

EDUCATION

Problem: Good Jobs Are Scarce. Solution: Become Your Own Boss.

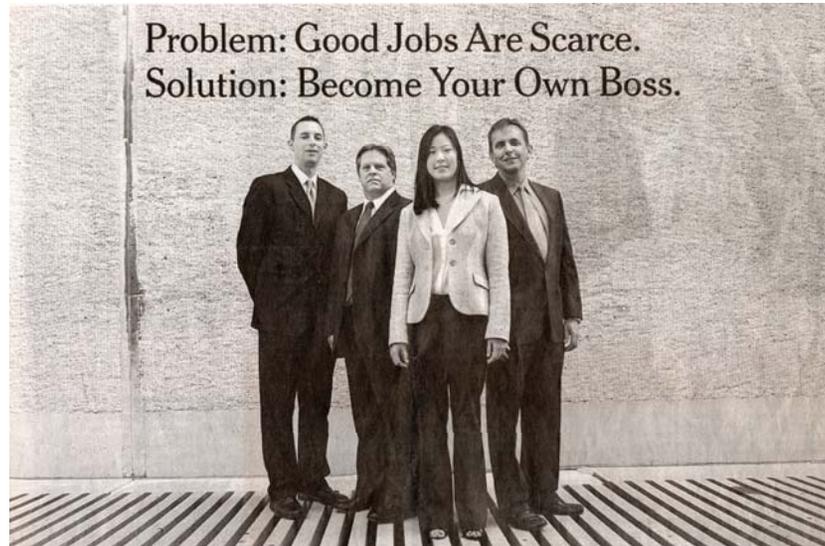
By JAMES FLANIGAN

IF there is one place where the idea of the ownership society is taking hold, it is America's colleges and universities. More than 1,600 colleges offer courses in entrepreneurship, up from 1,050 in the early 1990s and a mere 300 schools in the 80s.

Experts see the surge reflecting profound changes in the American economy. It is a response to globalization and the fact that "two billion people in the world want to do the same job you do," said Paul Merage, an entrepreneur and philanthropist who endowed the business school at the University of California, Irvine, this year with \$30 million.

Mr. Merage, who invented the microwavable frozen snack Hot Pockets, demanded that the curriculum at the newly renamed Merage School of Business stress innovation and ways "to grow a business."

Prof. Thomas O'Malia of the



YOUNG TURKS Scott Murray, left, Todd Stennet, Emily Chan and Todd Smart, current and former business school students at U.S.C.'s Lloyd Greif Center for Entrepreneurial Studies who have pursued entrepreneurship.

University of Southern California also sees uncertainty driving the spread of own-your-own-shop education.

"There's no job security," said Professor O'Malia, program director at the Lloyd Greif Center for Entrepreneurial Studies, a

specialized unit within U.S.C.'s Marshall School of Business. "If the average corporation must recreate itself every 3.4 years, you need to think about controlling your destiny."

Students, however, seem driven less by fear than

ambition—even passion.

Maya Gowri, for example, who organized a nutritionist practice at a hospital in her native Chennai (formerly Madras) in India, and came to the United States to earn a doctorate in biology from the University of Kentucky, is happy that she also studied two years and paid about \$70,000 in tuition to earn a master of business administration degree last year from U.C. Irvine.

The M.B.A. studies "taught me about function and marketing and helped me find a business partner to raise finance," Ms. Gowri said. With a few employees and a fellow Irvine student, Charles Hsu, as a money raiser, she has begun Discovery Services International, which performs research for small biotechnology companies.

Another student, Emily Chan, is in the final leg of a three-year, part-time program of study for a

business master's at U.S.C. while holding down a job planning auto plant locations for the Toyota Motor Company in Torrance, Calif. It is a good job, Ms. Chan said, but her real ambition is to develop ideas about animal feeds into a business of her own.

Ms. Chan, who rescues injured dogs, has developed a formula for feeds that she says help animals recover. So she is going to classes at night and on weekends and paying about \$80,000 over three years to earn the degree.

"I've always had the passion but not the confidence to get started," Ms. Chan said.

At her stage in the master's program - called "feasibility" - she works with other candidates to see if her concept can work as a real business. In fact, Ms. Chan needs to sell the product in a commercial market - as opposed to just doing a college experiment - or she will not pass the feasibility course, said Professor O'Malia, who likes to call the entrepreneur program a boot camp.

At Loyola Marymount University in Los Angeles, the program sounds more like

athletic coaching.

"Half of what I teach is technique—how to organize, control cash flow and such," said Prof. Fred Kiesner, who teaches management and entrepreneurship there. "The other half is to get inside your heart, soul and mind and say: 'You can do it. Don't fear failure. If you're not risking failure, you're not stretching to try something new.'"

At U.S.C.'s Greif entrepreneurship center, students are taught a distinction between management and entrepreneurship. "A good manager thinks efficiently of how to go from A to B," Professor O'Malia said. "But entrepreneurs are a little like Columbus, thinking effectually how to go into the unknown."

Often entrepreneurial success doesn't involve derring-do as much as forming alignments and reducing the need for capital. "Entrepreneurship is about organization, not lone-wolf operators," said Christine Beckman, professor of organization at the Merage school.

Two University of Southern

California graduates, one from 1989, the other from 1998, illustrate the point.

Todd Smart, attending the university in the 80s, heard a visiting insurance executive say that his business was being hurt by poor service from car-towing companies that were paid \$600,000 a year. So Mr. Smart asked for a chance to do the towing, traded his car for a tow truck and started gathering up crashed vehicles.

As business grew, he did not use his new company's capital to buy more vehicles but had his drivers buy them, creating new small-business owners and allowing greater expansion of the towing company.

"What I learned in business school," said Mr. Smart, whose company now tows 500 cars a day in the San Fernando Valley, "is that the cash-flow account is more important than the profit-and-loss statement."

When the other student, Todd Stennett, graduated with an M.B.A. in 1998, he and his wife, who have two children, owed \$82,000 in credit-card debt. But Mr. Stennett saw opportunity in a federal policy encouraging small

companies to commercialize government technology, like the National Oceanographic and Atmospheric Administration's powerful lasers for mapping land.

Mr. Stennett could not afford to buy a \$1.5 million laser, but he lined up scores of land-surveying businesses as customers whose contracts helped him pay for the equipment. He also joined bush-pilot outfits to help the surveying.

"Our relationships with partners are critical to our success," Mr. Stennett said, as his company, Airborne 1, reaches \$5 million in annual revenue.

To Andrew Policano, dean of the Merage school, the benefit of entrepreneurial training nowadays is that it encourages original thinking.

"Innovation is what all corporations want today," Mr. Policano said. "Chief executives coming to our campus want graduates who will tell them what the business should be in five years."