



Tracey Hodgkins
Director
Australian Experiential
Learning Centre

The Role of University in Developing Entrepreneurial Capabilities

Business education in Australia has always been focused on managing and leading, with very little devoted to entrepreneurship and the accompanying capabilities needed to run new ventures both in and outside companies. But without these skills, how are we to drive our business growth in the future to broaden our income base from natural resources to created sources?

Entrepreneurship as a discipline is an extremely complex major to teach. It must incorporate hard skills, soft skills and thought processes that deliver a mix of leadership, management and creative process rolled into a diverse package which is relevant to each and every student. Motivations for attending such courses are diverse and expectations are unclear. In a survey my company the Australian Experiential Learning Centre did last year of students studying in this discipline, many thought of it as a "how to start your own business" or as an easy option that "sounded good". Others did it as an adjunct to hard skill degrees such as science or engineering with the intention of developing up new technologies for market. Almost all of those surveyed indicated their dissatisfaction with what was being taught and in particular were disappointed at the lack of hands on approach to the discipline. It seems that in Australia we are mostly teaching entrepreneurship with a pathway to academia and not a pathway to becoming an entrepreneur. I believe Universities have a responsibility to produce the thought leaders and entrepreneurs of the future and not just more academics. Entrepreneurial companies lead the world economy and we in Australia need that thinking in every echelon of business to compete on the world stage.

In the US, Universities such as Massachusetts Institute of Technology (MIT) have incubators and other support resources to help the budding entrepreneur. In many cases it has produced some mighty fine technologies, but more than that, students are set up with networks that increase the likelihood of success in the field.

Earlier this year, I had the privilege of speaking with Mary Furlong the Dean's Executive Professor of Entrepreneurship at Santa Clara University's Leavey School of Business, a University based in Silicon Valley with a long history of entrepreneurial success. In 2001, Fortune Small Business named Mary one of its "Top 25 Women

Entrepreneurs", and Time honored her in 1999 as one of its "Digital 50". Mary is of the belief that entrepreneurship is an immersion process. Her suggested approach is to match students with successful entrepreneurs both in the field and the classroom, and those who hold critical support resources such as banks and lawyers, whilst they work on developing up their own ideas on site. The process takes the student on a journey from idea to market. Many start their own companies but just as many enter other companies and work their ideas up from within. Failures are treated as learning along the way and post course support mechanisms are in place to help beyond the course itself. The question is, can we in Australia truly set up a structure like this or are we doomed for failure? It seems that even our technology parks struggle to act as anything other than real estate so what hope do we really have without a Silicon Valley on our doorstep?

It appears that Australian Universities cannot see the importance of support structures beyond the classroom. Even Career Centres are badly under-resourced compared to our international counterparts. For example, I was amazed to see on my tour of UK Universities (funded by BHERT for winning the 2003 Entrepreneurial Educator of the Year in 2003) 40 people employed in Careers at Strathclyde University in Scotland for just 5000 students whilst the average centre in Australia has on average seven advisors for up to eight times the number of students. The relevance of this under resourcing of non-core services is linked indelibly to students of entrepreneurship. It seems that Universities in general will only provide minor resourcing outside of classroom activity. Entrepreneurship is a career choice that is not seen as something that goes beyond the lecture theatre and therefore will need a high level of extracurricular support. As Mary Furlong pointed out, immersion is the key to success.

For an immersion process to begin we must understand what is needed for this to work.

Imagine an Australian University that has an entrepreneurship centre on site that goes beyond incubation. Imagine bringing companies onsite to propose entrepreneurial tasks for students to model solutions as an integrated part of the course curricula. This could be a 'user pays' model that actively solves immediate problems in ways that bring dollars and cents to the companies and provide an income stream for the centre and the students involved.

What if entrepreneurial internships were integrated into the courses? Imagine the student centric learning associated with this activity. Hands on learning is the ultimate for an entrepreneur in the making.

Imagine a virtual entrepreneurial network linking diverse companies and entrepreneurs with the budding entrepreneurs within the courses. The network would be global and could link the likes of Silicon Valley to our doorstep, creating an immediate community for support. Santa Clara is open to partnerships world-wide.

What about tying in design-thinking and psychology to encourage broader thinking and access to creativity courses that demand right brain engagement and develop those skills we need to deliver innovation? Experts like Peter Drucker talk about the importance of innovation as a core part of building great companies¹. Only it isn't embedded in business courses including entrepreneurship which logically would seem to be its natural home. Drucker suggests that entrepreneurship is a skill and not a talent and should be taught as a discipline process².

What if the government sets up a loan scheme that helps University educated entrepreneurs get started with a pay back through the taxation system just like HECS and PELS? This would help in offsetting start-up costs associated with driving a project or a company. Surely education mixed with the right support and resources is the key to start-up success?

The Australian Experiential Learning Centre (AELC) has had great success delivering successful entrepreneurial leaders through our experiential immersion programs. Using business tasks with outcomes in a competitive setting, those involved are more likely to take away real learning's that can be applied immediately in the business context. These programs create shifts in paradigm thinking. The experiences are designed using educational neuroscience³ and participants describe their involvement as life changing. Research shows that through multifaceted and concentrated activities, participants absorb complex topics, solve problems and develop coping skills very quickly. The intensity of the experience causes the brain to create a network of new neural pathways, allowing participants to make great shifts in learning in short periods

of time. Results are impressive and have shown that students' marks increase dramatically through their participation and almost all go on to highly successful careers as entrepreneurs and leaders. Graduates include BRW Fast Company awardees, a Young West Australian of the Year, CEO's of high growth companies and not-for-profit leaders changing the face of charity in countries throughout the world. Ethics is core to the program producing a high quality ethical graduate much in demand by industry.

The possibilities are endless once you start down the road of focusing on real change in the University system. It seems that for entrepreneurial education to really succeed we must engage the hearts and the minds of the students because of all the business disciplines, this one is fuelled by passion.

However for all or even any of this to happen there needs to be a will for cultural change. For that industry can pave the way by demanding more entrepreneurial graduates from the system. At the 2010 World Economic Forum at Davos, Queen Rania Al Abdullah spoke about the importance of education in solving the world's problems and the lack of immediacy in allocating resources to what she calls an education crisis.⁴ In her view education can solve all the world's problems – poverty, global warming and HIV just to name a few. Her reasoning for the lack of response is that the rewards of education take a long time to reap and do not fit into the short political cycle. Priority is then lowered and resources are just not committed. In the same vein, I believe Universities do not prioritize student resources outside the theatre as teaching in classrooms is simply easier and more cost effective with no immediate cost benefit thereby sacrificing long term gain for short term profit.

The benefits of creating a great entrepreneurial program may take years to realize. I believe however it is the one key discipline we need to build Australia's economic growth and sustainability and as such our Universities have an obligation to get it right!

- 1 Drucker 2002, 95.
- 2 Drucker 2002, 95.
- 3 Knowles, Holton III and Swanson 1998.
- 4 World Economic Forum 2010.

Reference List

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