

# Entrepreneurship Dynamics Laboratory

## Initiative Takes Ball State Program to the Next Level

There's little that Donald F. Kuratko and the Ball State University entrepreneurship program have not accomplished in the past 20 years.

That past success is being savored in recently remodeled office space on the second floor of the university's Whiting Business Building. The future sits across the hall in a former computer lab that is being transformed into the Entrepreneurial Dynamics Laboratory.

The past includes conference rooms, visiting workspaces and recognition of the program's national rankings that have been the norm rather than the exception. The future takes student learning to the next level – through the Idea Accelerator Initiative, Ingenuity Forum and other programs – and brings promise for a strong statewide economic development impact.

"We're at a stage where we've accomplished a lot in 20 years, and we're proud of it," Kuratko explains. "This is the next plateau. The lab is the next unique thing to keep the Ball State entrepreneurship program in the limelight, and it can do some exciting things for the state."

Kuratko started the BSU program in 1983 after being "kind of laughed at" by business school leaders at some universities. There were no more than a handful of entrepreneurship programs nationally at the time. Today, there are more than 1,600 worldwide, with Kuratko pointing out that no area of university study has ever grown at such a rapid pace.

A big breakthrough came in 1993 when *Success* magazine, later followed by *Business Week* and *U.S. News & World Report*, began to rank the entrepreneurship programs. Ball State has been a staple in those rankings, with *Entrepreneur* magazine recognition earlier this year for the best regional program and for Kuratko as the nation's leading entrepreneurship director.

### Dynamic developments

Those accomplishments formed the basis for what is to come. All three words of Entrepreneurship Dynamics Laboratory (EDL) are important, with particular emphasis on the middle component.

"Dynamics is action oriented," Kuratko describes with his usual passion and animation. "We want to try and do a number of things on an ongoing basis. We want to be dynamic

year round, with graduate and undergraduate students working in the laboratory for credit."

As part of the BSU program, students have worked as business consultants in the past. A three-person team would have approximately 12 weeks in the spring semester to address specific business challenges and produce a consulting report. Typical topics would be improving inventory analysis, developing a marketing plan, evaluating a pricing structure or producing a competitive analysis.

Although a success, there were limitations. Most clients were existing east central Indiana companies that had to wait until the spring semester to have their issues addressed. With the EDL in place, entrepreneurship consulting teams can work statewide throughout the year with a

Twenty years of accomplishment at Ball State has Donald F. Kuratko looking to reach new heights through a laboratory approach.



By Tom Schuman

strong emphasis on assisting start-up companies. The benefits are numerous for both students and the entrepreneurs being assisted.

Kuratko says he's always admired the medical school model with interns and residents gaining real, practical experience.

"I want entrepreneurship students in action, in an action-oriented laboratory," he asserts, citing today's key words as evolving, growing and emerging for companies, and dream, create, invent and pioneer for individuals. "Those are the words that drive us. I want our students immersed in those words."

## Idea preparation

The Idea Accelerator Initiative (IAI) is the anchor of the new laboratory. Operating as a pre-incubator program, the IAI offers several days of seminars to allow entrepreneurs to analyze and build upon their business ideas. Participants are then given 60 to 90 days to conduct further research and complete a feasibility study.

Too many times, Kuratko says, start-ups have entered incubators without the proper planning. After a year or 18 months, the results turn negative for all concerned. The lack of a proper match turns frustrating for both the entrepreneurs and those operating the incubator.

In a pilot program last fall, 10 people brought their ideas to the IAI. Five determined the ideas were not as good as originally thought, three returned with feasibility studies and earned IAI certification and two are in the process of revising their work.

Two other key components of the EDL will result, in part, from Kuratko's 20 years of experience and national reputation:

- The Ingenuity Forum will take the monthly speaker series prevalent in other organizations to a new level. Nationally renowned entrepreneurs will go beyond the typical speech to work directly with students, research faculty and incubator tenants
- The Venture Capital Access Network will bring financial players in from around the country, linking them with both entrepreneurs and local venture capital sources. Showcasing the Ball State program along with the state's other technology initiatives could lead to present and future investment

"Again, we want this to be good for the whole state," says Kuratko, who recently served as president of the Venture Club of Indiana and played an important role in developing its programs. "That is good, but not good enough. We're going to bring them in for a number of days here. It will help our lab and leak out to the rest of the state."

## Coordination is crucial

The programs described above, as well as other elements of the EDL (see sidebar), attempt to correct a weakness that is

## Entrepreneurship Dynamics Laboratory Components

### Idea Accelerator Initiative

The goal is to improve the quality of the creative output and "accelerate" ideas toward commercialization. Two days of seminars and a subsequent feasibility study prepare ideas and entrepreneurs to enter the incubator phase.

### Entrepreneurship Consulting Teams

Student consulting teams, under the supervision of a faculty member, produce tangible and realistic results for Indiana companies that have approached the entrepreneurship program for assistance.

### MBA Business Plan Review Teams

Current MBA students assist participants in the IAI, Muncie Innovation Connector or other Indiana incubators with feasibility or business plans.

### Rapid Growth Internship Program

Qualified students serve 12-week internships with fast-growing ventures. Faculty, company and EDL coordination will produce an experience that will benefit all parties.

### University Technology Link

Students will research and develop product prototypes in a place where "technology ideas" can become tangible.

### The Ingenuity Forum

A monthly speaker series that brings dynamic business owners to Indiana to share insights and experiences with students, faculty and incubator tenants.

### Entrepreneurial Mentors Program

Aspiring and successful entrepreneurs will establish a personal rapport that explores values, goals, motivations and experiences from the perspective of both participants.

### Venture Capital Access Network

Establishing education and financial links between experienced venture capitalists and EDL participants. The venture capitalists will also be exposed to a wide range of Indiana companies and programs.

### Collegiate Entrepreneurs Organization (CEO)

A student-run club. Activities will include coordinating the Ingenuity Forum, hosting the Enterprise Creation Competition (business plans) and participating in the national CEO conference.

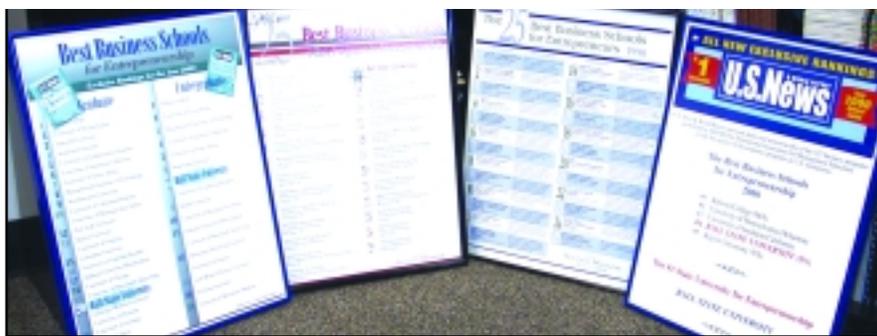
### Entrepreneurship Faculty Research

A special fund will create faculty "research fellows," allowing those with research interests that impact entrepreneurial ventures to serve in the EDL.

not unique to Indiana.

"We have pockets of programs, but nothing seems to link them. A weakness we've seen and learned the hard way," according to Kuratko, "is turning entrepreneurs loose. Unless they have guidance, they get lost. We're bringing pockets of assistance all into one lab."

Not that he thinks for a moment that the EDL will provide all the answers. That's where the 20 years of experience and contacts, with Ball State's Midwest Entrepreneurial Education



**The success of the Ball State University entrepreneurship program is well documented.**

Center serving as the administrative home of the National Consortium of Entrepreneurship Centers, come into play.

Kuratko is not throwing names around when he cites the ability to turn to Stanford, MIT, Cal-Berkley or others for assistance. The consortium allows for continued collaboration among entrepreneurship centers.

In addition, the Ball State effort will be more successful through close ties with university and other incubators throughout the state. IAI sessions could take place statewide, helping foster the development of the best technology ideas.

## Economic Vision 2010 Report Card

The fifth driver in the Chamber's *Economic Vision 2010* is dynamism and entrepreneurship. In 2002, subcategories of "research and creativity" and "dynamism" were created on the Economic Vision 2010 Report Card. The grades were C- in all three categories. That followed overall marks of C+ in 2000 and D+ in 2001.

States that have consistently received high grades in dynamism and entrepreneurship are Massachusetts and Vermont (the only two A grades in 2002) Idaho, North Carolina, California, Colorado and Texas. Among Midwest competitors, Michigan has been the standout despite dropping from an A- in 2000 to a B in 2002. Other 2002 grades were Illinois, C+; Ohio, C; Wisconsin, C-; and Kentucky, D+.

The report card breakdown includes:

### **Dynamism and entrepreneurship: C-**

#### **Research and creativity: C-**

Industrial R&D: 19th (of all states)  
 Capital investment: 23rd  
 Patents: 26th  
 Public R&D: 33rd

#### **Dynamism: C-**

Exports: 12th  
 Foreign direct investment: 13th  
 Fortune 500 corporations: 24th  
 Net new business growth: 32nd  
 Small business payroll growth: 34th  
 Gross state product growth: 35th  
 Big business employment growth: 35th

**Resource: Complete Economic Vision 2010 and report card information is available at [www.indianachamber.com](http://www.indianachamber.com)**

## Appropriate timing

The question, as always, comes back to whether Indiana is prepared to move forward – to develop the high-skill, high-wage jobs that have not been prevalent in the past.

"It's a slow change in mentality, trying to transition from blue-collar thinking to entrepreneurial thinking," Kuratko surmises. Citing the dot-com extravaganzas of 1999 and 2000, though, he adds, "We're not extremists, but that's OK. The real entrepreneurs are calculated risk takers. They take ideas to the next level, open the next door."

The time to act, however, is now. Something Kuratko says he uses a lot, particularly with students, is a short, but profound thought: "The gap between what can be imagined and what can be accomplished has never been smaller in the history of mankind."

Ball State's students will be helping to close that gap and serving as entrepreneurs of their own. The \$1 million federal grant to operate the laboratory will be spread over three years (after Kuratko lobbied for a change from the original 12-month term). Just as Kuratko has always secured private funding to operate the entrepreneurship program, students will help develop revenue sources for the EDL.

"We'll operate the center like a business inside the College of Business," he says. "I'll challenge the students to come up with some of the revenue enhancements."

New ideas will also be added to the mix.

"This is a good start," Kuratko concludes. "As other ideas come in, we'll add them. If the program in three years looks like it does now, it will be static. I don't want that to happen."

History says it won't.

## INFORMATION LINK

**Resource: Ball State University entrepreneurship program at (765) 285-9002 or [www.bsu.edu/business/entrepreneurship](http://www.bsu.edu/business/entrepreneurship)**