

LEARNING  IN 360°

MANAGING START-UPS ON STEROIDS

BY FRANCI ROGERS



At age 14, Aaron Fitzgerald began looking for ways to earn money. He started doing odd jobs for neighbors and family friends. Less than five years later, he had 15 employees and more than 500 clients. And he had yet to graduate from high school.

So when the senior Finance and Entrepreneurship major from Conifer, Colo., heard about BAYLOR'S ACCELERATED VENTURES PROGRAM, it seemed like a natural fit.

Accelerated Ventures is a two-semester course that supplies students with the information, resources and funding to start their own companies. Each semester, 12 students are selected for the program and are expected to, with \$5,000 in start-up money, create real companies, launch products and services, and generate sales. And they do this while taking a full course load of other classes.

"It's easily the most stressful, most fun experience I've ever had. I love it," said Fitzgerald, whose start-up company

is OLIVER HAIR GROWTH. "It encompasses everything you've even remotely learned in every other class and brings it together: accounting, marketing, finance. Every skill you've learned in business school comes into play, and you use it again in the real world."

The program began in 2011 when Les Palich, the W.A. Mays Professor of Entrepreneurship, and Kendall Artz, director of Baylor's Entrepreneurship Program and chair of the department of Management and Entrepreneurship, began discussing how social media was being used in entrepreneurship. They began thinking about a course that could teach the use of social media and other emerging technologies that would be timely and relevant.

"At the same time, Dr. Artz was having similar conversations with an alumnus, David Grubbs," Palich said. "I asked them to come up with an idea for a course. When I heard what they had in mind, it was

all I'd imagined and more. It's more than just a course, it's a program."

Their choice to facilitate the program was Grubbs, who graduated from Baylor in 2007 with a BBA in Finance. Grubbs is a serial entrepreneur who has founded seven Internet service and marketing companies, and is currently the CEO of Campus Collect, a business he founded while a sophomore at Baylor. He is also a partner in several companies and serves as a consultant.

"In the past several years, I have built and launched companies in 30 days and was making a profit in 45 days, with very little start-up money," Grubbs said. "Others have started companies with as little as \$7,000 that were launched in 30 days and had \$400,000 in profit in 90 days. I started thinking, we really should be teaching this in school. And so Baylor did."

For Grubbs, the practical experience of entrepreneurship is an essential part of the education.

"IF YOU HAD MY FAVORITE VIOLINIST ITZHAK PERLMAN IN CLASS, WOULD YOU TEACH MUSIC THEORY ALL DAY, OR WOULD YOU HAND HIM A VIOLIN?" Grubbs asked. "Entrepreneurs are also artists, just in a different form, and they have to be able to practice their art."

Upperclassmen from any discipline can apply to the program. The month-long selection process begins with written applications, and finalists are interviewed.

After the 12 students are selected, they meet to learn about their classmates and begin to choose team members. They are immediately expected to begin studying the books and curriculum. They are also given the parameters for the businesses they will run.

"We don't accept family business or out-of-home businesses," Grubbs said. "We also don't want anything you can't scale from \$5,000 to seven figures. In other words, no T-shirt companies or lemonade stands."

On the first day of class, students are given their final exam for the course and present their teams of three students and their initial business idea. They also receive their \$5,000 per team in funding.

"Choosing the right people for our team was really important to me," said Rachel Sload, a senior Entrepreneurship major from Montgomery, Texas.

"I felt strongly that we should have diverse perspectives, so I am working with an Engineering major who has a strong computer and technical background because that's not my strength. I also wanted a guy's perspective, so our other team member is male."

Sload's team created AVUNDAS SKIN SOLUTIONS, a line of skin care products.

"We each have our roles and we've each grown in them," she said. "I feel like I've gotten to sharpen my communication skills, and I've really enjoyed that. I've learned so much more than I thought I could. I never thought I could negotiate with a large company in another country as a senior in college, but I have."

The Baylor Angel Network provides start-up funding for the ventures. The investing group retains 10 percent of the companies; the students on the team each retain 30 percent of the company. From the second day forward, the students are building their companies, which are required to launch in 45 days. By the end of the first semester, companies are expected to be generating revenue. By the end of the second semester, they should be profitable.

"It's a huge workload; they assign it to themselves. I assign none of it," Grubbs said. "They are extremely motivated."

Allison Kusenberger, a senior Entrepreneurship and Marketing major from Little Rock, Ark., said the program is teaching her to prioritize her work.

"It's a tough balance," she said. "You can't think of this class as just a class. It's a job and it never ends. But you set goals and work on a timeline. It's very time consuming, but your partners are counting on you. You can't slack off without affecting them, too."

Kusenberger and her teammates are selling a high-end men's shaving kit, called SHAVESPEARE.

Once the class is over, teammates must decide whether to continue as a group, sell their share of the start-up to the others, or sell the company outright. Many of the details are worked out ahead of time, when the companies are legally formed, but much depends on the outcome of the course.

"Our plan is to move to Addison [Texas] and continue to try to get into as many retail locations as possible," said Sam O'Brien of his team's company, WHOLE WATER, which sells an alkaline-enhanced bottled water that is touted as a healthy way to balance the body's pH levels.

The senior Public Relations and Journalism major from Austin, Texas, hopes his company continues to grow.

"We want to generate enough profit to start our own distribution center," he said. "Our goal is to be self-sustaining and in 50 retail locations by the end of the year."

O'Brien's desire to move to Addison is not just because of the town's growing

economy. The town has offered

the students some amazing incentives.

The town will provide the student-run businesses the opportunity to move to the community where they will receive free office space and support for 12 months after graduation. Additionally, the Greater Waco Chamber has partnered with Baylor to launch ThInc Space, a business incubator for creative start-ups that also will be the headquarters for the Accelerated Ventures Program. While enrolled in the program, students will receive free office space from the Greater Waco Chamber. Upon completion of the course, students can continue to use the free space for one year while they expand their businesses.

"This will be a tremendous opportunity for these students, and another example of the business community helping this program to be successful," Palich said. "Like the Baylor Angel Network, we're getting help from so many places."

And Palich hopes the program can help other universities as well. "Our goal is to create a national model that other schools can adopt," he said. "Next year, we expect to have three other schools starting up their own programs using our model. This is another situation where Baylor Entrepreneurship is a leader among schools, and that's exactly where we want to be."