



WORK SHEET 5



Inventory of Organizational Conditions Supporting Entrepreneurial/Innovative Behavior

Complete as much of the following as you can, and then discuss with members of your family currently active in your business. You will benefit most if you discuss this with at least one family member who is from the other generation (junior if you are the senior, or vice versa).

1. In the last five years, can you provide examples of different levels of innovation by your company?

DEGREE OF INNOVATION*	FOCUS OF INNOVATION				
	Products/ Services	Markets/ Customer Segments	Processes	Governance System	Family Systems
Incremental					
Progressive					
Breakthrough/ Radical					

*Degrees of Innovation

Incremental innovation is one where people at every level are making frequent minor adjustments to everyday problems while doing their jobs.

Progressive innovation is the application of a known tool or technique to adjacent territories. This might lead to new products, extensions of existing business lines, new applications of an existing technology to a different area, and so on.

Breakthrough or radical innovations are those where an entirely new industry, product category, or way of doing business is created and sustained.

2. A quick diagnosis of the current level of entrepreneurial preparedness of your family enterprise:

How important is each of the following for the longevity of your family enterprise?	1 Not at all important	2	3 Moderately important	4	5 Critical
Clear entrepreneurial vision reinforced constantly, everyone is expected to contribute to innovation at all levels as part of their jobs					
Constant expectations of high, improving performance, with no penalties for failures (unless repeated)					
High levels of empowerment					
Many experiments, small units with cross-functional teams, learning to think holistically, taking reasonable, bounded risks					
Reduced hierarchy, flatter organizations, and reduced segmentation or boundaries between units					
Open access to information, ample rewards and recognition (stock or its equivalent)					
Broad assignments and education, encouragement of initiative and experimentation, assignments for learning, gradual decision-making, risk-taking					
A learning culture that encourages action and experimentation, trial and error, explicit problem solving and discovery, observation of and feedback from peers as well as superiors, self-reflection and introspection					
Onboarding, acculturation of newcomers					

