Chapter 37

Successful Internet Entrepreneurs Don't Have To Be College Dropouts:
A Model for Nurturing College Students to Become Successful Internet Entrepreneurs

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ABSTRACT

Some of today's most successful Internet entrepreneurs didn't graduate from college. Many young people today followed the same path to pursue their dreams however ended up failing, not a surprise because 80% of the startups fail in first 5 years. As technology innovation and market competition on Internet continue to accelerate, college students need guidance and support more urgently now than ever before. Meanwhile most entrepreneurship programs offered in colleges and universities provide only general strategy-innovation-finance guidance for broad entrepreneurship while lack concentration on online startups or connection to Internet technology. We proposed a technology-business-environment model that could help guide universities in nurturing, building, and shaping their students' dreams and goals towards creating a successful Internet startup business. Finally, we demonstrated a course outline for an Internet entrepreneurship course designed for undergraduate students. Such course can be used as a core course in an entrepreneurship program or an elective course in Information Systems (IS), other sub-disciplines of computing programs, or business programs.

INTRODUCTION

Beyond Bill Gates and Steve Jobs, some of today's most successful entrepreneurs didn't graduate from college (Nisen & Giang, 2013). The recent list include Matt Mullenweg, starter of WordPress, University of Houston 2nd year drop out; Arash Ferdowsi, co-founder of Dropbox, Massachusetts Institute of Technology (MIT) 3rd year dropout; Mark Zuckerberg, founder of Facebook, also a MIT 3rd year dropout; Shawn Fanning, founder of Napster, who dropped out of Northeaster Univer-

sity after one year, and Daniel Ek, co-founder of Spotify, who dropped out of MIT after merely 8 weeks. There are even a few who didn't even go to college: David Karp, founder of Tumblr, and Pete Cashmore, founder of Mashable.

In rare cases, a few successful entrepreneurs actually got inspired from the courses they took in college. For example, Aaron Levie, founder of Box.net, a cloud content management system for enterprise that worth $3 billion today, formed his business idea through a class project in which he did a SWOT analysis for digital storage industry. However in most of the cases, college courses didn't help. For example, "Fanning (founder of Napster) became frustrated because he had already learned all the material being taught to him by professors and tutors and eventually dropped out of Northeastern in 1999" (Wikipedia, 2014). And the fact that these young and talented entrepreneurs dropped off college is evidence that college education is not (or no longer) providing them what they need to succeed anymore. Instead they are going out into the world and learning to solve complex (both technology and business) problems by trial and error. Of course, most of them would wind up failing, and their story would most likely never be told to the public as those of whom succeeded, even though they might be just as intelligent and hard working, and some were even sufficiently funded.

One main reason of the startup failure simply being that it is a highly competitive market hence risky in nature – 80% of the startups fail in its first 5 years (Inc.com, 2013). Even 75% of those funded by venture capitals failed to exit, such as acquisition or IPO (Wall Street Journal, 2012). And the majority of the Internet entrepreneurs who failed are experienced engineers, programmers, marketing or sales professionals. A common reason for startups failure is lack of market research, which is critical to find and evaluate product-market-fit, however often limited by the startup company's resources, including money and

time (Wall Street Journal, 2012). Albeit the high failure rate, more young people keep pursuing their entrepreneurship dreams, encouraged by the explosive boom of Internet startups led by Silicon Valley and overnight successful stories of many young entrepreneurs. As technology innovation and market competition continue to accelerate, some universities have taken the opportunity and created programs to meet such students needs, such as the Institute for Technology Entrepreneurship & Commercialization at Boston University, many others remain the traditional settings which separate business and technology programs. What is the current state of Internet Entrepreneurship education in college, and is there a model for universities to prepare their students to become successful Internet entrepreneurs, and reduce their risks and costs of failure?

CURRENT STATE OF INTERNET ENTREPRENEURSHIP EDUCATION

Among Best Business Schools – Entrepreneurship program ranked by U.S. News, the "Technological Innovation, Entrepreneurship, and Strategic Management" program at MIT Sloan School of Management demonstrates stands out as a flagship example for Internet/technology entrepreneurship education. MIT offers Entrepreneurship and Innovation MBA Track as well as a MIT's legendary entrepreneurial ecosystem including the Technological Innovation, Entrepreneurship, and Strategic Management (TIES) Group, the Martin Trust Center for MIT Entrepreneurship, the MIT Deshpande Center for Technological Innovation, the MIT Venture Mentoring Service, the Gordon-MIT Engineering Leadership Program, and many other entrepreneurial-focused groups and programs across campus. TIES offers 47 courses in academic year 2014. Table 1 only shows three of the many Internet/technology entrepreneurship courses offered in Spring 2014.

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