and have the courage to step out to try something new. Many staff at major organizations do lots of research developing new concepts and ideas, only for it to fall on the desk of a leader who does not have the guts to move forward. This destroys the morale of entrepreneurial people wanting to do new things.

If an organization wants to be a creative place that attracts people wanting to be challenged with creating new products/services or new business models, it must adopt most of the list above. The question becomes: "Can the business leaders change?"

### EXERCISE

In the first column of the chart above, rate from 1 to 5 (1 High, 5 Low) how well your company adheres to the suggested criteria.

## Discussion Questions

1. In your view, how important is it to have an Entrepreneurial Culture? Why?
2. What company do you admire that has an entrepreneurial culture? Why does this company stand out to you?
3. Review the table above with your group. How do your various companies compare?
4. What are one or two things that you could do in your company or your team to instill an Entrepreneurial Culture? How would you do this? What are the barriers?

## TAKE ACTION

- Listen to Jeff Bezos explain, [“It is always day one”](https://bit.ly/2thLV9m)) Amazon, with 600,000 employees, is just as entrepreneurial as it was on day one. This is an excellent example of how a large organization can be entrepreneurial. (<https://bit.ly/2thLV9m> )
- Make a list of what you learn from watching this interview that might apply to you and your business? Be prepared to share at the next meeting.

## CLOSING PRAYER

## ADDITIONAL RESOURCES

- *21 Days to a Big Idea* by Bryan Mattimore (This is an excellent idea generation book)
- *Entrepreneur’s Handbook – Everything You Need to Launch and Grow Your New Business* by Harvard Business Review
- *EntreLeadership – 20 Years of Practical Business Wisdom from the Trenches* by Dave Ramsey
- *Faith & Co. - Business on Purpose, Group Study Guide* by Seattle Pacific University

## AMAZON'S LEADERSHIP PRINCIPLES

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The company's 14 principles, with condensed descriptions:

- **Customer Obsession:** Leaders start with the customer and work backwards.
- **Ownership:** Leaders are owners.
- **Invent and Simplify:** Leaders expect and require innovation and invention from their teams and always find ways to simplify.
- **Are Right, A Lot:** Leaders are right a lot. They have strong judgment and good instincts.
- **Learn and Be Curious:** Leaders are never done learning and always seek to improve themselves.
- **Hire and Develop the Best:** Leaders raise the performance bar with every hire and promotion.
- **Insist on the Highest Standards:** Leaders have relentlessly high standards—many people may think these standards are unreasonably high.
- **Think Big:** Thinking small is a self-fulfilling prophecy.
- **Bias for Action:** Speed matters in business.
- **Frugality:** Accomplish more with less.
- **Earn Trust:** Leaders listen attentively, speak candidly, and treat others respectfully.
- **Dive Deep:** Leaders operate at all levels, stay connected to the details, audit frequently, and are skeptical when metrics and anecdotal evidence differ.
- **Have Backbone; Disagree and Commit:** Leaders are obligated to respectfully challenge decisions when they disagree, even when doing so is uncomfortable or exhausting.
- **Deliver Results:** Leaders focus on the key inputs for their business and deliver them with the right quality and in a timely fashion.

For some humor: here is a screenshot of Amazon's first website:

