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SPECIAL REPORT: INTERNATIONAL EDUCATION

M.B.A.'s Guide Socially Concerned Entrepreneurs

By NAZANIN LANKARANI

PARIS — As questions go, it was short and to the point: “If you are so smart, why aren’t you rich?”

That challenge, splashed across her daughter’s T-shirt, inspired Una Ryan to leave a medical research career, developing vaccines, to start her own business.

“Being a medical researcher, I changed that statement to say, if you are so smart, why haven’t you saved more lives?,” said Ms. Ryan, at a lunch in Paris last month honoring finalists in this year’s Cartier Women’s Initiative Awards, an annual competition for women entrepreneurs. Ms. Ryan was one of five winners of this year’s awards.

“Getting vaccines approved through the U.S. regulatory process takes years. I thought to myself, if we could just clean the water, we could eliminate many diseases all at once,” she said.

Following up that logic, Ms. Ryan founded Waltham Technologies, a water purification company in Boston of which she is the chief executive. Waltham uses bioengineered blue-green algae and sunlight to clean wastewater and generate biofuels.

In competing for the awards, Ms. Ryan and other finalists were coached in business plan drafting and oral presentation skills by 30 M.B.A. students and alumni from Insead, the international business school in Fontainebleau, near Paris.

Insead has sponsored the awards for the past three years, tuning in to a growing interest in social entrepreneurship among its students as business graduates everywhere react to the worst recession since the Great Depression and the prospects of a jobless recovery.

A survey this year of M.B.A. applicants by QS TopMBA.com, a career guidance Web site, found that 28.4 percent of respondents cited “starting own business” as a prime aspiration, up from 24 percent in 2006, while “improving career prospects” had dropped to 66.2 percent from 73 percent.

Insead has adapted its curriculum accordingly.

“The coaching program has been fully integrated into Insead’s M.B.A. curriculum as ‘entrepreneurial field study,’” said Loïc Sadoulet, an affiliate professor of economics at Insead who served on the Cartier Awards jury panel, in an interview in Paris.

“With the current financial crisis, we have seen student interest shift from investment banking and consulting jobs — the dot.com get-rich model — to social entrepreneurship, a socially conscious model,” Mr. Sadoulet said. “Google’s motto, ‘Don’t be evil,’ resonates more and more with our students. Most now want job options that ‘make sense.’”

In addition to prize money, the award winners, drawn from five continents, will receive yearlong business coaching to help get their ventures started.

“Insead students and alumni work with these real-life entrepreneurs from the embryonic ‘idea’ stage to the creation of a business plan,” Mr. Sadoulet said. “Many will continue after graduation to provide ongoing coaching support.”

Christine Borgoltz, director of external relations for Cartier, said, “There are many women’s or entrepreneurship prizes. Our added value is the continued coaching support, which is what these businesses need most.” The luxury brand created the awards program in 2006 together with Insead, the management consultancy company McKinsey & Co., and the Women’s Forum for the Economy and Society, an international association for the professional development of women.

For Insead’s student coaches, their role in helping to build a profitable, yet socially conscious, business is a valuable learning experience.

“M.B.A. students with prior corporate experience see the world as a place where you spend money and make problems go away,” said Lisa Long, a 2006 Insead graduate who is chief operating officer of Six To Start, a media company in Britain that she helped to found in 2007. “Coaching a start-up, you discover what a thinly resourced business looks like, learn what things to prioritize and what things to starve.”

Ms. Long coached winning teams in the Cartier Awards in 2007 and again this year.

“As a business person, coaching, for me, is a way to learn about the businesses women start and new ideas and opportunities out there,” she said. “It is also a way to give back.”

Insead has built a center for social innovation and now offers courses drawing together varied disciplines within social business packages. Other top-ranking business schools, too, are developing programs to respond to the growing desire among M.B.A. students to combine doing good with doing well.

“There has been a very significant increase in interest and enthusiasm for social entrepreneurship among our students,” said Colin Mayer, dean of Oxford University’s Saïd Business School in a telephone interview from Oxford.

“Experience over the past year has caused students to re-evaluate different job options, their own contribution to society and their earning potential in deciding on a path that is more fulfilling,” Mr. Mayer said.

The Skoll Center for Social Entrepreneurship at the Saïd school, opened in 2003 by the Skoll Foundation, a Palo Alto, California-based philanthropy that funds social entrepreneurship initiatives, has added several innovative programs into Saïd’s core M.B.A. curriculum.

These include an annual Skoll World Forum — a nod to the World Economic Forum in Davos, Switzerland, but focused on social entrepreneurship; a lectureship to develop new courses in social entrepreneurship; and, recently, five annual full scholarships for students with a demonstrated commitment to the field.

“The five M.B.A. scholars have had a significant impact on the attitude of the whole M.B.A. class,” Mr. Mayer said. “We see it in students’ increased interest in pursuing jobs in social entrepreneurship.”

Funding by the Pears Foundation, a British charitable organization, has allowed Saïd, jointly with London Business School and Cranfield University in Bedford, England, to develop a “very substantial program of case studies in social entrepreneurship, with concrete examples of successes and failures, so our M.B.A.’s get the full experience of what they are aspiring to,” Mr. Mayer said.

Also with funding from the Skoll Foundation, Duke University’s Fuqua School of Business, in Durham, North Carolina, which ranked sixth this year in best business school “nonprofit” specialty rankings published by U.S. News and World Report, is widely recognized as an academic pioneer in social entrepreneurship.

The school is active in both research and teaching through its center for the advancement of social entrepreneurship. Since 2002, the center has promoted social entrepreneurship as a “sustainable solution” to social needs “not as a variation on charity,” according to its founding director, Gregory Dees, professor of social entrepreneurship and nonprofit management.

This year, it has undertaken two new research projects, one to develop business models that can be used by social entrepreneurs and the other to study, both broadly and in depth, social entrepreneurship’s value and potential as a tool for social change.

“We have a huge mission for both the industrial and the developing world,” said Ms. Ryan, who will use her \$20,000 Cartier prize money to pay for engineering know-how needed by her water-cleaning venture. “This money means we will struggle a little less getting there.”