

## ENTREPRENEURSHIP: ENCOURAGED AND ENABLED, BUT NOT TAUGHT

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### ABSTRACT

This paper presents a model for a non-traditional undergraduate business curriculum for entrepreneurship – “doing it rather than teaching it.” The model evolves over four years. Each freshman class generates a large number of venture ideas. Over ensuing semesters, a winnowing process enables the stronger, more commercially sustainable venture concepts to develop, while weaker ideas wither. Survivors are nestled into an umbrella organization (e.g., horizontal conglomerate of SBU’s). This umbrella represents venture capitalists or corporate executives who help intrapreneurs, and provides centralized staff functions, like human resources, accounting, finance and legal. It is managed by the upper-class students and supervised by the faculty and administrators.

### INTRODUCTION

Entrepreneurial education is on the rise. Not too long ago, the “e” in front of a word or phrase meant “electronic” as in e-commerce, driven by the rapid spread of information technology and the euphoria of stock markets infatuated with IT. Now the “E” is more likely to be associated with entrepreneurship, which the national media has been trumpeting as the future of our economy.

Academic institutions are rated on their “E” programs. This fall The Princeton Review teamed with Forbes.com to publish “Top 25 Most Entrepreneurial Undergraduate Campuses in the Country.” Larger universities with graduate programs and resources got off to an earlier start and now host programs, seminars and workshops to spread the word. “The Experiential Classroom” at Syracuse University’s Department of Entrepreneurship and Emerging Enterprises is a good example.

The mantra of learning by doing is never more appropriate than more “E” programs. Business administration curricula have long used the case study method as a surrogate for actually managing. It’s a very useful pedagogical tool, but the multi-million dollar decisions made in the artificiality of the classroom discussion are just that, artificial.

As the number of “E” programs increases, the question as to how to differentiate sets in. Since entrepreneurs tend to be competitive, business plan contests became a popular format for challenging students to refine, even escalate their thinking. It seems that every institution with an E-curriculum has some form of an E-competition. Many university-sponsored competitions require submission of business plans, which are reviewed by experts who select finalists or winners.

Often only finalists get to make oral presentations to a panel.

While these competitions were once limited to currently enrolled students, often just MBA’s, the trend has clearly been to broaden both the participant base and the disciplines represented. Purdue University’s competition invites non-students as team members as long as there’s a Purdue student on the team. I-Challenge is a joint technology contest organized by Stanford University’s Business Association of Stanford Engineering Students and UC Berkeley’s Engineering Entrepreneurship Club.

Competitions have gone global. The University of San Francisco sponsors a competition open to all graduate students from all universities and features a judging panel of Silicon Valley venture capitalists and \$25,000 in cash prizes.

And the prize money has gotten globally big, too. The Southern Angels Business Plan Contest, affiliated with the Southern Illinois University – Carbondale, puts up \$40,000 in prize money, with access to \$250,000 in angel investments for promising start-ups.

It’s hard to argue against creating plans. Planning is a basic management process and a useful way to engage students. But plans are just documents unless they can be put into action. They have the same artificial characteristics that case studies have. And why should the action be confined to the winners of a contest? Does the focus have to be high tech or engineering technology?

## THE BASIC MODEL

The model proposed here is a four-year sequence of integrated and escalating learning experiences. Simply stated, each year the role of a class of students changes.

Freshmen create venture ideas, screen ideas for opportunities, and develop concepts into very basic business plans. Weaker ideas are winnowed and stronger opportunities are developed.

Sophomores nurture the surviving first-year enterprises. The business model is refined, as products are prototyped and test marketed. All management functions in the new venture, especially the financial expressions, become much more sophisticated.

Juniors manage the remaining growth ventures, or help freshmen with assessing ideas and drafting plans, or mentor sophomores on accounting, product design and marketing strategies.

Seniors, if not managing a venture, will manage the umbrella organization, host plan presentations, provide feedback and ultimately decide on whether to use seed capital to fund the newest venture proposals.

## FEATURES OF THE MODEL

This model:

1. Engages first year students in entrepreneurship in an experiential way;
2. Enables students to push their entrepreneurial concepts into reality;
3. Releases non-entrepreneurially minded students into the traditional business curriculum, but keeps them connected as mentors to entrepreneurial students;
4. Provides upperclassmen with real managerial decisions and practical problem-solving experiences in the context of upper level courses.

Features #1 and #2 above focus on creating sustainable enterprises. This moves away from one-shot “projects” that masquerade as “learning how to run a business.” The worst-case stereotype for such projects happened at a major land grant, research university in the mid-west. That “firm” of 32 students sold foam fingers imprinted with “We’re # 1” to 28,000 football crazy undergraduates. While there’s merit in such undertakings, it’s just a simple project on a rather large scale.

First year students enroll in Introduction to Business which is taught from an entrepreneurial perspective

rather than from the corporate mentality. The course includes a one-credit hour lab where the new venture concepts are applied. This is followed by a sequence of elective courses in New Venture Creation and New Venture Startups where students further develop venture concepts into business plans, seek initial seed capital and launch their enterprises.

Feature #3 above keeps the entrepreneurial ventures within the context of a traditional curriculum. Students not interested in new venture ideas pursue the traditional curriculum. For them, connection to the new ventures is maintained through class projects done in more advanced courses like Cost Accounting.

Feature #4 above enhances the integrative experiences of capstone courses. The artificiality of case studies, computer simulations and business plan competitions is replaced with the realities of decisions on funding venture proposals, managing more complex multi unit organizations, creating appropriate control and accounting systems, developing a set of human resources policies for all the ventures to share, etc.

## BENEFITS OF THE MODEL

Benefits expected from the model include:

- Development of student portfolios to document refinements to the ventures and to demonstrate personal growth
- Building skills in logical sequences with repetition and reinforcement
- Greater continuity from course to course, enhancing retention of what has been “learned”
- More sophisticated career preparation over eight semesters
- Staged growth in professional experiences
- Evolutionary teamwork
- Engaging students in disciplines other than business administration in entrepreneurship.
- Engaging alumni in many important roles, such as reviewers of proposals and as mentors.

## THE RESOURCES NEEDED

Resources help. Ideally there would be dedicated physical space, like an incubator, for student ventures. Such space can be justified as analogous to the laboratory space routinely provided for courses in the natural sciences or to the computer labs needed for computer science and information technology.

Ideally there would be financial resources to provide seed capital for student ventures. Having colleagues

who would at least incorporate students' new ventures as client-based projects into their courses would be helpful. And support from administrators would always be welcome.

### WHAT WE HAVE LEARNED SO FAR

In the fall of 2004, Juniata College is in the fifth semester of implementing a curriculum that is built on the principles outlined in the above model. Based on this experience, we offer the following observations.

As a practical matter, at the first year level, students are far too likely to latch onto the "wrong" kind of ideas for ventures. Not unexpectedly, their choices can reflect their newfound independence and lifestyles, resulting in too many proposals for sports bars and restaurants. First year students are also dealing with unfamiliar surroundings – "There's nothing to do here" – that engender entertainment centers, dance clubs and entertainment retailers. Students' new personal responsibilities stimulate the perception of a need for campus services (room cleaning, wake up, food delivery, laundry, computer set-up/fix-it, etc).

To help avoid the "single semester project" mentality, students need to think less about selling something to their mates in the residence hall and more about selling in larger, "off-campus" markets.

Using canned idea generation processes has proven to be a mixed bag. One process engages students in groups of three to tell each other about their interests. Combinations and permutations provide some interesting and sometimes strange ideas. It's wise to assassinate the sports bars at this time. Or better yet, have the upperclassmen who assist in this process pull the trigger!

Some idea generation exercises might inadvertently pigeonhole a student into a team rather than allow that individual to pursue an idea that he/she really wants to work on.

Dealing with the faculty committee that serves as the curriculum gatekeeper by evaluating new course proposals might get dicey. Be prepared to demonstrate that the field of entrepreneurship has content and a body of knowledge. Learning by doing may or may not resonate with faculty colleagues.

Upperclassmen can contribute in several ways. They love to serve as evaluators. While the constructive criticism can get pointed at times, the peer message carries a lot of weight. In athletics, it's the difference between negative feedback from a coach (it's his job to

critique) versus that same feedback from a teammate. The latter carries more weight.

The importance of having one or more really qualified upperclassmen as student lab assistants cannot be overemphasized.

Prizes or some positive reinforcement through out the semester won't cost much but will pay off handsomely. This is especially true if the reward is tied into one of the ventures, is a little quirky or humorous, or is unexpected.

### UNRESOLVED ISSUES

There are questions for which there is no ready answer. Some of the following might be perceived of as "good" problems.

What do you do with the students with the super-big ideas, like publishing a specialized book/DVD combination or producing a new television show?

What do you do with the student who is already "running" his/her venture? Does it matter whether the existing venture is more like a lifestyle sideline rather than a sustainable venture?

What do you do with the first-year student who has no personal idea and who has assiduously avoided joining any "E"-team?

Is there a way to guide students toward supporting and tying their ventures into local economic development initiatives? For example, if the institution is located in a rural area, can the venture address needs of agriculture or forestry?

How do you recruit the "E"-minded students in other disciplines? For example, how do we identify, encourage and enable the biology student with an idea that does address needs in agriculture or forestry?

Success of this approach to teaching/learning may result in some workload issues for the faculty involved. Colleagues from other disciplines may not appreciate your efforts, since you aren't doing "normal teaching" – i.e., standard classroom activities like lectures. Experience suggests that the challenges of guiding multiple student projects, either one-person or as "E"-teams, can be both invigorating and exhausting.

### REFERENCES

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