

Innovate. Create. Execute. – An Entrepreneurial Mindset in Higher Education

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“Motivation is the catalyzing ingredient for every successful innovation”, Clayton Christensen, Harvard Business School Professor and innovation expert.

Introduction

With growing enrollment, pressure to improve student success, and sharply declining government support, many higher education institutions are left wondering how they are going to face today’s challenges. This paper will explore whether the “key to developing the capacity to build a clear path to a strong future is to become an entrepreneurial organization” (The Entrepreneurial Mindset, 2014). Innovation in the corporate world will be examined and linked to innovation in higher education, specifically community college. Guidelines will be given to help institutions create a plan for their organization. A select group of innovative community colleges will be showcased to highlight how they developed and executed plans that produced measurable results.

Current Situation

Individuals in today’s workforce are “expected to identify problems quickly and establish viable solutions” (Harpine, 2014). Being able to follow instructions is simply not enough. Employees will need to take ownership of their advancement and seek out the training needed for growth. “The implementation of an innovative, entrepreneurial , proven business model adapted for continuing

education would help community colleges be proactive in meeting these training demands” (Harpine, 2014).

What is Innovation?

“Innovation is about connections. You connect knowledge, memories, and insights to shape new innovations” (Kaye, 2013). “Innovation involves deliberate application of information, imagination and initiative in deriving greater or different values from resources, and includes all processes by which new ideas are generated and converted into useful products” (innovation, n.d.). In business, when a company has ideas that when applied result in a need or an expectation being met for a customer, it will be viewed as innovative. Typically innovative ideas can be categorized as an evolutionary innovation or a revolutionary innovation. According to businessdictionary.com, evolutionary innovations are brought about by many incremental advances in technology or processes, while revolutionary innovations are often disruptive and new processes.

In the business world who leads innovation? – The Chief Innovation Officer

Jane Stevenson is vice chairman, board & CEO services at Korn/Ferry International. She co-leads the firm’s global CEO succession practice and has been recognized by *BusinessWeek* as one of the 100 most influential search consultants in the world. Stevenson states “There has been so much focus on cost cutting and profit at the expense of growth that organizations now want someone to have specific accountability to drive growth. And innovation and growth are linked hand in hand” (The Role of the Chief Innovation Officer, 2013). She explains that a chief innovation officer (CIO) provides a bridge between product development and R& D, the strategy function, and the marketing function in an organizationally understandable way (The Role of the Chief Innovation Officer, 2013). Stevenson believes that a CIO should be viewed as a growth leader and needs to be able to go beyond his or her area of expertise - think broadly (The Role of the Chief Innovation Officer, 2013). “To be successful in a big way, innovation actually has to be driven by the CEO him or herself. A chief innovation officer in

isolation is never going to be successful” (The Role of the Chief Innovation Officer, 2013). The relationships between the CEO, CIO, and senior team need to have the following characteristics (The Role of the Chief Innovations Officer, 2013):

1. CEO needs to empower the CIO
2. Mutual understanding of innovation and the ability to communicate well
3. CIO cannot rely solely on support from CEO – CIO needs to build stakeholder support across the organization, building bridges and forming relationships with other members of the executive committee
4. CIO must have support of CEO – the CEO’s support crates an understanding in people’s minds that innovation is important, that it’s a priority and part of the business strategy: it’s going to affect the deliverables for all of the senior team.
5. CIO needs to be able to create their own way and create relationships that are going to deliver

Stevenson goes on and explains that as “Chief Innovations Officer, there’s very little that they can get done themselves; there’s little that they have personal control over. Part of this role is creating a culture of innovation and helping people to see a vision that they can take some ownership to execute against” (The Role of the Chief Innovation Officer, 2013). “A chief innovation officer has to have the willingness and the ability to help his or her business partners succeed and to look good” (The Role of the Chief Innovation Officer, 2013).

Innovation in Community Colleges

Innovations and innovative faculty, staff, and administrators have always been a part of higher education. “At one time, having students recite what they had read and solve problems on a blackboard were innovative breakthroughs” (The Nature of Innovation in the Community College, 2010). Times have changed. Community colleges are now being asked to meet the demand for English as a second

language due to the expanding immigrant population, increase continuing education and lifelong learning due to the baby boomers approaching retirement, enlarge the professional-development programs for workers who need to upgrade their skills and knowledge, retrain workers who are in dying fields, and take over upper-division collegiate programs, like teacher education and nursing (Levine et al., 2004). President Obama has set a goal for 10 million more graduates from community colleges and universities by 2020 and he wants schools to create and support opportunities for every American to complete one year or more of higher education or advanced training in his/her life. “By 2020, America will once again have the highest proportion of college graduates in the world...So tonight I ask every American to commit to at least one year or more of higher education or career training...every American will need to get more than a high school diploma” President Barack Obama in his address to the Joint Session of Congress on February 24, 2009.

The State of Tennessee is also challenging higher education to do more. The Complete College Tennessee Act of 2010 (CCTA), states that the master plan for public universities, community colleges, and technology centers shall include “Addressing the state’s economic development, workforce development and research needs” (section 3-subsection1A). The CCTA further states that schools need to foster and promote research that “encourages entrepreneurial opportunities in Tennessee” (section 9-subsection8). In order to meet the challenges of the state and nation, community colleges will need to support and encourage innovation. “This requires the infusion of an entrepreneurial mindset throughout the college that will enable your institution to meet the ever-shifting demands being placed on community colleges both now and in the future” (The Entrepreneurial Mindset, 2014).

Multiple Methods to build your Entrepreneur Plan for Community Colleges

Method #1 – Begin the Process by Examining Theory - Effectuation Theory

Effectual reasoning is a type of human problem solving developed from Dr. Saras Sarasvathy’s cognitive science based study from 27 expert entrepreneurs who are founders of companies ranging in

size from \$200M to \$6.5B (Effectuation 101). “Effectuation reasoning is type of human problem solving that takes the future as fundamentally unpredictable, yet controllable through human action; the environment as constructible through choice; and goal as negotiated residuals of stakeholder commitments rather than as pre-existent preference orderings” (Effectuation 101).

Effectual logic is made up of the following five principles: Bird in hand – work with resources that are already in your possession, Affordable Loss – what are you willing to lose?, Lemonade – turn the unexpected into profit, Patchwork Quilt – form partnerships with committed stakeholders, Pilot in the plane – control outcomes, don’t predict them (Effectuation 101). The entrepreneur starts with an inventory of his/her means and creates goals. The goals must be in line with his/her affordable loss. Next through various interactions, the individual starts to form relationships with others to co-create the new endeavor. “Committed stake holders will influence the entrepreneur by morphing and appending the original idea into one that a whole network of stakeholders are committed to. The cycle continues as the effectual entrepreneur grows closer and closer to a defined, sellable product(s), complete with committed customers and stakeholders comprising the new market” (The Effectual Cycle).

Method #2 – Begin the Process by Taking the NACCE Presidents for Entrepreneurship Pledge

“The Presidents for Entrepreneurship Pledge is supported by ACCT as an important strategy for meeting the educational, economic, and workforce development roles of the 21st Century entrepreneurial community college” said Noah Brown, CEO, ACCT. The National Association for Community College Entrepreneurship (NACCE) believes that millions of people are turning towards entrepreneurship because they need to take responsibility for their future and the future of their community. “At some point, community college goers will either take an existing job, or create one” (The Community College Entrepreneurship Movement). NACCE understands the critical role that a community college can play in helping individuals move from their current situation to their goals and dreams. The object of the Presidents for Entrepreneurship Pledge is to allow presidents and their

community colleges to become involved in the most profound discussion currently happening. “It is imperative that their identities and roles are maximized by:

- Positively and clearly advocating the critical roles of community colleges in the entrepreneurial space
- Expanding the reach of each community college by partnering with organizations across the industry sectors.
- Ensuring that community colleges are major players in the national/global entrepreneurial discussion.” (The Community College Entrepreneurship Movement)

NACCE will help community colleges develop strategies to increase relationships with entrepreneurs and entrepreneurship supporters. They suggest starting with the following five steps (The Community College Entrepreneurship Movement).

1. Develop Transparency of Community College and Community Assets
2. Create Internal & External Teams Dedicated to Entrepreneurship
3. Increase Entrepreneurs Engagement in Community Colleges
4. Engage in Industry Cluster Development
5. Create Buzz and Broad Exposure of your College’s Commitment to Entrepreneurship

Currently in TBR, the presidents from Cleveland State Community College, Dyersburg Community College, Northeast State Community College, Roane State Community College, TCAT Nashville, TCAT Shelbyville, and Volunteer State Community College, have committed to partner with NACCE and the Obama Administration to encourage economic growth through entrepreneurship. NACCE believes that this important because (The Community College Entrepreneurship Movement):

1. Expanding entrepreneurship is imperative to rebuilding our fragile economy.

2. Community Colleges are ideally positioned to lead in furthering entrepreneurship based on accessibility, strong ties to local communities, affordability, and diversity of student population.
3. Moving beyond the traditional role of workforce development, community colleges can support local economic development with unique brand of business-building insights.

Method #3 – Follow Guidelines for Innovators by the League for Innovation in the Community College

Research from the League for Innovation in the Community College helped create a set of guidelines for community college educators who may know the problems and challenges of their schools, may even have solutions, but do not know how to turn ideas into action. The guidelines were developed from a survey and interviews of Innovation of the Year Award recipients. The research showed that being innovative means starting and stopping and piecing together ideas from various contexts (The Nature of Community College, 2010). Innovative ideas “can begin with a single focus and evolve into major transformations, or they can begin as major transformations and end with a single solution for a smaller but persistent problem” (The Nature of Community College, 2010). The following guidelines are listed in no particular order: demonstrate a need; develop a vision and a plan; put the plan into action; talk with colleagues; build a team; secure administrative support; dedicate the required time and effort; evaluate the innovation’s effectiveness; tie the innovations to the college mission, values, and goals; take risks; plan for sustainability of the innovation.

Who will lead your Entrepreneur Plan, one person or a team?

Option #1 – Chief Innovation Officer

Dr. James Catanzaro, president of Chattanooga State Community College, is the first community college president to have a Chief Innovations Officer in his cabinet. Lisa Haynes, CIO, serves as the special advisor to the president for entrepreneurship and innovation. Her responsibilities include:

- developing and superintending assigned new-initiative partnerships

- building relationships with external leaders who may contribute to the college's development
- advising the president on potential innovative pathways to greater institutional efficiency and effectiveness
- exploring new avenues for social innovation, community building and social impact enhancement
- planning and implementing strategies for revenue generation to advance the standing of the college
- providing leadership to college entrepreneurial initiatives including international distribution of online courses, and summer/winter institutes and related exchange programs
- developing and supervising campus accelerator(s)
- brokering collaborations that advance entrepreneurship in Greater Chattanooga, supporting community and state economic development
- pursuing project related sources of funding, in concert with the president
- accompanying and representing the president in meetings with business and community leaders, regionally, nationally, and internationally, regarding new opportunities, strategies and initiatives

Ms. Haynes is overseeing the personal enrichment portion of Chattanooga State's continuing education and small business development center. She is leading the construction of Chattanooga State's Center for Innovation, Creativity, and Entrepreneurship and developing curriculum. She is developing new partnerships with the Gallup Organization and other companies across the nation.

Ms. Haynes explains that the Chief Innovation Officer's position will bring a new way to generate alternate sources of revenue. She will be looking to maximize community, national, and international opportunities for partnerships. She explained that it is important to create an arm of the college that is dedicated to entrepreneurship to help change and influence the culture of the college. Ms. Haynes

stated that “you can’t teach entrepreneurship, you can guide and shape it.” She added that there are many benefits to the college having a CIO – when the college has greater capital, it can do more for faculty, staff and students. More resources can be spent on helping students succeed/complete and prepare for actual jobs. Dr. Catanzaro explains that this new focus translates into the development of Chattanooga State Community College and its students. Dr. Catanzaro stated, “No longer should entrepreneurs think they must leave the college space to pursue their dreams.”

Ms. Haynes stated four key points that an entrepreneur should follow: 1) look for opportunities, 2) make sure the solution is sustainable, 3) maximize and stretch the concept, and 4) implement. The goal of the innovative idea is for it to become an independent major source of revenue. When asked what he means by Community College Entrepreneurship, Dr. Catanzaro states “As we strive to achieve bold, new goals and aspirations, we’ve had to develop a new mind-set. We’ve had to become more enterprising, innovative, creative, resourceful, perseverant, community based, and above all, opportunity-seizing --- catalysts for community development.” The CIO position helps the college be a power player in the community.

Option #2 – Innovative Team

Dr. Janice Gilliam, president of Northeast State Community College, created an Innovation Team that reports to the VP of Access and Development. This team is comprised of Northeast State faculty, staff, and administrators who have completed Northeast State’s Advanced Targeted Leadership Development Program. The Innovation Team’s mission states:

This team’s core purpose is to innovate, create and execute! **Innovation** – is introduction something new or different. By innovating we can drive new programs, processes and experiences which will uniquely set Northeast State Community College apart from our peers and identify the college as an educational leader in the community.

We want to encourage our students and our employees to push the envelope in the **creation** of unique ideas for the development of more efficient and effective ways of conducting business.

By having a culture of continuous improvement we are paving the way for great success for the college.

Innovate. Create. Execute. These are the three words that we strive to define college.

This team will explore partnerships with external groups to promote sustainability, efficiency and improved learning to enhance Northeast State's mission. The team will evaluate the entire college looking for ways to improve learning, programs, processes, and customer service. The team will lay the foundation for creative culture, examine best practices, and then implement them at a higher level. The Innovation Team will use surveys, focus groups and an advisory group to continue entrepreneurial leadership practices. Dr. Gilliam has given Northeast State Community College "A License to Dream."

Examples of Innovative Community Colleges

Rio Salado College in Tempe, AZ (part of 10-college Maricopa Community College System)

- "In 1996, the college took a calculated risk and began offering courses online – 16 to start – just when the Internet was taking off" states Chris Bustamante, president of Rio Salado College (The Entrepreneurial Mindset, 2014).
- Created an innovative, non-traditional, quality online education – have 110 certificate and degree programs with 23 residential faculty and more than 1,500 adjunct faculty. Use "one course, many sections" model – "uses a master course approved by residential faculty and taught by adjunct faculty in more than 6,000 course sections" (The Entrepreneurial Mindset, 2014).
- Results – one of the nation's largest public online two-year colleges; 2012-2013 academic year, the student headcount was over 65,000 students, with over 44,000 being online students; last

year college ranked #4 on *Fast Company's* list of "The World's Top 10 Most Innovative Companies in Education" (The Entrepreneurial Mindset, 2014).

- Cost – as much as 44 percent less than peer institutions nationwide (The Entrepreneurial Mindset, 2014). Bustamante stated "Our upside-down faculty model has made it possible for the college to adapt a corporate 'systems approach,' and all Rio Salado staff and faculty participate in a training program to instill a unified commitment to helping students complete their degree programs" (The Entrepreneurial Mindset, 2014).

Houston Community College (League for Innovation in the Community College Member Spotlight)

- Developed a Center for Entrepreneurship in 2009 – response to local business leaders who wanted to create jobs and revitalize an economically declining part of town
- Developed seven key strategies – created strategic partnerships key economic drivers; sponsored an annual Business Plan Competition; developed business workshops and business plan boot camps; developed website; created Entrepreneurial Certificates; partnered with continuing education to mirror business workforce courses; and developed advisory board composed of business leaders.
- Results – successful Annual Business Plan Competition where prize money is funded by local banks and strategic partners, two hundred students working on Entrepreneurial Certificates with ten students completing at least one certificate; over 2,500 individuals enrolled in business seminars and workshops; won Goldman Sachs 10,000 Small Business Initiative in which 259 small business owners graduated from the 10-week course (69% graduates increased revenue rates and 51% created new jobs in their companies); partnered with Young Entrepreneur Academy and offering entrepreneurial training to 24 underrepresented high school students;

created Chief Entrepreneurial Officer position; host a Minority Business Development Agency who will serve 70 minority owned businesses.

Global Corporate College

- Consortium of more than 50 community colleges and universities, formed in 2007, Denise Reading is president
- Assists colleges network with national companies to meet their training needs
- Many colleges have their own corporate college, ex. Cuyahoga Community College, Central Piedmont College and Lone State College System (Note: Pellissippi State Community College is the only TN member.)
- Result – Colleges cater to the training needs of companies by offering non-credit, customized programs which results in extra revenue. “The corporate college is attractive to businesses in part because it provides a single point of contact” (Fain, 2014).
- Business Decision – “Community colleges have a solid product to offer...so they are getting into the sales game” (Fain, 2014).

Next Steps

1. Look at your past. “Failed ideas from your company’s past may be ripe for another look” (Kaye, 2013).
2. Loot at your attic. “You company may have hidden assets that could be modified or marketed in a new way” (Kaye, 2013). Angeline Godwin, president of Patrick Henry Community College in Martinsville, VA stated “We need to benchmark how entrepreneurial we are already and to identify gaps where we could be doing things better. We need to see where we have promise and where we have need” (The Entrepreneurial Mindset, 2014).

3. Look outside of your college. “Companies in other industries, outside experts and creative customers can be fertile sources of inspiration” (Kaye, 2013). NACCE President and CEO Heather Van Sickle stated “Having an entrepreneurial mindset involves focusing on having the right people and the right culture in increase the talent base in your community” (The Entrepreneurial Mindset, 2014).

Summary

Being innovative involves numerous paths with twists and turns, there is no “one way” or the “only way” to be successful. Different strategies were explored in this paper to help community colleges start the process of thinking outside the box. Institutions may use one or multiple ideas to get an entrepreneurial mindset started. President Barack Obama, in his remarks on higher education on April 24, 2009, said “America cannot lead in the 21st century unless we have the best educated, most competitive workforce in the world.” In order to be competitive, higher education will need to look at processes and procedures in a new and diverse way. My question to you – Is Your College Entrepreneurially Minded?

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