

The Chronicle of Higher Education
August 30, 2007

The Professorial Entrepreneur

By PHILIP L. LEOPOLD

FIRST PERSON

Personal experiences on the job market

Academics are charged with two responsibilities: creating new knowledge and transferring existing knowledge. Most of us would regard those lofty, idealized goals as something quite distinct from the mundane, profit-driven pursuits of the business world.

But in fact, the realities of a faculty career bear many similarities to the business world, and, in particular, to the world of the entrepreneur. After all, one of the principle attractions of both is the chance to be your own boss, at least intellectually.

So what exactly is a "professorial entrepreneur?"

I don't use that term in the same sense as the phrase, "academic entrepreneur," which describes a faculty member who starts a for-profit business, often as an extension of his or her research or expertise. Instead, I introduce the term, "professorial entrepreneur," to indicate the spirit of building something from nothing ("bootstrapping," as it is known to entrepreneurs).

By recognizing the parallels between the business entrepreneur and the professorial version, you as a new faculty member might avoid the pitfalls that come with being your own boss. And you might begin your career with a more realistic, balanced approach to the challenges of the profession.

The success of a business entrepreneur, or a professor, depends largely (if not exclusively) on the quality of the product or service delivered.

However, an entrepreneur with an excellent product or service can still fail for reasons that revolve around the core business principles of finance, management, and marketing. Not surprisingly, a professor with tremendous insights in the classroom or an outstanding research program can also fail for reasons related to finance, management, and marketing.

Entrepreneurs are trained to watch the bottom line. In an ideal setting, an entrepreneur's revenues would come primarily from sales, but an entrepreneur is far more likely to have

to rely on other sources of capital such as personal equity, angel investors, or venture capitalists to build momentum for sales. Those sources of income must be balanced against expenses including personnel, raw materials, stock items, infrastructure, equipment, real estate, utilities, interest, and depreciation.

The financial picture for professors can be amazingly similar. Starting on the expenses side, professors often employ postdoctoral fellows, students, and technical or clerical assistants. Also, professors are often accountable for all, or a portion, of their own salaries during the summer if not during the academic year.

In life-sciences research, it is not unusual for salaries and benefits to account for 70 percent of a laboratory's budget. In addition to salaries, grants and contracts typically include budgets for equipment, supplies, and travel where the last category is, in part, a marketing function.

Even the concept of depreciation enters into the academic arena. A professor must consider the periodic need to replace equipment or update reference material and databases. In that sense, the value of the resource must be amortized over its useful lifetime, and sufficient cash must be available to replace the item at periodic intervals.

Academic revenues traditionally come from government grants and contracts, but other sources can be available such as philanthropists (similar to angel investors except that philanthropists seek creation of knowledge as the ultimate return on investment) and university monies (similar to venture-capital dollars, in that the university gets a return on its investment in the form of elevated prestige based on the accomplishments of the faculty member and, in some cases, overhead costs based on future grants and contracts).

Professorial entrepreneurs do not have a profit motive like their business cousins but do face pressure to break even, and a certain amount of financial expertise is required to make that happen.

Business entrepreneurs who lack management skills often find that that is an impediment to their own growth. Similarly, professors need those skills as the team leaders for research assistants and students. Effective management skills are also an asset in the classroom where the respect and attention of the students must be maintained.

Skills such as recruiting, evaluating, motivating, advising, and communicating with employees or students are part of the everyday life of a faculty member, as are promoting, disciplining, or terminating them. Some of those skills are also helpful in working effectively with colleagues, administrators, and vendors.

The entrepreneurial topic that academics are least likely to embrace might be the most important concept in their career: marketing.

To a professor, the term might carry connotations of profit motives and deceptive practices. Inasmuch as marketing represents the dissemination of the product, professors should realize that marketing is an essential responsibility of their profession.

Imagine the following scenario: A professor receives a multimillion-dollar federal grant to test a hypothesis related to cancer prevention. The professor conducts the research and arrives at a conclusion that satisfies his or her intellectual curiosity but never publishes the results.

Not only would that be intellectually wasteful, but it would also be a disservice to the people whose government paid for the project. By publishing the work in a journal, the professor completes his or her obligation to disseminate new knowledge. The new knowledge is the product, and publication is the dissemination of it, a form of marketing of ideas.

Similarly, participation in seminars or symposia at national meetings, as a visitor at other universities, or in the public arena represents marketing of a professor's ideas and knowledge.

The marketing analogy goes beyond the importance of sharing information to the very heart of academic advancement. In sharing your ideas, you promote not only the ideas, but also yourself. The incidental self-promotion that comes from the association of a name with an idea forms the foundation of an academic reputation.

In the business world, the concept of reputation is known as "brand identity." You keep using a brand you trust. Likewise, when an esteemed professor publishes a paper, it is greeted with a bias toward acceptance rather than doubt.

Furthermore, evidence of a good academic reputation is required if you hope to earn tenure and that evidence includes letters from experts outside of your home institution. Empty self-promotion will be recognized as such, but a brand identity (academic reputation) that is built on marketing (publications and presentations) of a high-quality product (new knowledge) is an essential part of an academic career.

Finally, the concept of marketing is essential for plotting a strategic course for your career. When you ask questions like, "What is the next hot topic?," "What funding priorities have been identified by Congress?," or "How will reduced funding affect my area of research?" you are essentially doing a market analysis. You should be asking those questions to find out if the money will be available to complete a body of work and to ensure that an audience will exist to receive it.

I am not saying that scholarship should be driven exclusively by market forces. In fact, the most exciting ideas at the cutting edge of any field arise *de novo*. However, the best way to give yourself the opportunity to have "Eureka!" moments is to build a stable foundation for the academic enterprise.

Recognizing that the entrepreneurial spirit is essential in academe should be a liberating and motivating force in a professor's career. For professors and business entrepreneurs alike, the old adage holds: What you get out of it depends on what you put into it.

Given the parallels between professorial and business entrepreneurship, I would make several recommendations to institutions and to young scholars:

- If you begin your career recognizing that finance, management, and marketing are integral to your success, you will be less likely to fail for ancillary reasons. Of course, you may still fail if your teaching and/or research is weak, but if you've got a good "product," knowledge of business basics can aid in your ultimate success. So seek a mentor in those areas.
- Colleges and universities with business programs might benefit by leveraging the expertise and teaching acumen of their business professors to provide faculty-development materials or courses for the remainder of the faculty. Alternatively, university employees who provide such business services to the university (e.g., the human-resource director who is knowledgeable about management issues, the vice provost for administration who is an expert in finance) might be tapped to develop training materials for new faculty members.
- The intersection of entrepreneurship and the academic enterprise might make an interesting area of study that could result in a set of common tools for professors.
- The personal and professional stresses experienced by entrepreneurs and professors are likely to be similar. By identifying and mitigating those stresses, campus administrators may improve the success of the faculty members.

The idea of building an enterprise is inherently exciting and can be a positive motivating force for young faculty members. We need to help them look beyond the next grant, manuscript, or lecture to see that all facets of an academic career are linked and that each increases the value of the whole. We need to help them become professorial entrepreneurs.

Philip L. Leopold is an associate professor of genetic medicine at the Weill Cornell Medical College of Cornell University.