

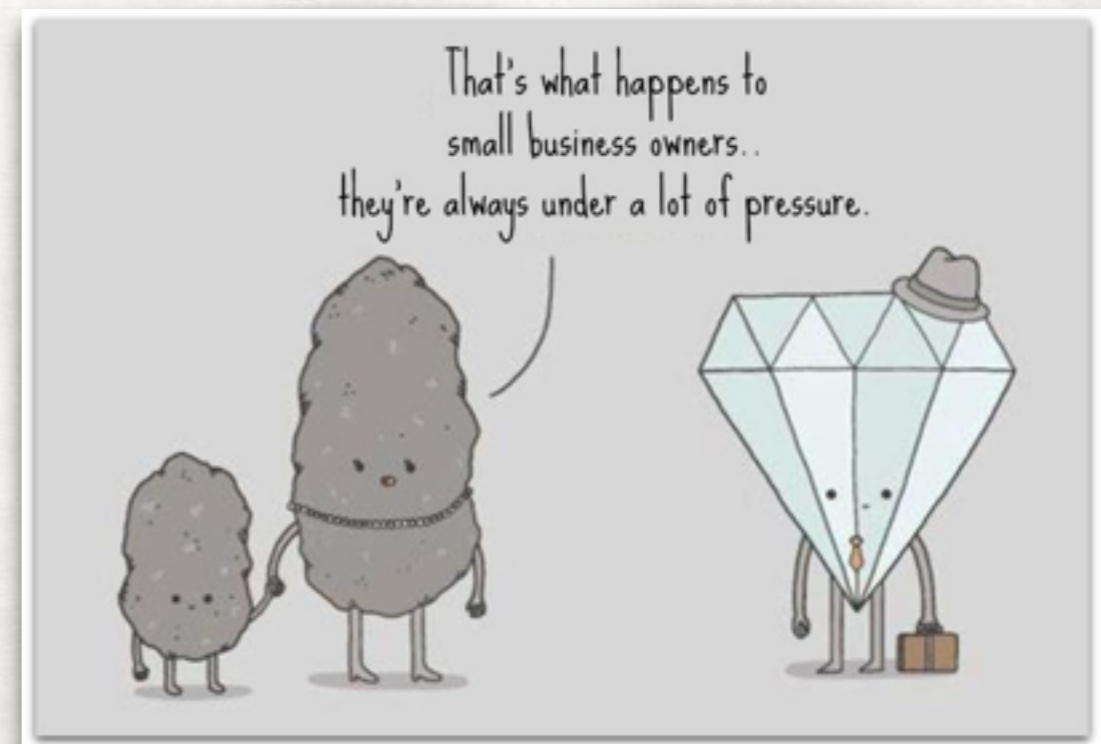
# NEW VENTURE CREATION

A COMPARISON OF FOUR TYPES OF ENTREPRENEURSHIP PROGRAMS

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# THE WHY: NEW VENTURE CREATION

- New Venture Creation (NVC) is the outcome associated with the development and implementation process for an entrepreneurially minded individual or team who has made the decision to pursue the launch of a new business concept by actively seeking funding, attempting to sell a product or service to customers, or has filed a legal business entity with the intention to develop and sell a product or service.
- Entrepreneurship education is important to universities:
  1. Recruit High Quality Students (cultural trends towards entrepreneurship)
  2. Successful graduates of entrepreneurship programs are more likely to give if supported
  3. Entrepreneurship is about doing; it is the act of starting a business!



# THE GREAT DEBATE: THEORY VS PRACTICE

- A primary debate in higher education is theory versus practice (Astin 1984)
- Entrepreneurship is no different, perhaps worse if only younger (Kurakto, 2005; Henry, et.al., 2005; Fayolle, et.al., 2006; Neck, et.al., 2011; Edelman, et.al., 2008; Béchard, et.al., 2005; Solomon, 2007, Kurakto, 2003)
- Entrepreneurship centers across the U.S. are struggling with investing resources and human capital into successful programs and they need to know where to invest!



# GREAT DEBATE CONTINUED

- Can entrepreneurship be taught (Mayhew et.al., 2012)?
  - Education positively affects entrepreneurial attributes (Gorman, Hanlon, & King, 1997; Chilosì 2001)
  - With intentionally designed curriculum, entrepreneurship can be taught (McMullan and Long, 1987; Vesper and McMullan, 1988; Donckels, 1991; Hills, 1988; Zeithaml and Rice, 1987; Ronstadt, 1987; Hood and Young, 1993; Scott and Twomey, 1998; Plaschka and Welsch, 1990)



# THE WHAT: FOUR TYPES OF ENTREPRENEURSHIP

- **Theoretical Curricular:** Formal academic course where theory building is foundational, but NVC is not a key objective.
- **Theoretical Co-Curricular:** Informal, outside of the classroom course or program where theory building is foundational, but NVC is not a key objective.
- **Experiential Curricular:** Formal academic course where engaging customers and developing a product or service is core, but theory is not expanded upon.
- **Experiential Co-Curricular:** Informal, outside of the classroom course or program where engaging customers and developing a product or service is core, but theory is not expanded upon.



# THE MEAT: EXPERIENTIAL CO-CURRICULAR PROGRAMS

- Primary Question: Do experiential co-curricular programs at U.S. university entrepreneurship centers result in higher new venture creation rates than other programs?



# THE STUDY: STRUCTURE

- One Group Post Test Only Design (Shadish, Cook, & Campbell, 2002)
- Target Population: 297 Directors of Centers or Institute of Entrepreneurship at U.S. universities
- Instrument: 24 questions (multi choice, likert, fill in the blank) focused on age of program, national ranking of university, quality (students, faculty, and staff), university location in a startup hub, public or private university, etc.
- Modified Dillman (2000) Method: no preliminary contact; sent questionnaire with cover letter, sent thank you, sent reminder, sent final reminder.
- Received 24 completed responses



# THE STRUCTURE: CONTINUED

Table 1: Variables	Research Question Context	Survey Context
Independent Variables	Participation in one of four programs: experiential curricular, experiential co-curricular	Questions: 8, 12, 16, & 20
Dependent Variables	New venture creation rates	Questions: 9, 13, 17, & 21
Control Variables	Age of program, national rankings, socioeconomics, public or private, startup hub city, quality of students, faculty and staff, resources provided to participants, intentions of program	Questions: 2-7, 10, 11, 14, 15, 18, 19, 22, & 23





# THE DATA: VARIOUS IMPORTANT CHARTS

Table 2: Summary Program Data	Theoretical	Theoretical	Experiential	Experiential
	Curricular	Co-Curricular	Curricular	Co-Curricular
Total Participation	6,197	329	1,165	3,422
Average Participation	333	47	68	263
Total New Venture Creation	125	3	178	269
New Venture Creation Rates	2%	1%	15%	78%
Resources Provided	47%	75%	50%	82%
Program Intent towards NVC	3.17	3.36	3.55	3.94
Program National Ranking	2.89	2.9	2.85	2.94
Program Growth	3.72	4	3.95	4.13

# THE CONCLUSIONS: IS IT TRUE?

- NVC rates of Experiential Co-Curricular programs were significantly higher than peers: 82% vs. 1%, 2%, & 15%
- Participation is higher with Theoretical Curricular, but very low NVC (not the purpose? then what is?)
- Experiential programs, in general, are seeing the highest program growth
- Resources for program participants, especially for experiential programs, appears to increase NVC
- There does not appear to a correlation between national program ranking and NVC (so why are they ranked?)

# THE WEAKNESSES: AREAS FOR IMPROVEMENT

- Internal Threats:
  - Selection: participants were chosen intentionally based on having entrepreneurship programs
  - History: many months had passed between respondents experiencing the data on student NVC
  - Testing: favorable results may only be reported
  - Instrumentation: custom survey, too many questions
- External Threats:
  - Lower than expected response rates

