

Studying Entrepreneurship

Requires EXPERIENCING it

by Dr. Bernd Muehlfriedel

It was in March 2006 when the enterprise that I had co-founded almost seven years before was successfully sold. After seven intense years as a CFO, and some very critical situations, I faced the decision of what to do next in my life. Thanks to entrepreneurship, I had earned the freedom to choose what I truly wanted. Since I have always enjoyed teaching and academic life very much, I decided to become a professor. But why a teacher of entrepreneurship?

Motivation for Teaching Entrepreneurship

That is a complex question and it deserves a multi-faceted answer:

1 Firstly, I gained a lot by having been (and by still being) an entrepreneur myself. Being an entrepreneur is a mindset independent of your formal position, and you will benefit a lot from this mindset in many aspects of life. Therefore, I simply wanted to share my own entrepreneurial experience with younger people. Perhaps I can influence their paths of life in a positive manner, just as my entrepreneurship teacher did during my time as a student.

2 Secondly, I strongly believe in freedom of choice. Our students will be exposed to all the various forms of employment that they might choose to pursue after their studies. That includes large multinational companies and the public sector, but also the alternatives: working for small or medium-sized enterprises, or even starting a company themselves. Traditionally, the latter roles have been, and still are, neglected in most university curricula. Entrepreneurship is not the ideal choice for everyone, but the same holds true for big company or even public service positions. So, our students should get the full picture of the professional world before making their own choices.

3 Thirdly, entrepreneurship is undoubtedly a key to wealth creation and distribution within a society. Germany, and particularly Bavaria, have benefitted tremendously from the actions of successful entrepreneurs in the past. Having been a comparatively poor area still characterised by farming in 1951, around 50 years later Bavaria commanded a leadership position within Germany. As a model reflection of that development, the whole area around Landshut (starting approximately 65 kilometres northeast of Munich and stretching further eastwards) is now a modern and highly developed region. Wealth and population are growing, driven by the booming car industry, with its flagship companies being BMW and Dräxlmaier, and the nearby Munich airport, but also many small and medium sized (SME) companies that have successfully found their own market niche. However, entrepreneurship is never a steady state, but a continuous process. Schumpeter masterfully coined the phrase 'creative destruction' to describe this. Taking a self-sufficient rest and enjoying the moments of prosperity would be a doomed strategy. Therefore, part of the job of a professor at a public university should be to contribute his or her part, so that regional prosperity and societal peace prevail. By teaching entrepreneurship and thereby instilling entrepreneurial spirit in our students' minds, I hope to live up to this expectation.

My Story

Armed with this set of motivations, I came across an alarming statement for an entrepreneurship teacher: you cannot teach entrepreneurship, but you have to experience it. Certainly, this provoked me to think about whether I was actually teaching entrepreneurship the right way, and how I could truly bring across what I want students to learn on my courses.

My main goal: Igniting UNTERNEHMERGEIST (entrepreneurial spirit)

That raised another question: What do I actually want my students to get out of their entrepreneurship courses?

- Deep knowledge of entrepreneurship theory?
- The skill to fill out a business model canvas?
- The ability to write a perfect business plan?
- The drive to actually start-up new companies right after university?
- Or, even better, all of these things?

I liked all of these ideas, and would be happy if my students came to achieve these goals. However, I somehow felt that none of them are at the true core of what entrepreneurship education should achieve. Then I came across a statement by Norris Krueger from Northwest University, who said: 'We are not teaching entrepreneurship, we are growing entrepreneurial brains.' This was exactly what I could relate to. I wanted to ignite UNTERNEHMERGEIST (entrepreneurial spirit) in my students. Once the students had this entrepreneurial spirit burning, and had developed an entrepreneurial mind-set, the rest would follow en-suite. But how could this be achieved? What should my courses look like? I was a newly appointed professor of entrepreneurship and wondered how to design my entrepreneurship courses.

It was a fortunate coincidence that right at this moment I met my colleague Sandra Gronover, a professor of marketing and sales management at University of Applied Sciences, Landshut. She had just come back from our partner university, Novia, in Turku, Finland. There she had learnt about a radically different concept of teaching management and entrepreneurship, that had originally been developed in

Jyväskylä University, located towards the geographic centre of Finland. It was about students working together in groups on self-developed business ideas and, most importantly, with the goal of truly bringing them to life.

We both loved the idea of not only producing papers that would be graded by us, but actually seeing something in real life. After all, you have to experience entrepreneurship to spark the fire! That was the inception of the first entrepreneurship programme in Germany to be embedded in a real-life enterprise: the Campus Company Landshut UG.

We immediately set about developing the course sequence and gathering support for the programme both inside and outside the university. Two years later, the first students have now completed the programme, but we are still far from where we want to be. It is impossible to say where this journey will actually take us. Setting up an entrepreneurship programme is similar to creating a start-up itself, and involves continuous creative destruction, too.

However, the main goal of entrepreneurship education at the University of Applied Sciences in Landshut remains unchanged: to ignite UNTERNEHMERGEIST within our students; to raise their understanding that success in life is not a lottery, but comes only with creating and offering something that others are willing to pay for.

However, just as in real-life entrepreneurship, the idea means nothing without implementation. We had a good role model in our foreign partner university, but faced various specific circumstances at our own university, in response to which we had to adapt and therefore completely redesign the programme.



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I have been active in teaching for almost fifteen years, mainly on the topics of entrepreneurship and financial/investment management - but only since July 2013 have I committed most of my time to teaching, becoming professor of entrepreneurship and SME management at Landshut University of Applied Sciences. I have been, still am, and always will be an entrepreneur: after two years as a management consultant at Mckinsey & Co. I co-founded mobile marketing pioneer 12snap, and served there as CFO until the successful trade sale of the company in 2006/07. Today, besides teaching in Landshut on the topics of entrepreneurship, fi-

nancial management and intercultural issues concerning Russia/Eastern Europe, I teach executive MBA entrepreneurship classes at TU Munich and financial management courses at UNECON St. Petersburg, Russia. My entrepreneurial activities comprise co-running my own value investment company, Augustus, which I co-founded after selling my stake in 12snap in 2008, as well as serving on the boards of financial services company DKK Deutsche Kautionskasse AG and private equity firm Aurelius SE & KGaA.

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<http://www.campus-company-landshut.de>

Content and Set-up of Entrepreneurship Programme

Currently, the University of Applied Sciences, Landshut offers two types of bachelor degree in business. One, the Bachelor of International Business, offers the possibility to spend three semesters abroad and earn a double degree from one of our foreign partner universities. Therefore, it has a clear Unique Selling Proposition (USP). The other programme, our classical Bachelor of Business Administration, did not feature a clear USP until recently, and therefore mainly attracted regional clientele. We wanted to change this, however, by including real-life entrepreneurship elements in the curriculum. That raised several questions: 1) In which form should we do this? 2) Who should be able to participate in the programme? 3) For how long and at what stage in the course of their studies?

The answer to question 1: building on the basic idea from Finland, we wanted our students to not only inhale theory and produce paper, but to turn their business ideas into reality. Therefore, we opted for course content including key elements of theory, delivery, and contributions from external entrepreneurs and experts, but at the same time including a strong element

of students developing their own business ideas and then trying to make their projects actually happen. Students in an entrepreneurship programme should be forced to behave an entrepreneurial manner. We called the course "Unternehmerische Kompetenzen" (Entrepreneurial Competencies) and decided to realise the projects within a real-life enterprise, the Campus Company Landshut UG. This company is completely student-run, and two students are also registered as managing directors. When founding the company inside our classroom, this was

even a novelty for the local notary: "I have legally founded many companies in my office, but never one on campus." To avoid personal interests (for example those of the lecturers) conflicting with the programme, professors from the business faculty founded a non-profit association, the "Förderverein Un-

ternehmergeist" (entrepreneurial spirit support club), which became the sole owner of the Campus Company. Therefore, we were free to be in a position to guide the student teams, if something should go wrong. Thankfully, this has not been necessary so far.

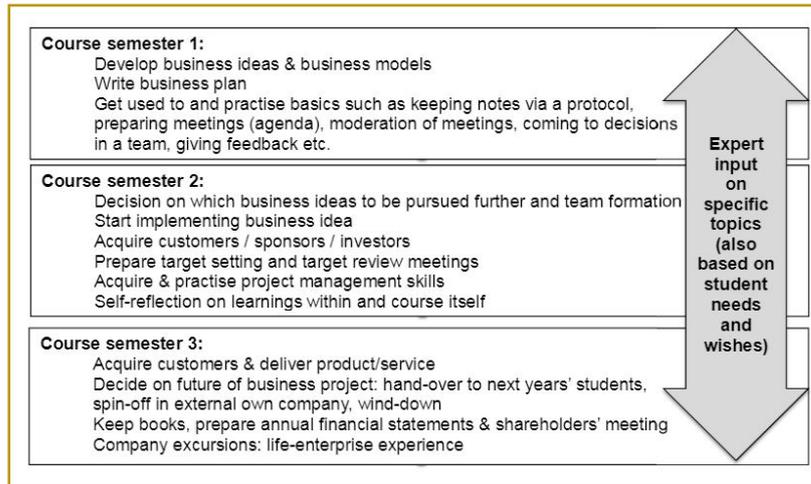


Figure 1: Course content of "Unternehmerische Kompetenzen / Campus Company Landshut" structured by course semesters



Results & feedback on the course

The most easily comprehensible number indicating success is that 50% of the projects in the first student generation of the course successfully made it onto the market (see special box for these projects). This is an extremely high success rate, and by far surpassed our expectations. Certainly we know that it will be very hard to keep this up in the future, and frankly this is of minor concern to us anyway. Our most important goal is not the number of successful projects, but what our students learn and take with them from the course. Remember, it is all about igniting UNTERNEHMERGEIST.

Below are some statements by students that we gathered via an anonymous query after the second course of the programme:

“Behind each idea there must be people who are passionate about it. After two semesters of ,Entrepreneurial Competencies’ I can fully subscribe to that statement.”

“At the start of the course, I would have never thought that I would have started my own enterprise one year later. Electing this course was definitely not a mistake, despite the high workload, because I gained a lot through the numerous experiences I gathered during the semesters.”

“I have learnt that you should never give up hope until you have tried whatever possible to make the impossible possible.”

“We work harder than in other electives, but we take something away for life.”

“The key thing I have learnt is that you should not rely only on words, but always agree on important issues in writing.”

“What I also took away from the course is that you have to fight for your idea, even if not all team members like your proposals in the beginning.”

“If you stop being active, you are doomed to fail. You can only make the right decisions if you remain proactive and self-determined. That is exactly what “Entrepreneurial Competencies” has taught me: To think and act proactively and be self-determined!”

“Taking only the necessary time commitment into consideration I would not select the course again. Nevertheless, “Entrepreneurial Competencies” was the course in which I had the best fun and learned the most. I am proud of having participated and finished it! Thanks for igniting UNTERNEHMERGEIST with me, dear professors!”

Furthermore, there are some other indicators of success:

- Student applications for the elective programme more than doubled when the second cohort started in March 2015. Already at this point in time, we had to curb participation given the limited amount of places. Apparently, word goes around among students that despite having a high workload reputation our programme is regarded as worth the effort.
- Several local entrepreneurs have subscribed as guest speakers or partners for company excursions, after hearing about the programme from us or via local media.
- High interest from university management: the university’s president, Professor Dr. Karl Stoffel even volunteered to teach one group of the second generation during the first course semester.
- Support from the regional government in the form of a small grant to support the activities of the programme for the next three years was received in June 2015.
- The recent election of two student representatives for the faculty council brought two participants of our course into power. The fact that 100 per cent of the student representatives have experienced UNTERNEHMERGEIST vs. 4 per cent of the total business student population is encouraging. We see their election as a recognition of their active, entrepreneurial personalities, that are willing to take responsibility for all students’ problems and solve them in a constructive (I might also have said entrepreneurial) way.

Challenges

For sure, our Campus Company project has not been all sunshine. Like any start-up we are facing various challenges. The biggest one is funding: The Campus Company is essentially a business laboratory, only a laboratory working with ideas, not materials. Unfortunately, this has yet to be understood by traditional state university funding regulations. In practice, this means that it is currently impossible to get expenses such as notary or company registration fees, costs for the company homepage, or other vital things reimbursed by the university. Therefore, we have to fund ourselves completely alone, and rely a lot on our projects generating profit and on the support of external partners from the local economy. Needless to say, this involves a lot of fund-raising activities on the part of the students, but especially the lecturers.

General administration of the Campus Company also requires a lot of effort from both students and lecturers. Since we do not have dedicated personnel to run this educational programme, we have to improvise and do a lot in unpaid off-hours. As the students have said, you gain a lot in immaterial return, but as a lecturer, too, you have to be prepared to work significantly more than for other courses.

The last challenge I would like to mention is that of maintaining coherence within the Campus Company. This becomes a particular challenge when the number of course participants exceeds thirty, and there are sub-groups developing inside the Campus Company. Regular town hall meetings or common outings such as end-of-semester parties, group participation in university sports events, company excursions, or even a kick-off outing can do a lot to help here. I guess you now better understand the other two challenges mentioned above.

Outlook

A key goal of my colleague Sandra Gronover and myself is to build further momentum within our faculty, university, and local business community. Particularly due to the intense involvement of key staff, the course programme needs a broad base of supporters. Secondly, it would be good to involve other faculties, particularly informatics and engineering sciences, in order to allow technology-based projects to be realised. Thirdly, securing more funding from external sources is also high on our agenda, to address challenge number one mentioned above. However, we are not only looking for financial support, but also want to broaden our network of entrepreneurs and external experts, to further raise the quality of input for students and bring it even closer to real entrepreneurial life. After all, you cannot simply study entrepreneurship, you have to experience it!



Resources

To find out more about how you can ignite UNTERNEHMERGEIST in your own teaching, please go to the Coneect compendium and search for 'mindset'. To get started, why not watch the short video by Professor Norris Kruger.

Entrepreneurial Personality:

https://www.youtube.com/watch?v=ckYFSN8Ap_I&index=14&list=PLyXAaocQQ2XZAG1_-Fza3I5uoDzISjIFO

Projects that made it to the market from 1st year



Campus Book: Regional coupon book tailored for students – sold over 700 times – revenues in five digit € range



Campus Kino: Blockbuster movies on campus at unbeatable prices + drinks & snacks – around 400 viewers in nine sessions



night.tett: Card game for Landshut's night life including significant savings with the cards – over 500 copies sold



Landshut Malts and Spirits: Whisky production for upcoming Landshut Historical Wedding 1475 in 2017