

STRATEGIC RESOURCE ALIGNMENT:

THE IMPACT OF CENTRES FOR
ENTREPRENEURSHIP ON STUDENT
VENTURES

**ECOOM REPORT: EXTENDED
EXECUTIVE SUMMARY**



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Strategic Resource Alignment: The Impact of Centres for Entrepreneurship on Student Ventures

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1. BACKGROUND AND METHODOLOGY

Higher education institutions (HEIs) increasingly recognise their crucial role in fostering student entrepreneurship (Bergmann et al., 2016; Mele et al., 2024; Wright et al., 2017). In response, they have established Centres for Entrepreneurship (CfEs) (Brown & Hanlon, 2014; Jones et al., 2020; Pittz & Hertz, 2018). These centres, as essential hubs, play a pivotal role in not just providing resources and expertise necessary to transform early-stage student-led business ventures¹ into sustainable businesses (Sá & Kretz, 2015) and bridging academic theory with practical entrepreneurial applications (Bell & Bell, 2016). This initiative embodies the concept of “organisational sponsorship” (Amezcuca et al., 2013; Flynn, 1993), which aims to “mediate the relationship between new organisations and their environments by creating a resource-munificent context intended to increase survival rates among those organisations” (Amezcuca et al., 2013:1628).

To ensure the effectiveness of organisational sponsorship and support activities, it is crucial to align the priorities of CfE staff members who are providing resources with the expectations of student entrepreneurs (Van Weele, 2016). Misalignment can stem from various factors, including differences in the perceived importance of support between staff and student entrepreneurs (Patton, 2013) and the diverse needs and challenges student entrepreneurs face (Adefulu & Scheers, 2015; Shambare, 2013). With its potential to shed light on the alignment between the resource requirements of student entrepreneurs and the support provided by CfEs, the report aims to conduct a gap analysis to address the following research question: *Is there an alignment between the resource requirements experienced by student entrepreneurs during their entrepreneurial journey and the support provided by CfEs?*

This study adopts a qualitative, multiple-case study approach to examine the alignment between student entrepreneurs’ resource needs and the support provided by CfEs. Seven HEIs were selected as cases for the study, including four universities and three universities of applied sciences and arts. Primary data was collected through semi-structured interviews with 14 student entrepreneurs and 12 CfE staff members from the participating HEIs. This methodology enabled a focused investigation into the nuanced interactions between student entrepreneurs and CfE support systems, facilitating an in-depth understanding essential for addressing the research question.

Based on the resource-based view (RBV) theoretical framework, the challenges faced by student entrepreneurs (required resources) and the support offerings by CfEs were categorised into tangible and intangible resources. Specifically, tangible resources included physical and financial resources, while intangible resources encompassed knowledge, social capital, and legitimacy. During the coding process, the theme “knowledge” was further refined into three sub-themes: knowledge (education), knowledge (information), and knowledge (skills). Additionally, a new theme emerged, termed “awareness and accessibility”.

¹ The terms “student start-ups” and “student ventures” are used interchangeably in the student entrepreneurship literature - see, for example, Bergmann et al. (2016). This report refers to newly established student businesses as “early-stage business ventures”.

2. FINDINGS

This section presents a summarised overview of the gap analysis findings, highlighting the challenges student entrepreneurs face (required resources) and the support provided by CfEs (see Figure 1).

Figure 1: Gap analysis of support offered by CfEs compared to challenges experienced by student entrepreneurs during their entrepreneurial journey

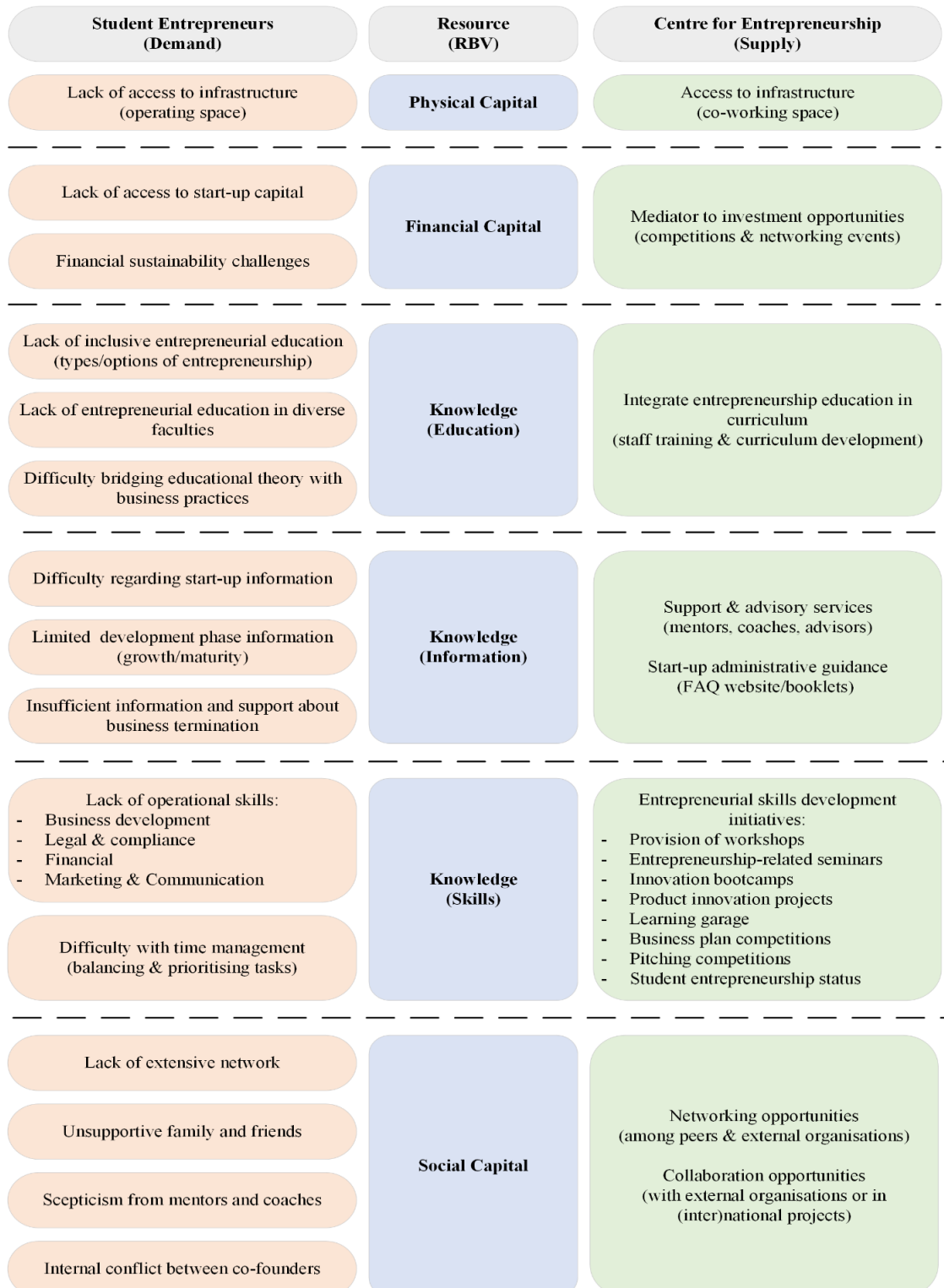
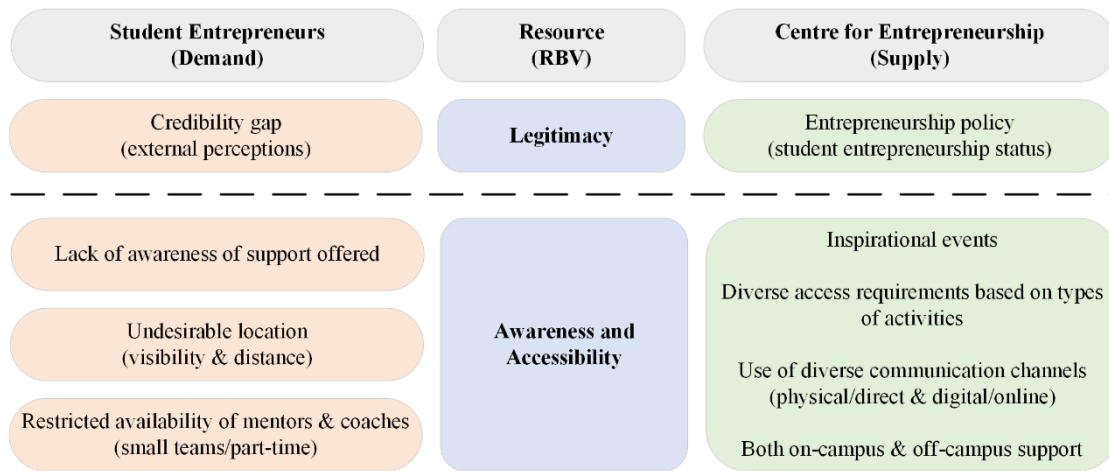


Figure 1 (cont.): Gap analysis of support offered by CfEs compared to challenges experienced by student entrepreneurs during their entrepreneurial journey



2.1 Physical Capital

Regarding physical capital, student entrepreneurs voiced concerns about the perceived need for access to essential infrastructure, particularly operating space. This scarcity impacts the feasibility and growth of student-led ventures, highlighting the need for accessible, cost-effective venues to support entrepreneurial activities. In response, CfEs offer co-working spaces that serve as vibrant ecosystems for collaboration and innovation. These spaces provide a conducive environment for developing and growing entrepreneurial ventures, fostering a community of like-minded individuals bound by pursuing entrepreneurial endeavours.

2.2 Financial Capital

Financial challenges are prevalent, with student entrepreneurs expressing that they need help to secure traditional funding due to the perceived heightened risks associated with their ventures. They also highlight a need for more knowledge about suitable funding mechanisms and feel they need more skills to persuade investors. Additionally, they perceive the high costs associated with research and development (R&D) and the challenges of achieving financial sustainability further compound these difficulties. To address these issues, CfEs facilitate access to financial resources by connecting student entrepreneurs with potential investors and organising competitions that offer financial rewards and visibility. While direct financial investment is not typically provided, these initiatives play a crucial role in helping students secure the capital necessary to initiate or expand their entrepreneurial endeavours.

2.3 Knowledge (Education)

Based on the responses of student entrepreneurs, it became evident that many face significant educational hurdles that impede their development and readiness to launch their ventures successfully. A key issue is the perceived insufficient emphasis on the diversity of entrepreneurship, particularly in

social and service-oriented businesses, and the lack of comprehensive entrepreneurial education that encompasses practical application and integration across various academic faculties. The student entrepreneurs believe that traditional entrepreneurial education often gravitates towards high-growth, technology-focused ventures, neglecting the rich spectrum of entrepreneurial opportunities that can drive significant social and economic value in other sectors. They also noted a perceived need for more emphasis on incorporating entrepreneurial principles across different academic disciplines, believing that entrepreneurial courses are siloed within business schools and overlook the potential for interdisciplinary synergy. Another recurring theme is the need for bridging theoretical knowledge with practical business practices. This gap is particularly pronounced in the perceived lack of practical application within the curriculum and the limited opportunities for students to gain hands-on entrepreneurship experience. Despite these challenges, staff at CfEs are actively involved in the entrepreneurial training for educators and the curriculum development to include entrepreneurship-related courses. They offer staff training to equip educators with the necessary skills, knowledge, and mindset to teach and mentor aspiring entrepreneurs effectively. These initiatives aim to embed entrepreneurial concepts and practices within the broader academic framework, allowing students from diverse fields to engage with entrepreneurship as an integral part of their education.

2.4 Knowledge (Information)

Student entrepreneurs also noted experiencing challenges related to information, including scattered information sources, uncertainty regarding the most suitable business structures, lack of knowledge about appropriate funding mechanisms, a disproportionate focus on the early stages to the detriment of subsequent growth and maturity stages, and information regarding the dissolution of their businesses. The student entrepreneurs perceived the entrepreneurial landscape as having scattered information sources, making it difficult to find reliable, comprehensive guidance. This fragmentation contributes to significant difficulties in obtaining start-up information, including navigating the initial legal, financial, and operational aspects of establishing a new venture. Additionally, a common point of confusion among the interviewed student entrepreneurs lies in selecting the most suitable business structure for new ventures. The choice between sole proprietorship, partnership, corporation, and other legal structures has profound implications for liability, taxation, and management. Similarly, a perceived lack of knowledge regarding appropriate funding mechanisms also came about from the interviews, which can stifle a venture's ability to secure the financial resources necessary for growth. While support systems, such as incubators and academic programs, often emphasise the early stages of business development, there is believed to be a shortage of information and guidance tailored to a business's development and growth phases among student entrepreneurs. This perceived limited focus can leave student entrepreneurs ill-prepared to navigate the challenges of scaling operations, managing increased customer demand, and maintaining competitive advantage. Lastly, the student entrepreneurs also viewed the end of a business's lifecycle as often overlooked in entrepreneurial education and support

networks, with many mentioning being unaware of the proper procedures for dissolving a business, including legal requirements, financial settlements, and asset disposition. To help alleviate the challenges faced by student entrepreneurs, CfEs offer two pivotal support initiatives: access to mentors and advisors and a frequently asked questions (FAQ) webpage or booklet. The availability of mentors and advisors is a cornerstone of entrepreneurial support, offering students and nascent entrepreneurs direct access to individuals with real-world experience and expertise. These mentors and advisors play a multifaceted role, encompassing one-on-one coaching, guidance through the intricacies of business development, and providing insights into industry-specific challenges. The relationship between mentors and mentees is instrumental in transferring tacit knowledge, which is often critical to navigating the entrepreneurial journey successfully. Complementing the personalised support of mentors and advisors is the creation of a FAQ webpage or booklet designed to address the common queries and concerns of entrepreneurial aspirants. The FAQ medium ensures that foundational knowledge is readily available, enabling students to familiarise themselves with the entrepreneurial landscape and to prepare more informed questions for their mentors.

2.5 Knowledge (Skills)

The student entrepreneurs also perceived experiencing a skill gap related to business development, legal and compliance, financial management, marketing and communication, and operational skills. Student entrepreneurs mentioned needing more experience and knowledge to effectively sell their products or services, develop an expansive professional network, and create comprehensive business and financial plans. These gaps can significantly impede a venture's ability to secure funding, forge critical partnerships, and achieve sustainable growth. Understanding the legal aspects of running a business, such as contract development and adherence to compliance requirements, is crucial for minimising risk and ensuring smooth operations. However, the student entrepreneurs expressed having often navigated a complex legal landscape with little guidance, exposing their ventures to potential legal pitfalls and liabilities. Effective financial management, encompassing tax calculations and accounting, is pivotal for the viability of any venture. Nevertheless, considering the student entrepreneurs' responses, many enter the business world without the necessary financial acumen, leading to budgeting, financial reporting, and tax compliance challenges. The student entrepreneurs also acknowledged that they often struggled to craft compelling marketing strategies and engage stakeholders, hindering market penetration and growth. Coupled with the challenges of balancing academic responsibilities and prioritising tasks, the student entrepreneurs also sometimes found themselves overwhelmed, which they believed led to poor time management and operational inefficiencies. Acknowledging the skills gap that might exist among student entrepreneurs and the importance of a healthy balance between education and entrepreneurship commitments, CfEs offer a broad range of support initiatives to assist student entrepreneurs. These include more practical mechanisms within HEIs that cultivate and enhance entrepreneurial skills, culminating in the broad development of knowledge in the form of actionable

skills. At the forefront of these initiatives are the provision of workshops, entrepreneurship-related seminars, innovation bootcamps, product innovation projects, learning garages, business plan competitions, and pitching competitions. Each of these components plays a crucial role in the experiential learning process, providing students with the opportunities to learn about entrepreneurship and actively engage in the entrepreneurial process. Additionally, through the CfEs, student entrepreneurs can apply for student entrepreneurship status, allowing them some academic freedom to focus on entrepreneurial ventures.

2.6 Social Capital

Building social capital is also perceived as being challenging due to limited access to industry experts, interaction with fellow entrepreneurs, and support from parents and friends. These limitations hinder leveraging vital networks that provide necessary resources and mentorship. CfEs address this by organising networking events and establishing internal and external collaboration. These initiatives facilitate connections with industry leaders, potential investors, and fellow entrepreneurs, fostering a supportive entrepreneurial community. Peer-to-peer networking opportunities encourage sharing experiences, strategies, and challenges, promoting a sense of community and mutual support among aspiring entrepreneurs.

2.7 Legitimacy

The student entrepreneurs also acknowledged needing help with achieving legitimacy, with negative external perceptions and perceived limited external support affecting the credibility of student-led ventures. This impacts their ability to secure partnerships and resources essential for growth. A national student entrepreneurship policy has been established to assist student entrepreneurs in gaining legitimacy, providing them with a “student entrepreneurship status”, essentially recognising them as legitimate student entrepreneurs supported by their institutions. Additionally, some CfEs offer publicity support, enhancing student-led ventures' visibility and credibility, helping them overcome initial scepticism and attract essential resources.

2.8 Awareness and Accessibility

Based on the responses from the student entrepreneurs, it became evident that their perceived lack of awareness and accessibility to support activities significantly impacted their ability to overcome barriers throughout their entrepreneurial journey. Many potentially beneficial programs and resources remained underutilised due to this lack of awareness. While this could be attributed to communication strategies sometimes falling short in reaching or resonating with the intended audience, the findings also indicate that CfEs employ a broad range of communication channels to create awareness of entrepreneurship and the available support activities. Students might also not always engage with information that does not align with their immediate needs or interests at the time and might not always be paying attention

when available offerings are communicated to them. This underscores the importance of ongoing efforts to enhance the visibility and relevance of these resources. The student entrepreneurs also emphasised the importance of the physical presence and accessibility of CfEs and the support they offer, believing these factors significantly influence their utility. Issues such as lack of visibility within the academic institution and inconvenient locations can deter student entrepreneurs from seeking and utilising these resources.

3. CONCLUSION

Based on the findings of this study, while there appears to be alignment between the support offered by the CfEs and the resources required by student entrepreneurs, a clear need emerges for creating greater awareness and accessibility regarding the available support. Additionally, given the diverse needs of student entrepreneurs, it is worth questioning whether CfEs should aim to address all these needs themselves. Jones et al. (2020) argue that the needs of student entrepreneurs are often too varied for a single unit, such as a CfE, to effectively meet. This raises the idea that CfEs might be better positioned as intermediaries, connecting student entrepreneurs with specialised units that can provide the specific support they require. The findings contribute to the theoretical understanding of the RBV and organisational sponsorship within CfEs in HEIs. They highlight the dynamic interaction between resource provision and entrepreneurial success, suggesting that well-aligned organisational sponsorship significantly enhances new ventures' survival and growth rates. From a practical standpoint, the study offers valuable insights for HEIs and policymakers on optimising the design and operational strategies of CfEs. By ensuring alignment between what is offered and what is expected, HEIs and CfEs can create more effective policies that support student-led ventures' creation, sustainability, and growth, ultimately fostering a thriving entrepreneurial ecosystem.

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