

# Developing an entrepreneurial capacity

The importance of entrepreneurship to our success in the global economy is poorly understood, argues Professor Tom McKaskill.

Ever wondered why we Australians are so good at inventing things but have such a bad track record of converting great ideas into global businesses? The answer lies in our fixation with science and our confusion between science, innovation and entrepreneurship.

Why would you expect a person who can design and craft a great violin to be a concert violinist? The fact is that people who invent things are very good at just that. Why would we expect that they would be good at running a business that markets and distributes their inventions? Yet our policy makers throw billions of dollars at science in the hope that it will grow global business.

Entrepreneurs are not necessarily good inventors. But what they are good at is seeing how new inventions can be taken to market or at putting common products and services into new business models. They are typically innovators in that they bring something new to the market in the way they put products and customers together. They have great vision, energy, passion and a positive attitude, and they are great at bringing people together to make things happen. But while we can teach many of the skills of the entrepreneur, we can't create great ones. Just like with great sports stars or world-class concert pianists, we can assist, support and educate them, but the underlying talent must be there to begin with.

Can entrepreneurs be taught? Absolutely. Just look at great athletes. They all have coaches. In the same way, we at the Australian Graduate School of Entrepreneurship (AGSE) coach entrepreneurs. There are many areas in which existing entrepreneurs can improve their performance. Our objective in the



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Master of Entrepreneurship and Innovation (MEI) program is to improve the probability of success.

## How do we do that?

Entrepreneurs come from every sector of the economy. Every great organisation – whether it be commercial, not-for-profit or political – was started by an entrepreneur. But being an entrepreneur simply means that they have the raw talent and desire

to 'make things happen' and they do this through building an organisation to achieve it. It does not mean that they know about sales and marketing, or finance or operations. So there are many areas where we can add best practice to their skill sets. At the same time, there is a growing body of knowledge in entrepreneurship which can help them: opportunity evaluation, business plans, risk management, venture capital and angel financing, exit strategies and bootstrap financing.

Many of the people we see in our MEI classes have already had one or two ventures or are running one while they study part-time. Why do they come to us? They recognise that they need more knowledge if they are going to grow a successful business. Some form teams and start new ventures during the program. Others join an existing business run by another MEI student. For most, the networking with other entrepreneurs is value for money. Being able to share common problems, talk to like-minded people and have access to experienced faculty staff provides great value for them.

AGSE is a world-class institution providing leading-edge education and research in entrepreneurship. Swinburne is recognised globally for its contribution in the field. If you know of entrepreneurs seeking knowledge – send them our way.

*Professor Tom McKaskill writes a weekly column on entrepreneurship in BRW magazine.*

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