

## Haitian Builds Intrapreneurs

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**Abstract:** *This real life case explains the term Intrapreneurship with its own story. This case provides an opportunity to examine role of leadership and Entrepreneurship in the context of Haitian International and will also help in understanding the role of clear organizational policies, channels of communication in taking a decision. This case has also discussed some assumptions and dilemmas faced by the protagonist, before taking a decision. This case study reveals the dilemmas of an employee of Haitian International, who was offered a better opportunity than regular working, but was really skeptical to adapt with it easily. What assumptions he had and how he dealt with them all to finally take a decision. The case was designed after a detailed interview and several meetings with protagonist and his reporting manager. As the company and the leaders are based in China the culture of entrepreneurship mindset in India as well as China was analyzed before the writing took place. This case outlines all situations from protagonist's point of view, what was unknown and what was known to him. This case gives insights on what all pressures he faced, what assumptions are being made and the end points that helped him to take a decision. This case can be a good resource for discussions among management students and corporate Managers and it can be implemented in their organizational policies before they are offered to employees. Employees who are being offered to be intrapreneurs can use it as a guide, if they are stuck somewhere, before they make a decision.*

**Keywords:** Intrapreneurship, Leadership, Organizational Performance.

### 1. Introduction

In 1992, The American Heritage Dictionary acknowledged the popular use of a new word, intrapreneur, to mean "A person within a large corporation who takes direct responsibility for turning an idea into a profitable finished product through assertive risk-taking and innovation. The first written use of the terms 'intrapreneur', 'intrapreneuring,' and 'intrapreneurship' date from a paper written in 1978 by Gifford and Elizabeth Pinchot<sup>1</sup>.

#### 1.1 Organization and Intrapreneurship

A common query who Intrapreneurs are and how they are created? Today, organizations are perfectionism hunters, believe in applying focused approaches and latest use of technology is a key to survival for them, and are customer oriented as well as have innovation, creativity focused mechanism and those are the organizations create intrapreneurs. Intrapreneurship is all about being a resource of your organization and to become capable of running everything on your own through your own dimensions eventually approaches and provide the results. Creativity is the core behind this all, Yes!! Intrapreneurs are the risk takers, they don't only move forward by thinking about profitability rather they are always ready to deal with the failures too.

It's not only the employee's personality traits and style of working is responsible rather type of leader, organizational structure, climate and culture also have crucial roles to play. Job structure and the resources provided to the person are also a key factor in facilitating employee to deliver the best (Fiona Patterson).

After reading the case, readers will be able to understand the term "Intrapreneurship" through the real life based case. This case provides an opportunity to examine role of leadership and intrapreneurship in the context of Haitian International. This case also helps in understanding the role of clear organizational policies, channels of communication in taking a decision. This

case has also discussed some assumptions and dilemmas faced by the protagonist, before taking a decision.

#### 1.2 Gautam Pant:

With his rich experience in plastics industry of 12+ years, His journey started after he completed his diploma in plastics engineering from CIPET, Bhopal in the year 2003, and he joined AAR AAR Technoplast in their production division to know the technicalities of working of injection moulding machines. He worked there for more than a year and a half. After which he got his first offer to do marketing of injection moulding machines in the mid of the year 2004 with Electronica Plastic Moulding Division (formerly electronic machine tools Ltd.). He has been associated with Haitian through Electronica since then, because Electronica was its one and only dealer in India. Not only the brand name, Haitian, he was associated with but he was also regularly in touch and working with Limin, Service Engineer Haitian, China (who was also heading all India related sales operations) and is current reporting manager of Gautam at Zhafir..

#### 1.3 Haitian International

By the year 2008 Haitian had covered more than 40% share of Indian Market and the machines sold by them in India were comparably low cost and high efficient in comparison to all other machines produced by Indian players. In the year 2009 few Indian competitors like L&T, Ferromatic and Windsor had put a case against china for dumping their low cost machines in India, especially as Haitian was a major player and was adversely affecting Indian Manufacturers for eg. L&T's Plastic Division was about to close. As a result in the same year Indian government impose anti dumping duty on plastic injection moulding machines (hydraulic type from 40 ton to 1000 ton). An ease was given to all electric machines as well as machines above 1000 ton for their less consumption in market. As a result to cater the huge potential of Indian market and also due to customer preference and acceptance for Haitian machines, Haitian opened up their factory (production firm) in Vietnam in the year 2010. Now since 2010 all the machines are being imported through Vietnam only, which were facing anti

<sup>1</sup> [www.investopedia.com/terms/i/intrapreneur.asp](http://www.investopedia.com/terms/i/intrapreneur.asp)

dumping through china.

### 1.3.1 Haitian in India

In July, 2011 Haitian opened their subsidiary in India, Head office Mumbai, with the name Zhafir Plastics Machinery India Pvt. Ltd. For which they got registration in the year 2012. By the year 2011 Gautam had already made his mark through his performance in the mind of all especially Limin, who was now going to head Indian subsidiary as GM Haitian, India. He offered him a job with double salary and gave him Delhi/NCR Area to operate and deal in, to which Gautam immediately joined. His decision point here was facilitated with his view that it's always good to work with direct company rather than working with intermediaries as any how Haitian had already ended up their contract with Electronica for Indian dealership. In line with Haitian's progress in India last year in July 2014 they have come up with their Indian manufacturing facility in Ahmedabad, Gujrat by the name of Haitian Huayuan India pvt. Ltd.

## 2. Current Roles and Responsibilities

Currently he is looking after the whole north region in India and his prime focus areas are Delhi/NCR, Sidkul, Haridwar in Utrakhand, Himanchal Pradesh, Punjab, Chandigarh etc. He currently is handling a team of two sales persons under him, who also adjoin Gautam in generating new customers, meeting them, getting orders and closing them. He also has a support of 6 service engineers in these areas to handle the machine installations as well as handling machine related complaints. He always wanted to have a technical career and he wanted to do B.Tech, and go on that path but due to financial conditions he opted for a simple bachelors program at Delhi University. And then there was no looking back as he captured every moment of the opportunities he got.

After all "Intrapreneurship is when employees have an entrepreneurial spirit internally," said Phil Shawe, co-founder and co-CEO of business language services firm TransPerfect.

### 2.1 Facing a business situation

Mid September 2014, when everybody was busy planning for coming long weekend, Mr. Gautam Pant , Regional Head-North from Haitian International Pvt. Ltd. Looked confused with mixed emotions and was in sheer dilemma for whether to opt what his boss had offered him or not?? He had recently bought a new house, a new SUV through loan and for which regular EMI's were on. What made him all of a sudden count his liabilities? What he wasn't able to take lightly? Or if it was something he misunderstood?

"My boss told me that the way I am doing business is excellent and he wants me to earn more." Because what I currently get in return from company i.e. salary +perks+ Bonus+ annual increment + incentives is nuts in front of what actually he can earn? Therefore he has offered me the role of a consultant (not on company's payroll) and to work on profitability (without any salary + perks). That means if I accept this offer, No longer I will be an employee of Haitian, I will be working as a consultant for them from outside of the company, will have to head their business with my own creative ideas to develop

market, hiring customers through my own team, manage (create+ train+ develop) them, pay them and enhance the business, for which in return get commission on every machine, i.e. 1 to 2% of sale price of each machine that I sell. That was all positive!! Here his boss had put one restrain on him that he will have to shrink his area of working i.e. currently as he is handling full north region in India, further it will be shrink, he will be given an area of his boss choice, which didn't sound very convincing to Gautam.

### 2.2 Time pressure and other constraints

For which my expected reaction was cool, u have got it. But with a lousy voice he said, No, it's not as cool as it sounds and he further had to narrate something. He said he is okay with what he has been offered today but this will certainly change his life to the core. He will have to make many changes and it is kinda "own a business". He wasn't sure if this would serve as a cup of tea for him or not because he had never thought before of doing a business of his own and now that all of a sudden this offer has come he doesn't know where to start thinking from. As far as putting hard work is concerned he is least bothered because since he joined Haitian 3 years ago, he has been praised as best performer in all three annual conferences. What he was actually considerate about was "area shrinkage" which might certainly combat with his scope of customer base, market size and overall the business.

There might be certain reasons for his dilemma, which before he could not discuss and clear with his boss. He wasn't aware that actually he was an employee who was offered to be an Intrapreneur.

As explained by Investopedia "An inside entrepreneur, or an entrepreneur within a large firm, who uses entrepreneurial skills without incurring the risks associated with those activities. Intrapreneurs are usually employees within a company who are assigned a special idea or project, and are instructed to develop the project like an entrepreneur would. Intrapreneurs usually have the resources and capabilities of the firm at their disposal. The intrapreneur's main job is to turn that special idea or project into a profitable venture for the company. Coined in the 1980s by management consultant Gifford Pinchot, intrapreneurs are used by companies that are in great need of new, innovative ideas. Today, instead of waiting until the company is in a bind, most companies try to create an environment where employees are free to explore ideas. If the idea looks profitable, the person behind it is given an opportunity to become an intrapreneur."<sup>2</sup>

When explained by me he didn't sound comfortable with the term. At the first go he actually was confused with the term entrepreneur. When explained further he thought if it exactly meant the same what his boss told him? Then I gave him few case studies to study and develop his own mind bank about this term. Some of these were: INTRAPRENEURSHIP Case Study of the Sony Corporation's PlayStation by Intrapreneur (Corporate Entrepreneur) Ken Kutaragi, Intrapreneurship Success case studies about Google, 3M, Sony by Dr Haller and an article named as How to Be an Intrapreneur By Alexandra Levit.

<sup>2</sup> [www.investopedia.com/terms/i/intrapreneur.asp](http://www.investopedia.com/terms/i/intrapreneur.asp)

### 2.3 How was he picked up?: A manager's perspective

In correspondence with Limin, he told me few instances that he would never forget while dealing with an employee like Gautam, he said. It was September 2013 when Gautam went for a family vacation and at that time I was really impressed by the way of his working. He asked for his holiday leaves and I didn't mind sponsoring his family trip as his birthday gift as well.

It actually not only Gautam was working, his working style included involvement of everyone around him. And people were actually happy working with him. Many companies today encourage employee collaboration and input at all levels, some are giving their staff the freedom to be "intrapreneurs." (Fallon, 2014) Years by years his performance was going beyond the targets as well as the customer feedback we had about his pre and post sales follow ups was amazing. I never thought twice before picking him and giving this offer to him to earn more, be your own boss and live life XL size.

In last four years whenever the Chinaplast exhibition took place he was my first pick to be sent on company's expenses and believe me he is not the one who will enjoy all these free services and roam around. Rather every evening I would get a report with customers he interacted, customers visited from India and of course the business i.e. the scope we are going to have from that exhibition. I mean isn't it amazing when you get it without expectations, his hard work and the craving for more always influenced me to believe that he is the one our company should nurture the best possible way. He always has the ideas to have customers on his side and among this tough competition he still is known in the market. His readiness to help customers and people centric approach is awesome. I think these all qualities makes him a man of success.

In addition he said believe me that I have four regions and more than 12 marketing professionals working for Haitian but Gautam is one whose overachievement covers all my company related expenses in India. And this is where I felt that he should be given fair chance to have extra by his side and when I discussed this with my boss Zhang Hao- Regional Manager for Asian countries, he was certainly okay. And there we are. We have offered him the best we can do to see him earning, rest is his decision.

### 2.4 Why was he picked up: Gautam's perspective?

It's been more than 12 years I have been working with Limin. First four five years were like we just met at annual sales conferences only and he was an engineer working for Haitian in China by then. He made regular visits to India and interacted with us regularly. He finally shifted to India in the year 2011. And he was posted at Delhi only heading all India related sales operations as well as services. A company culture that promotes internal entrepreneurial thinking starts with a leader who exemplifies it (Fallon, 2014). I always looked up to him as he had a solution to every problem. We would not just talk business at times he counseled me on my different abilities. It was always a motivation interacting with him as he always wanted to grow the best in Me. Because at times there is a need to Make people understand and feel that they're part of something larger.

Today also when I got this offer from him I asked him if he can advice being a big brother whether I should go with this decision or not. His answer was I am telling my brother only. It has always been a feeling of belongingness, respect as an employee and security. It has been more than three decades; several independent studies have identified a range of leadership behaviors that enhance employee innovation. These behaviors include encouragement of risk taking, an open style of communication, participative and collaborative style, giving autonomy and freedom, support for innovation (verbal and enacted), constructive feedback. (Janssen, 2005) Found that employees are more likely to use their influence to carry out innovative activities when they perceive their supervisors as being supportive of innovation. Research shows that support from managers can come in a variety of forms.

### 2.5 Dilemmas faced

Right from the start Gautam was skeptical about all this happening because there was just a personal communication between him and Limin. It happened because at first the company wanted Gautam to think about it, and then to go ahead with the formalities. As Gautam had never thought about this option as well as he wasn't aware of this policy of organization. Haitian chose Limin as first point of contact for Gautam in regards to this matter. After three four long meetings and understanding all the points related to the work structure, responsibilities, resources to be provided by the company Gautam was very well ready to take a chance for this opportunity.

Another dilemma he faced when he was asked to resign (he laughed). I thought now what have I done. Now this was a formality to show that now I have to get myself registered with a name and all money related transactions to take place. It all happened for a good cause and now I respect my company more to make me reach this level in very early of my life.

Point of decision:

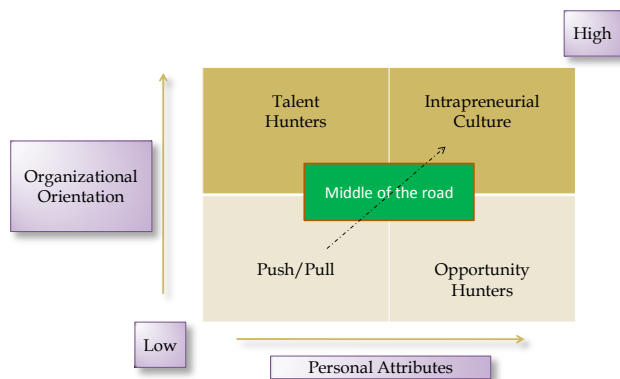
After reading Gautam's restrictive behavior towards this opportunity Limin gave a chance to Gautam to work for 6 months as a consultant on a trial and was told that any point in the time if he feels insecure with this kind of working (which he would surely not, limin was sure about it) he can join back with all respect. Gautam worked for 6 months from April 2015 to September 2015 and September end 2015 he got his own company's name registered "Arghya Technologies". In last 6 months he had earned more than 12 lakhs on profit sharing basis. Which was almost double than his annual salary in hand. He himself couldn't believe what Haitian had made him. And today he has a team to two sales professional, one personal executive and 6 service enlengineers working under him. And Gautam is paying all their salaries, incentives and related payments.

### 3. Conclusion

As a first step for the organizations is not to get too caught up with a text book approach to people management and/or be rigid with the theory. The most important is to understand the business and the people through the prism of creativity and innovative mind setup; Intrapreneurial instinct.



Figure 1: Proposed framework for developing Intrapreneurial culture



### 1. Push/Pull:

Low organizational orientation as well as low personal attributes: is a case where both of them cherish their comfort zones. And don't last a longer work life. Organization will have to adopt the pull strategy for building Intrapreneurial culture in the organization or have to move forward in either of the directions before they get pushed back to closing.

### 2. Talent Hunters:

High organizational orientation but low on personal attributes might lead an organization to look for individual replacement. Such organizations will always keep looking for highly skilled professionals. Therapy is organizations might opt for different training programs that might bring a person up to the thinking or organization. The crux is approach has to be people centric.

Eg. While first author's tenure in Manpower professionals, India from 2006 to 2008, employees use to get a training brochure every three months consisting a list of specific skills required by the HR Consultant and they were suppose to choose and tick any 3 or 4 areas to wish to get trained upon, on a priority basis. The program was called as "learning on Demand" and this was designed specifically for those who thought that these few skills will add more to their performance. In this manner employees are able to identify where they lack and would concentrate on what they want to enable in them. People will stick to the organization with the feeling of security and belongingness.

### 3. Opportunity Hunters:

High personal attributes but low organizational orientation to grow the entrepreneur inside you. You might opt for a quit. Area of risk as organizations might have high turnover and will develop a culture of seeking opportunities outside the organization and the therapy is that we need to have programs and job designs in such a way that makes the employees feel empowered in their current jobs as well as a high engagement of employees is evolved. We actually must know what our people want because "Your people do not care how much you know until they know how much you care (R. Sujatha, 2015)". Either being an organization we have to engage them with the opportunities before they look for on their own.

For eg. Jayant Sinha, working with a commodities company based in India as a Market Analyst, H.O. Singapore. He recently joined a weekend program to study about Financial and capital market. And when asked, he mentioned it's for the better performance in current role as well as to grab some better opportunities in future. Till the time it's his first concern company (if known) should be very much fine with it but if it is focused more on second thought company has to look after. But the hard fact is that most of the employees who join such programs have not informed or don't want their organizations to know about it.

### 4. Intrapreneurial Culture:

High organizational orientation and highly focused personal would certainly be known in the list. Organizations arm them with all the required resources, knowing their potential and let them experiment with their own ideas. Whoa!! Both are working as a pillar for each other. They complete each other and are working is for a mutual growth. And this case is a full example for the same.

### 5. Middle of the road:

This thin window in the whole matrix will give the scope for talent as well as opportunity development within the organization. Working on this part will lead to an Intrapreneurial culture in the organization. This theme is named as middle of the road because organizational orientation and personal attributes both are lying in the medium focus zone and less concrete strategy might lead to backward step.

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### Author Profile

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This case is solely developed for class discussion in programs of management education. Case has been compiled from real life lived experience of the participant and secondary data. Case study does not represent or endorse the views of management on issues of the case. Author may have disguised certain names identifying the case to protect confidentiality where needed.