

Igniting Entrepreneurship

The inspiration for the IESE entrepreneurship course in the school's MBA programs came to me during my time studying for a doctoral degree at Harvard University. Besides working as a research assistant, and juggling all my doctoral thesis obligations, I took the "Starting New Ventures" course. As soon as I got back to IESE, I decided to launch a similar course.

Executive Summary

IESE Prof. Pedro Nuño introduced entrepreneurship as a course on the MBA program 35 years ago in 1974. Its launch came six years before the school introduced the bi-lingual MBA program in 1980, and so it was known initially as NAVES, a contraction of "Nuevas Aventuras Empresariales" ("New Business Adventures").

Since then, many IESE MBA, Executive MBA and Global Executive MBA students and participants have been inspired by the course to set up their own "new business adventure" across the globe. Prof. Nuño, along with his colleagues in the Department of Entrepreneurship, continue to make every effort to support alumni in this field of business creation that is so vital to society.

Profs. Richard Dooley and Patrick Liles launched a second-year MBA course on entrepreneurship titled "Starting New Ventures" at **Harvard Business School** (HBS) in the late 1960s. It soon became one of the business school's most sought-after electives. As a Ph.D. candidate at HBS in the early 1970s, I was aware of how much I could learn from the school's MBA program. So, besides working as a research assistant (to pay the bills) and juggling all my doctoral thesis obligations, I took advantage of being able to participate in the MBA program, slating a full work load every semester. I remember taking courses on energy, real estate, strategy and international business. But what interested me the most was undoubtedly the "Starting New Ventures" course.

As soon as I got back to IESE I decided to launch a similar course. I asked Prof. Dooley for permission to more or less copy it. In 1974, no one struggled with the great intellectual debate of whether to study for an MBA in Spanish at IESE in Barcelona or in English at **HBS** in Boston. Dooley was honored by my request and gave me the go-ahead. I named the course "Nuevas Aventuras Empresariales" ("New Business Adventures") and the MBA students, practical as always, immediately contracted its name to NAVES (**Nuevas Aventuras Empresariales**) or "ships" in Spanish. Back in the early days, I translated **HBS** cases into Spanish. But I wanted to add another dimension to the course. So I asked students to prepare a business plan for an innovative business opportunity. It would be a useful assignment for all the students, even for those who were not interested in starting their own company.

Years later, Prof. Dooley came to IESE's Barcelona campus for a semester to teach the course with me. By then, the IESE MBA was taught in English, the student body had grown considerably and NAVES was one of the most popular classes. NAVES featured original case studies based on the experiences of IESE alumni entrepreneurs. And this is the structure we have maintained to this day. Over the last 30 years or so, more than 100 cases have been written, and students on the full-time MBA program have drafted over 1,000 business plans. On top of that, IESE now offers the NAVES course in the Executive MBA and the Global Executive MBA, so the total number of business plans prepared by IESE alumni is approaching 2,000.

IESE's Department of Entrepreneurship took a leap forward when Dean Jordi Canals allowed the NAVES course to be the centerpiece of an academic department. This made it possible to attract excellent faculty such as Prof. Julia Prats, who holds a doctorate from **HBS** where she worked with Prof. Howard Stevenson, one of the world's leading experts in entrepreneurship. Antonio Dávila, another Ph.D. graduate from **HBS** joined the faculty along with Juan Roure. While studying for his Ph.D. at **Stanford University** in California, Roure witnessed the Silicon Valley entrepreneurial boom first hand. And Chris Zott left **INSEAD** in Paris to join IESE.

NAVES continued to chart new waters for a number of years. Early on it launched a yearly forum to showcase MBA students' business plans to potential sponsors. Many of these business plans became actual businesses thanks to that presentation to business leaders, most of them alumni, who came to "invest" in IESE's MBAs.

Logifashion, a logistic operator specialized in the textile sector is one example that comes to mind. Three MBA '96 graduates, Juan Manzanedo, Carlos Villa and Juan Martínez,



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launched the company that same year. Logisfashion now has over 80,000 m² storage capacity in Spain, Chile and Mexico.

Another of the course's innovations was to create a venture capital fund, called FINAVES, to provide seed capital for start-ups. Over 15 companies obtained their first capital thanks to FINAVES. For faculty, FINAVES is a fascinating lab in which to study the day-to-day process of starting a new company.

Professors in IESE's Department of Entrepreneurship also launched an active business angels network, headed by Prof. Roure. On top of that, faculty has established several new competitions, conferences and award programs. They have published over 20 books and countless case studies and articles. All this could not have been achieved without the help of people like Neus Martínez, Amparo San José, Mathieu Carezo, Emily Kunze, Silvia Gomáriz, Isabel Cuesta, Rosa Fité and Juan L. Segurado.

Many IESE alumni have started new companies or undertaken entrepreneurial activities such as rescuing a distressed company or diversifying efficiently. If we start on the West Coast of the United States, we find Benjamin Krempel (MBA '99) in San Francisco, with **Aqueduct Medical**, which provides post-op machines for cosmetic and trauma surgery patients. Over on the U.S. East Coast, we find Fritz Folts (MBA '91) in Boston, a consummate entrepreneur in financial services.

And across the Atlantic in Europe we find Andrea Christenson (MBA '83) with her **Käthe Kruse** toy and children's wear company in Germany. Or we could talk with Andrés Cárdenas (AMP '97), who spearheaded the leveraged buy-out of **Sintax Logística**, a company specialized in international logistics services.

If we continue moving east all the way to China we can find entrepreneurs who have gone through IESE programs organized jointly with **CEIBS** and **HBS**, such as Xu Han, who created a medical diagnosis company 15 years ago that is now listed on the NYSE. Or Yang Lan, who created **Sun Media**, a top Chinese TV and media company.

There are entrepreneurial IESE alumni operating in virtually all business sectors. In technology we find Lucas Carné (MBA '99) from **Privalia** and Antonio González-Barros from **Grupo Intercom** (AMP '01); in retail - Javier Relats from **Aita**, in financial

services the brothers Borja García-Nieto (MBA '97) and Ignacio García-Nieto (Executive MBA '87) at **Riva y García**.

Catching the right wave

Of course, there are aspects of entrepreneurship that are beyond the controlled environment of the classroom. An entrepreneur needs an opportunity and vision. But opportunity is elusive. Sometimes our stars are aligned and the opportunity coincides perfectly with the business concept's launch.

Other times, the opportunity is right under our nose and we fail to see it. This is where vision comes in. In the 1970s, some students were struggling to come up with ideas for their business plan. I gave them a **HBS** case study on a small U.S. company called **Identicon** that had come up with the bar code but could not think of an application for it. In response to my students' questions and since I was making one of my frequent trips to Boston anyway, I dropped by **Identicon's** offices there. They offered me the exclusive rights to the barcode system in Spain and Portugal for \$3,000, the price of the two scanner systems needed to do demos.

The MBAs thought that the barcodes would never amount to anything and they left me out to dry. I asked two or three Spanish companies if they were interested in acquiring the rights, but no one thought barcodes had any future. What lack of vision we all had! I was able to save face and back out of the agreement without any cost. There are many stories like this I could tell.

And even once you've got your business idea, opportunity and vision, the first years can be a bumpy ride. The founders of **Logisfashion**, **Advance Medical** and many other companies had to fine-tune their business plan to capture the elusive opportunity they had in sight. Their tenacity and financial prudence allowed them to finally grab it. From that moment on they stepped on the gas and their companies are today small, successful multinationals.

These issues are the focus of our NAVES course: how to spot an opportunity (inside or outside a company); how to formulate business plan; and then how to make it a reality. IESE's close ties with alumni have led to their involvement in the Business Angels Network, FINAVES, the various forums and more directly by phone and e-mail contact with faculty who are passionate about this field of business creation that is so vital to society's advancement. ■

Publicidad

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