

WESTERN
CAROLINA UNIVERSITY

COLLEGE OF BUSINESS



Master of Entrepreneurship

**Application for the
USASBE National Model
MBA Entrepreneurship Award
for 2005**

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On behalf of WCU, we would like to express our appreciation to USASBE for selecting our program as a finalist for this prestigious award.

We are humbled to be in the company of our fellow finalists, and previous winners like:

**Arthur Blank Center,
University of Louisville,
University of Texas,
San Diego State,
Ball State University, and
Harvard.**

In the next 15 minutes, we will try to tell you about Western Carolina University's

Master of Entrepreneurship

Description of the Award Entry

WCU: a member of the University of North Carolina System, and AACSB accredited

An MBA and MACC Entrepreneurship Certificate program started in Fall of 2001

That program requires 5 entrepreneurship courses, 15 hours, in addition to the respective core

The first cohort in the Master of Entrepreneurship program started in Fall, 2003, with 44 students, of which 42 remain and will graduate next semester.

The second cohort in the ME, an online cohort, started in Fall, 2004, with 41 students.

We wanted to offer an educational experience tailored to enterprise creation, growth, and harvesting, a true entrepreneurship focus as contrasted with a small business management orientation.

Change comes slowly in a state supported institution, and we needed to demonstrate the potential of graduate entrepreneurship education

In the North Carolina system, a university must be granted permission to establish a new degree and the first step in that process is a request to study the feasibility.

A minimum of one year later, a university can present its findings, and request permission to establish the degree.

In Fall, 2002, we presented the results of our feasibility study, bolstered by the success of our Certificate in Entrepreneurship and undergraduate programs.

We were granted permission to establish the Master of Entrepreneurship in Fall, 2003.

The ME is a 30 semester hour, deep dive into entrepreneurship principles and practices.

The program consists of 10 required courses, all of which have entrepreneurship prefixes, and all of which are controlled by the entrepreneurship faculty.

Our very first cohort attracted 44 new students, more than any graduate program in Western's history, and the addition of our second cohort makes us the third largest graduate program on campus.

At this date the applications for next Fall

greatly surpass the applications at this date for the previous two cohorts.

In the first cohort, the average age is 39, 13 of them already held advanced degrees, 13 of them already owned and operated business ventures.

We have attracted people who really want to learn about entrepreneurship, not simply people who desire a graduate degree.

The mission of the program is to create both *entrepreneurial vision* and *entrepreneurial will*. We want to create successful entrepreneurs and to impact economic development in our region and in the nation.

Our target market is working, place-bound adults, so we established a unique delivery system.

We employ 8 week minimesters so that our students have a single course with which to contend at a time and they can complete the program in 5 semesters.

We supplement class material with weekly reflection papers.

Each student posts a reflection on one or more subjects discussed during class; reads the reflections of the other students, and posts a second reflection paper in response.

The assignment requires two papers weekly, but, we have found that the overwhelming majority of the class, as many as 80%, actually post a reflection piece *each day*.

Entry Uniqueness

We conducted an exhaustive search of graduate business education.

We examined compilations of programs, conducted Google searches, and examined the web sites of universities.

Our research found only six Master of Entrepreneurship programs, none in the U.S., consequently we believe ours to be the first.

Even though it purports to be a more general MBA, we believe that the Babson master's is also a master of entrepreneurship program.

It employs entrepreneurship faculty throughout its offerings.

We could not identify whether any other

MBA Entrepreneurship programs might follow the Babson model, but it is clear that the Master of Entrepreneurship is rare.

Course content in ME programs and in MBA Entrepreneurship programs varies greatly and ours differs from all of them.

In the design of our program we did a great deal of research on graduate study in entrepreneurship and we solicited input from entrepreneurs and entrepreneurial leaders.

With our mission firmly in hand, we determined that our first objective was to understand the entrepreneurship process.

We tackled that issue first.

Entry Innovativeness

What should you teach in a graduate entrepreneurship program?

Our research led us to conclude that the three most important ingredients in the successful entrepreneurial mindset is divergency, understanding failure as a learning device, and self-confidence.

Creativity and innovation are dependent upon, and feed from, divergency, so we wanted to inculcate this process in every course.

Understanding is vital because failure in the real world leads directly to learning, and toleration for failure feeds the development of self-confidence.

We determined to design course delivery and

evaluation techniques which make failure in the classroom, the stepping stone to mastery which it is in the real world.

Exams and projects, which are highly rigorous, are mastery based, teaching devices, not evaluative devices.

Self-confidence is the more easily understood of the issues, and the more easily attacked in developing a curriculum.

As educators we know that knowledge drives self-confidence. Consequently, if we develop a curriculum in which the practical aspects of entrepreneurship prevail, we will enable self confidence.

To that end, we envisioned the process of entrepreneurship as described in Table 1.

Table 1: The Process of Entrepreneurship

The Creation Process

Creativity, Innovation and Divergency

Opportunity Recognition

Opportunity Creation

Establishing a Vision for a Venture

Refining the Vision

The Entrepreneurial Team

Management Analysis

Market Analysis

Market Creation

Competitive Analysis

Bases of Competition and

Competitive Paradigms

Internal & External

Infrastructure

Creating Internal &

External Infrastructure

Feasibility Analysis

Start Up Financing

Requirements

Sources of Start Up

Financing

Establishing the Venture

Market Penetration Strategies

Marketing and Promotional Tools

Developing Intellectual Capital

Organizing the Venture

Organizational Structure

Legal and Regulatory Issues

Risk Management and

Insurance

Taxation Issues

Establishing Compensation Programs

Reward, Fringe Benefits and Deferred Compensation

Motivation and Behavior

Not for Profit Corporations

Professional Organizations

Debt, Equity and Customer

Centered Financing

Sales and Cash Flow

Forecasting

Business Plan Development

Table 1 (continued)
The Process of Entrepreneurship

The Growth Process

Creativity, Innovation and Divergency
Teaching, Evolving and Changing the Vision
Organizational Structure
Compensation Plans
Team Dynamics
Self-Managed Teams
Competitive Advantage
Cost, Differentiation and Niche Market Segments
Bases of Competition
Changing Competitive Paradigms
Protecting Intellectual Capital
Legal & Regulatory Environment
On-Going Risk Management
Human and Physical Resource Management
Fiscal Resource Management

Franchising
International Opportunities
International Competition
E-Commerce
Financial Requirements for Growth
Strategies for Expansion
Mezzanine Financing
Debt and Equity Capital
Taxation Issues
Performance Evaluation
Organizational Culture
Change Agency
Budgeting
Financial Analysis
Performance Evaluation
Managing for Growth
Leadership and Followership
Ethics and Fraud Prevention
Strategic Planning
Entrepreneurial Strategy

Table 1 (continued)
The Process of Entrepreneurship

The Harvesting Process

Creativity, Innovation and Divergency
Financial Analysis
Strategic Planning
Leadership
Identifying and Grooming Successors
Planning for Management Succession
Letting Go and Moving On
Changing the Culture
Valuation and Appraisal
Valuing Intellectual Property
Mergers and Acquisitions
Attracting Merger Partners
Venture Capital
The Legal and Regulatory Environment
Taxation Issues
Debt and Equity Management

Initial Placement Offerings
Funding the Initial Placement Offering
Due Diligence
Planning and Structuring for Due Diligence
Regulatory Oversight for Public Companies
Managing in a Public Company
Corporate Entrepreneurship
Employee Stock Ownership Plans
Buying Out Investors and Partners
Estate Planning

We mapped these skill sets into courses as described in Table 2.

Table 2	
Curriculum for the Master of Entrepreneurship	
Fall Semester	
Entrepreneurial Planning	Entrepreneurial Creation
Entrepreneurial Profiles	Feasibility Analysis
Marketing and Promotion Tools	Forms of Business and Taxation Issues
Industry and Competitive Assessment	Competitive Advantage and Competitive Weakness
Legal and Regulatory Issues	Internal and External Infrastructure
Intellectual Capital	Management Assessment and Evaluation
Inventory and Risk Management	Bases of Competition and Distinctive Competencies
Human, Physical and Fiscal Resources	Recognizing and Creating Opportunities
Team Dynamics and Self Managed Teams	Market Penetration Strategies

Table 2
Curriculum for the Master of Entrepreneurship

Spring Semester

Entrepreneurial Growth	Entrepreneurial Finance
<p>Growth Potential and Market Analysis Market and Infrastructure Creation E-Commerce Franchising Acquisition and Purchase International Opportunities and Operations Fraud Prevention Distinctive Competencies</p>	<p>Revenue, Expense and Cash Flow Forecasting Start up Capital Requirements Income and Cash Flow Statements and Balance Sheets Customer Financing Pro Forma Preparation and Development Sources of Debt and Equity Financing Federal, State and Local Loan & Assistance Programs Angel and Venture Capital Investment</p>

Table 2
Curriculum for the Master of Entrepreneurship

Summer Semester

Entrepreneurial Innovation	Venture Development
Paradigms Right and Left Brain Functioning Expanding Creative Potential Structuring for Innovation Problem Identification Creative Problem Solving Environmental Sensitivity Divergency in Life	Venture Planning Business Plans Preparing Market Assessments Preparing Competitive Assessments Preparing Management Assessment Start Up Funding Requirements Pro Forma Presentation Finalizing the Business Plan

Table 2
Curriculum for the Master of Entrepreneurship

Fall Semester

Intellectual Capital	Advanced Entrepreneurial Finance
Creating Intellectual Capital Patents and Provisional Patent Applications Trade Secrets Protecting Intellectual Capital Intellectual Capital in International Markets Legal and Regulatory Issues Ownership and Licensing Issues Valuing Intellectual Capital	Mezzanine Financing Financial Statements Analysis Sources and Types of Debt and Equity Funding Initial Placement Offerings and Due Diligence SEC Registration Requirements and Exemptions Mergers and Acquisitions Business Valuation and Appraisal Harvesting Strategies

Table 2
Curriculum for the Master of Entrepreneurship

Spring Semester

Entrepreneurial Strategy	Entrepreneurial Leadership
<p>Traditional and Entrepreneurial Strategy Environmental Scanning and Competitive Assessment Deliberate and Emergent Strategy Leadership and Strategy Vision Evolution Organizational Structure Team Dynamics and Self Managed Teams Corporate Entrepreneurship Compensation and Incentive Programs Planning for Succession</p>	<p>Leadership and Followership Organizational Culture Impact of Personality Change of Organizational Culture Personal and Organizational Communication Leadership Style and Participative Management Vision Change and Inculcation Personal and Organizational Ethics Building and Maintaining Respect Change Agency</p>

The material is delivered through class discussions, readings and textual material.

In the online format we utilize at least one hour of relevant DVD discussions each week.

Exams are all essay and designed to elucidate both an understanding of the material and the ability to apply the concepts.

Each course includes a team based project embodying a hands on practical application which develops teamwork and appreciation for team dynamics.

We designed the curriculum without reference to the availability of textbooks.

We deliver the material through a combination of readings, instructor prepared materials, and instructor written texts.

The Most Important Point of All

The most important and most basic difference between entrepreneurship and management is divergency.

Throughout a traditional education, course work and curricula emphasize convergency: there is a right answer, and one can find it by the application of appropriate tools.

One learns that process and procedures and tools lead one through analysis and evaluation to identify the correct solution.

Convergency operates like a whirlpool: things revolve more and more tightly about the center, and we gradually converge on the heart, where the solutions and answers lie.

The design of traditional courses feeds the emphasis on convergency and we break down material into small components and design examinations which test the mastery of those components.

This is completely the reverse of the workings of the entrepreneurial mind.

Creativity and innovation are dependent upon, and feed from, divergency.

A divergent process is exactly the reverse of convergency, as one moves farther and farther afield from the center, examining ideas, insights, and concepts which are more and more remote from the original question.

Convergency is a formula: one plugs in data, and one finds a solution.

Divergency is a poem: one seeks remote expressions to more fully explain concepts and insights.

Early on, we determined that we needed a course in innovation and creativity, and we taught this a number of times in the Certificate program, but the need for divergency demands more.

We begin by regressing our students, getting them back in touch with the child within, presenting mind expanding and insight expanding techniques and procedures, but follow on courses can destroy what we have begun if we fail to keep divergency alive.

To this end, we designed delivery methods, and projects which encourage divergent thinking and built these into every course.

In our curriculum, the questions are far more important than the answers.

Students are required to present alternative perspectives to those contained in textual or reading material in weekly reflection papers.

Students present these insights to the other members of the class, and respond to the insights presented by their classmates.

In class and online discussions, students challenge ideas and brainstorm new perspectives. In each discussion, there is but one rule: one can never evaluate or criticize, no matter how far afield an idea might be.

Discussions of more and more remote associations inevitably lead to greater insight of the subject at hand, because that is what divergency does.

Entry Quality and Effectiveness

How does one address the quality and effectiveness of a new program?

As a public university, we must demonstrate that the program can draw students.

Secondly, we must examine whether the program is achieving its objectives.

To put our 80+ students into perspective:

The MBA is 25+ years old and has 137 students

The MPM is 10+ years old and has 97 students

The MACC is 5+ years old and has 54 students

The question remains: *How well is it achieving its mission and objectives?*

The mission and objectives of the program were to develop *entrepreneurial vision* and *entrepreneurial will*, and to *produce successful entrepreneurs*.

We surveyed the students in cohort 1 who will graduate next semester.

Of our 13 original business owners, 11 have substantially grown their businesses, in five cases doubling in size, and in one case doubling in profits. All report this to be a direct result of the program.

Of our 29 nonbusiness owners, 13 have started ventures since the program began and the rest all report that they intend to do so after graduation.

Each and every student reported a dramatic increase in his or her self-confidence.

Further, the students report a greater sense of well being which they attribute to their confidence in their knowledge and abilities.

The program has clearly led to a stronger commitment to entrepreneurship, and enhanced confidence in one's ability to be a successful entrepreneur.

Combine that with the growth in actual ventures, the creation of the new ventures, and the clear indication that every member of the class will become an entrepreneur and we feel that the objectives of the program have been met.

The surveys also disclose substantial divergency in thought as the students are clearly comfortable with creativity and with idea generation.

In fact, they are so comfortable with idea generation, that we had to develop a non-disclosure, non-circumvention agreement which the entire class, including the instructors, signed.

This agreement protects the ideas which are being discussed from encroachment by another class member, and from being disclosed to outsiders who might be inclined to steal the concept before our students have an opportunity to execute.

The group has produced a number of patents and new ideas in both existing and new ventures abound.

The ME program is already changing lives and attitudes.

Far from a theoretical exploration of the potential of entrepreneurship, we have established a forum in which practical, applied, knowledge is combined with increasingly creative perspectives to produce the self confidence to effect entrepreneurial will.

As for entrepreneurial vision, we just wish we could list for you some of the astounding ideas for ventures that have been espoused and which are already being pursued.

In conclusion, our Master of Entrepreneurship embodies:

A curriculum which we designed for the purpose of providing practical training in the processes of entrepreneurial venture creation, growth, and harvesting;

A pedagogy which recognizes the value of tolerance for failure and uses mastery based grading to ensure that students progress when they master each and every concept; and,

A teaching methodology and philosophy which is focused on developing and expanding divergency in thought, deed and action.