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MBA aversion: The tech world's got a budding case of it — and that's not good

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By: Michael Marasco October 22, 2013

In the past few years, a lot has been written about the emergence of technical entrepreneurs without formal business training as the “typical” startup founders. And lately, **there have been signs** that some tech

investors are steering away from companies founded by non-techie MBAs.

The list of technical founders is long and compelling, from Larry Page and Sergey Brin at Google and Jeff Bezos at Amazon to Peter Thiel and Elon Musk at Paypal, Tesla and SpaceX. Even former Chicagoan and current Twitter CEO **Dick Costolo** is a computer science major.

But I think we in the tech startup-VC world are having the wrong debate.

Counter to the either/or argument of technical abilities versus MBA training, startup success boils down to the diverse capabilities of the individuals involved, not just his or her training or credentials.

Clayton Christensen, Harvard Business School professor and author of **"The Innovators Dilemma,"** ignited this debate a few years ago, arguing that the basic thinking taught in business schools was killing innovation and the U.S. economy. Around the same time, serial entrepreneur and “Godfather of Silicon Valley” **Steve Blank** began promoting a new lean way to think about startups that abandoned all the “MBA thinking” like business plans and elaborate projections. Mr. Blank, who proudly lacks a college degree but is now on the faculty of both Stanford and Berkeley, started pushing the philosophy that a startup was not a business but a pursuit of a profitable business model.

That argument has leveled the perceived playing field. Now, non-MBAs go head-to-head with MBAs in startups. Technical founders are no longer intimidated by the business side of the operation. The Farley Center at Northwestern University was one of the first institutions in the Midwest to embrace Mr. Blank's lean approach in our curriculum, and we have seen phenomenal results. Our students have swept some of the largest startup business competitions over the past two years. Graduates of our programs have launched companies, such as **Adaptly** and **SwipeSense**, which have raised top-tier venture capital.

TEAMWORK COUNTS

Many of these teams have technical co-founders, but that is not the sole reason for their success.

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Rather, it is the ability of their teams to think collectively across disciplines and embrace multiple viewpoints that has driven them to rise above their competition. At Northwestern, we have embraced this “Whole-Brain Thinking” approach. Our NUvention courses bring together students from every Northwestern school to focus on creating a startup in a specific vertical. We started seven years ago with a focus on medical technologies and have since expanded to seven courses in areas as diverse as Web and nanotechnology.

A good example is SiNode Systems, a team that created a company based on university research and was **recently profiled in Crain's**. SiNode launched out of the NUvention Energy class. A Kellogg MBA heads the team, but the rest of the full-time founding team members are graduate students in Northwestern's McCormick School of Engineering. Like many savvy investors, SiNode's funders understand that a whole-brain founding team with technology that delivers on a value proposition is the basis for a high-growth startup.

Early-stage investors today are very focused on the technical team since they know that the company still has to develop its product further and a robust technical team is critical. Investors are very skeptical of founding teams with non-technical MBA's only focused on the business side.

By definition, founding teams will be technical, but successful teams will also have solid business judgment. We need to stop debating the ideal credentials of founders and start focusing on building whole-brain teams. At the core, great teams create great companies.



Michael Marasco is director of the Farley Center for Entrepreneurship and Innovation at Northwestern University.



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