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LEARNING BY DOING AND LEARNING FROM DOING: The Development of a new degree in Enterprise Development

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Abstract

New undergraduates appear in all shapes and sizes. Some crave academic rigour while others prefer experiential experiences. The BA Enterprise Development pioneered by the University of Huddersfield's Enterprise Research Network provides a robust and challenging experience for the would-be student entrepreneur who is serious about obtaining a degree and at the same time learning about the realities of entrepreneurship. This paper outlines the development process as well as the challenges involved in creating a new degree that is purely focused on learning by doing.

Keywords: Enterprise development, Entrepreneurial learning, Learning by doing

Introduction

Few people are unaware of J K Rowling's seven-book saga of Harry Potter. New students at Hogwarts School of Witchcraft and Wizardry must be selected for one of four houses, chosen by The Sorting Hat and based on their perceived natural characteristics:

*By Gryffindor the bravest were prized far beyond the rest;
For Ravenclaw, the cleverest would always be the best
For Hufflepuff, hard workers were most worthy of admission;
And power-hungry Slytherin loved those of great ambition.*

New undergraduates also appear in all shapes and sizes. Some crave academic rigour and learning more than others who prefer a more experiential experience. Some want to specialise in something very technical; others prefer something that is more general in nature. Some look like natural leaders; others appear more like natural entrepreneurs. And yet in a survey of 1.2 million managers recently, Gallup concluded that 80% of managers do not daily employ their talents and capabilities at work.

So what is an appropriate course for someone who believes he or she is destined for the entrepreneur's journey? We don't pretend to have definitive answers to this perennial question but we have reached a number of conclusions over several years and from these developed a new degree, BA Enterprise Development, where students must start and run a business as part of their course.

Entrepreneurship is a way of behaving. It is natural and instinctive for some people and it can be manifest from a very early age. With other people their home and school environments can sometimes constrain this behaviour; but then a natural characteristic is laying dormant waiting for an opportunity to be released and to prosper. With some young people there is even a tendency to shun formal (higher) education so they can 'get on and do something'. In addition, whilst the entrepreneurial behaviour will often be used to start a new business it is quite possible for it to be channelled down other routes.

Research also continues to record that many new businesses fail to survive for many years. Although the figures are less conclusive, research into business incubation concludes that survival rates are much higher where new businesses receive appropriate support and mentoring.

This new degree seeks to recognise all these issues and provide a different learning experience for Business School students. In some ways it will seem radical and different, but it does in some ways follow routes that other parts of the University have shown can work effectively and successfully.

We believe the time for this approach is also appropriate. Television programmes are promoting entrepreneurs in a positive light and young people increasingly see it as 'cool' to want to become an entrepreneur.

This paper, then, traces the story of the development of this innovative new degree in Enterprise Development, whereby students must achieve the necessary credits from an academic programme and start and run a small business with growth potential in order to graduate.

The paper features a reflective debate on how a number of key issues and challenges were handled and met. One might speculate that the development itself reflects entrepreneurship in education and it needed to be led by an academic who is also something of an entrepreneur. Thus the purpose of the paper is to share a story and critically reflect upon a number of decisions that were taken.

Background

The new degree was pioneered by the University's Enterprise Research Network which was set up with a remit to practice, research, teach and promote entrepreneurship and enterprise. Despite the name, the focus of the Network has been on entrepreneurship rather than the more generic enterprise.

The degree reflects how the staff who championed it formed a clear view on a number of critical issues:

- There is something of the entrepreneur in all of us, but in some it is stronger and more influential. Many students will always look to work for others, both in large corporations and small businesses rather than start out on their own. In their careers they will be faced with some opportunities to demonstrate they are innovative and can be intrapreneurial. Others, though, will become self employed professionals, in part because this is typical in their profession. A minority will be keen to start businesses with real growth potential at the earliest opportunity. This last group is a small minority, but it is a niche with specific needs and requirements if it is to gain the maximum benefit from higher education.
- There is a belief that would-be entrepreneurs need more than to be 'taught about' entrepreneurship. They need to prepare for the challenges of starting up (or becoming self employed) and they need to develop themselves through practice. This practice can be simulated or real.
- Students need to realise that entrepreneurship is a way of behaving and it is not confined to any single sector. Businesses can be successful in a variety of environments, some of these very technical or scientific, some of them very creative, some of them services rather manufacturing. Students who expect to become self employed must realise that they are actually starting and running a business, even if they might be inclined to not think of themselves as business people. Entrepreneurship can be relevant for students who are, or who might see themselves as, belonging to any department or school in a University.

- There is always an opportunity to focus on the many or the few. Whilst certain programmes and modules might be made available to all-comers, some courses are designed for very specific niches – and this new degree is a niche product. Linked to this is the issue of whether we, as educators, are interested in enterprise (and probably enterprise skills) or entrepreneurship. At a workshop for entrepreneurship educators and part-run by the author at the 2005 ISBE (Institute for Small Business and Entrepreneurship) Conference, for example, there was a clear feeling that generic enterprise skills should have the highest priority.
- Enterprise and entrepreneurship can be experiential and adjunct to the credit-bearing curriculum or it can be fundamental within the curriculum.

In developing the degree the staff took note of what happens at present across the University and at approaches taken elsewhere. Outside the more obvious examples of practice, distinctive approaches include one University which provides a Certificate in Enterprise as an additional qualification to any degree being studied. The Certificate contains an APEL element and individual, customised opportunities to complete a portfolio. Another University has funded and co-ordinated enterprise champions who operate as individuals in their own schools. A third approach is a University which has established an enterprise community where students can operate virtual companies and trade with each other, using metaphorical Monopoly money. There are, of course, many others worthy of mention.

Huddersfield, however, was seeking to build on certain past programmes and experiences. There are, for example, taught entrepreneurship modules offered by the Business School, and each school in the University has developed its own ways of developing enterprise skills - some of them very imaginative. These include applied, practice-based modules; cases, simulations and role plays; exposure to real problems; organising and running events; and bringing in role models who can inspire the students.

But the Enterprise Network (which preceded the Enterprise Research Network) always focused on business generation and business incubation – for existing students and recent graduates and with projects both on campus and off campus. The focus has been on creative industries as these best reflect University spin-out opportunities. Well over 200 businesses have been supported. Whilst there has always been a very small venture fund available, most financial needs have been met by helping people find the external support that is most relevant for their specific requirements. Helping people understand the value of their intellectual property and how to protect it has been important. The survival and success rates have been high, in part because of extensive enabling support.

The students and graduates have come from all areas of the University – the Business School has certainly not provided the majority!

Entrepreneurial Learning

It is beyond the remit of this paper to discuss the extensive research on entrepreneurial learning other than to reinforce that entrepreneurs do not appear to be most comfortable when they are being ‘taught’. They become restless and keen to be doing other things. Informal learning is more meaningful for them than formal learning.

We recognise this and a key feature of the new degree is that students in part learn by doing and learn from doing. After three years students will have accumulated the necessary credits for an undergraduate honours award; they will also have started their business and have it

up and running. There is a clear target market and admission requires applicants to demonstrate previous entrepreneurial endeavour and serious intent. This may well embrace entrepreneurship programmes in schools. The basic approach is that in the first year students explore a number of possible ideas and opportunities before settling on one. In the second year they develop this in detail and possibly launch the business, which they are required to do by the end of the year. In the third year they are running the business. Some of their credits thus come from work-based learning and experiential reflection.

They will:

- Learn by listening – somewhat passively, but not entirely so – to academics, certainly, but also to ‘experts’ and practising entrepreneurs
- Learn by and from doing, with a real focus on reflective experience
- Be confronted with problems and the need to make decisions, both individually and in groups
- Be exposed to ambiguity, uncertainty and some risk throughout
- Be encouraged to learn from their mistakes and manifest poor judgment.

In this context though, and as Frankish and Storey (2008) point out, we must be careful how much we assume entrepreneurs always learn from their misjudgements. Their research tracking Barclays Bank small business customers concludes that small business owners seem to persist with decisions which are not in the best interests of their business. They do not learn; and in a dynamic and uncertain competitive environment, many simply do not improve and grow stronger. They over-trade and they run up overdrafts. The fact that some small business owners have previous experience, either working for others or running another business of their own, will not necessarily improve their judgment. But some very obviously do improve, and their businesses grow more robust, more productive and more competitive. Perhaps what is happening is that the typically available support mechanisms are more likely to help the good businesses improve – because their business owners are more likely to seek out the help that is available and to use it. They know when they need expert help and they seek it out.

Content

In terms of certain tensions this degree is:

1. About entrepreneurship rather than small business management:
2. Focused on start-up and not just generic enterprise skills
3. Using learning by doing as well as learning by listening
4. Designed so that students can do more as well as know more
5. Based on skills and practice just as much as knowledge
6. Aiming to develop effective practitioners rather than ‘experts’.

We are keen that the degree deals effectively with the three key transformational themes of new business development:

1. The idea into a product and a real opportunity
2. The would-be entrepreneur into a competent practitioner
3. The informal beginning into a proper organisation.

It is a designed three year developmental experience that embraces knowledge, skills and behaviours – both doing and thinking - and attitudes along the following line

Year One - the foundation part – developing the person

We believe it is important to start the programme by making sure every student is ‘on message’ and understands how the programme will develop. The need to test ideas robustly, and not assume every idea for a new product or service is a real opportunity, is critical and this will be instilled by exposing the students to a ‘dreaming room’ experience where their ideas and thinking are put to the test, probed and scrutinised. This environment needs to be both firm and fair if it is help build student confidence.

Relevant foundation modules are based around Personal and Study Skills (relevant for this degree and including the abilities to screen opportunities and to pitch an idea effectively), Creativity, Innovation & Entrepreneurship, Problem Solving and Decision Making. Seminars require students to work both individually and in groups to develop their ideas creatively. The intention is that at the end of Year One students will have explored a number of options and ideas and chosen to focus on one that they will develop as a business in their second year.

Students will also be required to think about, assess and address their own personal characteristics – to both understand their entrepreneurial potential and put in place mechanisms to deal with the implications.

Year Two - the establishment element – crafting the business opportunity

Students develop their business plans, which will stretch beyond the start-up stage and factor in growth issues from the beginning.

Support modules include and cover relevant Legal Aspects, Project Management (as part of Business Planning), Marketing and Selling and Finance. The relevant ‘technical’ aspects are supported by allowing students a floating option module from across the campus.

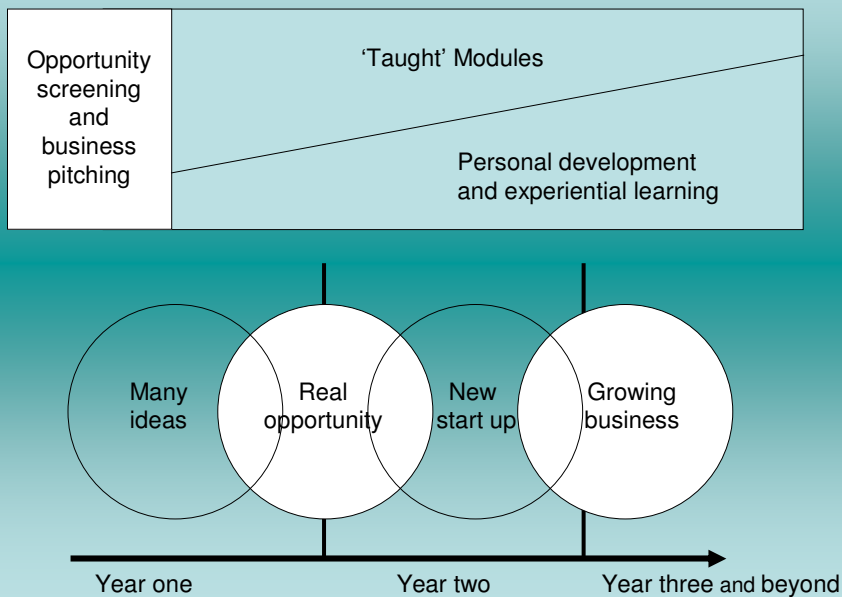
Assessment will be a mixture of academic work and business-related artefacts. At the end of the year the students will have a business that is either in its embryo stage or ready to launch.

Year Three - the final stage – preparing for growth

In their final year students will be running their business. Key modules on strategy, growth and leadership support the year. The students will complete a dissertation with an important reflective component. In addition their work experience will be accredited.

This framework is summarised in Figure 1.

BA(Hons) Enterprise Development



In developing the content we used the criteria for entrepreneurship programmes suggested by the UK National Council for Entrepreneurship (NCGE), which in turn has been advised by the US Kauffman Foundation, as a benchmark. These criteria are:

- Key entrepreneurial behaviours, skills and attitudes have been developed
- Students clearly empathise with, understand and 'feel' the life world of the entrepreneur
- Key entrepreneurial values have been inculcated
- Motivation towards a career in entrepreneurship has been built and students clearly understand the comparative benefits
- Students understand the process (stages) of setting up an organisation, the associated tasks and learning needs
- Students have the key generic competencies associated with entrepreneurship, specifically the generic 'how to's'
- Students have a grasp of key business how to's associated with the start-up process
- Students understand the nature of the relationships they need to develop with key stakeholders and are familiarised with them.

Exit Routes

Although careful entry selection will attempt to recruit students who are most suitable for this degree it is recognised some will not succeed in starting a growth business.

Those students who are instead able to demonstrate success from self-employment or starting a small social enterprise or running a successful one-off project will be able to

complete all the modules and graduate, because they will have relevant experiences to reflect upon.

Those students who are not able to do one of these options successfully will be able to complete most of the specified modules but in their final year they will be asked to submit a more conventional dissertation and exchange the work-based experience credits for two relevant taught modules from the Business School. The name of their degree award will be amended to reflect this.

The Students

The students we seek will have the ability and the desire to complete *this* degree; they will have a mix of relevant academic and personal strengths.

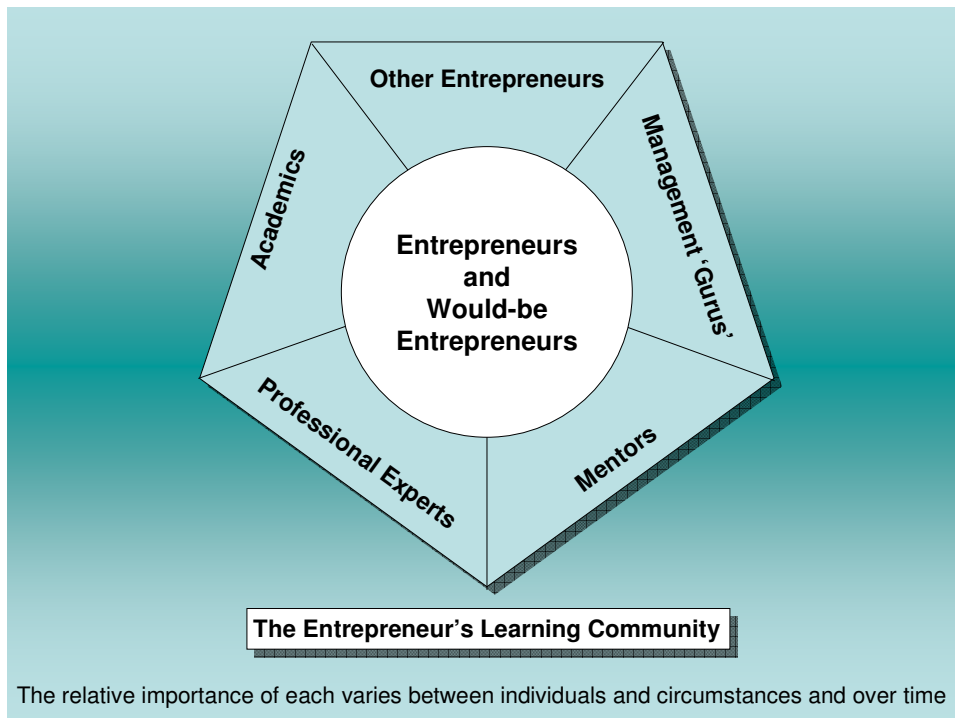
As well as a set of relatively strong grades from school, recognising here that on the one hand this is an undergraduate degree but that on the other hand we are not looking for the most academic people, we will interview applicants and look out for those who:

- Have a passion to start and run a business, to create their own job rather than be looking for a job three years down the line
- Have shown they have entrepreneurial intent and entrepreneur characteristics – demonstrated by what they have done in their lives so far – and, significantly, are open to new ideas and opportunities
- Enjoy finding things out through experience and ‘doing’ as well as being taught, but who also appreciate the underlying academic disciplines can play a material role in determining the ultimate success of a new business.

Interviewers will be looking for evidence of self assurance and self confidence, people with a willingness to take measured risks and to accept responsibility for their decisions and actions, and people who have a real motivation to achieve by building something that is distinctive. We may well use one of the relevant diagnostic tools which help identify entrepreneurial potential.

Alliance Partners

Figure 2 describes the **Entrepreneur’s Learning Community** and argues that student entrepreneurs on this programme will find learning opportunities from their interactions with fellow students undergoing the same development opportunity, from ‘ourselves’ as both teachers and mentors, from practising role model entrepreneurs and relevant professionals that we invite to the University and from external mentors that we find and that they find for themselves. We have set out to build this community as effectively as we can.



To this end we always realised we would need alliance partners if this was to work. Most significantly we were introduced to Theo Paphitis, a successful retail entrepreneur best known for his involvement in the BBC's Dragons' Den, and he agreed to commit to the degree. He provides an annual master class for the students on the degree and also helps us promote the course to prospective students by speaking at specific events we organise and also through his own networks.

An experienced serial entrepreneur who is committed to enterprise in schools and is a professional marketer is also instrumental in promoting the programme. His organisation is the Royal Armouries Museum in Leeds which supports the degree as a major part of its corporate development strategy. In turn this entrepreneur has provided direct access to schools where some students are demonstrating they are entrepreneurs in waiting and for whom this degree offers a different opportunity. He has also provided links with American author (and guru) Michael Gerber who speaks at the Royal Armouries from time to time - and Gerber has committed to an input to the programme.

This presents another interesting challenge. Gerber's input is hugely valuable, but the degree is not, and cannot be, based purely on Gerber's work. Instead it takes and builds upon certain fundamental ideas that Gerber has identified as being critical for business success. These themes have been around for a long time, and other authors have written about them – but not always as succinctly and persuasively as Gerber, it has to be said. Obviously the students on the course will be exposed to a wide range of authors and views on entrepreneurship.

There are two broad themes to Gerber's work that are relevant for the degree. These themes are not unique to Gerber; both relate to key elements of what strategists would define as the business model and both can be found in other published work.

The first theme is the idea, the opportunity and the target market. The development team for BA Enterprise Development are very committed to the idea of difference and the need for a clear vision of why something is different and will succeed in its target market. In this context, and as an example of how this can be developed, Gerber has begun running what

he calls 'Dreaming Rooms' where groups of people meet for an intensive sharing and discussion of each other's ideas. The intended and desirable outcome is a much clearer picture of the competitive edge and where the business is going in every case. All students on the degree will be exposed to a dreaming room experience, which is something we already have first-hand experience with. Some members of the Huddersfield Business Generator have been exposed to this type of questioning environment – albeit this was happening after they had started rather than before they took the first serious steps.

Gerber developed his personal 'dreaming' approach from earlier work around the E-Myth (see Gerber, 1995). The thinking here is that many so-called entrepreneurs are really technicians who know how to produce a product or service but have not worked out where the *business* is. They have not developed a proper growth strategy with a vision for both the organisation/business and their own role in it. Nor have they developed a business which can thrive without them. In other words they have not truly developed as either an entrepreneur or a leader. Gerber personally favours conceptualising every business as franchisable. To achieve this it is critically important to capture all the intelligence and record it so others can repeat it in a different environment. The value therefore lies in the intellectual property. Not every business will grow through franchise, of course, but this way the entrepreneur can free himself/herself of certain tasks and move on to be more strategic.

Enabling and Support

Enabling is an area where previous research has been carried out and published by the University. See, for example, Thompson (2006). This work is based on identified key enabling roles: talent spotting, business counselling, business advice, training, mentoring, performance coaching and personal coaching. Each has a significant role to play, with the most appropriate approach and style being dependent upon certain circumstances and the perceived needs of the individual client.

Our research concluded that it is particularly important to identify whether it is more appropriate:

- to work on the business rather than to work in it
- to focus on the business needs or on the needs of the emerging entrepreneur
- to take a directive or a non-directive approach.

On its student business support programmes the University has provided some of this enabling through its own staff, but some has been provided by external volunteers.

The Challenges Ahead

This paper concludes with a brief consideration of certain challenges facing the staff delivering the programme.

Recruiting the 'right' people for the programme every year will not be easy – but our second intake is larger than the first. Subjective judgment about an individual's potential is required as well as the assessment of the appropriate evidence they provide with their application.

These students will be provided with an experience that is different from that of most students. Multiple mentors and the real possibility of external funding for their businesses will set them apart and provide us with some interesting co-ordination challenges. Additionally

they will be required to provide more than a 'typical' set of assignments – they must start and run a real business.

Once their business is running we accept that the students will be drawn more and more into it, and writing assignments may not be the top priority. For this reason their written tasks will need to be relevant for the development of the business and for their personal development. Additionally their ability to reflect upon their experiences will gain credits.

With regard to the businesses themselves, issues of intellectual property ownership, the role of the University which may have a small equity stake in the business, and the relationship between the student, the University and the external funders will all need careful handling.

The overall quality of the students' achievements will again be different and we must determine how this quality can be created and maintained and how success might be most effectively measured.

In all of this we also recognise that the staff are, to a real extent, working outside existing comfort zones!

It is for these reasons that we are keen to foster our own learning network of Universities carrying out a programme that some have started to describe as a 'pracademic degree'.

Concluding Comments – Some Reflections

Timmons (1989) succinctly points out that entrepreneurs create something (of value) out of nothing. Effectively they spot opportunities in a dynamic and uncertain world and seek to exploit them. In doing this they are not necessarily searching for the best or optimum answer to a problem. They are, in part, pursuing their instinct. They accept and take the risks implicit in their venture as they understand them; they may prepare business plans but do not plan to the point where they never 'get on with the task in hand'. Successful entrepreneurs stay focused on key issues (Bolton and Thompson, 2000). In this respect one might argue that too much knowledge (to analyse) could be a restraining force. These arguments would reinforce that entrepreneurs are more naturally 'right brain' than they are 'left brain'. Degrees and other programmes that emphasise left brain learning may well teach students more about entrepreneurs and how they behave but they will be less appealing to those would-be entrepreneurs who seek support for developing that 'something out of nothing'. It can thus be an issue if these people are over-exposed to teachers and researchers who are by nature more left-brain. The designers of this programme believe that if we are serious about developing entrepreneurial potential and intent then we have to engage the right-brain and also that in this context a real business offers a different and arguably more valuable experience than, say, a practical exercise, case or simulation.

The degree profiled in this paper clearly takes a right-brain approach – in its context, an extreme right-brain approach. Practical engagement does not always have to involve starting a real business, which this one does. The focus is on entrepreneurship, on starting and running a real business, which might be a social enterprise; the students embrace generic enterprise skills as part of the process. The degree takes a step further to the right than most other programmes we have found and it is not designed to establish a new 'common ground' but rather to provide a more robust and challenging experience for the would-be student entrepreneur who is serious about obtaining a degree and at the same time learning (and embedding their learning) about the realities of entrepreneurship. The degrees, then, is designed for a niche market and identifying those students who are ideally suited for the programme and can benefit from them is clearly a challenge. Arguably delivering on the promise implied in these programmes is a greater challenge for academics than teaching tools and transferring knowledge in a more conventional sense; and that is the risk they are taking.

The promise we refer to is grounded in the belief that both business survival and business growth can be enhanced if the would-be entrepreneurs who start and run them are more knowledgeable, more thoughtful and more reflective – and that this comes by experiential learning. Specific tools and concepts will always be relevant and important; the challenge for Huddersfield staff is delivering these in an appropriate and flexible manner that responds to student needs as their businesses develop. Assessments will also need to reflect a flexible approach. The theories of business and entrepreneurship serve to help students make sense of what they are experiencing as they develop and run their businesses. In this context, the actual businesses are really vehicles for developing entrepreneurial awareness and competency. They are a good means for helping students deal with opportunity, opportunism and risk. It is not necessarily a given that they must be successful businesses (if the student is to graduate) because there can be valuable learning from setbacks as well as from failure. It is also not a requirement that the students continue with the businesses after the degree credits are obtained, although it is anticipated many will.

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