Chapter 22

Stimulating Entrepreneurship Activity at SUNY Korea, from Scratch

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The Republic of Korea (ROK) is a country well-known for fostering innovation. From 2016 to 2019, the ROK has ranked #1 in the Bloomberg Innovation Index (Jamrisko et al. 2019), which scores economies using factors that include research and development spending and concentration of high-tech public companies. Yet, the country historically has not been a leader in fostering high-quality innovational entrepreneurship ecosystems. Statistics show that Small and Medium-sized Enterprises (SMEs) employ almost 90% of the country's workers, but those SMEs hold only around 23% of the country's market capitalization (Ogura 2015; Korean Ministry 2019). While the speed of entrepreneurial decision-making is certainly slowed down by the bureaucracy and hierarchy typically found in Korean organizational culture, the education system has also been scrutinized. Policy-making and academic research alike point to the shortcomings of the education system's sheer reliance on rote memorization when it comes to developing critical and creative thinking skills required for innovational entrepreneurship (McGuire 2007; Jeon 2015). In that sense, the educational environment and entrepreneurship education environment in the ROK differ significantly from those in many Western environments.

This article addresses *SUNY Korea*, a recently founded international campus for Stony Brook University, and focuses specifically on the recent launch, progress, challenges, and concrete actionable "lessons learned" at its Center for Global Entrepreneurship (CGE). While the CGE is only a few years old at the time of this writing, its small staff has already accumulated experiences that can help inform those who wish to replicate this kind of organization elsewhere, especially in Asia.

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Background

The State University of New York, or SUNY, is the largest comprehensive system of universities, colleges, and community colleges in the United States, with a total enrollment in 2019 of 415,572 students, plus 2,313,953 adult education students, spanning 64 campuses across the state.¹ Although the broader university system was established in 1948, its four flagship universities were founded in different years: Albany (1844), Binghamton (1946), Buffalo (1846), and Stony Brook (1957).

In 2007, Stony Brook University (SBU) signed a memorandum of understanding with the Incheon Free Economic Zone, and in May 2009, the SUNY board of trustees granted Stony Brook administration the authority to conduct negotiations with the ROK government to build a partnership campus in the country. Stony Brook would join other universities in the so-called Incheon Global Campus (IGC), to offer a diverse learning environment while at the same time stimulating the economy of the ROK. In July 2011, Stony Brook University announced that the Ministry of Education, Science and Technology in the ROK had approved the establishment of SUNY Korea as part of Songdo International Business District in Incheon, and that the campus was expected to begin academic programs in March 2012. Since launching in that month, SUNY Korea in 2019 offers seven undergraduate majors, five from SBU and two from SUNY's Fashion Institute of Technology (FIT).² As of Spring, 2019, SUNY Korea has 1,044 students, with 237 hailing from 56 foreign (i.e., non-Korean) nationalities.

All instruction at SUNY Korea is in English. While many American and British universities have launched international campuses in Asia, very few use SUNY Korea's kind of educational model: All SUNY Korea students are required to spend 1 year living and studying at the SBU home campus in New York. This residency requirement exposes them to American social and educational culture, as well as the community network there.

The Center for Global Entrepreneurship at SUNY Korea

In 2016, SUNY Korea launched a Business Management Department, and the following year its CGE was launched. The mission of the Center is to offer all SUNY Korea students and faculty a "networking point" with both the global and local entrepreneurship communities, as well as a set of in-house programs ranging from ideation hackathons to workshops on sales/negotiation and business modeling

¹The State of New York website (<https://www.suny.edu/about/fast-facts/>).

²The SBU majors are mechanical engineering, business management, applied mathematics and statistics, technology and society, and computer science. The FIT majors are fashion design and fashion business management.

to mentorship opportunities. The primary metric for the Center is the incubation of student start-up companies at SUNY Korea.³

Since launching in August 2017, the CGE at SUNY Stony Brook's Korea campus has launched a variety of programming⁴:

- (i) The *Global Growth Supporters* program, where teams of non-Korean faculty and undergraduate students offer consulting services to Korean start-ups interested in “going global;”
- (ii) The *Foreign University-linked Start-up Support* program, where faculty and entrepreneurs give workshops and pitch training to funded start-ups;
- (iii) Start-up Weekend (in partnership with Techstars). The November 2017 theme was “Educational Technology.” The June 2018 theme was “Fashion Innovation.” The June 2019 theme was “Sustainable Fashion Innovation;”
- (iv) Business “Beautiful Mind Speaker” Series, where guest speakers give talks about industry and leadership experiences;
- (v) MOES, or “Monthly Ongoing Entrepreneurship Symposium,” wherein SUNY Korea students pitch their ideas to each other during monthly closed-door luncheons;
- (vi) Internship matching program connecting SUNY Korea students to work at local start-ups; and
- (vii) A 3-day Business Idea Camp for all IGC students in November 2018 designed and delivered with an \$18,000 government grant.

Some of the programming (notably [i] and [ii] above) has been developed in conjunction with the Incheon Global Start-up Campus (IGSC). Located on the basement level underneath the IGC, the IGSC is part of the Incheon TechnoPark (subsidized by the Incheon Metropolitan Government) and incubates more than 40 professional start-ups.

Major Issues and Challenges at the CGE

Although the CGE has made progress in the earliest stages, there have been several significant cultural challenges. The first challenge has come from a broader cultural stigma or overall apathy toward entrepreneurship.⁵ As the Wall Street Journal reported in 2013, “Part of the challenge in ... Korea is tackling the heavy stigma of business failure. Working in a safe, prestigious job for a large corporation or the government has long been considered a desirable career route. Business failure is particularly feared because bankruptcy laws focus on ensuring that creditors are paid, meaning that personal and business assets can be stripped away at struggling companies” (Nam 2013). Although that news article was written 6 years ago, staff

³<https://www.chsieh.com/>.

⁴*Ibid.*

⁵These accounts are from the CGE's founding director, also this article's author.

at the CGE still perceive this undercurrent of stigma. SUNY Korea students are not particularly attracted to a life spent in entrepreneurship, and neither are their parents especially encouraging them to follow that path. Compounding the issue is that SUNY Korea's tuition matches SBU's tuition at roughly \$25,000 per year, and so students' parents are looking for a return on their educational investment.

Furthermore, many Korean students arrive at SUNY Korea still stuck in a rushed Korean pedagogical model and educational system driven by "making the grade" in anticipation of university admission; via rote memorization instead of concept acquisition; in hierarchical, one-way instructional designs (Jeon 2015). Thus, the typical student has not been exposed to critical thinking, creativity, and critical debate or discussion.

At the institutional level, SUNY Korea's small size is both a strength and a weakness. While its small size offers students and faculty more room for academic interaction, there is seemingly just not enough critical mass of student entrepreneurship spirit to continually inspire students. Consider statistics—albeit from the United Kingdom—showing that only 4.7% of recent graduates are self-employed or freelance, with only 0.6% having actually started their own business (Phillips 2018). Large universities with a student population of 20,000 students often announce entrepreneurship success stories. At such institutions, a 5% entrepreneurship participation rate would yield 1,000 entrepreneurial students, and at (say) four students per nascent entrepreneurship team, the equivalent of 250 teams. Hypothetically, if 3% of those teams reached any significant level of success (i.e., generating enough revenue to support the team's salaries), then 7 or 8 success stories could emerge and inspire others in the university community. Even assuming away "economies of scale" attributable to the geometrically increasing number of student interactions at larger universities, at just around 1,000 students the odds of fostering enough teams at SUNY Korea to produce even one such success story become challenging.

Practices and Solutions

In September 2017, for the launch of the CGE, a multistage ideation competition was created for SUNY Korea students. Every month the CGE would accept submissions for venture ideas from individual students, and selected ideas would be invited to be pitched to students and a faculty-based "jury." At semester's end, the top three or four ideas would be selected by the faculty jury from all the ideas presented during the semester for a finals competition. Throughout the course of the semester, the cash prize for the winning idea was announced at \$500. While there was interest and participation among the international (i.e., non-Korean) students, such cash prizes were apparently not enough to incentivize the Korean students.

However, student interest and participation exploded in the entrepreneurship programming when professors were identified as willing to offer their students extra credit for taking part. Very few faculty members, however, were willing to offer this

deal to their students, apparently due to worries that such extra-curricular activities would eat into their students' commitment to class and time devoted to their homework assignments.

Between October 2017 and June 2019, the CGE offered three 54-h hackathon-style events in collaboration with Start-up Weekend. The first one, in October 2017, had an EdTech theme and was university-wide but also attracted students from the other universities on the IGC. The ones in June 2018 and June 2019 were held in partnership with FIT Fashion Management professors, with themes related to Fashion Innovation. Partnering with Fashion Management professors, Start-up Weekend became mandatory for their students as a part of their final semester project.

Success was also found in relying on a professor's course to support hackathons and "Start-up Weekends." Using classes to generate participation was found to be especially useful in high power-distance conditions. Professors were asked whether they would be willing to use a weekend hackathon to substitute for their semester-long project. Some professors resisted, usually because they were unfamiliar with the value of entrepreneurship programming. Thus they were slowly brought on board by first asking them to help judge the student team pitches and presentations. More often than not, they became impressed enough to want their classes to join in the future.

Compared with other parts of the world, the Korean *entrepreneurship education* ecosystem is not as well-supported by (or reliant upon) corporate funding or individual donors. Instead, financial support tends to come from government entities such as ministries. Government offices have been approached on whether they would partner at events, in terms of getting the chance to announce the theme in exchange for sponsoring door prizes or meal costs. For example, the June 2019 Start-up Weekend on "Sustainable Fashion Innovation" was funded in part by the Korea Culture Information Service Agency (KCISA). As part of the funding agreement, KCISA contributed \$1,000 to cover food and door prizes, and after seeing the success of the event, agreed to contribute more funding in the future.

At the beginning of 2019, the CGE launched another program initiative with strong success. Mini-grants called "IGNITE" (standing for Inspiring Goals Now In Technology and Entrepreneurship) were created to help expose students to national competitions and the exposure that reflects current trends. For the first set of IGNITE mini-grants, the CGE at SUNY Korea welcomed computer science students from SUNY Korea to apply to compete at a hackathon sponsored by Google Campus Seoul. Sixteen applicants competed fiercely for the four mini-grants, and there were four winners of the 2019 grant. The CGE covered their event ticket costs and their 2-night Airbnb accommodations a few blocks away from Google Campus Seoul. A second set of IGNITE mini-grants were used to send 25 enthusiastic students on a field trip to attend the Seoul Motor Show. Although small in size and incremental in effect, these mini-grants have been shown to garner strong interest from students (SUNY Korea 2019).

Finally, there has been value in contacting local business incubators or start-up hubs and coordinating for them free "student consulting." New directors at university

entrepreneurship centers in Asia may need to utilize some small funds to help make the experience more fun for students (e.g., funding for shared meals).

Moving Forward

There are a variety of additional strategies being planned or explored to build the entrepreneurship spirit at SUNY Korea. First, the CGE anticipates exploring the possibility of reaching out to parents of SUNY Korea students, in hopes of convincing them to support their children in experimenting with entrepreneurship during university. As mentioned earlier, a stigma can be noted against business failure and attempts at entrepreneurship. Much of that stigma and the student dreams of working for a *chaebol* conglomerate appear to originate from parental mindsets. These parents could be contacted by university professors or administrators. Unfortunately, because SUNY Korea is the international campus of SBU, it follows SBU's institutional framework and there are privacy acts (i.e., Family Educational Rights and Privacy Act) serving to block direct contact with them. Instead of contacting parents directly, the CGE may instead attempt to contact parents via notes to their children.

Another issue that CGE staff have recently identified is that SUNY Korea students do not have the friendship network that can help them identify co-founders. One might attribute this partly to the emergence of popular communication technologies such as Instagram or TikTok. Cooperation or collaboration may not come naturally when Korean students are raised in an ultracompetitive educational system. Finally, while many other Korean universities make use of a "big brother/little brother" cultural system (i.e., *sonbae/hubae*), SUNY Korea has no such system. The CGE, in collaboration with the Business Management department, is testing the introduction of activities to better bond students within each incoming graduating class. By helping students to bond within their cohort immediately after arriving on campus, seeds can be planted to help students' social professional networks to grow.

Unsurprisingly, not all students are cut out to become entrepreneurs, and thus not everybody should be forced to choose to become an entrepreneur. At SUNY Korea, the CGE is thus shifting from a mode of trying to reach all students with its programming to a mode of reaching only those students who (already) show an attitude and motivation toward entrepreneurship. In the coming semesters and years, based on the success of hackathon formats, the CGE would like to create "All-Star Start-up Weekends." At the beginning of each semester, an announcement could be made to invite business and mechanical engineering students to apply competitively for limited spots to take part. The competitive application process would require students to submit a copy of their transcripts, as well as a 1-page motivation statement. The best 4–6 students from various departments would be selected by the chairs of those departments. During a weekend around week #4 of the semester, a 2-day or 2.5-day event would be held. At the start of this event, each selected student would be required to make a 1-min pitch about an entrepreneurial opportunity: the consumer or industrial problem/pain/need, and the basic nature of the solution (12 ideas total).

These 12 students would form three teams to tackle a problem/pain/need of their own choice. Ideally, industry mentors would be available to coach the students, but the CGE has had difficulty attracting volunteer mentors outside of the university. On the last evening of the competition, teams would pitch to a jury.

Now in its third year, the CGE has slowly built up programming that has left impressions on a handful of students, and in the fall of 2019, some SUNY Korea students are creating their own university-sanctioned Entrepreneurship Start-up Club. CGE staff thanked the students for exhibiting the intrinsic motivation required to form this kind of club, and will be financially supporting their membership activities. In many ways, students may be best motivated and inspired by other students (and not necessarily professors or staff), and so the development of such a student club is not viewed as infringing or unwelcomed by the CGE. The CGE has met with the club's founding members and discovered that SUNY Korea students are incentivized not by cash prizes but rather by unique and exclusive VIP-type experiences generally inaccessible by the public. For example, many students were intrigued by the Google Campus Seoul competition because entry into the Google facility there is monitored and controlled, even though rental of that space was offered for free to instructors. However, CGE staff have learned that SUNY Korea students are looking for unique prize "experiences" such as the ones up for bid at hotel rewards points auctions (e.g., "meet-and-greets" with celebrities), and hope to learn more about such changing student tastes.

Conclusion

This article offers an account of some progress and lessons learned from a new entrepreneurship center at the recently founded international campus of the first American university to open in the ROK. The challenges in promoting student entrepreneurship can be steep when a small student population has not had much experience or training in critical thinking during previous studies. Students at the university profiled here have tended to exhibit more competitive spirit about grades than entrepreneurial spirit or passion, and moving forward, some next steps have been identified and will be trialed, assessed, and iterated. Overall, while SUNY Korea's Center for Global Entrepreneurship has experienced some starts and stops in its first few years, it aims to continue developing and gathering support for entrepreneurial activity on campus.

Link to the presentation material: <https://events.development.asia/materials/20190828/stimulating-entrepreneurship-activity-suny-korea>. <https://events.development.asia/materials/20190827/model-sending-students-work-usa-right-after-graduating-asia>.

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