

# AGENTS OF INNOVATION

Entrepreneurs, Facilitators  
and Intrapreneurs

LOUIS JACQUES FILION

# **Agents of Innovation**

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# **Agents of Innovation: Entrepreneurs, Facilitators and Intrapreneurs**

BY

**LOUIS JACQUES FILION**

*HEC Montréal, Canada*



United Kingdom – North America – Japan – India – Malaysia – China

Emerald Publishing Limited  
Emerald Publishing, Floor 5, Northspring, 21-23 Wellington Street, Leeds LS1 4DL

First edition 2024

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**British Library Cataloguing in Publication Data**

A catalogue record for this book is available from the British Library

ISBN: 978-1-83797-013-1 (Print)

ISBN: 978-1-83797-012-4 (Online)

ISBN: 978-1-83797-014-8 (Epub)



INVESTOR IN PEOPLE

*To Christine, with love. Many thanks for your endless support.*

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# Table of Contents

About the Author	<i>ix</i>
About the Contributors	<i>xi</i>
Foreword	<i>xiii</i>
Preface	<i>xv</i>
Acknowledgements	<i>xvii</i>
Introduction	<i>xix</i>

## Section 1: Life Stories of Entrepreneurs

<b>Chapter 1</b> <b>Coco Chanel: Building an Empire – Chanel in Three Acts</b>	<b>5</b>
<i>Francine Richer and Louis Jacques Filion</i>	
<b>Chapter 2</b> <b>Alain Bouchard, Couche-Tard/Circle K: Conquering the World of Convenience Stores</b>	<b>49</b>
<i>Joëlle Hafsi and Louis Jacques Filion</i>	

## Section 2: Life Stories of Facilitators

<b>Chapter 3</b> <b>Réal Plourde, Couche-Tard/Circle K and Entrepreneurial Facilitation</b>	<b>91</b>
<i>Joëlle Hafsi and Louis Jacques Filion</i>	

<b>Chapter 4 From Softimage to Microsoft and Then to Inno-Centre: Pierre Nelis and Entrepreneurial Facilitation</b>	<b>111</b>
<i>Joëlle Hafsi and Louis Jacques Filion</i>	

### **Section 3: Life Stories of Intrapreneurs**

<b>Chapter 5 Elmar Mock, From the Swatch to Creaholic: Inventor, Intrapreneur and Entrepreneur</b>	<b>143</b>
<i>Louis Jacques Filion and Rico J. Baldegger</i>	

<b>Chapter 6 Emerson de Almeida and the Creation of Fundação Dom Cabral: Leading a Brazilian Revolution in Executive Education</b>	<b>169</b>
<i>Cândido Borges, Fernando Dolabela and Louis Jacques Filion</i>	

### **Section 4**

<b>Chapter 7 Lessons for Innovationists and Aspiring Agents of Innovation</b>	<b>195</b>
<i>Louis Jacques Filion</i>	

<b>Appendix From Innovationist to Agent of Innovation</b>	<b>201</b>
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<b>Index</b>	<b>207</b>
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## Foreword

A well-known entrepreneur recently tweeted: ‘You have to be an entrepreneur to understand an entrepreneur’. At first glance, it seems like a reasonable thing to say. If you’ve never launched a business, how can you possibly understand the passions, the struggles, the failures, the suffering, the doubts, the successes and the satisfactions experienced by these ‘agents of innovation?’

But Louis Jacques Filion doesn’t agree, and you’ll quickly understand why as you read the stories of the entrepreneurs, facilitators and intrapreneurs that this specialist has presented with such finesse in his book. These six very different life histories, unfolding at different times and on different continents, gradually lift the veil on what it means to innovate in business. The author and his co-authors have clearly mastered the art of unravelling the mysteries of the entrepreneurial mindset. They do an outstanding job of telling the stories of these six inspiring people!

They uncover, recount and share their secrets:

The name of Coco Chanel evokes fashion, perfume and jewellery – but what do we really know about the tumultuous life, the creativity and the entrepreneurial qualities of one of the first women ever to build a business empire?

Quebecers are familiar with Couche-Tard, but did you know that Alain Bouchard built his Circle K empire by becoming a master of acquisitions, leveraging a single corner store into a network of nearly 15,000 stores in more than 30 countries?

The devil is in the details, or so the saying goes. It’s not enough to have a vision; as with most other things in life, execution is key. Without Réal Plourde’s organizational skills and his flair for staff recruitment and talent management, who knows if Alain Bouchard would have achieved the same level of success?

When Pierre Nelis first joined Softimage, who would have guessed that he would play such a major role in the firm’s spectacular success, and go on to create the Inno-Centre network as a way of putting his facilitation skills to work for other entrepreneurs?

Do you remember the slogan ‘You don’t wear the same tie every day, so why wear the same watch?’ And do you know who really invented the Swatch? You might be surprised to learn that it was the same person who later went on to launch Creaholic, a veritable nursery of Swiss innovation, with its own innovative organizational model, ‘capitalist kholkhoz’. The riveting story of Elmar Mock illustrates his many facets as an inventor, intrapreneur and entrepreneur and reveals his love of metaphors as vehicles for his ideas, dreams and passions.

If ever there was an archetypal uninventive environment, it would be the business school (well, perhaps I'm exaggerating a bit here). It's difficult to imagine how someone could shake up the academic world and revolutionize its teaching methods sufficiently to create one of the most innovative institutions in the world, and then transform it into a global phenomenon in just a few short years. Emerson De Almeida, with his tremendous powers of persuasion, energy and organizational strength, did all this and more!

Louis Jacques and his co-authors look at these stories from different angles and answer many questions in the process.

The life histories of these six people who changed the world will move you, stir you to dream and – who knows – may even ignite your own innovative or entrepreneurial fire. I encourage you to immerse yourself in their stories, enjoy their adventures and appreciate the many subtleties presented so skillfully by Louis Jacques and his team.

Yves Pigneur  
Professor, University of Lausanne  
Inventor, with Alex Osterwalder, of the 'Business Model Canvas'

# Preface

We live in a world of innovation, where new elements add value and help to improve our lives. As a result, the subject of innovation is becoming increasingly popular as time goes by. People are keener than ever before to understand innovation and the innovative process. Of course, not all of them will become innovators. Many will go on to work with people involved in the practice of innovation, such as entrepreneurs. But even in a supporting role, they will need to understand who these people are, how they think, what they do and how they do it.

Because of their genuine interest in innovation, they all earn the title of *innovationist*. Their understanding of innovation makes their relationships with people who practice it much easier. It also helps them to understand the world they live in. Others may use this first step to build their own culture of innovation and become more creative in what they do. Those who take this additional step are called *agents of innovation*.

The case histories in this book are outstanding examples that will inspire anyone who wants to become an innovationist or an agent of innovation. Practical exercises have also been included to help structure their innovative potential and prepare to become involved in innovation-related activities. Innovation requires a particular pattern of thinking that includes a mix of imagination and learning about specific subjects, along with continuous learning.

As a reader, whether you are an artist or an engineer, or anything in between, you will find something in these cases to interest you and make you learn. The stories chosen for this book illustrate some of the many different configurations that exist in the world of innovation. They will help you to understand the progression of different types of *agents of innovation* and the processes they design in order to generate and implement innovations. Combined with the exercises suggested at the end of the book, they form a learning tool that is both structural and practical.

The stories in this book focus on six *agents of innovation*: two entrepreneurs, two entrepreneurial facilitators and two intrapreneurs.<sup>1</sup> Regardless of whether you decide to become an *innovationist* or an *agent of innovation*, by working as an entrepreneur, a facilitator or an intrapreneur, you will at least be aware and have a better understanding of what is involved in the practice of innovation. This is

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<sup>1</sup>For the sake of simplicity, ‘entrepreneurial facilitators’ will be referred to as ‘facilitators’.

something that you can apply in your personal and professional life, whatever your job and whatever the context.

This book was designed to provide a proactive learning experience. It transmits knowledge through stories of real-life experience and will encourage you as a reader to think creatively about what it means to build your own culture of innovation.

I hope you enjoy the stories and are inspired by them. The suggested exercises at the end should sharpen your desire to become more creative and help you to feel more comfortable in our world of innovation.

Louis Jacques Filion

# Acknowledgements

I am very grateful to the subjects of these cases. They were generous with their time and patient enough to answer questions during numerous interviews over a period of many years: Alain Bouchard and his assistant Martine Coutu, Réal Plourde, Pierre Nelis, Elmar Mock and his wife Helene and Emerson de Almeida. Additional materials were added regularly, until the final versions of the cases were produced. These case studies have been used extensively in MBA programs in Asia, Europe and North America. They are very popular among students.

Many thanks also to my co-authors, especially to Joëlle Hafsi, a case writing specialist who co-wrote three of the case studies in this book (Alain Bouchard, Réal Plourde and Pierre Nelis). Special appreciation goes to Francine Richer who undertook the gigantic task of reviewing the available documentation on Coco Chanel. She and I read and analyzed more than a dozen books and countless other documents, including films, over a period of several years. I am grateful to Rico Baldegger for his contributions and thank him sincerely for organizing numerous meetings with Elmar Mock. I also thank Candido Borges and Fernando Dolabela who were involved in arranging and attending my interviews and meetings with Emerson de Almeida, and in co-writing the case.

Thanks to the HEC Montréal Case Centre ([http://www.hec.ca/en/case\\_centre](http://www.hec.ca/en/case_centre)). The catalogue includes more than 2,000 case studies and other teaching aids (mostly in French) for management courses. To see other case studies on the same topic and order them for use in the classroom, please visit [www.evalorix.com](http://www.evalorix.com).

My heartfelt thanks go to my colleagues Franck Bares, Luis Cisneros and Mai Thai, and to Brigitte Campeau and Rachel Bonnier, from HEC Montréal's Department of Entrepreneurship and Innovation, for their unflagging support over the years. Leo-Paul Dana, Ayman ElTarabishy, Mark Freel, Dafna Kariv, Ken O'Neil and George Solomon were also kind enough to offer comments and support, and I am grateful to them.

*Note:* In the case studies, references may not be provided for some of the quotes. These quotes are excerpts from interviews conducted by the author with the subject of the case.

Louis Jacques Filion

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# Introduction

## The Age of Innovation and the Emergence of Innovationism

Thousands of products and services are created every year throughout the world, but many of them fail. Why? There are many reasons for this. For example, the people who create and launch an innovation may never have had contact with or learnt from someone who has innovated successfully. It is useful to start by understanding how innovations are generated and learning about the people who generate them: why and how do they go about doing this? Whatever you do in life, whatever your craft or profession, the basic process is always the same: learn gradually, step by step. The same applies to innovation. The good news is that it can be learnt.

As a teacher of entrepreneurship and innovation, I am often asked about how to deal with agents of innovation or how to become more innovative. My students, at all levels including experienced MBAs, want to know how they should prepare and what they need to learn. ‘Would it help to work for an entrepreneur or other agent of innovation? What do I need to know about innovative thinking and practice? What if I simply want to be more creative in my own personal life? Where can I find examples on which to model my own future self and activities?’ And what if they do not want to become agents of innovation themselves, but prefer to work in a service sector with entrepreneurs or small business owner-managers as their customers or subcontractors? The life stories in this book will provide some answers to many of their questions. They show that each person involved in innovation has to find their own way.

We live in an ever-changing world where we often need to innovate in order to survive.

Colleges, universities and business schools have traditionally focused on preparing people to become managers. Nowadays, however, managers and others who work in organizations need to learn not only how to adapt to change, but also how to *generate* it. This is a process known as innovation: the contribution of new products, services and/or processes that add value. The number of people wanting to become agents of innovation is growing steadily. Entrepreneurs are seen as the ultimate examples, but facilitators and intrapreneurs, many of whom are inventors of new processes, add value to the enterprises that employ them. And people who work with agents of innovation in all kinds of service sectors, including lawyers, consultants, psychologists, subcontractors and so on, need to understand how these agents of innovation think and how they work.

‘An image is worth a thousand words’, or so the saying goes. Conventional wisdom suggests that real-life examples are worth dozens of theories. This book presents the life stories of six agents of innovation who had to overcome difficulties and be highly creative and tenacious in their respective fields of activity. Becoming a successful agent of innovation, whether as an entrepreneur, a facilitator or an intrapreneur, involves facing the challenges that often stand in the way of the creative process. The people whose life stories you will read in this book were able to do that. They serve as powerful role models for anyone who wants to improve their understanding of the fascinating world of self-actualization through innovation.

### ***The Terms Used in This Book***

The terms used in this book are known but have sometimes been defined differently by different authors, depending on the context in which they are used. The following paragraphs explain their meanings as they are used in this book.

The main theme of this book is *innovation*. An innovation is something new that adds value. An *innovator* is the person who designs and/or creates it. *Entrepreneurs* not only design innovations but also create and implement them, usually in the form of new products or services, and set up an enterprise to produce and sell them. The innovations they generate will occupy new spaces in the market. *Facilitators* devise process innovations that help entrepreneurs to succeed and realize their visions and projects. They are commonly seen in finance, technology, law, marketing and other support sectors. Their role is to help the products or services created by entrepreneurs to win a space in the market. *Intrapreneurs* play a similar role to entrepreneurs or facilitators, but as creative employees within the organizations that employ them.

There are two terms that are used extensively in this book. The first, *innovationist*, is used to refer to people who develop an interest in innovation. The second, *agent of innovation*, is used to refer to entrepreneurs, facilitators and intrapreneurs. Many entrepreneurs maintain their interest in innovation and their creative ability to generate innovations throughout their lives. Innovation becomes part of their way of thinking. It is what motivates and energizes them.

### ***Innovation From Different Perspectives***

Organizations today need *innovationists* with the potential to become *agents of innovation*. Societies need entrepreneurs to improve living conditions and facilitators who understand innovation, innovation processes and their entrepreneur’s vision, and can support its application. Organizations need intrapreneurs, not only to support, improve, develop and implement value-added projects but also to redefine and re-energize those that already exist. All these agents of innovation must be able to think outside the box and constantly improve or renew what already exists. Agents of innovation make a difference in the quality of life of the societies in which they live.

There are steps in whatever we do. Many people start out as innovationists, developing an interest in the process of innovation. Innovationists are much more likely to support change in an organization and become instrumental in making it happen. They tend to become part of the forward movement instead of a weight that pulls the organization to a standstill or even backwards.

There are, of course, many different levels of innovation, from the 'incremental' innovations that help to improve and facilitate a company's operations, to the more 'radical' innovations that revolutionize entire sectors, such as Elmar Mock's invention of the Swatch and Pierre Nelis' transformation of Softimage's marketing approach. In some cases, an innovation can be a creative adaptation of something that already exists.

To understand the activity systems of organizational actors, it is useful to study not only the main actor but also the supporting cast. If we take the technological or manufacturing field as an example, it is impossible to understand how an enterprise works unless we consider not only its engineers and technology experts, but also the people who support them, in every area of the enterprise's activity.

The same applies to most other fields: architecture, information systems, law, accounting, consulting and the different areas of management, such as marketing, finance, operations and so on. Organizations in all these fields rely on trained technicians to carry out the support activities that are essential to their operations. People specialized in other areas such as human behaviour, technology and law are also often required.

There are currently not enough people who are educated to become *innovationists*. Innovation and entrepreneurial activity require inputs from a variety of people, each with their own complementary expertise, in both the technology sector and in other aspects of organizational life. Organizations benefit greatly from people who have become *innovationists* and can understand how agents of innovation think and act.

Entrepreneurs may create the groundswell and lead the process of designing and implementing innovations, but they need to be surrounded by people who understand what designing and implementing innovation is all about. Entrepreneurship involves living with the uncertainty of creating something that does not exist. By understanding and becoming familiar with the specifics of innovation and entrepreneurship, the entrepreneur's supporting cast becomes more creative and more efficient in their own spheres and lives.

### ***Cultivating an Attitude Conducive to Innovation***

The life stories that follow provide answers to many of the questions asked not only by would-be agents of innovation, but also by would-be innovationists, people who are curious about innovation and/or the entrepreneurial world or who simply want to become more innovative in what they do.

Twenty or 30 years ago, entrepreneurship education was aimed at people who wanted to create a business. They were a minority. If 15 people enrolled in an optional venture creation course, it was a good year. Nowadays, thousands of students in colleges, universities and business schools enrol in dozens of optional

courses on entrepreneurship, venture creation, innovation, small business development, creativity, intrapreneurship and so on, every year. Innovation is becoming increasingly popular across most sectors, and more people than ever before are interested in the different aspects of venture creation. More than 75% of firms are created by teams in which several partners act as facilitators. They come from many different specialties, such as finance, law, technology, marketing and others. A basic knowledge of innovation and entrepreneurial activity helps them to become more effective in supporting the entrepreneur who leads the innovation process. This is now a concern for almost all students, regardless of their fields of study.

Many entrepreneurs and some intrapreneurs are also inventors of products. Sometimes they not only invent the products, they also contribute creatively to some or all the steps needed to take those products to the market. Sometimes, facilitators are needed to design imaginative marketing processes that will make the product or service more successful. Amazon was created to sell books online. However, the ingenuity of the entrepreneur and his facilitators made it possible to expand the service to all kinds of additional products. Facilitators have become extremely creative and instrumental in all kinds of activities, such as finance, especially for new venture creation, development and acquisition processes, technology use, human resource expertise, creative approaches to international markets and so on.

### *Inspiring Life Stories*

The six chapters that follow present two life stories from each of the three main categories of agents of innovation mentioned above. The stories show how these agents of innovation grew and evolved from their early interest in innovation. They describe the circumstances, steps and contexts that led these protagonists to become creative and innovative, and to build or help build successful enterprises. They will certainly serve as inspiration to readers who are thinking of becoming innovationists and would like to improve their understanding of how the innovative process works.

## **Section 1: Entrepreneurs**

The stories begin with two outstanding entrepreneurs. **Coco Chanel** is generally considered to be the first female global entrepreneur. Her story is colourful and provides information about many aspects of the creative process. **Alain Bouchard** began with a single convenience store and grew it into an empire of more than 15,000 stores employing more than 125,000 people in 30 countries.

## **Section 2: Facilitators**

The two facilitators both made major contributions to the firms that employed them. **Réal Plourde** and **Pierre Nelis** spent their lives facilitating the success of the

entrepreneurs who were wise enough to hire them. **Réal Plourde** played a major role as Alain Bouchard's partner in the development of Couche-Tard/Circle K. As for **Pierre Nelis**, he was a key player in the development of Softimage and continued in his role as a facilitator after Microsoft took over the business. As an intrapreneur, he eventually went on to develop an impressive network of entrepreneurs, CEOs and top managers who act as part-time small business consultants and external facilitators at Inno-Centre, a non-profit organization that supports new venture creators and small business owner-managers focused on growth.

### **Section 3: Intrapreneurs**

The two intrapreneurs, **Elmar Mock** and **Emerson de Almeida**, each created movements that ultimately transformed the firms that employed them, by inventing, re-energizing and innovating. Like many intrapreneurs, they also went through periods in which they became entrepreneurs launching their own firms. Later in their lives, they both became external facilitators, supporting innovative initiatives in a wide range of organizations.

#### ***Being Innovative: Learning, Succeeding and Excelling Continually***

The stories presented in this book suggest that the field of entrepreneurship may benefit from being broadened to include *innovationists* and *agents of innovation*: not just entrepreneurs, but also facilitators and intrapreneurs, and eventually other categories of organizational actors who contribute different forms of innovations or provide support for innovation. They all serve as learning models for aspiring innovationists and agents of innovation.

The six life stories were written to be read by anyone with an interest in organizational life, regardless of their background and context. There are no specific analysis grids because these cases can be used in many fields of study. Instead, readers are invited to develop their own grids relevant to their own fields and subjects of interest, whatever they may be.

If you want to be innovative, you need to learn how to understand and approach contexts. This is clear from the stories of the imaginative, tenacious people described in this book. Choosing to be innovative is an important step on the path to self-transformation and self-fulfilment – in other words, to becoming better users of ourselves and our potential.

A list of questions is proposed at the end of each case study. There are no absolute answers to these questions; it all depends on your perspective as an individual. For example, if you are a student of psychology, you may not have the same perspective as a student of law, marketing or engineering. The same applies to the exercises suggested at the end of this book. They were designed, as far as possible, to be relevant to readers from different specialty areas.

***Section 4: Lessons for Innovationists and Aspiring Agents of Innovation***

This section discusses similarities and differences of the three categories of agents of innovation whose examples are presented in this book. A table shows characteristics of each category. Reflections suggest some food for thought about which category could suit better the reader.

**Appendix: The Seven Exercises**

***From Innovationist to Agent of Innovation***

Exercise 1 Preliminary Self-Assessment

Exercise 2 Defining your Own Creative Model for Innovation

Exercise 3 Identifying a Need, Creating an Opportunity, Contributing an Innovation

Exercise 4 Defining a Vision

Exercise 5 Internal Ecosystem – Building an Internal Relations System to Support Innovation

Exercise 6 External Ecosystem – Building an External Relations System to Support Innovation

Exercise 7 Becoming Innovative – Acting as an Agent of Innovation

# Section 1

## Life Stories of Entrepreneurs

The life stories of entrepreneurs are fascinating because they pull back the curtain on the innovative process. As is often the case, the people with whom entrepreneurs are in contact during their childhood leave a profound impression. Chance meetings and events can also change the course of a person's life.

Entrepreneurs are people who design and create something that did not exist before. They are usually optimistic about themselves and about what they do, but they risk humiliation because they work by trial and error. For some, social networks provide support. For others, the opposite is true. Naturally, there are different levels in both creation and innovation. Entrepreneurs must learn to cope with uncertainty and manage the risks that are inherent in any kind of innovation.

To do this, they must maintain a balance between their perception of what is happening in the outside environment and what they themselves can do to add value to it. They must then develop internal and external relations systems composed of people who understand them and will support them at every phase of the process, but especially during the exploration phase.

When you read the life stories of these two intrepid people who helped to change the world, try to identify the aspects that are relevant to you. While the stories focus on the protagonists' professional lives, they also mention elements of their private lives. This is especially true for Coco Chanel, who emerged as a fashion designer and an entrepreneur in the 'Roaring Twenties' after the difficult years of the First World War.

### Coco Chanel

Gabrielle 'Coco' Chanel (1883–1971) led a turbulent life, and, even today, questions remain and certain aspects of her life are still controversial. She was always very careful about the information she released to the media and to the many biographers who wrote books about her.

This case study is probably the first publication to offer a condensed summary of her life. There are countless books, magazine articles, documentaries, videos, films and texts that present different versions of her life, depending on when and by whom they were written or produced. Over the decades, Chanel often changed elements of her story. For example, she fantasized a lot about her father, who abandoned his children after the death of his wife when Coco was just 12-years old. She never saw him again, and often claimed that he had immigrated to the United States and made a fortune.

## 2 *Agents of Innovation*

There are claims that one of her sisters committed suicide, although the reason and circumstances of her death are unknown. Coco Chanel was very discreet and managed to keep most of her personal life secret, including her close relationship with her sisters and with the person she referred to as her nephew.

She revolutionized the world of fashion, not only with the 'look' she created, but by providing women with comfortable clothes. Throughout that period, she developed close personal relationships with artists and entrepreneurs alike. The periods following wars or pandemics tend to be intense, and people tend to take full advantage of their new freedoms. Coco Chanel was no exception.

Her relationships with the Germans during the Second World War have been a source of controversy and remain enigmatic. When the war broke out, she was in her late 50s, living at the Ritz Hotel in Paris, where the German military staff were billeted. She wanted to obtain the release of her nephew who was a prisoner of war in Germany. Indeed, she visited that country on several occasions.

She spent time in Hollywood, where she revolutionized women's clothing in the nascent cinema industry. One of the last major achievements of her life was to design outfits for Jackie Bouvier-Kennedy, who visited Paris in 1961 with her husband, American President John F. Kennedy. Back in Washington, journalists asked the President what he thought of his trip to France. 'I'm the man who accompanied Jackie Kennedy to Paris', he said. The clothing Chanel (78-years old) designed for the First Lady had a tremendous impact on global women's fashion, in terms of shape, texture and colour ([American Experience PBS, 2013](#)).

Chanel died in 1971, aged 88. She remained active and creative to the end. The evening before her death, a friend drove her home to her Ritz apartment. 'I'll see you tomorrow at my office', said Chanel. These were fitting last words for a woman known for her vitality and energy.

### **Alain Bouchard**

What more can be said about a man who started out as a convenience store owner and ended his career as the CEO of a business empire employing more than 125,000 people? As you read this story, you will discover a man who developed a passion for small neighbourhood stores very early in life and never lost it. As he launched his empire, he was also wise enough to surround himself with facilitators who were both supportive and innovative.

When Alain Bouchard was still a child, his family would sometimes go for a drive on Sunday afternoons to see what kinds of businesses were in their local area. They had just moved to a new region after a bankruptcy, and Alain's father was thinking of launching a new business. He had no money, but he still liked to identify possibilities, assess their potential and talk about buying them. These family outings would have a tremendous impact on the entire family. All the Bouchard children went on to become entrepreneurs at some level.

Alain Bouchard began to make acquisitions quite soon after starting his first business. He quickly became familiar with the concept of making acquisitions instead of starting new businesses from scratch. He had learnt the importance of

acquisitions from someone he trusted; his father. Alain went on to complete more business acquisitions than almost any other entrepreneur in history – dozens of them, sometimes involving chains worth hundreds of millions, if not billions of dollars.

Even now that he is retired, he still likes to talk about the acquisitions he is considering. Examples include his offer of US \$5.6 billion for Caltex in Australia in 2020 and his offer of 20 billion euros for the major French food chain Carrefour in 2021 (105,000 employees, annual sales of 81 billion Euros in 2019). These bids did not lead to transactions, for a variety of reasons outside Bouchard's control, including the French Minister of the Economy's 'polite but firm' refusal to permit the sale of an asset considered to be 'strategic' by the French government. But many of his other acquisitions were successful and contributed to the growth of his company.

Alain Bouchard has always loved to share his enthusiasm for convenience stores. Every year, he would spend several months meeting on a daily basis with store managers, some of whom were newcomers to the organization as a result of acquisitions. He communicated both his passion and his expertise to convince his managers that they should run their stores as he himself would do. The process, referred to as 'Bouchardism' (training managers to run stores as if they owned them) helped to create an innovative culture in a giant multinational organization operating thousands of units. 'Local stores have to adjust to their markets. Their management may be much more complex than most people think', he says.

The interviews conducted with Alain Bouchard over a period of decades reveal a visionary thinker who never stopped reflecting on his organization's market of the future. For example, over the years he considered many different ways of entering the 'ready to eat' market, and even after officially retiring in 2014, he continues to be a builder who thrives while encouraging others to keep improving and 'doing better'.

## **Point of View, Interpretation and Understanding**

I am often asked about the type of analysis grid that should be used to understand and make the most of these life stories. The answer is simple. Read them as if you were reading a novel. Enjoy them. Identify the aspects that interest you and look at how the protagonist deals with them. Becoming an innovationist means learning how to understand contexts. Becoming an agent of innovation means learning how to define and implement innovations and how to create innovative processes.

Look at the 'whys' and the 'hows' of what the person does. For example, a psychologist, a product developer or a financial specialist may all focus on different aspects of why, what and how an agent of innovation acts. Analysis grids can be developed from many perspectives, in different disciplines and emerging fields of study. Undergraduate students will not look at the cases from the same perspective as experienced MBAs or doctoral students.

## 4 *Agents of Innovation*

Some teachers use specific analysis grids for the courses they are teaching, and the case studies they use are written with this grid in mind. This approach can be helpful when exploring a particular aspect in depth. In this book, however, the life stories focus on the protagonists' general innovation activity systems. As a reader, you should experience and enjoy the story first, and then choose the aspects on which to focus in more depth – for example, the person's innovative context and ability to generate innovations. Use the web extensively with as many key words you wish to explore with the different aspects of each case study.

When reading Coco Chanel's story, for example you may wish to think about what caused her to remain creative. What are the contexts and circumstances that led her to keep creating brand new fashion trends?

Like many entrepreneurs, Alain Bouchard was self-taught and continued to learn throughout his life. He has often said that entrepreneurs must reinvent themselves constantly. He himself did this, as he transformed from a convenience store owner-manager to the CEO of a giant multinational corporation.

We live in an era of venture creation, but more than 90% of all new ventures are micro businesses employing fewer than 10 people. Many of the entrepreneurs I study do not want to grow and are happy with a smaller business. Only a handful goes on to become giants. Regardless of the size of their firms, the entrepreneurs and other agents of innovation whose stories are presented in this book were selected because they offer perspectives that should inspire readers to become entrepreneurial and innovative and succeed in their own right, regardless of the type and size of the venture they may wish to create or become involved with.

## Discussions

At the end of each case study, questions are proposed to trigger discussions about the case. Other questions can of course be added, depending on the learning context or field of study concerned. There are no absolute answers; participants' views may differ and they may offer up a variety of opinions and possible answers to the questions. The goal is to understand the elements of complexity that characterize the innovative process. When these case studies are used for teaching or as course content, it may be useful to ask the participants to work in pairs before undertaking a group discussion.

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## Chapter 1

# Coco Chanel: Building an Empire – Chanel in Three Acts

*Francine Richer and Louis Jacques Filion*

### Abstract

Shortly before the Second World War, a woman who had never accepted her orphan status, Gabrielle Bonheur Chanel, nicknamed ‘Little Coco’ by her father and known as ‘Coco’ to her relatives, became the first woman in history to build a world-class industrial empire. By 1935, Coco, a fashion designer and industry captain, was employing more than 4,000 workers and had sold more than 28,000 dresses, tailored jackets and women’s suits. Born into a poor family and raised in an orphanage, she enjoyed an intense social life in Paris in the 1920s, rubbing shoulders with artists, creators and the rising stars of her time.

Thanks to her entrepreneurial skills, she was able to innovate in her methods and in her trendsetting approach to fashion design and promotion. Coco Chanel was committed and creative, had the soul of an entrepreneur and went on to become a world leader in a brand new sector combining fashion, accessories and perfumes that she would help shape. By the end of her life, she had redefined French elegance and revolutionized the way people dressed.

*Keywords:* Entrepreneur; new venture creation; fashion; clothing; Twenties (Roaring Twenties); perfume

## Case

### **Coco Chanel: Building an Empire – Chanel in Three Acts<sup>1</sup> Act One: The Strange Little Hat-Maker<sup>2</sup> (1883–1918)**

If I think about the person I have become, I see that my need for independence developed when I was still a child. I can't say I was unhappy or not cared for. I heard a lot of talk about money from my aunts' servants. They said they'd go to live in the city as soon as they had enough money ... I learned early in life that independence was something you had to earn. Money has always meant just one thing to me: freedom.

– Coco Chanel<sup>3</sup>

Shortly before the Second World War, a woman who had never accepted her orphan status, Gabrielle Bonheur Chanel, nicknamed 'Little Coco' by her father and known as 'Coco' to her relatives, became the first woman in history to build a world-class industrial empire. By 1935, Coco, a fashion designer and industry captain, was employing more than 4,000 workers and had sold more than 28,000 dresses, tailored jackets and women's suits. Born into a poor family and raised in an orphanage, she enjoyed an intense social life in Paris in the 1920s, rubbing shoulders with artists, creators and the rising stars of her time.

Thanks to her entrepreneurial skills, she was able to innovate in her methods and in her trendsetting approach to fashion design and promotion. Coco Chanel was committed and creative, had the soul of an entrepreneur, and went on to become a world leader in a brand new sector combining fashion, accessories and perfumes that she would help shape. By the end of her life, she had redefined French elegance and revolutionized the way people dressed.

Unlike other fashion designers, Coco Chanel did not sketch or draw her designs, but sculpted them directly onto the model's body, draping and pinning the fabric. She worked with a cigarette between her lips, her scissors hanging around her neck on a white ribbon. When a garment – a jacket, for example – was finished, and even if it had already been worn by a client, she would, if she felt it was not up to her standards, grab it and rip out the offending element. She said she could only work if she was angry. Karl Lagerfeld, who went on to become the House of Chanel's creative director after Coco's death, confirmed her intensity: 'When she works, she turns into a different person, and is much more serious than the task requires'.

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<sup>1</sup>Case written by Francine Richer and Louis J. Filion.

<sup>2</sup>This was how Gabrielle Dorziat first heard of Coco Chanel. Cited by Haedrich, Marcel (2008) *Op.cit.* p. 80.

<sup>3</sup>Haedrich, Marcel. *Op.cit.*, p. 31. Free translation from the original French. The people Coco Chanel refers to as her 'aunts' are the nuns at the orphanage where she was raised.

Her sewing skills, learned from her mother and from the nuns at the orphanage where she grew up, were limited and she was by no means a skilled seamstress. Her fashion house became known for its exciting, unusual and even revolutionary designs, and also for the professionalism of its dressmakers and seamstresses.

In Coco Chanel's mind, garments were made to serve women; they had to allow the body to move, and to be free and expressive. She was responsible for innovations such as pants made specifically for women, the 'little black dress' (originally a straight, loose-fitting, almost tube-like garment with three-quarter length sleeves), women's suits, false jewellery, five-string pearl necklaces, silk and satin pyjamas (which she loved to wear), and male-inspired garments and accessories. And, of course, for Chanel No. 5, the perfume *par excellence* for women. Today, Chanel is not just fashion: it is a style, an attitude based on difference, and the ability to invent or reinvent.

Her outstanding success as the founder of an industrial empire and one of the largest fortunes ever to be amassed by a woman was due in large part to her innovative approach and willingness to go beyond the social conventions of her time. From 'fashionista', she went on to become an intense and rigorous designer with entrepreneurial and business management skills that ultimately allowed the House of Chanel to become a synonym of French style and elegance.

Jean Leymarie, who traced her creative and entrepreneurial path through history, wrote this:

Her success derived from a combination of her own talent, her ability to seize the moment with great flair, and the energy with which she shaped her destiny, managed her business and asserted her taste. Her decisive achievements in her own field and related fields – jewellery, perfume, interior design, show-business and cinema – were also influenced more broadly by the famous people she met and her personal reputation as a hostess and philanthropist.<sup>4</sup>

And yet, the relationship between Coco Chanel and her workers was always characterized by tension and confrontation, and history lost count of the number of times she fired her personal secretary, Lilou.<sup>5</sup> Her relationships with her models were even more intense; she treated them harshly and inconsiderately. During one fitting session, she ran her hand over the model's chest, exclaiming: 'This girl is supposed to be flat-chested, but look at her! She has no breasts, but the dress makes it seem as though she has!'<sup>6</sup>

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<sup>4</sup>Leymarie, Jean (2010, p.7) Free translation from the original French.

<sup>5</sup>Artuso, Anthony. W. and A. Zalesnik (1987). Case study written by Anthony W. Artuso under the supervision of Professor Abraham Zalesnik.

<sup>6</sup>Gallante, Pierre (1973, p. 213). Free translation from the original French.

## The Daughter of Albert Chanel, a Travelling Salesman

I don't know anything more terrifying than the family.

You're born in it, not of it.

– Coco Chanel<sup>7</sup>

Gabrielle Bonheur Chanel was born in the Poor Hospital in Saumur, on 19 August 1883, the daughter of 28-year-old Albert Chanel and 20-year-old Eugénie Jeanne Devolle.<sup>8</sup> Albert Chanel was not present for the birth; as a travelling salesman, he was on the road, selling 'all types of hosiery and white items', according to the sign on his carriage. He was part of a long family tradition of tradesmen who had made a living harvesting chestnuts, managing nightclubs, producing home-made wine, doing carpentry (signed with the double-C logo that Coco Chanel would later make famous), and peddling various items door-to-door.

Albert Chanel learned the trade of peddling from his father. He was a good salesman with the 'gift of the gab', who stunned potential customers into submission with his charm and loquaciousness. A shameless skirt-chaser, he was often away from home. Gabrielle was the couple's second daughter; they married a year after she was born, in November 1884. There were three subsequent children, a girl and two boys. Eugénie Jeanne Devolle, Coco's mother, was worried and jealous, and she and her children often went with Albert on his sales trips. So Coco Chanel quickly became used to life on the road, spending part of her childhood in the world of textiles and sales.

Eugénie Jeanne's health was fragile, and her children had to take care not only of themselves but also of her. The family lived a miserable life, one that ended for Eugénie Jeanne on 16 February 1895, when she was just 32 years old. Worn out by successive pregnancies, long hours spent sewing and darning, cleaning houses and doing other menial tasks to keep herself and her children, she died as she lived – alone, with her husband away working at the time of her death.<sup>9</sup>

When Coco Chanel spoke of her parents, she described them as an 'ordinary' couple, but blamed her mother's unhappiness and ruin on her intense love for and jealousy of her husband.

### Surviving Life in the Orphanage

When his wife died, Albert Chanel sent his three daughters to the orphanage at Aubazine, run by the Holy Heart of Mary congregation of nuns in an ancient

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<sup>7</sup>Coco Chanel cited in Picardie, Justine (2011, p. 352).

<sup>8</sup>Saumur is a small town along the Loire river in western France. It is known for its riding school, castle, history and wines.

<sup>9</sup>Artuso, Anthony. W. and A. Zalesnik (1992), *Op. cit.*, p. 323.