


# Chapter 5

## Innovation-Based Lateral Thinking and Intrapreneurship Strategies for Handling Corporate Chaordism

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### ABSTRACT

*The economic and social change generated by SARS-CoV-2 is leading to a new geopolitical system dominated by China and the need for higher levels of investment in R&D and innovation, especially in the health system. The world is very vulnerable to global pandemics. This chapter aims to set up several innovation-based and lateral thinking business strategies to make firms rooted in chaordism perform better in disruptive situations. In this chapter, the author will show some mixed managerial-marketing techniques to generate ideas. These pages have an eminently practical application in the firm, regardless of its size and the corporate culture applied in its daily operations.*

### INTRODUCTION

Firms worldwide are undergoing significant changes due to the SARS-CoV-2 pandemic that began by ending 2019 in the Chinese city of Wuhan. Due to the Chinese authorities' opacity, it is difficult to pin down the exact date and, above all, why this pandemic began. The propagation process was very fast because it coincided with the Chinese New Year, when the number of journeys through that great country is most significant, both in national and international trips. Due to the rapid spread, on January 30, 2020, the World Health Organization (WHO) declared the outbreak a "public health emergency of international concern," to later name Covid-19 as a pandemic on March 11, 2020.

The economic and social change generated by SARS-CoV-2 leads to a new geopolitical system dominated by China and the need for higher levels of investment in R&D and innovation, especially

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in the pharmaceutical and biomedical industries. Micro, small and medium enterprises (MSMEs) are especially vulnerable during the current crises because they have minimal resources and weak supply chain and business-to-business (B2B)/business-to-consumers (B2C)' relationships (Caballero-Morales, 2021). The world is very vulnerable to global pandemics given the intense degree of global interconnectedness of countries. For that reason, the world must be prepared to fight against future pandemics.

Throughout this change process caused by SARS-CoV-2, human resources and technology through the firm's digitalization play a fundamental role. However, given the growing power of customers' choice, as they move in global environments and increase online purchases, marketing plays an even more critical role in attracting and retaining the best customers. A few clients guarantee a minimum income stream necessary for the organization's survival during and after SARS-CoV-2. Hence, firms (chaordic and not chaordic ones) need to be prepared to achieve this goal.

This chapter aims to suggest some managerial and marketing tools to reduce chaordism in firms to maximize business efficiency, efficacy, and profit. The goal is to set up several innovation-based and lateral thinking business strategies to make firms rooted in chaordism perform better in disruptive situations. Some mixed managerial-marketing techniques will be shown in the chapter to achieve this goal. These pages have an eminently practical application in the company, regardless of its size and the corporate culture applied in its daily operations.

## **BACKGROUND**

### **Chaordism**

Global changes combined with SARS-CoV-2 are affecting minor digitized sectors that are even at the risk of bankruptcy. Given this fact, more and more companies are entering into chaordic situations based on improvisation. As a result, organizational and managerial problems are patched and combined with a minimum and necessary order for not dismembering the firm. In these situations, chaos and orderism connect, and chaordism appears. Although it is part of companies' day-to-day running, chaordism has been little studied in the economic literature. In fact, there is no publication, neither in the WoS (Web of Science), EBSCO, nor Scopus, containing the term 'chaordism,' given by the difficulty in obtaining first-hand information in companies endowed with a chaordic behavior.

Why does chaordism arise in organizations? There are many reasons leading organizations to be chaordic, and, primarily, they deal with the absence of strategic planning, mainly in the medium and long term, the lack of dynamic capabilities which leads to not adapting to new day-to-day business problems, which weakens the organization, and the shortage of intrapreneurs in the firm. The lack of strategic planning as a business tool leads organizations to improvise business policies based on their daily needs. As a result, a waste of resources, both human and productive, appears, preventing the company from achieving sustainable leadership positions over time.

The chaordic behavior in organizations leads to different management policies after comparing chaordic and non-chaordic organizations. As seen in Table 1, chaordic organizations are defined by financial instability in investment processes that are not constant over time and even non-existent; sporadic customer flows; unstable provisions; and changing stakeholders characterized by instability and economic weakness. The arrival of COVID has caused an even more significant weakening of this type of company defined by a chaordic behavior, which has harmed both job destruction and the creation of

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