A Proposal to the Academic Senate

for the

Creation of the Utah Entrepreneur Center
in accordance with Board of Regents Policy R401-10.3

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Office of the Vice President of Technical Venture Development
and
The David Eccles School of Business

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SECTION I
Request

Beginning in early 2000 a variety of programs and initiatives were created within the David Eccles School of Business to promote educational opportunities and experiential learning for students, not only in the Business School but throughout the University of Utah campus and the State of Utah. These programs have grown substantially over the past four years and have had significant impact on students, the university and the community at large.

It is now time to formally create the University of Utah Entrepreneur Center. The creation of the Utah Entrepreneur Center will enable the current programs. The creation of the Utah Entrepreneur Center will bring official recognition to the organization that is now in place and enhance the recently approved undergraduate degree in Entrepreneurship.

The programs and initiatives currently functioning under the direction of the entrepreneur office are; the Utah Entrepreneur Challenge, the University Venture Fund, the UTec Speaker Series, the Lassonde New Venture Development Program, the Opportunity Quest, the Launch Pad, SIFE and a variety of community involvement initiatives. Courses offered through the David Eccles School of Business as part of the undergraduate degree in Entrepreneurship would be a key cornerstone for the center.

The purpose and design of the above programs are as follows:

**Entrepreneurial Major / MBA area of interest:** The undergraduate major has a core curriculum of five required courses, listed below, and several electives following the basic business school requirements. As you can see, this curriculum cuts across all disciplines in the business school.

- Management 3700 – Fundamentals of Entrepreneurship
- Marketing 4700 – Analysis of Emerging Markets
- Management 5770 – Business Plan Development
- Finance 5300 – New Venture Finance
- Management 5780 – New Venture Creation

In addition, all of our entrepreneur courses are now available throughout the University without pre-requisites and are also available to the community at large through the Office of Continuing Education.

**Utah Entrepreneur Challenge – A Business Plan Writing Competition:** The fifth annual competition concluded on April 20th, 2005 with a grand prize of $40,000 toward business start up expenses. Cash prizes are awarded to all ten finalists along with substantial awards of services in kind from local law firms, accounting firms, web designers and banks. Over two hundred student teams entered the competition with representation from 13 colleges and universities throughout the state. Entrants are cut to a semi-finalist group of 25, a finalist group of 10 and then the grand prize winner. The judging panel is made up of 12 professionals from the community representing investment bankers, lawyers, venture capitalists, educators, successful
entrepreneurs, and the student director from The Challenge who is in charge of the judging. Approximately $200,000 in cash and services in kind are awarded to the top ten finalists. The Key Note Speaker for this year's final awards banquet will be Fred Lampropolis, a prominent entrepreneur and CEO of Merit Medical.

**University Venture Fund:** The University Venture Fund is organized as a non-profit corporation in the State of Utah and has received its 501C3 status. The fund has positioned itself to become a credited investor. Most of the initial year was spent in organizational work and the writing of the PPM, however, a degree of due diligence was conducted on 33 deals provided by Venture Capital firms from around the country. Thirteen of those deals were invested in by the venture firms. This year has seen substantial growth in deal flow analysis and the building of strong relationships with Venture Partners from coast to coast. The combination of guest lecturers from a community of venture capitalist, investment bankers, lawyers, insurance executives and successful entrepreneurs and the day to day operations of a venture capital firm has become the consummate learning opportunity for the students in the fund. The venture fund has worked closely with the FDIC, local banks and others to qualify for CRA funds and have closed a fund of approximately $5 million. This past year the University Venture Fund sponsored its second annual national conference for University Equity clubs and organizations. Over 200 students from throughout the country attended, representing most major business schools in the United States.

**UTec Speaker Series:** The UTec Speaker Series brings prominent entrepreneurs into a forum environment where they can talk about their personal road to success, personal philosophies about business start ups, and have an open exchange during a Q & A session. These presenters are either local entrepreneurs or alumni from the University of Utah who have been extremely successful outside of the state. The series has had a regular attendance of over 200 students and local business professionals thereby becoming recognized as the best attended speaker series at the University of Utah. A representative list of previous speakers includes:

- Larry H. Miller
- Patrick Byrne
- Jerry Atkins
- Robert Garff
- Kem Gardner
- Greg Butterfield
- Bob Gay
- Greg Warnock

**Lassonde New Venture Development Program:** The Lassonde New Venture Development Program is composed of students from the business school, the engineering schools and the life science schools at the University of Utah. These students review the new technology that has been registered with the University Technology Transfer Office and make an initial selection of those that appear to have an economic basis. The students do a cursory look at potential products or services that may be developed because of these new technologies and then select three technologies to focus on. The nature of the focus is to validate the existence of a true market opportunity and then provide the inventor with a fully developed market analysis and a guidebook to help them move successfully through the steps to a business start up. During this
past year two of the Lassonde projects were taken into the business arena by some of the students who had worked on the business assessment during their senior year.

**University of Utah Opportunity Quest Competition:** Beginning in the fall of 2004, the Utah Entrepreneur Center sponsored an on campus business innovation competition. The competition ran through the fall semester and involved students from most of the colleges at the University. This competition is organized and promoted to insure that students of all disciplines are aware of the competition and have the opportunity to participate. The University of Utah is a major research university and it is hoped that many new and innovative ventures will be brought forward in the competition. The competition concluded in January 2005, with cash prizes and in-kind services being awarded during a recognition luncheon.

**The Launch Pad:** This initiative is designed to bring together funds from the University Venture Fund and the projects of the Lassonde New Venture Development Center and actually launch new business ventures. Students will do all the foundation work to bring together the appropriate executive staffing, funding and business planning to actually start a new business. It is the intent of this new initiative for the Office of the Vice President of Technology Venture Development to take an equity interest in each of these new business ventures and in so doing create an economic base to support all of the programs in UTec as well as other educational initiatives that will come along over the years.

**Students in Free Enterprise:** SIFE is a large international organization that provides an element of out reach education to K-12 schools and the small business community. As a rookie team in SIFE, the University of Utah SIFE team completed 9 major projects. We competed in and won the regional competitions and then attended the national competitions in Kansas City, where we won the honor of being declared the national rookie team of the year. This year we were the runner up in the region against a team from the University of Arizona, Tucson – who was third in the Nation last year. This years competition will be in San Francisco and the team has an impressive array of projects and should compete well.

**Community Business Accelerator Programs:** All of those involved with the Utah Entrepreneur Centers’ initiatives also get involved with community efforts to develop the technological and business economy of the greater Salt Lake area. They sit on boards and get involved in coordinating conferences with such organizations as Technology to Market, The Wasatch Venture Group, Utah Information Technology Association, and the Governor’s Economic Initiatives. All of these organizations exist for the sole purpose of developing and expanding the technological and business base of the Utah economy. These activities provide the students with a broad range of experiences and networking opportunities.

The Entrepreneur programs at the David Eccles School of Business are currently organized and it is proposed that the Entrepreneur Center would have the same organizational structure reporting directly to the Vice President of Technology Venture Development.
SECTION II

Need

The creation of the center is essential to the continued growth, strength and recognition of the entrepreneurial spirit being fostered and grown at the University of Utah. It is also imperative in support of the efforts of the State of Utah to focus on economic development and job creation in the state.

National rankings and recognition of the David Eccles School of Business and the entrepreneurial programs further support the timing of this proposal and the creation of the Utah Entrepreneur Center. With the newly created position of Vice President, Technology Venture
Development, it is only logical to create the Utah Entrepreneur Center which will be an integral and important center within the organization.

All major universities and colleges throughout the country have or are creating entrepreneur centers to house initiatives in new venture creation, provide educational programs on entrepreneurship and promote economic development in their communities. The University of Utah is working diligently to become a part of this community of educational institutions and the creation of an Entrepreneur Center will substantially support our national role in this new educational paradigm. (see the attached registration book of the National Consortium of Entrepreneurship Centers)

SECTION III
Institutional Impact

The creation of the Utah Entrepreneur Center will programmatically support the Entrepreneur major and therefore enhance its role on campus. Students looking to focus their education on entrepreneurship will have a clear choice and experiential program to consider. This center will provide a greater incentive for students to enroll at the University of Utah and the David Eccles School of Business as they consider competing alternatives at other national and local educational institutions. Increased enrollments have already been accredited to the existence of the programs and initiatives in place and the creation of the Utah Entrepreneur Center only adds strength to this existing premise. With the creation of the new office of the Vice President, Technology Venture Development, it is already in the planning to establish a student focused entrepreneurial community in space available in Fort Douglas. The entrepreneur educational programs are already defined within the new organization of the Technology Venture Development organization and the official creation of the Utah Entrepreneur Center will help to formally support this newly formed organization. The creation of the Utah Entrepreneur Center will have no impact on existing faculty and staff at the David Eccles School of Business.

SECTION IV
Finances

The creation of the Utah Entrepreneur Center will have no financial impact on other programs or units within the University of Utah. The current programs and initiatives in the Entrepreneur programs of the David Eccles School of Business are carried out through a combination of Endowments and Private donations from individuals and companies who support the programs and see their value in experiential learning opportunities for the students involved.

Current funding for the Utah Entrepreneur program is provided through sponsor donations from twenty one private companies ranging in amounts from $1,200 to $20,000, an endowment set aside by Pierre Lassonde in the amount of three million dollars and one confidential personal donation to the program of $100,000. The combination of these sponsors, endowment and personal donation generates sufficient operating funds to carry on the current initiatives of the Utah Entrepreneur program. As the initiatives within the newly formed Entrepreneur Center
grow, additional funds will be sought through sponsors and endowments along with funding within the newly formed Office of Technology Venture Development.