

Firms created by students or young graduates. An UE Perspective.

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Student Start-Ups

The New Landscape of Academic
Entrepreneurship

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1. Academic entrepreneurship: spin-off vs. start-up

- Last 30 years, university entrepreneurship was mostly viewed in terms of commercializing innovations based on research results:
 - Licencing
 - Academic spin-off firms (*start-up launch by faculty*)
- Today, focus on students and graduate start-ups
 - undergraduate and master students
 - recent alumni

What do we know about academic spin-off firms?

A considerable attention from:

- academics
- UNIV. administrators
- policy-makers

After 30 years: disappointing results

- a small number of IP-Based firms created per year
 - a rare phenomenon (concentrated in a small number of UNIV.)
 - academic spin-offs are low growth firms
 - high survival rate = effect of public support
- very low economic impact



What do we know about Start-up creation by students/young graduates?

- Quantitative evidence: students/graduates launches start-ups
- Qualitative evidence on key programmes to stimulate student entrepreneurship accross the globe
- An emerging issue :
 - Embriyonic theoritical framework
 - limited data on these start-ups
- Italy: the first national level study about graduates entrepreneurship

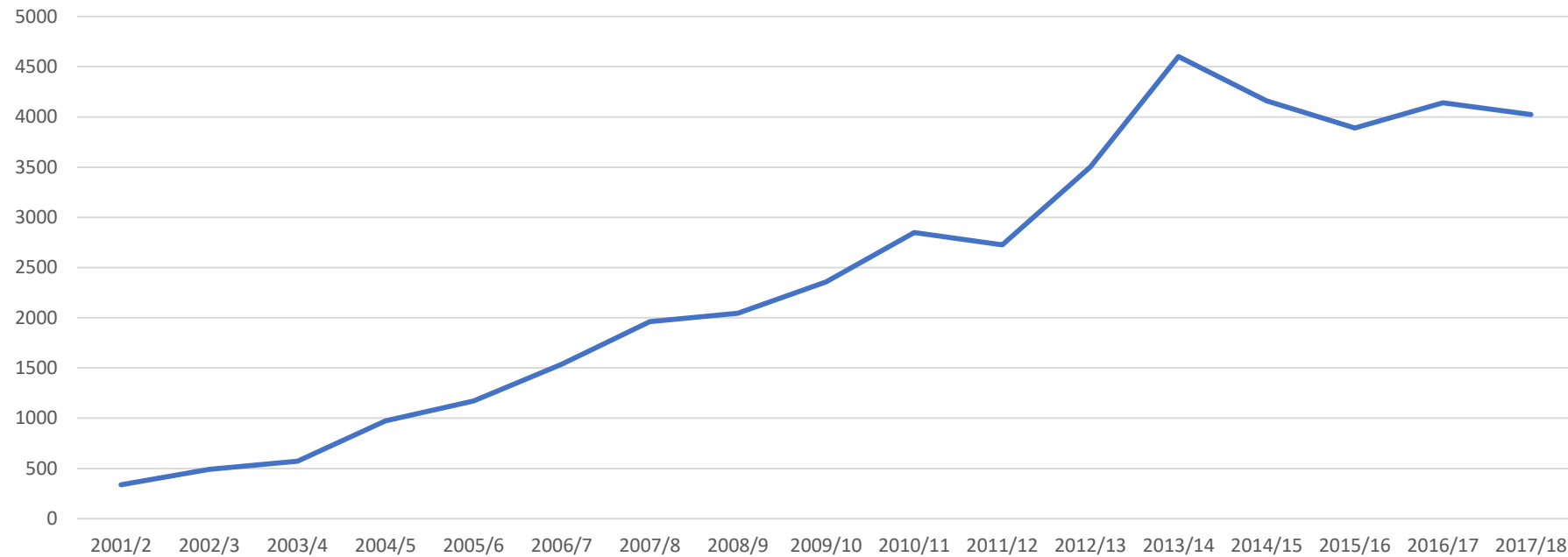


2. Quantitative evidence : A growing phenomenon in Europe

Graduate start-ups per year in the UK

Academic years 2001/2 to 2017/18

(Source: HESA Data)

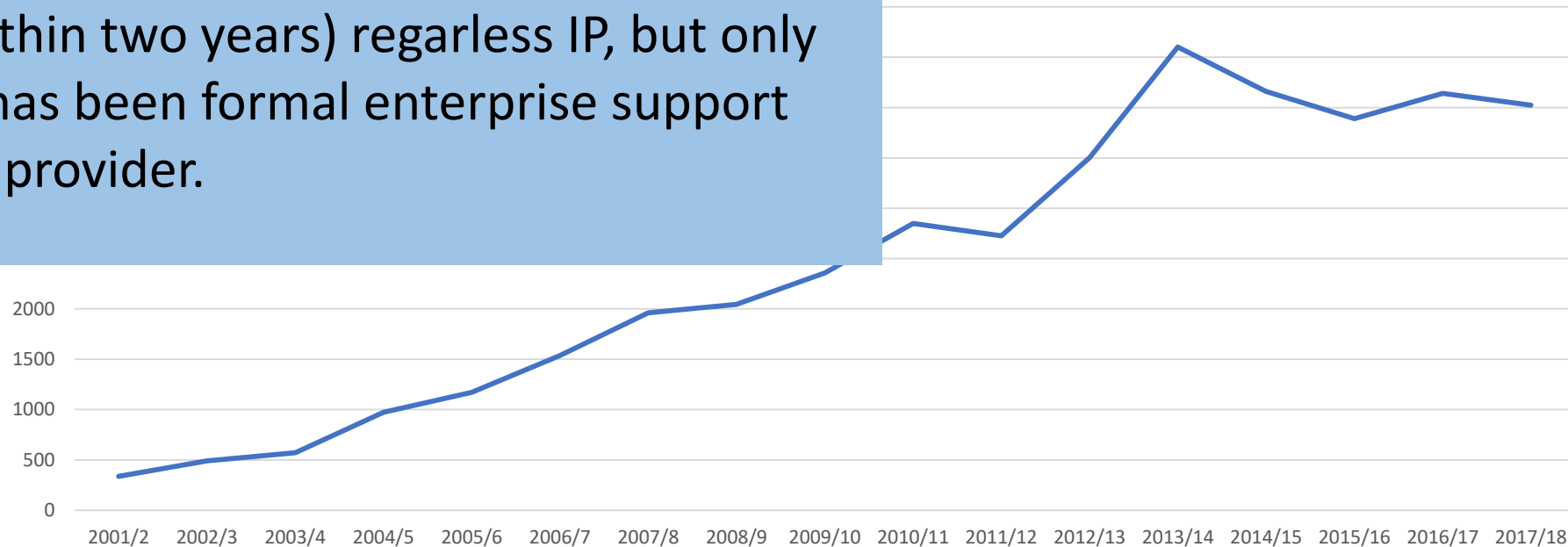


Graduate start-ups per year in the UK

Academic years 2001/2 to 2017/18

(Source: HESA Data)

Graduate starts : all new business started by recent graduates (within two years) regardless IP, but only where there has been formal enterprise support from the HE provider.



Graduate start-ups per year in the UK

Academic years 2001/2 to 2017/18

(Source: HESA Data)

125 Spin-offs with IP created in 2017-18

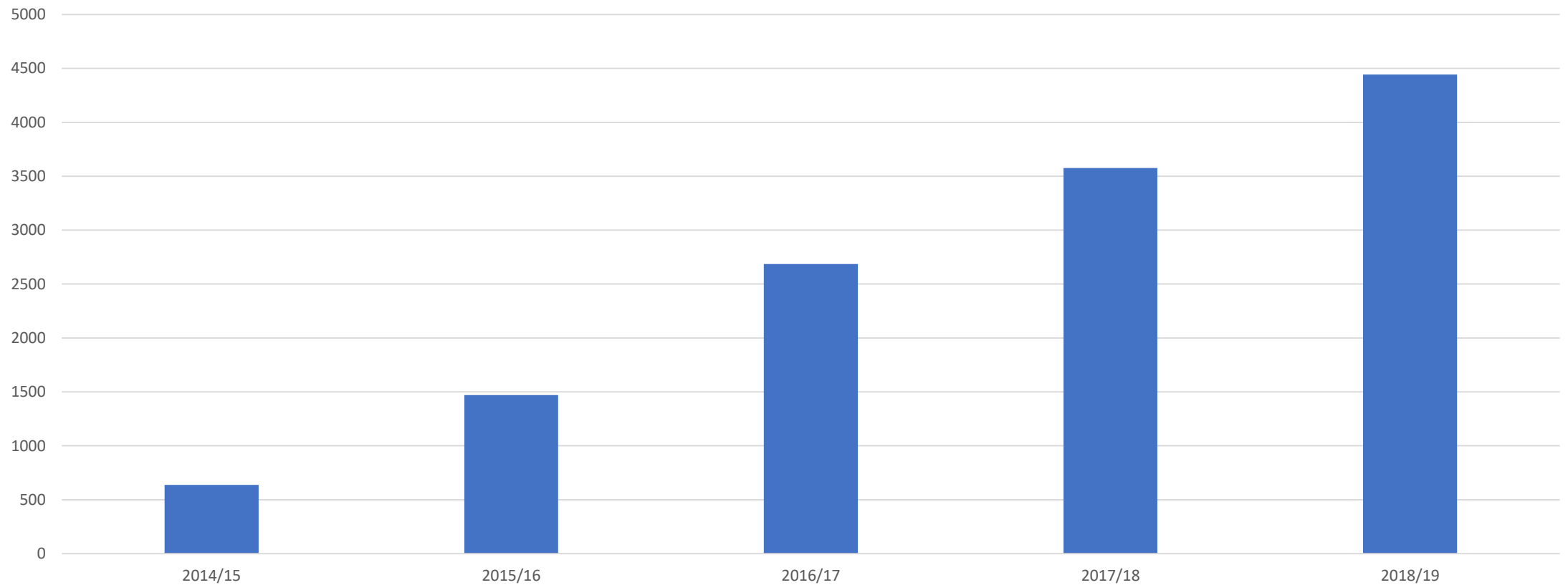
4024 Graduate start-ups created in 2017-18

The number of start-ups per year by young graduate is
approximatively 30 times greater



Number of students benefiting from the Student Entrepreneur status in France per year

Academic years 2014/15 to 2018/19 (source: PÉPITE France)



3. National public policy to foster student entrepreneurship (France)

French national public programme to foster student entrepreneurship: 4 main initiatives

- “PÉPITE” = *Student Center for Innovation and Entrepreneurship* at each higher education location
- creation of the National status of student entrepreneur
- generalization of Entrepreneurship awareness for 100 % of students (2018 : *120 000 were involved*) + development ENT EDUC.
- regional and national Business plan competition for innovative start-ups (grants)

PEPITE : *Pôle Etudiants pour l'Innovation, le Transfert et l'Entrepreneuriat* = Student Center for Innovation and Entrepreneurship

- 30 PEPITEs in France.
- to bring together universities, schools, government agencies, local entrepreneurs, venture capitalists, angel investors and other members of the business community.
- To provide space, advisory, support and training services for students and recent graduates who develop a start-up or a start-up project.





National status of student entrepreneur

- For students and young alumni who have an entrepreneurial project
- A selection process (project quality + candidate motivation).
- Students who get the status
 - access to training ENT. Programmes
 - balance their studies and their ENT. Project
 - two mentors: academic + entrepreneur
 - access to PÉPITE (co-working space + relationship with local ecosystem)
- They can enroll in a *Student-Entrepreneur degree*:
 - to get the same healthcare coverage as students after they graduate

National status of student entrepreneur: effects



- launched in Sep. 2014
- 637 students obtained it in 2014-15 vs 4444 in 2018-19
→ an increase of nearly 1,000 students per year.
- 70 % of student entrepreneurs pursuing training and 30 % are recent graduates.
- 3/4 are male and 2/3 are aged between 20 and 24 years.
- wide range of domains: ICT (1/3), ecotechnologies, health, security, food
- Transferred to other countries (Belgium, Morocco, Tunisia, Lebanon...)

4. University Level : Different models for managing student entrepreneurship

Four different models for managing student entrepreneurship at universities (1)

With a weak or non-existing university strategy or support:

- **Student-Run** ENT policy
- **Missionary professor(s)** level-run student ENT policy

With a willingness by a UNIV. to develop Student ENT but weak resources

- **Across university intermediation** for student ENT policy

→ Large, new univ. Without ENT. tradition: top-down, small team, few space and resources

A robust strategy + substantial resources

- **Integrated management** of student ENT policy



Example: the Student-Run ENT policy

Aalto Entrepreneurship Society (AaltoES) in Finland

- Powerful association created by students to develop ENT. in Aalto Univ.
- 2009 → most active student-run entrepreneurship society in Europe
- Many initiatives: Start-up life internship, Start-up sauna accelerator, etc.
- Events: +100/year (SLUSH conf.: 25000 people, 3500 startups and 2000 investors)
- University's senior management supports but not directs this student led movement.

4. Student Level : ENT an attractive employment option?

Many recent graduates are choosing a different career path than their predecessors

MINES ParisTech-PSL

- 2006 : 80% of the graduates chose their first job in a very large firm
- 2018 : **35%** of the graduates chose their first job in a very large firm

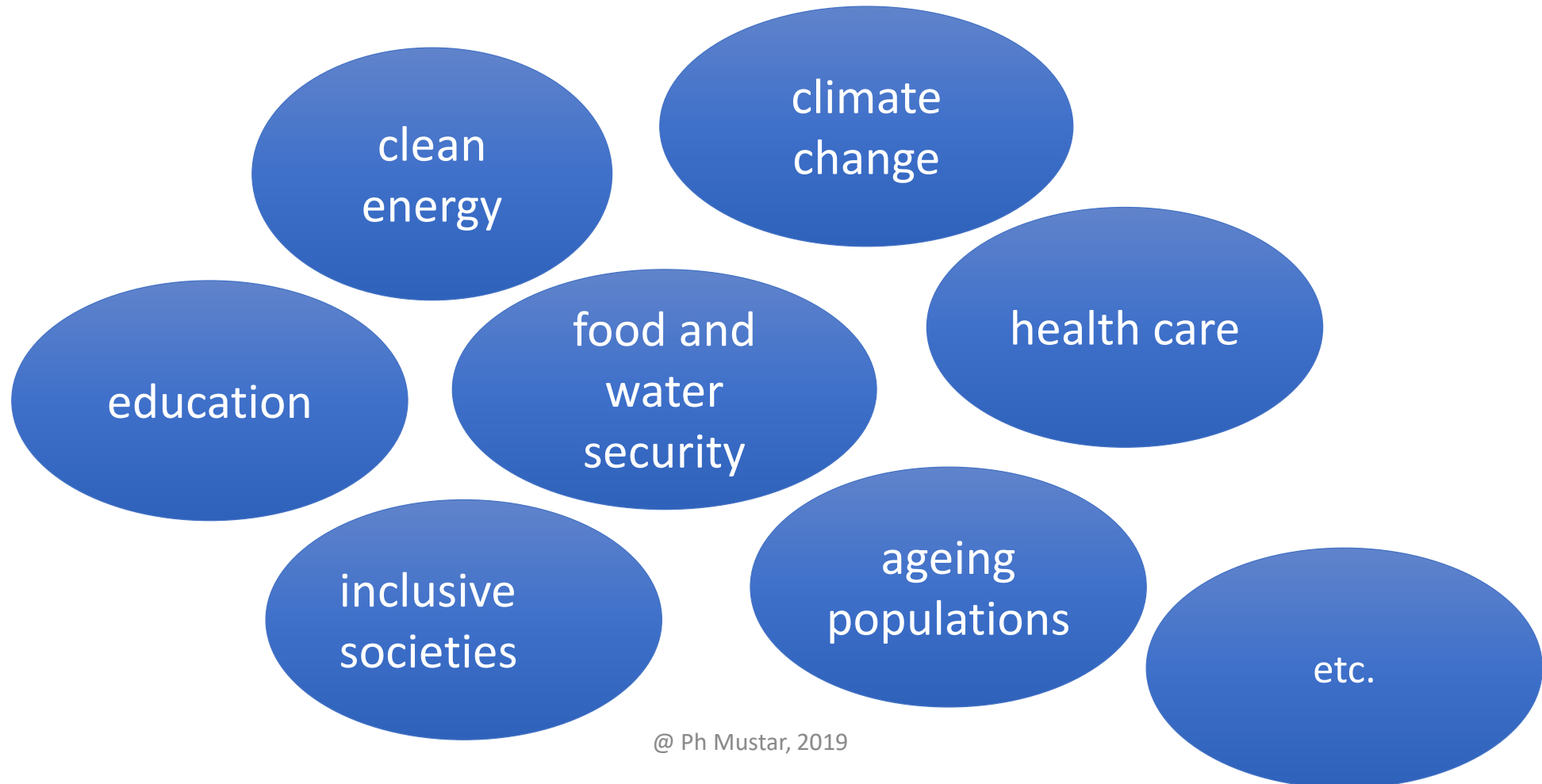
They prefer start-ups, SMEs (for autonomy and responsibility)

ENT. attractive as a first job (or even a career)





Why are students interested in entrepreneurship? To solve major societal challenges



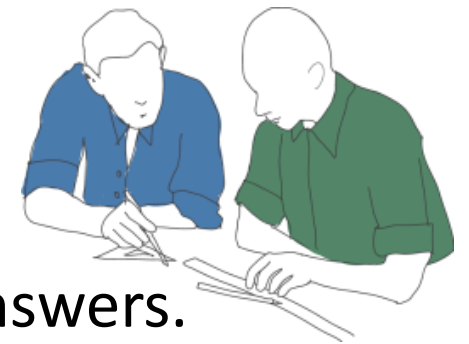
6. Open issues for policy, management and research (1)

Managerial and policy implications for universities

- Which strategy to support student ENT? How to evaluate its effectiveness?
- Links between the UNIV objectives and the resources devoted?
- Which model (or combinaison of models) for Student ENT management?
- Design of student ENT ecosystem at UNIV.: courses, business models competitions, accelerator programs, special spaces, etc. ?

No a one-size-fit all approach:

different UNIV context, history, objectives... require different answers.



6. Open issues for policy, management and research (2)

- Student start-ups and ENT. Education? What to teach? How to teach?
- Financing student start-ups? New sources?
- Student entrepreneurs as a source of revenue for university: alumni donation and fondation
- Economic and societal Impact?
- Diversity of companies: need more data and research.
- As for Academic Spin-off firms: danger of too much expectation





Thank you

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