



## Institute Buzz

By Stewart Thornhill,  
Executive Director, Pierre  
L. Morrissette Institute for  
Entrepreneurship

It was with a little surprise and some pride that we realized this is the **10th anniversary issue** of the Institute Newsletter.

Ten years ago, in the fall of 2000, Professor Ken Hardy was stoking the fires of Entrepreneurship within Ivey. As Institute Director, Ken initiated many of the enduring practices – such as this newsletter – that define us today. His successor and my predecessor, Eric Morse, continued to build the Institute. In 2003 the Quantum Shift executive program was launched, immediately setting the gold standard for Entrepreneurship education in Canada, and in 2006 Pierre Morrissette contributed his support – and his name – to the Institute.

In the past two years that I've had the privilege to serve as Institute Director, we've continued to grow our team to eight full- and part-time faculty. Our newest addition to the faculty team – Rob Mitchell – is featured in this issue's research spotlight. For anyone who deals with the Institute, whether students, alumni, entrepreneurs or the media, Sarah Buck and Ellen Brown are continuing to make the whole thing work, though now in new roles as Operations Manager and Communications Specialist, respectively.

Keep an eye on this space as we add even more members to our team, both on the faculty and staff sides of the roster. Finally, as you will read about in this issue, our latest initiative is the Ivey Entrepreneurs Index.

As the newsletter heads into its second decade, we'll do our best to stay entrepreneurial by growing, innovating, and looking for ways to do things a little better every day.

# To thine own self be true

**Rob Mitchell's** research shows that self knowledge helps entrepreneurs know what kinds of opportunities to look for

Professor Rob Mitchell begins all of his entrepreneurship courses by having his students do a self-assessment. These assessments, he finds, are always revealing. One student might admit to a fear of failure, and wonder whether he is cut out to be an entrepreneur. Another student might say she'd rather try and fail, than not try at all. "Every student brings something different to the table," he says.

Mitchell's research focuses on cognitive, behavioural, and environmental factors, and how the relationships between them lead to entrepreneurial action and the creation of value.

Entrepreneurship, says Mitchell, is about how, when and where people pursue opportunities. Just as all opportunities are not the same, there are distinct differences in entrepreneurs. When entrepreneurs talk about why they choose a particular investment, they tend to focus on their perceptions of the opportunity rather than their perceptions of themselves. Mitchell, however, suggests that images of self play a similarly important role.

## Images of self

He and co-author Dean Shepherd of Indiana University recently conducted a study published in *Journal of Business Venturing*. In the study they looked at the interplay between images of self and images of opportunity, and how this leads to entrepreneurial action. "Through this study we wanted to show that self-knowledge and self-reflection are important to entrepreneurs," says Mitchell. "By understanding their biases and how they're different, entrepreneurs can better understand how to make decisions about opportunities."

Image of self is basically the set of beliefs and attitudes that a person has in relation to the self. In his study Mitchell focused on two images of self: vulnerability and capability. Because of the high failure rate of new ventures, these images of self are very relevant to entrepreneurship activity. Images of vulnerability relate to the fears of an entrepreneur, and include the fear of failure. Images of capability refer to concepts of human capital and entrepreneurial self-efficacy. Human capital is the general or specific knowledge of an entrepreneur. Self efficacy is the belief in your ability to accomplish desired goals.

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## Images of opportunity

In the study, 121 leaders of technology firms completed a questionnaire that measured fear of failure, human capital, and entrepreneurial self-efficacy. These leaders were asked to evaluate their likelihood of making an investment in 16 hypothetical technology opportunities. Each opportunity consisted of information about four key opportunity attributes: potential value, knowledge relatedness, window of opportunity, and number of opportunities. "Potential value" refers to the desirability or profitability of an opportunity. "Knowledge relatedness" refers to the feasibility of an opportunity in relation to the entrepreneurs own knowledge-readiness to take on that opportunity. "Window of opportunity" reflects the amount of time an entrepreneur has to make a decision. "Number of opportunities" looks at the potential opportunity as just one of a number of uncertain choices.

## Impact of self on opportunity

Mitchell found that images of self had a significant impact on the kinds of opportunities an entrepreneur chose to pursue. Among his findings:

Individuals with a higher fear of failure placed a greater emphasis on the desirability, or potential value, of an opportunity than those with a lesser fear of failure. For them, only when the value of an opportunity was high did the benefits of pursuing the opportunity seem to outweigh the risk of failure.

Those with high fear of failure were also less likely to view an opportunity

differently when many opportunities were present or when few were present. "This suggests that an entrepreneur with a high fear of failure is less likely to see the benefits of more alternatives in a potentially dynamic environment," says Mitchell.

Those with high entrepreneurial self-efficacy placed less emphasis on the window of opportunity when assessing the feasibility of an opportunity. Decision makers with a strong belief in their ability to accomplish their goals did not appear to be put off by a narrow time frame that requires a quick decision.

Those with high human capital placed a higher emphasis on the relationship between the feasibility of the opportunity and the window of opportunity. "This suggests that the time frame of an opportunity is important to those with high human capital because they recognize the importance of knowledge stocks and their costs," says Mitchell.

## Know yourself

These are some of the findings in the study that underline the importance of the relationship between how entrepreneurs think and the environment in which they operate. "Knowing yourself helps you recognize the kinds of opportunities you need to look for," says Mitchell. "For instance, if you have a high fear of failure, that doesn't mean you shouldn't consider being an entrepreneur. It just means that the opportunities you might look for are different."

Self-reflection and self-knowledge put an entrepreneur in a better position to create and find opportunities that fit their images of self. "Entrepreneurs

have different backgrounds, experiences, and ways of looking at themselves and the world," says Mitchell. "It's not just about the opportunity, but about individual differences as they relate to the opportunity."

Mitchell's research also has important implications for investors and educators. Investors can assist entrepreneurs in their decision making by encouraging them to consider their images of self in their decision making. Investor self-knowledge may also be valuable in that it can help them seek out entrepreneurs who have similar mindsets about opportunities. Similarly, a greater awareness of self among team members can lead to better team decision making.

Educators have an important role in helping entrepreneurs become more aware of the mechanisms underlying their images of self. Says Mitchell: "For those of us who are trying to help entrepreneurs, it's important to find the fit between the opportunities and the entrepreneur. Through this study we tried to develop a better understanding of that fit so we can systematically do something about it. To me, this is one of the most invigorating parts of teaching entrepreneurship. I love it!"

## about the author



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# Need to know

In a recent study (see article "To thine own self be true" above), Professor Rob Mitchell found that entrepreneurs' images of self have an impact on the kinds of opportunities they choose to invest in. Mitchell's findings have important implications for entrepreneurs, investors, and educators:

### Entrepreneurs:

- Pursue self-knowledge and self-reflection to understand what kind of opportunities you should look for
- If you work with a team, be aware of self-images of other team members

### Investors:

- Talk to entrepreneurs about their self-images
- Seek out entrepreneurs who have the same self-image you do

### Educators:

- Encourage entrepreneurship students to do self-assessments
- Approach your students with the understanding that all entrepreneurs are different, and every student is a potential entrepreneur

For further information, or a copy of "To thine own self be true: Images of self, images of opportunity, and entrepreneurial action," published by Journal of Business Venturing, contact Rob Mitchell at [rmitchell@ivey.ca](mailto:rmitchell@ivey.ca)

# Taking the Pulse

The Ivey Business School and KPMG Enterprise launch the Ivey Entrepreneurs Index

If you want to know where the Canadian economy is headed, it makes sense to ask the people who are really driving it. That's the idea behind the Ivey Entrepreneurs Index.

Launched on November 4 at the Ivey Venture Forum, the Ivey Entrepreneurs Index will be a leading indicator of economic growth. The Index is based on the input of Canada's most promising entrepreneurs. "What entrepreneurs think is important," says Stewart Thornhill, Executive Director of the Pierre L. Morrissette Institute for Entrepreneurship. "They are the ones with their feet on the ground. They are the doers, as opposed to the theoreticians."

The Index will measure changes in the entrepreneurial activity of a pool of about 300 of the country's most promising entrepreneurs - the Fellows of Quantum Shift. Co-founded by the Ivey Business School and KPMG Enterprise, Quantum Shift is the country's top learning program for entrepreneurs. Each year the program brings together a group of 40 entrepreneurs of high growth companies in the \$30 to \$50-million range, for a rigorous, week-long developmental experience. "Entrepreneurs in the mid-market have very few opportunities to learn and engage with fellow entrepreneurs in a collaborative environment," says Dennis Fortnum,

National Leader, KPMG Enterprise.

"This program is a great way to bring them together, connect with them, and give them a learning experience that will help make their companies successful." After they graduate, participants become Quantum Shift Fellows, and are invited back annually for an exclusive Quantum Shift mini-program.

**“If we can tap into what they're seeing out there – the challenges and the opportunities – we will have a powerful tool.”**

Tim Miller is managing partner of Capri Insurance Services and a Fellow of Quantum Shift. He continues to be in regular contact with the members of his class and attend Quantum Shift Fellow events. "It's a fabulous peer network," he says. "The quality of the participants is very high, and they represent a broad range of entrepreneurial businesses and industries."

The Ivey Entrepreneurs Index is based on a survey of five simple questions. Entrepreneurs are asked what they expect will happen in their companies over the next 12 months. The questions cover revenue, profits, hiring, and borrowing. The survey also includes a general question: do you expect the Canadian economy as a whole to grow? The questions are designed so they

can be answered quickly and easily, so entrepreneurs on the move can fill out the survey with hand-held devices like a Blackberry or iPhone.

The goal is to publish the Index either twice or four times a year. The first survey, now completed, will establish a baseline, so future Indexes can measure prospects and trends. "As we get more data over time, the conversation will become much richer," says Thornhill.

Miller believes that entrepreneurial organizations are among the first to know what's going on in the economy. "If you read in the paper that it's difficult to acquire capital, typically it's the entrepreneurs who are the ones that are feeling it," he says. "Entrepreneurs are by necessity closer to their customers and employees. So it makes sense to understand what the risk-takers on the ground are really up to."

Fortnum can't think of a better resource for entrepreneurial input than the Fellows of Quantum Shift. "These people are front and centre every day of the week, taking the pulse of the economy," he says. "If we can tap into what they're seeing out there – the challenges and the opportunities – we will have a powerful tool."

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## Student Watch | Innovation Challenge

Ivey students enrolled in Professor Rob Mitchell's "Entrepreneurship: Creativity & Opportunity" course are challenged to put their money where their mouth is by conceiving and launching a viable new business with a capital investment of no more than \$5 within a timeframe of just two weeks.

The restrictions on time and resources help spur creative thinking, and result in a wide range of innovative new ventures, some of which turn a healthy profit.

One of this year's most successful ventures was Neon Apparel, launched by HBA2 students Mike Green, Adam Burns, Victor Lu and William Richman, who sold cool "electronic" t-shirts at a Deadmau5 concert in London.

"We sourced the shirts by contacting the shirt company and establishing a consigned distribution deal that allowed

us to sell the product without an upfront capital cost. The concert provided us access to a dense, easy to penetrate market that we believed would be willing to purchase these shirts. We felt that the big demand for the t-shirts came from the hype of the concert and the willingness of partygoers to spend on an interesting product that would enhance their party experience."

At the end of the two week challenge, Neon Apparel reported \$2350 in sales – not bad for an upfront investment of just five bucks.

According to Professor Mitchell, "The Innovation Challenge requires students to practice the skills they gain in class; while a lot of work, the project gives students an invaluable opportunity to learn about the realities of entrepreneurial action



Professor Rob Mitchell with HBA2 students Victor Lu, Adam Burns and Mike Green (absent: Will Richman)



## Alumni Spotlight | John Currie, HBA '60

### A Lifelong Passion for Entrepreneurship



This year John Currie marked a significant milestone: 50 years since he graduated from Ivey's HBA program. He celebrated by making

a generous contribution to the Pierre L. Morissette Institute for Entrepreneurship.

Currie has fond memories of his time at the School. "The most enjoyable part was the tremendous bonding that took place," he says. "We were with the same people in the same classes day after day, and we all became friends."

Currie credits Ivey with giving him a disciplined approach to analyzing business problems and developing and implementing solutions. He put those skills to use in three successful careers. After graduation he spent nine years at Procter & Gamble. Then in 1969 he and a partner established a management consulting business that became the Canadian leader in its field. In 1982 he founded Associated Brands, growing it to become a leading manufacturer and supplier of private-label dry blend food and household products.

Currie is a strong believer in entrepreneurship education. "The future success of the Canadian economy depends on successful entrepreneurs," he says. He established an HBA award in entrepreneurship in 2005. This year, he made a significant gift to support Ivey's Entrepreneur in Residence program. He is delighted that a seasoned entrepreneur and executive, Ron Close, HBA '81 holds the position of Executive Entrepreneur in Residence.

Currie is excited about what the future holds for Ivey. "I hope Ivey continues to be a major learning facility for young people who are interested in building business careers in Canada and internationally. The expansion of the HBA program augurs well for the school, and for business in Canada."

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This newsletter is published for individuals in business and academic life who have a particular interest in entrepreneurship. If you have any comments or questions please contact us. If you or your organization would like to obtain a copy of this newsletter, free-of-charge, please contact:

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