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How the Best Companies Turn Their Employees Into Entrepreneurs

Intrapreneurship programs aren't for show; they're about ensuring future revenue. As one expert says, 'If incumbent firms don't do this, they die.'

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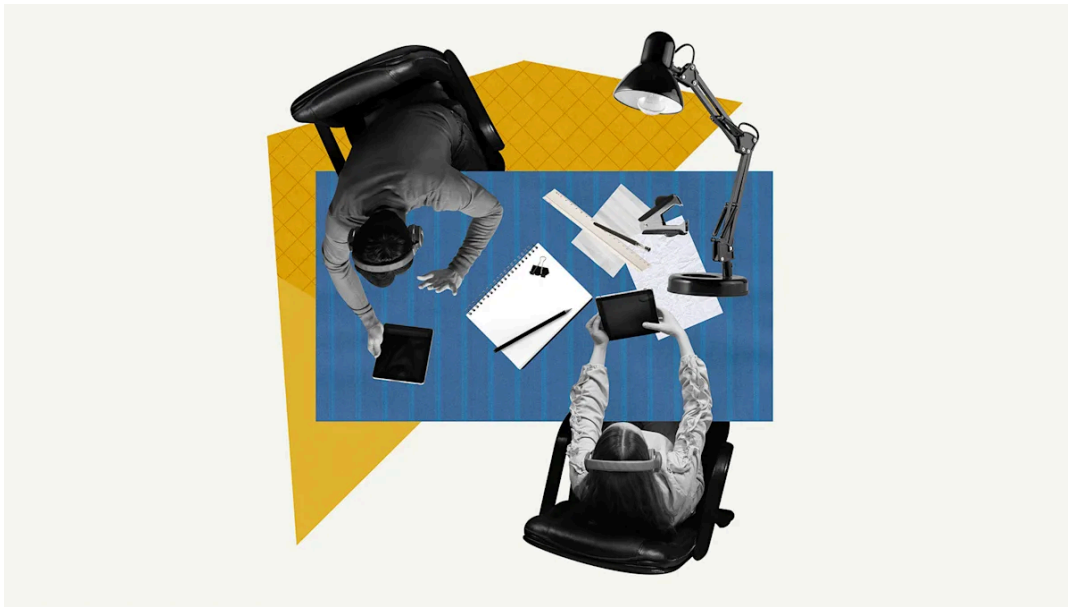


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For decades, 3M's famous policy of allowing employees to dedicate 15 percent of their time to tinkering has been held up as the gold standard of corporate innovation—the policy that gave us Post-it Notes and countless other breakthroughs. But in today's fast-moving business environment, a growing number of companies are taking employee-driven innovation far beyond designated tinkering time. They're building formal structures, deploying capital, and turning their workforce into a competitive advantage that startups can't match.

The results are striking. When done right, these intrapreneurship programs deliver measurable returns that would make any venture capitalist jealous.

The New Economics of Internal Innovation

Consider Orbia, a \$7.5 billion global solutions company that launched LaunchPad, an internal innovation platform where employees pitch value-generating ideas for development funding. The engagement numbers are remarkable: Orbia is seeing engagement from 70 percent of its employees, says Avi Zooaretz, director of global open innovation and intrapreneurship.

More than 14,000 employees have been on the platform; 10,000 have actively participated. At other organizations of its size, Zooaretz says, average participation is around 30 percent. It's not just about participation, though; it's about results. And, he shares, employees have submitted more than 3,000 ideas that have delivered \$6.5 million in EBITDA impact. More than 100 trained Innovation Champions support ongoing implementation throughout the organization.

Or take DPR Construction, where an internal Ideas Competition attracted 172 proposals from employees tackling the company's biggest challenges. The engagement was remarkable: 92 percent of the target audience participated, with leadership investing over 600 hours evaluating submissions. The winning idea? It was eventually commercialized through DPR's corporate venture capital arm, WND Ventures, and is now used by industry leaders across the construction sector.

At India-based IT giant Mphasis, the Geek Cloud platform emerged during the pandemic to address a unique challenge. "There were three fundamental shifts that we were seeing," explains Ayaskant Sarangi, global chief human resource officer (CHRO) at Mphasis. "First and foremost, we were right in the middle

of Covid,” he shares. “So, there was a lot of work from home that was happening.” While working from home, there was also a tendency for employees to moonlight. Recognizing this, the company implemented its own option to capture the ideas and innovation of its 30,000-plus employees.

About 25,000 have enrolled in the initiative, solving approximately 1,400 distinct problems, with “a few million” paid out as financial rewards, Sarangi says. The concept cleverly redirects moonlighting energy: “If I can create a fairly strong ecosystem, I get to solve a problem for Delta Airlines during my free time, while I continue to work with a city bank during my normal work.”

These aren’t feel-good initiatives. They’re strategic programs that tap into employee expertise while solving real business problems.

The Survival Imperative

Many of today’s companies are operating in survival mode and need to harvest good ideas wherever they can find them. Their employees are a ready-made source of ideas likely to be well-aligned with corporate initiatives and capabilities.

“If incumbent firms don’t do this, they die,” says Michael Tushman, senior fellow at Harvard Business School and co-author of *Corporate Explorer: How Corporations Beat Startups at the Innovation Game*. Companies, says Tushman, need to be focused on reinvention through corporate exploration.

The challenges are widespread. For instance, the construction industry faces a massive skilled labor shortage while mega-projects

proliferate with accelerated timelines. Technology companies navigate rapid digital transformation. Global firms compete for talent while fighting disengagement—Gallup reports only 36 percent of employees feel engaged at work.

“In this current business environment, companies must determine how to reinvent themselves and meet the needs of their customers while trying to turn a profit,” explains Kaushal Diwan, corporate director of strategic investments and partnerships for WND Ventures at DPR Construction. “This is where a culture of innovation becomes imperative.”

Yet most companies stumble at a critical juncture.

“Everybody ideates. Everybody incubates. Very few go to scale,” Tushman observes. The problem: the need to explore while also supporting the existing company strategy and initiatives. “It’s the notion of an ambidextrous structure,” Tushman says, “where you completely separate explore from the core.” Not all leaders can do both, and not all organizations can support them.

A successful focus on intrapreneurship combines freedom with structure, autonomy with accountability, and experimentation with clear paths to commercialization.

The Architecture of Success

The most effective programs share several elements. First, they start close to the work. “The best ideas usually come from the people doing the work every day,” Diwan notes. “They understand the

challenges and pain points, which means they understand what kind of solutions are most valuable.”

It’s also important, Sarangi says, to ensure that it’s not just about monetary compensation. At Mphasis, he says, leadership has positioned intrapreneurship as employee development rather than just money. “Positioning to an employee that it’s for your benefit, rather than saying this is a reward,” he explains. “The moment you get into reward-first approach, that shifts to money, and then learning takes a backseat.”

Employees must also be supported in their efforts through real resources and clear frameworks. At DPR, this means access to an internal innovation group that helps identify challenges, test solutions, and scale what works. In 2022, they formed a dedicated research & development team focused on supporting internal product development efforts, helping employees define goals, conduct market analyses, and assess risk-reward outcomes.

DPR also ensured that ownership was clarified from the start. All employees are asked to sign intellectual property agreements upon hire. When they decide to pursue an R&D project, they identify the intellectual property to protect early in the process. Patents are listed in the employee’s name, and if the USPTO grants the patent, the employee receives compensation as a reward. Since 2011, DPR and its family of companies have secured 21 patents with eight more under review.

Ultimately, paths must be created beyond internal implementation—even if an employee takes their idea and goes elsewhere. For

instance, when a former DPR innovation team member believed so strongly in his idea for a robot to energize high-voltage equipment that he left to found his own startup, Hardhat Robotics, DPR didn't see it as a loss. Instead, WND Ventures made an angel investment in the company, which has since piloted robots on multiple DPR projects.

From Concept to Commercial Product

The journey from employee idea to commercialized product isn't always linear, but the most successful programs create clear milestones.

At Orbia's chemical plant in Germany, one example demonstrates the potential impact. An employee proposed using automated systems instead of manual controls to optimize production conditions. "In a chemical plant, every 1 percent efficiency is a huge amount of money," Shai Albaranes, VP, innovation and ventures, explains. After a successful three-month pilot, the manager of that operation told the employee, "From now on, you discontinue everything that you did before—you are the project manager of that initiative." The result: a \$4.5 million bottom line from the initiative as it was rolled out to plants in Germany, Colombia, and beyond.

At DPR, another successful product rollout was ConstructivIQ, which started as an idea from two DPR employees looking to reduce procurement delays. They submitted it through the Ideas Competition and won. With support from DPR and WND Ventures, the tool matured into a standalone company. In

2025, DPR signed an enterprise agreement to implement it across projects. Today, other contractors use ConstructivIQ to manage supply chain risk and reduce material delays.

At a growth-stage startup advised by Gianluca Ferruggia, general manager at DesignRush, Innovation Fridays allowed engineers and product team members to pitch and prototype ideas completely disconnected from current roadmaps. One side project focused on automating internal onboarding processes, went through iterations, and eventually launched as an outside-facing SaaS tool that is now generating over \$400,000 in annual recurring revenue.

“The secret sauce is establishing a clear structure—not just free time,” Ferruggia explains. “A pitch-review cycle, access to mentorship, some seed funding, and a path to pilot.”

But structure matters as much as culture, according to Tushman’s research.

Meeting the Structural Challenge

Tushman strongly believes in the need for organizations to be ambidextrous in their pursuit of employee-driven innovation, and he

and his colleagues have plenty of research to back up their assertions.

He points to examples like ENEL, the Italian energy giant, where CEO Francesco Starace “separated fossil fuel, which was 100 percent the company, and he built something called EGP, ENEL Green Power, like five miles away, and he built a completely integrated people, process, structure, culture organization that was built to do green.”

At Deloitte, internal entrepreneur Balaji Bondili built a high-end consulting business using freelance talent rather than internal consultants. At Havas, John Windsor democratized advertising through crowd-sourced creative work. These are classic examples of what Tushman and his co-authors and colleagues call corporate explorers.

The key is senior leadership that can handle paradox. This requires, says Tushman, a strategy that is internally inconsistent, that balances both the past and future core, maintains a set of inconsistent cultures, builds teams that can handle paradox, and that can live in two worlds simultaneously.

The Pitfalls to Avoid

But even well-intentioned and well-managed programs can fail without attention to common traps. The biggest? Expectation management.

“If employees feel like their ideas are disappearing into a black box or don’t receive proper credit for their contributions, engagement

will fall off very quickly,” Ferruggia warns. “Transparency, documentation, and follow-up all matter far more than any snazzy slogans about innovation.”

DPR acknowledges that not every employee-driven idea aligns with business priorities—and that’s OK. “Sometimes, employees have bigger aspirations for what they think should happen with their idea,” Diwan says. The key is communicating realistic possibilities while creating an environment for free experimentation.

Other leaders emphasize the importance of pilot metrics. Have a clear understanding of the problem you’re trying to solve and how you’ll measure progress. Don’t stifle progress for pride—for instance, DPR often collaborates with peers, partners, and even competitors to move ideas forward. Ideally, they believe, the goal should be achieving better results across the industry, not just within company walls.

Building Your Own Program

For CEOs and entrepreneurs looking to launch intrapreneurship initiatives, the advice from practitioners is consistent: Don’t push innovation from the top down. Create a framework that allows innovation to rise from the bottom up.

Start by listening to your employees. They see the challenges and can provide valuable insights if given the chance to share ideas. Set up formal mechanisms for submission and evaluation—but make sure leadership is genuinely invested. The time commitment matters. DPR’s leadership spent 600-plus hours evaluating Ideas Competition

submissions, signaling that employee innovation was a priority, not a PR exercise.

Establish legal frameworks early. Standard corporate confidentiality and intellectual property agreements signed at hire can solve most challenges around copyright, trademark, and compensation.

Consider milestone bonuses or revenue-share structures for ideas that become product lines.

Provide dedicated support. Whether it's an internal innovation team, connections to venture capital, or simply access to mentorship and seed funding, employees need more than permission to innovate—they need practical support to develop ideas.

Most important, recognize that intrapreneurship works differently from traditional entrepreneurship. Mphasis created Geek Cloud specifically to provide “employees a platform to cultivate their talent and feel connected, have common objectives, and trust one another.” The program emerged from recognizing that engaged employees who feel ownership of outcomes will deliver better results.

The Bottom Line

In an era when attracting and retaining top talent grows increasingly difficult, intrapreneurship programs offer a strategic advantage. They tap into employee expertise, solve real business problems, boost engagement, and can generate significant returns—all while creating a culture that sees innovation not as an extracurricular activity, but as the operating system of the company.

The question isn't whether your employees have innovative ideas. They do. The question is whether you're creating the structure, resources, and cultural permission for those ideas to emerge—and the commercial pathways for the best ones to succeed.

As Diwan puts it: "If someone sees a way to improve how we build, we want to help them prove it." That's not just good culture. It's good business.

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