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Section I: Request

Utah State University proposed to establish the *Center for Entrepreneurial Excellence* in the Jon M. Huntsman School of Business. It is the purpose of the Huntsman School of Business to be a career accelerator for students and an engine of growth for the community, the state, the nation and the world. The *Center for Entrepreneurial Excellence* will help achieve this purpose by aiding students in the creation of new organizations that promote independence and self-sufficiency and make significant contributions to the community in which they operate. Specifically, the center will bring together a host of resources from the campus and the community to facilitate the development of successful new ventures. Some of the resources offered will include a founders' board, a premier lectures series, tools for assessing business opportunities, branding services, web design, programming, student competitions, mentoring programs, marketing tools, workshops on critical topics, corporate partners and funding sources for new ventures (see attached diagram). In addition, the center will assist with the development of curriculum for undergraduate and graduate programs and for a minor in entrepreneurship for non-business majors.

The programs and activities offered by the *Center for Entrepreneurial Excellence* will allow students to bridge the gap between formal classroom education (knowing) and real-world experience (doing). In particular, events sponsored by the center will help students from various disciplines develop and implement the skills of entrepreneurial leadership:

- Fostering creativity and innovation
- Gaining industry intelligence
- Identifying and assessing opportunities
- Creating new products and services
- Developing business models
- Understanding personal skill sets
- Engaging a "brain trust" of mentors
- Building effective leadership teams
- Acquiring and utilizing critical resources
- Developing effective low-cost marketing strategies
- Building networks necessary to commercialize ventures
- Planning the launch of the new venture
- Managing the growth of the new venture

The skills of entrepreneurial leadership can benefit all types of organizations: For-profit, nonprofit, government, schools, etc. Learning and mastering these skills will prepare students for successful careers in (1) creating new ventures, (2) developing existing corporations and (3) building community organizations.

Section II: Need

More people than ever before are trying to start and operate their own business. Statistics from the U.S. Bureau of the Census and the Bureau of Labor Statistics show that 500,000 people each month are in the process of launching a new venture.¹ As a result, millions of households in this country are having experiences with entrepreneurial activities. The attitude of the up and coming workforce is particularly telling: approximately two-thirds of college students intend to be entrepreneurs at some time in their careers, and three-fourths of high school students say they want to start their own business.²

The creation of new enterprises is the driving force for technological innovation and economic growth in America. Government statistics show that 99 percent of all firms in the United States have fewer than 500 employees and these companies create 75 percent of our new jobs each year. Since 1980, 34 million jobs have been created in America; the Fortune 500 lost more than five million jobs during this same period of time.³ Smaller firms are also more effective innovators, generating twice as many new products per research dollar as their large counterparts. Small companies have created half of our new innovations, and 95 percent of our radical innovations during the past few decades.⁴ All indicators suggest that small business will continue to be the major force shaping our economy for years to come.

Entrepreneurship is one of the fastest growing subjects in today's undergraduate curricula. In the past three decades, formal programs (majors, minors and certificates) in entrepreneurship have more than quadrupled, from 104 in 1975 to more than 500 in 2006.⁵ Research has shown that graduates from college and university entrepreneurship programs, compared to general business graduates:

- Are three times more likely to start a business
- Are three times more likely to be self-employed
- Have annual incomes that are 27 percent higher
- Own 62 percent more personal assets
- Earn \$23,500 more per year if they work for a large corporation
- Are more likely to work in new product development and R&D activities
- Are more satisfied with their jobs⁶

To meet the significant need for training in entrepreneurship, colleges and universities are creating centers to develop and administer co-curricular activities to complement formal classroom training. More than 100 centers have been established across the United States. In the State of Utah, the following schools have created organizations to foster the development of new ventures:

Weber State University – The Innovation Center
University of Utah – The Pierre Lassonde Entrepreneurship Center
Westminster College – The Institute for New Enterprise
Utah Valley University – The Entrepreneurship Institute
Brigham Young University – The Rollins Center for Entrepreneurship and Technology

The *Center for Entrepreneurial Excellence* in the Jon M. Huntsman School of Business will have several strong competitive advantages. First, it will be widely inclusive across the university. A significant effort will be made to include and support students from departments outside of the Huntsman School of Business who are interested in new venture development. Services will also be offered to students across the regional campuses. Second, while many centers focus primarily on technology, the *Center for Entrepreneurial Excellence* will assist students with a wide variety of venture startups: For profit, nonprofit, technology, services, manufacturing, franchising, lifestyle businesses, etc. Third, the *Center for Entrepreneurial Excellence* will emphasize entrepreneurship skills as the new leadership paradigm. The practices taught through numerous activities will help students excel in careers in a wide variety of industries and organizations.

Section III: Institutional Impact

The *Center for Entrepreneurial Excellence* will provide a number of benefits to Utah State University. It will:

- Attract new students to the Jon M. Huntsman School of Business
- Attract new students to other departments and the regional campuses
- Create stronger links with alumni and the business community
- Provide greater visibility for the Huntsman School and the university
- Introduce additional funding sources for scholarships and co-curricular activities
- Enhance the reputation and “brand” of the Huntsman School and university

Nearly all of the personnel, programs and resources are already in place to launch and administer the *Center for Entrepreneurial Excellence*. The follow team will manage the initiative:

James H. Davis, Ph.D. – Professor and Head of the Management Department. Jim has published extensively in the areas of entrepreneurship and business strategy, created and launched the Gigot Center for Entrepreneurial Studies at the University of Notre Dame and served as the John F. O’Shaughnessy Chair of Family Enterprises.

Michael Glauser, Ph.D. – Executive Director of Entrepreneurial Programs. Mike has written and published in the field of entrepreneurship, started several successful organizations, consulted with numerous startup companies, and created the Institute for New Enterprise at Westminster College.

David Herrmann, MBA – Executive in Residence. David has extensive experience developing new ventures and teaching entrepreneurship. He created and manages the SEED program (Small Enterprise Education and Development) in the Huntsman School of Business.

Natalee Champlin – Staff Assistant for Entrepreneurial Programs. Natalee received a bachelor’s degree in finance and economics from the Huntsman School of Business in 2010. She has created her own business and has a passion for entrepreneurial programs.

Eventually, the *Center for Entrepreneurial Excellence* will be located in the new Huntsman Business Building. Until then, the center can be housed on the third floor of the current business building. No new facilities, equipment or resources are needed to launch and administer the center.

Section IV: Finances

The *Center for Entrepreneurial Excellence* will be self-funded within three to five years and will not be a cost center for the Huntsman School of Business or Utah State University. Existing entrepreneurship programs are funded with donations from founders and corporations, and funds from the Huntsman School of Business. The three long-term strategies for funding the center are as follows:

The Founders’ Board: The Founders’ Board currently consists of 17 members. Each member commits \$2,500 per year for a minimum of three years. The Founders’ Board will be expanded to 100 members during the next five years.

Corporate Partners: Corporate partners who provide services to startup companies will be sought to sponsor the events of the *Center for Entrepreneurial Excellence* (banks, law firms, advertising agencies, insurance providers, angel groups, VC firms, etc.). For a donation of \$25,000 to \$50,000 per year one

organization in each category can become an exclusive sponsor of the center. Discussions are underway with several potential partners.

A Major Donor: The major fundraising objective is to offer a naming opportunity to a prominent entrepreneur for a gift of \$10 million. Five million will be used to complete the construction of the center in the new building, and \$5 million will serve as an endowment for the center.

In sum, no additional funds are needed at this time other than those already being utilized. The funds received from founders and corporate partners will support the center in the short term. The major gift will sustain the center for many years to come and allow for the further development of programs. Launching the center now is critical to obtaining this gift because it demonstrates commitment, proof of concept, market position and excellence in operating the center. The *Center for Entrepreneurial Excellence* at Utah State University will become a top-tier organization for facilitating the creation and development of new enterprise.

References

¹Ewing Marion Kauffman Foundation, "Kauffman Index of Entrepreneurial Activity, 1996-2007," <http://www.kauffman.org/research-and-policy/kauffman-index-of-entrepreneurial-activity-2007.aspx>.

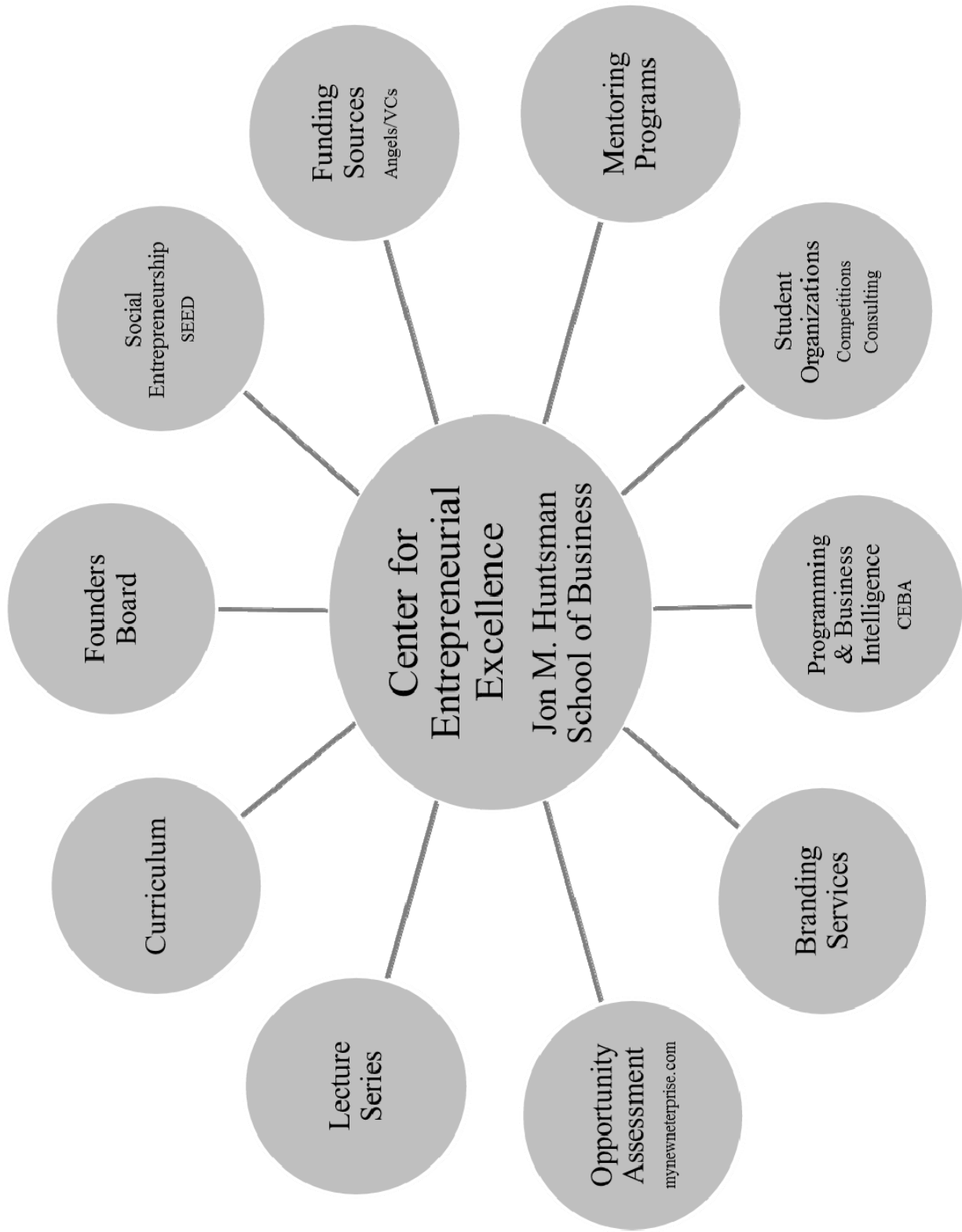
²SBA Office of Advocacy, "Small Business Resources for Faculty, Students and Researchers: Answers to Frequently Asked Questions," March 2004, www.sba.gov/ADVO/stats/arsbfaq.pdf; Utah State University Extension, "Do You Want to Start Your Own Business?" June 18, 2008, www.extension.org/pages/Do_You_Want_to_Start_Your_Own_Business%3F; Junior Achievement, "America's Young Entrepreneurs," December 18, 2000, www.ja.org/zmentor/showquestion.asp?faq=3&fldAuto=68

³Jeffry Timmons and Stephen Spinelli, *New Venture Creation: Entrepreneurship for the 21st Century, 7th Edition* (New York: McGraw-Hill Irwin, 2007), 50-51, 55-56.

⁴Jeffry Timmons and Stephen Spinelli, *New Venture Creation: Entrepreneurship for the 21st Century, 7th Edition* (New York: McGraw-Hill Irwin, 2007), 50-51, 55-56.

⁵Ewing Marion Kauffman Foundation, "Entrepreneurship in Higher Education," A report from the Kauffman Panel on Entrepreneurship Curriculum in Higher Education, 2007

⁶Ewing Marion Kauffman Foundation, "Entrepreneurship in Higher Education," A report from the Kauffman Panel on Entrepreneurship Curriculum in Higher Education, 2007



August 22, 2011

Dr. Raymond Coward
Provost Utah State University
1435 Old Main Hill
Logan, Utah 84322-1435

Re: Requesting support and approval for the establishment of the *Center for Entrepreneurial Excellence* in the Jon M. Huntsman School of Business.

Dear Provost Coward:

I am pleased to submit to you the attached R401 proposal for establishing the *Center for Entrepreneurial Excellence* in the Jon M. Huntsman School of Business. I enthusiastically support this proposal as I believe it will help the Huntsman School achieve its purpose to be a career accelerator for our students and an engine of growth for our community, the State, the nation, and the world. The center will bring together a host of resources from the campus and the community to facilitate the development of successful new ventures. Our strong curriculum in entrepreneurship combined with programs and activities offered by the *Center for Entrepreneurial Excellence* will teach students the skills of entrepreneurial leadership and prepare them for successful careers in (1) creating new ventures, (2) developing existing corporations, and (3) building community organizations.

The creation of new enterprises is the driving force for economic growth in America. Government statistics show that ninety-nine percent of all firms in the United States have fewer than 500 employees, and these companies create 75 percent of our new jobs each year. Smaller firms are also more effective innovators, generating twice as many new products per research dollar as their large counterparts. Small companies have created half of our new innovations, and 95 percent of our radical innovations during the past few decades. All indicators suggest that small business will continue to be the major force shaping our economy for years to come.

As a result of this shift to a small business economy, entrepreneurship is one of the fastest growing topics of study on university campuses today. In 1985, 300 schools offered a course or courses in entrepreneurship. Today, more than 2,000 schools offer courses, majors, minors and certificates in entrepreneurship. In addition to course and program development, more than 100 centers for entrepreneurship have been created on university campuses during the past decade. These centers combine formal classroom education with real-world career experience, which better prepares students for future entrepreneurial activities or employment with existing organizations.

The *Center for Entrepreneurial Excellence* in the Jon M. Huntsman School of Business will be unique in several ways. First, it will be widely inclusive across the university, offering services to students outside the School of Business and on the regional campuses as well. Second, while many centers focus primarily on technology, the *Center for Entrepreneurial Excellence* will assist students with a wide variety of venture startups: for profit, nonprofit, technology, services, manufacturing, franchising, lifestyle businesses, etc. Third, the *Center for Entrepreneurial Excellence* will emphasize the skills of entrepreneurship as the new leadership paradigm for today and the future. The practices taught through numerous activities will help students excel in careers in a wide variety of industries and organizations

We have an excellent staff to make the *Center for Entrepreneurial Excellence* a top-tier organization. Dr. Michael Glauser, our new Executive Director of Entrepreneurial Programs, has more than 20 years of experience in teaching entrepreneurship, developing curriculum and programs, starting successful business ventures, and creating a similar center at Westminster College. Dr. James Davis, our new Management Department Head, has published widely in the fields of entrepreneurship and business strategy, created a center for entrepreneurship at Notre Dame, and directed a center for family enterprises. In addition, we have strong interest and experience in entrepreneurship within our tenure-track and clinical faculty.

The *Center for Entrepreneurial Excellence* will exhibit the Huntsman School's commitment and leadership with regard to the Association to Advance Collegiate Schools of Business (AACSB), the national accreditation authority for business schools, and its expanded mission to address the critical role business must play in developing leaders who will advance responsible and sustainable businesses worldwide. As mentioned, the center will also achieve the Huntsman School's purpose to serve as an engine for economic development and prepare students for significant leadership roles in our new economy.

Finally, the *Center for Entrepreneurial Excellence* will not require additional resources from Utah State University. Existing entrepreneurship programs are supported with designated funds from the Huntsman School of Business, and donations from founders and corporations. The *Center for Entrepreneurial Excellence* will be self-sustaining within three to five years through the following long-term funding strategies: (1) significant expansion of the Founders' Board, (2) the addition of new corporate partners, and (3) a major gift from a successful entrepreneur and business leader.

I hope you will support this proposal and I look forward to working with you to make the *Center for Entrepreneurial Excellence* a reality.

Sincerely,



Douglas D. Anderson
Dean and Professor
Jon M. Huntsman School of Business