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The University of Auckland
University of Auckland Business School
Auckland, New Zealand

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January 2011
AACSB International
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In 2001, the University of Auckland hosted a conference, in partnership with the New Zealand government, to address concerns regarding the economic future of the small South Pacific nation in a world where knowledge and innovation will be key factors for determining social and economic success. The conference, “Catching the Knowledge Wave”, brought attention to the importance of developing a “knowledge economy” in New Zealand in order to reverse disturbing trends in its economic health. Among the outcomes of the conference was a philosophical shift for The University of Auckland Business School (UABS), which has since then “embraced a larger purpose for itself in the 21st century – to help raise New Zealand’s living standards and quality of life by enhancing economic growth and prosperity,” says its dean, Professor Greg Whittred.

The UABS subsequently sought out best practices in the development and promotion of a culture of innovation and entrepreneurship, both within New Zealand and abroad. According to Dean Whittred, a team from the school went to Stanford, the Massachusetts Institute of Technology (MIT) and the University of California, San Diego in the United States, and Oxford University, University College London, and the University of Cambridge in the UK, to observe what they were doing and what regional supporting ecosystems were in place. Ideas were then identified that could be translated into workable initiatives in the New Zealand context.

Since then, the UABS has undertaken and promoted a number of initiatives both within the University and across the Auckland region that are designed to build a culture of innovation and entrepreneurial activity. Some of these initiatives originated within the business school itself, while others were developed in conjunction with other University faculties and with external organizations. One, Chiasma, had its beginning in a student-led program. Although they were developed separately, as they grew in size the UABS integrated these mutually-reinforcing initiatives into a very successful “entrepreneurial ecosystem,” with which to promote its role as a catalyst for the economic development of New Zealand.

The ICEHOUSE

Working alongside eight corporate partners, the UABS set up the ICEHOUSE (International Centre for Entrepreneurship) in 2001 as a business incubator and growth center for start-ups and established companies. The ICEHOUSE is available both to University of Auckland students and external entrepreneurs who wish to develop small or medium enterprises (SMEs). The mission of the ICEHOUSE is to help develop 350 of the estimated 3,000 firms considered necessary to propel New Zealand back into the top half of OECD countries by 2013. Since its founding, more than 100 start-ups and over 1,000 established SMEs have benefitted from the programs of the ICEHOUSE.

The ICEHOUSE offers two distinct pathways to meet the needs of its customers: ICE Accelerator and ICE Bridge. Owners of start-ups with well-defined business ideas can benefit from the ICE Accelerator, whose residents have access to market validation services, a menu of incubation programs that include varying levels of involvement, and advice from members of New Zealand’s largest network of angel capital investors, the ICE Angels.

For established SMEs, ICE Bridge offers short workshops and executive programs designed to help owner-managers find innovative ways to drive their businesses. Since 2008, programs customized for particular firms have also been offered through ICE Bridge environment. The ICEHOUSE is also partnering with UABS and Thunderbird School of Global Management in the United States to develop a
new initiative, the Global Mindset Leadership Program, which provides “an elite environment tailored for managers wanting to expand their companies’ international operations.”

**Student-led Initiatives**

SPARK is an entrepreneurial development program adapted for the New Zealand business context from similar programs at MIT and the University of Cambridge. The SPARK concept was introduced by the UABS to the university’s Postgraduate Students Association. The Association then established it as a student-run initiative in partnership with the ICEHOUSE and the School, which has hosted and nurtured it since its establishment in 2003. SPARK is supported by a network of over 150 business community leaders who act as judges for the SPARK Challenge business planning competitions, mentors for the applicant teams, and speakers for the non-credit Vision to Business (V2B) and Ideas to Business (I2B) programs that SPARK runs in conjunction with the UABS to help educate students and staff about the fundamentals of building a business and how to convert ideas into submissions for its business planning competitions.

SPARK runs two annual Challenge competitions. The “Ideas Challenge” offers prizes of 1,000 New Zealand dollars (NZD), for the top ten commercial and top ten social entrepreneurship ideas in 1,000 words. Dean Whittred says approximately 25% of all Spark’s 300-400 annual entries are social ventures. Winners are encouraged to attend SPARK’s Ideas to Business (I2B) workshop, where they will receive assistance in further developing their ideas for entry in the main business planning competition, the “$100k Challenge.” This competition offers all finalists (approximately 10 teams) a mentoring and development package valued at 5,000 NZD, and total prizes in excess of 50,000 NZD, with a first prize of 20,000 NZD in seed capital plus six months of incubation in the ICEHOUSE. The student-run SPARK oversight team itself has found several dedicated sponsors for these prizes.

Teams are open to all people, but at least one member must be a current student or staff member of the university. According to Dean Whittred, approximately 25% of all teams involve postgraduate students, and about 8% also involve faculty. The competition is run across all faculties, with about one-third of the entries coming from the Business School. Indeed, Dean Whittred says teams are encouraged to draw upon a variety of the other faculties at the university, and have in the past included applicants from areas as diverse as medicine, science, engineering, and even music. SPARK even helps people looking to form teams around given concepts on its Team Builder website. Since its founding, SPARK participants (or “Sparkies”) have been responsible for the creation of no fewer than 73 start-up ventures that between them now have products selling into 22 countries.

Chiasma is a spin-off of the SPARK initiative, launched in September 2004 by three PhD students in the University’s Faculty of Medical and Health Sciences. It forms linkages within the biotech-related faculties in the University of Auckland (Faculty of Medical and Health Sciences, School of Biological Sciences, Bioengineering Institute and UABS) and builds networks with the wider New Zealand biotech sector. Like SPARK, Chiasma is student-run, and offers its student members seminars and workshops along with a prize for the best biotech entry in the SPARK Ideas competition and networking and internship opportunities within New Zealand’s biotech industrial community.

Chiasma has been responsible for promoting an “attitudinal about-face” among biotech students across the university, who had previously demonstrated very little interest in commercialism. The new Master of Bioscience Enterprise (MBioEnt) program, jointly run by the UABS, the Law Faculty, and the School of Biological Sciences, was designed with Chiasma members in mind. The MBioEnt program commenced in
2006, and develops "business-savvy" scientists with an entrepreneurial mindset and particular strengths in the legal and commercial aspects of bioscience.

The Entrepreneurs’ Challenge

In 2009, expatriate New Zealander businessman Charles Bidwill made a foundational donation of 3 million NZD to the UABS to invest in a new initiative known as the Entrepreneurs’ Challenge (EC). This annual competition is aimed at promoting for-profit SMEs that have been in operation for at least two years and have at least 1 million NZD in annual revenue\(^\text{12}\). The EC helps these promising New Zealand businesses that have reached a critical stage in their growth and development in moving to the next level. The goal of the EC is to create a self-sustaining growth fund for established New Zealand SMEs.

Dean Whittred says the EC has received as many as 110 applicants each year. Winners are selected by the EC’s Investment Committee, a select group of experienced members of the New Zealand business and investment communities, of which he is a member. Each year, one million NZD in loans is distributed among the winners, who each receive between 200,000 and 500,000 NZD for three years at better-than-market interest rates, to achieve their business growth plan. In addition, winners gain publicity, recognition, and expert feedback from the members of the Investment Committee, as well as access to the networks of the UABS and the ICEHOUSE (which is also one of the eight partner organizations of the EC)\(^\text{13}\). According to Dean Whittred, six firms have been selected to receive EC loans to date.

Learning from the “Business Ecosystem”

Over the years, says Dean Whittred, the operation of the various initiatives that make up UABS’ business ecosystem has grown increasingly smooth, but their evolution has largely taken place on the periphery of the business school’s portfolio by way of co-curricular activities. The UABS has now begun what Dean Whittred describes as “placing the last piece of the jigsaw puzzle,” to wit, transforming the successes of the business ecosystem into meaningful and beneficial impacts on the UABS’ program curricula.

The UABS’ Department of Management and International Business recently proposed a major review of the school’s program curricula in order to align its degree programs more fully with the experiential learning opportunities offered by the business ecosystem initiatives. Plans for a new undergraduate major (along with a Graduate Certificate and a Graduate Diploma) in Innovation and Enterprise, and a new postgraduate program, which includes a one-year taught Masters in Commercialization, Innovation and Research, are all in the works, according to Dean Whittred. Additionally, the school is looking at ways of making other programs connected to the ecosystem more available to students across the university.

To bring further focus to these efforts, and to support research, curricula, resources and networks in entrepreneurship, innovation, and business growth, the Centre for Entrepreneurial Learning (CfEL) was established in 2008. The CfEL “has been charged with developing an entrepreneurial curriculum within the Business School that is grounded in experiential learning” and capable of achieving two outcomes: “reshaping the mindset of students within the School and developing ‘business savvy’ scientists, engineers, technologists and creative professionals” from University of Auckland students of other faculties\(^\text{14}\). Directed by Geoff Whitcher, Commercial Director of UABS, it is also intended to serve as the hub of the continually-evolving business ecosystem at the Business School.

Dean Whittred says having an active champion like Whitcher, who can engage multiple stakeholders and constituencies with aplomb, is vital to the success of the ecosystem concept. Additionally, he gives a
great deal of credit to the passion of the student body. The success of initiatives such as SPARK and Chiasma are possible only because they are enthusiastically student-led and have self-reinforcing buy-in from the student population.

For example, Dean Whittred says, the current generation of “Sparkies” will offer training and mentorship to the next, and alumni of the initiative frequently step forward as judges for its challenges as well. Finally, he says, the business ecosystem concept can only succeed through the continuing engagement of the school with external stakeholders such as the government, and the business community.

Acknowledgements: AACSB International is grateful for the assistance of Greg Whittred, Dean of the University of Auckland Business School.
End Notes