

# USASBE Entrepreneurship Education Divisional Awards for 2005

Nominee: Master of Entrepreneurship Program  
Western Carolina University  
Cullowhee, North Carolina

Award: National Model MBA Entrepreneurship Program

Nominators: Drs. James W. and JoAnn C. Carland

## Contents

Name of the Nominee .....	1
Mission of the Nominated Program .....	1
Source of Additional Materials .....	1
Primary Objectives of the Program .....	1
Principal Students the Program is Designed to Serve .....	2
Description of the Program .....	2
Unique Aspects and Features of the Program .....	3
Sources of Funding for the Program .....	4
Program Benefits for Students .....	4
Program Outcomes .....	5
Exhibit One, Entry Innovativeness and Uniqueness .....	6
Exhibit Two, Entry Quality and Effectiveness .....	7
Exhibit Three, Entry Sustainability .....	8
Exhibit Four, Entry Transferability .....	9

September 20, 2004

## **Name of the Nominee**

The nominee for the National Model MBA Entrepreneurship Program Award is Western Carolina University, Cullowhee, North Carolina, a campus of the University of North Carolina System, and a public, comprehensive university.

## **Mission of the Nominated Program**

The Master of Entrepreneurship mission is to develop in students entrepreneurial vision, entrepreneurial will, and leadership ability; the most frequently cited requirements for a successful career and a robust economy. The program was designed in consultation with entrepreneurs to produce a learning experience which will support and serve our graduates and our service region.

## **Primary Objectives of the Program**

To prepare graduates to successfully launch, grow, and operate innovative ventures in a wide variety of venues;

To prepare graduates to function in leadership roles in the rapidly changing and increasingly competitive environment of the modern American business and organizational world; and,

To stimulate economic development in the region by training graduates in entrepreneurship, the strongest economic force and most vital processes in business success worldwide.

## **Principal Students the Program is Designed to Serve**

The primary service area of WCU is the westernmost 23 Counties of North Carolina. In a speech to the National Forum on Economic Development in Washington, D.C., on January 25, 1999, Chancellor John Bardo noted that Western North Carolina is a region typified by:

A population that is undereducated and under-skilled;

An economic base that is highly dependent on a few relatively low-wage industries, many of which are reaching the ends of their life cycles;

A poor infrastructure to support economic development;

A road network that was significantly improved, especially in the 1960s and 1970s, but one that needs a great deal more attention; and,

An area where travel among many small towns and communities is still relatively difficult, with little support for small-scale local business development, including the ability to incubate businesses and assist with financing.

The Chancellor noted that average wages in the region are \$2,500 below the state average and projections are for an increase in this difference. Of the 23 Counties in the region, 12 have median incomes that are less than 75% of the national median, and for all Counties, the median income is 19% below the national average and 9.9% below the state average. The Chancellor noted that WCU is acting on a number of fronts to be an engine for economic development for the western

region. Among those fronts is curriculum reform to prepare students to adapt to change, work collaboratively and in groups, and to inculcate a sense of values that supports life-long learning and a strong work ethic.

WCU introduced its Master of Entrepreneurship Program to serve the citizens of Western North Carolina and, more broadly, to serve this region and this nation through the economic impact of the successful ventures which our graduates will create and grow, and through the entrepreneurial leadership which our graduates will exhibit.

### **Abbreviated Description of the Program**

The Master of Entrepreneurship is a 31 semester hour program providing a deep dive into Entrepreneurship principles and practices. The courses, all under the control of the Entrepreneurship faculty thereby ensuring a smoother path to future evolution, are as follow:

Ent 601 (1 hr)	Creativity and Innovation I	Divergency and Creativity in Practice
Ent 620 (3 hrs)	Entrepreneurial Planning	Principles of Venture Planning
Ent 610 (3 hrs)	Entrepreneurial Creation	Entrepreneurial Vision and Venture Feasibility
Ent 602 (1 hr)	Creativity and Innovation II	Divergency and Creativity in Practice
Ent 625 (3hrs)	Intellectual Capital	Creating and Preserving Intellectual Capital
Ent 630 (3 hrs)	Entrepreneurial Finance	Forecasting and Pro Forma Development
Ent 635 (3hrs)	Venture Development	Independent Study Completion of Business Plan
Ent 603 (1 hr)	Creativity and Innovation III	Divergency and Creativity in Practice
Ent 640 (3 hrs)	Entrepreneurial Growth	Issues in Establishing and Growing Ventures
Ent 650 (3 hrs)	Mezzanine Financing	Sources of Funding
Ent 604 (1 hr)	Creativity and Innovation IV	Divergency and Creativity in Practice
Ent 660 (3 hrs)	Entrepreneurial Strategy	Strategic Management of Entrepreneurial Firms
Ent 670 (3 hrs)	Entrepreneurial Leadership	Leading Entrepreneurial Ventures

### **Unique Aspects and Features of the Program**

A number of Entrepreneurship Concentrations within the MBA are being offered at various private and public institutions, however, actual MEs are quite rare. Jerome Katz reports 224 universities which offer some level of Entrepreneurship Education ([http://eweb.slu.edu/ent\\_college\\_list.htm](http://eweb.slu.edu/ent_college_list.htm)). His list does not differentiate between graduate and undergraduate offerings, however, a study by Karl Vesper and Bill Gartner, published on the Lloyd Greif Center for Entrepreneurial Studies site does differentiate ([www.marshall.usc.edu/entrepreneur/postoffice/Compendium/index.cfm](http://www.marshall.usc.edu/entrepreneur/postoffice/Compendium/index.cfm)). The latter study lists 128 programs, of which 42 are graduate, and 3 are actually Masters of Entrepreneurship. The Katz study is more current and more rigorous, so we applied the Vesper/Gartner ratios to his findings to arrive

at an estimate. This calculation suggests that there are approximately 74 universities offering Entrepreneurship Education at the graduate level, but only about 6 in the world which offer an ME degree.

There is a vast difference in the two types of programs. Concentrations typically can offer no more than 3 or 4 courses in Entrepreneurship because of the need for survey coverage of the broader business disciplines. An ME can offer much greater depth, can explore the entirety of the Entrepreneurial experience and transcend the concentration on Fortune 500 operations which is so typical in an MBA program.

The program has been designed by academic entrepreneurs, people who have both entrepreneurship experience and academic credentials, to inculcate a practical approach to the operational issues involved with creating, leading, growing and harvesting ventures. Our view is that traditional management education is destructive to the entrepreneurial spirit. A focus on tapping demand, competitive advantage, opportunity recognition, and improving performance is a convergent process. Entrepreneurship is divergent and explores opportunity creation, and the commensurate creation of demand. Concentrating on shareholder wealth sacrifices long term leadership, so entrepreneurship is about sacrificing short term profits to experiments and learning so that a new paradigm of competition can be established. The traditional modes of organizational structure and management destroy innovation and creativity. Consequently, even though marketing, management, finance and accounting are covered in our program, they are taught by academic entrepreneurs who understand how to incorporate innovation and divergency into the subjects and how to explain their use in an entrepreneurial environment.

## **Sources of Funding for the Program**

The program was funded within the established budget of the College of Business. This meant that WCU established the program without any additional funding from any source.

## **Program Benefits for Students**

WCU Chancellor John Bardo articulated a need for curricula to prepare students to adapt to change, work in groups, and to inculcate a sense of values that supports life-long learning and a strong work ethic. UNC President Molly Broad noted that the “accelerating explosion of knowledge is changing both the mix of jobs available to our people and the sorts of skills university graduates will need... Students in an increasingly global economy must learn how to learn, to think critically, work in teams, reason analytically, communicate effectively, and perform in diverse settings. Thus, our economic success as a state will depend largely on UNC’s ability to carry out its historic, fundamental teaching mission even as we strive to redefine our way of doing business in response to these new social and economic forces.”

The Master of Entrepreneurship has been designed to reflect these modern philosophies and to provide specific benefits for its students and graduates. In addition to providing education *directly targeted at the need for change adaptability* noted by the Chancellor, the program will train

graduates in venture establishment and growth, and in successfully pursuing careers in entrepreneurial firms.

## **Program Outcomes**

The Master of Entrepreneurship was launched in Fall, 2003, with an initial cohort of 45 students. That cohort is now halfway through the program and we have lost none of the enrollees. In Fall, 2004, we launched the second cohort with an additional 42 students, for a total of 87. To put these numbers into perspective, in the fall of 2002, WCU had just under 140 MBA students, just over 40 MACC students, and approximately 70 MPM students in the College of Business.

Early evaluations from the students, whose average age is above 40, suggest that we are being successful in establishing a new way of teaching and of examining entrepreneurship. Unsolicited comments include, 'you have changed my life,' 'I have never been so excited about a program,' and 'this is the most insightful class I have ever attended.' Ideas for new ventures are flying about the classroom at such a rate that the professors have required all of the students to sign non-disclosure, non-circumvention agreements.

Our early students, many of whom already owned businesses, report to us that they have expanded their operations, hired new people, grown revenues, and increased profits on the basis of information presented in class. Among the students who were not in business, we have seen three patent applications, and four new business launches, again, reportedly direct results of material presented in the program.

## **Source of Additional Materials**

Additional materials are available from:

Drs. Jim and JoAnn Carland, PO Box 2689, Cullowhee, NC 28723

Voice: 828-293-9151, Fax: 828-293-9407

Email: [JimandJoAnn@theDrsCarland.com](mailto:JimandJoAnn@theDrsCarland.com)

## **Exhibit One**

### **Innovativeness and Uniqueness of the Program**

In the body of the nomination we made the case that there are very few Masters in Entrepreneurship in the world; perhaps as few as six. Of course, the name of a degree has less value than the contents of the program. Consequently, a program with deep coverage of entrepreneurship, regardless of its name, would display a high level of innovativeness and uniqueness. Our research suggests that such programs are indeed rare. Even an exceptional program like Ball State includes only four courses in Entrepreneurship ([www.bsu.edu/classes/kuratko/mgt640/history.html](http://www.bsu.edu/classes/kuratko/mgt640/history.html)), which is also the model followed by the University of Southern California ([www.marshall.usc.edu/web/EKG.cfm?doc\\_id=903#Business%20of%20Entrepreneurship](http://www.marshall.usc.edu/web/EKG.cfm?doc_id=903#Business%20of%20Entrepreneurship)).

We wanted to be different. We examined the model of the venerable Babson College. This program is an excellent example of a deep dive into entrepreneurship as its entire MBA in Entrepreneurship curriculum features entrepreneurship courses ([www3.babson.edu/ESHIP/academics/MBAPrograms](http://www3.babson.edu/ESHIP/academics/MBAPrograms)). However, Babson is a private college and Western is a public university. There is a vast difference in what a public institution can provide. In addition, our constituency is vastly different from the Babson student body, as is our overall mission.

Consequently, we set out to design a curriculum for our target market: place-bound adults who have completed undergraduate educations from public universities in the Southeastern United States. We wanted a curriculum which would fuel economic development in the kind of rural environment which exists in our service region; one which has limited infrastructure and an undereducated workforce. Using academic entrepreneurs and consulting with groups of entrepreneurs and community leaders, we accomplished the program design, however, we still faced a difficult challenge: the traditional orientation of a public university.

Having successfully established an undergraduate degree in Entrepreneurship two years earlier, we had succeeded in creating a Discipline Specialty Program Number within the University of North Carolina System. These codes distinguish all actual degrees and may be found on the UNC General Administration web page. Establishing Entrepreneurship among these codes required two years of evaluation and review by the General Administration, but it elevated Entrepreneurship to a par with Management, Accounting, and other such programs of study.

Building on the identity of Entrepreneurship as a qualified field of study, we proposed a Speciality Master's Program which would consist entirely of Entrepreneurship courses. It would embody the curriculum which we had designed. Chancellor Bardo gave the proposal his blessing and we were able to shepherd it through the state level review process. The result was a completely unique program, designed for our market, and entirely contained within the newly created Entrepreneurship Department.

The program targets working adults and is presented in 8 week minimesters at night. This permits working adults to pursue graduate education while giving up one night each week for two years. As indicated in the body of the nomination, the acceptance of the program has been tremendous.

## **Exhibit Two**

### **Quality and Effectiveness of the Program**

Western Carolina University is an AACSB accredited university. This required the Master of Entrepreneurship Program to be designed and implemented in a fashion which preserves and protects that accreditation. Further, WCU is a member institution of the 16 campus University of North Carolina. All new program proposals within the system must survive assessment at the General Administration level before they can be implemented. Again, the quality of the program was the paramount issue in that approval process.

We spent three years in the design of the program and in obtaining the approval of the faculty in the College of Business and in the University at large, as well as the approval of the various administrative officers, including the Dean of the College, the Dean of Research and Graduate Studies, the Council of Deans, the University Librarian, the Vice Chancellor for Academic Affairs, the Chancellor of the University, the UNC Graduate Programs Review Committee, the Vice President for Research, the Vice President for Academic Affairs, and the Office of the President of the UNC System. Such a path is typical of a state supported, public institution.

Our study included the conduct of a number of actual courses as electives within the MBA which became prototypes for many of the contents of the Entrepreneurship curriculum, interviews with students and graduates, consultations with Advisory Boards and entrepreneurs in the region, community leaders, and an exhaustive review of the entrepreneurship offerings of other universities and programs. This research formed the foundation for supporting the approval of the program and for developing the curriculum for the program.

The quality of the planning and of the proposal for the program is clearly evidenced by the level of oversight and rigor which it survived, especially just three years after the undergraduate program in entrepreneurship had been approved. Observation tells us that few new program proposals make it out of a chancellor's office. That is partly the result of state budgets which discourage new program applications, and partly because of concerns over the potential failure of unproven programs. Of those few that make it to General Administration, only a fraction survive scrutiny. The success of this program, especially given its rarity, is testimony to the perceived quality of the proposal and the program.

The effectiveness of the program is clear from the overwhelming success which it has enjoyed. The program has been the most successful of any new graduate program in recent history at Western Carolina University. An initial cohort of 45 majors, and a follow-on cohort of 42 students, for an institution of our size is remarkable. In fact, our program is now the third largest master's program in the entire university.

## Exhibit Three

### Completeness and Comprehensiveness of the Program

It was clear to us from the beginning that if we permitted the specialists in accounting, finance, management, marketing, economics, information systems, and quantitative methods, which made up our faculty to teach in our program, that little of real entrepreneurship would be found in the curriculum. Professors trained as specialists cannot be expected to understand the entrepreneurial mind, nor the potential for paradigm shift inherent in the creative destructionism of the entrepreneurial process. Consequently, we wanted every course to an entrepreneurship course, taught by an entrepreneurship faculty member.

What should be taught? Our mission was to develop both *entrepreneurial vision* and *entrepreneurial will*, and enhance leadership skills and abilities. We wanted to *produce successful entrepreneurs*. Our research led us to conclude that the process of entrepreneurship is composed of 50 skill sets, as follow:

The Process of Entrepreneurship	
Establishing a Vision for a Venture	Opportunity Recognition
Recruiting an Entrepreneurial Team	Organizational Structure, Team Dynamics
Feasibility Analysis	Creation of Opportunity and Market
Internal and External Infrastructure	Creation of Internal and External Infrastructure
Establishing the Venture	Legal and Taxation Issues
Market Penetration	Competitive Assessment
Marketing and Promotional Tools	Bases of Competition and Competitive Paradigms
Developing Intellectual Capital in the Venture	Protecting Intellectual Capital
Organizing the Venture	Start up Capital, Cash Flow Forecasting
Establishing Compensation and Reward Programs	Fringe Benefits, Deferred Compensation and Taxes
Motivation and Behavior	Risk Management
Growing and Expanding the Venture	Performance and Cash Flow Potential
Human and Physical Resources	Fiscal Resources
Raising Equity and Debt Capital	SBA Loan Programs
Franchising	E-commerce
International Operations	International Competition
Breaking Through the Mezzanine Level	Financial Requirements for Growth and Expansion
Leadership	Followership
Ethics	Fraud Prevention



The Process of Entrepreneurship	
Teaching, Evolving and Changing the Vision	Self Managed Teams
Entrepreneurial Planning	Entrepreneurial Strategy
Organizational Culture	Change Agency
Harvesting	IPO, SEC Registration, Due Diligence
Mergers and Acquisitions	Valuation and Appraisal
Fostering Divergency	Planning for Succession

Although we knew that our envisioning of the process was imperfect, we determined to use it as the basis for the creation of the curriculum. As we were designing this curriculum to be under the control of the Entrepreneurship Department, we knew that evolution would be simple to implement. In fact, that has happened. Teaching Cohort 1, we discovered needs and issues which we had overlooked, and we incorporated changes for Cohort 2. We expect that to be a never ending process.

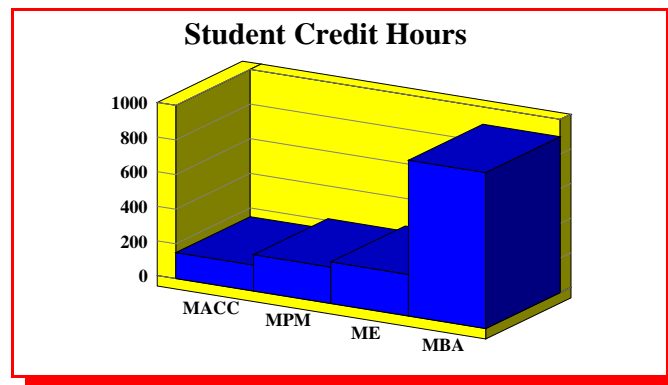
Now, we are ready to build the curriculum itself. We expect the pedagogy to contribute to the development of self-confidence, but we must remember that course content will have a major role to play in that process, as well. Specifically, we must present information which is directly applicable to entrepreneurship, and we must do it in a fashion that makes it clear to students that they have, indeed, mastered the concepts and skills needed for entrepreneurial success.

We incorporated the skill sets into courses on the basis of how the material should best be presented, rather than focusing on the convenience of delivery. We were able to accomplish that objective because all of the courses are under the control of the Entrepreneurship Department. The mapping of the skill sets into the courses is displayed on the following page. Although the mapping appears confusing, it served to allow us to structure specific courses which would present introductory level material related to the various skill sets, followed by more advanced material, at points in the program which are most logical for retention.

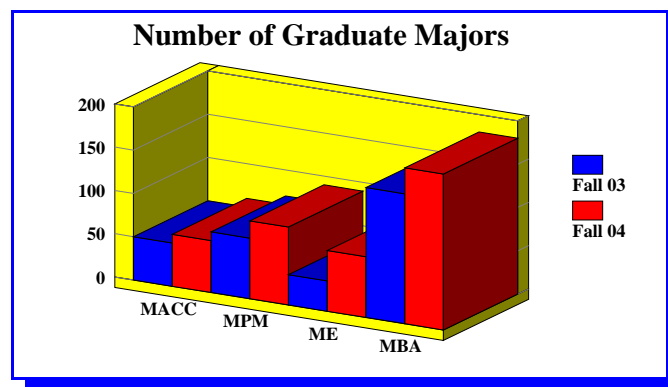
## Exhibit Four

### Sustainability of the Program

Sustainability of a program in a North Carolina public institution is a function of the student credit hours which the program produces, the number of majors in the program, and the number of graduates which it produces. The Master of Entrepreneurship Program displays the most significant numbers of any new graduate program in recent history at WCU. The student credit hours which it has generated, in comparison to the MBA, the MACC, and the MPM, are as follow:



Expectations are for continued growth as a new cohort is planned for each Fall semester over the course of the next several years. The numbers have already become so significant, that survival of the program is assured. The number of majors which the program is forecast to produce, in comparison to the MBA, MACC, and MPM, is displayed in the following chart:



The program has yet to produce graduates, but the students are performing well at this time, and WCU's typical retention rate at the graduate level predicts graduates of around 90% of each cohort. Consequently, adequate graduates are expected to ensure the success of the program.

## **Exhibit Five**

### **Transferability of the Program**

The WCU Master of Entrepreneurship program has great potential for application to other universities, especially state supported institutions. There are two reasons for this transferability, as presented in the following sections.

First, the curriculum and the pedagogy can be duplicated.

The courses which make up the Master of Entrepreneurship curriculum have been designed and we will be happy to make the syllabus for each course available to interested parties. Our experience suggests that the actual makeup of the program can, and should, vary, based upon the market for the institution and the mission of the university and college. The only constant is that each course should be designated with an ENT prefix and clear ownership of each course should reside in an Entrepreneurship Department. The politics involved with interdisciplinary course listings and offerings, in our experience, make success of such a program problematic, at best.

Secondly, the success of the WCU program can be used to support future proposals.

The primary issue for a state institution in approval of a new program offering is concern over the success of the proposal. In our case, we had little data which we could present to support our conviction that the program would be successful. That was a primary factor in the long and involved process which was required to obtain approval. The WCU experience is right on point for any other university, especially a small, state supported institution, to use in support of its proposal. Our data is available and we will be happy to share it with any interested institution.