

Articles

How the Small Business Institute® Program Helped Spark Entrepreneurial Interest and Led to a Named College at Rider University

Ronald Cook¹, Diane K. Campbell¹

¹ Rider University

Keywords: Entrepreneurship programs, Small Business Institute, Ecosystem

<https://doi.org/10.53703/001c.32469>

Small Business Institute Journal

Vol. 18, Issue 1, 2022

This article opens an exploration of how entrepreneurship programs in many universities got their start from the Small Business Institute® (SBI) student team consulting programs. It is a case study that documents the role played by the SBI programs at an AACSB-accredited school, which resulted in the creation of an entrepreneurship major, an entrepreneurship center, a named school, and many other activities. It discusses the kind of impact the Small Business Institute® has had on the overall entrepreneurial ecosystem, as the structure of the SBI program brings together local businesses, students, and faculty members, and the relationships that have formed have an influence on all participants. Using this case as an example, we argue that this interconnection between students, the institution, and the local entrepreneurial ecosystem is worthy of greater attention, and propose a method to do that.

Introduction

With this article, we seek to contribute to an exploration of how entrepreneurship programs in many universities got their start from the Small Business Institute® (SBI) student team consulting programs. We will begin by documenting the role played by the SBI programs at Rider University, in the creation of an entrepreneurship major, an entrepreneurship center, a named school, and many other activities.

The SBI was created by the US Small Business Administration (SBA) in 1973, and at its largest, involved more than 500 colleges and universities. Funded by the SBA, it provided grants to colleges to support consulting projects done by students to help small businesses. It proved to be a successful program by not only helping small businesses with free consulting, under the guidance of business faculty, but also introducing many students to real-world entrepreneurship. Still, in fiscal year 1996, the SBA stopped the funding, and many institutions dropped out of the program (Heriot & Campbell, 2002).

In the early years, under the SBA, SBI assistance could only go to existing for-profit firms (who had to be over 2 years old) and who were in the University's SBA district. This was due to a contractual relationship between the SBA and school, and the schools received a fee for helping these firms. If a school wanted to help a non-profit, startup or a business in another SBA district, a school could do that, but would be doing so without compensation from the SBA for those projects. As the SBA was providing funding to the school's SBI to help approved companies (clients), these clients were not charged any fee (Heriot & Campbell, 2002).

When support by the SBA ended in fiscal year 1996, SBI schools were on their own to continue this type of outreach

in some fashion, or discontinue it. By 2001, about only 115 institutions were still members of the Small Business Institute® Directors' Association (SBIDA) which took over national responsibility for the program when the SBA exited (Heriot & Campbell, 2002).

The loss of formal SBI programs at schools had three major causes. First, without funding, some schools no longer did this type of activity, as the funding paid for the support staff needed to coordinate it as well as provided incentives for faculty to supervise student SBI projects. Second, since the value of this type of experiential learning (its focus on engagement and impact in the business community) was not emphasized by the premier business accrediting body, the Association to Advance Collegiate Schools of Business (AACSB) until much later, business colleges who either had that accreditation or aspired to it, would focus their attention on accreditation standards. Indeed, engagement and impact were not emphasized by AACSB until the 2013 changes to the AACSB Standards. Only then did they become two of the three pillars of accreditation (Abdelsamad et al., 2015). Indeed, the recently approved 2020 AACSB standards now have Standard 9, Engagement and Societal Impact. This standard requires that "The school demonstrates positive societal impact through internal and external initiatives and/or activities, consistent with the school's mission, strategies, and expected outcomes" (AACSB International, 2020, p. 55)

Ironically, SBI programs were providing engagement and impact in the community, decades before 2013, and continue to create opportunities for institutions to demonstrate engagement, impact and innovation (AACSB International, 2018). One could argue that the SBI was way ahead of the profession in recognizing the importance of this type

of learning.

The final cause of an apparent loss of formal SBI programs was that while faculty at some schools continued/developed experiential learning programs in their classes, they failed to create an SBI or belong to SBIDA. That meant that the SBI model of experiential learning still occurred but it was “under the radar”, as it was not formerly tracked.

However, our main focus of this article is not whether or not schools should have continued the SBI program after the loss of funding but instead, suggest how much of the growth of entrepreneurship discipline in colleges and universities can be traced to SBI funding that provided the seed for this discipline. We do so by relating a case study of a school that began its SBI program shortly before funding was lost in the mid-1990s.

Rider University's SBI Program

Rider University's Small Business Institute® (SBI) program began in 1994. In the two years it existed before the SBA funding cut, the program proved its worth by offering students the opportunity to apply their classroom knowledge in the field by helping area small firms, and generating interest and good will between the University and the business community. When SBA funding was lost, Rider's SBI program continued, not only because of the proven value to the firms and the student consultants, but because the student consulting activity had been built into a separate consulting class. The loss of federal support actually had some benefits as Rider's SBI could now address all types of firms in all stages of development, regardless of location (Rider is located in NJ but is only seven miles from PA, and PA is in a different SBA district).

The positive impact of sending Rider students to assist small firms in the area led to the first step towards creating an entrepreneurship program and center: developing an undergraduate entrepreneurship concentration. It began when one of the authors won an internal grant to develop additional entrepreneurship courses in 1996 (only two entrepreneurship courses existed prior to 1996, with one being the SBI consulting course). This grant application noted the SBI's impact as justification for the grant. As a result, the entrepreneurial concentration was created. Demand for this concentration started to grow and further visibility of Rider's SBI helped in this process. For example, in 1999, a Rider SBI project became national champion in a student consulting project of the year competition conducted by the SBIDA. The resulting publicity generated more interest in entrepreneurship by students, and led to the creation of the undergraduate major in entrepreneurship in 2000, and the addition of more new undergraduate entrepreneurship classes.

Next, in 2001, a new SBI class was created for Rider's graduate business program. This expansion allowed Rider to help additional businesses and compete in more SBIDA-sponsored national student project of the year competitions. At approximately the same time, Rider began asking SBI clients to donate to Rider's SBI program if they were satisfied with the students' analyses. Most of the SBI clients did donate small amounts (\$300-\$500), which helped provide a small revenue stream that could be used to advance

entrepreneurship. For example, in the years between 2000 and 2009, Rider participated in the annual New Jersey Collegiate Entrepreneur of the Year competition, and used these SBI funds to support the entries. This competition recognized undergraduates who were running ventures while in college. Rider students placed or won this competition a number of times, resulting in further visibility for Rider.

This visibility helped the fledgling entrepreneurship program fit into a broader College of Business Administration (CBA) theme. In 2005, the dean of the CBA created a defining message for the CBA and used the acronym “LIFE.” LIFE stood for Leadership, International, Forensics, and Entrepreneurship, the four areas targeted in the CBA for growth. There were four centers created around each area and therefore, in 2005, Rider's Center for Entrepreneurial Studies was born. This umbrella structure housed the academic entrepreneurship curriculum and all the co-curricular activities/programs. New classes were created in international and green entrepreneurship. A unique class (to Rider) was developed, called Student Venture Experience (SVE), where the main purpose of the class was for a student to launch a venture for academic credit. Further, this class had a seed venture fund tied to it, providing financial support for the students to test their ideas.

These cumulative changes meant that students could now major in entrepreneurship, develop their ideas, and if they were ready, launch them while still in school. This “idea to launch” pathway was viewed as the ultimate entrepreneurial experience. The seed venture fund operated as a no-interest loan fund and was used as one of the three pillars to support student ambition: knowledge (coursework), resources (venture fund) and mentoring. The mentoring pillar also began when the Center was created. Volunteer business mentors would work with student entrepreneurs as they launched their venture ideas through this SVE class. Several of these entrepreneur-mentors were former clients of the SBI program.

All along this entrepreneurship evolution, the SBI program was an integral part of the process and a catalyst for change. A required fee structure was added to the SBI program, which guaranteed a small stable revenue stream to fund activities separate from the University's budget structure. This proved to be critical as the activities of the Center for Entrepreneurial Studies could easily outstrip the small operating budget provided by the University. Further, a former SBI student, now president of a local bank, became a corporate sponsor of the SBI. This was a five-year commitment and was critical to providing additional revenues.

By 2010, nationally, the entrepreneurship discipline had grown and was often found outside of business colleges (Center for Entrepreneurial Excellence, 2014). Rider's program also evolved and in 2011, an entrepreneurship minor for non-business students was created. This opened the door to students in art, music theater, pre-med and other disciplines where it's common for their career to be an independent contractor and therefore, they have a solo venture.

Simultaneously, while Rider's entrepreneurship program grew, its SBI program was continuing its excellence. For example, in 2014, Rider's student SBI teams, graduate and undergraduate, won first place national titles in their respec-

tive categories in the student consulting project of the year competition.

By fall 2013, the Center for Entrepreneurial Studies was growing steadily and it was time to create an advisory board. A recent survey of business advisory councils at AACSB member institutions found that these bodies have increased greatly over the last years as more and more institutions recognized the great value that they can deliver (Barillas, 2019). The Rider Center's board consisted of eight individuals, external to the institution, who had been active with the entrepreneurship program. Most of the members were alumni. Not only were they available to entrepreneurial students, they were instrumental in determining another big initiative of the center: the High School Pitch competition. Each high school student entrant submitted a new business concept and all were evaluated by faculty and mentor judges. Finalists were brought to the campus to compete for prizes in front of business leader judges in a Shark Tank-like program. This competition increased the visibility of the Center and of Rider.

At roughly the same time (January 2014), Rider's SBI corporate sponsor (the aforementioned bank) was interested in increasing its assistance to veterans. The bank president reached out to the Center to see if Rider and the bank could cooperate and create an entrepreneurship program for the veteran community. With sponsorship from the bank, a veteran entrepreneurship training program was developed by the Center and was first offered in summer 2014 (Brown, 2014).

Another valuable contribution from the advisory board was for these individuals to serve as mentors to the veterans in the program. This outreach activity was the first one offered by the Center where participants were not Rider students. This program continues today and has been helping veterans for 7 years.

By 2017, the high school competition had been running for 3 years, and it attracted the attention of an engaged alumnus, Norm Brodsky, who was very impressed by the quality of the competition and decided to fund a full-tuition, four-year scholarship to Rider to the high school winner. With a full scholarship as the grand prize, a significant publicity push resulted in doubling the entrants and further increasing Rider's visibility.

The success of the high school competition then led to the idea that the Center should do this for existing Rider students. Hence, the Center created the collegiate concept competition, and followed the same format as the high school competition, but eligibility was current Rider undergraduate students. The first collegiate competition occurred in 2018, followed by another one in 2019. The popularity of the 2019 event (the number of entrants tripled and about half of entrants were non-business students) increased substantially, and the Center was able to find a sponsor who covered all costs for both years. The sponsor then agreed to support the 2020 competition as well but that was postponed due to Covid.

As our programs grew, the Center also worked to increase the entrepreneurial ecosystem in New Jersey. Along with other New Jersey universities, a statewide competition was created, called U- Pitch. Each participating school could send one student (or team) to this competition to pitch

a new business concept. In 2018, Rider's entrant, Dowie Corp, won the Best Early Stage Startup category (Martinelli, 2018).

This consistent level of entrepreneurial growth brought the Center to the attention of an area entrepreneurship mentoring foundation, the Uncommon Individual Foundation (see UIF.org). The Foundation was interested in partnering with universities who had dynamic entrepreneurship programs. They decided to make Rider a satellite branch of the Foundation and sponsored two interns who worked on projects for the Foundation, and supported the Center activities. UIF also provided a technology grant to the Center that allowed the Center to create a Makerspace, now equipped with two 3-D printers.

The interest and excitement in entrepreneurship at Rider then prompted Norm Brodsky, who sponsored the high school competition scholarship, to become even more engaged. He team-taught a class in entrepreneurship in the academic year 2018-2019, and in the fall of 2018, took six students and two Rider staff to the Inc 5000 conference, at his expense. It was such a successful activity that he did it again in the Fall 2019, and increased the number of students who went to eight.

In the summer of 2019, the Center got an opportunity to partner with St. Stephens Hall at Oxford University for an Innovation Intensive workshop. This program allowed 25 CBA students to spend a week at Oxford, learning innovation and entrepreneurship practices from industry leaders, at no cost to them. This program was such a success that it was to be repeated in the summer 2020. Unfortunately, the Covid 19 pandemic prevented this from happening.

Finally, in the fall of 2019, as a culmination of his engagement with the Center for Entrepreneurial Studies and Rider business students, Norm Brodsky gave the largest single gift ever given to Rider University. The Center's high school competition caught his imagination and, along with his opportunity to teach and engage with students during the trips to the Inc 500 conference, made him feel a part of Rider and personally invested in Rider students. That led, in October 2019, to Rider's business school being named the Norm Brodsky College of Business. As Rider's first named college, it was a fitting capstone to years of relationship building and innovative outreach that began with the Small Business Institute®.

Conclusion

This case is a sample of the kind of impact the Small Business Institute® has had on the overall entrepreneurial ecosystem. The structure of the SBI program brings together local businesses, students, and faculty members, and the relationships that form have an influence on all participants.

For Rider, the SBI program was the seed that grew into an entrepreneurship curriculum, programs, outreach and student success. Without that catalyst, it would have been more difficult to get noticed; without SBI providing seed money, some of the other entrepreneurial initiatives would not have happened; without a solid foundation of student success provided by the SBI, Rider's entrepreneurial program would likely not have gotten off the ground. It was

an evolutionary process that was built, step by step, beginning with student engagement during their outreach into the business community, that flowed from the creation of the SBI program.

We hope that this example will prompt other institutions to look back at the course of events that are related to their SBI programs, and if it helped drive other initiatives. As Stephen Drew found in his review of centers in business school development, the largest number of centers in business schools are those associated with entrepreneurship

(Drew, 2011). We agree with his observation that, “This likely reflects a concern of many US business schools with outreach to local economies and business communities” (Drew, 2011, p. 800). This interconnection between students, the institution, and the local entrepreneurial ecosystem is worthy of greater attention.

Submitted: September 12, 2021 MST, Accepted: February 03, 2022 MST



This is an open-access article distributed under the terms of the Creative Commons Attribution 4.0 International License (CCBY-4.0). View this license's legal deed at <http://creativecommons.org/licenses/by/4.0> and legal code at <http://creativecommons.org/licenses/by/4.0/legalcode> for more information.

REFERENCES

- AACSB International. (2018). *AACSB 2013 eligibility procedures and accreditation standards for business accreditation*. <https://www.aacsb.edu/-/media/aacsb/docs/accreditation/business/standards-and-tables/2018-business-standards>
- AACSB International. (2020). *AACSB 2020 eligibility procedures and accreditation standards for business accreditation*. <https://www.aacsb.edu/-/media/aacsb/docs/accreditation/business/standards-and-tables/2020%20business%20accreditation%20standards.ashx?la=en&hash=E4B7D8348A6860B3AA9804567F02C68960281DA2>
- Abdelsamad, M. H., Farmer, B., McNeil, R., & Stevens, G. E. (2015). Major changes in AACSB standards (2003 compared to 2013). *S.A.M. Advanced Management Journal*, 80(3), 4–11.
- Barillas, J. (2019). A look into business advisory councils at AACSB member schools. *AACSB Blog*. <https://www.aacsb.edu/blog/2019/february/a-look-into-business-advisory-councils-at-aacsb-member-schools>
- Brown, K. (2014). *Grand Bank of Hamilton bestows \$50K grant to Rider to create entrepreneurship program for veterans*. <https://www.rider.edu/news/2017/12/31/grand-bank-hamilton-bestows-50k-grant-rider-create-entrepreneurship-program-veterans>
- Center for Entrepreneurial Excellence. (2014). *The National Survey of Entrepreneurship Education: An Overview of 2012-2014 Survey Data*. http://www.nationalsurvey.org/files/2014KauffmanReport_Clean.pdf
- Drew, S. A. W. (2011). Strategic roles of centers in business school development. *Journal of Management Development*, 30(9), 793–815. <https://doi.org/10.1108/02621711111164303>
- Martinelli, K. (2018). Futurestay at UPitchNJ 2018. *Futurestay Blog*. <https://www.futurestay.com/read/news/upitch-nj-2018/>