

Designing a System that the Intrapreneur Cannot Build Alone: Institutional Design for Non-Core Business Creation and the Corporate Relay Model

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Abstract: Individual intrapreneurs occasionally succeed at non-core venture creation; organisations almost never succeed at replicating them. This paper addresses that structural gap. Building on an empirical single-case study in which one HQ manager at a major Japanese tourism corporation launched three non-travel ventures in a single fiscal year, it shifts the unit of analysis from the individual to the institution and asks: what design allows a large organisation to reproduce that performance at scale? Existing corporate entrepreneurship research identifies the cultural and structural antecedents of intrapreneurial activity but offers limited guidance on the mechanics of HQ-to-branch venture transfer — particularly the conditions under which transfer succeeds without hollowing out the ownership capacity of the receiving unit. The Over-Competence Trap, introduced in a companion study, names this failure mode: when HQ executes all the technically demanding work of incubation, the branch that inherits the venture can operate it as a procedure but cannot adapt it as an owner. This paper designs around that trap. The Corporate Relay Model (CRM) is proposed: a three-phase institutional framework comprising demand validation at branch level, HQ-led incubation with partial delegation, and staged branch ownership transfer across three defined sub-stages. From twelve individual-level success factors identified in the companion study and the informant's explicit scalability target — growth from three ventures per year to thirty — five design propositions are derived, governing validation protocol, talent selection, phased transfer, budget architecture, and HQ role differentiation. A workload analysis demonstrates that the current single-person model operates at or near its structural ceiling, and that full CRM implementation with a three-member HQ team could raise theoretical annual capacity to approximately eighteen ventures. The CRM contributes to ambidexterity theory by identifying staged ownership transfer as a structural mechanism for resolving the Over-Competence Trap, and to implementation science by demonstrating how individual-level success factors translate into replicable institutional design. The framework applies to any large organisation with a tiered HQ-branch structure and an existing customer relationship asset.

Keywords: Corporate Relay Model; Over-Competence Trap; Intrapreneurship; Non-Core Business Creation; Institutional Design; Ambidexterity

1. Introduction

The problem is not identification; it is reproduction. A companion study to this paper (hereafter Study 1) documented an individual — the sole new-business development manager at a major Japanese tourism corporation — who created three non-travel ventures in a single fiscal year, evaluated six, and stopped three on a consistent criterion. The cognitive and behavioural logic behind that performance has been mapped. What remains is the harder question: how does an organisation build a system that does not depend on one person already possessing that logic?

The informant made the difficulty explicit. Asked whether her methods were transferable, she said: "passing the whole thing over is going to be difficult." Asked about her ambitions for scale, she named thirty ventures per year — ten times her current output — as the target for the following year. The distance between those two statements is the design problem this paper addresses.

Corporate entrepreneurship research offers a well-developed vocabulary for the antecedents of intrapreneurial activity (Burgelman, 1983; Zahra, 1991; O'Reilly and Tushman, 2016), but it is substantially thinner on the institutional mechanics of what happens after an intrapreneur succeeds: how ventures transfer to operating units without losing momentum, how branch ownership is cultivated rather than destroyed, and how the system scales without the original architect remaining perpetually involved. These are engineering questions, not cultural ones.

This paper proposes the Corporate Relay Model (CRM) as an answer. Section 2 positions the CRM within the relevant literatures. Section 3 describes the derivation method. Section 4 presents the model. Section 5 develops five design propositions. Section 6 analyses scalability. Section 7 discusses implications and limitations, and Section 8 concludes.

2. Theoretical Background

2.1 What Ambidexterity Theory Does not Solve

O'Reilly and Tushman's (2004; 2016) ambidexterity framework argues that sustained organisational performance requires simultaneous exploitation of existing capabilities and exploration of new ones. Their preferred structural solution — separating exploratory units from the core business — is well-supported empirically. What it does not address is the transfer problem: what happens when an exploratory venture must return to an exploitative unit for scaling, and how that transfer is designed so the receiving unit develops genuine ownership rather than mechanical compliance.

The Over-Competence Trap (Study 1) is a structural consequence of this gap. When HQ executes all the technically and politically demanding incubation work, the inheriting branch has witnessed the outcome but not the process. O'Reilly and Tushman identify the risk of insufficient separation between exploration and exploitation; the Over-Competence Trap identifies the complementary risk: separation so complete that the exploitative unit never learns what the exploratory unit learned.

2.2 Implementation Science and the Transfer Gap

Fixsen et al. (2005) distinguish four implementation stages — exploration, installation, initial implementation, and full implementation — and identify drivers at three levels: competency, organisational, and leadership. Their central argument is that sustainable implementation requires active capacity development at all three levels simultaneously. Applied here, transferring a venture to a branch without developing the branch's implementation competence is structurally equivalent to stopping at initial implementation without the investment enabling full implementation.

2.3 From Antecedents to Mechanics

Burgelman's (1983) distinction between induced and autonomous strategic behaviour remains useful, but the CRM operates at a level of institutional mechanics that antecedent frameworks do not reach. Zahra (1991) specifies conditions for intrapreneurial activity; Hamel (2000) argues innovation must become a firm-level competence rather than an individual trait. Neither specifies the transfer mechanisms that would make this true. The CRM is designed to fill precisely this gap: it is a transfer mechanism, not an antecedent framework.

3. Derivation Method

The CRM is derived through prescriptive theory-building from a single empirical case (Van Aken, 2004). The data source is Study 1: twelve months of AI-assisted reflective logs produced by the informant, triangulated with a 90-minute semi-structured interview conducted in March 2026. Twelve individual-level factors identified in Study 1 form the raw material for the institutional design proposed here.

The derivation follows three steps. Each factor was classified as enabling or inhibiting. Each enabling factor was translated from a description of what the informant does into a prescription for what an institution should provide. The single inhibiting factor — the Over-Competence Trap — was treated as a design constraint: the CRM must structurally prevent the conditions under which it arises. The five propositions in Section 5 are stated in testable form to enable verification in subsequent comparative research.

4. The Corporate Relay Model

4.1 The Relay Metaphor

A relay race is not a solo sprint performed by multiple people sequentially. It is a structured handoff in which each runner holds a defined zone of responsibility, the baton transfers under a specific protocol, and the receiving runner must already be in motion before the transfer occurs. Applying this logic to venture development within large organisations yields three design imperatives: define the handoff zone, specify the transfer protocol, and ensure the receiving unit is already moving before the handoff.

The name deliberately rejects two common failure modes. The 'throw it over the wall' model treats transfer as a single event: HQ declares the venture ready and branches receive it cold. The Over-Competence Trap is the opposite failure: HQ never actually transfers, because it is always more efficient for HQ to do the work than to

develop the branch's capacity. The CRM's staged transfer protocol makes neither failure the path of least resistance.

4.2 Three Phases

Phase 1: Branch Demand Validation. The branch unit completes a structured demand validation protocol before any HQ engagement. Using a standardised template, branch sales staff conduct customer-facing interviews with a minimum of five existing customers. The output specifies: the initial hypothesis, interview findings, a GO/STOP recommendation, and the relationship asset through which the proposed venture would be distributed. HQ receives only completed validation records; proposals without them are not reviewed. This operationalises two factors from Study 1 — the Relationship Asset Leverage Filter and the Demand Validation Stopping Rule — as institutional requirements rather than individual judgement calls.

Phase 2: HQ-Led Incubation. Following a GO decision, HQ assumes responsibility for the technically and politically demanding work: contract design, monetisation architecture, regulatory compliance, and internal approvals. Critically, HQ's delegation boundary is made explicit: web construction, PR, and UI decisions are delegated to the branch from the outset. This is not a concession to branch capability; it is the mechanism by which branch learning begins during Phase 2 rather than after it.

Phase 3: Staged Branch Ownership Transfer. Ownership transfers across three defined sub-stages: joint operation (HQ leads, branch co-executes); branch-led operation (branch leads, HQ advises); and branch autonomy (branch holds full decision authority, HQ monitors). Each sub-stage has an explicit GO criterion before progression: the branch can explain the venture's logic in the first; demonstrates three consecutive months of autonomous decision-making in the second; achieves single-month operational profitability in the third.

5. Five Design Propositions

5.1 P1: Demand Validation as Institutional Gate

Requiring branch units to complete a standardised demand validation protocol before HQ review reduces HQ evaluation workload and raises proposal quality, because branches unable to generate validated demand are filtered out before consuming HQ capacity.

Study 1's Demand Validation Stopping Rule was a personal judgement call that stopped all three discontinued ventures. The institutional equivalent is a formal pre-qualification gate enforced by process design rather than by the continued presence of one individual.

The informant stated: "For ideas from branches where the sales staff hadn't done any customer interviews during their normal sales activities, I forced a stop." P1 converts this personal rule into an organisational requirement.

5.2 P2: Branch Execution Capacity Predicted by Existing Performance

Selecting branch participants for Phases 2 and 3 from among the branch's top-ranked existing sales performers increases the probability of successful venture execution, because the capabilities required for new venture development correlate positively with those producing top performance in existing roles.

Study 1's Branch Performance as Execution Proxy factor was tentative but directionally consistent: the most capable branch partner drove the most active venture; the lowest-performing representative ignored new venture meetings entirely. The informant noted: "I want to try reaching out to people who are high in the internal sales and profit rankings." P2 converts this observation into a selection protocol.

5.3 P3: Staged Transfer as Over-Competence Trap Prevention

Transferring venture ownership across three defined sub-stages with explicit GO criteria at each transition — rather than as a single event — prevents the Over-Competence Trap by ensuring branch capability develops in parallel with, rather than after, HQ execution.

The Over-Competence Trap in Study 1 was not a management failure; it was a structural outcome. HQ executed everything efficiently because it was the most capable unit available. The informant's own assessment: "Right now the branch has become a 'task machine' following my instructions. I've learned that when someone

competent at HQ takes over too much of a new venture, this is what happens." The staged transfer protocol makes branch learning a Phase 2 activity, not a Phase 3 discovery.

5.4 P4: Low-Threshold Budget Architecture

Establishing a dedicated Phase 1 validation budget — capped at a level where zero-customer outcomes represent an acceptable loss — reduces the perceived cost of branch experimentation to near zero and accelerates GO decisions by replacing qualitative risk judgement with threshold comparison.

Study 1's Risk Quantification First Tactic described the informant's consistent practice of presenting worst-case cost simulations before seeking approval. The matrimonial services venture was approved immediately when the branch manager understood that zero uptake would cost approximately 200,000-300,000 yen. P4 institutionalises this reframing through budget architecture rather than presentation skill.

5.5 P5: HQ Role Differentiation and Dialogue Infrastructure

Differentiating the HQ new-venture function into distinct roles — monetisation ownership, branch relationship, and external knowledge interface — and formalising an external dialogue partner for the monetisation owner reduces single-point-of-failure dependency and addresses the psychological sustainability risk documented in Study 1.

Study 1's Isolation-Enabled Speed factor documented a full year of organisational loneliness: "There is genuinely no one inside the company to consult about this kind of thing." P5 addresses both structural and psychological dimensions: role differentiation distributes cognitive load and creates internal consultation relationships where none currently exist; an external dialogue partner ensures access to knowledge the organisation itself does not hold.

6. Scalability Analysis

6.1 The Structural Ceiling of the Current Model

The informant's target of thirty non-core ventures per year cannot be achieved within the current model. Table 1 presents a workload analysis across the four main activity categories.

Table 1: Workload analysis of the current model and projected reductions under full CRM implementation

Activity	Per Venture (Months)	3 Ventures Total	Reduction via CRM
Phase 1: Validation support	0.5	1.5	→ 0.1 (branch-led template)
Phase 2: HQ-led incubation	3–4	9–12	Partial reduction via role split (P5)
Phase 3: Transfer management	1–2	3–6	→ 0.5 via staged protocol (P3)
Internal approvals / coordination	1	3	Reduction via P1 gate and P4 budget
Total (one person)	5.5–7.5	16.5–22.5	Structural ceiling: ~2–3 ventures/year

The arithmetic is straightforward: a single person working twelve months cannot manage more than two to three ventures simultaneously under the current approach. The informant is at the structural ceiling of the one-person model.

6.2 What Full CRM Implementation Enables

Under full CRM implementation, two structural changes alter the arithmetic. Phase 1 workload transfers almost entirely to branch units, reducing per-venture HQ time from 0.5 months to approximately 0.1 months. Phase 3 shortens from 1–2 months to approximately 0.5 months per venture, because the branch is already operating with partial autonomy before the formal transfer begins.

Phase 2 cannot be reduced below approximately 2–3 months without compromising incubation quality. This constraint is addressed by expanding the HQ team to three differentiated roles (P5). With three roles operating in parallel and an average Phase 2 duration of 2.5 months, theoretical annual capacity is approximately $3 \times 12 \div 2.5 = 14\text{--}18$ ventures per year. The path to thirty requires either a larger HQ team or a reduction in Phase 2 duration through accumulated process learning — a three-to-five year trajectory rather than a single structural change.

7. Discussion and Limitations

7.1 Theoretical Contributions

The Over-Competence Trap is the CRM's central design problem, and the staged transfer protocol in Phase 3 is its central design response. The contribution to ambidexterity theory is narrow but specific: O'Reilly and Tushman (2016) focus on the design of the exploratory unit; the CRM focuses on the design of transfer from exploratory to exploitative unit. Structural separation protects nascent ventures from exploitation pressure; staged transfer develops the exploitative unit's capacity to take the venture on without destroying it.

Within Fixsen et al.'s (2005) implementation driver taxonomy, the CRM's five propositions map directly onto the three driver levels: P1 and P2 are competency drivers (selection and protocol); P3, P4, and P5 are organisational and leadership drivers (structure, resources, and role architecture).

7.2 Practical Implications

The informant intended to use this research to argue for organisational investment to senior management. Three propositions translate directly into that argument. The workload analysis in Section 6 provides quantitative basis for a headcount request: the current model is at its structural ceiling, and a three-person HQ team with CRM implementation is the minimum investment required to approach double-digit annual venture creation. P4's budget architecture provides basis for a budget request: a Phase 1 validation fund of approximately 300,000 yen per proposal represents low-risk pipeline investment. P3's staged transfer protocol provides basis for a governance request: formal transition criteria that protect organisational investment against the single most predictable failure mode.

7.3 Limitations

Three limitations constrain the claims made here. First, the CRM is derived from a single empirical case. The design propositions are analytically coherent but have not been tested across organisations attempting similar designs. Comparative case research is planned as a direct successor to this study. Second, the workload estimates derive from the informant's reported experience rather than from systematically collected time-use data. The structural ceiling finding is robust to reasonable variation in inputs, but specific figures should be treated as approximations. Third, the CRM assumes a tiered HQ-branch structure in which HQ holds implementation competence that branches do not yet possess. Organisations where this assumption does not hold may require a different institutional architecture.

8. Conclusion

One person doing what a department cannot is an asset and a vulnerability simultaneously. This paper has proposed the Corporate Relay Model as a structural solution to the vulnerability: a three-phase institutional framework that retains the intrapreneur's individual capabilities while building the organisational infrastructure that makes those capabilities replicable at scale.

The model's most distinctive feature is not its phases but the design logic connecting them: the Over-Competence Trap is not avoided by limiting what HQ does, but by structuring when HQ does it and in what sequence capability transfers. Phase 3's staged ownership transfer protocol is the operational expression of that logic.

For corporate entrepreneurship research, the CRM contributes a transfer mechanism to a literature dominated by antecedent frameworks. For implementation science, it demonstrates the translation step between individual-level factor identification and institutional design. For organisations seeking to scale from one successful intrapreneur to a functioning system, it offers both a quantitative argument for the required investment and a concrete protocol for making that investment produce returns.

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Ethics Declaration

This research involved a semi-structured interview with a single informant. Full informed consent was obtained prior to data collection, including consent to record and to use data in anonymised form for academic research purposes. No ethical clearance from an institutional review board was required, as the research does not involve vulnerable populations, sensitive personal data, or any form of deception. The informant reviewed and approved the use of anonymised quotations included in this paper.

AI Declaration

A large language model (Claude, Anthropic) was used as a writing assistance tool during the drafting phase of this paper to support the development of argument structure, section transitions, and prose style. All analytical claims, theoretical interpretations, design propositions, and conclusions are the author's own.

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