

Exploring Entrepreneurship

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Acknowledgment: Most of the content is developed from presentations and discussions with Ray Smilor. Ray was at the Kauffman Foundation and currently leads the FED foundation in LaJolla, CA. Thanks, Ray.



***The Entrepreneurial Pursuit
of Opportunity***

do you have it in you?



Agenda

1. Power of Entrepreneurship
2. Start a dialogue
3. Look for interested faculty, students

OUTLINE

1. Entrepreneurship
2. Entrepreneurs
 - a. Myths & Realities
 - b. What Entrepreneurs Do
 - c. Managing the Dark Side
3. Entrepreneurship & Engineering Schools
4. The Future

ENTREPRENEURSHIP

- Economy
- Firms
- High Schools
- College entrepreneurship
- Individuals: Who are the Es?

Myths & Realities 1

Entrepreneurs are
born, not made.

True

False



Myths & Realities 2

Entrepreneurs are gamblers.

True
False

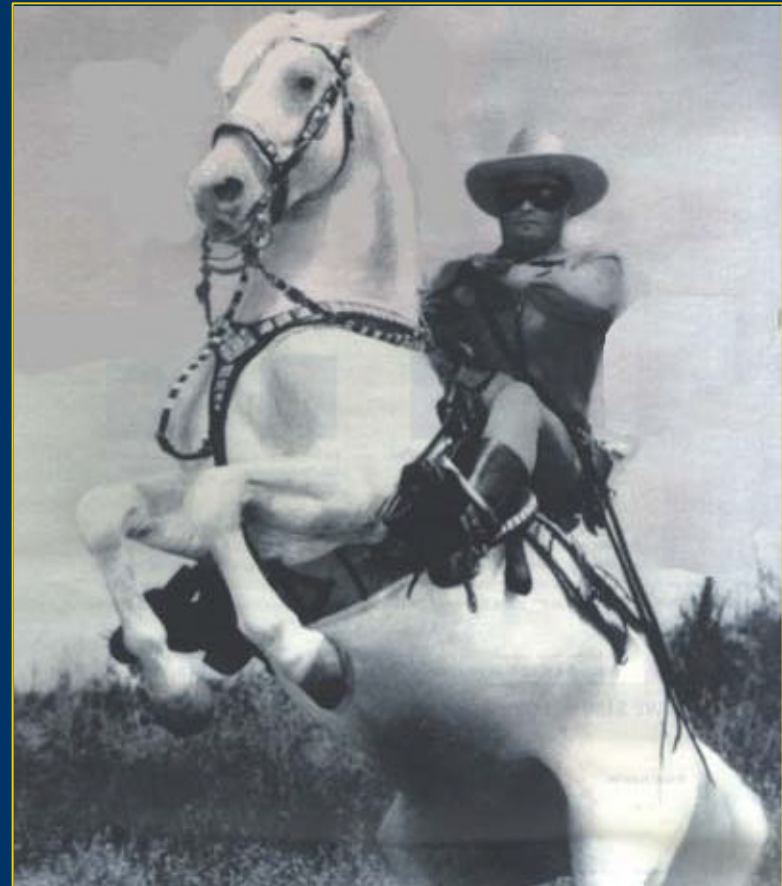


Myths & Realities 3

Entrepreneurs are
lone rangers.

True

False



Myths & Realities

Even the
Lone Ranger
had a partner



Myths & Realities 4

Entrepreneurs start companies to make a lot of money.

True

False



Myths & Realities 5

If an entrepreneur builds a better mousetrap, the world will beat a path to his/her door.

True

False



Entrepreneur

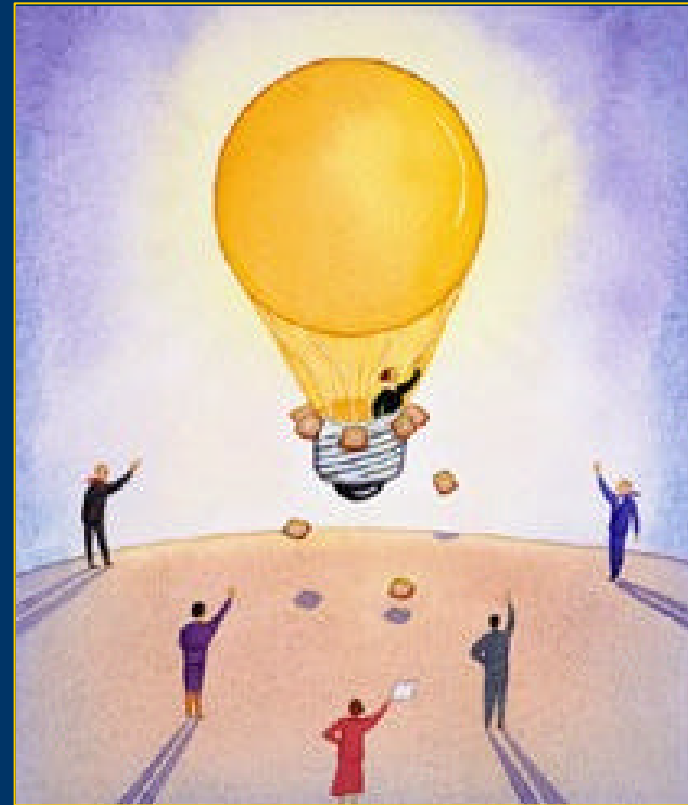
A person who

- pursues opportunity
- acts with passion for a purpose
- lives proactively
- leverages resources and
- creates value



What entrepreneurs do

Pursue
opportunity



Create and manage change

“The business of a general(entrepreneur) is to create changes and to manipulate them to his/her advantage.”

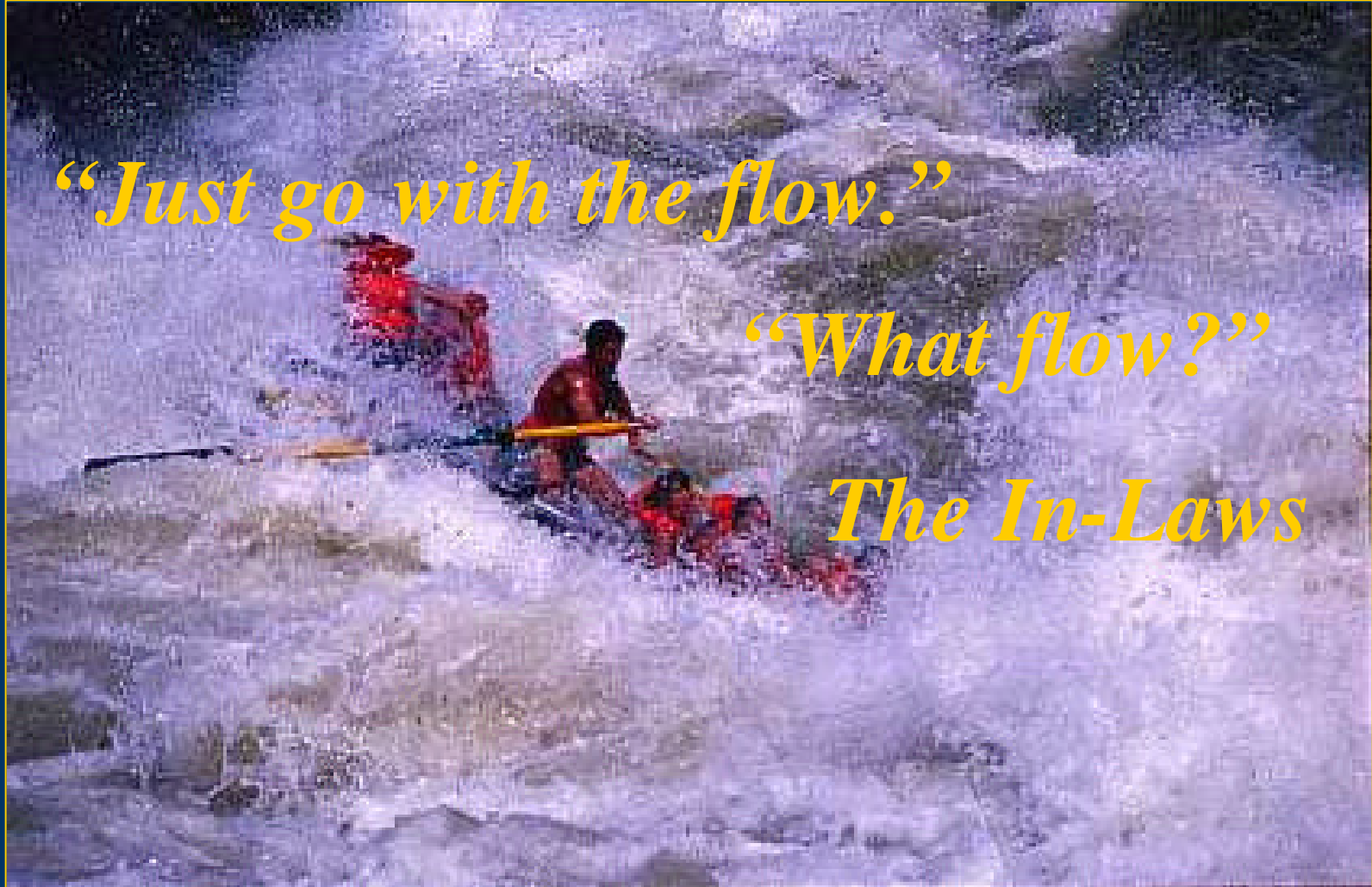


Sun Tzu (500 BC)

“Just go with the flow.”

“What flow?”

The In-Laws



What entrepreneurs do

Act with **passion**
for a purpose

Passion

“Passion is the enthusiasm, joy and zeal that come from the energetic and unflagging pursuit of a worthy challenging and uplifting purpose.”

Smilor

Purpose

“This is the true joy in life – the being used for a purpose recognized by yourself as a mighty one.”

George Bernard Shaw



Mission Statement



“Don’t run out
of cash and
don’t destroy
from within.”

Jack Stack

What entrepreneurs do

Live proactively

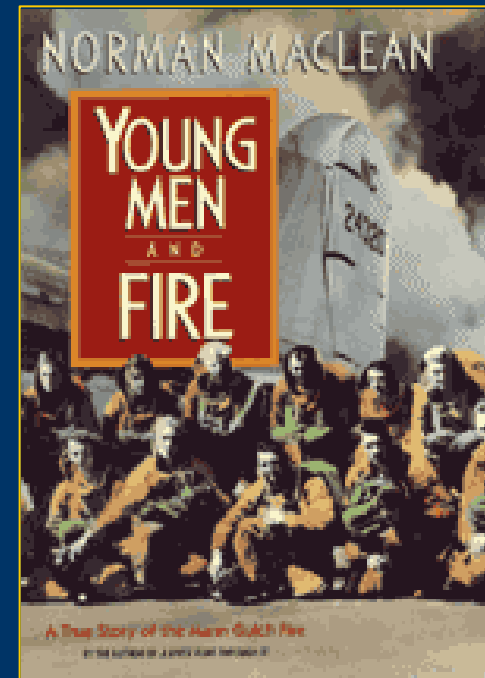
Proactivity

“Proactivity means that our behavior is a function of our decisions, not our conditions.”

Stephen Covey

Guts and logic

But with the flames of the fire solid and a hundred yards deep (Dodge) had to invent the notion that he could burn a hole in the fire. Perhaps, though, his biggest invention was not to burn a hole in the fire but to lie down in it. Perhaps all he could patent about his invention was the courage to lie down in his fire. Like a lot of inventions, it could be crazy and consume the inventor. His invention, taking as much guts as logic, suffered the immediate fate of many other inventions— it was thought to be crazy by those who first saw it. Somebody said, “To hell with that,” and they kept going, most of them to their deaths.



Norman Maclean *Young Men and Fire*

What entrepreneurs do

Leverage resources



Entrepreneurship

*“... the pursuit of opportunity
beyond the resources one
currently controls.”*

HBS

Networks

“...entrepreneurship is embedded
in networks of continuing social
relation

.... Successful entrepreneurs are
successful network builders.”

Howard Aldrich

University of North Carolina

What entrepreneurs do

Create value

Tangible Value

- Employees: jobs/equity
- Customers: products/services
- Suppliers/vendors: business opportunities
- Selves/investors: wealth

Intrinsic Value – A Legacy



“We have a responsibility for excellence and innovation. We do all that we do to the very best of our ability and with the strongest enthusiasm we can generate. It is the very nature of our business to do things that have never been done before and for which there are always reasons they cannot be done. Success for us requires the ability and the spirit to find a pathway through any obstacle, even when no pathway is visible at the start.”

The Dark Side

“Beware the Dark
Side, Luke.”

-Obi-Wan Kenobi



Failure

- State and emotion
- Good to fail in the U.S.
- Learning experience



Burn-out

- Stress of company-building
- Control issue
- **Renewal**



Ruthless Perception

- Fast-growth and turnaround situations
- Obligations to company and people
- Sense of doing the right thing



Kicked Up or Out

- Keeping promises and meeting expectations
- Role of Board
- Growth of entrepreneur



Loneliness

- “Who you gonna call?”
- Isolation
- Making contact



Tough-minded Optimism

“Both the tough-mindedness and the optimism are immensely important. We need to believe in ourselves but not to believe that life is easy. Nothing in the historical record tells us that triumph is assured.”

--John Gardner, *Self-Renewal*

Impact Of Entrepreneurship Education

- University of Arizona and KCEL, 2000
 - 400 business grads
 - 105 Entrepreneurship grads
 - Graduates from 1985-1998, UG and MBA

Impact Of Entrepreneurship Education

- University of Arizona and KCEL, 2000
- Findings:
 - Attracts substantial private sector funding
 - Increases formation of new ventures
 - E grads are more likely to be self employed
 - E grad firms have higher growth rates, Es make more\$
 - Increase graduates' assets
 - Produces champions of innovation
 - Higher likelihood of owning a high tech business

Engineering & Entrepreneurship



MIT Entrepreneurship Center

- Sloan MBA in New Product and Venture Development
- Focus on finance, strategy, management, product development
- <http://entrepreneurship.mit.edu>



Stanford Technology Ventures Program

- Mayfield Fellow Program
- 9 month work/study
- understanding techniques for growing emerging technology companies.
- <http://stvp.stanford.edu>



UC Berkeley Lester Center

- major focal point for entrepreneurial activities in the greater San Francisco Bay area.
- <http://www.haas.berkeley.edu/groups/lester/>



University of Texas Austin

- Management specialization in Entrepreneurship
- <http://texasmba.bus.utexas.edu/>



University of Colorado at Boulder

- Deming Center for Entrepreneurship
- Ranked 18th by U.S. News & World Report
- <http://www-bus.colorado.edu/entrep/>



Purdue University's Krannert School of Business

- Engineering & science design courses
- <http://www.mgmt.purdue.edu/events/entrepreneurship/>

Engineering & Entrepreneurship



University of Pennsylvania

- Wharton Entrepreneurial Programs
- Enrollment of over 2,000 students
- <http://wep.wharton.upenn.edu/wep/>



California Institute of Technology

- Caltech's Entrepreneur Club
- <http://www.its.caltech.edu/~eclub/>



Penn State Smeal College of Business

- The Farrell Center for Corporate Innovation and Entrepreneurship
- Provides courses in entrepreneurship together with Penn State's College of Engineering.
- <http://www.smeal.psu.edu/fcfe/>



Northwestern University

- Kellogg School of Management Entrepreneurship and Innovation Program
- Projects include consulting with an entrepreneurial company.
- <http://www.kellogg.northwestern.edu>



Carnegie Mellon University

- Donald H. Jones Center for Entrepreneurship
- surrounded by computer science, robotics and engineering schools.
- <http://jonescenter.web.cmu.edu/>



University of California Los Angeles

- The Harold Price Center for Entrepreneurial Studies at the Anderson School
- named "Best in Entrepreneurship" by the Financial Times
- <http://www.anderson.ucla.edu/>

Engineering & Entrepreneurship



University of
Wisconsin-Madison

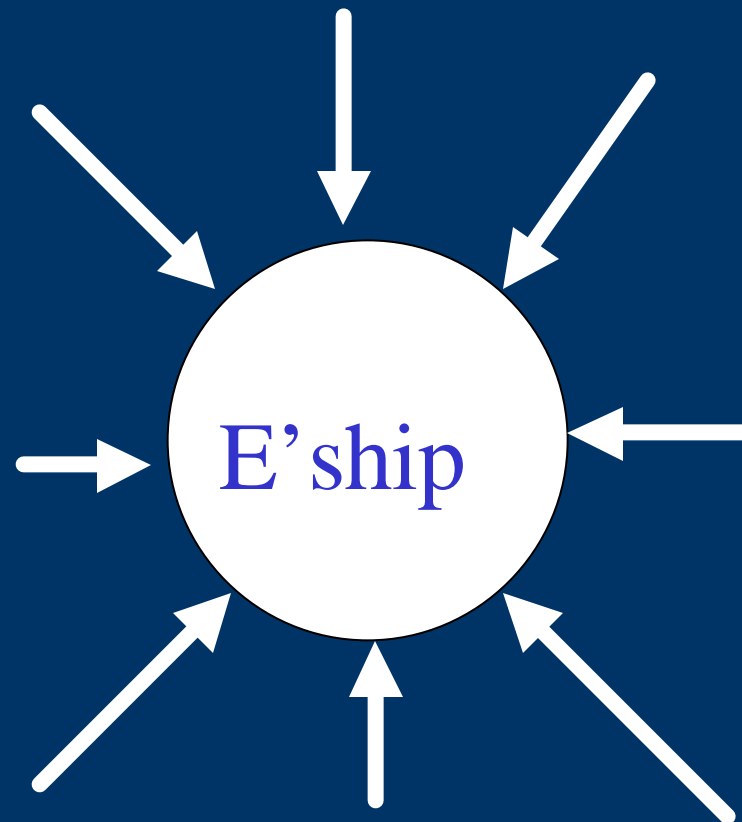
- Weinert Center for Entrepreneurship
- Nationally recognized faculty
- <http://www.bus.wisc.edu/weinertcenter/>

Examples of Entrepreneurship and Engg

- Engineering Entrepreneurship Education at Penn State
- REEE Conference 2002 Stanford
- Ga Tech Engg Entrepreneurship
- Ohio State - Center for Entrepreneurship
- Funding for Purdue entrepreneurship center

Models of across University E' ship

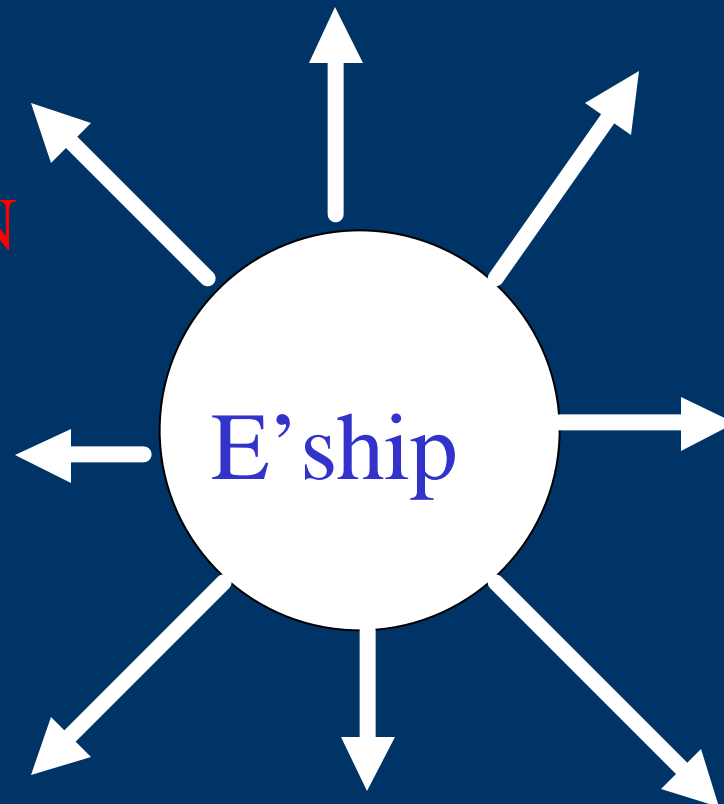
- Magnet Model
 - Centralized
 - The Center has
 - Funding
 - Students
 - All activities



Models of across University E' ship (Cornell Report)

- Radiant Model

- Decentralized
- Each unit has **OWN**
 - Funding
 - Students
 - Facilities
 - activities



E'ship at the School of Business

- Not at the leading edge, cf. UT, MIT, Stanford, UCB
- Courses
 - 3 Univ Kauffman Center course
 - Kauffman Foundation -
 - New Venture Creation, T2C
 - Rudd Foundation Option
 - The Rudd Foundation



Agenda

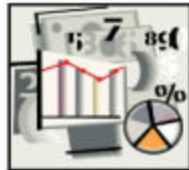
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Where do we go from here????

Budding entrepreneurs: Looking for seed money?



You've got the ideas.



Now all you need are
business plans . . .



and, oh yes . . .
the funding.

Learn more about entrepreneur funding activities at one of our information sessions:

Tuesday, October 9, 5:30 p.m., Room 426, Summerfield Hall

Tuesday, October 16, 12:00 noon, Room 320, Summerfield Hall

The KU School of Business and Rudd Foundation announce an opportunity for student entrepreneurs from all disciplines who desire to start their own business. The foundation has set aside \$1,000,000 for outstanding student



business plans that benefit the Kansas economy. For more information, visit the Rudd Foundation web site, www.ruddfoundation.org. After that, contact Sanjay Mishra at the KU School of Business, 864-7528 or smishra@ku.edu.

(Deadline for expressing interest is October 29.)