

# Entrepreneurship in Higher Education

*Part of our industry, whether we like it or not*

By Todd S. Hutton

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IT SHOULD COME AS NO surprise that many people in higher education eschew the notion of entrepreneurship. For some, the very word conjures up the specter of a for-profit motive, about which they are suspicious and disapproving. Over my many years in higher education, I was cautioned time and time again about not using in the presence of faculty words like “market,” “brand,” “competition,” or “product,” let alone the very foreign concept of entrepreneurship.



While there remains among many faculty (but certainly not all) and other higher education practitioners a skepticism about what the Kauffman Foundation Panel on Entrepreneurship Curriculum in Higher Education defined in an October 2008 report as the “transformation of an innovation into a sustainable enterprise that generates value,” 1 entrepreneurship and market-driven innovation have become more prevalent in higher education over the past decade and a half.

## CHARACTERISTICS OF ENTREPRENEURSHIP

The Kauffman Foundation Panel has identified characteristics of entrepreneurship that are particularly instructive for the higher education industry. Drawing upon the work of William J. Baumol, Robert E. Litan, and Carl J. Schramm in *Good Capitalism, Bad Capitalism, and the Economics of Growth and Prosperity* (Yale University Press, 2007), as well as a December 2007 *Chronicle of Higher Education* article by economics professor J. Bradford DeLong, “Creative Destruction’s Reconstruction: Joseph Schumpeter Revisited,” 2 the panel underscores the following:

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“The defining trait of entrepreneurship is the creation of a novel enterprise that the market is willing to adopt. Hence, entrepreneurship entails the commercialization (or its functional equivalent) of an innovation. New ideas, products, or organizational schemes matter little until they achieve concrete reality in the marketplace—that is, until they are actually used. ...

Entrepreneurship is a process of fundamental transformation: from innovative idea to enterprise and from enterprise to value. ... As a distinct mode of thought and action, it derives from business but can operate in any realm of human endeavor. ... Entrepreneurship is the unique process that, by fusing innovation and implementation, allows individuals to bring new ideas into being for the benefit of themselves and others.” 3

As noted by the panel, entrepreneurship can “operate in any realm of human endeavor.” In the realm of not-for-profit higher education, the functional equivalent of commercialization of an innovative idea, product, or organizational scheme can include the development and implementation of an innovative academic or cocurricular program or a new and sustainable way of delivering a program. In this case, the “educational product” is the “sustainable enterprise that generates value.”

The “value” of the enterprise will have different meanings and qualities for different people and different entities:

--For a student in an innovative pre-professional or professional program, the value might be perceived as a credential that will provide entry into a profession, a prerequisite investment for future training, or a portal to higher earnings over a lifetime.

--For an institution, the value lies in the preparation of students, that is, the student outcomes of its program, in the opportunity for faculty to advance their careers and contribute to the building of knowledge in a field, in the reputation benefits of the program, or in meeting the needs of a profession or the important social or economic needs of society.

--For a faculty member, the sustainable value might lie in promotion and tenure, in innate satisfaction arising out of the creation and implementation of an innovative idea, in the opportunity to contribute to one’s field, in the building of personal reputation, or in the generation of knowledge and resultant products of research or other professional activity.

--For an industry or specific corporation, the value could lie in the education and training of well-qualified or uniquely qualified employees or in collaborations with faculty that could result in thought leadership within the profession or field, which could in turn lead to a larger market share.

## SETTING THE STANDARD FOR ENTREPRENEURSHIP

In an essay that I wrote recently for the 2008-2009 Presidential Perspectives thought leadership series published by ARAMARK Higher Education, I point to a number of colleges and universities as early entrepreneurship-adopters and innovators in the ranks of small private institutions. 4

These institutions have demonstrated that the spirit of entrepreneurship and the tradition of the liberal arts can be mutually reinforcing. Some have undertaken entrepreneurial endeavors in the domestic and international marketplaces primarily for the purpose of diversifying revenue and generating new revenue that will support the “home” campus. Most have found a balance between financial needs and motives and the application and extension of their educational mission.

Two academic programs at my own institution, Utica College (N.Y.), are illustrative of “the transformation of an innovation into a sustainable enterprise that generates value.”

One is the Public Relations program, purportedly the origin of undergraduate PR programs in the nation. The entrepreneur is Professor Emeritus Raymond Simon, recognized in 1999 by the trade publication PRWeek as one of the 100 most influential people in the public relations profession. 5

Upon returning from World War II and joining the faculty at a new institution called Utica College (then a branch campus of Syracuse University [N.Y.]), Simon did the unthinkable at the time. He created a public relations program for undergraduates in the face of opposition from colleagues in his field, who insisted that PR training could only happen successfully at the graduate level. Having witnessed young men and women in the U.S. Army successfully practicing public relations, Simon’s response to his critics was essentially, “Nonsense. I’ve seen young people do this job.” And so was born a program that has since educated some of the top PR professionals and corporate CEOs of PR firms in the country. The 60-year sustained value has been wide and deep for students, alumni, faculty, the PR profession, and the college.

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The second program is really a suite of degree programs and other activities: a BS in economic crime investigation, an executive MS in economic crime management, and an MBA in economic crime and fraud management. Beginning this winter, the suite will include an MS in criminal justice administration that focuses on planning, national and global perspectives, fostering teamwork through effective leadership, written and oral communication, and technology applications in law enforcement. As a natural extension of the Economic Crime Management program, a master’s in cybersecurity will be introduced next year.

Introduced 20 years ago, Utica’s undergraduate Economic Crime Investigation program was groundbreaking and unique. It was followed in 1999 by the Economic Crime Management program, the nation’s first master’s program in this field.

In addition to the degree programs, the Economic Crime Institute of Utica College ([www.ecii.edu](http://www.ecii.edu)), which is overseen by an advisory board, supports education and research in economic crime and information security. Under the auspices of the institute, the college has established the Center for Identity Management and Information Protection (CIMIP), which undertakes cutting-edge research of identity theft and information protection. Other activities include an annual economic crime conference now held in the Washington, D.C., area (the 19th conference was held in October); a conference on economic crime in Asia, organized with HELP University College and held in Kuala Lumpur, Malaysia, also this October; and the publication of two journals: the Journal of Economic Crime Management and the International Journal of Digital Evidence.

Taken together, the bachelor’s and master’s programs, Economic Crime Institute, CIMIP, annual conference, Asia conference, and two journals represent a signature feature of the college and an important element of its “brand.” This

suite of offerings is a clear example of the “transformation of an innovation into a sustainable enterprise that generates value.”

## **MORE CURRICULAR INNOVATIONS**

The above innovative enterprises relate to professional academic fields, but there are abundant examples of curricular innovations that would meet the Kauffman Foundation Panel's definition of entrepreneurship. Twenty-seven years ago, Project Quill, which was funded by the Ford Foundation and sponsored by the Association of American Colleges (now the AAC&U), encouraged institutional renewal and creativity through a program of direct grants. Many of the institutional initiatives mentioned in Project Quill's 1981 report “Quality in Liberal Learning: Curricular Innovations in Higher Education” were transformational innovations that have had sustained value. 6 But this is a topic for another article.

Like it or not, entrepreneurship is very much a part of the fabric of American higher education. It is one of our industry's most enduring values and one of the qualities that make an American college education highly sought after throughout the world.

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## **NOTES:**

1 Kauffman Panel on Entrepreneurship Curriculum in Higher Education. Entrepreneurship in American Higher Education: A Report from the Kauffman Panel on Entrepreneurship Curriculum in Higher Education. Kansas City, Mo.: Kauffman Foundation, October 2008, p. 5.

2 Kauffman Panel, p. 3, citing William J. Baumol, Robert E. Litan, & Carl J. Schramm. Good Capitalism, Bad Capitalism, and the Economics of Growth and Prosperity. New Haven, Conn.: Yale University Press, 2007, p. 3; and J. Bradford DeLong, “Creative Destruction's Reconstruction: Joseph Schumpeter Revisited,” The Chronicle of Higher Education, December 7, 2007, [www.chronicle.com](http://www.chronicle.com); Section: The Chronicle Review, Vol. 54, Issue 15, p. 88.

3 Kauffman Panel, pp. 5-6.

4 Hutton, Todd S. “Harnessing Entrepreneurship and Innovation in Domestic and International Program Development,” Chapter Two, Presidential Perspectives: A Higher Education Presidential Thought Leadership Series, 2008/2009 Series: Best Practices in Higher Education, October 2008, [www.presidentialperspectives.com](http://www.presidentialperspectives.com), published by ARAMARK Higher Education.

5 PRWeek, October 18, 1999.

6 Guroff, Katharine S., editor. Quality in Liberal Learning: Curricular Innovations in Higher Education, A Report of Project Quill. Washington, D.C.: Association of American Colleges, 1981.