

Firm Renewal and Organisational Learning

Linear or Circular Thinking: Living with Conflicting Worlds

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Summary

In the world of public policy initiatives, there is an ongoing search for initiatives imposing a renewal function on small firms. Two quite different streams of thoughts seem to dominate the thinking of how the renewal of small firms is improved through learning. Some public policy initiatives are based on a linear conception of the learning process, assuming that firm renewal can be obtained through a process of competence planning, seeing education as a means to achieve certain success criteria. Other initiatives involve an incremental, circular and open-ended process of organisational learning with elements of entrepreneurship; assuming that continuous entrepreneurship is the combination of learning and opportunity identification. The two approaches are often seen as conflicting, assuming that the two alternatives, the rational planning approach and the more open-ended circular thinking, cannot live together. But one may argue that in real life, the two approaches do live together. Introducing a single case study, the paper examines what happens in such a situation. The case describes an organisational learning project in a small Danish firm trying to improve its intrapreneurial capabilities. The learning process is influenced by both approaches, represented by two quite different persons with different world views.

Keywords: planning, organisational learning, world views, firm renewal

1. Introduction and background

In the Danish world of *public policy initiatives* involving small and medium-sized firms, there is a strong focus on combining intrapreneurship and organisational learning. A number of Danish examples can be found, but similar public policy initiatives encouraging small firms to be more innovative may be found in most other European countries. The public policy ambition is to *promote both intrapreneurship and learning in SMEs* to make them more entrepreneurial. In an attempt to realise this ambition, there is a search for initiatives enabling a *renewal function on small firms* through a process of organisational learning.

Two different streams of thoughts, however, dominate the thinking of how the renewal of small firms is improved through learning. The paper introduces these two approaches and discusses their strengths and weaknesses with respect to innovation and renewal

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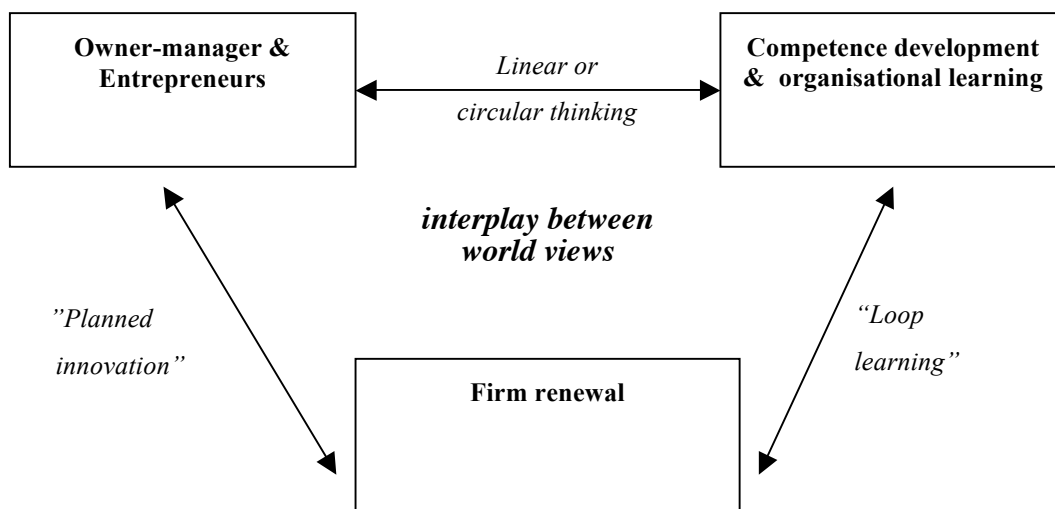
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competencies. Emphasis is on the distinction between change that is episodic, discontinuous as well as intermittent and change that is continuous, evolving and incremental (Weick, 1999). Usually these two approaches are seen as *opposing world views* between which one has to choose. The planning thinking is seen as the old approach, which is being replaced by a circular process-oriented thinking, a more modern and adequate approach. But in real life the *two approaches live together*. The paper examines what happens in such a situation.

A deliberately biased *single case study* is introduced. The case describes an organisational learning project in a small firm trying to improve its intrapreneurial capabilities. Two persons manage this process: a small firm owner/manager, having a rational planning approach, and an external process-consultant, having an incremental, process-oriented and circular understanding of the organisational learning processes.

The purpose of the study is to gain insight into this interplay. A number of problems, discrepancies and challenges in relation to the interplay between the two actors' world views are presented. In figure 1, the central domains and interests of the paper are illustrated.

Figure 1 – The central concepts and areas of interest in the paper



Before going into the analysis of the two approaches, the relationship between both *entrepreneurship and learning* and *intrapreneurship and organisational learning* will briefly be discussed in the next two paragraphs.

2. Entrepreneurship and learning

Entrepreneurship is usually defined as the unique function by which an entrepreneur adapts an idea to a market opportunity by way of new combinations of resources. This process can be specified more precisely as a combination of two dimensions:

- 1) the combination of new product ideas, new ways of producing or ways of turning materials into a business idea in order to meet a new demand; and
- 2) the acquisition of the resources necessary to undertake the business.

This conceptualisation sees entrepreneurship fundamentally as an opportunity-focused activity creating value by pulling together a unique package of resources to exploit an opportunity (Schumpeter, 1934; Kirzner, 1973). The entrepreneur must therefore link the identified opportunity with the key resources that are necessary to exploit it. The entrepreneur thus uses his ability to see the opportunity “out there” through the “strategic windows” of imperfect information. The environment opens a window of opportunity - a short period with a very low degree of “fit” between the requirements of the market and the competencies of the firms competing in that market (Abell, 1978; Christensen et al. 1991).

The concept of opportunity has thus always been central within entrepreneurship theory, and lately it has even been positioned as the most fundamental aspect of entrepreneurship. However, in dominant economic literature, the opportunity is out there; waiting to be discovered (Gartner et al., 2003).

But also entrepreneurship and learning have always been closely related. Most theories of entrepreneurship are built on the idea that the entrepreneur only holds his title as an entrepreneur as long as he performs the renewal function of opportunity identification. Continuous entrepreneurship is the combination of learning and opportunity identification.

The idea of opportunities as an objective reality to be discovered and the idea of entrepreneurship and learning as closely related do, however, not fit neatly together. The objective opportunity discovery characteristics make the concept of opportunity lose its social and dynamic dimensions. To fit better with the ideas of social organisation and with the learning process of the entrepreneur, an opportunity enactment perspective is suggested. From this perspective, opportunities “... emerge out of the imagination of individuals by their actions and their interactions with others” (Gartner et al., 2003, p. 105). Only little is, however, known about *how* opportunities are enacted in a learning process, but the case study presented later in the paper is an example of such a process.

3. Firm renewal: the unification of intrapreneurship and organisational learning

Much in the same way as entrepreneurship and individual learning are related, intrapreneurship and organisational learning are closely connected.

Organisational learning has established itself as a dominant theme of the 1990s. It has roots in the search for organisational renewal within a continuously self-transforming organisation, based upon both individual and organisational development (Starkey, 1996). This personal and organisational self-renewal of the learning organisation is seen as the key to unlocking a source of competitive advantage, hereby re-creating the world (Nonaka, 1996).

Learning has implications on both the continuous improvements of what the firm already does – improving efficiency - and for future opportunities – improving innovations. Improving efficiency is fundamentally an uncertainty reducing learning process, whereas the ability to see opportunities, which we may define as entrepreneurial learning, is related to the creation of useful meaning of the firm and its environment (Starkey, 1996).

Creating new forms of useful meaning, however, means that existing ways of doing things and existing rules of competition must be creatively destructed – or un-learned. Learning is thus central when small firm owner/managers adjust their models of the world in order to see new combinations of markets, products and processes.

An intrapreneurial firm could thus be defined as a firm that keeps learning in order to identify new opportunities (Stevenson & Jarillo, 1990) – however, in a complex and dialectic way. The renewal competence is context dependent in the sense that the individual employee cannot be innovative if the context, or the organisation, does not produce the right circumstances for innovation. At the same time, this ability is not a static competence within the firm, but a result of the learning processes experienced by the individuals. Consequently, we may conclude that firms, as social organisations, can only bring about renewal when organisational learning processes support individual innovative capabilities.

An innovative organisation has certain characteristics: it is an integrative organisation with a high degree of rotation between the job, network and collaboration between the units and delegation of responsibility (Nielsen, 2000).

The question of learning with respect to entrepreneurship and intrapreneurship has both internal and external aspects. The external aspects have to do with how the entrepreneur or the organisation learns to recognise and follow opportunities in the environment and are the dominant perspective in economics and marketing, emphasising opportunities as something to be “discovered”. The internal aspects are related to the way the intrapreneurial organisation structures and manages its learning processes, not only to see opportunities, but also to “co-create” opportunities. The external-internal distinction is partly a matter of focus, but may be transcended through an enactment and sense-making approach (Weick, 2001). If we see the organisation itself as a process in the scanning and interpretation of individuals, new opportunities are the outcome of a sense-making process between individuals.

New opportunities thus emerge from the imagination of individuals developed by their actions and interactions with others. Opportunities are enacted in the sense that the salient features of an opportunity only becomes apparent through the ways that the members of the intrapreneurial organisation make sense of their experiences and act in a way that make things happen. In this way, they create the future (Gartner et al., 2003).

4. How to relate learning to intrapreneurship?

Above, it has been argued that learning is central to creation of intrapreneurship. Although there are a variety of approaches, two quite different streams of thoughts seem to dominate the thinking of how the renewal of small firms is improved through learning. For more reflections on the two approaches, see Blenker and Christensen (2003).

4.1 Competence planning and the retarded kid brother

One the one hand, there is a line of thought emphasising educational planning based on a linear conception of the learning process. The underlying assumption is that intrapreneurship - or firm renewal - can be obtained through a process of rational planning, focusing on educational goals and success criteria as well as seeing education as a means of achieving these. First, criteria or milestones are set, the education is planned and finally the plan is implemented.

This approach is primarily found among researchers who base their studies on traditional management and organisation theories. They often conclude that the main problem for small firms is the lack of a number of capabilities, such as planning and training capabilities. Small firms tend to operate under many different constraints; the most important one is the low functional specialisation and rather rudimentary organisational structures. As a consequence, small firms encounter problems in handling their planning and training activities preventing them from performing as well as they might. From a traditional management perspective, small firms suffer from short-terminism and poor planning - and their renewal strategy becomes incremental and discontinuous. The haphazard and irrational planning practice of the small firms makes them look like “the retarded kid brother” (Blenker, 2001) of the large firm. Hence it is often argued that small firms should adopt the strategic planning approaches to analysis, planning, implementation and control developed for large organisations.

If, however, we accept that opportunities are not objectively given realities, it is impossible to make them a subject of analysis and planning. The planning approach may thus be criticised with respect to the most central aspect of intrapreneurship, i.e. learning about opportunities. Providing organisations with guidelines to follow creates neither entrepreneurs, nor innovative employees. In order to reach this ambition, more reflective learning processes

have to be used - or in the words of Argyris og Schön (1996), we could say that there has to be loops in the process.

4.1 Organisational learning and the multi-instrumentalist wonder-boy

On the other hand, there is an organisational learning approach regarding the learning process, which is incremental and circular, based on the assumption that all learning processes must fundamentally be open-ended.

This approach has similarities with some approaches to the study of small entrepreneurial firms. To defend the practices of the small firm, their advocates argue that small firms are informal and flexible. Small firms are managed in a personal way as a result of the strong integration of the owner/manager with his firm. The metaphor of a multi-instrumentalist wonderboy playing simultaneously a number of instruments portrays the situation. The entrepreneur knows his staff and their needs personally and prefers to tackle problems as they occur, responding to their needs and wants as they appear. From this point of view, the small firm has many of the characteristics of a learning organisation (Gibb, 1997, 2002). In other words, there is a “learning nature” in the strategy development processes of many small firms.

From this point of view, small firm entrepreneurs are the “quintessence of the learning organisation” or the “ideal form of organisational learning” – all based on the omnipresence of the entrepreneur. Some authors would even argue that large firms ought to behave like small entrepreneurial firms. They should stimulate and support the dormant entrepreneurial behaviour and capacities of the firm (Stevenson & Jarillo, 1990).

We may thus conclude that in small entrepreneurial firms opportunities may emerge out of the everyday activities of the individuals, or may occur as part of the activities the individuals are involved in.

4.3 Conflicting world views - or fruitful interplay?

Much of the literature aimed at developing small entrepreneurial firms follows either one or the other of the two approaches described above. But these approaches are often seen as fundamentally opposing or even conflicting world views, between which one has to choose one or the other; as an old and outdated approach (the planning thinking) being replaced by a more modern, adequate and nuanced approach (the circular thinking). Both alternatives, however, seem to presuppose that the two alternatives, the planning and more open-ended learning, cannot live together. Either one has to make a choice between them - or the new approach must replace the old one.

Such stereotype images are, however, not quite suitable when translated into the small-business context. Instead, one may argue that the two approaches must often live together in real life. In the following, we shall thus examine what happens in such a situation.

5. Case study: the interplay - living with conflicting views

As a process consultant for small and medium-sized industrial firms, one of the authors of this paper (LC) often finds herself in a situation where she is to contribute to a process aiming at making a firm more innovative. The owner/managers of the firm rarely express the situation in this way; rather they want their employees to improve their daily praxis, make co-ordination better or make production flow and/or work processes more customer-oriented. All of these tasks require renewal of the firm.

5.1 Case study – contextual and methodological prologue

During the eighties, the large Danish non-governmental organisations, such as the Danish employers' organisation, the Confederation of Danish Industries (Dansk Industri), developed concepts for planning education and training in private firms.

The rationale was that firms had to train employees strategically in order to make the organisation able to recognise and follow up on opportunities. The models used were usually quite comprehensive phase models. This rational planning approach to competence development tends to make the small firm managers feel quite safe; a goal is defined - and some means are set up to achieve this goal. It seems as if it is possible to define milestones, estimate time consumption, costs and define the expected results in advance.

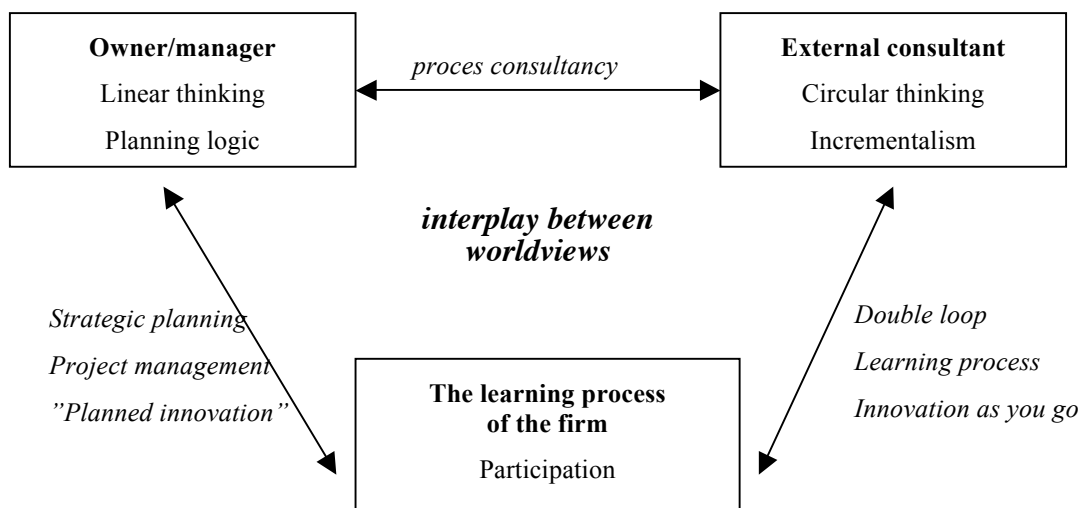
However, other learning concepts and methods have evolved during the 90s, such as the learning organisation or learning firms, and have also paved their way into industrial policy initiatives. Usually these initiatives involve a “softer” approach to the development process, focussing on the participation of employees and accepting that it may be difficult to define the results of learning in advance. As the focus is on human development, it involves questions of individuality, identity and meaning. These projects are often “successful”, but rarely in the way they were expected to be. In such development processes, the result is thus usually not clearly defined, but rather a vague idea of human resource development.

When smaller firms begin a process of systematic competence development, this process is in accordance with their culture and everyday working practice. They do not have a strong functional specialisation, and most activities thus involve or integrate a number of dimensions and levels of the organisation: production, organisation, communication and HR. They rarely begin a “clean” learning and education project. Instead the typical starting point is a specific problem, such as faster adjustments of machines. In order to solve that problem, a broad number of initiatives and approaches are introduced, such as team building, decentralisation and change of interaction with customers.

This tends to make the owner/manager focus closely on the expected results. Because of the cost and uncertainty of such processes, small firm managers are focussed on the returns on the investment of these processes. They simply do not start this kind of process without clear goals, success criteria or milestones; some kind of means-end planning is a premise to go into any kind of development process at all.

But contrary to this premise, we have also seen that traditional planning approaches does not fully appreciate how small firms actually perform their activities by listening to the responses from the customers and employees. Planning thinking does not acknowledge the nature of small firm decision-making as both informal and a mix of planning and doing. It may be questioned whether the notion of planning is an adequate metaphor for the change processes taking place in small entrepreneurial firms (Gibb, 2002) – or as expressed by Wyer et al. (2000), it fails to capture what makes “small firms tick”.

Figure 2 – The central areas of analysis in the case study



In figure 2, the central areas of analysis in the following case study are illustrated. The case study is an example of how the learning processes of small firms are a mixture of planning, day-to-day activities, participation of employees and complicated learning processes. In this situation, the individuals of the organisation are thrown into a sense making process. They have to impose order on their circumstances. The organisation’s decisions are based on individual and subjective perceptions of salient features of organisation and environment, irrespective of how the organisation and environment may be objectively described (Gartner et al. 2003).

One of the authors (LC) of this paper has been involved as a consultant in these kinds of competence development projects for a number of years. The following case study is from

one of her projects, and the case study is thus based on her observations and reflections as a consultant. The role of the other author (PB) has been to ask questions to case study processes, and he has thus functioned as a facilitator, or catalyst, in producing the insight behind the case description.

5.2. LM – the case firm

In the following, a deliberately biased single case study is presented in order to gain more insight on how the two approaches, i.e. the planning approach and the incremental and circular understanding of the organisational learning processes actually live together. Furthermore, it is described how opportunities are enacted when the members of the organisation make sense of the interplay between the two approaches.

The case describes an organisational learning project in LM, a small Danish production firm trying to improve its intrapreneurial capabilities. The learning process is managed jointly by two quite different persons with different world views. These are the owner/manager, having primarily a rational planning approach, and an external process-consultant, having primarily an incremental, process-oriented and circular understanding of the organisational learning processes.

The owner/manager, like many other small firm owner/managers, primarily sees the development process from a rational perspective; as an instrument designed to achieve specific goals and thus something to be organised in a formalised structure and controlled by rational planning. This general approach to managing the firm can also be found in her approach towards improving the intrapreneurial capabilities of the firm.

The external process-consultant working with the firm, however, has a more incremental, process-oriented and circular understanding of planning and action in the organisational learning processes. This approach opens for time and space to go into opportunities emerging in the process.

The firm LM has 33 employees including engineers, craftsmen and administrative personnel. LM is led by the owner/manager M, who started the firm 11 years ago. Her husband L, who is a production engineer, has later become part-owner and part of management. LM has the characteristics of a family firm, where everybody knows each other and recruiting takes place through the network of the people around the firm. L and M are active in the local community.

LM is developing, producing and marketing humidification products which can be used in a number of industries. This market is growing and LM is used to innovative activities, but only with respect to incremental product innovations for which the engineers are responsible. But only little attention has been paid to the development of the organisation and development of competencies among the employees. There is no tradition for systematic

development of competencies, neither among engineers, nor among production and administrative staff.

M had several reasons for starting the organisational learning process. Growth was one, as she saw a bigger market as the possibility for a qualitative change into becoming a more innovative and development-oriented firm. For the growth strategy to be a success, she found it necessary to make the production- and paper-flow more efficient and to improve cooperation between departments and between the firm and its customers.

Because of growth it was, however, increasingly more difficult for M to overlook the whole organisation; and if growth was to continue, the middle managers would not be able to either. It was thus important to change the values and attitudes of employees to make them take more responsibility, not only for the development of their own work, but for the development of the whole firm. Furthermore, they had to change their identity; from being an employee in a small firm in a small village into working in an innovative growth-oriented firm operating on the global market.

M had thus recognized that it was necessary to involve all employees and middle managers in the process and that the competencies in both the organisation and the individual employee had to be developed. She was, however, reluctant to throw the firm into a vaguely defined learning process. The development process was therefore structured as a traditional phase model.

- First a number of meetings were held between M and the external consultant. Furthermore, a number of formal organisational changes were made. The split management between M and L was changed so that M was leading the company and L was leading product development; the functional coordinators became part of the management group and a more formal management group thus established.
- Secondly, the employees were involved in the visions of the future and their own identity with respect to this future. The consultant made interviews with the employees to gain insight into their attitudes, e.g. how they saw problems and opportunities.
- Third phase was a social activity; a summer party with families, a visit at one of the firm's customers and an introduction to the whole learning project where M introduced the ideas concerning the future of the firm. Furthermore, there was an impro-theater group giving a characteristic of the firm on the basis of the input from the external consultant.
- Fourth phase was two workshops with intermediate working meetings for the whole firm. The ambition was that employees should gain better knowledge of the firm as a whole. A flow chart over production and paperwork should form the foundation for the discussion of problems concerning routines and cooperation

and also give ideas for improvements. The workshops were planned in detail by M and the consultant. The agenda for the meetings was tight; all activities at the meetings planned and even potential reactions from the employees were predicted. All highly detailed results from one meeting served as input for the next meeting.

- By the end of the last workshop, the groups made plans for the implementation of the ideas resulting from the work.

As seen above, the whole process can be explained as a highly planned endeavour and this is probably the way M saw it – as phases.

Parallel to the different phases of the planned process, a quite different and emergent process with many incidents was thus unfolding. Some of these incidents are reported below.

The idea of mapping production and paperwork in a flow chart was M's idea, which the consultant had reluctantly accepted; hoping that the charts may form a picture that could be the foundation for a discussion of lack of cooperation. But between the meetings the employees argued that the different functions of the firm could not be seen as simple as a flow chart. Nevertheless, the flow chart was kept through the workshops and meetings.

Numerous meetings were held between M and the consultant about planning the process, but they talked about a lot more than that. The consultant asked questions about the formal organisation.

M and husband L were joint managers of the firm, but the consultant's interviews with the employees revealed that they were confused about decision making – and so were the two managers, M and her husband L, themselves. In the process, M realised that they had to reduce L's responsibilities to leading the product development.

Furthermore, the responsibility and authority of some of the functional co-ordinators were ambiguous. M thus held a workshop for these co-ordinators and the rest of the middle managers, where they decided to make the functional co-ordinators part of the management group. A more formal management group was thus established.

In this process, it became obvious that M was overloaded with tasks and that new leaders had to take over tasks as well as responsibility. Guided or coached by the consultant, M started a process in which she reflected on responsibility and how she could get time for leadership and strategizing.

During the processes with the employees, M also realised that the production manager did not handle the problems of the employees well and that he had no respect among them. He had to be fired and further organisational changes had to be made.

As we have seen above, two quite different processes take place at the same time; to some extent personalised in the approaches of the two central agents, who have had very different views on the change process. Expressed in the vocabulary of Weick and Quinn (1999), we could say that the employees go through a process of change which is “episodic,

discontinuous, and intermittent”; while consultant, management and middle management go through the very same (change) process in a way that is “continuous, evolving and incremental”.

6. Phenomenological insight: problems, discrepancies and pain

The primary purpose of the case study described above was to create explorative insight into this interplay of world views. Some of this insight relates to concepts from other authors as shown below:

- There is a difference between seeing the history described above as a “series of phases” in a plan or as a “number of incidents” taking place. A plan may go wrong, because of somebody’s mistake - but incidents are there to be made sense of and to be acted upon (Haslebo & Nielsen, 2003).
- When you are planning, “knowledge can be transferred” from one person to another – but when you are going through a number of incidents “each build her own understanding” of the process which remains unknown to the other (Luhmann, 1988).
- When you are planning, you are searching for “the best solution”- but when you are dealing with incidents you are trying to find “a better way” (Haslebo & Nielsen, 2003).

Will the firm develop renewal competencies among its employees, and will the firm become innovative and learning? To realise these ambitions, a number of conditions have to be met (inspired by Nielsen, 2000).

Some of these conditions primarily relate to the “circular thinking”, “incrementalism”, “double loop learning processes” and “innovation as you go” approach. These are discussed in the following.

To see new opportunities, the organisational framework must continuously strengthen the competencies of the employees. The innovative development thus depends on the learning processes of the employees. In LM there was a focus on the learning processes of the employees, but the orientation towards very specific results left only little attention on the learning processes, such as reflection and dialogue about the process. It was, however, the first time that the employees were systematically involved in the future development of the firm and experienced that they were heard. To secure future learning, these elements have to be appreciated in everyday activities.

Improving quality and correcting mistakes does not change fundamental beliefs and values. This is, however, primarily what happened for the employees. To see new opportunities, double loop learning (Argyris og Schön, 1996) is necessary. There was a

growing understanding of the firm as increasingly seen as one organism; the flow of production could not be portrayed as linear - but there was no break with fundamental beliefs. Argyris and Schön argue that double loop learning emerges only as a result of external pressure and that this is a painful process. The consultant could have been such an external pressure, but did not succeed with respect to the employees.

With respect to M, the consultant was a strong external pressure, who in a painful process made M change her fundamental beliefs. L's husband M was removed from top management, the head of production was fired, middle managers were involved in the management processes and the employees were given increased responsibilities on tactical as well as operational questions. M thus went through a double loop learning process.

To develop renewal competencies among employees, employees must have influence and responsibility. A lot of energy was spent delegating responsibility and competence to employees and middle managers. Whether renewal competencies can be achieved depends to some extent on the ability of the middle managers to continue this process.

If renewal capabilities are to spread and institutionalise in the organisation, it has to be integrative, meaning that there is an integrative, organic and dynamic orientation across functional specialisation governed by mutual problem-recognition and –solving. This was exactly the rationale for the firm to go into the process. The group work of the process shows understanding, will and perhaps even joy to work across functional specialisation; supporting this will is central for continuous integration.

Above the conditions primarily relating to the “circular thinking”, “incrementalism”, “double loop learning processes” and the “innovation as you go” approach have been discussed. Other conditions, however, primarily relate to the “linear thinking”, “planning logic”, “project management” and “planned innovation” approach. These are discussed in the following.

Nothing would probably have happened in the firm if the whole process had not been subordinated a strict planning approach. M was reluctant to throw the firm into a vaguely defined learning process. Like most other small firm managers, she would not go into this kind of process without clear goals, success criteria or milestones - some kind of means-end planning is a premise to go into any kind of development process at all.

If eventual innovative competencies are improved, the exploitation of these depends on the ability to handle the development. This probably requires both continuous development of organisational structure and substantial planning effort.

7. Conclusion

Creativity and innovation are often used as buzzwords when discussing how firms should survive in the global competition. In this paper, we have used the concepts of renewal and

intrapreneurship on the phenomenon, where organisational learning is emerging in a firm trying to become intrapreneurial. Firm renewal is thus seen as behaviour, where problem-solving ideas through learning are being transformed into new products, processes or structures. In this particular case study, the renewal focus was on processes and structures. The learning process of this firm was a linear, planned and managed innovation process *as well as* a circular, incremental and double loop learning process resulting in “innovation as you go”. Living with both worlds, however, creates the dialogue and reflection which is not only fruitful, but also a necessary condition for the creation of new opportunities.

A few general theoretical reflections can be made on the basis of the case: The circular “innovation as you go” process was triggered by the need for a changing the firm structure. The change of structure was a radical change. When radical action is introduced, the involved actors have to renew their sensemaking. From an entrepreneurial opportunity perspective, this allows new ways of doing things. Furthermore, this is the starting point for continuous innovation as it opens up for double loop learning processes.

The managed “planned innovation” process of the case firm showed small improvements of the everyday procedures. The linear worldview did create space for actions, but left only little room for reflection on these actions. As the employees had to enact within their existing frames of reference and on the basis of their existing competencies, they kept enacting in the same way. But if we accept the point that opportunities are enacted and thus only becomes apparent through the social sense-making of the individual of the organisation, this creates no innovation.

Does this observation exclude the linear and rational planning approach from intrapreneurial learning processes? Not at all! Enactment is not a contemplative detached brain activity. It may thus be argued that it is often necessary to begin renewal processes with planning in order to create action. It is, however, necessary to act quickly and then to reflect on “what’s new?” because “action” *and* “reflection” together create new insight - which is the basis for opportunity identification.

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