

# WHERE ARE THE ENTREPRENEURS?

By Don Gilman

Imagine you're an entrepreneur searching for your next great opportunity. You read an article about a firm with some 50 million customers (in fact, you are one of them, having purchased from them in the past). The company has over 95,000 stores and employs more than 6 million people nationwide. Their budget is about a half trillion dollars annually, and they are desperately searching for some new executive level leadership. You see, customer satisfaction is extremely low and some small start-ups are coming onto the scene to challenge the dominance of this firm.

As an entrepreneur, you smell an opportunity. You could approach the large firm with a plan to overhaul operations and restore their customers' faith in the company. Or you could launch your own start-up to take advantage of the large firm's poor customer relationships and compete head to head. Or you could sit back and do nothing. Which would you do?

If you are like most people, you would do nothing! You see, in this particular situation, the "firm" is the K-12 public school system in America, the small start-ups are organizations like KIPP and Teach For America, and the customers are the children who have almost no choice but to endure the poor "customer service" they receive from this government-driven quasi-monopoly. And entrepreneurs have traditionally steered clear of the entire public educational system, since most all the power to change rests in the hands of politicians and bureaucrats who dole out the coveted and scarce resources primarily to the longtime stakeholders, thus assuring the status quo.

This is not to say that there have not been some entrepreneurial successes in the public educational system. Indeed, there have been. There are the profit-seeking education management organizations (EMOs), like National Heritage Academies (NHA) and Edison, who seek to create new schools and operate them as charters or under contract with existing school systems. There are their nonprofit cousins, the charter management organizations (CMOs), such as the Knowledge Is Power Program (KIPP), Green Dot, Aspire, and High Tech High. These CMOs are typically supported by philanthropists, and focus on creating better school options for kids in need. There are the technology outfits, such as APEX, K12, and the Sylvan spinoff called Connections Academy, that feature virtual schools and distance learning. And then there are the innovators that focus on "human capital," such as Teach For America (TFA), New Leaders for New Schools (NLNS), and the New Teacher Project (TNTP).

These initiatives, and others, should be applauded and recognized for their efforts to boost the quality, productivity, and diversity of American elementary and secondary schooling via entrepreneurial innovation and efficiency. However, we must recognize how small these ventures are, even collectively, as compared to the behemoth of American K-12 educational system. TFA deploys 4,400 new teachers at a time in 22 regions. NLNS produces about 150 new principals a year and operates in just six districts. Edison is running 157 public schools (14 years after its founding). NHA enrolls 30,000 students in 51 charter schools. And KIPP has so far bestowed its esteemed brand on just 53 schools, while Aspire Public Schools still encompasses just 16 schools, and Green Dot teaches 3,000 students in only 10 schools.

The truth is that most of these education entrepreneurs are succeeding in this hostile environment by compromising and accommodating wherever possible in order to win friends, make allies, and evade enemies in the communities that comprise their markets. They have realized a very

uncomfortable truth: the public education establishment is itself their principal client, their customer, and often their regulator. The individuals that are so committed to launching these entrepreneurial ventures pour their energy into working with, around, and through whatever barriers exist. They have little time or use for policy debates. There is very little incentive to crusade for the sweeping changes needed in our public education system, since such behavior will only irritate establishment figures and stir new resistance. Instead, each entrepreneur focuses on the sensible, plodding, arduous work of growing within the existing rules – and winning exemptions from those rules while ruffling as few feathers as possible.

In order to achieve the necessary changes to existing policies, there are really two paths. One is advocacy and agitation; the other is demonstration, the production of “proof points” that the new models can work better than the status quo. Both paths are necessary for success. But it is unrealistic to assume that both will come from the same source. The entrepreneurs that have stepped up to the plate and are actively deploying new models and new ventures mentioned above need to continue doing a really good job, providing the public (and the politicians) with new proof points, and not standing on their soapbox. Now we need other entrepreneurs to be change agents, to step forward to serve as the field marshals for the large-scale policy changes that will be required to truly fix our public education system. Only by walking down both paths at the same time can we begin to be the catalyst for the broader changes required to bring our public education system up to the level that our 50 million “customers” truly deserve.