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The Hidden Payoffs of Entrepreneurship Competitions

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As more and more universities across the US are adopting entrepreneurship competitions as a way to promote the innovative contributions of their students and to evaluate their entrepreneurship education, the measurement of their impacts is under scrutiny. Statements such as “give us a list of your biggest entrepreneurship success stories,” “total funding or winning awards,” and “what has been the rate of return on the Alumni donation” have been heard in institutions across the country. The tentative response from faculty and institutional directors is often, “it is too early to tell.” This is because the vast majority of institutions are measuring “success” by counting the number of businesses started, high-profile media contributions or investment awarded to these businesses.

Evidence suggests that the value of entrepreneurship competitions is that participants have opportunity to receive seed investment to fund their startup; gain exposure for their business ideas; and gain advice and mentorship from judges and their advisors. However, we believe that the intangible educational benefits of participating in these competitions must also be considered and captured as an important element of the process and also the institutional investment.

Although primarily aimed at producing startâÂ?Â?ups, business plan and pitch competitions have also been anecdotally found to offer a broad range of additional experiential learning opportunities to develop professional skills, knowledge capabilities, increased selfâÂ?Â?confidence and riskâÂ?Â?taking propensity. However, this data is not being captured or used as measurement of success of these events. As such, questions still remain in fully understanding the impact of these competitions, particularly in evaluating how teams or individual participants benefit or evolve after participating.

What is an entrepreneurial mindset?

Over many years, researchers and scholars have been refining the definition of “entrepreneurial mindset,” but most can agree its an attitude and skill set that encompasses resilience, calculated daring, and initiative to apply entrepreneurial thinking to any given situation. The common attributes associated with an entrepreneurial mindset include autonomy, innovative problem solving, risk acceptance, interpersonal sensitivity, idea generation, self-sufficiency and the ability to learn from failure. These attributes underpin the making of an entrepreneur, but importantly, are also central to employability of the 21st century workforce, because individuals with entrepreneurial mindsets are more intrapreneurial and help their organizations innovate. Consequently, developing an entrepreneurial mindset has become one of the key priorities within higher education across multiple disciplines.

However, curriculum alone can’t achieve this goal. For example, asking students to develop a business is easy, but creating sustainable business models that students want to pursue is hard! The majority of the business plans stop at the concept phase and hardly get validated or implemented by students. In addition, given that the vast majority of new start-ups fail within the first two years, we need to widen the entrepreneurship concept beyond the traditional business school-driven new business venture and growth model to appeal to all students, no matter what their future careers direction and professional goals.

Who are we and why do we think this important?

We are a research team of entrepreneurship educators and national competition directors, and we seek to develop a deeper understanding of how the experience of competing in entrepreneurship competitions can

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enhance the entrepreneurial mindset of the participants. We have gathered some preliminary qualitative and quantitative data over three years from a nationally recognized undergraduate entrepreneurship challenge. The data sources included participant and mentor feedback, judging records, news events, and observations of students related to the competition (approximately 222 students). Meaningful signals and antidotal evidence from this sample suggest that being involved in this competition has been a very positive experience for everyone involved, not just the declared "winners." In fact, many of the participants have indicated that these competitions have supported their career readiness (evidenced by higher employability), and early results indicate that it increases entrepreneurial self-efficacy (participants reported more belief in self/greater confidence.)

However, we know that there is more to learn and we want to start with entrepreneurship educators, entrepreneurship institution directors and anyone who has been involved in planning entrepreneurial competitions. The goal of our research is to establish an effective measurement to evaluate the benefits of entrepreneurship competitions and their contributions to enhance the entrepreneurial mindset in answering the following research questions:

1) What are the benefits and drawbacks for the student participants with regards to participating in entrepreneurship competitions?

2) How can entrepreneurship competitions enhance the entrepreneurial mindset of the participants?

3) What is the overall long-term value of these competitions, even when students do not succeed?

Let's Hear from You

Update: This survey is now closed. Thank you to everyone who shared their perspective.

Given the controversy surrounding the impact of entrepreneurship competitions as a way of developing new businesses, we would like to more fully understand whether there are additional benefits to these events, including helping more students achieve an entrepreneurial mindset. In doing so, we can illustrate to institutions that there are other measures of success, rather than simply the number of start-ups produced though these activities. The preliminary survey (link below) will help us understand your perspective (as an educator or competition planner) and incorporate your views in developing this measurement tool which will be given to competition participants.

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