

Entrepreneurship as a Way of Life

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I.

Good morning! I have been asked to talk about “Entrepreneurship as a Way of Life” at my home institution, Babson College, a small, private business school in Wellesley, Massachusetts. Thirty years ago, Babson was the first institution in the United States to create an undergraduate major in Entrepreneurship and to create Founder’s Day, a celebration of successful entrepreneurs; it has now been a leader in entrepreneurship education for a number of years; re-inventing itself as an entrepreneurial institution has enabled it to evolve from a small, regional business college into a brand name that is recognized in many countries.

While I will talk about some of the ways in which entrepreneurial thinking and practices have come to shape our institutional culture, I want to place an issue on the back screen, so to speak, that we should all keep in mind as we celebrate the power of entrepreneurship: what if entrepreneurial thinking did transform our institutions, indeed our societies? What kinds of opportunities would that create; what kinds of transformations would it require; what kinds of resistance would it generate? How, in the end, should we imagine not just an individual institution, but a world in which entrepreneurship is a “way of life”?

II.

Babson's mission statement claims,

Babson College educates men and women to be *entrepreneurial* leaders in a rapidly changing world. We prepare them to identify opportunities and initiate actions that result in genuine accomplishment.

Our innovative curricula challenge students to think creatively and across disciplinary boundaries. We cultivate the willingness to take and manage risk, the ability to energize others toward a goal, and the courage to act responsibly.

If this is true, how did we get there and how do we practice this? How do I “count the ways”? I have counted them and distilled them into seven:

- (1) **Integrate, integrate, integrate!** Around 1990, we began a series of institutional reforms that changed how we thought about business education.¹ One reform was to create a streamlined internal governance system, which enabled us to integrate our curriculum: the MBA program became “thoroughly integrated, entrepreneurial, international, team based, and ethics centered” (Cohen et al. 327); the undergraduate program, based on feedback from employers and other constituencies, also changed into a highly integrated, competence-based curriculum with a strong liberal arts component (Cohen et al. 332). Rather than a sequence of academic subjects, organized around business disciplines such as marketing, finance or accounting, these new curricula reflected the life cycle and the reality of a business from startup to maturity.

¹ Cohen, Allan R., Michael Feters and Fritz Fleischmann. “Major Change at Babson College: Curricular and Administrative, Planned and Otherwise.” *Advances in Developing Human Resources* 7.1 (2005): 324-337. See also Cohen, “Transformational Change at Babson College: Notes from the Firing Line.” *The Academy of Management Learning and Education Journal* 2.2 (2003): 155-180.

Integration means many things, even in a small place like Babson. For instance, in the undergraduate program students are required to take thematically focused courses in the liberal arts that are developed by teams of faculty from different disciplines such as literature, history or philosophy, faculty who come together to ask: what do students need to know? What are the competencies our graduates should possess? Integration means looking at knowledge holistically and at education as a life-long process that challenges us to reflect on our learning in each stage and connect the different parts; to make the College a learning community in which membership does not end with graduation.

Of course this takes much tinkering and a willingness to accept imperfection, as well as a readiness to participate in ongoing revisions. “Entrepreneurship as a way of life” means living on a construction site; it means that you not only lay out the road, that you maintain the signs and the ditches, but that you are willing to rip it all up from time to time and do it over.

One result of such tireless tinkering is an undergraduate course we came up with two decades ago, which was recognized as the most innovative entrepreneurship education course in the country by the United States Association for Small Business and Entrepreneurship (USASBE) in 2006. **FME, “Foundations of Management and Entrepreneurship,”** is a required first-year course in which students create, develop, launch, manage and harvest a new business.² In the fall, the entire freshman class of about 420 is divided into seven sections of 60, each taught by two faculty members.

The fall semester is separated into four distinct phases that represent the process that is used to identify the two businesses that will be launched in each FME section... By the end of the fall semester 140 ideas (20 per section) are narrowed to fourteen business opportunities and each FME section prepares to launch and manage two businesses at the start of the spring semester ... The spring semester is reserved for implementing, managing, and harvesting the venture. Each

² The text here paraphrases the 2006 USASBE proposal by Heidi Neck and Donna Stoddard, long-time FME instructors at Babson (referred to as Neck and Stoddard below).

business team receives an initial loan up to \$3000 from the College to launch and run [its] business[,] which is organized like a company with a CEO and different departments managed by vice presidents. In May, all profits are donated to a community service organization chosen by the students in each business. In addition to the donation of money, [all students are] required to give six hours of their time working with their chosen community service organization. (Neck and Stoddard, Executive Summary)

Between 1999 and 2006, over 2,500 FME students donated over \$ 200,000 and “more than 15,000 hours of their time to community service organizations” (Neck and Stoddard 6).

Student FME businesses have included a Babson version of the Monopoly game (where you can buy Dean Fleischmann for \$ 200!), a candy mint business, a memorabilia company, dry cleaning services, a magazine and an event website. Some have been bought out and continued beyond FME.

Whether or not you aim to become an entrepreneur yourself, entrepreneurship is now integrated into every degree program at Babson.

(2) **Don't leave it to the business faculty; teach creativity; emphasize pleasure!**

If we define entrepreneurship narrowly as a business school discipline, it falls short of its potential. What is needed is creative thinking that draws together knowledge, wisdom and skills from many disciplines, that is willing to experiment and take risks; that encourages what the poet W.H. Auden has called a “climate of opinion”³ throughout an institution.

³ “In Memory of Sigmund Freud” (1940): “to us he is no more a person / but a whole climate of opinion / under whom we conduct our different lives / ...” <http://www.poets.org/viewmedia.php/prmMID/15543>

In the first stretch of our two-year MBA program, for instance, we have a “creativity module” in which students work with artists from a variety of fields – painters, actors, poets, musicians, etc. – to stretch their imagination and test how far they can venture outside their comfort zone. This is a requirement! The resulting performances and presentations, to which the public is invited, are a carnival of creativity; they celebrate and encourage the lust to create that is an essential feature of entrepreneurship. I already mentioned our FME course: one of the instructors there uses acting techniques in the classroom to get her students going. We also offer creative writing courses, acting, studio arts and many other opportunities for artistic creativity you might not expect at a business school. Entrepreneurship, we must remember, is not primarily about exchanging pain for profit; it is very much about pleasure.

(3) **Create mentoring systems, for both students and faculty.**

Coaching and mentoring systems encourage learners to improve and persist. They also create an essential sense of community and shared purpose. One example at Babson is the **Coaching for Leadership and Teamwork (CLTP) Program**,⁴ which provides undergraduate students with constructive developmental coaching on their leadership, teamwork, decision-making, listening, and oral communication skills early in their careers, with a focus on building self-knowledge and empowering students to help shape their education. More than 800 volunteers sign up each year to help with this program. Many coaches report that the skills they acquired from the program have been directly applicable to their work as managers, entrepreneurs, staff professionals, and human resource professionals—not to mention their daily interpersonal relationships.

⁴ The following description contains paraphrases and verbatim quotes of language on the Babson website.

This is just one instance – there are many more. Specifically for women, for example, a range of mentoring opportunities is available through the Center for Women’s Leadership, and student mentoring exists in every degree program.

What does this have to do with entrepreneurship? In order to create an entrepreneurial institution, you need many opportunities to create community around shared goals, so that your diverse constituencies – students, faculty, staff, alumni, business partners – can recognize themselves not only as enabled individuals that the institution cares about, but also as stakeholders, as co-owners of the institution. Without that shared sense of ownership and caring, individuals tend to see only their part of the institution, not the whole, and they don’t feel the connection that is required to make it all work.

Mentoring and development opportunities are also provided for faculty: helping people with their teaching, their research, and getting them to participate in the governance of the institution. Just starting this semester is our new **faculty senate**, which was set up explicitly to create a larger discourse around the opportunities and challenges facing our college. What does this have to do with (a) mentoring and development, and (b) with entrepreneurship? Faculty self-governance, as I understand it, is an important part of our entrepreneurial culture; the more faculty learn to understand the financial and managerial workings of the college and the markets in which it competes, the more they are willing to suggest and support entrepreneurial ventures. When we created our blended **Fast Track MBA** a few years ago to enter the online education market, we discovered that we did not have quite the nimbleness we needed to make quick decisions; it took longer than expected to create sufficient buy-in to get the program launched. Faculty members tend to have limited perspectives and divided loyalties; they are often torn between their disciplinary peers and their institution. Their personal marketplace (for selling

their talent) is different from the marketplace faced by their university. This is a well-known balancing act in any institution of higher education, but a crucial issue for an institution that wants to be entrepreneurial. To the extent that all forms of mentoring and development help to create community, they are an essential part of the mix.

(4) **Encourage the enthusiasts – bring people together!**

I have already mentioned Founder's Day, but there are many more opportunities to bring entrepreneurs to campus and into the community, to get the community excited about entrepreneurship, to start new businesses, and to transform others. Entrepreneurs come to class; they give presentations and judge business plan competitions; they teach. Among the many services provided by our Blank Center for Entrepreneurship are the **Brain Trust** and the **Seed Fund**.⁵ The purpose of the Brain Trust is to create connections and networking opportunities for our students as they seek to identify venture opportunities. Brain Trust mentors serve as sounding boards, offer advice and counsel, and assist with the evolution of students' ideas, business models, and strategies. They also create valuable connections to important individuals and resources. Currently, the Brain Trust includes nearly 200 highly committed individuals.

The **Seed Fund**, established by generous alumni, is open to all Babson students who are enrolled in an entrepreneurship course and have completed a full business plan. To be considered for funding, each entrepreneur must complete a statement of intent, and have a faculty sponsor that endorses her or his ability to work in a manner to move the venture forward. This early stage funding can be critical, as it provides our student entrepreneurs with working capital to build prototypes, secure web designers, offset initial legal fees, and attract other potential investors.

⁵ The following description contains paraphrases and verbatim quotes of language on the Babson website.

And there are the undergraduate and graduate **Hatcheries**, where you find a vibrant atmosphere conducive to sharing ideas and information among student teams, faculty, executives-in-residence and visiting entrepreneurs. The Hatcheries function like incubators where student entrepreneurs have access to professional and semiprivate workspace to grow their businesses.

And there is much, much more: for instance, tomorrow the graduate school will host the 7th annual **Babson Forum on Entrepreneurship & Innovation**, a student-run event that features (I am reading from a press release) “expert panels on Product Design and Creation, Green Entrepreneurship, Biotechnology Entrepreneurship, Corporate Entrepreneurship, Social Entrepreneurship, Entrepreneurial Franchising, Technology Entrepreneurship, and Venture Capital & Private Equity. The Forum concludes with an Idea Expo and Networking Reception with speakers, panelists, venture capitalists, and private equity professionals. Participants will also learn how to take their ‘Big Idea’ to the next level, and have the opportunity to enter the \$30,000 Babson Innovation Competition.”

Well, perhaps they will also visit the **E-Tower**, a dorm where student entrepreneurs live together. The lights are always on, and the creative juices are flowing. Quite a few students start businesses while still in college, and quite a few “grownups” in the Babson community invest in these startups. And some of our student entrepreneurs who get started with Babson support give the College shares in their ventures. It’s all about community.

(5) **Share what you know; form alliances!**

Our alliances include our close relationship with the new **Olin College of Engineering** next door, a tuition-free world-class engineering school built on the principles of Babson’s integrated curriculum. With Olin, we have developed a variety of ways to bring engineering innovation

together with entrepreneurship, including our **Babson-Olin Symposium for Engineering Entrepreneurship Educators (SyE³)**: Babson-Olin SyE³ alumni will develop engineering graduates who can successfully transform innovations into the products, systems, services, and companies that drive economic growth. We also have a worldwide network of partner institutions with whom we develop joint programs. Our latest, just approved by our regional accreditor, the New England Association of Schools and Colleges, is the **Global Entrepreneurship Program (GEP)** with EM Lyon Business School (France) and Zhejiang University - School of Management (China), as part of which Babson will offer a new Master of Science in Management degree with a concentration in global entrepreneurship. One of our oldest activities is the **Price-Babson Symposium for Entrepreneurship Educators**, held each spring on our campus to build an international cadre of educators who understand the importance of combining entrepreneurship theory and practice in teaching.

(6) **Hire the right people, including real-life entrepreneurs in positions of visibility and leadership. Model and foster entrepreneurial thinking and behavior.**

Easier said than done, but it can be done. During the last five years, we have had entrepreneurs and entrepreneurship researchers in the positions of undergraduate and graduate dean, provost, and associate provost. We always have entrepreneurs on the faculty and on our Board of Trustees. But this needs to go much further, toward getting the entire community, faculty and staff, into the mode. An entrepreneurial culture, in the words of Samuel L. Hines, “emphasizes institutional commitment to innovation, creativity, collaboration, service and civic engagement while also encouraging the pursuit of ventures that increase the resource base” (Hines 3).⁶ To

⁶ Hines, Samuel M. *Creating the Entrepreneurial University to Support Liberal Education*. Washington, DC: AAU&C, 2008.

build and sustain such a culture, you need to encourage all of your colleagues to behave like stakeholders, rather than employees. You need to reward creativity and initiative (think year-end bonuses for faculty and staff!). Encourage suggestions and accept criticism. Train people to focus on opportunities; encourage a reasonable amount of risk-taking. Expect mistakes; treat them as learning opportunities. Hire faculty who fit into this model. Train and evaluate faculty in ways that encourage the right processes and the right behavior. “Institutional entrepreneurship,” as Burton Clark has written, is “both a process and [an] outcome” (cited in Hines 13).

(7) **Invest time to talk about the larger goals.**

What purposes does your institution serve? At Babson, I introduced the concept of the “common enterprise university” developed by John Sexton, president of New York University. In this concept, the faculty is no longer a collection of individual contractors, each looking for the best deal from the university, but a body dedicated to a common purpose. I have asked faculty candidates I was interviewing: how do you see yourself contributing to Babson’s purposes – do they fit with your own life goals? And this effort also needs to include administrative staff and all other employees. We have regular assemblies for senior managers, and town meetings attended by all categories of employees, at which the College’s strategy is discussed, in an effort to bring together the various groups under a common umbrella. You need to be clear what you are about, and you need to let the world know. On the roof of our Blank Center for Entrepreneurship, there is a beacon, a lighthouse that the architects put up there for a symbolic message: let us be a beacon to the rest of the world, to light the way.

III.

Well, you can overdo it, and I am sure this is more than you have ever wanted to hear about Babson. But let me not forget the what-if question that has been hovering in the background. What if “entrepreneurship as a way of life” were universal? Even for academic institutions, this is not an easy one to answer. I have cited John Sexton’s concept of the “common enterprise university.” The way I attempted to implement this at Babson as dean was to recruit faculty who would be willing to balance their own career ambitions with the task of advancing our mission; to reward faculty for putting themselves at the service of the mission; to try to motivate people to celebrate the successes of the institution as their own success. We gave out lots of awards.

Nevertheless, the concept of the “common enterprise” is at tension with another concept associated with entrepreneurial universities: the concept of the individual faculty entrepreneur. The former president of the University of Michigan, James Duderstadt, wrote in 2000 that one “might view the university of today as a loose federation of faculty entrepreneurs who drive the evolution of the university to fulfill their individual goals” (Duderstadt 50; cited in Hines 7). A “loose federation of faculty entrepreneurs” sounds a lot less like a “common enterprise” than like a marketplace or, at best, a chamber of commerce. In the same book, Duderstadt goes on to admit, “Our challenge is to tap the great source of creativity and energy associated with our faculty’s entrepreneurial activity in a way that preserves our core missions, character, and values” (Duderstadt 51-2; cited in Hines 7).

That, indeed, is the challenge, for individual institutions as well as societies: to unleash and reward individual creativity, but also to tie it into the service of a common purpose that includes everyone.

As I have said elsewhere,⁷ I link the call for entrepreneurial thinking and for an entrepreneurial culture in institutions and societies back to the Enlightenment promise and mandate of individual development, the use of one's own reason and talents, whatever they may be. Understanding the necessary balance between the goals of personal advancement, the success of one's organization, the needs of others, and the limitations of personal agency does not come naturally; it requires that we engage in a process of life-long education, self-reflection, and understanding of others. Only in this way can we understand and manage the tensions and maintain the balance between these goals.

Entrepreneurship needs to be connected to values and vision if it is to inspire. It is not enough to connect it to the personal desire for wealth; economic individualism by itself is a dead end. Babson has recognized this; our students have traveled around the world to teach high school students in Asia and Africa how to start businesses; we participate, at great expense, in the POSSE program, which provides full scholarships and intensive mentoring to selected students from poor urban neighborhoods. It is not enough to talk about opportunities; you must create them: our financial aid budget is about the same size as our entire faculty budget. The present world financial crisis demonstrates once again the miserable consequences of economic behavior that knows no values beyond self-enrichment. Entrepreneurial thinking, rightly understood, has the potential not only to create new opportunities for many people, but also to address many problems in the world with new tools and new courage. Our new president, Len Schlesinger, has kicked off a community-wide conversation about our strategy, in a paper in

⁷ "Entrepreneurship as Emancipation: The History of an Idea."
<http://labor.entrepreneurship.de/tiki-index.php?page=Ressourcen&highlight=fleischmann>

which he talks about “*applying the power of entrepreneurial thinking to all of the problems of the 21st century, both business and beyond. [We need] to see all of these problems as opportunities that can be addressed with the tools, talents, mindsets and expertise that our institution is ... positioned to provide.*” Other schools, he says, “define entrepreneurship purely as an academic discipline when, in fact, it is a *way of thinking and being.*” One can certainly argue, and we do that all the time, about the redemptive claims embedded in this notion of entrepreneurship, but I do believe that in this troubled world of ours, the elements of hope and courage associated with entrepreneurship are sorely needed, on the collective as well as the individual level. Let me end with a quotation from a forthcoming essay by Guenter Faltin from the Free University of Berlin. In this essay,⁸ Faltin reports the personal changes he observed in his students who became entrepreneurs:

My students who started working on entrepreneurial projects did not just start new companies; they also re-fashioned themselves as human beings. They became more focused, more curious, and more communicative; their optimism and *joie de vivre* was infectious; they even looked better. Were these changes the natural result of success? No – all of this happened before it was even clear whether their business idea would ever survive in the market. Was it because they were having fun? Yes, that too – but what really happened was that their life achieved a new direction and purpose; it gained meaning and perspective. Some are getting rich now; but that is not what makes their faces shine. They have become the entrepreneurs of their own lives.

Thank you very much.

⁸ Faltin, Günter (with the assistance of Fritz Fleischmann), “Teekampagne: Citizen Entrepreneurship for a Meaningful Life.” Forthcoming in an edited collection entitled *The Great Enterprise* (2009).