

ROLE OF COLLEGE ENTREPRENEURSHIP IN COMMUNITY DEVELOPMENT

The Partnership for Knowledge Entrepreneurship
The Catalysts for Intellectual Capital 2020
2009 Leadership Institute

ANKESH ARORA
Bioengineering
Binghamton University, Class of 2009

Abstract

The extent and nature of entrepreneurship is increasingly recognized as crucial to the economic well being of a region as well as the country. Entrepreneurship takes a variety of forms and is seen as central to the functioning of economies, as entrepreneurs are agents of change and growth. In this wave of entrepreneurship, college towns like Binghamton act as epicenters for entrepreneurial leadership and community development. As such, this research examines the role of Binghamton University in fostering the entrepreneurial spirit and its contribution in community development.

Introduction

College towns, in general, tend to have a large pool of untapped potential for business start-ups and growth, mostly in the form of university students. Unfortunately, much of academia's current configuration is a holdover from prior centuries and no longer responsive to the quickly changing knowledge industry.

The transition to knowledge economy and the shifting workforce to millennials are the two major factors that are quickly finding their way into today's modern societies. A sector of the young population is increasingly moving to different parts of the country, in search of a certain lifestyle, while being well equipped for navigating the knowledge economy, and possessing a strong vigor for technology, arts, and the environment.

Further, present global economic conditions are forcing people to shift from "corporate America" to an "entrepreneurial America" frame of mind. Fears of getting laid-off are providing

a spark in sprouting new businesses as a way of living. The window of opportunity for starting new businesses is big and lucrative. It is time for universities to unleash a spirit of intellectual entrepreneurship and provide service “with” not “to” society. Incorporating entrepreneurial thinking into the academia will generate collaborative, synergistic methods for integrating universities’ massive intellectual capital with the resources of the community, yielding a new outlook for partnership in the 21st century knowledge economy. [Shane et Venkataraman, 2000]

Entrepreneurship isn’t a synonym for business, rather an attitude for engaging the world as a process of cultural innovation. The initiative proposed in this paper provides a glimpse into what is possible if entrepreneurial thinking is infused into the arts and sciences and the routines of academic institutions. Fulfilling this potential requires explicit discussion about what an academic culture prizes and how universities are organized and perhaps even altering how faculty are housed and compensated.

Creating a supportive climate for entrepreneurship begins by recognizing the importance of the entrepreneurs who live and work in the community. Community leaders need to understand why these entrepreneurs are important to the economic development future of the community and communicate that understanding widely. This is particularly important for the growth entrepreneurs, who tend to have both the motivation and capacity to grow their ventures and bring jobs, taxes and economic growth to the community [Cooper et Park, 2008]. Understanding the needs of these entrepreneurs and developing a climate that is supportive of them is an important step in this process.

At the same time, community leaders should reach out to community-based businesses as partners in the community development process. Local businesses should sit on lending committees, and should help design loan review processes so they are "business-friendly." They should also consider creating an "Entrepreneur’s Team" that serves as an ombudsman for helping new businesses obtain assistance or wind their way through government regulations and licensing procedures.

Best Practices

Case Study I: International Business Incubation at Boston University

A considered case study brings to attention the fruits of entrepreneurship to regional economies. In fact, the study not only lays the foundation for community development, but also opens doorways for international collaboration and partnership. An International Business Incubation Program was developed at Boston University, offering space for office suites,

conference rooms, meeting rooms and state-of-the-art laboratories (Business incubation is a dynamic process of business enterprise development. Incubators nurture young firms, helping them to survive and grow during the startup period when they are most vulnerable. The goal of business incubators is to produce healthy firms that create jobs and wealth, strengthen the economy, commercialize new technologies and revitalize communities). Companies get access to university core facilities on a fee-for-service basis.

The business incubation program forms the central theme for the knowledge economy. It provides successful agglomeration of commercial sectors of the business world and research facilities of academia. The program has gained successful recognition from the region as well as from the international companies, as mentioned in the following excerpt:

High tech companies across the Atlantic Ocean and around the world see the Boston University International Incubator Program as a point of entry into the United States. Boston is a prime location and one of the top biomedical hubs in the U.S. Lured by a high concentration of universities, teaching hospitals, biomedical companies, and venture capitalists, companies located in Boston can access networks and gain insight into market needs. [Boston University, 2007]

Case Study II: Entrepreneurial spin into Bioengineering at Binghamton University

The growing demand for entrepreneurship is not only restricted to Boston, but quickly infecting other college towns as well. One college town of particular consideration in this research resides in Binghamton, New York. Entrepreneurship is slowly growing in this region and the tipping point, i.e. the level at which the momentum for change becomes un-stoppable, may soon be approaching. One such movement is presently happening in the Bioengineering department at Binghamton University. The program has transformed itself in such a manner so to teach the students technical skills, at the same time, instill in them the knowledge of converting technology into monetary value via business formation. Furthermore, a new entrepreneurship course in management curriculum is attracting students, who once yearned to work for big corporations such as Morgan Stanley and Lehmann Brothers. [Baldwin, 2006]

A survey conducted by a group of bioengineering seniors at Binghamton University in year 2008 displayed some startling results. The survey was aimed to evaluate the entrepreneurial spirit of college students (mostly MBA's and engineers) and experienced professionals living in the Greater Binghamton region. It conveyed that a large number of professionals, 79%, were willing to mentor and collaborate with college entrepreneurs for business development. The response from college students was generous as well. Twenty-nine percent of the students were willing to start a business right after graduation, which in itself

was a very large number. However, the number rose to almost 96% if they were provided with sufficient resources and experienced professionals to collaborate with. (Refer to Figure I)

The results from the survey, as well as the incorporation of entrepreneurial theme into the bioengineering program act as signals to a new wave of entrepreneurship in Greater Binghamton. The University, in particular, plays a crucial role in providing these entrepreneurs to the community.

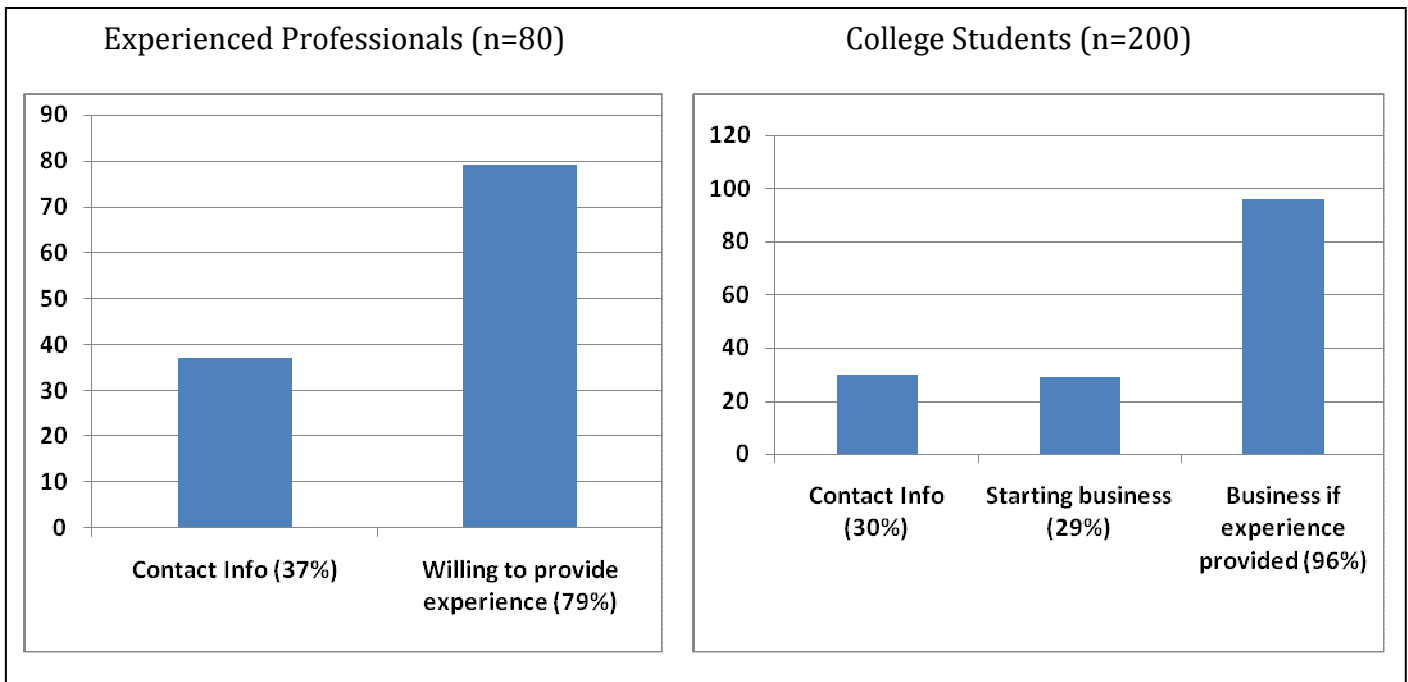


Figure I. Binghamton Market Evaluation

The consequences of such aspirations are not just in surveys, but exist in the form of successful start-ups in the region as well. Several new businesses have been formed in the past few years. One start-up that has been considered in this case is H2 Innovations, a company from a recent college graduate. H2 Innovations serves as a platform to help local organizations and small businesses get discovered.

**Case Study III:
Entrepreneurial living-learning community**

Living-Learning Communities give students a unique, inclusive residential learning experience that connects classroom learning with residence life. Students enjoy all the usual advantages of living on campus in a residence hall, with the added benefit of living among a group that shares academic goals and interests.

The entrepreneurial living-learning community, at H. Wayne Huizenga School of Business, consists of students studying or interested in Business and Entrepreneurship and supports the mission of advancing the personal growth and professional development of individuals in business, academia, government, and nonprofit organizations by providing readily accessible, managerially and entrepreneurially oriented, and convenient educational opportunities of superior real-world value. The community involves members of the graduate entrepreneurial executive suites, who mentor the students in the undergraduate executive suites. Such living learning community aims to develop students' knowledge of entrepreneurial concepts and issues through mandatory courses, a speaker series, and fellowship among residents and faculty. It also helps to foster entrepreneurial activity through conversations with other residents, invited speakers, and program directors.

Recommendations

- **Business Incubator Program at University Campus**

Binghamton University and the region itself provide an ideal environment for fostering entrepreneurial spirit and economic development. However, even after having most of the resources available, the region lacks a leadership role that integrates the scattered knowledge into one cluster [Bollingtoft et Ulhol, 2004]. Such integration and transfer of knowledge is observant in the International Business Incubation Program at Boston University.

As such, this paper aims to take a new initiative in Binghamton by proposing a Business Incubation program at Binghamton University. Such an incubator (refer to figure II) would act as a platform where university and local businesses could cluster and generate a new population of knowledge workers and entrepreneurs in the region.

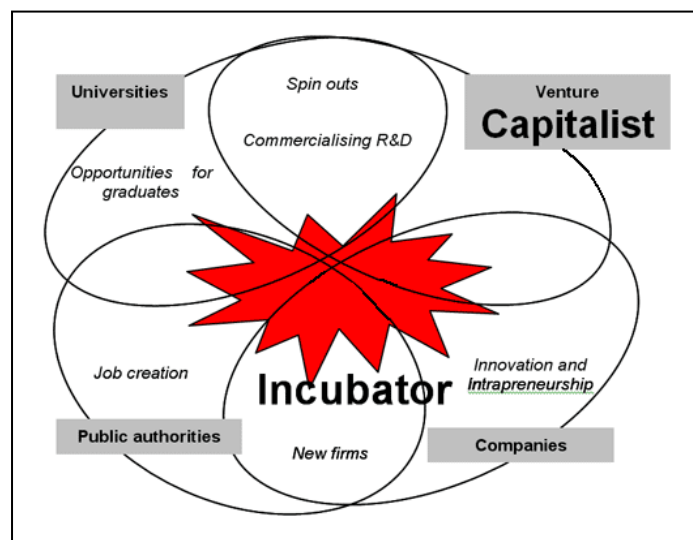


Figure II. Binghamton Business Incubation Program

Incubator programs have been established in many countries to stimulate creation of technology-oriented small businesses. These programs are known to reduce the failure rate of small businesses by providing training and guidance to such companies in their initial stages. Businesses being incubated around the world today (over 1500 incubators exist worldwide) are at the forefront of developing new technologies, and are producing new products and services to create economic development. More than 80% of incubator clients in both industrialized and industrializing nations successfully transition from the incubation program to profitability. Thus, the aim of this program is to expand business opportunities in Greater Binghamton by integrating global technology companies, government, and universities through a world-class business incubation center.

Conclusion

Creativity is sometimes defined as “just connecting things”. This is the notion that Binghamton needs to accomplish to move towards regional economic development. Economies of college towns have been able to survive the recession because of the buffer provided by entrepreneurial activities in the region. It is this breed of opportunity creators and seekers that college towns should strive for. The nature of entrepreneurial leadership shown by Boston University could be cloned by Binghamton University in its quest for community development. It is the spirit of entrepreneurship that plays a crucial role in making the society move towards the new phase of knowledge economy.

References

[1] Scott Shane and Sankaran Venkataraman, "*The Promise of Entrepreneurship as a Field of Research*", University of Maryland, 2000

[2] Sarah Y. Cooper and John S. Park, "*The Impact of 'Incubator' Organizations on Opportunity Recognition and Technology Innovation in New, Entrepreneurial High-technology Ventures*", *International Small Business Journal* 2008; 26; 27
<http://isb.sagepub.com/cgi/content/abstract/26/1/27>

[3] "*International Companies Find a Gateway into the U.S. at Boston University*"
Boston University Institute of Technology, Dec13, 2007
<http://web.bu.edu/itec/pdf/Progenika.pdf>

[4] Fred D. Baldwin, "*Cultivating Entrepreneurship: A Pennsylvania Town-Gown Partnership*", August 2006

[5] Anne Bollingtoft and John P. Ulhol, "*The networked business incubator – leveraging entrepreneurial agency*", Department of Organization and Management, The Aarhus School of Business, Haslegaardsvej 10, 8210, Aarhus V, Denmark, February 2004

Acknowledgements

The research on college entrepreneurship has been carried out with great feedback provided by Clifford J. Robinson, the director of Business Incubation Program at Boson University and by Dr. Daryl Santos, the direction of Watson School Engineering Design Division at Binghamton University. As such, I thank the contributors for making this research a successful platform to look upon for community development.

I would also like to acknowledge the CIC-2020 staff (Dr. Diane Crews, Ms. Kathryn Fletcher and Ms. Jodi Epstein) for providing constant amendments and a scope for improvement at every step of this exclusive research.