

Broad Matters Season 6 Episode 2

“Growing an Entrepreneurial Mindset” with Laurel Ofstein

Ken Szymusiak:

Welcome to Broad Matters.

Amy Wisner:

A podcast bringing you thought leadership, innovative perspectives, and real world impact from Michigan State University's Eli Broad College of Business.

Ken Szymusiak:

I'm Ken Szymusiak, Managing Director for the Burgess Institute for Entrepreneurship & Innovation.

Amy Wisner:

And I'm Amy Wisner, Business Communication Professor in the Department of Marketing.

Ken Szymusiak:

Today, we're joined by one of my colleagues from the Burgess Institute, Laurel Ofstein. She's our faculty director and an associate professor in the Broad College's Department of Management.

Laurel Ofstein:

Broad matters because we prepare students to think creatively while seeking opportunities or solving problems using an entrepreneurial mindset.

Amy Wisner:

On this episode, we'll hear about her research on social entrepreneurship and women entrepreneurs, in addition to her plans for bringing excellence in entrepreneurship to life here at MSU. Welcome to the podcast, Laurel.

Laurel Ofstein:

Thanks for having me. I'm really looking forward to talking about my work in entrepreneurship and the future strategy for the Burgess Institute.

Amy Wisner:

Please tell us about yourself and your role within the Burgess Institute and Broad College.

Laurel Ofstein:

When I was in college, I interned at a small business development center, and I was really inspired by the entrepreneurs who came in for business assistance. I worked with large companies after graduation as a consultant, but I wanted to get back to working with aspiring entrepreneurs. Through my MBA classes, my PhD research, I reconnected with my passion for entrepreneurial thinking and the impact that it can have on student careers. I've been in entrepreneurship education now for over 15 years. Before coming to the Broad College, I was director of the Center for Entrepreneurship and Innovation at Western Michigan University where I developed entrepreneurship degrees and ran the student business incubator, and I'm really proud to bring that experience now to Michigan State University where I can

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impact hundreds of students each year through the Burgess Institute and through my research on the entrepreneurial mindset.

Ken Szymusiak:

Laurel, we're so excited to have you here at the Broad College, and I'm excited to have you as a colleague at the Burgess Institute. It's just awesome to have your breadth of expertise, and coming over to join us at Michigan State is fantastic. I do know one of your areas of passion is around social entrepreneurship and social venturing. Can you tell us a little bit about maybe your research or experience in that space and your thoughts on how entrepreneurial students should be thinking with a social lens?

Laurel Ofstein:

Social entrepreneurship is really about doing well by doing good. A lot of business has started with the idea that we have to think of profit or we have to think of the community, and that those things can't be put together in a way that makes sense. But doing well by doing good means serving the needs of the community while also making a profit, acting in the best interests of stakeholders, employees, you can do both. It doesn't have to be an either or proposition. Just to give some background, social entrepreneurs pursue social improvements in their communities as well as favorable return on investment to their key stakeholders, so the success of social entrepreneurial firms is really determined by them being creative, them being innovative, and that's something that students need whether it's in the classroom in their first job or their later careers or whether they start their own businesses.

Gen Z students are especially focused on social entrepreneurship. I've found through my teaching and entrepreneurship, they want to have a positive impact on society. They've been raised on brands like Patagonia and others that have truly found a way to bridge the gap between doing good in the world while still doing well. Some of my research was on poverty alleviation. There was a local Michigan community that was hoping to launch a community-wide business incubator focused on poverty alleviation. A colleague and I decided to follow that incubator project, and I also conducted additional research on other regional incubators including the Allen Neighborhood Center which is right here in Lansing. Many of the incubators I researched were focused more narrowly on economic development and providing social services, and they weren't quite as comprehensive as a project in the community we were researching.

In parallel with my research on other community based incubators, I looked into the academic literature of poverty alleviation through entrepreneurship, and surprisingly, entrepreneurship does not equate to economic development in communities. Self-employment, which is the most common form of entrepreneurship in poverty stricken communities is rarely scalable and without business growth, entrepreneurs are not able to employ others in the community which tends to limit the potential for poverty alleviation. Also, while entrepreneurship exists in impoverished communities, it's more likely to be informal, and so it's not tracked in many cases by community organizations. You can see why problems such as poverty are considered or called wicked problems in policy. It means it's difficult or almost impossible to resolve.

Ken Szymusiak:

It's really interesting because there's different types of economic activity, and I think that's really interesting that scale matters in terms of its ability to impact communities to some extent.

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Laurel Ofstein:

Yeah. There's a lot of entrepreneurial activity happening, but we just don't see it a lot of times. It's almost hidden in the kinds of research that we tend to do because of what's formally tracked versus what's happening on a day to day basis.

Amy Wisner:

Laurel, I know you do a lot of work that explores the growth strategies for successful women entrepreneurs, and I'm curious to know what some of that research is and what are some of the obstacles that you see that are unique to women?

Laurel Ofstein:

I conducted a qualitative study which means more interview based as opposed to numbers based with a colleague from Babson College which is another top rank to university for entrepreneurship. This study was focused on growth strategies of women entrepreneurs, and it highlights the growth strategies of those who've achieved \$5 million or more in revenues, which is a high bar for any business to achieve. We conducted over 30 interviews with women entrepreneurs and spent several hours identifying research themes, and transcribed the interviews. We published a white paper funded by the Bank of America, primarily for its women entrepreneur clients. So some of the themes that came up in the research were market misperceptions. Women entrepreneurs have their leadership positions questioned due to their gender, sometimes because they're just working in female focused industries.

For example, Raegan Moya-Jones is the co-founder and former CEO of Aden & Anais, and she talked about how she was giving credibility for having a business focused on childcare products because she's a mother of four, and her business was targeted towards mothers, but she was also often dismissed because she didn't look like the typical entrepreneur in spite of the fact that she was leading this high growth business. A second theme that we found was around network exclusion. A business's success typically is based on who you know and not so much what you know, and women entrepreneurs while they may also have a large network, sometimes it's not the network in the industries that they're building their business in. Sometimes women entrepreneurs experience limited gender-based access to networks and strategic relationships. For example, there was an entrepreneur named Lily who had a large travel company, and she was invited to attend an industry CEO networking group. She was the only female at this event, and so the group of men who were there jokingly called her Willy instead of her name Lily.

They said they'd never had a woman attend the meeting before. Lily called the event organizer later to explain how it made her feel to be the only woman in the room, and how the situation made her feel, and he suggested that she instead attend another kind of meeting that is specifically for women, and she said, "No, I'm a CEO. I run a multimillion dollar business. This CEO group is a group where I belong." So sometimes having to have the conversation to say, "I belong here, that this is the network that I need because these are the people I need to know in order to grow my business most effectively." There's one more piece of the research that I wanted to highlight, and that's around managing expansion with underfunding. A lot of times women entrepreneurs are aware the barriers they might face in terms of obtaining startup or growth capital, and that lack of capital creates some ongoing challenges.

They have to plan for and incorporate organic growth which means as opposed to getting a giant infusion of venture capital money, they may have to grow their business through word of mouth, through regular marketing channels, through things that are more a traditional mode of business

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development as opposed to maybe infusing millions of dollars into a campaign to get new leads for the business, so it's important to recognize that while women entrepreneurs are pursuing this more methodical way to grow their businesses, it can actually help them to have a stronger foundation because then the clients that they have are more devoted to the brand. They were acquired organically more to come to the brand, and so because of that, they tend to stay longer and be better clients.

We developed several recommendations for how to help women entrepreneurs continue to grow their businesses. Some of those suggestions were to be a mentor and seek a mentor. Here at Michigan State University, for example, we have our Women in Entrepreneurship, a registered student organization. The student organization connects with some of our MSU alums. They take trips to visit women owned businesses and to learn from others in entrepreneurial cities. For example, I believe this year they're going to Denver, Colorado.

Some of the other recommendations are to buy from and fund women own businesses. We have several student businesses that are women owned, and just in general, buying from women owned businesses in your community can help those female entrepreneurs who may not have the venture capital funding or some of the angel backing, but are really using their own funds to grow their business, and so by buying from them, that can have a meaningful impact.

Lastly, joining or creating new networks. So the Women in Entrepreneurship student group is a great example, but there are other Michigan State groups that have been very supportive of our students and very interested in entrepreneurship. For example, our Women in Philanthropy group where MSU alums are working together to have an impact on the communities in which they live.

Ken Szymusiak:

Okay, Laurel, this is a topic that's near and dear to my heart as well, is the work that we're doing at Michigan State around the entrepreneurial mindset.

Amy Wisner:

Can you say a little bit for listeners who are not familiar with that term, what do you mean by entrepreneurial mindset?

Laurel Ofstein:

Sure. That's a great question, Amy. Thinking about entrepreneurial mindset is around ways that you solve problems. Do you have resiliency? Do you use creativity to solve the problem or do you just take the problem as it's given to you? You're faced with a problem and you have a choice. You can either solve it the way it's given to you or you can take a couple of steps back and think, is this really the root cause of the problem or why is this even a problem that we're discussing? Maybe there is something about the traditions of the organization that have made this into a problem. So problem solving, creativity, innovation, resiliency, proactiveness, so really being willing to take steps towards looking for an opportunity or solving a problem. These are all pieces of the entrepreneurial mindset.

Ken Szymusiak:

You joining Michigan State, you get to join into this movement around trying to measure the success of our entrepreneurial students as they move through the minor and our academic programs. Can you tell us a little bit about the research that we're doing here at Michigan State around the entrepreneurial mindset?

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Laurel Ofstein:

The entrepreneurial mindset is really important to me because we spend a lot of time at university entrepreneurship programs, not just here at Michigan State, but at any entrepreneurship program, celebrating students who have created new ventures. It's exciting. They go to pitch competitions and can potentially win a lot of money, and a lot of the press in general, around entrepreneurs tends to be around the business development side or the venture creation side. We believe here at Michigan State that developing an entrepreneurial mindset is critical whether you start a new venture or whether you go on to be innovative within a more traditional setting of a corporate career, working for a small business that's already established, and so we are hoping to research the entrepreneurial mindset and make sure that we're measuring whether or not students are developing it through the coursework and through the initiatives that we're offering through the Burgess Institute for Entrepreneurship & Innovation, and through our work here at Michigan State University. I recently presented our research at the Global Consortium of Entrepreneurship Centers Conference, and we presented about developing ways to measure the impact of education and the entrepreneurial mindset.

We think that there's value in developing a contextual measure based on the intended program outcomes. For example, at Michigan State University, we have courses that are across the university, and so we want that entrepreneurial mindset to be especially broad. Another researcher on the project is at Colorado School of Mines which is an engineering focused school, and so his concept of how to develop the entrepreneurial mindset in that setting may be very different from what we're looking to do here at Michigan State University. Also, in another country, there may be cultural differences that may also lead to differences in the entrepreneurial mindset and the way that it should be measured in that setting, so this research really excites me because we're saying that there's not just one measure of the entrepreneurial mindset.

Amy Wisner:

Laurel, how do you bring your career expertise and background in consulting to your work today?

Laurel Ofstein:

Through my consulting background, I had to do a lot of creative problem solving and also what we like to call customer discovery which is really doing more listening than talking. When I was a consultant, I was just out of college and I was working at Fortune 500 companies. It was an amazing experience for me to be able to learn, and I think because of my fresh perspective of being someone who had just come out of college and was really excited to help organizations solve problems, sometimes that differing perspective even if you don't have the expertise necessarily, is what can help you to make some recommendations that a business hasn't thought of. So I think that my background has helped me to listen more, to spend more time thinking about opportunities and clarifying what real customer needs are and not just product and service ideas.

Ken Szymusiak:

What's next on your radar? Are there certain projects that you're really excited to be working on here at Michigan State?

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Laurel Ofstein:

Yes. So as part of the entrepreneurship and innovation minor that's offered to undergraduate students across the university here at Michigan State, we have two entrepreneurial experiences that are offered to the students. These are experiences that students are expected to complete that go above and beyond their coursework in entrepreneurship and innovation, and I'm working to streamline those to make them easier for students to complete. Many of these activities have a really big impact, such as our two day venture where students come together, and it's like pick up basketball for entrepreneurs. They come in with an idea, a team is formed around that idea, and they spend about 36 hours trying to get the idea as far developed as they can. In addition to experiences focused on venture creation, we also want to make sure we're adding more experiences that are focused on innovation and some of the other pillars that the Broad College is focused on. For example, we're looking at entrepreneurship and ethics, and ways that we can combine those into experiences for students.

Another part of my mission here is to continue to raise the awareness of the Burgess Institute and the services that we provide, such as our Discovery and Launch program, the Two Day Venture program, Innovate State, our Speakers Series, the Burgess New Venture Challenge, among other initiatives, while putting more emphasis on the innovation side of our programming. I want to continue to work with faculty across the university to make sure that we're supporting them in the ways that make sense for their students, whether that be students in Arts and Letters, students in Communication, Arts and Sciences, or even in some of the more hard sciences programs. We want to make sure that we are offering programs to help students across the university develop an entrepreneurial mindset.

Amy Wisner:

It sounds like you're going to be attracting a lot of new students, so I'm sure that they would love to know as the faculty director of the Burgess Institute, how do you plan to enhance the student experience?

Laurel Ofstein:

One of the ways that I'm trying to enhance the student experience is growing our entrepreneurship and innovation minor, and some of that might look like creating new classes. For example, I'm working on developing a new class on social venturing. We also are looking to offer more classes in some of the colleges that don't yet have classes. We're looking into partnerships both with the College of Music, and doing some additional work with ethics across the university as well, that's certainly a topic that is growing in focus, as well as sustainability and some of these other things that we hear about so many times in the news. So entrepreneurship and entrepreneurial thinking have a role to play in so many of these areas. We don't want to be the ones always offering the classes or being the expert. We are experts in helping students to develop an entrepreneurial mindset.

One of the ways that we're doing that to engage faculty across the university is through a new faculty fellows program. The Burgess Faculty Fellows are faculty who've received financial support from the Burgess Institute to pursue an entrepreneurial project. It might be developing a new class, it might be adding a module to an existing class. It also might be supporting a competition within their own college where they're looking for ideas that are specific to natural resources, to agriculture, to chemistry. It's a way for us to support faculty across the university in their areas of expertise to make sure it lives across the university.

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Ken Szymusiak:

Well, thank you so much, Laurel. It's been great talking to you today. How can we keep up with your work going forward?

Laurel Ofstein:

We'd love for you to follow the Burgess Institute on our social media, on Facebook, Instagram, and Twitter. You can find out more information about the entrepreneurship programs and initiatives that we offer at eship.msu.edu, and I'm also on LinkedIn and Twitter, so I'd love to hear from you and hear any reactions you have to this podcast or the research that I'm doing or the work that we're doing at the Burgess Institute.

Amy Wisner:

Follow us on Twitter, LinkedIn, Instagram and Facebook @MSUBroadCollege or visit us on the web at broad.msu.edu/news.

Ken Szymusiak:

And remember, like, rate and subscribe to Broad Matters on Apple Podcasts, Google Podcasts and Spotify. That does it for this episode. I'm Ken Szymusiak.

Amy Wisner:

And I'm Amy Wisner. Join us next time to hear faculty and staff weighing in on relevant issues and discussing how their work makes an impact, illuminating how and why Broad Matters.