

Nomination of the
Institute for Entrepreneurship and Innovation
Henry W. Bloch School of Management
University of Missouri- Kansas City
for the

**2012 USASBE
National Model MBA Entrepreneurship Program Award**

Executive Summary

Submitted by
John Norton, Ph.D.
Associate Director, UMKC Institute for Entrepreneurship and Innovation
Henry W. Bloch School of Management
University of Missouri – Kansas City
5100 Rockhill Road
Kansas City, MO 64110
Tel. 816-235-2313; Fax 816-235-6529
nortonja@umkc.edu

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Name of the Nominee

The UMKC Institute for Entrepreneurship and Innovation at the Henry W. Bloch School of Management, the University of Missouri – Kansas City.

Purpose/Mission of the Program

The Henry W. Bloch School of Management prepares entrepreneurial and innovative leaders to meet the demands of a changing world and advances knowledge and practice through excellent teaching, scholarship, outreach, and service. The Institute for Entrepreneurship and Innovation (IEI) strives to inspire and nurture future generations of entrepreneurs and deliver transformational entrepreneurship education and experiences university-wide.

Contact information

John Norton, Ph.D.,
Associate Director, Institute for Entrepreneurship and Innovation
Bloch Suite 217, University of Missouri – Kansas City
5100 Rockhill Road
Kansas City, MO 64110
Tel. 816-235-2313; Fax 816-235-6529; email nortonja@umkc.edu

Primary Objectives of the Program

The UMKC MBA entrepreneurship emphasis provides students with experiential learning opportunities, role models, social and professional networks, a set of entrepreneurial skills, and a roadmap to the start-up process. Our program goal is to have graduates who are confident that they know how to start a business, because they have already done so.

Principal Student Groups Served by the Program

UMKC serves a diverse mix of students, many of whom are the first members of their families to attend college. In 2010-2011, the entrepreneurship emphasis area grew 158 percent, from 224 to 577 enrolled students. In addition to the 577 students formally enrolled for an MBA degree, we also serve 245 students pursuing graduate degrees in other schools, including UMKC's medical, dental, pharmacy, engineering, and law schools, as well as in the UMKC Music Conservatory, creating the diversity of perspectives so important to fostering an entrepreneurial mindset.

Program Description

Recognized by the Princeton Review in 2011 as the #21 graduate entrepreneurship program, our MBA entrepreneurship emphasis combines fundamental disciplines with courses focusing on entrepreneurship. The core requirements include accounting, economics, operations, marketing, finance, statistics, organizational behavior, and international business. With the recent inclusion of the Lewis White Real Estate Center, and joint efforts with our law, medical, pharmacy, and engineering schools, as well as the Music Conservatory, students can become entrepreneurial generalists, or pursue sub-specialties, including technology entrepreneurship, real estate, and venture finance. Our current offerings, described in detail in our supporting documentation, include courses that lead students through the life of the venture (the processes of discovery, exploitation, and post-launch management of the idea and the enterprise), the scope of the venture (focusing on the particular requirements of technology-based startups, for example), and the functional components of the venture (e.g., venture capital formation and engaging channel support). The courses employ varied pedagogical approaches: Guest and faculty lectures, simulation, boot camps, experiential learning, internships, and comparative research. The UMKC entrepreneurship emphasis offers a complete and comprehensive entrepreneurship education ecosystem to help MBA students take their ventures “from learning to launch.”

Most of our ventures are designed to launch without significant initial external funding and sustain themselves initially without relying solely on external investment. For those that do require outside funding, we hold angel investor events, to pair such ventures with local investors willing to help out. We also provide access to our own Venture Seed Capital fund and to our IE Accelerator, which offers ongoing facilities support for a year or more after the launch of a new venture.

Performance on the Model MBA award criteria

Our submission package contains supporting material describing the program overall and the manner in which our program meets the USASBE award criteria. This document provides a brief summary of each major criterion and elements that address it.

Innovation: Innovative elements include effective course sequencing, a broadly interdisciplinary approach, the development of a supporting matrix we call an entrepreneurial ecosystem, and, perhaps most distinctively, integration into the MBA curriculum of the Entrepreneurship Scholars Program. The IEI Entrepreneurship Scholars (“E-Scholars”) Program is a university-wide, year-long certificate program designed to help student entrepreneurs launch world-class ventures, both accelerating their formation and improving their odds of success by helping them start fast and achieve scale. One program requirement is that each venture must have, in the estimation of a faculty/mentor review panel, the potential to reach a minimum of \$1 million in annual revenues within five years. The purpose of that requirement is to force ventures to scale: Any million-dollar business is going to need employees, franchisees, or other associates.

The E-Scholars program has drawn national attention, and has been featured in articles appearing in over two dozen television, radio, and print media outlets, from NBC to the Kansas City Star. Details of the program appear in our supporting materials.

Quality: We address this criterion with a faculty that displays a remarkable level of research productivity and achievement, aided by a large and expert group of mentors. A recent examination of more than 1700 scholars over twenty years' publication in eight premier peer-reviewed journals revealed that among our nine current tenured and tenure-track faculty are the world's first, fourth, and fiftieth-ranked innovation management scholars. On the strength of their research, UMKC as a university is ranked first in the world in that field. A significant body of that research deals with innovation in startup ventures; that research has a significant impact on the design of the E-Scholars Program.

Their efforts are augmented by our mentor panel, more than 80 entrepreneurs and business leaders, including more than 60 who are the chief executives or founders of their organizations, as well as three Entrepreneurs in Residence and eight Institute Teaching Fellows. Each of these experts commits over ten hours per month to one-on-one mentoring. Last year, in addition to recognition by *The Princeton Review*, we were twice honored with awards from the Global Consortium of Entrepreneurship Centers.

Comprehensiveness: In addition to the core MBA requirements listed previously, we offer an Entrepreneurship Core, augmented by courses that we call Applications and Tool Kits. Every course in our catalog contains experiential elements. As described in our supporting materials, those experiential components include many forms of activity in various venues. Bloch MBA entrepreneurship emphasis students are encouraged to take advantage of extracurricular resources, including mentoring provided by local professionals, a student-run Entrepreneurship and Innovation Club that creates networking opportunities with successful local entrepreneurs, a business plan competition that provides participating student teams with exposure to over 200 local entrepreneurs and angel investors, and a student venture incubator that provides winners of the business plan competition with a "Launch Package" of cash, space, and in-kind start-up services.

Sustainability: Both the University and the business community are committed to sustaining our programs. The Bloch school has an unusual relationship to entrepreneurship. Our dean became an academic after a long entrepreneurial career, and our school is located on a campus whose chancellor is a former business executive and son of an entrepreneur. One result is top-down alignment of purpose, committed to making entrepreneurship a flagship program at UMKC. Not least among the many facets of that commitment is the creation of a permanent Department of Global Entrepreneurship and Innovation, and a permanent funding commitment from the UM System.

Moreover, the Bloch School is recognized as an important driver of economic development in the region. In a recent statement released by the Kansas City Chamber of Commerce, the Bloch School, along with the Kauffmann Foundation, were listed as key assets in the Chamber's decision to include making Kansas City "a cradle of entrepreneurship." That goal is one of the Chamber's "Big Five" initiatives to "propel the community forward, enhance our quality of life, and create jobs." Reflecting on Kansas City's strong entrepreneurial heritage, Kauffman President Carl Schramm remarked that "[w]ith the Kauffman Center here, with the Stowers Institute and MRI Global across

the street, and The Bloch School just two blocks up the hill, this is probably the most entrepreneurial corner in the world.”

Kansas City business people, many of whom are UMKC graduates, are proud of that entrepreneurial strength and heritage, and give generously to the school in every way. That support has made it possible for us to achieve much from a modest start, and will enable us to achieve more in the future as our resource base grows.

An example of particular note is the recent announcement of Henry Bloch’s gift of \$32 million to build the Henry W. Bloch Executive Hall for Entrepreneurship and Innovation, a 60,000-square foot, state-of-the-art facility for entrepreneurship education. Announcing the gift, Mr. Bloch specifically cited the success of the UMKC IEI as influencing his philanthropy, and challenged the business leaders of Kansas City to join him in support of the Institute, the school, and their entrepreneurial mission.

Transferability: While it may not be possible for a given school to replicate our faculty or create a dedicated entrepreneurship department, it is worth noting that we had a modest start, as well. We achieved what we have through strategic focus and close adherence to metrics. As described in our supporting documents, among the principles we have followed are engaging the local business community; focusing on a narrow set of initiatives; borrowing resources that we need but don’t own; finding “champions” for entrepreneurship education in other schools, universities, and institutions; active outreach to leverage relationships; and the development of and rigorous attention to objective measures of progress and achievement. Our systems and methods are well-documented and designed to be affordable and modular. We are happy to help other schools, whether by sharing best practices or teaching them to adapt or replicate our approach, and are doing so now with institutions both American and foreign.

Depth of Support: We provide financial support to students through scholarships, angel investor events, and seed money funds. We supply them with community-based support as well, including not only links to the organizations whose charge is to help businesses grow, but also resources such as our UMKC Law School an Entrepreneurship Legal Clinic, a panel of about 25 attorneys who have volunteered to advise students *pro bono* with issues such as IP protection and patent prosecution, business formation, contracts, and even immigration law. This Clinic will soon be joined by an Accounting and Finance Clinic, in which CPAs and venture finance experts will advise, also on a *pro bono* basis, on matters of accounting, finance, and taxation.

It is a further measure of the depth of support we provide that the Institute is heavily involved in efforts to effect both administrative and legislative solutions to the current disenfranchisement of student entrepreneurs who are foreign nationals.

Impact: We detail in the accompanying documents the impact we are having on business education, the regional economy, mentors, donors, and, most importantly, our student entrepreneurs’ lives. In *The Princeton Review’s* latest rankings, Bloch’s entrepreneurship emphasis was listed 21st among the top 25 graduate entrepreneurship programs in the U.S. because our “ecosystem” approach means active entrepreneurship; our students start businesses. We have

documented evidence of about 168 new ventures launched within the first six years of the IEI's existence. In Spring 2011, we launched 24 new ventures that are, as of today, still functioning. Twelve have funding, eight are making progress toward funding, and four are earning profits. Ten were launched by MBA students, four by students in graduate programs other than business (e.g., law, engineering, and medicine), and the rest by our undergrads. Some are substantial in scope: One of the more promising MBA ventures, in terms of financial impact, an initial capitalization of over \$50 million. The entrepreneurship emphasis this year is larger than it was in 2011, and we expect the class of 2012 to produce and scale ventures equally well. Some of our entrepreneurship emphasis MBA program graduates start businesses; others start by working for employers. Whatever their initial activities, our graduates apply their entrepreneurial mindsets and skills wherever they work. Starting a company means work, and even so, a venture can fail. But when a venture fails, it doesn't follow that the entrepreneur fails too. Entrepreneurs will get up and try again, because once we have created an entrepreneur, we have created an entrepreneur for life.

In Summary

Innovation in MBA education is, we believe, fundamental to the relevance of the program, now and in the future. Our approach, wherein faculty who are part of a dedicated entrepreneurship department with thirteen tenure-track positions guide venture creation and teach tools and ideas in service of that goal, represents an innovative departure in educational approach from "supplying a generalized problem solving toolkit" to "facilitating opportunity creation." The number and nature of the student ventures launched, and the growth of our enrollments, speak to the method's quality and comprehensiveness, as well as to the support it affords students. Transferability of the program, in the sense of replicability, is made possible by modularity of the program elements and the careful documentation of the process steps required. Schools wishing to emulate this program can do so in stages, as we did, with modest resources. Finally, the sustainability of the program is a function of its relevance and impact. We are helping build companies. Those companies are contributing to the community, which benefits from and supports the institution. Community "ownership" is a model any university and community can emulate and support, as part of the effort to "propel the community forward, enhance our quality of life, and create jobs."