

I. Introduction

A. Program Overview

The Master of Science in Global Entrepreneurship and Innovation (hereinafter MS-GE&I) encompasses a body of knowledge that supplements and, in certain instances, transcends the curriculum offered in a typical MBA program. While a broad range of generally applicable business skills is important for a career in the general world of business, there is an increasing body of knowledge that ties those generic business principals to the multiple and complex decision-making processes of creating and launching a new venture. The MS-GE&I degree is designed for students who intend to start a scalable, global business.

The University of Missouri-Kansas City is committed to developing entrepreneurial leaders who will stimulate economic growth in the greater Kansas City area and the state of Missouri. To this end UMKC has created the Institute for Entrepreneurship and Innovation (IEI), which is committed to the following goals:

- Inspire, foster, and build future generations of entrepreneurs like Ewing Marion Kauffman and Henry W. Bloch
- Awaken and nurture the entrepreneurial spirit in students across every discipline and every stage of university life
- Be a world-renowned research institute in creating and disseminating leading-edge research in entrepreneurship and innovation
- Establish a world-renowned doctoral program to support the research activities of the IEI and place graduates of the program in leading business schools around the world
- Deliver unsurpassed education through degree programs and experiential learning to students university-wide, preparing them with the entrepreneurial skills needed for creating and managing high-growth new enterprises or established companies
- Establish the Kansas City region as an international hub for entrepreneurial talents and activities by contributing to the development of an ecosystem for creating high-growth businesses.

B. Role of the UMKC Institute for Entrepreneurship and Innovation

The UMKC Institute for Entrepreneurship and Innovation designs, delivers, and administers the entrepreneurship offerings of the Henry W. Bloch School of management. The IEI is critical to the future of both the Bloch School and UMKC. The IEI's achievements enhance the prestige of the Bloch School and UMKC by positioning the Bloch School as an intellectual leader in the fields of entrepreneurship and innovation. This national recognition will help the Bloch School and UMKC attract talented faculty and students, and inspire private donors to support UMKC. It is already having an effect. As we are all aware, Henry Bloch singled out his admiration of the IEI's achievements as influential in his decision to provide a gift of \$32 million to fund the construction of the Henry W. Bloch Executive Hall for Entrepreneurship and Innovation.

To support the IEI, UMKC has also made important commitments. The University has dedicated 13 tenure lines, including three chairs, in entrepreneurship and innovation. The IEI is led by Professor Michael Song, who has been recognized in several different rankings as the world's leading innovation scholar. He was joined in 2005 by Professor Mark Parry, also recognized as a world leader in innovation research. Since 2005, Professor Song has recruited a total of five

tenure/tenure-track faculty members who have joined the IEI. In September 2011 the efforts of Professor Song and his team were recognized by *The Princeton Review*, which recognized the IEI's undergraduate and graduate programs as the 14th - and 21st -ranked entrepreneurship programs, respectively, in the country. Most recently, three IEI faculty members were recognized for their scholarship in innovation management. Michael Song was ranked the world's leading innovation management scholar, a position he has held for some years. Mark Parry was ranked fourth in the world, and Lisa Zhao was ranked number fifty in the world. Moreover, on the strength of their research, UMKC was recognized as the world's leading university for innovation management research.

It may be relevant to this proposal that the Bloch School's MBA entrepreneurship emphasis was chosen by the United States Association for Small Business and Entrepreneurship (USASBE) as the 2012 National Model Graduate Entrepreneurship Program, on the basis of its evaluation of the program on the criteria of innovativeness, quality, comprehensiveness, sustainability, transferability, depth of support, and impact.

The proposal that follows was developed with the following guiding principles:

- Offer a masters-level program in entrepreneurship and innovation that provides students with the knowledge and skills needed to found global, scalable businesses;
- Build on the unique skills of UMKC faculty while leveraging their research productivity; and
- Stimulate the creation of new entrepreneurial ventures that will stimulate employment and economic growth within the Kansas City region and across the State of Missouri, as well as throughout the United States and the world.

As part of the Bloch School's five-year strategic plan, we have taken numerous steps to use our faculty and capacity more efficiently. One initiative, made possible by donations from external IEI supporters, was to remodel several of our smaller classrooms to enable us to offer classes of economically viable size. A second initiative was to redesign our MBA Program to make it more efficient. Students are now required to take all core courses rather than being allowed to waive them. This has created greater efficiency by replacing the offering of a number of low-enrollment electives with high-enrollment required courses. Because of this increased efficiency, we are able to offer new courses and programs without requiring additional faculty or facilities resources. Of course, we will have considerably greater capacity beginning in Fall of 2013 with the opening of the new Henry W. Bloch Executive Hall for Entrepreneurship and Innovation.

American companies and American universities have broadened their horizons over the past years, looking beyond the borders of the US for markets and resources. This proposal is consistent with that trend. The main focus of the program is to create new companies on a global scale with international student participation, and engaging international students is a key component of that focus. The Bloch School has developed strong partnerships with six Chinese universities. For example, we have signed a Letter of Intent, and will later sign a Memorandum of Understanding, with Harbin Institute of Technology, the Chinese university most analogous to Cal Tech here in the US, that will lead to research and teaching partnerships with their business school. (HIT is quite large, with almost 5,000 Ph.D. students on its main campus.) These

partnerships identify several important degree programs that are in high demand by Chinese institutions and their students. The MS-GE&I is one of these programs. Based on discussions with these universities, we expect the Chinese demand for this graduate program to be about 20 full-time students a year. The opportunity to attract students from China into the MS-GE&I program will result in a significant increase in out-of-state tuition and fees. In addition, we hope to be able to attract additional students through partnerships with universities in other countries. For example, we had discussions in early March with Yoshinobu Sato, Associate Dean of Osaka's Kwansei Gakuin. Through his research collaborations, the Institute's director Michael Song also has frequent contact with universities in the Netherlands, the UK, Singapore, and Germany.

In summary, the MS-GE&I program addresses important initiatives in the Kansas City region, in Missouri, and abroad. It provides students with greater educational, economic, and career opportunities. It is a priority in the current Bloch School Strategic Plan, and is consistent with UMKC's mission as an urban institution. It also supports newly established relationships with universities in China, and opens opportunities for similar agreements in other locations worldwide. Moreover, the program will be immediately self-sustaining, even under the most conservative assumptions, as will be shown in the financial projections contained in this proposal.

II. Fit with UMKC and Bloch School Mission

A. Consistency with UMKC Mission

The proposed program is aligned with key elements of the University of Missouri's mission statement, which states that "[t]he mission of the four-campus University of Missouri System ... is to discover, disseminate, preserve, and apply knowledge." The mission statement also states that the University of Missouri "fosters innovation to support economic development." Consistent with this focus, the goal of the proposed degree program is to train and develop future generations of entrepreneurs in the Kansas City Region, across Missouri, and throughout the world.

At UMKC, one of the key goals of the Provost's strategic plan (see Appendix A) is to "produce world-class scholarship and creative activity, encourage entrepreneurship, foster innovation, increase technology transfer, and build relationships that create economic and workforce development." The IEI supports this goal through its research agenda, which focuses on the ways in which entrepreneurs develop, lead, and transform today's dynamic global businesses, as well as through programs like the MS-GE&I program that help students create scalable businesses. Many of these new ventures will create employment in the Kansas City area and thereby contribute to economic growth in the greater Kansas City area and throughout the State of Missouri.

B. The MS-GE&I Program and the Bloch School Strategic Plan

In late 2009 the faculty and staff of the Henry W. Bloch School of Management began a strategic planning process to formulate a roadmap for success for the next five years and beyond. After thoughtful and thorough reflection, a strategic plan was developed to facilitate these objectives. The Bloch School mission was revisited and slightly altered. The current mission appears below:

The Bloch School develops purposeful, entrepreneurial, and innovative leaders to meet changing global demands, and advances knowledge and practice through excellent teaching, scholarship, outreach, and service.

The MS-GE&I program is designed to help the Bloch School accomplish its mission by training entrepreneurial leaders who create scalable ventures in response to global opportunities. The new program does this by bringing together motivated students from the U.S., China, and other countries to (1) learn from leading scholars and teachers, (2) educate each other about cultural and business practices in different parts of the world, and (3) work together to identify and exploit opportunities from around the world.

The Bloch Strategic Plan establishes a goal of doubling student enrollments from the recent level of approximately 1,500 students, to 3,000 students within a five-year time frame. The creation of the MS-GE&I program is a key element of that growth strategy. Moreover, the current and planned formalization of memoranda of understanding between UMKC and major universities in China will provide an influx of students paying full out-of-state tuition. The students not only contribute important revenue to the University of Missouri, but further the goals of globalizing the graduate curriculum. As the economic importance of China increases, these relationships become of even greater importance to the Kansas City business community. Over time, the close relationships developed with these students will open opportunities for Missouri firms doing business in China.

III. Business-Related Criteria and Justification

A. Market Analysis and the Need for the MS-GE&I Program

According to a report prepared by the Mid-America Regional Council, “[f]rom the onset of the recession to the first quarter of 2010, the Kansas City area lost an estimated 93,000 jobs.”

How will Kansas City replace those jobs? The most important way is with new ventures. The Kauffman Institute’s Tim Kane’s July 2010 studyⁱ, “The Importance of Startups in Job Creation and Job Destruction,” analyzed the Business Dynamics Statistics, a U.S. government dataset compiled by the U.S. Census Bureau. A summary of the report prepared by Kauffman says, in part:

The study reveals that, both on average and for all but seven years between 1977 and 2005, existing firms are net job destroyers, losing 1 million jobs net combined per year. By contrast, in their first year, new firms add an average of 3 million jobs.

Further, the study shows, job growth patterns at both startups and existing firms are pro-cyclical, although existing firms have much more cyclical variance. Most notably, during recessionary years, job creation at startups remains stable, while net job losses at existing firms are highly sensitive to the business cycle.

“These findings imply that America should be thinking differently about the standard employment policy paradigm,” said Robert E. Litan, vice president of Research and Policy at the Kauffman Foundation. “Policymakers tend to focus on changes in the national or state unemployment rate, or on layoffs by existing companies. But the data from this report suggest that growth would be best boosted by supporting startup firms.”

In other words, if you want job growth, you need new ventures. The proposed MS-GE&I program will help students develop the skills needed to launch global, scalable ventures that drive employment in the Kansas City region and beyond.

The importance of job creation to our regional economy is hard to overstate. According to a report by researchers at the University of Chicago, the University of Maryland, and the US Bureau of the Census, more than one-third of job creation in the US is due to the entry of new businesses.ⁱⁱ

A Kauffman studyⁱⁱⁱ finds that, specifically among engineering and technology startups between 1995 and 2005, a large percentage of the founders start their ventures in the states where they receive their education. While this program is not targeted specifically toward STEM (Science, Technology, Engineering, and Math) students, the study’s findings bode particularly well for Missouri, because in the research sample, Missouri ranked 6th among all states in which founders received their highest degrees. We find, too, that among our student entrepreneurs, those who start companies here have tended to stay here. The point is that, in general, founders start businesses where they get their education, their businesses tend to benefit that area most immediately, and Missouri is well-positioned to leverage those facts.

What about foreign participants? The same study finds that skilled immigrant founders established 25.6 percent of all the tech startups nationwide. Many founders were science, technology, engineering, or mathematics (STEM)-trained, educated in the US, who stayed. Again, Missouri is well-positioned to benefit from the MS-Global Entrepreneurship’s foreign student cadre. The intended outcome of the program is not only the founding of firms doing business in China or Germany, but the founding of *Missouri* firms doing business in China or Germany.

Other programs that are similarly named exist in at least three institutions: Babson College, Nanyang Technological University in Singapore, and the University of San Francisco. Those programs differ from this one in an important way: They teach *about* entrepreneurship, but their focus is primarily cultural, using in-country study in three countries to expose students to three business environments. The focus of this program is more on the achievement of entrepreneurial success. With courses informed by our research into entrepreneurial success, our intent is that, at the end of the course of study, teams of students will actually launch new ventures that are “born global,” in the sense that they are created with specific attention to sourcing and selling in multiple countries from the outset.

B. Student Demand for the Program

1. Overview of Student Demand for the MS-GE&I Program

As noted in our Executive Summary, the demand for the MS-GE&I program is driven by multiple constituents: 1) students who want to start a venture that will serve one or more overseas markets; 2) students who want to create a venture that will require sourcing from overseas suppliers; 3) students with a bachelor’s degree who have an entrepreneurial idea but do not have the tools to turn that idea into a successful new venture; 4) students who have pursued a corporate career but have concluded that they want to own their own business; 5) students from abroad, in particular China, as well as other Asian and European countries; and 6) students in existing MBA or other graduate programs who elect to switch to the MS-GE&I program.

One of the things we did to try to estimate the marketability of such a program as this was to introduce it to a sample of students, in class and on line. We explained that, whereas by design a generalist MBA has breadth requirement and discourages focus on a particular discipline, specialized masters programs are designed to allow and encourage such focus, and that such specialized degrees are increasingly offered at business schools around the country. We then gave a brief overview of this program, and asked graduate and undergraduate entrepreneurship students about their reaction to the program. The results of our survey of 57 students appear on the following page. In summary, and taking both graduate and undergraduate student response into account:

- About 70% agreed or strongly agreed that such a degree would advance their careers, and about 10% disagreed. Agreement was more pronounced among graduate students.
- About 75% agreed or strongly agreed that such a degree would create new opportunities for them, and about 5% disagreed.
- About 70% would consider, or would have considered, such a degree for grad studies. Comments by respondents indicated that, among the 12% who would not, alternatives included medical school and advanced engineering degrees, as well as the generalist MBA. They did not, in general, reflect disagreement with the value of the proposed degree, just a strong interest in another alternative.
- About 70% of grad students said they wish they'd had such an option when starting their graduate studies.

We interpret these results to indicate that the proposed degree program is indeed marketable and that its value is readily communicable to potential participants.

Statement	Total (n=57)			Grad (n=29)			Undergrad (n=28)		
	Disagree	Neither	Agree	Disagree	Neither	Agree	Disagree	Neither	Agree
Would advance my career	5	12	40	3	3	23	2	9	17
Would create new opportunities for me	3	11	43	1	7	21	2	4	22
Would / would have seriously considered	7	10	40	4	6	19	3	4	21
Wish had been available when began grad studies	3	6	20	3	6	20			
Statement	Total (n=57)			Grad (n=29)			Undergrad (n=28)		
	Disagree	Neither	Agree	Disagree	Neither	Agree	Disagree	Neither	Agree
Would advance my career	9%	21%	70%	10%	10%	79%	7%	32%	61%
Would create new opportunities for me	5%	19%	75%	3%	24%	72%	7%	14%	79%
Would / would have seriously considered	12%	18%	70%	14%	21%	66%	11%	14%	75%
Wish had been available when began grad studies	10%	21%	69%	10%	21%	69%			

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STUDENT ENROLLMENT PROJECTIONS

2. Student Enrollment Projections

Table 1a includes projected enrollments in the MS-GE&I program for years one through five. The full-time student projections include students from universities in China, for example, who desire to complete the 30-hour degree within one academic year. Part-time enrollments include students who have undergraduate business degrees from UMKC or other universities.

Table 1a					
Minimum Incremental Student Enrollment Projections Based on Market and Student Demand					
Student type	Year				
	1	2	3	4	5
Full-Time	10	10	20	20	20
Part-Time	20	25	30	35	40
Total	30	35	50	55	60

Table 1a contains an extremely conservative “minimum” estimate of enrollments, including *only* new students. Although some current MBA students will likely opt for the new program, they are not included in the projections on Table 1a.

Table 1b includes estimates of enrollments, given some level of switching from the generalist MBA to the specialized masters. While some of our current MBA students indicated that they wish this program were an option for them, we do not believe that most or even many of them would in fact choose the program. They are in a generalist program, for the most part, because they want to be general managers, not specialists.

Table 1b					
Total Student Enrollment Projections Based on Market and Student Demand					
Student type	Year				
	1	2	3	4	5
Full-Time	10	10	20	20	20
Part-Time	20	26	32	43	45
Total	30	36	52	63	65

Nanyang Technological University in Singapore enrolled 63 full-time students in their last class. The University of San Francisco enrolls about 48 full-time participants in each annual cohort, roughly 16 from one university in each of three countries: U of SF (US), IQS (Barcelona) and Fu Jen Catholic University (Taipei). Babson's program currently enrolls 75 per cohort, 25 each from the USA, China, and France. Our enrollment projections are somewhat more modest. We project starting with 10 full-time and 20 part-time students in the program's first year, approximately doubling those enrollments over five years.

C. Financial Projections for Bloch's MS-GE&I Program

The financial projections reported below in Table 2, based on the projected enrollments in Table 1a, include only incremental or new students to UM System. Students that are currently a part of our MBA program that we expect to take the new MS-GE&I program are not included. This is a summary table only; for the full financials please see the accompanying spreadsheet.

This abbreviated exhibit differs in one important way from the attached spreadsheet, and that is that it shows what we believe will be the actual tuition received in the program. While the University's overall experience is that foreign students are, on average, heavily subsidized, the students in this program will be specifically recruited to be those that are fully funded from their own resources.

Although under each set of assumptions the program is profitable from Year 1, this difference is material. In the first year, for example, the difference is about \$130,000. By year 5, the difference is \$255,000. Inasmuch as the spreadsheet provided by the University for the presentation of financials does not provide an option for such a restatement, we have made it here in Table 2. This represents an attempt on our part to give as accurate a picture as we can of what we believe the financial contribution will be, given these very conservative enrollment numbers but recognizing that the foreign student cohort, at least, will be fully funded without University resources.

1. Total Revenue

The calculation of revenue for this program is limited to tuition and fees generated from new students entering the program. Foreign students are assumed to pay full non-resident tuition and fees. Part-time students are assumed to pay in-state tuition and to receive tuition reductions in amounts consistent with the university's history. Local students include Kansas residents who qualify for the new Metro rate for graduate students, providing students from Kansas counties in the Kansas City MSA with the ability to attend UMKC at rates equivalent to those offered to Missouri residents. (See <http://www.umkc.edu/metrorate/>.) Foreign students will enter the program as full-time students, and are assumed to complete the 30 credit-hour program in one calendar year. In the first year, revenue from this group accounts for 300 credit hours of out-of-state tuition and fees. All other students entering the program are conservatively considered part-time students and are expected to complete the program in five semesters, taking an average of 15 credit hours each year and finishing at the end of their second Spring semester. In the first year revenue projections, this group accounts for 360 credit hours of in-state tuition and fees. All students are assumed, in these projections, to receive average educational discounts. In practice, we believe the Chinese students will not in fact be subsidized by the University, but we made these projections in accordance with the University's conservative practice.

2. Expenses

The initial cost to offer this program is minimal. Course offerings are handled with current full-time faculty from the UMKC campus. The cost for existing faculty is limited to salary and benefits. No additional faculty or classroom space is needed. An additional cost for marketing is included. This cost is primarily travel to China and Europe for recruiting purposes.

3. Net Revenue

Net Revenue for this program is determined by deducting new costs associated with the program from the incremental tuition and fees generated. As you will see in the financials, the program will result in positive cash flow from its first year.

D. Business and Marketing Plan: Recruiting and Retaining Students

There are three different markets for this program and the marketing strategies will be different for each audience. Many of the students entering the program will be graduates of our undergraduate business programs. The marketing for these students is primarily through in-house information sessions and student advising. Please see the data provided in section III.B. above for evidence of the program's appeal.

A second but equally large potential market is students transferring in from our foreign university partnerships. The Bloch School has an advising office in China. This office meets with students, makes informational presentations to student groups/classes, and provides informational brochures. The office also provides students with information on admission requirements and assistance in processing application materials. Office reports indicate daily contact with students, high interest in this program, and high expected applications to the program. Moreover, both Dean Tan and Prof. Michael Song have been in China, and Prof. Song in Europe, meeting with business school administrators there, and Prof. Parry, Prof. Norton, and Prof. Song have met with administrators of Osaka's Kwansai Gakuin, a large private business school. While these are not survey data, our projections nevertheless represent these experts'

judgment of a conservative level of demand. It may be important to note that Dean Tan and Prof. Song were instrumental in the design of the successful program at Nanyang Technical University, so they have considerable relevant experience.

The final audiences are U.S. students outside the Bloch School. The Bloch School has initiated a new marketing plan for all of its programs. The MS-GE&I program will be marketed through this initiative. The marketing plan includes newspaper and radio advertisement, as well as overseas recruitment and the development of collateral materials. Victoria Prater is the Bloch School's current director of communications and is primarily responsible for the marketing of this program.

Although the marketing of this program is part of a school-wide initiative, we have projected a cost of \$25,000 during each year to achieve our goals. It is expected that the program will experience high demand and projected enrollment will double over the next five years. Retention is not an issue of concern for our current Bloch School graduate programs and is not expected to be an issue of concern for this program.

E. Institutional Capacity

As part of the Bloch School's five-year strategic plan, we have taken numerous steps to more efficiently use our faculty and capacity. One initiative was to remodel several of our smaller classrooms to accommodate larger class sizes. This was achieved with funds from external donors and has allowed us to increase class sizes and reduce the number of class sections. A second initiative was the redesign of our MBA program to make it more efficient. As noted earlier, the MBA now requires students to take all core courses rather than allowing students to waive core courses and select from a large list of electives. This has created greater efficiency by replacing the offering of low-enrollment electives with high-enrollment required courses. Because of this increased efficiency, we are able to use existing faculty and space to offer new courses and programs without additional resources.

Many of the courses required for this program are based on material that is already being offered as part of the MBA Entrepreneurship emphasis and the Executive MBA program. Only three of the courses described below will require the preparation of new content: Our current course *Successes and Failures in the Entrepreneurial Journey* will be recast as *The Entrepreneurial Journey: Success Stories from Around the World*. Our current *Partnering for Success* will become *Global Partnering for Success*; and the current offering *Successful Models for Franchising* will become *Successful Models for Global Franchising*, with an emphasis on the additional considerations required of multinational franchise operations.

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Program Structure

IV. Program Characteristics

A. Program Structure

The MS-GE&I program requires successful completion of 15 courses for a total of 30 semester credit hours. There is no residence requirement, and these courses are delivered in a normal face-to-face format. There is no requirement for a thesis.

The MS-GE&I program requires the following 30 semester credit hours:

Required Courses	Credit Hours
Team Building Entrepreneurial Immersion	1.5
The Entrepreneurial Journey: Success Stories from Around the World	1.5
Developing a Personal Business Plan as an Entrepreneur	1.5
Tools for Creating Successful Business Ideas	1.5
Emerging Technologies and Intellectual Property	1.5
Tools for Global Market Validation	1.5
Design-Led Innovation	1.5
Global Partnering for Success	1.5
Developing Successful Business Models	3
Tools for Entrepreneurial Marketing and Sales	3
Assessing Financial Strength and Viability	1.5
Entrepreneurial Finance	1.5
Successful Models for Global Franchising	1.5
Growth Strategies in a Changing Global Environment	1.5
Apprenticeship: Creating and Launching a High-Growth Company	6

The first three courses (*Team Building Entrepreneurial Immersion*, *The Entrepreneurial Journey: Success Stories from Around the World*, and *Developing a Personal Business Plan as an Entrepreneur*) are designed to inspire new students and stimulate the creation of an entrepreneurial mindset. *Tools for Creating Successful Business Ideas* helps students identify ideas, at least one of which will be the basis of a scalable new venture. *Emerging Technologies and Intellectual Property* will help students understand where, how, and to what degree such intellectual property as inventions, patents, production know-how, and brands and trademarks can be protected. *Tools for Global Market Validation* teaches students how to determine whether the ideas they have identified constitute a true entrepreneurial opportunity. The next seven courses (*Design-Led Innovation*, *Global Partnering for Success*, *Developing Successful Business Models*, *Tools for Entrepreneurial Marketing and Sales*, *Assessing Financial Strength and Viability*, *Entrepreneurial Finance*, and *Successful Models for Global Franchising*) are designed to give students the tools they need to develop their business plan, secure funding, and prepare to launch their venture. *Growth Strategies in a Changing Global Environment* helps students think about the process of managing growth. Finally, students actually launch and run their ventures in the course titled *Apprenticeship: Creating and Launching a High-Growth Company*.

As recently as March 7, 2012, we had a discussion among Prof. Song, Dean Tan, Chancellor Morton, and Prof. Norton from UMKC, and Dean Yu Bo and Associate Dean Liang Dapeng of the School of Management at Harbin Institute of Technology regarding the fact that we do not offer a dedicated course in ethics or corporate social responsibility as part of this curriculum. We made that choice deliberately, because the material is rightly an integral part of the material in a number of courses. It has much more relevance to students, in our many years of experience, if it arises naturally in consideration of such topics as Team Building, Developing a Personal Business Plan, Partnering, Marketing and Sales, and IP protection, than it does as a

standalone device, because we avoid the sense, sometimes seen in standalone offerings, that ethical considerations are somehow divorced from other business decisions.

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Program Characteristics and Performance Goals

B. Faculty and Administration

Dr. Michael Song will be responsible for the success of this program. Dr. Song, who is the Director of the UMKC Institute for Entrepreneurship and Innovation and the Chair of the Department of Global Entrepreneurship and Innovation, holds the Charles N. Kimball, MRI/Missouri Endowed Chair in Management of Technology and Innovation. He was the founding director of the Center for Technology Entrepreneurship at the University of Washington. He assisted in creating several new ventures in high-tech industries. Professor Song has won numerous international awards for his research projects. He was ranked as one of the most prolific researchers in management of technology by the International Association of Technology Management in 2004 and as the world's leading innovation management scholar by the *Journal of Product Innovation Management* in 2008 and again in 2012.

Dr. John Norton will be Director of the MS-GE&I program and will oversee the successful implementation of the program as well as assessment. Dr. Norton, who currently serves as Associate Director of the UMKC Institute for Entrepreneurship and Innovation, is an award-winning scholar and teacher, having served on the faculties of such schools at the Olin Business School at Washington University in St. Louis, the Darden Graduate School at the University of Virginia, and the Booth Graduate School at the University of Chicago. He is also an experienced business leader, having served as Chief Operating Officer of the Dallas-based research firm Wirthlin-Reynolds, and as Vice President for Research and Development and one of the Senior Management Group at the Connaught Group in New York, where he participated in the launches of several new ventures.

Full-time Tenured or Tenure-Track Bloch Faculty

Richard Arend, Associate Professor of Entrepreneurship and Innovation

- Unusual modes of firm value creation and destruction in new and incumbent ventures
- Widely published researcher, including *Organization Science*, *Strategic Management Journal*, and *Journal of Business Venturing*

Dirk Libaers, Assistant Professor of Entrepreneurship and Innovation

- Technology entrepreneurship, new product development in new ventures, economic development
- Published research papers on technology transfer and innovations emerging from university research centers

H. Dennis Park, Assistant Professor of Entrepreneurship and Innovation

- Influence of corporate investors on the development and performance of new ventures
- Multiple conference presentations and journal submissions on technology entrepreneurship and corporate venture capital

Mark Parry, Ewing M. Kauffman/Missouri Endowed Chair in Entrepreneurial Leadership

- Innovation management, new product launch strategies, brand strategies, and channel strategies
- Numerous research awards, including one for Excellence in Global Marketing Research

- World's 4th-ranked innovation management scholar

Joe Singer, Professor of Business Operations and Analysis

- Creativity, innovation, new product development
- Has published over 100 journal articles and case studies

Michael Song, Charles N. Kimball, MRI/Missouri Endowed Chair in Management of Technology and Innovation and Professor of Marketing, IEI Executive Director

- Entrepreneurial marketing, technology marketing, innovation
- World's 1st-ranked innovation and technology management scholar

Sunny Li Sun, Assistant Professor of Entrepreneurship and Innovation

- Networks, new venture internationalization, mergers/acquisitions
- In addition to academic writing, also prolific author of articles and books for Chinese business practitioners

Teng-Kee Tan, Harzfeld Professor of Technology Entrepreneurship, Dean of the Bloch School

- Technology innovation, new product development
- Strategy

Lisa Zhao, Assistant Professor of Entrepreneurship and Innovation

- New venture performance, innovation management, first-mover advantages, statistical methods
- Former entrepreneur, multiple papers published on product pioneering and new ventures' first products
- World's 50th-ranked innovation management scholar

Clinical Faculty

John Norton

Institute Associate Director and MS-GE&I Program Director

- Technological innovation, forecasting, and human decision-making
- Recipient, John D.C. Little Award

Institute Teaching Fellows

Dr. Henry W. Bloch, Co-Founder, H&R Block

Dr. Tom Bloch, Co-Founder, University Academy

Joe Freeman, COO, Pioneer Services

Christine Kemper, Co-Founder, Kemper & Company

Anthony Luppino, Ruby M. Hulen Professor of Law, UMKC School of Law, and Teaching Fellow at the UMKC Institute for Entrepreneurship and Innovation

Entrepreneurship Teaching Fellows

Tony Rock, Principal, Kansas Venture Capital, Inc.

Dr. Joe Roetheli, Co-Founder, Little Red Foundation

Entrepreneurs-in-Residence

Benny Lee, Principal, Lee Research Inc.

Phil Watlington, Global Business Consultant

Philip N. Krause, P.C., Attorney

C. Student Preparation

Students applying to the MS-GE&I program will be admitted based on the same procedures that currently apply to the Bloch MBA program. This includes presentation of acceptable GMAT scores (or authorized equivalents) and grade point average. Exceptions will be decided by the Bloch School Admissions Committee.

V. Program Outcomes

A. MS-GE&I Learning Outcomes

In our classes, students will develop an entrepreneurial perspective, enabling them to understand resources and strategies that drive successful companies. From the many disciplines represented in our program—marketing, operations, finance, law, accounting, and management—students will learn multiple perspectives for analyzing market and discovery opportunities. Both in and out of classes, interaction with instructors will help students to understand networks and acquire the skills needed to leverage resources in their networks, get technical and financial support that will help them carry out new-venture plans, gain access to consultation and experiential training in designing and operating businesses, and develop a strong foundation for launching and growing their ventures.

The IEI is here to do three things: Change entrepreneurship education, change the regional economy, and change lives. Our “ecosystem” approach means active entrepreneurship. Our students start businesses. We have documented evidence of about 168 new ventures launched within the first six years of the IEI’s existence. In Spring 2011, we launched 25 new ventures that are, as of today, still functioning. Ten were launched by MBA students, four by students in graduate programs other than business (e.g., law, engineering, and medicine), and the rest by our undergrads. Some are substantial in scope: One of the more promising MBA ventures, in terms of financial impact, is negotiating an initial capitalization of between \$50 and \$200 million. In Spring 2012, we will launch another 35 or so new ventures. We expect the cohorts of MS-GE&I to produce still more ventures and to scale them to even greater scope and size.

B. Program Design and Content

The program’s design imperatives include the following:

- Give students the tools and technique they need to start and run a company, along with a roadmap that indicates the sequences of steps students should follow in starting a company.
- Bring experienced local entrepreneurs into the classroom, to assist with entrepreneurship courses and one-to-one mentoring of student ventures.
- Require students to participate in the IEI’s annual business plan competition where students can have their business plans evaluated by local entrepreneurs and angel investors, as well as by members of the business community who provide support services for new ventures.
- Provide assistance in finding financial support for student ventures.
- Provide access to community resources and expertise by creating a network of committed individuals, support associations, and community organizations.

C. Descriptions of Required Courses

Team Building Entrepreneurial Immersion: This immersion experience is designed to inspire the entrepreneurial spirit of entering students and expand their vision of their own entrepreneurial potential. A key venture of this innovation is a simulation in which students assume the role of CEO, work in teams to develop and execute business plans, grow their businesses, execute new venture creation decisions, and compete with others in a virtual business world.

The Entrepreneurial Journey—Success Stories from Around the World: In this course students will explore models for their own entrepreneurial journeys through the study of successful and unsuccessful entrepreneurs in a variety of industries and regions in the world. Examples include Henry Bloch, Ewing Kauffman, Richard Branson, Masayoshi Son, and other entrepreneurial visionaries.

Developing a Personal Business Plan as an Entrepreneur: In this course students will examine the various modes of entrepreneurial entry, the different skills required for each entrepreneurial mode, and evaluate their own entrepreneurial skills and motivations in order to develop a personal entrepreneurship plan.

Tools for Creating Successful Business Ideas: This course is designed to provide students with an understanding of the process for identifying entrepreneurial opportunities. Students will learn how successful entrepreneurs find ideas for their ventures. In addition, students are introduced to theories and principles from research on creative thinkers and will practice using a variety of tools designed to spark their creativity and increase the number and potential power of their ideas.

Emerging Technologies and Intellectual Property: This course covers trademark, patent and copyright, as well as a number of intellectual property rights issues. Areas of discussion include intellectual property on the Internet, intellectual property and world trade, innovation, monopoly and the software industry, and database rights.

Tools for Global Market Validation: This course is designed to provide students with the tools needed to evaluate the ideas they generate. Students will learn how strategy, marketing, financing, legal matters, and cash flow impact opportunities in terms of execution, international growth, and appeal to potential investors.

Design-Led Innovation: In this course students will learn tools and methods to blend technological innovation with customer insight, developing products that delight as well as perform. They will learn to exploit “human centered design” to develop commercial solutions that acknowledge human and social requirements, and develop go-to-market strategies required to support their inventions.

Global Partnering for Success: Students will learn the role of alliances in global businesses, why global firms employ them, how to structure and manage them, and some of the pitfalls associated with managing alliances when the allies are in different countries and have different cultures, customs, and laws. In particular, students will learn how to find and work with overseas suppliers, channel allies, and marketing partners.

Developing Successful Business Models: A business model describes the way the firm (1) solves a problem for a given set of customers and (2) makes money solving that problem. In this course students will learn the conceptual tools needed to craft a sustainable business model and apply those skills to their new venture idea. As part of this process, students will learn how to articulate a compelling financial model that specifies the firm's sources of revenue, explicates the costs associated with those revenue streams, and explains how their firms will generate profit and a superior return on invested capital.

Tools for Entrepreneurial Marketing and Sales: This course exposes students to the objectives, challenges, and requirements for effective, results-oriented marketing activities and sales efforts for new ventures. Classes are designed to provide students with an introduction to key elements of an effective entrepreneurial marketing program. Key topics include the selection, design, and budgeting of entrepreneurial marketing and advertising programs, along with effective selling, customer acquisition, and service/retention efforts. The course utilizes lectures, class discussion of key concepts, student presentations, guest speakers, and learning teams. Student presentations are designed to give students practice in applying course concepts to actual marketing materials developed by entrepreneurial firms.

Assessing Financial Strength and Viability: A good business plan is a sales document, explaining why investors should believe that the prospects for a business are good. A key part of this explanation is the entrepreneur's description of the financial potential of his or her business idea. The purpose of this course is to teach students how to generate reasonable estimates of the revenues the firm will generate and the costs the firm will incur. In particular, students will learn how to (1) present cost and revenue estimates that are consistent with investor expectations and (2) shape investor expectations by providing investors with a comparable set of firms whose costs and revenues can be used to estimate the costs and revenues of the venture described in the business plan. In addition, students will learn how to estimate their cash flow and project their cash burn rate.

Entrepreneurial Finance: This course is designed for students who will be seeking external capital for their ventures. With this goal, the course will define the venture capital market and where it fits relative to other sources of capital; examine how private equity funds are raised and structured; how investments are sourced, selected, and negotiated; and the role of the value-added investor through investment to liquidity. The course presents and provides applications for various frameworks for structuring investment agreements.

Successful Models for Global Franchising: Franchising is an effective technique for achieving rapid growth with maximum leverage. This course will prepare participants to decide whether or not to franchise, in part by considering the tradeoff between financial leverage and operational control. In addition, the course will explore various franchising alternatives and design decisions. Topics to be covered will include franchise expansion strategy, identification of franchisee candidates, franchise terms, franchisee training and monitoring, and risk analysis.

Growth Strategies in a Changing Global Environment: In this course, students will study the challenges that growing ventures face, as well as the strategic options available for spurring growth. They will use these conceptual tools to develop strategies for managing the growth of

their own ventures. Key elements of such strategies will include identifying the firm's growth goals, assembling and managing the resources needed to achieve these goals, hiring for growth, and fostering a growth culture.

Apprenticeship: Creating and Launching a High-Growth Company: In this six-hour sequence, students will launch and manage the growth of the ventures they have designed as part of their academic program. They will work with faculty and mentors during this semester, and will write a document that summarizes their experience and describes their strategy for continued growth.

D. Program Goals and Assessment

This program operates at the intersection of two important concepts captured in the phrase "start global businesses." First, we expect all of our students, as part of a team or, in a few cases, individually, to start businesses during the program or upon graduation. We have considerable knowledge of what it takes to start businesses. Much of that process knowledge is based on our faculty's award-winning research. More is based on our experience actually launching businesses as part of our Entrepreneurship Scholars program. By the end of April of this year, participants in that program will have launched more than fifty startups in two years. Based on our admissions for next year, we are projected to launch at least another fifty in spring of 2013. Again, we wish to emphasize that we don't intend only to teach about starting companies. We intend that our students start companies. Moreover, we emphasize in this program businesses of global scope. The US represents about twenty percent of the world's economy. As a result, US firms and US business people have historically succeeded without looking outside our borders. Those days are over. Our students need to think, to prepare, and to act with a global perspective. We intend that the businesses our students launch be conceived and developed with a view toward taking advantage of global, or at least multinational, sources and markets. It should be clear that one of the important aspects of the degree program design is the inclusion of persons from other countries, people that represent points of view, experiences, and insights that are literally and figuratively foreign to Americans, and valuable for that reason.

We are certain that our proven record of successful venture creation will help us attract our first students. We believe as well that a record of successful venture creation by MS-GE&I program graduates will help us attract more and more new students to the program.

The retention rate we in the Bloch School have experienced in our generalized MBA program, our MS in Finance, and our MS in Accounting exceeds ninety percent. From an academic perspective, we have no reason to anticipate retention rates that are markedly different from those we experience in other programs. We do note that starting a business is not a trivial matter, but we will have the advantage of a student group self-selected for entrepreneurial interest working with a faculty highly experienced in venture creation.

This program of study is not designed as a feeder program leading to doctoral or other studies, and we do not anticipate that students who complete the program will continue in another UMKC degree program after graduation.

1. Alumni and Employer Survey

Alumni will be surveyed using the following schedule.

- One month after graduation: to evaluate their satisfaction with the program and new venture status.
- One year after graduation: to collect perceptions about the ways in which the program helped prepare them for their venture
- Three, six, and nine years after graduation: to venture status, measure long-term program satisfaction, and determine what course topics are most relevant in the current environment.

Surveys will be administered by e-mail. Alumni will be tracked by the IEI office to ensure that current addresses and contacts are on file. Surveys will consist of a five-question numeric section designed to measure satisfaction with the program, and five short-answer questions designed to elicit feedback on changes in the field of graduate education in entrepreneurship and innovation and identify possible revisions to the program.

E. Program Accreditation

The Bloch School has been accredited by the Association to Advance Collegiate Schools of Business (AACSB) since the 1960's. The MS in Global Entrepreneurship and Innovation will fall under the umbrella accreditation requirements of AACSB.

Appendix: The UMKC Provost's Strategic Plan

The sixth goal of the Provost's Strategic Plan (<http://www.umkc.edu/provost/strategic-plan.asp>) is to "promote research and economic development." The detailed explanation of this goal reads as follows:

- To produce world-class scholarship and creative activity, encourage entrepreneurship, foster innovation, increase technology transfer, and build relationships that create economic and workforce development.
- Expand opportunities for extraordinary scholarship and creative activity.
- Create cross-disciplinary programs, at all levels, and align with strong community partnerships that support research, innovation and economic development.
- Strengthen workforce development programs to address current and future market needs.
- Encourage innovation within science and technology communities to increase technology transfer.

ⁱ "The Importance of Startups in Job Creation and Job Destruction," Kane, T., July, 2010

ⁱⁱ TURMOIL AND GROWTH: Young Businesses, Economic Churning, and Productivity Gains. Davis, S., J. Haltiwanger, and R. Jarmin, June, 2008.
<http://sites.kauffman.org/pdf/TurmoilandGrowth060208.pdf>

ⁱⁱⁱ Education and Tech Entrepreneurship. Wadhwa, V., R. Freeman, and B. Rissing, May, 2008.