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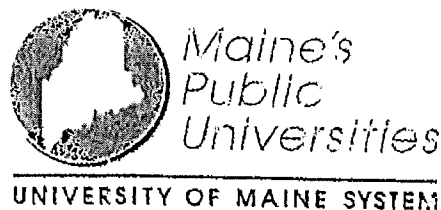
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## **ENTREPRENEURSHIP**

**Maine Community College System  
and  
University of Maine System  
Joint Report to the  
122<sup>nd</sup> Maine Legislature  
Joint Standing Committee  
on Education & Cultural Affairs**

**January 20, 2005**



January 20, 2005

Senator Elizabeth H. Mitchell  
Senate Chair  
Committee on Education and Cultural Affairs  
100 State House Station  
Augusta, ME 04333-0100

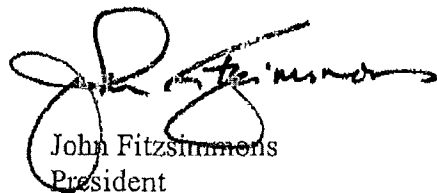
Representative Jacqueline R. Norton  
House Chair  
Committee on Education and Cultural Affairs  
100 State House Station  
Augusta, ME 04333-0100

Dear Senator Mitchell and Representative Norton:

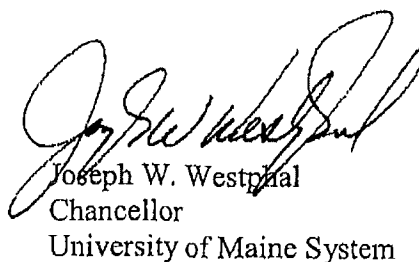
At the request of the 121<sup>st</sup> Maine Legislature's Joint Standing Committee on Education and Cultural Affairs, we are pleased to provide you with a report developed jointly by the Maine Community College System and University of Maine System regarding entrepreneurship efforts ongoing throughout both systems. Also included in the report is an analysis of the costs and benefits of implementing a unified, comprehensive approach to entrepreneurship education available to students statewide.

We appreciate your continuing support of our efforts and would be happy to discuss the enclosed report with you in more detail at your request.

Sincerely,

A handwritten signature in black ink, appearing to read "John Fitzsimmons".

John Fitzsimmons  
President  
Maine Community College System

A handwritten signature in black ink, appearing to read "Joseph W. Westphal".

Joseph W. Westphal  
Chancellor  
University of Maine System

JAN 15 2015

UNIVERSITY OF MAINE SYSTEM  
AND  
MAINE COMMUNITY COLLEGE SYSTEM

REPORT TO THE JOINT STANDING COMMITTEE ON EDUCATION & CULTURAL AFFAIRS

## INTRODUCTION

At the request of the 121<sup>st</sup> Maine Legislature's Joint Standing Committee on Education and Cultural Affairs, the Maine Community College System (MCCS) and University of Maine System (UMS) were asked to prepare a report detailing the existing entrepreneurial education initiatives in place. Also requested was an analysis of the costs and benefits of implementing a unified, comprehensive approach to entrepreneurship education available to students system-wide throughout both the MCCS and UMS.

In preparing this report, it became clear both the UMS and MCCS currently provide a substantial number of opportunities for entrepreneurship education and activities to students and citizens of Maine. Each system has unique areas of focus with regard to entrepreneurship education, but when combined, fit together very well as a comprehensive package. What follows is a description of those activities as well as an analysis of the benefits to a unified approach and the associate costs.

## NEED

Ninety percent of all Maine business entities are considered "micro" or "small." Almost half are comprised of five employees or fewer. Small businesses form the backbone of the Maine economy. Such business demographics speak to the necessity of entrepreneurial training as a foundation to a prosperous economy.

While small businesses comprise the vast majority of Maine's economy, no coordinated, statewide effort exists to match technical skills and entrepreneurial ideas with a foundation of essential business skills. Numerous economic development agencies provide a range of services and resources to aspiring business owners. However, the absence of a single, comprehensive entry point to entrepreneurship education can hinder Maine's economy and limit the potential of Maine citizens. Such an absence has been cited, for example, by the Governor's Taskforce on Youth Retention as a barrier to keeping Maine youth in the state.

In addition, the need for state-wide entrepreneurship training coincides with the significant transition of the Maine economy over the past decade. Since 1991, Maine's manufacturing base has declined by a third. Primarily comprised of large businesses, the manufacturing base has been replaced by smaller, more entrepreneurial entities, particularly in construction trades, technology and some service sectors.

Finally, a need exists in Maine for a broad appeal to potential business-owners and a clear progression of business skill development. Maine lacks a coordinated plan to market and

certify the skills of early stage entrepreneurs and “deliver” them to the next phase of assistance. Attempts to develop a consistent, state-wide delivery of entrepreneurial education presently lack coordination. Widening the pipeline of potential Maine entrepreneurs adds value to existing economic development agencies by creating broad-based appeal to those Maine citizens with a possible interest in an entrepreneurial venture. It also has direct value to Maine lending institutions who seek improved survivability of Maine businesses. Access to early-stage business skills requires private and public coordination to create a comprehensive entrepreneurial curriculum that meets the demands of both Maine lenders and potential business owners.

## **DESCRIPTION OF CURRENT ENTREPRENEURIAL ACTIVITIES**

### **University of Maine System**

Each University of the UMS has one or more activities related to some aspect of entrepreneurship. For most institutions, the entrepreneurship initiative resides in the School of Business or business program with linkages to other units. The widest range of activities takes place in the Schools of Business at USM and UM with limited activities at other UMS campuses. Following is a detailed description of current entrepreneurial education initiatives throughout the UMS:

### ***OUTREACH***

Major Initiatives of the USM School of Business:

- The Center for Entrepreneurship, which supports the development of academic courses in the School of Business and offers non-credit programs throughout the State (see outreach activities below).
- The Maine Small Business Development Center, which is funded by the US Small Business Administration (SBA) and the Maine Department of Economic and Community Development (DECD), and offers small business counseling throughout the State (including the counseling of small and start-up technology firms by a specialized technology counselor co-located with the Maine Technology Institute in Gardiner).
- The Center for Business and Economic Research (CBER) which conducts economic research on the effectiveness of economic development initiatives throughout the State. For example, CBER is responsible for the ongoing evaluation of the effectiveness of the Maine Technology Institute and is also currently studying the causes and effects of out-migration in Aroostook County for the Northern Maine Development Commission.

The University of Southern Maine also has a number of programs outside of the business school that play an important role in economic development. These include:

- The University of Maine School of Law’s Technology Law Center and the Maine Patent Program that provides important assistance on intellectual property rights for small and start-up businesses.
- USM Research Initiatives which is fostering the development of products and services which have the potential for commercialization, particularly in the biosciences.

Major Initiatives of the University of Maine School of Business:

- A partnership with the Orono Target Technology Incubator, providing an opportunity for undergraduate and graduate students to work with incubator companies in a variety of capacities such as marketing and business plan development. Business school faculty are also engaged with the incubator companies either through their courses or through direct assistance.
- Cooperation with the UM School of Engineering and the Advanced Engineered Wood Composites Center, with an emphasis on introducing entrepreneurship content into the academic curriculum either through specific courses or through integrating the content throughout courses and to identify commercialization potential for inventions, particularly in the Composites Center.
- Development of a commercialization course with a grant from the National Collegiate Inventors and Innovators Alliance.

The University of Maine also has programs outside of the business school that play an important role in economic development:

- UM Co-operative Extension provides important outreach activities, including educational resources to those starting a small or home-based business, business and economics specialists, a virtual resource library and a local radio program for small and home-based business owners.
- A recent bond issue received by the University of Maine will provide a Technology Innovation Center on campus for student-run companies.

### *ACADEMIC PROGRAMS/OFFERINGS*

Faculty: One university in the UMS, UM, has a full-time faculty position in entrepreneurship. Other institutions provide courses in entrepreneurship, the course(s) are taught by faculty with other non-entrepreneurship teaching responsibilities

Courses: At the present time a concentration or minor in entrepreneurship is not offered by any UMS institution however many opportunities for entrepreneurship study and outreach exist.

For example, at USM three entrepreneurship courses are team-taught by a faculty member and an entrepreneur. Four teams were sent to the Price-Babson Fellows Programs for an introduction to the entrepreneurial process, pedagogy, research and publication opportunities and participation in a nation-wide network of faculty in entrepreneurship. In return for participation, teams are required to create a new course or to retool an existing course. The entrepreneur provides 20% of his/her time for one year to develop and teach the course and serves as an adjunct faculty member.

UM has one course in entrepreneurship and has developed a commercialization course as part of a set of courses in commercialization.

The University of Maine at Farmington and the University of Maine at Fort Kent periodically offer courses taught by faculty members who are local entrepreneurs. The University of Maine at Augusta offers one course specifically on entrepreneurship. Machias is in the process of developing one or more courses.

Currently academic certificate programs in entrepreneurship are not available, although UM is considering this option.

### ***ADDITIONAL ACTIVITIES AND ENGAGEMENT***

Entrepreneurial activities and engagement takes place internally, between campuses, with the surrounding communities and state-wide. The widest range of activities takes place at USM and UM.

- Student Organizations: Two universities, USM and Farmington, have student organizations in entrepreneurship. Both host the Students in Free Enterprise (SIFE).
- Co-Op/Internships: While several universities have intern/co-op programs with entrepreneurial companies, none target these companies exclusively. At UMF, most internships are with small, entrepreneurial companies because that is the business profile in the area.
- Entrepreneurs as Guest Speakers: Entrepreneurs are frequent guest speakers in entrepreneurship courses.
- Student Business Plan Competition: USM offers a Student Business Plan Competition. During the first two years, the competition was restricted to teams with at least one USM student member. During 2003-04, the competition was broadened to include Southern Maine Community College students, with the future goal of opening the competition to all students in higher education in Maine. This competition plays a significant role in economic development because the winning student team is required to launch their business within one year of the competition. The winning team is awarded \$10,000 in cash plus \$15,000 in professional services to facilitate the launch.
- Center for Entrepreneurship: USM has a Center for Entrepreneurship which provides state-wide outreach. Established by the UMS Board of Trustees in 1996 and launched in 1997, the Center offers Fast Trac™, a non-credit business development program in partnership with Heart of Maine, (a Resource Conservation and Development Area (USDA) agency). In 2004 USM and UM collaborated on a Kauffman Foundation Higher Education grant to create a Summer Institute on Entrepreneurship. The Center is administered by one part-time director.
- Outreach (non-credit): USM provides non-credit courses/programs state-wide to entrepreneurs through its Center for Entrepreneurship and the Maine Small Business Development Centers (MSBDC) which also provides business counseling and technical assistance services. MSBDC is located at USM. UM Co-operative Extension also has a full range of programs for education and training for small and home-based businesses. Other campuses periodically provide workshops and seminars.

- Incubator: UM School of Business works closely with the Target Technology Incubator while USM has had limited marketing projects with the Center for Environmental Enterprise, Maine's first incubator located in Southern Portland at Southern Maine Community College.
- Research: Research is limited in part because of small number of faculty positions dedicated to entrepreneurship (one at UM). The single entrepreneurship faculty member at UM (hired in the fall of 2003) focuses on commercialization. At USM, one faculty member (not solely dedicated to entrepreneurship) is exploring rurality as a factor in successful entrepreneurship. While research on entrepreneurship per se is limited, both UM and USM have received grants and contracts to further entrepreneurship through curriculum development and outreach activities.

### **Maine Community College System**

Like the UMS, each college of the Maine Community College System has numerous ongoing entrepreneurship education activities. While the level of activity and staffing varies from college to college, clearly each of the seven community colleges throughout Maine have acknowledged the regional and state-wide need for entrepreneurship education and each continues to expand its offerings in this area as resources allow. Following is a detailed description of the current entrepreneurial education initiatives throughout the MCCS.

#### ***CENTRAL MAINE COMMUNITY COLLEGE – Auburn***

##### **Entrepreneurship Specific Offerings**

- Basics of Finance for Small Business Owners
- Identifying Your Target Market
- Starting a Business
- Year End Planning
- Cash Flow Management Using Excel
- Writing a Business Plan
- Finding Answers to Your Income Tax Questions
- Introduction to QuickBooks
- Understanding Workers Compensation
- Employment Taxes and Small Business
- The Basics of Selling
- Leverage Sales

Note: All of the above offerings are not for credit

##### **Credit Courses as part of Degree Program or as Electives**

Small Business Management

##### **Staffing**

While CMCC does not have any staff dedicated to entrepreneurial efforts, the Corporate & Community Services Division has recognized some regional need



and continues to expand its offerings in this area. In addition, division staff serve on several committees, both regional and state-wide, that seek to find better ways to support the efforts and needs of the entrepreneur.

### ***EASTERN MAINE COMMUNITY COLLEGE – Bangor***

#### **Entrepreneurship Specific Offerings**

The college is currently seeking authorization from the MCCS Board of Trustees for a Certificate program in Entrepreneurship Studies. Elective courses to meet degree requirements in all technologies include: Business Plan Composition, Small Business Financials, Small Business Human Resource Management, Small Business Marketing, and Small Business Communications.

EMCC library hosts a Business Information Center (BIC).

College offerings one-on-one counseling to individuals interested in starting their own business.

#### **Credit Courses as part of Degree Program or as Electives**

Students may take any of the Business Management Program courses providing prerequisites have been met. Principles of Small Business Management is already part of the curriculum for Automotive, Culinary Arts, Diesel Truck and Heavy Equipment programs of study.

#### **Staffing**

EMCC employs one individual on a part-time basis dedicated to entrepreneurship activities. The individual is also a certified Small Business Development Counselor for the Small Business Development Centers funded by the SBA.

### ***KENNEBEC VALLEY COMMUNITY COLLEGE – Fairfield***

#### **Entrepreneurship Specific Offerings**

- Introduction to Supervision
- Management Principles
- Communication Skills
- Interpersonal Relationships
- Developing Employee Performance
- Leadership Development
- Starting a New Business
- Developing a Business Plan that Works
- Tax & Legal Structure
- Basic Bookkeeping
- Financial Planning
- Business Writing
- Hiring to Build an Effective & Powerful Business
- Customer Service

- Computer Training Workshop
- Introduction to OSHA & Recordkeeping

Note: All of the above offerings are not for credit

**Credit Courses as part of Degree Program or as Electives**

- Small Business Management
- Business Law
- Supervisory Management
- Introduction to E-Commerce
- Introduction to Entrepreneurship
- Entrepreneurship: Management and Strategy

**Staffing**

KVCC employs a part-time consultant responsible for development and instruction of entrepreneurial courses.

***NORTHERN MAINE COMMUNITY COLLEGE – Presque Isle***

**Entrepreneurship Specific Offerings**

- Greater Customer Service
- Better Business Writing
- Professional Sales Skills
- Build Your Small Business

Note: All of the above offerings are not for credit

**Credit Courses as part of Degree Program or as Electives**

- Personal Finance
- Supervisory Management
- Small Business Management
- Advanced Computer Applications for Business

**Staffing**

NMCC has no staff dedicated to entrepreneurial efforts.

***SOUTHERN MAINE COMMUNITY COLLEGE – South Portland***

**Entrepreneurship Specific Offerings**

- Certificate in Entrepreneurship/Business Ownership (*for credit*)
- Certificate in Business Start-Up (*for credit*)
- Certificate in Small Business (*not for credit*)

**Credit Courses as part of Degree Program or as Electives**

- Entrepreneurship
- Growing the Enterprise
- Marketing
- Incubator Participation
- New Product and Service Design

- Financial Accounting
- Management and the Dynamics of Leadership
- The Selling Process
- Advertising

**Staffing**

SMCC has one part-time employee dedicated to entrepreneurial efforts.

***WASHINGTON COUNTY COMMUNITY COLLEGE - Calais***

**Entrepreneurship Specific Offerings**

The college is currently developing a 12-credit hour certificate in Entrepreneurial Management to be offered in the evening hours.

**Credit Courses as part of Degree Program or as Electives**

- Business Management
- Introduction to Business
- International Business and Adventure Recreation
- Capstone Seminar Course

**Staffing**

WCCC currently has no staff dedicated to entrepreneurial efforts, however, the college works closely with Washington/Hancock Community Agency (located on the campus) to help students develop and promote their entrepreneur efforts.

***YORK COUNTY COMMUNITY COLLEGE – Wells***

**Entrepreneurship Specific Offerings**

Each week YCCC offers two different 2-hour seminars. Below is a list of seminar topics currently offered at the college. In addition, the college is in the process of developing a certificate program of studies in Entrepreneurship.

- Business Administration
  - Strategic Planning
  - Outsourcing
  - Exit & Succession Planning
  - Investments
- Accounting & Finance
  - Accounting Basics
  - Business Financing
  - Quickbooks/Accounts Receivable
  - Attracting Private Capital
  - Insurance
- Human Resources
  - Developing Your Team
  - Effective Hiring/Employment Law
- Legal
  - Organizational Structure
  - Purchase & Sales Agreements

- Communication Skills
  - Effective Presentation & Business Writing
  - Business Telephone Etiquette
- Marketing
  - Marketing Your Business
  - E-Commerce
- MS Office
  - Excel, Word, Access, Outlook, Powerpoint

### **Staffing**

YCCC currently has no staff dedicated to entrepreneurial efforts.

## **ANALYSIS OF THE BENEFITS OF A UNIFIED APPROACH**

As stated earlier, it is apparent from this report that both the UMS and MCCS already provide a number of important outreach activities and academic opportunities that support entrepreneurship in Maine. It is also clear that a more coordinated effort could benefit the state and its citizens by leveraging resources, by providing clear leadership of and responsibility for outreach, academic programs and research that could support entrepreneurship. To that end, the Chancellor of the UMS and President of the MCCS have charged the Maine Higher Education Partnership, a council of representative presidents from both the UMS and MCCS, with monitoring entrepreneurship education activities to ensure that both systems continue to work together collaboratively.

Additionally, a unified approach could reduce duplication and more efficiently utilize resources dedicated to this work and potentially extend the reach of all the institutions of higher education involved in this work. By extending our reach, both UMS and MCCS could better support Maine citizens wishing to pursue entrepreneurship education resulting in the ultimate goal of developing new Maine businesses which would provide new jobs and leadership opportunities for our citizenry.

## **COST**

### **University of Maine System**

The University of Maine System recognizes the importance of academic programs and public service activities in entrepreneurship to enhance the future growth of Maine's economy and to provide job opportunities for Maine's citizens.

Building on a very strong academic foundation, the nationally accredited business and management programs at UM and USM, UMS proposes the development of formal undergraduate and graduate entrepreneurship programs at both universities. These new programs will leverage already existing faculty expertise at UM and USM by complementing them with new faculty who specialize in entrepreneurship.

Students in these newly expanded programs will acquire the skills and knowledge necessary to become entrepreneurs – including critical thinking and problem solving

skills – by: engagement in a liberal arts curriculum; exposure to 21<sup>st</sup> century technology and business practices; participation in newly designed and established internships and co-op experiences; and study with faculty who specialize in business development and free enterprise. Entrepreneurship education will be further augmented by the study of global business practices, ethics and technologically advanced processes.

The faculty and staff of these expanded programs will also offer a full complement of public outreach services and activities statewide. The benefits of these activities are numerous, for example: to identify new and emerging opportunities for Maine businesses; to assist current businesses to expand, grow and remain viable; and provide real-world learning experiences for students.

UMS proposes the following to support the development of undergraduate and graduate programs and outreach activities at UM and USM.

- Academic programs in entrepreneurship at UM and USM
- Internships and co-op experiences
- Additional outreach efforts
- New faculty and staff support (to include an associate dean, one each at UM and USM and three faculty positions)
- Operational support

Estimated annual cost:           \$600,000

### Maine Community College System

The MCCA is proposing to develop a series of five entrepreneurial training seminars to be offered statewide, at each of Maine's seven Community Colleges.

The MCCA will combine content expertise and financial resources with a fully developed system of educational delivery. The series will be comprised of five segments, each covering a key aspect of starting and operating a successful business. The series will culminate in Business Start-Up Certificates being awarded to each participant upon successful completion of each seminar.

The initial two-year project will seek 200-300 participants per year throughout the seven Community College regions. Over the two-year period, as many as 600 Maine citizens will receive the entrepreneurial training and be granted a Business Start-up Certificate upon completion. After completion, high-potential participants will be directed to other economic development agencies such as DECD, the Small Business Administration, Small Business Development Centers or other resources.

The proposal seeks to meet the following objectives:

- To develop a consistent foundation of initial entrepreneurship training throughout Maine, open to the general public – as well as certificates of completion that are recognized by lending agencies throughout Maine

- To expand awareness of and interest in entrepreneurial endeavors and to increase the likelihood of success of such ventures
- To add value to existing economic development agencies by creating broad-based appeal to Maine citizens who aspire to launch their own business
- To refer high-potential participants to the next level of services, specifically lending institutions and other economic development agencies

Estimated annual cost: \$300,000

*Cost includes Training Seminars, Marketing, and Staff Support*

<b>Total Estimated Annual Cost:</b>	
<b>UMS</b>	<b>\$600,000</b>
<b>MCCS</b>	<b><u>\$300,000</u></b>
<b>Total:</b>	<b><u>\$900,000</u></b>