



THE STRAITS TIMES
EDUCATION FORUM 2019

IN PARTNERSHIP WITH  SMU

EVENT DETAILS

The Straits Times Education Forum on Nurturing Entrepreneurs is supported by the Singapore Management University.

DATE: April 6 (Saturday)
TIME: 10am to 12pm
 (Registration begins at 9am, guests to be seated by 9:50am)
LOCATION: Singapore Management University School of Law Building, Basement 1 Function Hall, 55 Armenian Street, Singapore 179943
COST: Free for ST readers
ONLINE REGISTRATION: <http://str.sg/EduForum2019>
 Limited seats available.

The main quadrangle at Stanford University's campus in Stanford, California. The US university is famous for producing entrepreneurs and innovators.
 PHOTO: REUTERS

ST-SMU Nurturing Entrepreneurs

How Stanford became a billionaire factory

In the first of a four-part series, Senior Education Correspondent **Sandra Davie** talks to Professor Charles Eesley on what goes into Stanford University's 'secret sauce' for nurturing entrepreneurs.

Stanford University has long been known as one of the world's leading centres for innovation and a breeding ground for the entrepreneurs who created, and continue to shape, Silicon Valley. William Hewlett and David Packard, founders of what is now the world's leading PC manufacturer, met at Stanford undergraduates in the 1930s. Subsequent Stanford alumni include the founders of co-founders of Cisco, Sun Microsystems, Intel, Yahoo, Netflix, PayPal, Electronic Arts, LinkedIn, YouTube and Mozilla Firefox.

Google founders Sergey Brin and Larry Page are Stanford alumni and so is one in 20 Google employees.

Well-known privately held companies like Gap and Trader Joe's also bear the Stanford imprint. A 2012 study conducted by Stanford academics Charles Eesley and William Miller estimated that Stanford alumni and faculty members had founded 39,900 companies since the 1930s, creating 5.4 million jobs and generating annual revenues of US\$2.7 trillion (\$S3.7 trillion). If these companies collectively formed an independent nation, its estimated economy would be the world's 10th largest.

Other key findings of the survey include 29 per cent of respondents reported being entrepreneurs who

founded an organisation (for-profit or nonprofit), and 32 per cent of alumni described themselves as an investor, early employee or a board member in a start-up at some point in their careers.

Professor Eesley, Associate Professor and W.M. Keck Foundation Faculty Scholar in the Department of Management Science and Engineering at Stanford University, explained what more goes into the 'secret sauce' at Stanford.

Q Some 29 per cent of Stanford alumni reported being entrepreneurs. How much of it is due to self-selection?

A First, to put the 29 per cent figure into perspective, in any given year, maybe 5 to 10 per cent of the alumni are actively working on a start-up. So cumulatively over their careers at some point, 29 per cent have worked on a start-up project.

But having said that, it is an impressive number. I did a similar survey with the Massachusetts Institute of Technology alumni and we had similar figures there.

Self-selection is definitely a factor. The study found that among survey respondents who became entrepreneurs, 55 per cent chose to study at Stanford because of its entrepreneurial environment. So, yes, that's definitely part of the story.

About Charles Eesley

Professor Charles (Chuck) Eesley is an associate professor and W.M. Keck Foundation Faculty Scholar in the Department of Management Science and Engineering at Stanford University.

As part of the Stanford Technology Ventures Programme, his research focuses on the role of the institutional and university environment in high-growth, technology entrepreneurship.

Prof Eesley was selected in 2015 as an Inaugural Schulze Distinguished Professor.

His National Science Foundation award supported research focusing on rethinking how the educational and policy environment shapes the economic and entrepreneurial impact of university alumni.

Over the past three years, Prof Eesley has helped foster high-tech entrepreneurship, including advising the US State Department in the Global Innovation through Science and Technology programme.

Prof Eesley completed his PhD at the MIT Sloan School of Man-



PHOTO: STANFORD UNIVERSITY

agement in 2009. Previously, he was an entrepreneur (Lobby 10, Sun Dance Genetics, Learning Friends), early employee (NovoEd.com), board member and adviser and investor.

NovoEd.com launched his online course, which was the first entrepreneurship massive open online course, and has taught over 200,000 students in over 100 countries.

He currently serves as an independent board director on several public and private firms.

of networking.

Q How much of it is nurture and how much is nature? Do entrepreneurship programmes actually inspire students to become entrepreneurs?

A The university offers dozens of

courses and programmes that educate and support potential entrepreneurs.

Our study found that technical innovators (those who go on to create new products), business founders as well as quick founders (those who received venture capital funding within three years of graduation) are all more likely than other alumni to have participated in entrepreneurship courses, business competitions and other related programmes at Stanford.

All three categories of innovators were also much more likely to have used the alumni network, particularly for identifying funding, co-founders, early hires and mentors.

Q Data from your study shows that 'entrepreneurs may also be born' their way.

A While entrepreneurs certainly require conventional business skills, they also need intangible qualities that don't come from books. These so-called soft skills include a self-starting drive, a willingness to handle risk and an ability to deal with the kaleidoscope of challenges in building a business from scratch.

Where does that mindset come from? One major source, according to a raft of studies, is parents. They are powerful role models, share practical experiences and often provide both emotional and financial support.

Q What about the location itself? People say there's something special about the air in Silicon Valley.

A My co-researcher often talked about how Stanford, being in the west, was not a pure coincidence. He talked about how Stanford was created by people who came to the western frontier. The settlers were community builders. They took risks by coming west and starting from scratch. But they also recognised that they wouldn't succeed without building a broader community and lending a hand to the people around them.

The culture side of it is really important.

Q Does it help to go to university? Or does going to university work against

you, considering there are so many college dropouts who went on to become entrepreneurs?

A My colleague Edward Lazear has shown that students who take a greater variety of courses are significantly more likely to become entrepreneurs and partly that's because a lot of the entrepreneurial opportunities are at the intersection fields and partly that's because entrepreneurs tend to actually be a jack of all trades.

And then we do find that students who have a master's degree are significantly more likely to succeed as entrepreneurs than students who only have a bachelor's degree.

In a couple of fields like in biotech and life sciences, having a PhD is also an advantage, or having a medical degree.

In other fields, having a PhD doesn't lead to a greater advantage, because the type of people that pursue a PhD, they tend to be rule followers, and risk-averse.

The other part is that you do have higher opportunity cost.

Q Can you tell who's going to be an entrepreneur, based on their personality?

A A lot of the early research on entrepreneurship focused on this question. And there are only a few factors that came out as significant - the need for independence, and need for achievement. And there's some evidence on openness to new experiences. But, by and large, entrepreneurs are of all types.

I had one of the founders of Snapchat in my class - Bobby Murphy. This was a year before he created Snapchat.

He was a really introverted, shy guy and the first thing that I heard about Snapchat was this was an app that teenagers were using to send nude pictures to each other, so I didn't think much of it.

One of my colleagues had been approached to work on its social networking algorithm and I advised him not to get involved.

He blames me now. I just didn't think that Bobby Murphy was the one to bet on.

sandra@sph.com.sg

IMAGINE
 how cultivating
 creativity
 and tenacity
 shapes leaders
 for the
BETTER

At SMU we celebrate and nurture both the talent and the desire to create meaningful impact for our world. Core to this is an emphasis on creating distinctive opportunities for learners to work with industry leaders and to tackle real societal challenges.

Imagine a better world with us.

Apply Now:
<http://smu.sg/apply2019>

