

May 2015



May 10, 2015

6 Lies They Teach in Business School- *By Michelle Goodman*

Connections. Community. Mentorship. Immersion in management theory, market strategy and financial forecasting. A big, fat résumé boost. The benefits of getting a business degree are multifold. But...Some business lessons simply can't be taught within the confines of the classroom. And possibly the most valuable education entrepreneurs can receive comes from failing spectacularly, dusting themselves off and applying what they've learned to the next project.

We asked emerging and successful entrepreneurs to share what they consider to be the biggest lies perpetuated by business programs. Here's what a handful of them had to say.

1. Outline it all first.

Business schools like to emphasize planning (and planning and planning). But once you're in the thick of running a company, even the slightest industry change can send the best-laid business plans out the window.

"In academics, there's a clear and straightforward way to win," says Kristin Smith, CEO of Code Fellows, a Seattle-based software programming school. "But entrepreneurship isn't linear...there are so many levels on which you're constantly adjusting," says Smith, who earned her MBA in 2003 from MIT Sloan School of Management.

2. You can analyze your way into a good idea.

At business school, data is king. But many graduates have learned that you can't use a spreadsheet to shoehorn your way into a winning product or service.

Katherine Long, a University of Pennsylvania Wharton School alum, started a seven-figure business, Illustria Designs, in 2013, right after she graduated. [W]hen pursuing a business idea, she seized on a pressing need for herself and her classmates: high-quality yet affordable designs for logos, websites, web and mobile apps and other marketing materials.

3. You need to pay your dues.

Despite what business professors may say, you don't have to work in a corporate environment before starting a company. Unlike many of her peers, Long skipped diving headfirst into the traditional Wall Street gig after graduation. Rather than a sexy pedigree, she believes, "persistence and grit" are what it takes to succeed as a founder.

4. You need to make money before you can indulge your passion.

[Abby Falik, a Harvard Business School grad] ignored this advice. In 2008, on the heels of finishing business school, she founded Global Citizen Year, an Oakland, Calif.-based nonprofit that selects and trains high school grads to spend a "bridge year" in developing countries. Yes, money was tight initially, especially with student loans in the mix. But to get her nonprofit off the ground, Falik moved in with her parents, tapped her savings account and secured a handful of grants. "There was no reason to postpone something I was passionate about," she says. It was the right call: Global Citizen Year is thriving and Falik loves the work.

5. You need to raise institutional funds.

Business schools place too much emphasis on raising sizable chunks of capital from angel investors and venture capitalists, says Bob Gillespie, a serial entrepreneur who received his MBA in 2011 from the University of Chicago Booth School of Business. Sure, institutional funding has its place later in the business life cycle. But when you're in the early stages of building a company, your focus should be on understanding your market, learning what customers want (and how much they'll pay), differentiating yourself from competitors and proving your concept.

6. Hard work is the biggest key to success.

Actually it's just one of many ingredients. As an undergrad at Texas Christian University's Neeley School of Business, Tanner Agar heard his fair share about the entrepreneurial rewards he'd reap if he put in long hours and gave his venture his all.

“It’s great from an aspirational perspective,” says the founder and CEO of The Chef Shelf, a Fort Worth, Texas-based food e-tailer that sources gourmet products from leading chefs and restaurants. “But I don’t think that prepares you for what you’re actually going to face.”

Pressure, self-doubt and even depression are among the emotional pitfalls many new founders experience. Unfortunately, Agar says, having investors and employees in the mix—not to mention relatives who’d preferred you’d gotten “a real job”—can exacerbate the problem. While business schools tout the benefits of single-mindedness and dedication, wellness experts emphasize the importance of entrepreneurs maintaining outlets for relaxation and stress relief.

For Agar, moving into the offices of a tech incubator filled with other young ’treps helped combat the isolation and stress of long hours on the job. “It’s nice to have the camaraderie,” he says. “Without them, it would have been so much harder.”



BUSINESSBECAUSE
the network for the b-school world

May 11, 2015

MBA Programs in Supply Chain Management Deliver Talent Solutions- *By Seb Murray*

Business schools are delivering solutions to increasingly complex supply chain risk. More managers are needed to cope with global and fast-changing chains.

California State University’s business school at Long Beach will launch a new master’s degree in supply chain management – the latest school to deliver solutions to increasingly complex global supply chain risk. California State joins Arizona’s W.P Carey School of Business, which launched a supply chain management course last month. There are already numerous online programs: California’s Marshall School of Business runs an MS in Global Supply Chain Management, for instance, and Governors’ College of Business offers an online MBA with a supply chain management specialization.

There is much demand for fresh talent, say business schools. The US Bureau of Labor Statistics forecasts a 26% increase in logistics jobs by 2020.

Businesses are increasingly interested in keeping costs down, minimizing risk and streamlining efficiency. Companies in most sectors are in need of supply chain managers, according to Sara Williams, a career relationship manager at London’s Cass Business School. The risk of disruption to chains is running at an almost record high, said an index from the Chartered Institute of Procurement and Supply, the sector’s trade body.

An ageing workforce and a shortage of talent are also stifling the implementation of innovations like predictive analytics, 3D printing and wearable technologies, according to a survey of more than 400 supply chain executives by professional services firm Deloitte and MHI, the international trade association.

There is a need for talent at the top, as supply chains become departments with senior-level management, according to Eugene Spiegle, vice chair of the supply chain management department at Rutgers Business School. These departments are a way to “sustain competitiveness and manage the fast-paced changes caused by both global markets and changing consumer demands”, he said.

To close the talent gap business schools are collaborating with corporations to educate more executives.

The OneMBA recently ran a logistics program at the headquarters of Airbus, the European aerospace company. The OneMBA is delivered by a group of top business schools including the Netherlands’ Rotterdam School of Management. Other programs in Europe include those offered by the UK’s Cranfield School – MScs in both logistics and supply chain management – and Warwick Business School, also in the UK, which has a master in Supply Chain and Logistics Management.

The US is a leader in this area. High-ranking schools like Ross School of Business and MIT’s Sloan School of Management, and the Neeley School of Business, offer masters programs related to supply chain management.

Star-Telegram

May 25, 2015

Fort Worth start-up bent on helping customers with energy costs - By Sandra Baker

If there's one thing Abe Issa says he learned flipping residential real estate, it's that homeowners are concerned about energy costs.

So when Issa, 32, found himself down on his luck in 2010 after the housing market bust, he started researching what those homeowners were talking about.

In August 2011, Issa said, he took \$1,000 and started Global Efficient Energy, a company that provides home energy audits and then helps homeowners find products needed to reduce their energy costs.

Instantly, Issa became a door-to-door salesman.

"I would call homeowners myself. I would go door-knocking," he said. "It was tough."

The hard work is paying off. Revenue grew from the very start, and Issa now forecasts \$60 million in revenues and 26 offices nationwide by the end of 2016 — with hopes of taking the company public in 2017. The company has more than 300 employees in six states.

And this year he is a finalist in the prestigious Ernst & Young Young Entrepreneur awards program, which recognizes successful executives. **TCU, where he graduated, tapped him to help with its massive business school expansion program, and he made a \$500,000 donation.**

David Noyes, the company's chief financial officer, said he met Issa through a mutual friend more than a year ago. Noyes was so impressed that when Issa asked him to join the firm, he said there were no doubts.

"Abe is pretty dynamic," Noyes said. "I saw opportunity here. I'm here because I'm quite sure we can grow this. He's really behind taking care of the customer."

Noyes has been involved in five initial public offerings and said Issa's company goal of going public is attainable.

Most of Global Efficient Energy's sales are in foam attic insulation and solar panels. Customers buy the panels, which are installed, compared with other firms where customers lease the products, Issa said.

"We're the only one in the industry that does it this way," Noyes said.

Poor upbringing

Issa was born in Beirut during a time of conflict. Since his father had dual citizenship in the U.S., the family moved to Fort Worth when Issa was 5. He became a U.S. citizen in 1992.

"As a child growing up there, you would hear mortar shells and rockets," Issa said. "Buildings would shake. There were nights I would wake up and hear the war going on."

In 2005, Issa graduated with a finance degree from TCU.

During his senior year there, he worked at AC Properties selling investor-owned homes. He sold 72 homes that year and paid off his hefty student loans.

After graduation, Issa partnered with another TCU graduate in the real estate business. But when that partnership went sour, he went into business for himself, buying foreclosed properties and reselling them. Issa admits that he got overconfident with all the money he was making and took his eyes off the business. And that did him in. Banks started calling notes, and he was nearly bankrupt.

That's when he created Global Efficient Energy. For the first nine months, he was out in the field peddling his company and products. He did the energy audits for customers, bought products, handled marketing and sales, set up relationships with vendors and took care of quality assurance.

"Green was in its infancy," Issa said. "There's a lot of room for growth."

Driven for growth

Issa said a strong work ethic and passion drive his success. He also loves sales.

"I'm real passionate about what I do," he said. "Credibility is important. I really do want to help people. We want to make a difference and an impact in this world. I've got a chance to do that with this company and the industry we're in. It would be nice one day to have a green energy company that everyone knows."

Issa learned this month that he is a finalist for the Ernst & Young award. The program recognizes entrepreneurs who demonstrate excellence and extraordinary success in such areas as innovation, financial performance and personal commitment to their businesses and communities. The winners will be announced in late June.

Issa describes himself as a self-starter. For inspiration, he said he follows the heralded innovator Elon Musk, CEO of SpaceX and Tesla Motors, and actor Dwayne Johnson, better known as The Rock, on Instagram. He also reads several business publications.

Issa said his passion about sales drove him to contribute \$500,000 to TCU's \$100 million fundraising campaign at the business school, where the new Neeley Sales and Consumer Insights Center will include the Abe Issa Field Sales Lab to foster research in sales, service and customer decision making.

"It's crazy these universities do not have sales centers and sales academies," Issa said. "The ability to teach someone how relationships work and behavior insights ... is super valuable."

O. Homer Erekson, dean of TCU's Neeley School of Business, said he could see the enthusiasm when he Issa to ask for a donation.

"He's excited about the difference he could make," Erekson said. "There's no question he's ambitious, a go-getter."