

# Incubating reality-based entrepreneurs

The Tertiary School in Business Administration prepares its students to create businesses in the real world, writes Penny Haw

**S**OUTH Africans have been talking about entrepreneurship for decades. And, with unemployment unacceptably high and poverty as pervasive as ever, the notion of encouraging “the pursuit of opportunity without regard to resources currently controlled” — which is how Harvard Business School professor Howard Stevenson describes entrepreneurship — is as important as it has ever been.

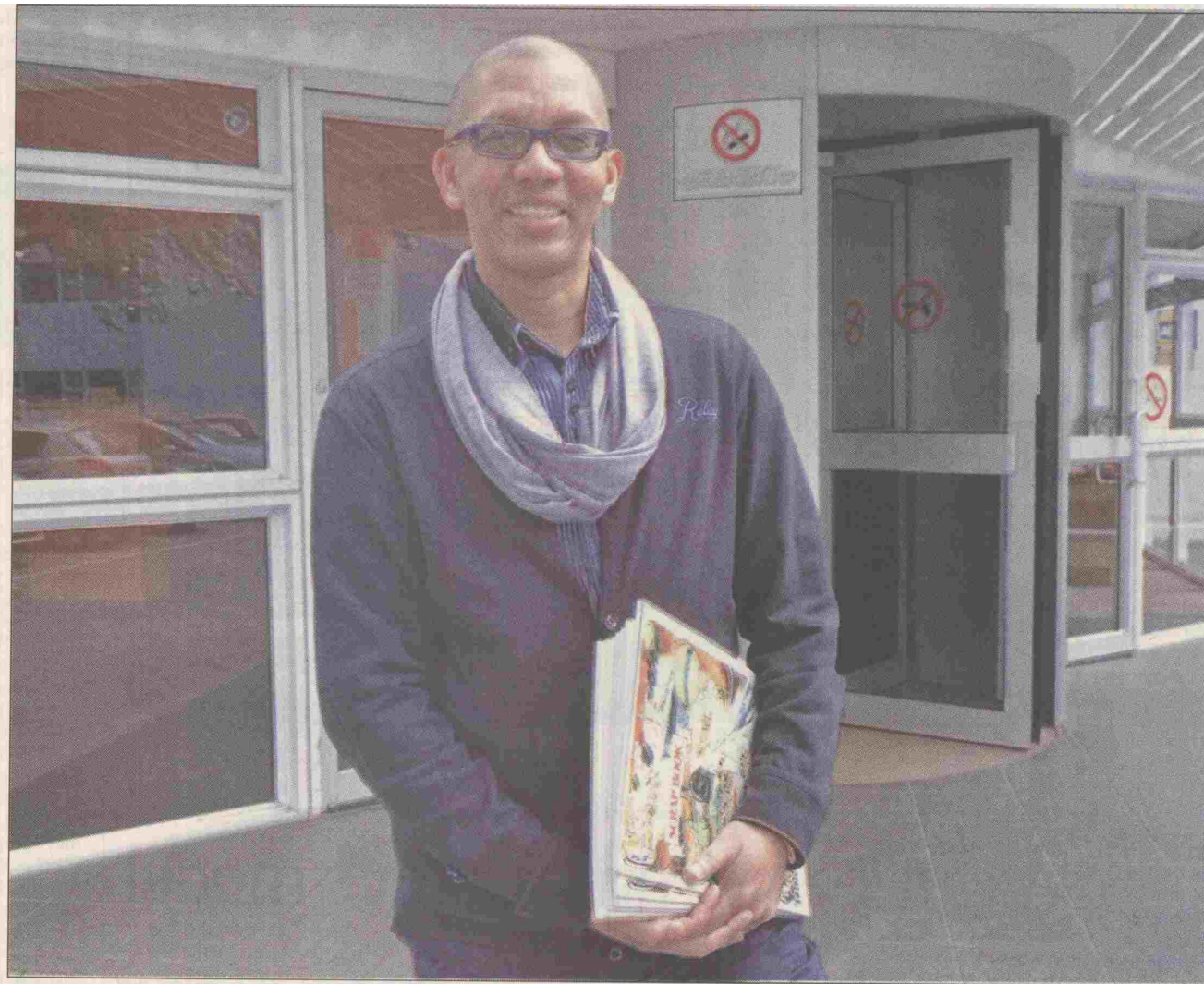
It's fortunate, then, that some are doing more than just talking about it.

Abraham Oliver is the ignition centre manager and entrepreneurship anchor at the Tertiary School in Business Administration in Cape Town. His job is to help convert the theory that students learn during the three-year Bachelor of Business Administration (BBA) degree in Entrepreneurial Leadership into successful, real projects. And he hopes some of these projects will evolve into fully fledged businesses and provide employment for others.

The school, which is a nonprofit organisation registered and fully accredited with the Department of Higher Education as a private higher education institution, does not require students to pay for their education monetarily. Instead, they're asked to “pay it forward” by transferring the knowledge, skills and resources they receive from the school to their communities. And, although up until now, most graduates have found employment in big companies — just two years after graduating, the school's students are among the country's top 10% of earners — the aim is to get as many graduates as possible to establish their own businesses.

“We want to be the spark that gets youngsters fired up about entrepreneurship,” says Oliver, who, before moving to the school two years ago, taught entrepreneurship at the Cape Peninsula University of Technology for seven years. “But, equally important, we want to equip them with all the knowledge, skills and training necessary to be successful entrepreneurs. Each year, we've taken students a little further, and next year we hope to begin incubating their registered businesses on campus.”

Students are introduced to the practicalities of running businesses early in their studies. During the one-year higher certificate in business administration foundation course, students are given R20 with which to fund a mini-business. By the time those who go on to study for a BBA are in their final year, they're expected to generate profits of at least R20,000. Many exceed this.



SPARK: Abraham Oliver's job is to convert the theory students learn during their three-year degree into successful projects. Picture: TREVOR SAMSON

“The student businesses have become exciting and competitive, with seniors inspiring those who are just getting started with their success stories. We recognise the top businesses with an award in the second year of the BBA and, as of next year, we're hoping the best businesses will begin operating independently of the campus, in the real world.”

Student businesses are established during the second year of the BBA, when five or six candidates team up to come up with a business plan and pitch, which they present to Oliver and his colleagues.

The pitches are assessed against various theoretical principles, which have already been taught.

The top three are rewarded with start-up funds of R500, R300 and R100 to help fast-track operations.

They and the other prospective businesses are then issued with 100 share certificates, which they're required to sell to investors, both on and off campus, for R50 each. The school purchases two shares in each venture.

“At this point, public

companies are formed and the businesses open campus bank accounts. Teams meet to delegate responsibilities and businesses' profiles to each person involved. Each business is allocated a mentor, who volunteers his time and expertise to the school.

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“Students are encouraged to interact with mentors regularly to monitor progress and advance operations.”

Mentors are integral to studies at the school, which recently launched a postgraduate diploma in small enterprise consulting designed for leaders, coaches, mentors and consultants with an interest in helping the growth and development of entrepreneurial activity in SA.

“Because we know what a huge difference effective

mentoring makes to the lives of our students, we're excited about developing this aspect of our teaching,” says Oliver.

Aside from what they learn from lecturers and mentors, BBA students also benefit from insight from their peers.

Student businesses present reports on their activities and progress to the other students. These lead to discussions during which students assess what their peers have achieved.

Conversation among peers encourages keener perception, which can lead to what Oliver calls “disturbances” — judgment that upsets the equilibrium of things and forces people to think differently and make changes for the better.

“Where there are problems in a business, other students inevitably provide suggestions and even solutions. As a teacher, it's very rewarding to see this interaction and to witness how much students have learned, not only through all the theory they've done, but also from practical experience as owners of businesses.”

The student businesses are varied. Among those currently in operation on campus are

sells fashionable clothing at student-appropriate prices.

Earlier this year, publishing house Juta & Company donated surplus stationery and textbooks to the school, which Oliver and his team handed over to students so they could start a stationery shop on campus. Other student-run activities at the school include a coffee shop, a games room and a second-hand clothing shop.

“We want the students to experience as many different business activities as possible so that they can get a good understanding of what various companies do and where they best fit in before they select their preferences.”

The school — which was founded in Cape Town in 2004, established a second campus in Karatara, near Knysna, in 2009 and will open another in Botswana next year — will, as of next year, officially register student businesses that have successfully traded as part of the second year of the BBA and incubate them on campus for a further year.

As part of their third year, students are required to do an internship. This year, all the final-year students opted to work for large companies bar one, who established a skateboarding company that organises events and competitions and sells branded skateboarding products.

“For me, the truly rewarding disturbance will be when the majority of third-year students say ‘no thank you’ to internships at places such as Woolworths and JP Morgan and, instead, use their student businesses for their individual practical industry projects. That's the kind of entrepreneur we want to develop: the kind that will go on to make a difference for others, build businesses, and influence unemployment and poverty.”