

# What Colleges and Universities Can Learn from Successful Start-ups

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Let us begin by being clear about what a start-up is.

A start-up is generally a temporary organization designed to search for a repeatable and scalable business model. It may be a service company for seniors, a technology company or a company selling a particular product. As a start-up, it does all the work needed to get to and stay in a market and learn what it will take to go from a small business to a medium-sized, fast growing business and then to a large business. A start-up is a temporary since the way it works will not be the way the medium and larger scale versions of the business work. Think of Apple, which began with two young men building interesting machines and selling them via friends and their social networks, and look at Apple now! Think of Costco / Price Club, which began in 1976 with a single warehouse, and look it at now – a very different kind of global business.

A start-up of this kind is not the same as a small business offering a product in a single market – a one-off business. The strategic intention of a start-up of the kind we are describing here is to move from small to large, from local to national and then global, and from a single product to a range of related products.

## Characteristics of Successful Start-Ups

What do we know about such start-ups? A lot is the answer.

A great many researchers and investors looked systematically at successful start-ups and developed a listing of the key characteristics of these companies. While the list of characteristics documented by different researchers varies, there are seven common features which we share below.

For each, we also suggest how this thinking may benefit a college or university:

### 1. **Start-ups have a relentless focus on a goal and are not wedded to a particular way of working.**

While many opportunities come along as possibilities, the most successful start-ups focus and align their work around a specific vision, product or service, and place in a market. For example, [Casper](#) simplified the process of buying a mattress and streamlined it for the web, putting the focus on ease of delivery. The start-up's clean, informative website and slick ordering system has already facilitated thousands of orders and the firm has plans to go global.

In colleges and universities, we need to create a relentless focus and alignment around intended learning outcomes. The work involved in creating a course is usually defined in terms of content – how shall we teach History 320? A start-up would ask: “what are we really trying to do here and how can we do this so differently that everyone wants to copy what we do?”.

So rather than just adopt the view of knowing what the content of History 320 looks like in a classroom and asking how we deliver this online, we ask how we re-invent the way our students understand and experience this history and learn about historical analysis and methods by doing so. This thinking could equally apply to revising an entire program or discipline. Changing the question and focus changes the work. A good team then gets focused, aligned and persistent around this new definition of the work. The task is not replication; it

is innovation.

## 2. Start-ups have ambition.

Successful start-ups have a view of where they would like to be in five to ten years and, when you hear a start-up owner talk about this vision, it is ambitious, passionate and big. For example, [Electric Objects](#) wants to give you a way to display Internet art in your home. Jake Levine, its founder, sees this system being in every home, first in North America, then in Europe and then everywhere. Not only does the company build the needed technology, it also supplies the art you want to make this personal to you.

To look at example in education, [Osmosis](#) is a web and mobile learning platform that allows medical students to create, engage, and share with a global learning community. A range of different learning materials can be uploaded: there are tens of thousands of exam questions and answers, flashcards, videos and documents.

But is more than just a resource library and centre. Osmosis is taking these resources and is using them to maximize learning and retention, with mechanisms such as test-enhanced learning, spaced repetition, memory anchors, collaborative learning, [Fogg behavior model learning](#), and gamification. As medical education becomes [increasingly competency-based](#), Osmosis is positioned to provide the learning resources needed by students for mastery. Medical education is just the start. The team intends to turn their attention to engineering and technology next.

Start-ups are fundamentally about taking risks. The first university to stop teaching undergraduate courses and replace this work with competency-based assessment for credit, supported by selected resources for learning, and the offer of coaching and mentoring will break the pattern of how undergraduate education is offered.

This development, which is now beginning to emerge, could be based on what is already happening within established universities. For example, individuals who pursue the “flex option” at the University of Wisconsin are not required to take courses, but the rubrics for competency are very clear and explicit, making the learning students chose to do focused and direct. The university suggests appropriate learning resources for students to use to support program completion. Students can use the mentoring and coaching services of the university when they feel the need of assistance upon payment of a fee. When ready, the student calls for a mastery assessment. Offering this is a risk, but the University of Wisconsin is satisfied with the initial take-up of this route to a credential.

Others are following Wisconsin’s lead – some creating [completely new institutions](#) based entirely on this model. The risk comes from running an entire institution along these lines, not just as an option within an existing provision.

## 3. Start-ups are persistent and positive.

Starting a company and securing the right people and capital are tough things to do. There are many ups and downs. Successful start-ups ride out this roller coaster because they have strong commitment to their vision, a powerful sense of purpose and a strong “can-do” culture. It is worth remembering that Henry Ford went bankrupt twice before he built a successful car company and that Pepsi also had two spells of bankruptcy (1931, 1936). Both seem to be doing quite well today.

Innovation in a college or university setting is just as tough as for a start-up. In some ways, it is worse – academic institutions are regulated, policy driven with many decision-making groups, which need to be persuaded to take the risks being imagined by the innovative team or individual. Persistence is just as important in this environment, especially given the likely set-backs to be experienced on the journey to

success.

#### 4. **Start-ups are flexible and use design prototyping to build their products, services and business .**

One way they ride the start-up roller-coaster is by always seeing what they are doing as a prototype – one step nearer to the “killer” product or service to create the momentum they need to get to scale.

The story of the [Dyson vacuum cleaner](#) is an example of this. James Dyson started to develop the Dyson in 1978 and then spent the next five years developing it, building 5,127 prototypes before finding the model we know now. Dyson cleaners are now in one in five households in North America. This flexibility applies just as much to the design of services – constantly adapting to changes in client needs, market conditions and competitor moves.

When a college or university commissions a new program or course, it usually looks for “one shot” version (subject to peer review and quality controls), which they launch as quickly as possible. But it is developing prototypes and testing out features, functions and forms before getting to scale that makes for great products and services. Many colleges and universities work with business and industry to deliver contract training tailored to meet the needs of one employee. The courses designed and refined to meet this specific need can evolve into new programs and courses for the institutions.

#### 5. **Start-ups listen and act on feedback.**

They understand that feedback enables continuous improvement and, sometimes, breakthroughs in the way in which a product is made or used or a service is offered. Feedback becomes sought after, not resented. If you are launching a new food product – for examples, a pumpkin latté – taste testing and understanding the right amount of pumpkin spice to add to the product for market success is essential, at least [Starbucks](#) thought so when they were developing this coffee drink.

Start-ups live for feedback. They don't just use an annual student satisfaction survey, they find as many opportunities as they can to understand the voice of the customer. Focus groups, activity testing sessions, “what if..” demonstrations, trials – any way of providing the team the opportunity to re-think, improve, re-design, and integrate are highly sought out activities precisely because they can guide and shape the design and development process. No great product ever gets to market without feedback from potential users.

It should be the same for new developments in colleges and universities – test, check and improve through trials, focus groups, surveys and feedback.

#### 6. **They build great products and services.**

Great people with ambition don't always have great products and services with which to work. When the right people have the right product or service at the right time, then the start-up can grow very quickly. But notice that the market has to be ready to receive the product and the product has to have the kind of presence and robustness it needs to secure market share and enable growth.

The [Fitbit](#) is a good example of a product right for its time and a product which continues to evolve, though many who bought the original Fitbit still use it daily to monitor some basic fitness features. Fitbit also offer high quality support services for its users.

The innovative approach to teaching and learning that can come from leveraging artificial intelligence, adaptive learning, immersive and experiential learning will not resemble the kind of courses many colleges

and universities now offer. A start-up culture uses the best course design principles and tools to re-invent what a course can be, how students can become more engaged, and what assessment will be like. The environment has as few constraints as possible to foster true innovation.

## 7. **Start-ups work hard and have fun.**

Those who engage in the process of creating a start-up build their lives around the work. To make sense of this, they also have to have fun. They find all sorts of ways of doing this – office games, fun booths at trade shows and client events, as well as establishing a creative, flexible, supportive atmosphere of exchange and collaboration. Given the hard work start-ups involve, some fun will creep into the activities of the firm.

Some start-ups are, of course, built around the idea of fun. [Scopely](#) designs and builds addictive, multi-player mobile games. One employee said: “We’re having so much fun every day. People are constantly laughing and talking to each other, and we take trips as a team, just to get to know each other even better”. Fun is designed into their work.

College and university innovators may experience their fun in different ways, but there is good evidence to suggest that engaging, creative and fun spaces in which to enable innovation and support staff through challenges can produce great results. This is how Google thinks of their [workspace](#) and is increasingly how new school, college and university facilities are being designed (see [here](#) for an example).

## **Applying the Lessons of Start-Ups to the Future of Learning**

If a team designing a new program or course, what is the work they need to do? There are five key tasks for such teams:

### 1. **Re-think what you are good at.**

Many college and universities seek to innovate in areas of weakness. The real opportunity is to focus on what they are good at and to become outstanding at that work. Rather than trying to be good at everything, there is a need to focus on where creating new approaches and practices could leapfrog the college or university to a new place. Partnerships or outsourcing can improve areas of weakness and lead to better services.

### 2. **Have a big vision, but start small and focus on “what’s next?”**

Start-ups always have the big goal in mind – getting to scale and being successful. But they don’t let the big goal distract them from the next thing.

Any software developer needs to understand the big picture for their product, but right now they are working on one or two features so the functionality they are trying to get right works perfectly on any device flawlessly. Once they have done that, they move onto the next thing. This all requires effective project management, role clarity and real persistence and commitment.

The message here: have a roadmap for the big thing, but make sure there are milestones and achievements on the way – the work is not a sprint; it’s a hurdle race with many moments of truth.

### 3. **Build and test prototypes.**

It’s not “all or nothing”. Anyone who has written a book knows that the first draft usually is not the last – it

takes many efforts to get the product or service right (though you don't need to try and beat the James Dyson number of 5,127!).

“Try, test, redesign, try again” is a slogan found on the wall of one company that designs, develops and deploys online training for hundreds of very large organizations. Each component of the course – a new simulation, a new game, a new way of assessing learners as they progress through the course, a new kind of challenge activity, a new way of using open educational resources – can all be tested with a few people before being integrated into the program or course. Smart design involves evolution through prototyping.

One feature of prototyping is that things will go wrong – mistakes will be made. Rather than seeing these as failures, start-ups try and learn from these and see what they can do to significantly improve their products and services as a result. “All problems are treasures from which we can improve” is a well-known statement in the quality assurance literature.

#### 4. **Be the hub and collaborative centre.**

Smart start-ups seek out collaborations and help from others, and this thinking needs to guide the team. Whether the help comes from inside the institution, from others around the world, from unusual sources (employers, professional bodies, interest groups, specialist organizations) or from technology providers – the team seeks these out, welcomes the ideas they provide and selects those which create new opportunities to achieve their goals. Start-ups use crowdsourcing to help get things done. We might ask “who can help us with this” on a daily basis.

Some colleges and universities have created “skunk-works” that are freed from constraints and regulations so as to develop new programs, new approaches and new ways of using existing resources. To give one example, Purdue (working with others) has a skunk-works working to [rethink engineering education](#) – not just tweaking it but re-designing it completely.

#### 5. **Become obsessive**

To make this work, teams need to be obsessive about their value proposition. Rather than just ask “what can we do to improve First Nations education?”, a start-up team would be exploring the proposition “how can we make it incredibly easy for First Nations students to gain the confidence and skills they need to be just as successful as our best students?”.

They also need to be obsessive in seeking out feedback and changing what they do and how their products and services work on the basis of that feedback. Rather than seeing users as “clients” or “students”, good start-up teams see them as co-designers and partners in the work to create the best possible course, service or practice. Just as expert [patients are helping to change health care](#), so expert learners can help improve education.

Many of the innovations which we can describe in online learning began as start-ups and thrived in some kind of incubation environment. The challenge is to keep them in this mode and not allow them to be swallowed up in a culture of conformity, sameness and compliance. So as to improve, we sometimes need to break the rules and break-out. That is the big lesson of the start-ups for colleges and universities.