

*Entrepreneurship, both in commercial and social enterprise development, has become an essential component in sustaining thriving communities in the region. An expanded dedication to entrepreneurship can open up economic opportunities while simultaneously furthering the educational missions of colleges and universities by promoting a scholarship of relevance.*

**NCRCRD**

# Policy Briefs

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## **Entrepreneurship: A Unique Opportunity for Higher Education**

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*by John Hamerlinck and Mary Emery*

Today higher education plays an increasingly active role in many local and regional economies. This brief addresses how a focus on entrepreneurship can result in a more engaged academy, more relevant scholarship, and a more vigorous and competitive economy.

### **A Focus on Entrepreneurship**

Dr. David A. Sampson, assistant secretary of Commerce for Economic Development, suggests that universities “must acknowledge that economic development is part of their core mission.”<sup>1</sup> Higher education generally contributes to local and regional economies through workforce development and its function in transferring technology, as well as through the income colleges generate. A study in Georgia found that for every \$1 the University brings into the community, it generates \$.56 in additional economic activity.<sup>2</sup>



While these functions continue to make valuable contributions to local and regional economic development efforts, there is a compelling case for colleges and universities to play a more significant role in the emergence of entrepreneurship support. Over the past four decades industrial attraction and competition on the basis of cost have been the dominant guiding theories directing community economic development. Globalization has now rendered these strategies almost obsolete.<sup>3</sup> Entrepreneurship cultivation and support, enterprise development and quality of life

issues are now at the forefront of community-based economic development. For example:

- Only 1% of new job creation now comes from business relocations.
- The other 99% come from the expansion of existing businesses (55%) and new start-ups (44%).
- An international study indicated that the direct correlation between the level of entrepreneurial activity and economic growth is greater than 70%.<sup>4</sup>

In Minnesota small businesses dominate the state's economic landscape. In raw numbers, 195,000 Minnesota businesses have fewer than 20 employees; 75,000 of these have from 1 to 4 employees.<sup>5</sup> This means that more and more college graduates are creating their own jobs rather than climbing career ladders within large organizations. Higher education can contribute to these efforts by:

- Supporting local efforts to generate and support entrepreneurship at the community level.
- Incubating new entrepreneurs through training, educational programs, civic engagement and internships.
- Fostering innovation and entrepreneurial approaches to today's complex society.

### **Expanding Opportunities in Entrepreneurship Education**

*"To a great extent you can't really teach entrepreneurship. You have to model it."*

—David Birch<sup>6</sup>

Entrepreneurship is like swimming. Many of us may want to do it and are capable of doing it. To become proficient at it, however, requires experiential learning. The best, most clearly

written "how to swim" book in the world is a poor substitute for getting in the water and moving around.

According to McCall,<sup>7</sup> "[O]ur colleges must respond to the need to develop entrepreneurship in our communities to foster economic development." A growing number of campuses offer entrepreneurship certificates and emphases within business degrees. As of 2003 there were 406 endowed positions in entrepreneurship at U.S. colleges and universities.<sup>8</sup>

Small Business Development Centers housed on campuses provide technical assistance to entrepreneurs. Likewise, other centers have emerged with the study of entrepreneurship and enterprise development at the core of their mission. These centers exist at two-year, four-year, public and private schools, offering opportunities for students to get their feet wet by participating in hands-on entrepreneurial activities. Gibb<sup>9</sup> provides suggestions for creating a climate for teaching entrepreneurship:

- Create and reinforce a strong sense of individual ownership.
- Reinforce the personal ability to make things happen and see things through.
- Maximize the opportunity for individuals to take responsibility for a wide and integrated range of tasks.
- Tolerate ambiguity and allow mistakes as a basis for learning.
- Encourage strategic thinking before formal planning.
- Emphasize the importance of personal trust and "know who" as a basis for management rather than formal relationships.
- Encourage informal overlap between departments and groups as a basis for developing a common culture.

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## Entrepreneurship Across the Curriculum

*“Innovation and entrepreneurship are thus needed in society as much as in the economy.”*

—Peter Drucker<sup>10</sup>

Today’s world needs colleges and universities to embrace entrepreneurship in all of its manifestations. Pedagogy that encourages entrepreneurial thinking helps students create insights, connect different kinds of knowledge, and discover innovative ways to apply knowledge. Who will come up with the innovative solutions to the diverse array of challenges facing us, and what new types of social enterprise will fund their implementation?

If we remove our ideas about entrepreneurship from the narrow and limiting association with business start-ups and create a fundamental place for entrepreneurship across the curriculum, we will increasingly find ourselves educating students who are persistent solution finders.

### Emerging Models

Several schools are beginning to expand the profile of entrepreneurship across their campuses.

- Carthage College in Kenosha, Wisconsin incorporates entrepreneurial studies in its natural sciences curriculum.
- In 2003, the Kauffman Foundation awarded eight higher education institutions up to \$5 million each to enable any students access to entrepreneurial training.<sup>11</sup>
- The Kauffman Entrepreneurial Faculty Scholars Program brings faculty together from multiple disciplines to integrate entrepreneurship into their courses.

Why do they support these programs? According to Carl Schramm, “We want all students—not just those enrolled in business or engineering schools—to have the skills that lead to greater opportunities for them, that result in more jobs for our community, that inspire innovation and that ultimately fuel prosperity for America.”<sup>12</sup>

### Entrepreneurship Education Requires Civic Engagement

*“[T]he mission of universities is not only about the scholarship of discovery (research)...It is also about the scholarship of relevance and the scholarship of integration.”*

—Allan Gibb<sup>14</sup>

Simply building a *business* skill set (communication, marketing, accounting) doesn’t necessarily give a student skills that are transferable to entrepreneurship. We need to get enterprising students out into the community and into practical situations.

Educators strive to turn *information into knowledge* and ultimately turn *knowledge into wisdom*. By supporting a culture of entrepreneurship, higher education can help to facilitate the next and most important step, *wisdom to action*. Fostering this change in institutional culture will result in a more engaged faculty, a more relevant and useful link between research and practice, and more integrated community/institutional partnership. Entrepreneurship across the curriculum benefits not only the academy, but also provides vitally important

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*“[P]rogram graduates [at Carthage] generally end up in more diverse positions, having been exposed to the wider range of possible career paths through the program. Several have taken their senior business plan projects as seeds for new opportunities.”<sup>13</sup>*

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innovations for competing in the new economy, creating new ways of addressing social welfare, and addressing sustainable development.

### For More Information

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