

IV. WHAT IS NEXT FOR EDUCATIONAL ENTREPRENEURSHIP?

What is next for education entrepreneurship is the creation and support of an environment that fosters innovation in education to create, what Hess calls, “the supply side of school reform” (Hess, 2008, pp. 212-213). The problems of ineffective schooling are numerous and evident, and as Hess observes, dwarf the number of good business ideas in the offing to solve them. While the past decade has borne witness to a variety of entrepreneurial efforts in education, the number of these efforts “pales beside the larger American education enterprise” (Hess, ed. 2008, p. 2). Supply side reform, which refers to the generation of more choices to address school reform, requires “a stable and hospitable policy environment, investors willing to identify and nurture promising ventures, networks of technical and logistical support, talented educators, and incentives that recognize and foster quality” (Hess, 2008, p. 213). The challenge for reformers is to determine how to put all of these pieces in place.

The Political and Bureaucratic Environment

The policy landscape is difficult for educational entrepreneurs. The Massachusetts cap on charter schools, for example, is in place because of the strength of the Commonwealth’s teachers’ unions. Now, it is eroding because in recent months, both Massachusetts governor Deval Patrick and Boston mayor Thomas Menino have changed their previous positions to support lifting the cap. As of this writing, a bill that would allow more charter schools in certain low-performing school districts is making a path toward passage due, in no small measure, to the “Race to the Top” stimulus fund incentives offered by the Obama administration (Valencia, 2009)

There is other evidence that public schools might be dealing with bureaucracy head on and coming around in support of entrepreneurial efforts. For example, Thomas Payzant, former superintendent of Boston Public Schools, notes that due to tight budgets owing to high labor and related costs, it would be very difficult for Boston, at the district level, to adopt innovative education programming even if such programs are demonstrated to help improve students' academic performance. (T. Payzant, Personal Interview, November 10 & 17, 2009) However, he states that it is not impossible. If the right program were deemed useful to address an educational challenge (*e.g.*, promoting individualized teaching and mentoring for struggling students),¹ Mr. Payzant acknowledged that most school principals, with some creativity, have the ability to reallocate resources to invest in such solutions. Title I funds also may be a possible avenue for eligible schools to purchase innovative curricula or invest in teacher collaboration and mentoring programs. Scott Given, former principal of Excel Academy Charter School in East Boston, agrees that if a program is worthwhile and has proven effective, a good principal will be able to make the finances and scheduling work to implement it. (S. Given, Personal Interview, November 19, 2009).

Battles within the regulatory and bureaucratic landscape are far from over and are still being waged.² By law, many charter schools suffer from disparities in funding, usually as a result of the political compromises that helped give birth to charter

¹ In the interview with Mr. Payzant, the program discussed was a tutorial-like program which is the subject of an article by Mowschenson & Weintraub, 2009 .

² Hess & Finn note that education entrepreneurs typically do not have the economic incentive for self-advocacy within the regulatory and lawmaking realms and rely on advocates to rally on their behalf. (Hess & Finn, 2007). Similarly, in Philadelphia, Microsoft viewed the School of the Future's problems as unavoidable obstacles found in large urban schools, but chose nonetheless to undertake the effort to underscore the importance of trying to effect change within the confines of existing and persisting constraints. (Manzo, 2009). (*See, also*, Rhee & Keeling, 2007)

legislation in the first place. (Kirby, 2008, p. 214) In some instances, municipal actors who are opposed to charter schools have been known to use the regulatory and bureaucratic environment, through facility zoning processes, school transportation systems, and school funding mechanisms, to quash charter schools' momentum. (Kirby, 2008, pp. 214-215). Steve Wilson believes that education entrepreneurs must be more vocal now in order to be more richly rewarded later. (Wilson, 2007).³

In the spirit of entrepreneurial and innovative thinking, perhaps, at least one prominent thinker on this issue is considering new approaches to the local school district itself. Hess asks whether schooling must be divided into districts separate and apart from one another. He wonders whether there are policy advantages and efficiencies to be gained by thinking differently about this structure and suggests that education entrepreneurs, acting nationally and regionally, may help schools save money, share resources, and improve teaching by offering services to effectuate those results. (Hess, 2008, p. 216)

Investors in Education Reform

While funds like New Profit, School Choice Investments, Knowledge Investment Partners, and NewSchools Venture Fund have an important place in funding new education entrepreneurial ventures, one important new player in school funding is the federal government. The federal government is poised to start distributing stimulus funds in early 2010 for innovative ideas in education. Currently, the awards will be made from a \$650 million fund known as "Investing in Innovation" or "i3." i3 is aimed at school districts and charter schools, as well as partnerships between nonprofits and districts or

³ *C.f.*, Rhee & Keeling's discussion of The New Teacher Project, wherein TNTP successfully lobbied legislators in New York and California. (Rhee & Keeling 2007)

consortia of schools. Three types of grants will be made, including up to \$5 million for “promising ideas,” up to \$30 million for programs to build a research base or organizational capacity to succeed at scale, and up to \$50 million to expand proven innovative programs (Robelen, 2009). i3 aims to grant awards for large innovative undertakings already at scale.

Networks of Technical and Logistical Support

For any new business to gain firm footing, there must be technical and logistical support to help smooth rough beginnings and ensure greater chances of success. Many charter schools, for example, are launched by passionate founders with little experience in business or school operations. Philadelphia’s public high school, School of the Future, was launched with great promise, but computer glitches are cited as a key factor in why the school looks like any other and not the promised institution (Manzo, 2009). Ed Kirby, a member of the team responsible in 1997 for implementing the Massachusetts Charter School initiative, notes that the Massachusetts Charter School Resource Center was critical to the early success of many schools. It provided early charter founders with technical assistance, fundraising support, and good human resource networks, (Kirby, 2008, 210). Organizations that provide resource assistance to new school ventures are invaluable to founders and school start-ups, and, of course, are entrepreneurs in their own right.

Talented Educators

To improve on the quality of teaching and leadership in schools, it is important that education entrepreneurs build on the demonstrated successes of enterprises that already have contributed toward the development of human capital, such as Teach for

America, New Leaders for New Schools, and The New Teacher Project. Suggested approaches to cultivate top talent that stays and grows more skillful within the profession include: a world-class institution for emerging education leaders, a leadership apprentice track, and a corporate-type “teacher university.” These programs imply that developing high quality talent is a process that will help promote entrepreneurial spirit from within public schools, rather than imposing an external solution⁴ (Gergen & Vanourek, 2008, pp. 39-42).

Alternatively, as careers become increasingly fluid, there is the possibility of tapping a vast supply of committed mid-career professionals who want to engage in meaningful work and make a difference. Many in that pool are available for tutoring, mentoring and other part-time jobs. Education entrepreneurs could follow up on the Citizen Schools and Big Picture Company school-based models which have been effective in engaging kids (Hess, 2008).

Recognizing and Fostering Quality

The charter school experience in the United States has shown that complete deregulation within the education policy field is not the answer to promoting effective school reform. While charter schools have proliferated over the past 15 years, their effectiveness in graduating students with strong academic and interpersonal skills is clearly uneven. As a result, a “tight-loose” strategy is emerging to provide charter school regulation, as policymakers perceive the importance of innovation while holding on to the need for clear performance standards. (Toch, 2007) Regulators now are considering

⁴ Indeed, some of these suggestions already are realities, including the new “Teacher U” in New York City, and the newly offered Education Leadership Doctorate offered by Harvard’s Graduate School of Education that includes a year-long internship.

permitting greater numbers of charter schools in their states, but only if they are proven to be effective. Charter schools and charter and education management organizations themselves are adopting this strategy as they have understood the necessity of having to ensure quality as they scale their school networks. (Toch, 2007).

Given the uneven quality of charter school experience, the importance of quality control in the various offerings of education entrepreneurs is evident. One author suggests that in addition to the “invisible hand” of the market, policymakers should consider state or federal agencies that police or rate products, services, and schools, in the manner analogous to the FDA, the FTC, or even *Consumer Reports*. He suggests that clearinghouses would be helpful to develop ratings that could be ascribed to schools or products or services. (Finn 2008)⁵

The Piecemeal Approach of Education Entrepreneurship

Most education entrepreneurship efforts are relatively small in scale – a single charter school or even a network, a new curriculum or program, a \$3 million investment fund. We have referred to these efforts as “spot fixes”. Some would argue that these small scale efforts are not enough to make a difference in school reform, and, in fact, are neither scalable nor systemic; rather, they are piecemeal approaches (Snowden, 2007). Others theorize that for right now, in this age, education entrepreneurship may not be the answer, but surely is an answer that is gaining more exposure and credibility as time goes on. They believe that entrepreneurial efforts in the aggregate may go a long way to

⁵ For example, the “What Works Clearinghouse” reviews curricula for effectiveness, and the National Reading Panel established criteria used to evaluate the effectiveness of specific reading programs and providers (Finn, in Hess 2008, 173).

collectively effect real school reform. Notes, Hess, “the hunt should not be for the elusive 100% solution but for the 100 different 1% solutions” (Hess, 2008, p. 216).

In the End, but Along the Continuum

It is fitting to close discussion of this topic with the words and thoughts of an investor in education enterprises. Ethan Gray believes meaningful change in our education system can only come when talented people are given opportunities to innovate. “We've been doing the same things over and over in public education and we keep expecting a different result. But entrepreneurial education ventures like TFA, TNTP, and various charter management organizations are showing that new approaches can dramatically improve outcomes for kids. We need to create more opportunities for groups like this to become proof points and achieve scale. But there are opponents of this movement. The major challenge for education entrepreneurship is overcoming the recalcitrance of the status quo,” he says.