



# Startup Journal

THE WALL STREET JOURNAL *Center for Entrepreneurs*

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## Can Entrepreneurship Be Taught in a Class?

By KELLY K. SPORS

*Editor's note: Memos is a weekly roundup of news and tidbits about small business and entrepreneurs by columnist Kelly Spors. Ms. Spors also answers reader questions in [Small Talk Q&A](#).*

### M.B.A.s for entrepreneurs

Should aspiring entrepreneurs pursue M.B.A.s?

There's been a long-brewing debate among academics and entrepreneurial minds over whether business school is worth the hefty price tag for those looking to go into business for themselves. Financial Times columnist and British entrepreneur Anita Roddick wrote recently that entrepreneurs "are people who imagine things as they might be, not as they are, and have the drive to change the world. Those are qualities that business schools do not teach."

Going to business school, she adds, may even squelch "what entrepreneurial flair you have as they force you into the template called an M.B.A. pass." Instead of flocking to business school, she urges aspiring entrepreneurs to focus on building their creative energies and learning to evaluate risks.

A [Forbes magazine article](#) says that while business schools are ramping up entrepreneurship programs, only a minority of the super-wealthy entrepreneurs have M.B.A.s: About 15% of the Forbes 400 Wealthiest Americans in 2006 did.

Plenty of others disagree, claiming M.B.A.s give prospective entrepreneurs a chance to learn the ins-and-outs of running a business in a classroom environment without the high price of failure you'd get in the real world. [This entrepreneur](#) says getting an M.B.A. gave her a chance to learn solid business principles and how to deal with the uncertainties that entrepreneurship would bring. "The two most valuable lessons I learned in business school that helped to prepare me for entrepreneurship were valuation and negotiation," she wrote.

### Do-it-yourself collections

Enlisting a collections agency to contact past-due customers is an expensive venture for many small businesses. Most debt collectors charge a 25% to 50% commission on all collected sums. New software from a collections agency may help make it easier for small and midsize businesses to attempt collecting money on their own.



Marauder Corp., based in Indian Hills, Calif., is offering [Bill Collector in a Box](#), software compatible with Microsoft Windows. It will let businesses manage their collections efforts all in one place and includes templates for debt-collection letters that businesses can print out. Users also can report overdue customers to credit bureaus with a click of a button, consult an attorney on debt-collection matters, and get help tracking down customers who have moved without providing their new address.

The software retails for \$99, though some of the extra services, such as credit-bureau reporting, carry extra fees.

If their efforts are unsuccessful, businesses can automatically forward their overdue accounts to a collections unit of Marauder, which charges a standard collections commission.

### **Bigger is better, for employees?**

A [new study](#) released by the Small Business Administration's Office of Advocacy finds that larger employers tend to pay better and retain employees longer than small employers. Based data from the National Longitudinal Survey of Youth, the study looked at how employer size and other workplace and demographic factors affect employee turnover.

Among the survey's interesting tidbits: The longer an employee has been at the company, the less likely he or she is to leave. Each additional year of employment reduced the probability of job turnover by 81%. Age and marital status, however, had the opposite effect. Each year of an employee's age increased turnover by 3%, while being married made someone 22% more likely to leave a job.

The study also highlights the advantages of offering employee benefits, especially health insurance. Having benefits decreased an employee's turnover by 26.2% in any given year and increased the chance that an employee would stay an extra year by 13.9%.

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