

The Entrepreneur

A Newsletter of the Gary S. Holmes Center for Entrepreneurship

Spring 2008

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CARLSON
SCHOOL OF MANAGEMENT
UNIVERSITY OF MINNESOTA

Generosity Deluxe

Deluxe Corporation Foundation funds Entrepreneur Internship Program

The Holmes Center is pleased to announce a \$500,000 gift from the Deluxe Corporation Foundation to the support of the Deluxe Entrepreneur Internship Program. By pairing top undergraduate entrepreneurship students with leading Minnesota entrepreneurs, this program gets students directly involved in the launch and expansion of a real business.

"Students work alongside the entrepreneur to experience the process and to determine their interest in working in an ambiguous and challenging environment," notes Holmes Center Director John Stavig.

"The program helps connect our customers to the high level of talent at the Carlson School," says Lee Schram, Deluxe Corporation CEO. Deluxe's generosity enabled the immediate expansion of this program to 22 undergraduate students in the spring 2008 semester. With more than 90 companies interested in these interns, the Holmes Center plans to further expand this subsidized internship program in the coming years.

So far, the interns have helped businesses with everything from analyzing private equity investments to researching market expansion into Mexico. "The program allowed us to address an activity for which we wouldn't otherwise have had sufficient bandwidth," says Scott Litman of SDWA Ventures, who worked with a Holmes Center intern.

"I was fortunate enough to work with two entrepreneurs



that took the time and energy to share the lessons they learned as lifelong entrepreneurs," former intern Justin Cox, '07 BSB, says of his experience. "I ended up taking a job with the company after I graduated."

Deluxe is a Minnesota-based *Fortune* 1000 company with more than 8,000 employees. The company helps financial institutions and small businesses grow with a range of innovative products and services in fraud prevention, customer loyalty, and brand building. Deluxe leadership saw the value of the internship for the students and local entrepreneurial community alike.

For more information about the Entrepreneur Internship Program, contact James Kabl at 763-607-2693 or at jkabl@umn.edu.

China studies

Students to study entrepreneurship in China

A new entrepreneurship class is taking Carlson School undergraduates to China. "Aspects of China are difficult to understand without visiting," says Senior Lecturer Steve Spruth. "This will help students begin to prepare themselves for global entrepreneurship." The trip is a two-week capstone to the Carlson School's new undergraduate course focusing on entrepreneurship in China's emerging markets.

The students will arrive in Shanghai, the country's most dynamic business center. Professors from Shanghai Jiao Tong University will lecture on the Chinese economy. The Carlson School

students will interact with Chinese students and make site visits to a number of businesses.

After a week of site visits, the class will travel by train to Beijing, where students will tour landmarks such as the Forbidden City and the Great Wall. In addition, the students will see the spectacular sites being developed for the 2008 Summer Olympics and visit a nonprofit that supports sustainable bamboo-harvesting businesses.

The group will be well-prepared to benefit from their time in China. Seven weeks of classes take place at the

Carlson School, where students study entrepreneurial ventures in China. Minnesota-based entrepreneurs will visit the classroom to describe their experience in pursuing a venture in China. Outsourcing, dedicated Chinese factories, service businesses, corporate venturing, franchises, and socially responsible businesses will be discussed, to prepare the students for visiting such businesses in China.

Local entrepreneurs with business experience in China are encouraged to contact Steve Spruth at 612-626-1047 or spruto03@umn.edu if they are interested in sharing their stories with the class.

Engaged scholarship

Professor reveals the possibilities of collaboration between business and academia

Businesspeople and academics can't agree on much, but they probably agree on this: they have fundamentally different ways of looking at the world.

In his 2007 book *Engaged Scholarship*, Carlson School professor Andrew Van de Ven suggests that differences between business practitioners and academics actually hold solutions for big problems.

"One perspective will always do you in," says Van de Ven. "Big research questions tend to reside in a buzzing, blooming, confusing world. They can't be solved by one way of thinking."

Van de Ven advocates engaged scholarship, a form of research that obtains the different perspectives of academics, business practitioners, clients, and other stakeholders. "When this happens," Van de Ven says, "it expands our capacity to expand knowledge."

In the trenches

Academics and practitioners rarely see eye to eye because, simply put, they live in different worlds and know different things. Businesspeople tend to develop deep knowledge of particular situations, based on their experiences. Through on-the-ground experiences, they learn solutions that work in specific instances. They solve problems, cut costs, and make other bottom-line decisions.

But the knowledge—and the problems—of a business owner or executive aren't necessarily representative of trends. He might be a bad or good manager, or have excellent business partners, or be in debt, or be locked into punishing



Andrew Van de Ven

contracts, or get labor at cost. His knowledge, in other words, is based on his experiences, and this means that it is at least to some degree specific, rather than general. This kind of knowledge is important, but it differs fundamentally from the kind of knowledge that academics develop.

On the other hand, academics build theoretical knowledge based on research, which tends to yield broad answers, rather than specific ones. Often, they seek broad trends and patterns that allow the formulation of theories about even broader topics. They deal in abstractions and generalities, in large amounts of data rather than single instances.

In these terms, the specific knowledge of a practitioner and the broad knowledge of a researcher can seem so differ-

ent that it's hard to understand how they can affect each other. To Van de Ven, this is when it gets exciting.

Engaged scholarship

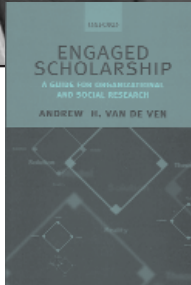
Van de Ven envisions a situation in which scholars, practitioners, and other stakeholders together research the topic.

"By involving others and leveraging their different kinds of knowledge, engaged scholarship can produce knowledge that is more penetrating and insightful than when scholars or practitioners work on the problem alone," he writes.

Such an approach could lead to answering what Van de Ven terms "big questions." After all, the big questions are tough to answer and the immediate rewards for answering them are few.

By doing research in a way that reflects our complicated world, we might just get a little closer to understanding big problems in a way that can produce serious, important knowledge for academics, business practitioners, and everyone else.

Who knows? We might just uncover the meaning of life.



Holmes Center among elite schools

Program gets honorable mention in nation-wide evaluation



Entrepreneurship programs at the University of Minnesota received an honorable mention from the *Princeton Review* and *Entrepreneurship Magazine*. Each year, these publications join forces to evaluate entrepreneurial centers. The 2007 evaluation noted the Gary S. Holmes Center for Entrepreneurship's emphasis on experiential learning in which our students conceive, launch, and operate new businesses.

Nine other schools received an honorable mention, including Harvard University, Massachusetts Institute of Technology, Stanford University, the University of Chicago, and the University of Pennsylvania.

Students at work

Entrepreneurship in Action class in third year

Entrepreneurship in Action, the groundbreaking Carlson School course in which undergraduates receive up to \$15,000 to launch and operate real businesses, is now in its third year. The 2007-08 participants have launched two new businesses. One sells customized leather gloves (sixteendegrees.com), and the other develops public awareness campaign promotions. These businesses will operate through April, with all profits donated to a non-profit of the student's choosing. In past years, student-run businesses in this class have generated more than \$150,000 in revenue and donated more than \$40,000 to the University.

Applications made easy

Carlson School seniors leverage entrepreneurship programs

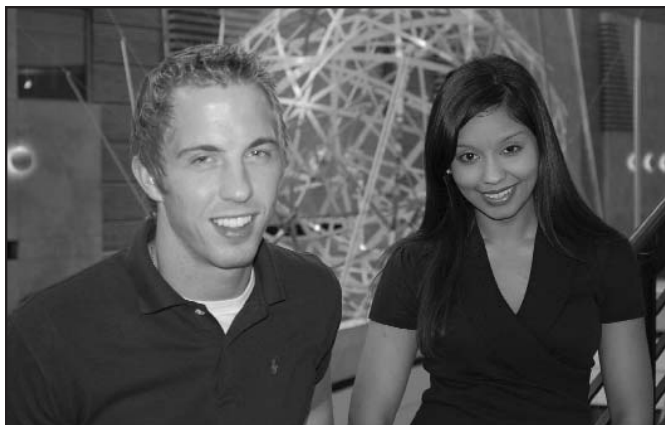
The application process to graduate school doesn't receive much attention, but it can be daunting. This is especially true for students looking internationally for graduate programs.

Now, Carlson School seniors Naomi Bisram and Erik Eliason are simplifying this process with a startup called uTead. The pair has created a platform that connects graduate students to application resources on a global scale. "Applying to a graduate school is a significant investment, and we want to ensure students make a good decision," says Bisram. "Utead connects prospective graduate students to application resources and enables the sharing of knowledge."

The idea caught the attention of the Minnesota Cup judges, who selected uTead as the 2007 winner in the student category, providing \$5,000 and pro bono legal services. Utead also received the initial \$2,000 grant from the Tom Auth Entrepreneurial Seed Capital Fund to fund its initial development expenses.

The idea behind uTead emerged when then-juniors Bisram and Eliason enrolled in the Carlson School's business plan course. "We wanted to do something more impactful, less traditional," says Bisram. Looking for a business to plan, they drew on their own frustration with the process of applying to graduate school. The students also identified megatrends of the next decade in higher education, internet technology, and globalization.

In spring 2007, they students won the "most socially responsible" category of the annual Holmes Center "Biz Pitch" competition. This early success inspired them to develop the concept in earnest. They acquired a first investor, developed alliances with UniFersal.com, Google, and YouTube, hired two interns, and obtained office space. Their database currently contains information on over 110,000 graduate schools and they're currently working on the beta model of uTead and expect to launch the business in spring 2008.



Carlson School seniors Erik Eliason and Naomi Bisram

On the Muve

Minnesota Cup winning start-up builds on medical and entrepreneurial expertise

The 2007 Minnesota Cup winners, John Montague and James Levine, have burned a lot of calories running their company, Muve. That's no surprise—the start-up is dedicated to the commercialization of technology that might help limit the global obesity epidemic. The winning product, Gruve, is a movement-measuring device used in conjunction with an online network focused on weight-loss and wellness.

"Launching a new venture is a lot like sailing," says Montague. "You must have a good plan and know where you are going, yet be prepared to alter the plan as winds and conditions change. It is important to get your boat in the water and get moving instead of sitting on the dock contemplating. Winning Minnesota Cup put a great burst of wind in our sails."

Gruve is currently being beta-tested at two independent companies. "We've been seeing some extremely good results," says Montague. The television show "20/20" is closely following the beta testing for a feature that will air in April. The business has also attracted coverage from news media including "Nightline," "Good Morning America," MPR, and CNN.

The founders recently announced a new partnership with Steel Case, a \$4 billion global office furniture leader. The partnership has already allowed them to bring the WalkStation, another Muve product, to market. Together, the two companies hope to reinvent the office environment. "We see this as an opportunity to bring together the health movement and the green movement," said Montague.

The logo for Muve, featuring the word "muve" in a lowercase, rounded, sans-serif font. The letters are white and set against a dark teal background.

Mark your calendar

- Monday, April 7
3M Seminar: Commercializing Technology within a Company
- Tuesday, April 8
Economies of an Online Business, 4:30 – 5:30 p.m., location TBD
- Thursday, May 8
Founders Day Luncheon, 12:00 – 1:30, Carlson Atrium

Visit carlsonschool.umn.edu/holmescenter for more information

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Thank you for your support

The Gary S. Holmes Center for Entrepreneurship would like to thank the following individuals and organizations for their generous support. Current commitments in excess of \$8 million have established the Holmes Center as a permanent force at the Carlson School and the University.

Floyd Adelman	Tim Kraskey
Anonymous alum	Joy Lindsay
Tom Auth	Gerald Magnuson
Jesse Bergland	Chris Mayr
Norman Bjornnes	Spence Morley
Robert Buuck	Gary and Susan Rappaport
Judy Corson	Bruce Richard
Deluxe Corp.	Ann Rockler Jackson
Tim and Valerie Doherty	Harold Roitenberg
John Fesler	Mike Sill
Harold Goldfine	Robert and Chantal Simon
Vern Heath	State Farm Insurance
Merle Hilliard	John Stavig
Gary Holmes	Roy Wetterstrom
Pat Hopf	Steven Wexler
Eugene and Anna Karpas	

Genuine success

Recent graduate realizes value of entrepreneurship education

-----Original Message-----

From: [REDACTED]
To: D. Rao
Sent: Thursday, October 04, 2007 12:59 PM
Subject: Thanks

Dileep,

I wanted to let you know that the materials I've learned from your courses helped me to lead the sale of the majority of a company for almost ten times our original valuation estimate. By finding strategic buyers (as you recommended) and being able to anticipate their needs as investors (using tools and knowledge you provided), I was able to close this eight-digit deal.

The information you provided was current, accurate, and obviously the result of years of real-world success in buying and selling businesses. I'm glad that the Carlson School recognizes the benefit of providing relevant courses taught by professors who are truly experts in their field.

Thanks for helping me and my career!

B

Dileep Rao, a Carlson School senior lecturer who teaches Financing the Business Venture received this email from a grateful former student.