IVORY TOWER OR SILICON ROUNDABOUT? THE URGENT NEED TO BUILD STUDENT EXPERIENCES FOR THE START-UP GENERATION

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00: FOREWORD

What are universities for? The Teaching Excellence Framework (TEF) prioritises employment alongside teaching and student experience. But globalisation, structural economic change and automation are all impacting traditional graduate jobs.

Perceptions of meaningful employment are changing. In particular, **student aspirations are shifting towards entrepreneurship and independence. But most universities place little emphasis on entrepreneurship** in their collateral and continue to advocate outcomes that may no longer appeal.

If student needs are not fully understood, it is impossible to design experiences to match them, eroding satisfaction and NSS scores. Universities who address the attitudes of this 'start-up generation' can differentiate themselves and better meet the needs of demanding students.

This paper is for executives engaged in recruitment and building student experiences. It outlines why universities must understand precisely what students' want and manage perceptions by designing experiences aligned closely to their needs as an integral part of their education journey.

Chris Nutt
Director, Student Experience Company

01: INTRODUCTION

More than half of people born after 1998 want to start their own company. But 56% of British universities make little mention of entrepreneurship in their undergraduate prospectus.

British universities are uniquely placed to help start-up orientated students build their dreams. After all, the UK is one of the best places in the world to start a business[1]. Ironic then that both government and universities communicate such emphasis on traditional employment outcomes.

There is enormous opportunity for British universities to differentiate themselves by building a student experience that meets the needs of this start-up generation. The benefits of this range from higher student satisfaction, more efficient and successful student recruitment through to opportunities for a more central role in government policy.

BRITISH UNIVERSITIES ARE UNIQUELY PLACED TO HELP START-UP ORIENTATED STUDENTS BUILD THEIR DREAMS.

Many universities miss this opportunity because they don't design and deliver the right experiences for their start-up minded students. This is a strategic issue and not simply a communication one. The fundamental question is how universities can internalise the culture of silicon roundabout.

This paper draws together the evidence for the entrepreneurial aspirations of the start-up generation. It presents new research by Student Experience Company that demonstrates the entrepreneurship gap in 2017's undergraduate prospectuses. We go on to describe the five strategic practices that are essential for universities to successfully design and deliver great student experiences for the start-up generation. Finally, we present international case studies demonstrating how selected universities have innovated and committed to delivering great experiences for entrepreneur-students.

02: UNDERSTANDING START-UP STUDENTS

55%

OF GEN Z WANT TO START THEIR OWN COMPANY

40%

FEAR THEY WON'T FIND A JOB THAT MATCHES THEIR PERSONALITY

Generation Z is the group born since 1998. They are, of course, hugely significant to universities. Almost half the 2016 undergraduate intake (285,000) were 18 years old[2].

Traditional employment has never been less attractive for Generation Z. Gen Z has watched its parents struggle through the dot.com bust, the credit crunch and the waves of lay-offs and pay freezes that resulted. The impact of these family experiences echoes consistently in their attitudes and behaviour.

Universum Global (a consultancy) finds that 55% say they are interested in starting their own company[3]. Other research finds that 42% expect to work for themselves rather than for someone else[4]. Harvard Business Review reports that 70% of teens are working "entrepreneurial jobs"[5] rather than the more traditional paper rounds or shop work.

Another agency describes Gen Z as having the "**internal engine of a start-up**". At the same time, traditional employment has probably never been less attractive. Nearly four in 10 fear they won't find a job that matches their personality[6].

TODAY'S STUDENTS HAVE THE INTERNAL WIRINGS OF A START-UP

30%

OF CURRENT UK STUDENTS ARE RUNNING OR PLAN TO RUN THEIR OWN BUSINESS

Research by Santander Bank found that almost a third of current UK undergraduate students (30% or 518,372) run or plan to run a business whilst at university. Santander estimates that student enterprises generate revenues of £913 million per year and that a quarter of those students plan to turn their enterprise into a career upon graduation[7]

"NOT LONG AGO, DROPPING OUT OF SCHOOL TO START A COMPANY WAS CONSIDERED RISKY. FOR THIS GENERATION IT IS A BADGE OF HONOUR, EVIDENCE OF AMBITION AND FOCUS"

THE WALL STREET JOURNAL

START-UP CULTURE CHALLENGES UNIVERSITIES' MONOPOLY ON A GOOD EDUCATION

The start-up culture also feeds into Generation Z's attitudes about education. Steve Jobs, Bill Gates and Mark Zuckerberg are the Henry Fords of Gen Z's era. All three dropped out of university. Peter Thiel, the PayPal co-founder, even offers annual $100,000 scholarships to young people who want to forego university "*to build new things instead of sitting in a classroom*"[8.]

For Gen Z, education does not necessarily mean 'University'. On one hand, 81% of Generation Z view a degree as important for advancing their career goals.[9] On the other, Sparks & Honey (an agency) found that 75% of teens say that "you can get a good education in other ways than going to university"[10].

As a result, Generation Z is becoming increasingly attuned to degree substitutes. 47% say they would "maybe" consider the notion of joining the workforce instead of pursuing college/university[11]. Consequently, employers fighting the war for talent could begin to reach out earlier to offer more on-the-job education than is typical today. This could effectively 'disintermediate' universities.

75%

OF TEENS SAY YOU CAN GET A GOOD EDUCATION IN OTHER WAYS THAN UNIVERSITY

Another degree substitute is the Massively Open Online Course (MOOC). MOOCs are online courses aimed at unlimited participation with open access. In 2015, 35 million people signed up for one; a growth rate of almost 118% compared to the previous year[12]. MOOC use is especially significant in the developing world, where course completion rates and adoption by the middle class far exceeds that experienced in the US and Europe[13].

Today, in the UK, these changes may not look like a significant threat to the traditional degree. Indeed, on 'A Level Day', 2016, UCAS set a new record for number of places offered for 2017's intake[14]. But they are incremental weak signals of shifting attitudes.

In summary, Universities are at risk of progressively losing their status as monopoly keepers of the keys to a good education. This means that they will have to work harder to communicate the value of traditional higher education and/or flex and adapt their educational models.

03: THE START-UP GAP IN BRITISH UNIVERSITIES

Generation Z's attitudes to work are different to the Baby Boomers and Generation Xers, who largely run today's higher education sector and for whom traditional employment has been a strong motivator. As a result, there is a real risk of unconscious bias in the way that universities design and communicate experiences for students.

To evidence this, we studied the 2017 undergraduate prospectus of every university listed in the Times Higher Education ranking[15] and compared the frequency of "employment words" and "entrepreneur words".[16] We acknowledge that this methodology is not semantically perfect, but nonetheless it is an approximate measure of a meaningful phenomenon.
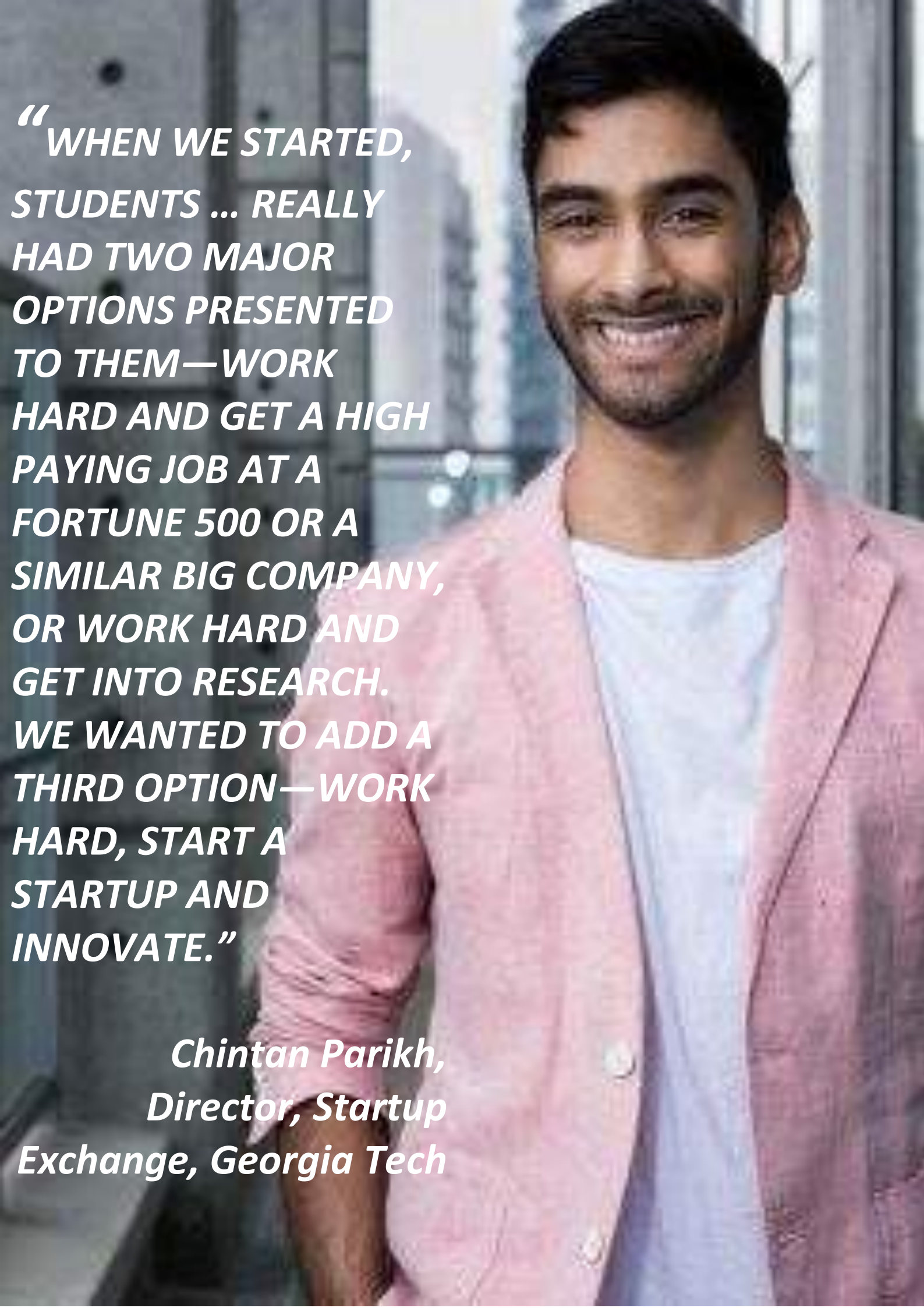
BRITISH UNIVERSITIES FAIL TO COMMUNICATE ENTREPRENEURSHIP
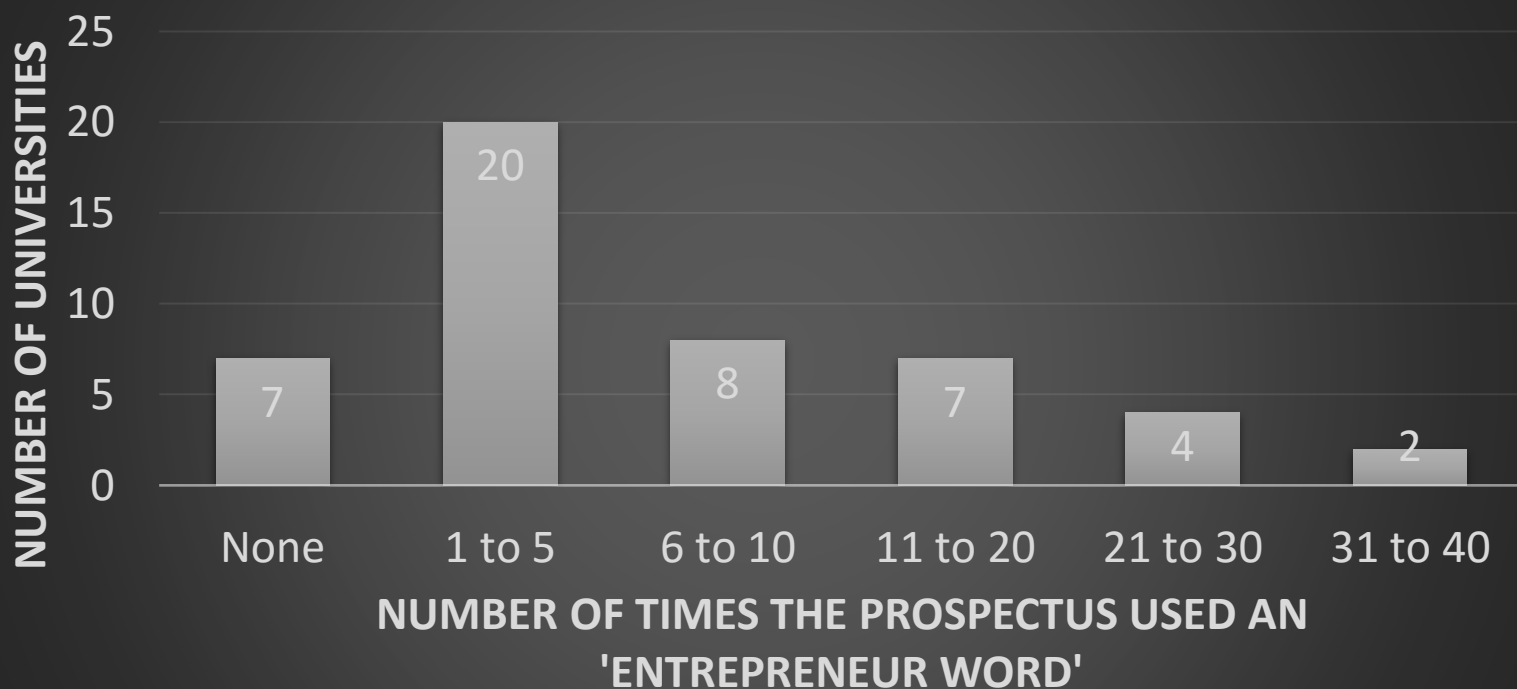
Of 48 leading British universities' undergraduate prospectuses, we found that[17]:

- **15%** failed to use a single "entrepreneurship" word.
- **56%** use five or less "entrepreneurship words."
- On average, universities use an "employment word" twelve times more frequently than an "entrepreneurship word".
- On average, 2017 undergraduate prospectuses used 103 "employment words" and just eight "entrepreneurship words".

"WHEN WE STARTED, STUDENTS ... REALLY HAD TWO MAJOR OPTIONS PRESENTED TO THEM—WORK HARD AND GET A HIGH PAYING JOB AT A FORTUNE 500 OR A SIMILAR BIG COMPANY, OR WORK HARD AND GET INTO RESEARCH. WE WANTED TO ADD A THIRD OPTION—WORK HARD, START A STARTUP AND INNOVATE."

Chintan Parikh, Director, Startup Exchange, Georgia Tech

THE ENTREPRENEURSHIP GAP IN RANKINGS TABLES

The Key Information Set (KIS) is an official overview of comparable information on higher education courses for prospective students.

The employment outcomes data in KIS is entirely designed around traditional employment outcomes. It omits data that would be relevant to start-up minded students.
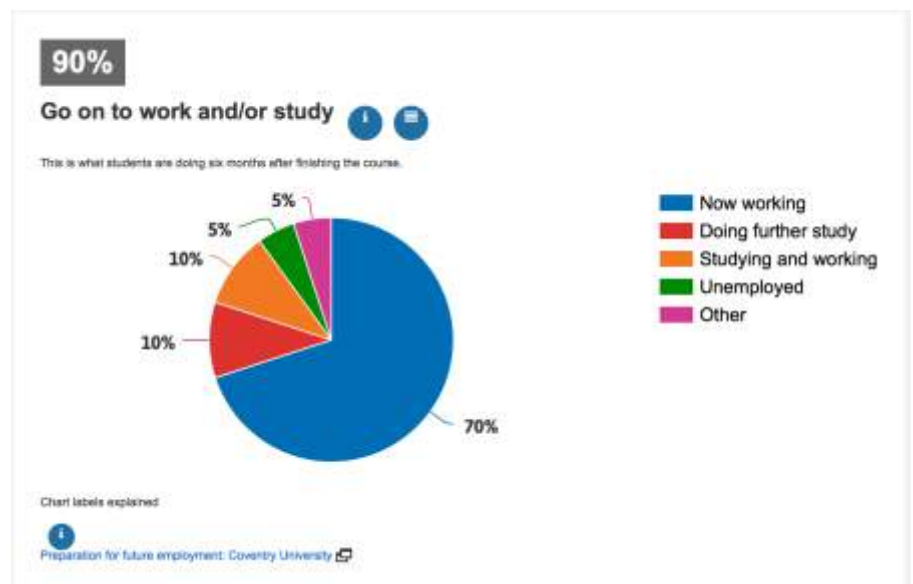
For example, post-study employment outcomes do not include business start-up. Employment six months after the course is described as 'professional', 'managerial' or 'other'. Post-course earnings are described as 'salary', a word with strong connotations of traditional employment. [18]

04: STRATEGIES TO BRING SILICON ROUNDABOUT INSIDE THE UNIVERSITY

Universities that embrace start-up culture and deliver the right student experiences stand to gain. They will unlock opportunities for:

- More efficient student recruitment/marketing even as the market reform and 'peak student demographics' lead to greater competition for student recruitment.
- Becoming more central to government industrial policy and to the small business, innovation and start-up agenda.
- They will attract dynamic individuals who will enrich the experience the university offers thus indirectly contributing to satisfaction scores.
- Managing the risk of a value story whose focus is largely on the graduate premium

Modern Universities are significant enterprises with complex hierarchies and business models so change is complex. In this section, we outline the five key strategies for achieving it.

STRATEGY 1: STUDENT INSIGHT

Most universities use a range of student surveys (including but not limited to the National Student Survey) together with representative bodies and forums to channel the voice of the student.

There are two problems here. The first is, as one leading Pro Vice-Chancellor stated to us recently: "*How can we understand student perceptions fully without surveying them to death*?" The second is that many surveys (NSS included) tend to bake in pre-existing assumptions. The issue then is how to create light-touch insight without the 'noise' of an institution's cultural assumptions.

This is where personas are an important asset. A persona is a visual representation of a cluster of students with similar needs and traits. Personas that include insight about career motivations provide richer and more usable insight into students' voiced and unvoiced needs.

Additionally, on the principle that "*what gets counted, counts*" universities need to measure and report student start-up activity. This acts as a lever for cultural change and can also provide entrepreneurially minded student prospects with reasons to believe in the university's start-up credentials.

STRATEGY 2: COMMUNICATE ENTREPRENEURSHIP

As our research demonstrates, universities need to do more to explain how they can develop and nurture the entrepreneurial aspirations of their students. One University in our sample (University College London) does this through a dedicated section on entrepreneurship in the prospectus. But most others neglect this area.

The key elements of communication are a clear and compelling statement of institution's entrepreneurial vision and values, a description of the entrepreneurial support and instruction available and some powerful evidence to give reasons to believe. This may be in the form of alumni case studies, investment evidence or data about the number of start-ups created by students.

The communication should be inspiring and, as we explore in the next strategy, it must also reflect reality …

STRATEGY 3: DESIGN EXPERIENCES FOR START-UP MINDED STUDENTS

Investing in the messaging and marketing that attracts great students is important. But doing so without investing in a set of experiences to satisfy start-up minded students is risky. As one leading commercial consultancy[19] states "*A brand is no longer a marketing confection sustained by persuasive advertising. Rather a brand is what a brand does. It is what customers experience*."

Never has the experience that is actually delivered and perceived been more important. Raising expectation levels without meeting them is a sure way to drive down student satisfaction as reality fails to catch up with expectations and communications.

Currently a large part of the university experience is (consciously or unconsciously) designed for people whose motivation is to find traditional employment.
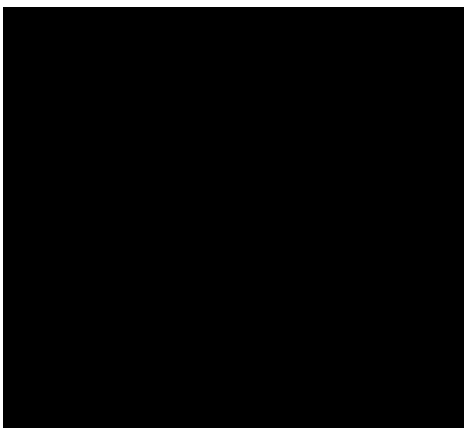
There are three ways universities can deliver meaningful experiences for start-up minded students:

- Through extracurricular clubs, societies and competitions outside of formal course structures.
- By adding 'entrepreneurship' modules and courses.
- By embedding entrepreneurship into the wider student experience.

The next section provides some case studies around each approach. But the key point is that experiences need to be designed, tested with students and rolled out in a structured and disciplined way.

STRATEGY 4: ORGANISE TO DELIVER THE RIGHT STUDENT EXPERIENCES

The experience that an organisation delivers is shaped by its culture, values and principles. These organisational filters can have unintended or undesirable consequences.

In the case of entrepreneurship, problems often arise in the gaps between faculties and functions. For example:

- Student Recruitment writes inspirational copy about student entrepreneurship, but Student Affairs and Faculty may not be aligned to deliver the marketing promise.
- Alumni (an important source of support and inspiration for budding entrepreneurs) can be excluded from involvement in current student entrepreneurship activities.
- The careers service is not mobilised to build links with entrepreneurial and start-up companies but instead focuses its efforts on traditional employers.
- A faculty may boast an entrepreneurial evangelist who makes things happen … but only within that faculty. This can lead to inconsistencies that impact overall student satisfaction.

To overcome silos, early stage experience design work should be done with significant cross-functional input.

Journey mapping techniques are especially useful because they allow teams to take a student's eye view of the experience rather than a faculty/functional one.

It is also extremely important that governance of the student experience draws upon a wide range of key stakeholders and is focused within a clear overall experience strategy.

STRATEGY 5: ENGAGE ALUMNI

There is no better ambassador for a university's start-up credentials than a successful entrepreneur-alumnus who attributes some of her success to her alma mater. By definition, entrepreneurs are enthusiasts and universities in theory should be able to harness that energy to inspire and support current students.

In practice, the journey from student to alumnus is often a broken one. In many cases alumnus-status is conferred with little ceremony at some point between exiting the course and after graduation. Often there are brick walls between the alumni office and faculty which impoverishes the capacity for sustaining meaningful relationships.

Though not a perfect parallel, the experience of the UK Banking, Insurance and Energy Sectors is instructive. Typically, there has been a much greater focus on customer acquisition than on rewarding and nurturing the loyalty of long standing customers. This has resulted in some of the weakest ratings for customer satisfaction among industrial sectors and even regulatory intervention to rebalance markets in the interests of customer choice.

05: CASE STUDIES

Internationally, we see at least five types of experience design for start-up minded students:

1. Launching on campus start-up incubators.
2. Student-led communities of start-up evangelists.
3. Sharing entrepreneurial connections, knowledge and resources between students, faculty and alumni.
4. Scaling up start-up competitions.
5. Integrating entrepreneurship into the curriculum for all students, irrespective of course.

We present case studies of these practices below.

STUDENT START-UP INCUBATORS

The start-up incubator is a symbol of tech start-up culture. An incubator speeds up new venture growth and offers a path to first and second round funding for new ventures. Incubators provide intensive mentoring, facilities and training in modern management techniques like lean start-up, growth hacking and agile. There are at least 2,100 incubators world-wide[20] and some commentators envisage that they will become the model for future MBA courses[21].

Harvard University's i-Lab is an on-campus student start-up incubator.

The potential for bringing this model onto campus is obvious and a number of universities do just that. For example, Harvard University's i-Lab[22] is open to any student from any Harvard school with any idea at any stage which makes it extremely inter-disciplinary and collaborative. The taught component of the i-Lab takes modules supplied by various Harvard schools to help students develop their ideas. It is run like a start-up and governance is shared across the Deans of each school.

Every semester student teams apply for the Venture Incubation Program, a 12-week integrated programme that combines mentoring, workshops and community to help them develop their ideas rapidly.

STUDENT START-UP COMMUNITIES

Georgia Tech's Startup Exchange is a student-led entrepreneurs' community which has taken over part of the old library building[23]. It runs events like a term-long incubation project for student teams together with a huge programme of events and presentations by alumni and business leaders. These include 3-Day Start-Up challenges, hack-a-thons and "Startup Chicks".

Startup Exchange is Georgia Tech's entrepreneurial community that empowers students to support and inspire each other to build their dreams and live an alternative lifestyle.

START-UP COMPETITIONS

Competitions can have an enormous impact on the start-up culture of a University. In the UK, Cambridge University Entrepreneurs runs a very successful annual competition called Ideas Take Flight[24]. It works on three levels offering "£100 for 100 words", "£1,000 for a 1,500 word executive summary and £5,000 for a full pitch.

In terms of prize money available, Cambridge, United Kingdom is dwarfed by Cambridge, Massachusetts. There, the MIT $100k[25] annually awards over $300k of support to student and researcher ideas. The awards are provided through a series of pitch, accelerate and launch themed phases.

The MIT $100k start-up competition actually distributes over $350k of support for student start-ups annually.

COMMUNICATING STUDENT AND ALUMNI ENTREPRENEURSHIP

Yale University has established an online hub that highlights student and alumni ventures as well as bringing entrepreneurial resources together in one place[26]. This provides valuable inspiration and networking opportunities.

The hub works with the wider Yale Entrepreneur Society which is undergraduate-run offers resources, events, conferences and discussion forums to student-entrepreneurs at Yale.

The Yale Entrepreneurship Hub shares Yale student and alumni start-up information.

Yale Alum Companies

Twitch	23andMe	DoubleClick	Electronic Arts
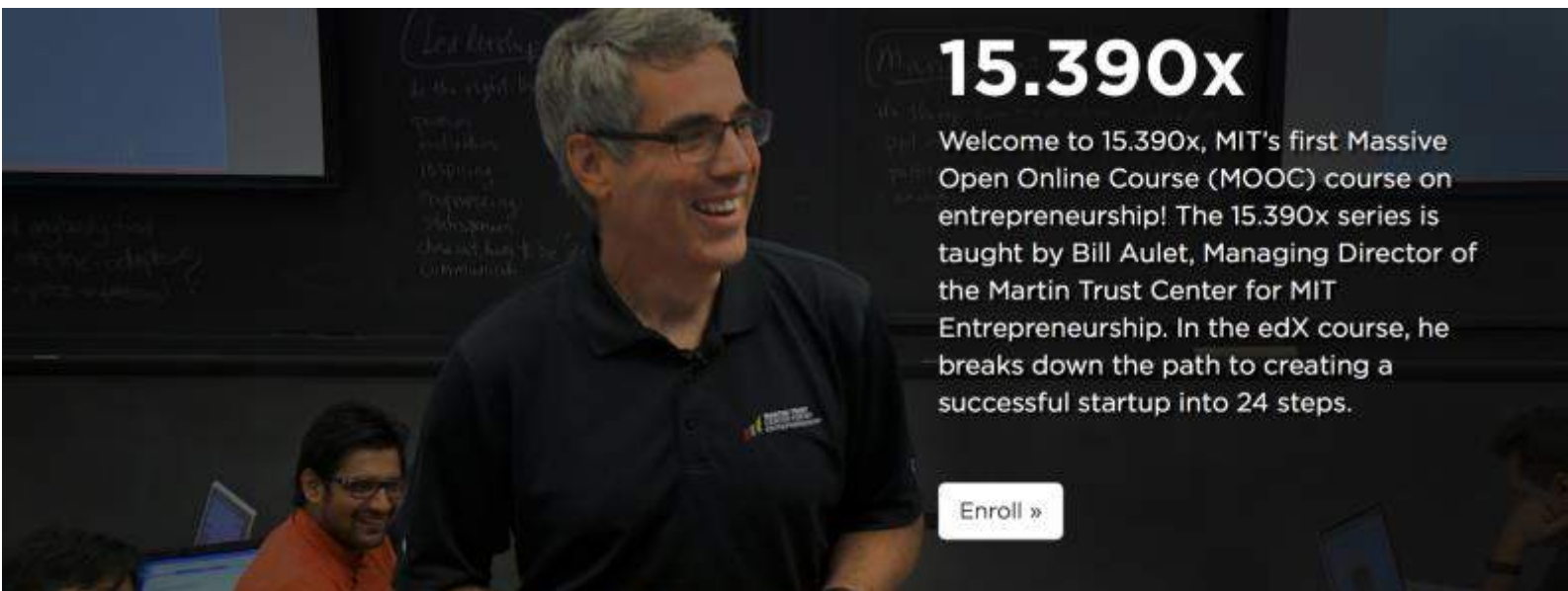
EMBEDDING ENTREPRENEURSHIP IN THE CURRICULUM

Many British universities offer entrepreneurship-related undergraduate degrees. Unistats currently lists 110 courses with the word 'entrepreneurship' in the title.

But some universities are going further than this by embedding credit-bearing options for entrepreneurship for any student on any course.

UC Santa Barbara's Start-Up Competition is credit-bearing and (optionally) integrated into Autumn term studies. MIT's famous New Enterprises course[27] is available to all undergraduates on a credit-bearing basis. The course is also available to anyone in its Massively Open Online Course (MOOC) format[28].

MIT's famous start-up course, the 15.390x is available to all students on a credit bearing basis. It is also available as a MOOC.

06: CONCLUSIONS

British universities have an immense opportunity to nurture the entrepreneurial instincts of today's generation of students.

From an undergraduate perspective it is an opportunity to position university as a launch pad for building dreams and creating an alternative lifestyle through entrepreneurship. This may be essential as traditional careers lose their appeal and as the risk of a media firestorm around tuition fees and the graduate premium grows.

From a government perspective, it is an opportunity to position university at the centre of government policy and support for the start-up economy with potentially vast economic benefits for UK incorporated. For universities it is an opportunity to forge genuine differentiation in an ever-more competitive higher education market.

Grasping the opportunity requires a strategic approach to experience design for start-up minded students and the leadership commitment to follow it through. In other words, it is a relatively modest commitment for a potentially enormous benefit.

07: OUR SERVICES

Students are more than simply "customers", but academic institutions are wrestling with many of the same "customer" experience issues as commercial organisations. We help HEIs with:

1. Understanding students' rational and emotional needs, motivations, behaviours and attitudinal traits.
2. Designing student experience blueprints and visions.
3. Identifying the drivers of student satisfaction and diagnosing failure points.
4. Mapping, improving and transforming student journeys to increase satisfaction.
5. Designing and implementing strategic student experience measurement systems.
6. Designing and delivering student experience programmes.
7. Workshop, facilitation and expert consulting around student experience design and delivery.
8. Mobilising and educating faculty and staff around student experience management.

For an introductory discussion, please contact:

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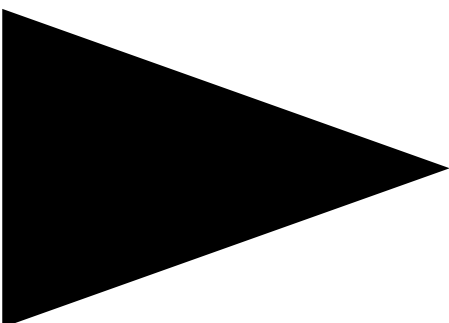
08: ENDNOTES

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