

Ivey Entrepreneur

www.ivey.uwo.ca/entrepreneurship

Fostering Entrepreneurship in Italy



*Professor
Simon
Parker
joins an
OECD team
addressing
the
challenges*

*of small and medium-sized
enterprises (SMEs)*

Quick, what do you think of when you hear the word "Italy"? Great food and wonderful wines. Beautiful fashion, footwear and furniture. Centuries of history and culture. And of course, an economic disaster zone.

Italy, despite its many strengths, is the weak man of Europe. It has been in recession for more than five years, and has lurched from one political crisis to another during that time. The national debt is estimated at 2 trillion Euros (Can. \$ 2.82 trillion). The unemployment rate is projected to reach 12.5% in 2014. That's why it represented an irresistible challenge for Professor Simon Parker, (Director of Ivey's Entrepreneurship Cross-Enterprise Centre). Parker was invited to join a team preparing a report on SMEs and entrepreneurship in Italy for the Centre for Entrepreneurship, SMEs and Local Development, part of the

Organization for Economic Co-operation and Development (OECD).

The OECD recognizes that entrepreneurship has a key role to play in economic and social development, the organization's ultimate goal. "Entrepreneurs tend to create more jobs than large firms, and they're a very important source of innovation in the economy," Parker says. Among activities to foster entrepreneurship, the OECD produces reports for member countries to pinpoint policy challenges and opportunities. Parker joined three OECD staff members and two other international subject experts in preparing the report for Italy.

The team spent a week in Rome conducting intensive interviews with civil servants in several departments and ministries. They also spoke to representatives of trade associations and chambers of commerce, bankers and others. In the second phase of the project, they combed through reports compiled by the Italian government, the OECD and EU, the Bank of Italy and other bodies. They then compiled and analyzed the data, and developed some recommendations.

Parker's focus was on entrepreneurial finance, innovation and internationalization. "Like most countries, Italy has a large number of

InstituteBuzz

As Director of Ivey's Business Families Centre I often speak of how the great entrepreneurial families embrace the concept of 'Stewardship' as the next generation responsibly manages the legacy provided by the previous generation. Now in the role of "interim" director of Pierre L. Morrissette Institute for Entrepreneurship, I'm hoping to embrace some Stewar(t)ship; responsibly managing the legacy of Stewart Thornhill.



InstituteBuzz
By **David Simpson**, MBA '88
Interim Executive Director,
Pierre L. Morrissette
Institute for
Entrepreneurship

Under Stewart's leadership the Institute built on the foundations developed by Eric Morse and with the support of an active and engaged Entrepreneurship council, has now achieved substantial momentum for Ivey as an Entrepreneurship School. As a serial entrepreneur myself, I know that experience matters and the best learning opportunities come from trying things.

The Institute continues to support active real world experiences for our students. From dynamic case studies, impactful research and entrepreneur speakers to classes in idea formulation, growth management and finance through to the New Venture Project experience – Ivey is well positioned to serve our future generations of entrepreneurs. I look forward to the opportunity to shape our institute in the coming year in the fine traditions of my predecessors.

CONTINUED ON BACK

The Opportunity in Transition

After five years at the helm of the Pierre L. Morrissette Institute for Entrepreneurship at Ivey, Stewart Thornhill has transitioned out of his role of the Institute's Executive Director.

Under Thornhill, the influence of entrepreneurship education has grown at Ivey, where it is now accessible in all degree programs. The Institute has also created post-graduation opportunities for promising entrepreneurship teams with the Ivey-MaRS Commons partnership. Thornhill was instrumental in strengthening Institute relations with Ivey's alumni network and helped elevate Ivey Entrepreneurship's global reputation by securing the opportunity to host the Babson College Entrepreneurship Research Conference in 2014. While his

departure introduces new challenges for the Institute, they also reveal new opportunities.

Pierre Morrissette, MBA '72, can see a parallel between his own company and the Institute for Entrepreneurship that bears his name in that they're both on their way to a new level of success.

Like the Institute, which has welcomed David Simpson as its new interim Executive Director, Morrissette's company, Pelmorex Media Inc., recently underwent a change in leadership. Morrissette has stepped down as CEO and moved into the role of Executive Chairman and Ron Close, HBA '81,

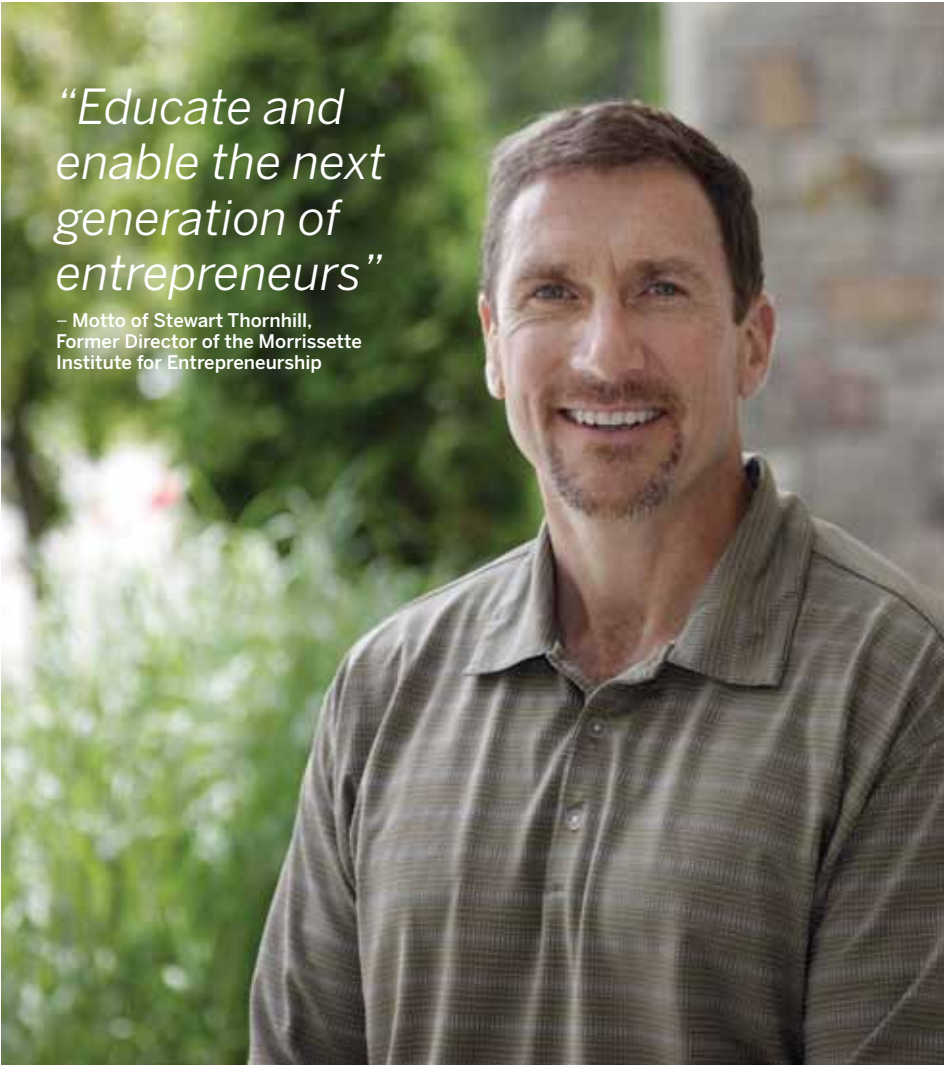
Ivey's former Executive Entrepreneur-in-Residence, has assumed the role of President and CEO of Pelmorex. Meanwhile, Morrissette is the new Chair of the Ivey Advisory Board and is looking forward to being more involved with the School.

Morrissette said he embraces such transitions for the opportunities they bring – for new talent, new strategies, a new game plan can potentially mean more success going forward.

"I never view a change in key players in any organization, whether it's government, a corporate business or a small entrepreneurial enterprise as a setback, I view it as an opportunity. Most of the time, when people move on, it creates an opportunity to raise the bar and achieve new success," he said. "Whenever I'm talking to a new player taking on a new challenge in our organization, I say, 'The mandate is very straight forward – leave it better than you found it.' The ultimate goal of any new stewardship is just to take it to the next level and raise the bar."

"Opportunity" was a key word in Thornhill's lexicon as well. He refers to entrepreneurship as something that occurs when opportunity and entrepreneurs come together, which makes the art of recognizing and pursuing opportunities a major part of Ivey's entrepreneurship program. This itself a major testament to the growth of entrepreneurship at Ivey, a world-class institution more so known for producing consultants than entrepreneurs.

"We used to joke at Entrepreneurship Council meetings that the Ivey education didn't get in the way of guys like me becoming entrepreneurs," said David Wright, HBA '83 and Chair of the Ivey Entrepreneurship Advisory Council. "The generic Ivey education has always been well-suited to people who have an entrepreneurial focus, but we didn't have specific entrepreneurship classes or a

A portrait of Stewart Thornhill, a man with short brown hair and a goatee, smiling. He is wearing a light-colored, short-sleeved polo shirt. The background is a blurred outdoor setting with green foliage.

“Educate and enable the next generation of entrepreneurs”

– Motto of Stewart Thornhill,
Former Director of the Morrissette
Institute for Entrepreneurship



“Now the challenge is to go even farther and let Ivey Entrepreneurs, in any state of their career know that the Institute is a resource to be drawn upon. My vision is for Ivey to be seen as the ultimate resource for entrepreneurs in Canada.”

– David Wright, HBA '83,
Chair of the Entrepreneurship
Advisory Council

certificate in entrepreneurship like now,” he said. “Now Ivey is specifically and obviously trying to enable people and give them certain skills. We want one of the main things that students go to Ivey for to be entrepreneurship.”

When Wright became an entrepreneur roughly a decade ago, he didn't consider Ivey to have resources that he could tap into at that stage of his life. Like the Institute, he was experiencing his own transition from general management to entrepreneurship. He had a corporate career for about 20 years until in 2002, an opportunity arose for him to buy the small business he was running. He launched Agora Consulting Partners Inc. just after the dot-com bubble burst and

learned the hard way about the need for entrepreneurs to be nimble and flexible.

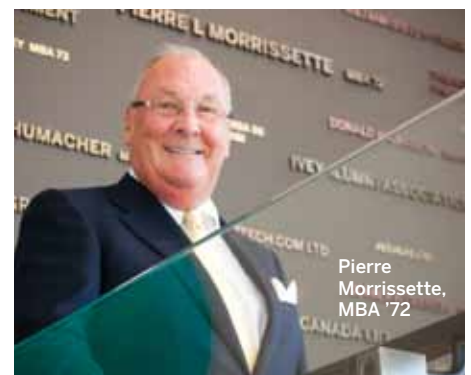
“Things change all the time and you work with it continually as you go. Circumstances are always in a flux so you have to be flexible and hopefully you've set things up in a way that allows you to be nimble in what you do,” he said. “You have to take advantage of opportunities big or small as they arise. Entrepreneurship is all about transitions.”

Morrisette also likens such transitions to the entrepreneurial experience. For a company to grow, he said it has to constantly reinvent itself, move with market trends and opportunities and also address industry challenges.

“As an entrepreneur, for me, it has always been about building a business for the long term,” he said. “Over the years, when different elements within the business have changed, you adapt to that and apply new plans, new strategies and new players to accomplish this ongoing success.”

With new leadership at the Institute and the upcoming Babson Conference on the horizon, Morrisette said his original goal for the Institute – to make Ivey the “go-to” place for aspiring entrepreneurs – is coming to fruition in a big way.

“Entrepreneurship is one of those categories in business, which is gaining huge popularity and Ivey is so well-positioned to assume a leadership role in fostering entrepreneurship. The Institute has already laid a fantastic base in that regard and now the sky is the limit,” he said. “It's time to take it to the next level.”



Pierre
Morrisette,
MBA '72

In the midst of transition that is a shared vision that remains constant and consistent across the Institute.

Canada's Top Female Entrepreneur



1 Kelsey Ramsden
BELVEDERE PLACE DEVELOPMENT LTD.

Ivey alum and Entrepreneurship Advisory Council member Kelsey Ramsden, MBA '04, was named Canada's Top Female Entrepreneur by PROFIT & Chatelaine Magazine for the second straight year.

President of Kelowna, BC-based Belvedere Place Development Ltd, Ramsden is a serial entrepreneur, thought leader and motivational speaker. Her most recent venture SparkPlay™ is a play-based learning tool for children.

Congratulations to our Ivey alumnae and QuantumShift™ fellows who featured on PROFIT & Chatelaine Magazine's Top 100 Canadian Female Entrepreneurs:

- Shannon Bowen-Smed (QS '04)
- Victoria Sopik (QS '09)
- PJ Ferguson (QS '09)
- Teresa Spinelli (QS '11)
- Madeleine Paquin (HBA '84)
- Mandy Farmer (QS '11)
- Eveline Charles (QS '07)
- Sandra Oliver (EMBA '97)

very small companies that aren't very innovative or exciting," says Parker. "But it also has a strong core of medium-sized firms that are world-beaters at what they do. Many people we spoke to felt that this potential was being wasted."

He found that while Italy has a very sophisticated credit market, there is little venture capital and angel financing available. One of the reasons, he says, is the "almost medieval" state of the court system, which makes it difficult to enforce contracts. "It's something we take for granted in Canada but is really dysfunctional in Italy." Parker has suggested that the Italian government consider setting up parallel courts to deal specifically with investment disputes. Parker also recommended fine-tuning the tax incentives for innovation and improving commercialization practices to transfer university expertise to commercial innovation. "The devil is in the details," he says. "The implementation of these practices turns out to be very important."

Foreign Direct Investment (FDI) in Italy is at a very low level. To increase FDI, Parker repeated his call for reform of the courts. He also suggested "reducing the size and meddling power of the state" and ensuring that SMEs capture more of the value in any FDI.

Italian SMEs have focused their export efforts primarily on Europe. Given the current economic conditions, Parker says they must look further afield. He suggested a German model -- a system of "firm pools" working with a government agency dedicated to opening new markets. "There are lots of areas around the Mediterranean that have enormous export potential, but few Italian firms are exploiting them."

Parker welcomed the opportunity to be involved in a real-world policy project with the potential for real impact. "A lot of the academic work is seen to have little relevance," he says. "Involvement in an exercise like this demonstrates that business professors can bring an enormous amount of experience and

expertise to bear. We can make a real difference to how governments deal with the challenges of trying to stimulate a more entrepreneurial economy." The report is currently being edited and will be available online in 2014.

The project was an opportunity to raise Ivey's profile in Europe. It was also an important learning opportunity for Parker. It reminded him that change, however well researched and thought out, is often difficult to achieve. He remembers, for example, asking one official why entry into the legal profession in Italy was so restricted, causing bottlenecks in the justice system. The official smiled tiredly and said that they had tried to make a change but the proposal was defeated in parliament, which is dominated by lawyers and those with close connections to the legal profession. "The sad lesson," says Parker "is to never underestimate the power of vested interests to prevent change that will help your country."

Ivey's ShadPlus program promotes entrepreneurial skills.



Imagine someone has used robotic technology to create a robotic bird that can fly through the air and land on your hand and wants to know what you would do with it. Could you come up with a winning business idea?

That's the kind of scenario that 30 high school students grappled with in the summer of 2012 while participating in the inaugural Ivey Summer Business

Program – a ShadPlus opportunity. ShadPlus is a special entrepreneurship program for alumni of Shad Valley, a national program that offers summer education programs at Canadian university campuses to exceptional high school students.

With ShadPlus Ivey offered in-depth education in entrepreneurship led by Ivey faculty Rob Mitchell, Stewart Thornhill and Eric Morse.

For instance, the students had to create business opportunities for robotic technology. They came back with some creative ideas such as using the robotic birds at zoos or amusement parks. Mitchell, who is the Donald G. & Elizabeth R. Ness Faculty Fellow in Entrepreneurship, said he was impressed with their ideas.

"I think the more entrepreneurship skills kids can get, the better. In the program, we try to harness some things that the kids are naturally good at and then complement these potential talents and abilities with some business skills that may not come as naturally to these kids," he said. "Imagination and creativity often come more naturally to kids and this program further encourages it."

The students also learned from seasoned entrepreneurs, such as Kevin O'Leary, MBA '80, from CBC TV's Dragons' Den who talked with them via Skype, and young emerging entrepreneurs, such as Jared Vaughn, a London high school student who recently pitched on Dragons' Den.

Feedback on the program was so positive that it has now become part of Ivey's summer schedule.