

The need for entrepreneurial universities in South Africa:

The Food and Connect Model

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Dialogue Topic

The need for entrepreneurial universities in South Africa: The Food and Connect Model

Universities around the world have already adopted an entrepreneurial approach and used business incubation successfully. In South Africa we have an opportunity to generate a 3rd income stream by adopting innovative business models and supporting entrepreneurs at the same time.

The traditional universities' role has changed, and entrepreneurial universities are now needed to redirect new knowledge for 3rd income streams and economic development.

We examine a model, Food and Connect (F&C), to highlight the entrepreneurial aspects and impacts of a university business incubator (UBI) and producing findings based on practical experience.

UBIs are normally new business units, that are situated in the Commercial Divisions of universities, with its own functions and structures creating an added value to universities. In the case of F&C, its an entirely new and independent entity – is this structure the future for universities in South Africa?

Need Highlighted

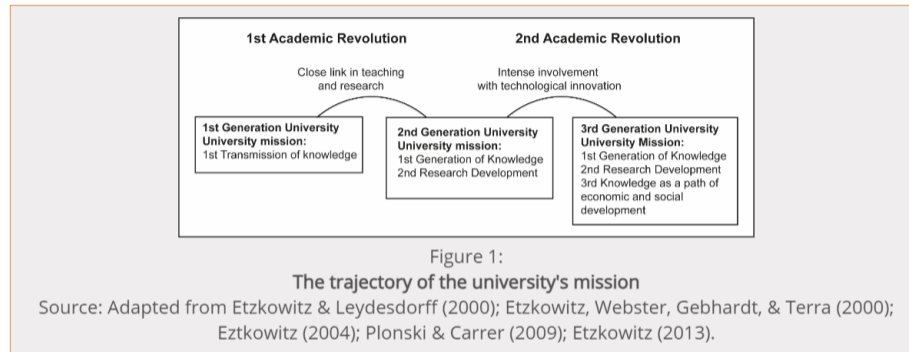


October, 2019
Reinventing South Africa's Universities for the Future
Conference Report
Pretoria, South Africa



October, 2021
EDHE 5th annual national EDHE Lekgotla
University of Pretoria, South Africa

Required Outcomes



“The traditional universities’ role has changed, and entrepreneurial universities are now needed to redirect new knowledge for economic development through Business Incubations (UBIs)”



An educational system (or university ecosystem) that creates a favorable environment enabling young people to develop their mindset from employees to employers, and to prepare them to improve skills and knowledge to create jobs

What is an Entrepreneurial University?

Author/Year	Definition
Etzkowitz (1983)	Universities that are considering new sources of resources such as patents, research by contract and partnerships with private companies.
Chrisman et al. (1995)	The Entrepreneurial University involves the creation of new enterprises by university professors, technicians or students.
Kirby (2002)	Entrepreneurial Universities have the capacity to innovate, recognize and create opportunities , work as a team, take risks and respond to challenges.
Etzkowitz (2003)	The Entrepreneurial University is a natural incubator, providing support structures for professors and students to begin new intellectual and commercial enterprises.
Jacob, Lundqvist, & Hellsmark (2003)	An Entrepreneurial University is based both on the commercialization of personalized education courses, consultancy services and extension activities and on commoditization (patents or startups). An Entrepreneurial University is defined as a university that has the capacity to innovate, recognize and create opportunities, as well as working as a team, taking risks and responding to challenges. By itself, it seeks to discover a substantial change in the organizational character to reach a more promising posture for the future.
Guerrero-Cano, Kirby, & Urbano (2006)	A dynamic system that includes special contributions (resources, culture, rules and regulations, structure, mission, business capacities and expectations from society, industry, government and the market) ; processes (teaching, research, management processes, logistical processes, commercialization, selection, financing and financial processes, networking, multilateral interaction and innovation, research and development activities; outputs (entrepreneurial human resources, effective research according to the needs of the market, innovations and inventions, entrepreneurial networks and entrepreneurial centers) and aims to mobilize all its resources, skills and capacities to fulfill its "third mission".
Salamzadeh et al. (2011)	The Entrepreneurial University is a natural incubator that, by adopting a strategy, coordinated in critical activities (for example, teaching, research and entrepreneurship) , tries to provide an adequate environment in which the university community (eg.: academics, students and employees) can investigate, evaluate and explore ideas that could be transformed into social and economic entrepreneurial initiatives.
Kirby, Guerrero-Cano, & Urbano (2011)	

Key characteristics of an entrepreneurial university

- 1 Innovation and Research
- 2 Technology Transfer
- 3 Entrepreneurship Education
- 4 Incubation and Acceleration
- 5 Community Engagement
- 6 Commercialization of Research
- 7 Entrepreneurial Culture
- 8 Support Services
- 9 Industry Partnerships
- 10 Internationalization

These universities play a crucial role in fostering innovation, economic development, and job creation within their regions. They contribute to the broader innovation ecosystem and support the development of a highly skilled workforce ready to tackle the challenges of the modern economy.

How is Business Incubation best defined?

Business incubation is a process that provides early-stage startup companies with the resources, support, and guidance they need to develop and grow their businesses successfully. It typically involves a collaborative environment and a range of services designed to assist entrepreneurs and their ventures. Business incubators can be physical spaces or virtual programs. Here's a more detailed definition of business incubation:



Supports Startups

It primarily targets and supports early-stage, often pre-revenue or pre-profit, startup companies, helping them navigate the challenges of launching and growing a business.



Provides Resources

It offers a range of resources and services, which may include physical office space, access to equipment, infrastructure, mentorship, networking opportunities, and professional services (such as legal or accounting support).



Mentorship and Guidance

Business incubators often provide expert mentorship and guidance from experienced entrepreneurs, industry professionals, or advisors. This mentorship can cover various aspects of business.



Access to Funding:

They may help startups secure investment capital by connecting them with potential investors or providing access to funding opportunities. This can be crucial for early-stage companies seeking to raise money for growth.



Networking and Collaboration:

Incubators encourage collaboration and networking among startup founders, facilitating the exchange of ideas and the creation of a supportive entrepreneurial community.



Structured Program

Typically, business incubation programs have a defined structure or timeline during which startups are expected to achieve specific milestones. These programs can last for several months to a few years, depending on the needs of the startups.



Physical or Virtual

Incubators can be physical spaces where startups work side by side or virtual programs where startups access resources and support remotely. Some incubators offer a combination of both.



Sector-Specific or General

Some incubators focus on specific industries or sectors, such as technology, biotechnology, or social enterprises, while others are more general and open to a wide range of businesses.



Economic Development

Incubators often play a role in economic development by helping create jobs, spur innovation, and promote local entrepreneurship.










Graduation







Incubators typically have a "graduation" phase where successful startups are expected to leave the program once they have achieved a level of maturity and sustainability.

What global innovation business models are used by universities?

Universities around the world have adopted various global innovation business models to foster innovation, entrepreneurship, and collaboration with industry. These models often involve commercializing research, supporting startups, and creating economic value. Here are some of the common global innovation business models used by universities:

 <p>Technology Transfer Offices</p> <p>Many universities have TTOs that focus on patenting and licensing the intellectual property generated by university research. They work to transfer technology to existing companies or support the formation of startup companies based on university research.</p>	 <p>Business Incubators</p> <p>Universities often establish business incubators to provide early-stage startups with resources, mentorship, and physical space. These incubators can be sector-specific or more general and may be located on or off-campus.</p>	 <p>Accelerators</p> <p>Accelerators are time-limited programs that offer startups a more intense and structured environment to rapidly develop their businesses. Universities may run their own accelerators or partner with external organizations.</p>	 <p>University Venture Funds</p> <p>Some universities create venture capital funds to invest in startups based on university-developed technologies or founded by their alumni. These funds can provide not only capital but also expertise and networking opportunities.</p>
 <p>Collaborative Research Centers</p> <p>Universities collaborate with industry partners to establish research centers where joint projects are conducted. These centers often focus on solving industry-specific problems and can lead to the commercialization of research outcomes.</p>	 <p>Licensing and Royalties</p> <p>Universities earn revenue through licensing intellectual property to external companies. These licensing agreements typically involve royalties on products or services that incorporate university-developed technologies.</p>	 <p>Corporate Partnerships</p> <p>Universities form strategic partnerships with corporations, providing them with access to research, talent, and innovation in exchange for financial support, resources, and collaborative opportunities.</p>	 <p>Contract Research and Consulting Services</p> <p>Universities offer contract research and consulting services to businesses. They leverage their expertise and facilities to solve industry problems and generate revenue.</p>

What global innovation business models are used by universities?

 Start-up Competitions <p>Many universities host business plan competitions and pitch events that encourage entrepreneurship and provide seed funding for promising startups.</p>	 Open Innovation Initiatives <p>Some universities actively engage with external partners, including other research institutions and corporations, to collaboratively solve complex problems and drive innovation.</p>	 Global Innovation Networks <p>Universities may participate in global innovation networks and consortia to access international research opportunities, share knowledge, and foster innovation on a global scale.</p>
 Social Entrepreneurship Initiatives <p>Some universities focus on social entrepreneurship and support startups and projects aimed at addressing societal and environmental challenges.</p>	 Technology Parks and Incubation Zones <p>Universities may develop technology parks or incubation zones adjacent to their campuses, providing physical infrastructure and support services to startups and established companies.</p>	 Online Platforms and Marketplaces <p>Some universities create online platforms or marketplaces to connect students, researchers, and alumni with industry partners, potential investors, and collaborative opportunities.</p>

These global innovation business models reflect the diverse ways in which universities contribute to economic development, technology commercialization, and the cultivation of entrepreneurial ecosystems. The choice of model can depend on the university's mission, research strengths, and local or regional economic context.

The change of roles of universities over time to become an Entrepreneurial University in modern times.



Traditional Knowledge and Education (Pre-Industrial Revolution)

Before the Industrial Revolution, universities primarily served as centers of learning and knowledge dissemination. They focused on classical education, philosophy, and theology, with a strong emphasis on theoretical and academic pursuits. Research was often limited and not strongly connected to economic or societal needs.



Specialization and Research (19th Century)

In the 19th century, universities began to specialize in various academic disciplines and place greater emphasis on research. Research universities emerged, fostering scientific inquiry and academic discovery. This period laid the foundation for closer ties between academia and industry.



World War II and Post-War Research Collaboration (20th Century)

The period around World War II marked a significant shift as universities played a vital role in research and development for defense purposes. After the war, these research collaborations continued, leading to the growth of university-industry partnerships.



Innovation and Technology Transfer (Late 20th Century):

In the late 20th century, universities increasingly became involved in technology transfer and commercialization of research. This was driven by policies encouraging the development of innovation ecosystems, the Bayh-Dole Act in the U.S., and the emergence of technology transfer offices (TTOs).



Entrepreneurial University Model (Late 20th Century to Modern Times)

The entrepreneurial university model represents a more recent shift in which universities actively embrace entrepreneurship, innovation, and economic development as core functions. This transformation involves several key changes

Key changes required to become an Entrepreneurial University

The change in roles of universities to become entrepreneurial institutions reflects the evolving demands of the knowledge-based economy, where innovation and entrepreneurship are critical drivers of economic growth and competitiveness. It also underscores the need for universities to be adaptable and responsive to the changing needs of society.



Integration of Entrepreneurship

Universities incorporate entrepreneurship education into their curriculum, fostering a culture of entrepreneurship among students and faculty.



Technology Commercialization

Universities actively seek to commercialize their research and intellectual property, including patenting, licensing, and spinning off startups.



Business Incubators and Accelerators

Many universities establish incubators and accelerators to support early-stage startups and entrepreneurs, providing them with resources, mentorship, and networking opportunities.



Collaboration with Industry

Universities foster closer ties with industry, engaging in research partnerships, contract research, and collaborative innovation projects.



Community Engagement

Entrepreneurial universities become more deeply integrated into their local and regional communities, contributing to economic development and addressing societal challenges.

How can universities create 3rd income streams, in addition to student fees and government subsidies, to become more profitable?

1

Research Commercialization

Universities can commercialize research findings and intellectual property by patenting innovations and licensing them to industry partners. This can generate revenue through royalties and technology transfer agreements.

2

Continuing Education and Professional Development

Offer a range of non-degree, certificate, and professional development programs targeted at working professionals and lifelong learners. These programs can be delivered online or on-campus.

3

Online Education and E-Learning

Develop and market online courses and degree programs to a global audience. Online education can attract a larger and more diverse student body, creating new revenue streams

4

Executive Education and Corporate Training

Offer specialized executive education programs and corporate training solutions to businesses and organizations. Customized training programs can generate revenue and strengthen industry partnerships.

5

Real Estate Development

Explore opportunities for real estate development on campus. This may involve leasing land or facilities to businesses, constructing mixed-use developments, or hosting events and conferences in campus facilities.

6

Conferences and Events

Use campus facilities to host conferences, workshops, and events for external organizations. Renting out meeting spaces and catering services can be a lucrative income source.

7

Licensing and Merchandising

Universities with strong brands and sports programs can generate revenue through licensing agreements and the sale of branded merchandise.

8

Healthcare Services

Operate healthcare facilities, clinics, or medical centers affiliated with the university, which can provide medical services and generate revenue.

How can universities create 3rd income streams, in addition to student fees and government subsidies, to become more profitable?

9

Partnerships and Collaborations

Form strategic partnerships with businesses, government agencies, and non-profit organizations. These collaborations can lead to sponsored research projects, joint ventures, and grant opportunities.

10

Alumni Engagement and Philanthropy

Cultivate relationships with alumni and engage them in fundraising efforts. Encourage philanthropic giving, endowments, and donations from alumni, foundations, and other sources.

11

Student Housing and Campus Services

Invest in and manage student housing facilities, as well as offer campus dining and other services to generate revenue.

12

Internationalization

Attract international students and develop partnerships with foreign institutions to increase enrollment and revenue from tuition fees.

13

Public-Private Partnerships (PPPs)

Collaborate with private companies to develop and operate facilities such as research centers, sports complexes, or student housing. PPPs can provide a revenue share for the university.

14

Grants and Research Funding

Seek research grants from government agencies, foundations, and industry partners to support research activities and create additional income.

15

Sports and Entertainment

Host sporting events, concerts, and other entertainment activities in university facilities to generate revenue through ticket sales and concessions.

16

Data and Analytics Services

Leverage the university's expertise in data analysis and research to offer data analytics services to businesses and organizations.

17

Alternative Credentialing

Create and market alternative credentials, such as micro-credentials or digital badges, to students and professionals seeking specialized skills and knowledge.

Why was Food & Connect created?

**01**

Previously there was little investment in maintenance and upkeep due to lack of income from lease agreements;

02

Serious health and safety issues

03

Labour issues, with mistreatment of cafeteria workers one of the factors in student unrest in 2015;

04

Existing food offerings are poor: high in calories, low nutritional values, do not support healthy lifestyles. SOLUTION: a standalone company that could leverage the advantages that UCT could offer, while operating independently



Food & Connect's Values



TRANSFORMATION

- Development and upskilling of people;
- Redesign and rebrand of old/ existing offerings;
- Create new offerings for healthy, affordable and delicious food and drink on campus;
- Drive behavioural change of, employees, staff and students;



INNOVATION AND SUSTAINABILITY

- Development of multiple income streams and micro-economies;
- Create eco-systems that are collaborative and self-organising.
- Create businesses that are sustainable;
- Ensure supply chains and operations have a focus on sustainable materials and recycling.



WELLBEING

- Creation of a wellbeing environments with happy people in happy workplaces;
- Development of food offerings that are healthy, green and which offer a variety of options for all tastes and preferences;
- Creation of inspiring places and services where people can meet, eat, play and connect.



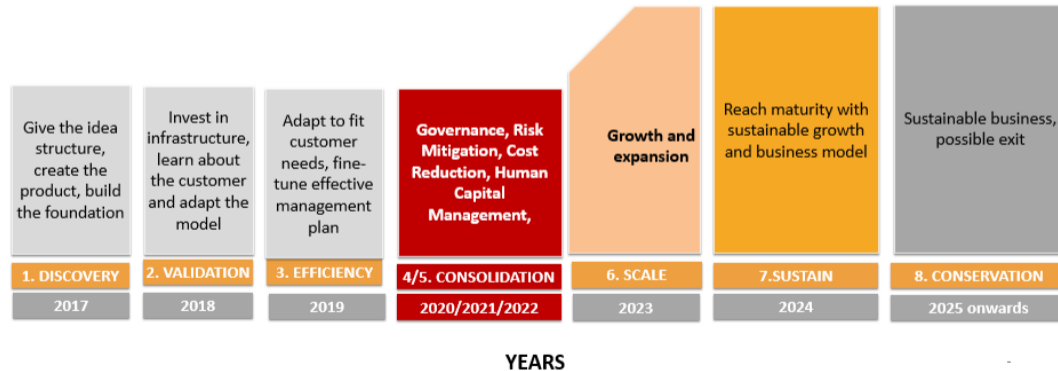
SCALIBILITY

- Creation of business that grow and change over time;
- Re-imagining and reverse-engineering of spaces and commercial opportunities that bring them back to life;
- Constantly open to new, big picture ideas.

Business Development Pathway

THE STAGES OF A TYPICAL START UP

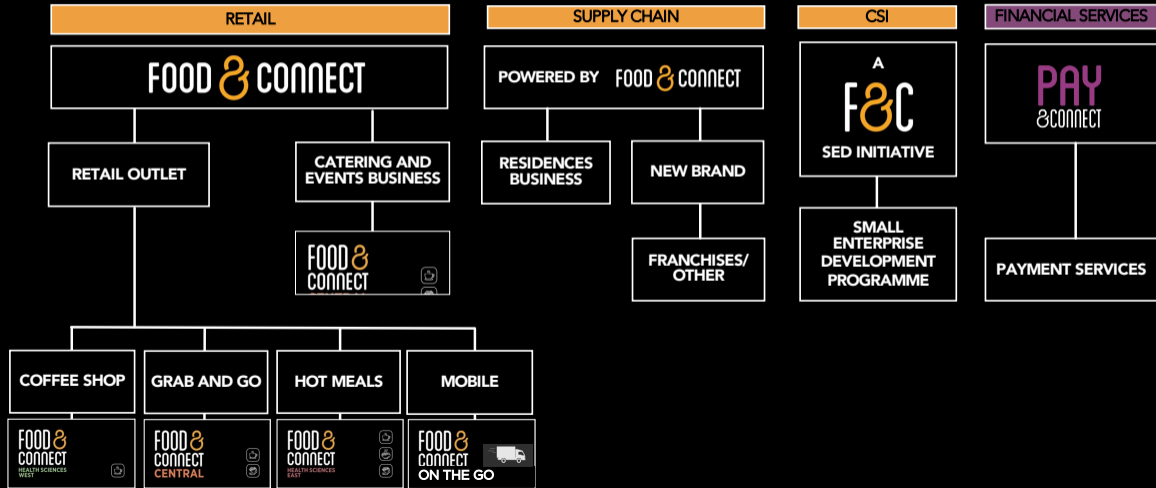
*92% OF STARTS UPS FAIL WITHIN THEIR FIRST 1 000 DAYS



Current Brand Hierarchy



UCT FOODS SERVICES (PTY) LTD t/a Food and Connect



Food & Connect's Services



Retail

Food and Connect operates in the retail sector by providing customers with a wide selection of food products. . In the retail segment, Food and Connect offers a variety of food items, including groceries, fresh produce, packaged goods, and ready-to-eat meals, catering to the needs of consumers looking to purchase food products for personal consumption.



Supply Chain Management

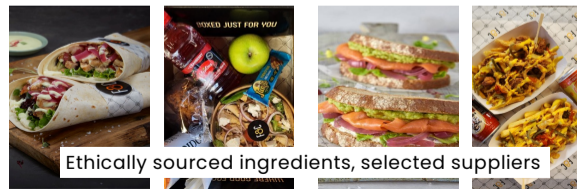
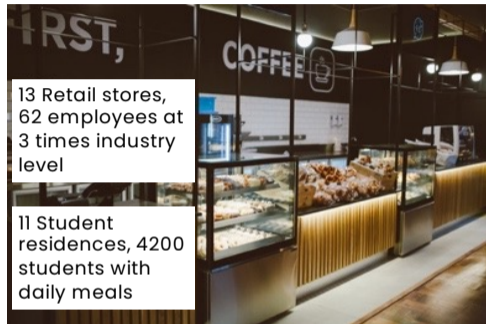
Food and Connect specializes in supply chain management services for educational institutions. This involves the efficient coordination of various processes, from sourcing raw materials to delivering finished products to retailers or customers. Food and Connect's supply chain management services help clients optimize their logistics, reduce costs, enhance product quality, and maintain timely deliveries, ensuring the smooth flow of goods from production to distribution.



Catering

Food and Connect offers catering services for events, parties, corporate functions, and other occasions. We provide a range of catering options, including custom menus, food preparation, delivery, and service at the event location. Their catering service can cover a wide array of culinary styles and accommodate various dietary preferences, making it suitable for both large and small gatherings.

The Food & Connect Offering



FOOD & CONNECT

Images of the brand – then and now



F&C



*Best Coffee
On Campus*





FOOD & CONNECT



Food & Connect's Vision and Purpose

"In order to carry a positive action we must develop here a positive vision."



Vision

To build a food business that has transformed the food offerings on campus, and which are the first choice for good food.



Purpose

To develop a variety of healthy, delicious, quick, easy and affordable food offerings for students and staff.

2020

- Supply Chain Management
- Food Security
- GSB Retail
- Transition shared services
- Operational Excellence Programme activation
- Loyalty programme development

2021

- Catering function established
- Middle campus activation
- Loyalty programme launch
- Design Libraries Concept Store
- Operational Excellence Business as usual
- Relationships and pilots with other HEs

2022

- First student supported franchise
- SCM growth into other HEs as a stand- alone offering
- Activate self-service 'mini' 24/7 store in Libraries
- C-Space activations
- Online Ordering system
- Coffee Roastery

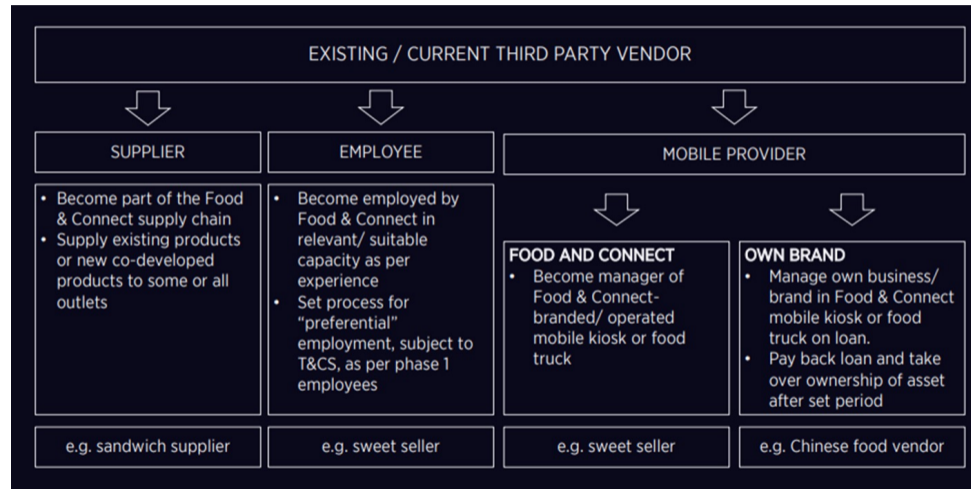


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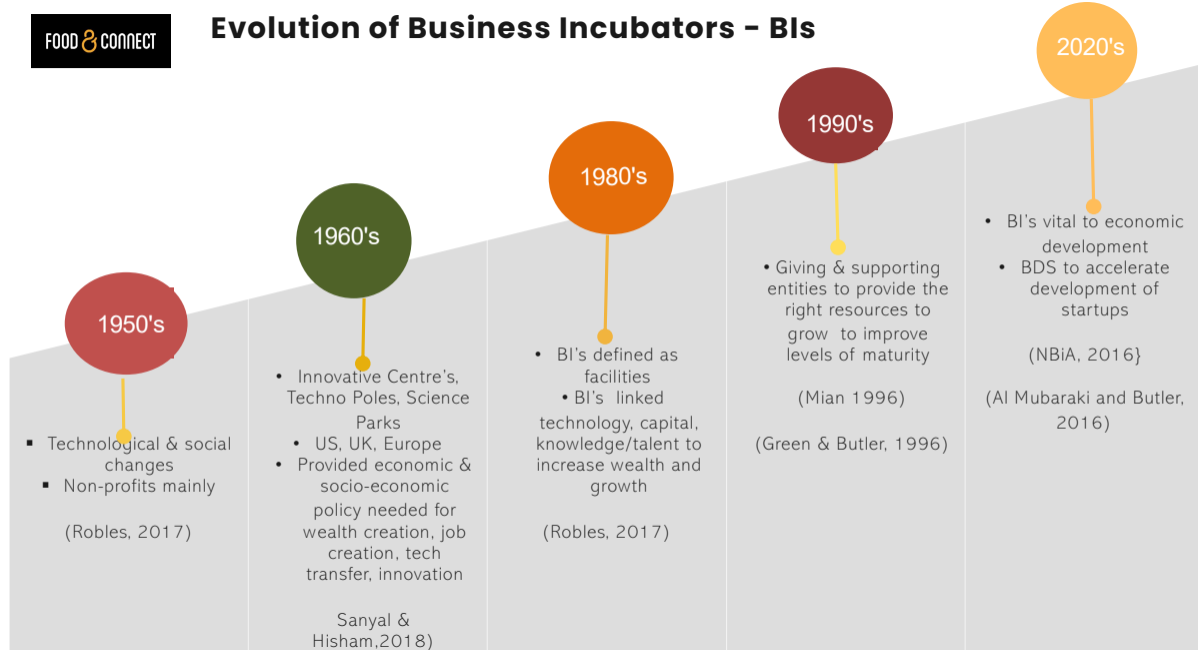


"Imagine:
An educational system (or university ecosystem) that creates a favorable environment enabling young people to develop their mindset from employees to employers, and to prepare them to improve skills and knowledge to create jobs"

UBIs linked to industry needs & development > socio-economic impact



Evolution of Business Incubators – BIs



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What is an Entrepreneurial University?

An entrepreneurial university is an institution of higher education that actively promotes and supports entrepreneurship, innovation, and the development of a culture of entrepreneurship among its students, faculty, and staff. These universities go beyond traditional academic activities, such as teaching and research, to engage in entrepreneurial activities that foster economic growth and societal development.



What is a business incubator?

Business or startup incubators are programs specially created to “incubate” early-stage startups and new ventures by providing the unique conditions & space needed to develop a business idea. By offering free or low-cost resources, incubators can help entrepreneurs transform ideas into sustainable business models. Likewise—and equally important—incubators can help entrepreneurs discover that their ideas are not feasible before taking on a lot of debt or making significant personal investments.

Incubator programs can be sponsored by a variety of different organizations and entities, including:

- Colleges and universities
- Local, state, and federal governments
- Economic development organizations
- Nonprofit organizations
- For-profit or investment firms
- Corporations



Food & Connect Launch Messaging

UCT Foods Services (Pty) Ltd was developed around a new food provisioning model, created in response to a number of factors including the provision of an improved and healthier food offering. It is a UCT owned entity.

The overriding principle was to create a new model that addressed the issues that had been experienced by students and staff with some of the third-party food vendors at UCT including health and safety problems; many of the food offerings were poor; and there were ongoing labour issues. In addition, there had been little investment in maintenance and upkeep due to lack of income from lease agreements.

The decision was taken to create a stand-alone company that could leverage the advantages that UCT could offer, while still operating independently in order to provide for the needs of the UCT community. The new food company has been endorsed by the UCT Council