

Small Business (Posted 1/5/2004 2:11 AM)

Venture capital 101: Entrepreneur courses increase

By Jim Hopkins, USA TODAY

Entrepreneurship, a subject once snubbed by universities, is taking hold on U.S. campuses.

The latest sign: The Ewing Marion Kauffman Foundation recently awarded \$25 million to eight U.S. universities pledging to spread entrepreneurship education beyond business classrooms.

Recipients include the University of Rochester, which will use part of its \$3.5 million to teach music students to better manage orchestras and other professional music companies.

Historically, universities prepared students to manage *Fortune* 500 companies, education experts say. Schools taught big-company finance and organizational behavior but little about start-ups, such as developing business plans and seeking venture capital.

That changed, especially in the 1990s, after research showed most jobs and innovations are created by start-ups. Also driving academic interest in entrepreneurship:

Demand. More students think self-employment is a safer haven than working for big corporations. "Many saw parents downsized out of work," says John Challenger, CEO of executive outplacement consultant Challenger Gray & Christmas.

But big companies also don't want to get left behind. In campus job

hunts, they're seeking students with entrepreneurship skills so they can better compete against start-ups.

More than 500 universities have entrepreneurship majors in undergraduate and MBA programs, up from as few as 175 in 1990. "Huge growth," says Donald Kuratko, head of the National Consortium of Entrepreneurship Centers, an academic trade group.

Texas Christian University added an undergrad entrepreneurship major two years ago. More than 200 students are enrolled, three times what the traditional business management major once had.

Fundraising. Universities discovered that entrepreneurs and companies are more interested in supporting schools that teach entrepreneurship.

Schools getting the Kauffman money will use it as a carrot to attract required matching grants of \$50 million.

Last October, Babson College and five historically black colleges, including Atlanta's Morehouse College, got \$75,000 from Ford Motor to develop black entrepreneurship programs.

The University of Michigan got \$10 million from real estate mogul Samuel Zell and Ann Lurie, widow of Zell's partner Robert Lurie, to create an entrepreneurship center in 1999. Babson, near Boston, started a similar center with a \$5 million donation from Arthur Blank, co-founder of Home Depot.

The number of such centers is growing on campuses. There are now 170 vs. as few as 25 in 1997.