

## Entrepreneurial Management: Creating a real business in the classroom

By Andrew Conley

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Creating a business plan in a classroom setting is a common exercise in MBA programs, but Lane takes the exercise a step further in his entrepreneurial management class. Instead of a simulation, Lane's students create the real thing: "The challenge I put forward to my students was not to make a plan, but to actually create a real business and present it to a panel of investors to get some live feedback on their business plan and business model, which I thought would be helpful." The project, " Lane explains, "includes activities such as filing papers of incorporation, determining equity among the participants, fine-tuning the business plan and model, inventing products, and filing for provisional patents. While time was too short for the class to finish the project, those who wanted to continue had something concrete that they could use to start a real business. So, more than just preparing a theoretical business plan in class and presenting it to me, their plan would be real and their presentations would be to some independent investors who would make the decision."

Lane was unsure if his bold idea would be popular among his graduate students, many of who are full time working professionals with other time constraints. "I didn't know what the response might be and didn't want to challenge them with something that they would feel uncomfortable doing since most of them had never started a business before, " Lane says. "So I simply asked them on the first night of class if this was something they would like to do. What I found was overwhelming enthusiasm for the idea. In fact, every single night students wanted to stay beyond the end of class, which is highly unusual. What seemed to interest students the most was that it was real. This wasn't a surrogate activity that someone else has done. There was so much passion about making this a real scenario and finding out what takes place in the real world. They were just incredibly dedicated to finding ways to make this thing become successful."

Enthusiasm for the project remained high among the students even after the class concluded. Lane explained, "I see them from time to time and I've arranged for them to present to a couple of local investors who, if they felt it was a viable opportunity, would have an interest in their business plan." According to graduate student James Grasty, a group of Lane's students are still working with the plan developed in class and have nearly completed their investor presentation. "We're meeting with Doug and the investors within the next month," Grasty says. "We're also seeking out other investors ourselves and looking at the possibility of personally 'bootstrapping' the business to get started. We're looking at all options."

Lane believes that studying entrepreneurship is a valuable exercise not only for those interested in starting a business, but also for those working in corporate America. "There is ample room for entrepreneurship in large companies, " says Lane, "and I think more and more large companies are beginning to realize that. It's the concept of intra-preneurship, wherein managers can have a significant role in developing novel ideas and concepts within the construct of the large organization."

Although conducting entrepreneurial activities within large organizations can pose risks, "it's critically important for companies to be aware of disruptive technologies and disruptive innovation that could

replace their businesses,” says Lane. “Identifying the benefits of those disruptions, rather than fearing them, may lead companies to invest in those technologies themselves.” The problem with some companies, says Lane, “is that they view investment in disruptive technologies and innovation as cannibalization; to create a scenario that is going to reduce their top line appears counterintuitive. However, what entrepreneurs in large organizations realize is that if their company doesn’t innovate and if it fails to develop its own disruptive technologies, other companies will devour it.”

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