

This is not an Executive Education Program

Hans Crijns

Education for Entrepreneurs : Is there a need ?

Entrepreneurship education is on the rise. Almost every leading business school in Europe and even in the world offers at least one executive program on entrepreneurship. Education on entrepreneurship is hot. But education for entrepreneurs remains very rare, the same leading business schools offer no or few programs for entrepreneurs. Executive education programs are typically funded by and focused on large organizations on behalf of their employees. As if entrepreneurs have no need for new knowledge, experience sharing, discussion with peers and all other results of education. In many respects entrepreneurs are more in need of personal development and support than corporate executives and maybe their needs are even more important because they have a great impact on their company and its environment.

One reason for this very scarce offer is the very broad range of what is called in genuine term “entrepreneurs”. Some Schools offer indeed a specific program for business leaders, so called CEO’s of large companies, others offer a program for technology entrepreneurs, or for woman in business, or for social entrepreneurs. And of course there are the many programs for executives seeking to do business in particular areas or parts of the world. But general programs for entrepreneurs being owner-managers of their company are few and far between. The world of academic business schools is a lonely place if you are an entrepreneur looking to build your business.

Entrepreneurship at Vlerick

Vlerick Business School is well known for its commitment to entrepreneurship which also includes a core course “Entrepreneurship” in all its MBA and Advanced Masters programs. Education on entrepreneurship is in Vlerick top of the bill. But with his history of entrepreneurial spirit , Vlerick Business School wanted more. The School is inspired by its founding father professor Vlerick, who was in the early fifties also minister for regional economy and founder of Almanij. Professor Vlerick declared in 1953 when he was responsible for the distribution of the Marshall aid in Belgium “In order to rebuild and to grow our economy, we not only need money but also entrepreneurs. Because in a free world, the spirit of entrepreneurship offers the human individual the opportunity to answer his natural constructive and creative talents and it offers society a guaranty for permanent progress and growth”.

Launching the Impulse Centre

In 1993, years before entrepreneurship education became a hype, we launched the concept of the Impulse Centre Growth Management for Medium Size Enterprises (iGMO).

The iGMO aimed specifically at dynamic entrepreneurs who are owner-managers. It wants to be a platform for research, dialogue and networking concerning the growth of medium-sized

entrepreneurial companies and dynamic entrepreneurship in all its aspects. The research happens in an active association between entrepreneurs (research members) and “Vlerick School” at which an open dialogue takes place between the entrepreneurs, academics and professionals involved.

Entrepreneurs nowadays find themselves in a "raplex" (rapid + complex) environment: globalisation, technological revolutions, political upheavals, new value patterns in the workforce, shorter product lifecycles, market liability, etc.

These developments pose new requirements on entrepreneurs as owners, managers and leaders, which go far beyond "try it out in the store". The success of an organisation in the future will be determined in even larger measure by the quality of its interaction. Problem-solving capability, the capacity for change and the ability thereby to act as a team, will become more and more important.

The purpose of the Impulse centre "Growth Management" is interdisciplinary and multifunctional. This has led to a new model of the cultivation and transfer of knowledge. The solution does not lie in short-circuiting the process, but rather in the deliberate overlapping of the diverse steps. Theory formulation and diffusion, conception and implementation happen in parallel and simultaneously. Conny Vandendriessche, founder and CEO of the temporary work company Accent – Jobs for people, comes to the conclusion “It is surprising how theory and practice are matched”.

The agenda is set up in close interaction with the member-entrepreneurs; inevitably it tailors the content specifically to the needs of entrepreneurs and owners who have a degree of success but want to move their businesses on to the next level. Closed family enterprises as well as open enterprises with non-family and/or external shareholders (quoted on the stock market or not) are qualified. Entrepreneurs from a broad variety of industries are welcome: production, commercial and services. However, competitive relations between member companies do not complicate the working.

Together with his colleague Professor Hubert Ooghe, professor Hans Crijns has developed iGMO with a unique focus on the needs of entrepreneurs as they face the challenges of sustainable growth and expansion. The agenda is delivered in a format compatible with the workload of an entrepreneur and business owner. The Impulse Centre "Growth Management" was founded in 1992 at “Vlerick Business School”. The Centre is supported by two Foundation Partners: KBC Bank and Ernst & Young. The first intake in April 1993 was a real pioneering project. With nothing more than, a mission and a concept, we started with a group of 12 entrepreneurs. Because of the immediate success with those 12 pioneers which resulted in new references, since then every 2 years a new group of 20 members was born. The general feeling was translated by Marc Cosaert, the Ernst & Young founding father “I suggest that we don’t stop with this initiative after some years, there is enough material to work with the coming years...”

Developing the agenda

All together the iGMO has had 12 new kick off groups in 20 years with 175 participants. Participants enroll for a three year period as research member. The selection process for becoming new research member mainly consist of 2 references by existing members. After the 3 year “research membership” one can become academy member. Today 104 entrepreneurs are active members, meaning that they participate every year in 2 seminars and 2 workshops in groups of 30 à 40 plus off course the great iGMO Summit with all members in June. The entrepreneurs show some diversity, coming from different industries – from construction to ICT, in different age categories –from 29 to 66. Only the gender composition is unbalanced: only 9 woman entrepreneurs against 95 male. Many members have launched

multiple businesses, but only entrepreneurs in companies with an existing client base are admitted. As nominal measures, a minimal employment of 50 and a minimal turnover of 5 million euro are taken into account. It must be clear that the Center is not designed for start-ups but for established businesses that have passed the first hurdles on the road to growth. About 40% of the entrepreneurs are founders. They have started their own business and were able to grow it in a sustainable and so called successful way. Another 40% are successor entrepreneurs, who come from a family business and give the company a next boost. The remaining 20% are management buy outs or buy ins, who spent some years as a manager in a corporate setting before taking over the shares and the lead of the venture. The majority of the members have a controlling stake in the shareholdership of the company (one third even 100%), about 20% have private equity players on board and 11 companies went public via an IPO.

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The first strategic choice is whether the enterprise wants to grow or not. Internal growth is realised through the enlargement of its own business volume, with existing or new products, in existing or new markets. With external growth, the enterprise will take over other entities. Alliances between several enterprises can be seen as a merging of the former systems. Special attention is paid to the internationalisation process in internal as well as external growth scenarios. Financial management needs to be sure that the necessary means are always available to support the growth. Creative financing techniques such as venture capital, mezzanine-financing, private investment and/or introduction on the Stock Exchange can be a solution for this. A problem that arises in many growing family concerns is the question of who will succeed the entrepreneur/manager. Possible solutions are: to hand on the torch to another family member, the professionalization of the management team, the take-over of the enterprise, or, lastly, a management buy-out (whereby an external management team buys the concern).

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It is clear that the concept is not a typical executive management program, because we are making sure that each teacher or professor has tailored his class content to the specific needs of the entrepreneurs. No wonder that most of the entrepreneurs are excited about their Centre – because they consider themselves as co-owners. “It’s useful to see our position compared with the others” says Dirk Mertens, CEO of a group of companies –De Boer, a 80 mio euro company in roofing. And Herman Van de Velde, from the Euronext quoted 150 mio euro company Van de Velde adds :” There is a remarkable openness of all members... This spirit, atmosphere is important, I don’t find it anywhere else”. Also Walter Mastelinck, co-founder of Transics, is enthusiastic: “This is a unique group of entrepreneurs, it gives me inspiration. We learn a lot from each other”. The most promising comment comes from Vic Swerts, founder and president of Soudal, the 350 mio euro manufacturer of sealing and foam “iGMO is like good French wine : it comes better after years”.

These quotes from experienced and important entrepreneurs show how important the iGMO initiative is. The scarcity in the executive education market shows that it is considered as a difficult area, and that business schools continue to custom programs for executive managers from large organisations. But Vlerick Business School proves that a new initiative to individuals who are really on top of their own growing company, is a very valuable one, because what the top learns can be translated and implemented by the employees of the company. That is also a very lucrative adventure for the School goes much to the surprise of many, although this is not the first objective. As long as it is not “just another management

education program”. The condition number one is: love and understanding for entrepreneurship and entrepreneurs.

About the Author

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