



## **Entrepreneurialism and Financing for Improved Academic Enterprise<sup>1</sup> in Higher Education: coaching for Leadership and Innovation reflecting true Demand<sup>2</sup>**

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### **Abstract**

This paper concerns universities' growing attempts to reach-out meaningfully to strategic external partners, often in an attempt to marshal new resources from a pluralism of sources, and thus enabling innovative university-business collaborations to flourish, creating wealth for all. It extends the conventional notions of the Bologna Process towards a European Higher Education Area that engages business and the community in creative ways with respect to their learning, especially with partners who have found it so difficult to engage with Higher Education in the past. Such engagement requires academics themselves to become more entrepreneurial in the way they reach out to new partners who are quite different from their traditional students. While there are many academics who would prefer to work in the universities' traditional ways of teaching and research, and not have to consider these very different kinds of new learners or develop outreach projects, there are an increasing number with trans-disciplinary skills and aptitudes, both able and willing to collaborate on projects which create high value improvements and impact in the real world and for local people.

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<sup>1</sup> The words 'Reach-Out', 'Outreach' and 'Academic Enterprise' are used interchangeably in this paper to represent what is called, in Britain, the 'Third Stream' of a University Mission. You will realise from the text that we see this as an equal 'First Mission' for Universities and not a lower level activity. For us it represents a rich form of relationship between Universities and their external partners from business, industry, the civil and voluntary services and the community. We prefer the term Academic Enterprise as the key term for this activity because it suggests universities becoming more enterprising in their ways of Reaching-Out/Outreach, where knowledge sharing between all parties in any partnership is virtuous, so Academic Enterprise is the main one used through the text, but Reach-out & Outreach are also used in the writing for variety and to add colour

<sup>2</sup> Eleanor Jackson, a doctoral student of Professor Powell's, has provided significant thinking in this paper and her findings are appropriately referenced later

Our research shows senior academic leaders must recognise those of their staff with a real passion for such co-creative working, provide them with the support and coaching to ensure they can engage more innovatively with strategic external partners and reward them when they achieve success enabling universities to become the leaders of new opportunities in the global knowledge economy; for while they are typically self motivated they too, like everyone, welcome recognition and reward for successful effort. It is only if senior university leaders recognise the importance of complementary ways of working that European Universities will properly diversify their approaches to deliver wealth creating solutions demanded by business and the community and thus develop new and relevant income streams for themselves so essential for their future growth, and those of their partners. Governments in their turn must also support those universities to reach out to business and the community in constructive ways. In particular, we show an approach, known as UPBEAT, which has been developed, as a questioning framework, to support improved academic and industry engagement and to help all acquire the funding to make such developments possible. It provides a simple, coherent and intuitive approach - a driver - to focus academics towards successful ways of engaging with a business, and industry, civil and voluntary services or social settings for the benefit of all. The UPBEAT approach and its framework was developed through the detailed analysis of nearly 200 case studies that identified different elements of successful engagement of creative universities working with their creative city regions.

The aim of the approach is to turn traditional academics into entrepreneurial ones by giving them a self-evaluatory framework to drive more relevant and innovative academic engagement with a broad range of end user partners. A fourfold of working processes are required in order to effectively manage what we have come to call Academic Enterprise development, thus ensuring socially inclusive wealth creation, which develops: solution enabling skills; new forms of business acumen; intelligent partnering; and appropriate academic talent. The paper goes on to describe the process in more detail, highlights how academics must themselves learn how to acquire funds from a pluralism of resources, and finally analyses the success of the approach through the lens of innovation theory; we also identify how different perspectives of innovation can underpin our understanding of how such a model supports the “stage management” of leading edge ideas in to the real world. Relevant to this financial section of the overall debate, it requires academics to understand how to develop solutions to real world problems reflecting user DEMANDS by society, as well as their needs. And it heralds an academic approach reflecting Bologna principles, where key aspects of Higher Education must lead to: the co-identification of worthy Academic Enterprise problems; the co-design of solutions demanded by society reflecting the highest academic values; the co-production of

new products and processes fit-for-purpose in order to create real and sustainable impact; and continuous improvement through formative evaluation. It is an approach that the PASCAL International Observatory for *place management, social capital and learning regions* believe will lead to a new breed of ‘Universities for a Modern Renaissance’.

Focus on developing demand-based enterprise skills to ensure the successful completion of any academic enterprise

In this section we simply explore the detail of each of this fourfold of academic enterprise skills, why they are important in the context of this conference and, in particular to the financial aspects of developing sustainable university Academic Enterprise enabling ‘financially sustainable universities. One of the key aspects of this is for the developing entrepreneurial academics to become ‘street wise’ about how they acquire the funding to undertake such work, which is quite different from their other modes of teaching/learning and research funding. They must therefore learn to work in close collaboration with their external partners to acquire the funding necessary to truly identify DEMANDED solutions, co-design sustainable deliverables and co-produce worthwhile new products and processes

PUMR believes New Business Acumen is a skill which academics need to develop which gives them sufficient understanding of business (enterprise) language - including social entrepreneurship - to ensure success when working with external partners. For probably the first time in their lives, when they work in this way with business and the community, they must co-identify problems that both they and their partners consider worthy of exploration and development; they must learn how to co-create and co-design acceptable solutions; and then actually work to co-produce appropriate end product and processes. So, at the basic level of engagement with their business or social enterprise partners, they must begin to become both market and business aware and demand driven.

Universities are indeed becoming more diversified in the ways they seek funding (Estermann and Pruvot, 2011), but only a few have embraced the pluralism of available financial sources to ensure financial sustainability, developed the funding teams required to access a wider range of funding and developed university governance procedures to make new funding streams easily accessible. In a parallel study on Academic Enterprise leadership by Powell and Clark (2012) most academic leaders, by and large, stressed financial difficulties in working

in this arena; this is mainly caused by a lack of readily available funding to pursue Outreach, as a real barrier to progress. Furthermore, as one academic said to us *'the limited financial rewards made available internally in Universities were often insufficient to promote a greater uptake in Academic Enterprise'*. However, the best leaders we met indicated their own success as resulting from their ability to find money, where others have not necessarily thought to look: *'finding the resources to make the enterprise work just became one of the challenges, but increasingly a very important one'*; *'leaders take on the pain and marshal the resources to actually get to our required destination'*.

Successful leaders of such new ways of working see funding as just another challenge, and not a barrier to progress, and many have worked with senior colleagues earlier in their careers to develop the skills necessary to acquire continuous funding. It is therefore important for universities to coach junior Academic Enterprise leaders in the processes of funding acquisition to enable their successful future developments as the aforementioned paper also indicated universities need to create governance structure and funding teams able to work toward gaining funds from a rich panoply of sources – those with the new academic business acumen leave 'no stone unturned' or potential funders asked, each with their own nuances of being approached and considered. The ones we have now approached are: private sponsors; businesses and industries as independent entities; business and industry clubs; Chambers of Commerce; Social Enterprise funders; Regional Development Agencies, Business Enterprise Agencies, the European Commission and its many parts, the Research Councils, philanthropic organisation, the civil and voluntary serves, banks and even communities and groups of citizens themselves. Much of this effort is now focused on co-funding and matched funding, but for those who follow the UPBEAT approach, they have a real advantage in that they have willing and able partners to develop such funding arrangement. None of this work is 'rocket science' but it does require academics to engage in quite a different way with potential funders, for universities to coach them in how to do it and for fast acting management process to be set up in the university to handle funding and the deliverables that relate to it.

So New Business Acumen is concerned with the practical issues of addressing the demand side of the equation. Need as we have said many times throughout this paper, is differentiated from demand within the model. Need is driven by an understanding of the problem domain which may generate a number of contingent responses. Demand is concerned with addressing need in such a way that the solution might be adopted. This can be viewed as requiring and range of philosophical stances and practical actions. The meeting of demand requires the development of effective processes such as supply issues, management, invoicing, and

marketing, for example. The academic team needs to be able to marshal the appropriate resources and apply them effectively if it is going to genuinely innovate (Edwards et al., 2004). This does not necessarily mean the academic team does these things themselves, but they must have appropriate partners or support to ensure these actions are undertaken.

It is not sufficient for enterprising academics to know how to express better what their external partners need to know and how to get into a deeper, meaningful and maturing conversation with them. They also need to get a demand side view of any problem, or potential solution, when developing any Academic Enterprise. This capability also considers how teams manage the practicalities of engaging with end user groups. In short, these include the themes of demand, measurement and understanding of impact, marshalling resources and management issues. We have provided an extended discussion of this Enterprise Skill development because it is central to the discussion in this part of the conference and because without financial sustainability no Academic Enterprise stands any chance of flourishing.