

Executive Summary

Historically a leader in education and economic development, Minnesota is falling behind in entrepreneurship. Measured by new business start-ups, job creation, IPO activity or venture investment, entrepreneurial energy in Minnesota is deteriorating¹.

“While still among the strongest of America’s states, a weak entrepreneurship environment has dropped Minnesota from the top spot in a comprehensive yearly assessment of state economies,”
Corporation for Economic Development press release – January 2007

At the same time, the future vitality of our state and nation is dependent upon innovative entrepreneurs that will grow our economy. No longer constrained by geographic boundaries or educational limitations, individuals from around the world are increasingly able to compete. Succeeding against this increased and highly motivated competition requires dramatic improvements in innovation and entrepreneurship.

In this flat competitive environment, the next generation of entrepreneurs will need to create their own opportunities. It is estimated that a majority of current college graduates will start a business during the course of their lives². To improve their odds of success, these students must develop the necessary tools to adapt and prevail in an increasingly entrepreneurial economy. As the organizing body for entrepreneurship-related education and programs at the Carlson School of Management, the Gary S. Holmes Center for Entrepreneurship is committed to inspiring and educating this next generation of entrepreneurs.

Mission: *The Holmes Center inspires and educates University students, faculty, alumni and the entrepreneurial business community to discover and successfully launch new business opportunities through innovative courses, insightful research and engaging outreach programs.*

The future vitality of our state is dependent upon innovative entrepreneurs that will grow our economy. The Holmes Center addresses this mission through excellence in teaching, research and outreach to create a virtuous circle of knowledge and learning:

Key Objectives:

- **TEACHING:** Delivering innovative curriculum with experiential courses and creative problem-solving, featuring quality faculty with applied entrepreneurial experience.
- **RESEARCH:** Establishing a global reputation for insightful academic research on entrepreneurship that attracts leading scholars and students.
- **OUTREACH:** Engaging alumni and business community with our students and faculty through quality outreach programs.

The Holmes Center is the organizing body for entrepreneurship-related education and programs at the Carlson School of Management. Our teaching reaches across campus to include students from

¹ Corporation for Enterprise Development 2007 Development Report Card for the States, January 2007.

² Carl Schramm, President - The Kauffman Foundation.

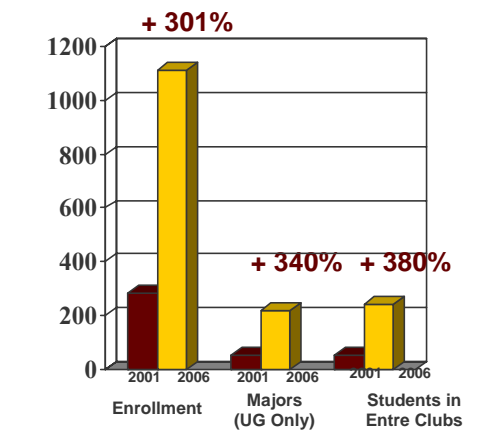
all colleges at the University of Minnesota. Our outreach efforts engage entrepreneurial leaders from across campus and the business community. Our researchers draw international interest for their progress in creating knowledge in the academic field of entrepreneurship. The Center coordinates its efforts with other areas of the University which encourage and support entrepreneurship by students and faculty (see Exhibit 1 – University Entrepreneurship Activity).

Progress, Plans and Metrics Against Key Objectives

Teaching:

Entrepreneurship is the fastest growing and fourth largest undergraduate major in the Carlson school. Enrollment in entrepreneurship courses has increased 301% in the past five years, with 1,144 students enrolled in 2005/06. Students are electing to enroll in a growing range of entrepreneurship courses that better prepare them to create their own opportunities upon graduation, either independently or within a larger organization.

Growth in Entrepreneurship



The Holmes Center leads the development and implementation of innovative entrepreneurship curriculum, in addition to overseeing the ongoing development and staffing of 17 entrepreneurship courses covering business formation, business planning, financing business ventures, innovation, entrepreneurial management, corporate venturing, technology-based entrepreneurship and venture capital. Graduate students also have the choice of two experiential courses in which they work on applied projects with sponsored companies to either design a new product prototype or launch a new venture. Undergraduate students can participate in the unique Entrepreneurship in Action course in which they conceive, launch and operate a real business.

Future teaching priorities:

- Expanding current experiential course offerings
- Continuing improvement in recruiting and training of experienced teaching faculty
- Tailoring courses to students in other colleges (e.g. technology-based course for IT)
- Implementing first international entrepreneurship course (China)

Metrics will focus on total enrollment, student evaluations, number of undergraduate majors, enrollment by non-Carlson students, proportions of faculty having terminal degree and/or practical experience in entrepreneurship and recognition for innovative curriculum.

“We’ve started to hire entrepreneurship students because they’re more well-rounded and better able to solve our increasingly cross-functional business problems,”

Gary Holmes, president & founder – CSM Corp.

Research:

A primary goal of the Center is to develop and disseminate research that defines scholarship in the field of entrepreneurship. The Center has built a global reputation for its research capabilities. Our research faculty lead the discovery of knowledge in the areas of innovation, business formation, corporate entrepreneurship, venture capital, technology-based start-ups and international entrepreneurship. Prior gifts to the school by Curt Carlson, Bob Buuck, and Vern Heath have established endowed chairs to support ongoing research in these areas.

This collection of research expertise is a magnet for the ongoing study and the advancement of entrepreneurship. International PhD scholars now choose to conduct their research at the Carlson School to be alongside our leading faculty members, further building the Center’s international reputation and attracting premier faculty to lead our research and teaching efforts. Innovations from our scholarship will result in new practices in entrepreneurship and new ways of teaching aspiring entrepreneurs; they will have a lasting impact on our students and economy.

Center academic co-directors Harry Sapienza (Curtis L. Carlson Chair in Entrepreneurial Studies) and Shaker Zahra (Robert E. Buuck Chair in Entrepreneurial Studies) are leading research efforts to uncover systematic knowledge regarding the determinants of success in the formation of new independent businesses and new businesses within a corporate setting.

Future research objectives and metrics to measure our success:

- Number of articles published and citations in top tier scholarly journals
- Number of papers presented in leading professional meetings
- Number and amount of research grant proposals submitted and received
- Number of PhD students majoring in entrepreneurship
- Publication record of and placement of graduating PhD Students

Outreach:

Outreach programs engage our alumni and business community with our students and faculty. In the past 18 months, the Center has launched a broad range of valued outreach programs:

- **Entrepreneurial Forum** – *Broad range of content-rich speaker and panel sessions for alumni and entrepreneurial business community*
- **3M Seminars on Technology Commercialization** – *Practical introductory sessions designed for graduate and PhD students in technology/science colleges*
- **Minnesota Cup** – *State-wide competition to encourage and support students and entrepreneurial business community in developing and launching their businesses*
- **Entrepreneurial Interns** – *Placing Carlson students with early-stage companies led by outstanding entrepreneurs to assist in their planning and development*
- **Undergraduate Business Hatchery** – *Advising Carlson students on planning and operating student-run business ventures*

Outreach programs bring together targeted constituencies:

	<u>Carlson Students</u>	<u>University Students</u>	<u>Carlson Faculty</u>	<u>Alumni</u>	<u>Business Community</u>
Entre Forum			√	√	√
3M Seminars		√	√		
Minnesota Cup	√	√		√	√
Entre Interns	√			√	√
Business Hatchery	√			√	√
Student-run Clubs	√	√	√	√	√
Joint Entre Events³	√			√	√

The Holmes Center leverages the strong Carlson/University alumni base in the Twin Cities and the numerous longstanding supporters of the entrepreneurship program. More than 100 successful entrepreneurs speak in our clubs and classrooms each year to share their personal and professional experiences. The formation of the Center’s Advisory Board in 2006 extends our reach into the entrepreneurial business community (see Center Leadership Team – page 9). In addition to providing input on direction, the Advisory Board engages their networks in the Center’s teaching and outreach efforts.

Future outreach priorities:

- Expanding existing intern, mentor, advisory and other outreach programs
- Building a physical location/hub for students to meet with advisors
- Launching a seed capital fund for investing in student-run businesses
- Leverage research strengths via increased faculty participation in outreach programs

Key metrics against our outreach efforts will be number of participants in each program/club, participant evaluations for each program, number and quality of guest speakers, number of start-ups launched by students, number of new firms recruiting and hiring Carlson students, level of contribution (time and money) from program supporters and sponsors.

“The Center brings the business community into our student experience. It helped me get an internship, launch my business and meet experienced entrepreneurs that share my passion.”

Joe Collins, 2006 entrepreneurship graduate

³ Center conducted joint programs/events in past 6 months with Entrepreneurs Organization, BizLounge, Innovators Network, University of St. Thomas, CEO Roundtable and the MIT Enterprise Forum.

Conclusion

The Carlson School has an immense advantage being located in a vibrant business community. Further engaging this community into an expanded range of innovative courses and programs will lead the development of the next generation of entrepreneurs essential for economic growth.

To accomplish our mission, we are launching a \$9 million endowment campaign. With a lead commitment of \$6 million in place from Gary S. Holmes, this endowment will be directed toward the Center's key objectives:

- **TEACHING (\$3 million)** Expansion of existing experiential courses, targeted cross-campus education and further development of courses and faculty.
- **RESEARCH (\$1 million)** Funding academic research expenses and hosting leading academic conferences on entrepreneurship.
- **OUTREACH (\$5 million)** Continuation and expansion of broad range of programs for internships, mentoring, student competitions, student clubs, alumni groups, resources for entrepreneurs and advising/grants for student-owned businesses.

This investment will position the Carlson School as the driving force for entrepreneurial education, research and outreach in the Twin Cities and beyond. The Holmes Center's leadership team and advisory board invite you to join us in shaping the future entrepreneurial business community and developing the next generation of entrepreneurs.

"We either support and nurture increasingly entrepreneurial activities in all aspects of our society and around the globe, or run the very real risk that we will become progressively irrelevant on the world stage and suffer economically at home."

Carl J. Schramm, CEO – Kauffman Foundation



Gary S. Holmes
Center for Entrepreneurship
Inspiring and educating the next generation of entrepreneurs

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SCHOOL OF MANAGEMENT
UNIVERSITY OF MINNESOTA