

## MBA Entrepreneurship

# Start me up: making fine ideas a reality

Business schools are getting to grips with wannabe innovators, finds **Peter Brown**

**C**an entrepreneurship be taught? If so, who should do it? Entrepreneurs themselves are usually too busy to give more than the odd guest lecture. It's an old question, but there's no shortage of interest among students in starting a company, particularly now banking has lost its glitter. Indeed, after finance, entrepreneurship is the main reason students join London Business School – and whereas it used to be taught as part of strategy, these days it's crossing disciplines.

In operations management, there is a course on new product development. In marketing, one

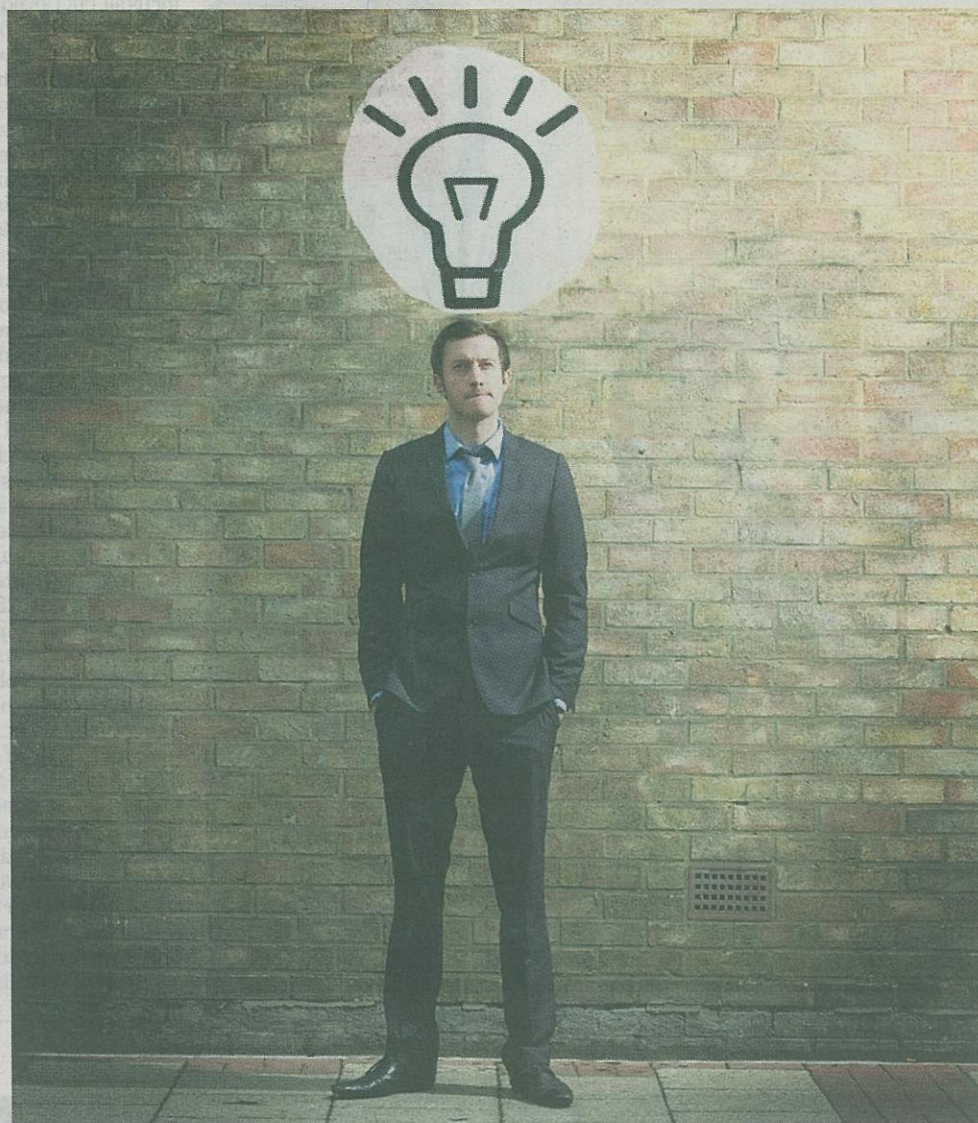
on entrepreneurship in emerging markets. And now there's the new Deloitte Institute of Innovation and Entrepreneurship, the result of a gift of a reputed £10m from the audit and consultancy firm, the largest donation in the school's history.

The majority of the Deloitte money will fund research projects, often into technical subjects such as intellectual capital. "Like any institution, we believe that research enriches teaching" says Jeff Skinner, the centre's executive director. There will also be more courses. "We want London Business School to be the best place for students to become entrepreneurs," he says.

In practice, most business schools have for many years been

fostering start-ups, with elective courses, incubation projects, competitions and grants. When Nigel Shanahan did his part-time MBA with Warwick Business School, he was working at IBM: "My boss there said it wasn't worth the paper it was written on." That was in 1996. What the boss didn't know was that Shanahan wanted to set up his own business. He now runs a company called Rapide. Its main product, Rant and Rave, uses text analysis software to find out whether potential clients are likely to return to a hotel, for example, or a call centre. Such decisions, he believes, are emotional, and made very quickly.

While setting up the business, Shanahan found that his MBA



You may have a great idea for a business, but you also need the skills to make it successful CORBIS

experience became useful. "The course gave me confidence to hold my own in negotiations," he says. Rapide now employs 45 people and made £1.3m profit last year.

Shanahan studied an entrepreneurship module during his MBA and was impressed by the example of a visiting businessman who'd started a refuse collection company, buying it cheap and turning it round.

"A lot of impressive characters in the corporate world hold down big jobs but they just don't have enough courage to start up on their own," Shanahan says. "This one guy was completely inspirational to me."

Many entrepreneurs start young – indeed, some seem to be born, not made. Andrew Jervis is enrolled on the master of enterprise part-time research degree programme at Manchester Business School. At 27, he's already the director of a holding company for various brands, including PieBoy Clothing, makers of the Manchester Beanie. "A friend of mine and I noticed a trend on campus towards retro beanies. We also noticed that the university range was not at the cutting edge of fashion. So we designed some, found manufacturers, and ordered some in."

He put 500 of his beanies on a pop-up stall, recruited some sellers and sold the lot (at £8 a hat) in just two weeks. Jervis says this is called proof of concept in a lean start-up. But such businesses are not an exact science. "You

keep refining the idea, stumbling over hurdles, getting feedback, refining some more until you've got the thing that everyone wants and you can make a lot of money," he says.

Proof that theoretical learning can also help comes from Mark Pierotti, 42, from Paisley. Pierotti did his Edinburgh Business School MBA in the 1990s, pre-internet, without seeing a professor or fellow student. "I was an aircraft engineering manager for the UAE royal family, so it had to be distance-learning," he says. "I had children and did

**'We bring in real entrepreneurs, venture capitalists and the people who work for them – people love straight talking'**

my work after they were in bed. It took four years and I sat most of my exams at the British Council in Abu Dhabi. Fortunately, the course material was excellent."

Helped by the MBA, he fulfilled a long-held ambition to start a charter airline, AjA, with seed capital from a local partner. Flying worldwide out of Abu Dhabi, it now has five planes and employs 60 staff. "Our target markets are kings and queens, sheikhs, presidents, movie stars and rock stars," says Pierotti.

He can't imagine how anybody runs a business without an MBA. He could work out a budget, but

he knew nothing of human resources, marketing, advertising or finance. "The modules I chose, I still use today," Pierotti says. "The MBA was critical."

Such a dedicated approach is unusual, however, and even Pierotti concedes that there is a certain advantage to tossing ideas around with others.

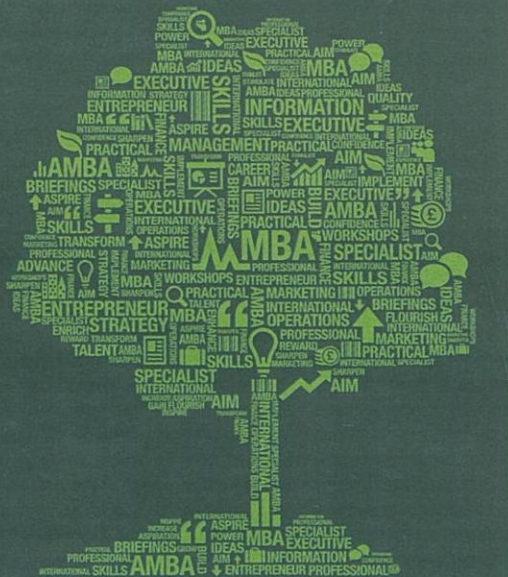
It was during an elective week at Judge Business School at Cambridge that a group of enterprising MBA students thought up their unique online platform, Guestaurant.com.

A "guestaurant" is like a dinner party or any other food-related event held in a special venue where paying guests turn up. The venue could be the chef's living room, the kitchen of a cooking school, a gallery or even a park. "The aim," says co-founder Marco Donzelli, "is to make it easier to interact with other foodies who love to meet new people and socialise around food."

An elective week on an MBA gives students a chance to get corners knocked off their treasured projects. At Ashridge Business School, Hertfordshire, about 20 students present ideas that are honed down to four projects. At the end of the week, teams present their ideas to a "dragons' den" of faculty members and outsiders.

"We also bring in real entrepreneurs, venture capitalists and the people who have worked for them, legal experts and others," says Paul Griffith, co-leader of the elective. "People love straight talking."

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