

NOMINATION FOR STVP'S PEAK PRINCIPLED ENTREPRENEURSHIP GCEC AWARD EXCELLENCE IN ENTREPRENEURSHIP TEACHING AND PEDAGOGICAL INNOVATION 2022

1. Clearly describe the pedagogical innovation your center has developed.

In 2018, the Stanford Technology Ventures Program (STVP) commissioned the development of a novel approach to teaching entrepreneurship that embeds actionable ethics called Principled Entrepreneurship: Action and Knowledge (PEAK). Under Tom Byers' executive sponsorship, Stanford Department of Management Science and Engineering (MS&E) adjunct lecturers Jack Fuchs and Scott Sandell created a set of frameworks, cases, role-play exercises, and other activities that support students as they develop principles to guide their journeys as entrepreneurs, or in whatever career they pursue. The course is a highly interactive, intense opportunity for deep introspection and debate across a broad range of Stanford students

The initial manifestation of the pedagogical approach was a highly interactive course taught by Fuchs and his colleague Scott Sandell, who is now also an MS&E adjunct lecturer. The course, titled "Principled Entrepreneurial Decisions" (ENGR 148/248), debuted in winter 2019 and will be taught for a fifth time at Stanford in Winter 2023. It is also taught in at least 4 other schools, and its derivations are incorporated into seminars, incubators, and company processes around the world.

STVP believes that successful infusion of ethics in entrepreneurship curriculum involves providing guidance that allows students to develop their **own** personal framework rather than a universal dogma around morals or values that is adopted by all. We don't impose our own ethical framework on them, we encourage them to formulate what it means to them and to their company and to act according to it. In doing so, we hope to launch entrepreneurs who have a broad, well-articulated initial set of principles that will help them make better decisions. By allowing students to develop their own framework, we believe it is much more likely that they abide by that framework.

We will discuss metrics in a later section, but it's notable that applications for the Stanford course have grown to over 350, and we have expanded to 2 sections of 60 students each. These applicants come from a wide range of programs across the university, providing strong diversity of thought for rich classroom discussions, including engineering, business, science, social science, education, and humanities.

We believe that principled-based decision-making, if communicated effectively and instilled in organizations allows, companies to scale more efficiently and achieve better stakeholder outcomes. The video link in the appendix provides student testimonials on the value of the PEAK approach to them.

2. Briefly discuss the rationale for creating this original innovation and describe the curriculum, tools, resources and partners required to implement this innovation.

It's clear that there is a need for and desire for a more holistic approach to entrepreneurship. Sure, there are crazy examples of founders gone awry, which screams for some intervention. At least as importantly, there are thousands of leaders who would like to have a framework to make better decisions, communicate those decisions more effectively, and provide a solid roadmap for their organizations to perform as intended. We began this journey to provide entrepreneurs with such a framework.

We hope over time that organizations develop a broad set of principles that by design will come into conflict. That through wrestling with conflicting principles, companies will make better decisions. Through that wrestling, they will learn and grow, resulting in better decisions and more appropriate behavioral norms.

Imagine if a social media platform, in deciding whether to take down a particular site, could communicate in the language of principles. They could articulate 2 or 3 particular principles around engagement, hate speech, truth, etc., arriving at a decision. They could communicate the decision in terms of those principles to their organizations and perhaps to their external constituencies.

We have developed cases, frameworks, exercises, and processes for this pedagogy.

Cases

We have written over 15 US cases and 10 European cases that provide a forum for students to debate difficult situations where there is no right or wrong answer. Rather, the decision one makes is informed by one's principles. An effective case allows students to infer that company's principles and to provide the structure for students to develop their own principles. By the 2nd or 3rd case discussion, students begin to say things like, "For me, the principle of how we treat our customer data is most important, so I would not share it with the authorities." Once they start leading with their principles, you know they are getting it.

For each case, there is a background and Part A that are handed out in advance. Generally, the decision in Part A leads to further complications, discussed in Parts B (and sometimes C), which are distributed as the class discussion develops. For example, you decide to do a product recall, and now you are running out of money and have to make difficult decisions about layoffs. Generally, the protagonist of the case listens to class discussion, then shares not only **what** decision they made, but more importantly **why** they made it – what principles were at play for them and their company.

We have developed cases for AI, product recall, software, energy, health care, and speech for companies such as Tableau, Bloom Energy, Cloudflare, Flixbus, Robin Hood, and many others. We have included a current draft of the Bloom Energy case as an example in the appendix, but please do not distribute it.

Frameworks and Role-Plays

We have a set of frameworks that help students understand what values and principles are and how to develop them. Essentially, values are fundamental beliefs that allow us to make judgements about what is good or bad, while principles are actionable rules of conduct for making life and business decisions and establishing behavioral norms. We have established criteria as to what makes a good principle. We have categories of principles for companies that help provide fruitful areas for principle development

Regarding role-playing, certainly we have many impromptu role-plays that occur during case discussions. If one person wants to stop a clinical trial, rather than lay off half their staff, we could have that person role-play as CEO against someone else playing the role of a physician whose patients are taking the medication. Conversely, if a student prefers the staff layoff, we can have them roleplay letting go half the class.

In a more structured way, we have also developed 5 role-play exercises to help students put their principles to the test. For example, we have a situation where a product is “ready” to be launched in a way that will benefit many people and the company’s financial situation, but it is biased in some way. We have roles assigned to different members of the organization, who share which company principles are most important and attempt to get to a decision. It makes for fascinating, sometimes uncomfortable discussions.

3. Outline how the Center is measuring the learning outcomes and impact of this approach.

We are measuring impact by the amount of interest from Stanford students, initial interest from other universities, and inbound requests from incubators, entrepreneurs and other companies who want to adopt this approach. In the past 4 years, we have brought principled entrepreneurship to over 1000 Stanford students, Our course materials are used at 4 other schools around the world, and we have taken over 100 early-stage entrepreneurs through our methodology. We discuss the measurement of each of these initiatives in item 4 in more detail.

4. Provide examples for how this innovation is being used at your center and how it could be replicated elsewhere.

At Stanford, in addition to the continued popularity of the particular course discussed above, we have incorporated the principled entrepreneurship materials into a fellowship program. That program, led by students provides a forum for development and discussion of principles in a symposium format. Over 3 years, those fellowships alone have served approximately 100 students.

We have also incorporated the PEAK way of thinking into Stanford’s *Entrepreneurial Thought Leaders* podcast and video series, which has over 400 students enrolled each quarter, has more than 3M touch points each year via video views and podcast downloads, and is utilized in more

than 500 schools each year to enrich the learning experience for students around the world. These sessions provide an opportunity for an entrepreneurial leader to share their entrepreneurial journey and discuss how principles and values drive their decisions.

In cooperation with Stanford Engineering's Dean's office, we are also conducting a quarterly seminar that engages students and alumni on a particular PEAK-related topic. For this initiative, we host a Stanford researcher and industry practitioner for a rich discussion on ethics and entrepreneurship followed by a Q&A.

The PEAK approach has been incorporated into 5 other courses at Stanford, as a principles module. It has also been taught at workshops for various entrepreneurial (and other) organizations on campus.

Outside of Stanford, the PEAK method is being taught at the Technical University of Munich, ESCP Europe, and on an episodic basis at a few other institutions. We intend to publish articles, cases, and materials during the next year to provide more scaling opportunities. We also hope that the recognition from GCEC will be a catalyst.

More recently, we have begun to work with incubators and companies over time to instill values and principles into their organizations. Through the NASDAQ incubator programs, for example, we have worked with almost 200 entrepreneurs from around the world, many of whom are minority and women-led companies. We have engaged them in the PEAK process with strong approval ratings. We have also worked with larger companies and investment firms to help them establish values and principles.

Overall, we continue to experience momentum, with more and more organizations incorporating these tools.

5. Appendix: Provide up to two (2) other items of your choice that demonstrate the innovativeness of your pedagogical approach and application within your Center.
 1. If available, provide a list of publications where this innovation can be found as well as examples of where it is being used elsewhere.

Below is a link to a video of student testimonials to help appreciate how PEAK has influenced them in their journeys:

<https://www.youtube.com/watch?v=hTqflzX52wY>

Below is a link to one of our cases to help appreciate the tenor of the material. There is no right or wrong answer to these questions; the students engage in a principled debate about the answer that works for them.:

https://docs.google.com/document/d/1_6kjTUu5jTh-eWb2KPdNqpXIVjDPpY9dR-kFaz6VOfc/edit

