



PHOTO BY MAUREEN KONOPKA

Scott Zorn '12 (center) discussed the UR Consulting Group alongside student entrepreneurs from universities across New York at the Summit for Supporting Student Startups in Syracuse.

COVER STORY

A summit in support of student startups

Faculty, staff, and students from more than a dozen colleges and entrepreneurship organizations from across New York, Canada, and as far away as Osaka, Japan, gathered in Syracuse at the end of March to discuss best practices in giving aspiring student entrepreneurs a head start. The inaugural Summit for Supporting Student Startups highlighted the good, bad, and ugly of student incubation.

“By supporting students in starting ventures while in college, we are staying true to our mission as educators,” said Stacey Keefe, executive director of ExCEL (Center for Entrepreneurship Experiential Learning) at Syracuse University. “They are learning skills that can be taken outside of college to create opportunities.”

Syracuse University led the organization of the summit after receiving a \$500,000 award from the U.S. Commerce Department’s Economic Development Administration (EDA) and the designation as an EDA University Center. The grant aims to ignite innovation, accelerate entrepreneurship, and launch student ventures. Syracuse was one of 21 universities nationwide—and the only one in New York state—to receive the designation.

“This project leverages the most valuable asset in Upstate New York—the intellectual capital of our colleges and universities,” said Linda Hartsock, director of community engagement and economic development at Syracuse University. “It will help the region retain our best and brightest, and provide the support system to launch and grow new ventures. We look forward to working with our academic partners, along with the many community mentors who support this program, to grow a new generation of entrepreneurs who will create jobs and



Duncan T. Moore
Vice Provost
for Entrepreneurship

Spring is an exceptionally busy time of year. The technical entrepreneurship and management (TEAM) master’s degree admissions committee recently extended offers to more than 100 applicants to the program—up from 64 offers last year. The quality of candidates significantly improved as well. We also hosted the first-ever spring open campus for prospective TEAM students at the end of March, featuring a keynote lecture called “Recharging Your Batteries,” delivered by Arunas Chesonis ’91S (MBA), CEO and chairman at Sweetwater Energy and founder of PAETEC Holding Corp.

Additionally, I am pleased to announce that the TEAM program received the 2011 Award for Excellence in Specialty Entrepreneurship Education, presented at the Global Consortium of Entrepreneurship Centers during its annual conference in October.

Applications are expected to be strong in the sixth annual Mark Ain Business Model Competition. We encourage you to attend the finalists’ presentations on May 16 (see calendar on page 5). The winning team will be offered a spot in the University’s new student incubator space at High Tech Rochester.

This winter, the University completed an essay outlining the impact of the Kauffman Campuses Initiative, a \$3.6 million Ewing Marion Kauffman Foundation grant with a \$7.2 million University match awarded in 2004. In President Joel Seligman’s introduction, he declared, “The breadth of the grant enabled the University to establish entrepreneurship as an enduring educational enterprise.” The piece included contributions from the deans and senior administrators at each school, detailing the effects of the initiative and its future direction.

Rochester is in a great position to drive economic growth. I am working to communicate the many opportunities that the University and the community offer (for example, see *The New York Times* op-ed reprint on page 3). This summer, look for my blog posts online at the *Democrat and Chronicle*.

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Startup Weekend to debut at Rochester's Eastman Business Park

A lot can be accomplished in a weekend, including spring cleaning, a short camping trip, and even launching a company. Startup Weekend will debut in Rochester from April 27 to 29 at Eastman Business Park. These intense 54-hour events bring together software developers, designers, marketers, product managers, students, and entrepreneurship enthusiasts to share ideas, form teams, build products, and ultimately launch businesses.

"The Startup Weekend model takes everything a startup entrepreneur could want and brings it all under one roof for the weekend," said Michael Kruk, cofounder of UNYstartups.com and venture analyst at Excell Partners Inc., who is also part of the Rochester Startup Weekend planning committee.

Close to 500 Weekends have taken place across the globe since the first event was held in Boulder, Colo., in 2007. A whopping 5,000 startups have been created through the organization, and 45,000 people call themselves Startup Weekend alumni. Even more impressive, 36 percent of businesses developed at the events still exist three months out, and about 80 percent of participants continue to work together long after the weekend is over.

The Rochester weekend will feature keynote speakers Monroe County Executive Maggie Brooks and David Koretz, president and CEO of Mykonos Software Inc. and CEO of BlueTie Inc. Mentors from such companies as



PHOTO COURTESY OF EASTMAN KODAK

Rochester Startup Weekend will take place at Eastman Business Park from April 27–29.

PluggedIN, iCardiac, and Merrill Lynch will help teams develop their concepts and presentations. The Weekend culminates in a competition—participants pitch their startups to a panel of judges on Sunday evening.

Javaree Walker '12S (MS) was part of a six-member team to win first place and \$2,500 at the Syracuse Startup Weekend in November 2011. The group developed StatusQ, a mobile application that allows diners to check in at restaurants and receive a text when their table is ready. Walker is now helping to organize the Rochester Weekend.

"The Startup Weekend in Syracuse was a great learning opportunity for me," he said. "All business students can benefit from seeing a side of entrepreneurship that can only be experienced. For that reason, I want to see the program happen here in Rochester."

Walker enjoyed working with professionals with non-business backgrounds like web development and graphic design. He found the high-energy and casual atmosphere at the event made it easy to connect with people and meet mentors and investors in the area.

In addition to UNYstartups and the Simon Graduate School of Business, the Rochester Startup Weekend planning committee is led by CenterState CEO, Excell Partners, High Tech Rochester, Rochester Institute of Technology, and the University of Rochester Center for Entrepreneurship. CenterState CEO is working to initiate Startup Weekends in cities across upstate and central New York, including Buffalo, Binghamton, and Albany.

"There is a lot of good happening in the Rochester startup ecosystem, but it is spread out both geographically and politically," said Kruk. "A main goal of the event is to connect the hubs that are truly passionate about entrepreneurship and to show how much we can accomplish by collaborating as a whole."

To participate, register online at rochester.startupweekend.org. Tickets are \$99 for general admission and \$49 for students.

SIMON GRADUATE SCHOOL OF BUSINESS

Simon alumnus says startup success begins with a strong value proposition

After graduating from the Simon Graduate School of Business with a triple concentration in finance, entrepreneurship, and competitive and organizational strategy, David Chauncey '09S (MBA) decided to leverage his advanced knowledge by launching his second company, Vnomics. The firm offers a proprietary software system to fleet owners of heavy commercial vehicles. On-board computers communicate the performance status of trucks, tractor trailers, and military vehicles in real time.

Today Vnomics has grown its revenue by a factor of 10 each year for the past three years and has gone from Chauncey on his own operating the company virtually to employing 31 with headquarters in Pittsford, N.Y. Four Vnomics staff members are Simon School alumni, and one will complete the school's EMBA program in June.

"Nine employees have MBAs," said Chauncey. "That's a lot for a technical company."

Fellow classmate Nick Elliott '09S (MBA), a software engineer at the firm, saw joining the startup as a great avenue for personal growth.

"You get a lot more exposure here than at a big company," he said. "You see business from a different angle and come to respect what happens behind the scenes to make everything run smoothly."

Both Chauncey and Elliott returned to the Simon School this past winter quarter as guest speakers for ENT422 Generation & Screening Entrepreneurial Ideas, taught by Professor Mark W. Wilson. As students, they found listening to real-world experiences to be one of the most valuable aspects of the program.

Chauncey tells students that Rochester is a great place to start a company. Organizations

like the Rochester Angel Network offer seed funding and access to executives that can mentor aspiring entrepreneurs. Several universities in the area have technology available to commercialize while also supplying a highly skilled technical workforce. He notes that his firm's telematics software is licensed from a core technology developed at Rochester Institute of Technology.

Chauncey also likes to emphasize the importance of presenting an overwhelming value proposition to customers. His product pays for itself in six months and has an average lifespan of five to seven years. It is a value he hopes to bring to new clients as the company starts to expand internationally this year.

"You never really know if your idea for a business is a good one until someone is willing to pay you for it," he said.

Professor researches entrepreneurs in China

With extensive knowledge of the Chinese language and culture, John Osburg, now an assistant professor in the University's Department of Anthropology, traveled to Chengdu, China, to begin his doctoral research for the University of Chicago in 2002. As a foreigner who spoke the language fluently, he was considered a novelty among the many people he met while studying and taking classes at the provincial university. He was often asked to emcee corporate events and even co-hosted a televised variety show. Through these interactions, Osburg forged relationships with the locals, allowing him to conduct ethnographic fieldwork in southwest China for three years.

Osburg's research revolved around China's new rich, who have emerged over the past three decades since China began market-oriented economic reforms in the late 1970s. He was interested in how the Chinese were making sense of the rise of new social groups, especially business owners with newfound wealth. He studied their devotion to network building in all aspects of their lives—from making deals to advancing their social status.

Finding that many, if not all, of the new rich in China are entrepreneurs, Osburg examined the considerable amount of time they spent cultivating relationships with state officials and other entrepreneurs. The strength of these networks was remarkable. They provided support in every aspect of business from financial backing to arranging meetings with powerful contacts.

"Social networks provided a safety net and allowed them to take risks they might not otherwise take," said Osburg.

However, he also observed tremendous pressure on the entrepreneurs to maintain their social networks and status. Businessmen often complained about having to participate in ritualized entertainment, night after night. These elite groups were also bound by countless obligations, operating under an informal moral code—one that other Chinese found questionable.

Osburg is currently working on a book based on his research, *Anxious Wealth: Money, Morality, and Social Networks among China's New Rich*.



No Rust in Rochester: Survival Lessons

An op-ed by Duncan T. Moore

After years of decline, Eastman Kodak, once the largest employer in Rochester, filed for bankruptcy protection last month. But rather than following Detroit, Cleveland and other once-bustling industrial cities into decay, Rochester continues to grow at a healthy clip. Why?

The question goes beyond the city limits of what was once called "Snapshot City." Why does Pittsburgh prosper while Detroit sputters? How did San Diego make the transition from a Navy town to a diversified economic success while Fresno, Calif., has one of the country's highest home foreclosure rates?

The answers are complex and unique to each. But the latest city to struggle with economic dislocation shows how good policy making, entrepreneurship and a little luck can ensure that a city doesn't just survive, but thrive.

While no one here is glad to see Kodak go bankrupt, it's hardly the catastrophe many imagine. Indeed, while over three decades Kodak's Rochester-area employment dropped to fewer than 7,000 jobs from 61,000, the community itself gained a net 90,000 jobs. That's because the Rochester economy is more diverse than most realize — in part, surprisingly, because of Kodak. The high-skilled workers it let go over the years created a valuable labor pool for start-up companies, particularly in optics and photonics.

It also helps that Rochester has a strong higher-education sector, which has likewise been supported by Kodak. The University of Rochester became a leading research center through gifts from Kodak's founder, George Eastman, who also gave generously to the Rochester Institute of Technology.

These universities have an immense impact on the regional economy. The University of Rochester, along with its medical center, is now the area's largest employer. Over the last five years it has received more than \$1.9 billion in research money, most of it from the federal government, which has in turn fueled local growth beyond the campus gates.

Yet another asset is Rochester's cultural institutions. Many highly skilled former Kodak workers chose to stay because of the amenities inspired by Eastman's philanthropy, including the Eastman School of Music, the Rochester Philharmonic and the International Museum of Photography.

True, many Rust Belt cities have fine universities and cultural institutions. What they lack, however, is a fertile entrepreneurial class to move in as the dominant employer fades and

leaves. In fact, it's the very presence of a single big company that can keep smaller ones from taking root.

Recognizing this risk, two decades ago Rochester began a network of private and nonprofit partnerships to diversify its economy. Organizations like High Tech Rochester and Greater Rochester Enterprise work with local government and academia to train entrepreneurs and support new business ventures. Since 1996, 51 start-ups—38 of which are still active—were created based on University of Rochester technologies alone.

The state and federal governments have been a big help, too. In 2006, the region around Rochester received a four-year federal Department of Labor grant to finance economic development initiatives—which in turn paved the way for almost \$70 million in projects awarded in 2011 from Gov. Andrew M. Cuomo's Regional Economic Development Council initiative.

Creative destruction will continue to wreak havoc across the global economy. The experience of Rochester, San Diego, Pittsburgh and other cities in surviving offers several lessons.

The first is to make better use of local intellectual capital, starting with universities. One challenge Rochester faces is replacing the young people who once came to work in Kodak's laboratories. Here's where higher education comes in handy: public and private organizations should build connections with students through internships and other efforts that give graduates a reason to stick around.

Moreover, universities provide stability in a rough economy by drawing in state and federal dollars, which can compensate for the decline of a major employer.

Of course, private companies need to be part of the game as well. Those left behind when a dominant employer disappears must be willing to pivot to a longer view, as Kodak did for generations. Instead of managing quarter to quarter, they must help reinforce the local work force, as well as invest in the community so as to keep it attractive to new high-skilled workers.

Put differently, there is no single answer for cities facing the departure of a major employer, and there are many things unique to Rochester, Pittsburgh and San Diego that have allowed them to thrive where others have foundered. But long-term investments in education, culture and community have made all three postindustrial success stories, and there is no reason such a strategy can't help the next city hit by a big-business bankruptcy to follow their lead.

Jonny Trade joins incubator

The University of Rochester student incubator at High Tech Rochester recently added a new company, Jonny Trade, founded by Jonathan Markowicz '13S (MBA). The online brokerage and investment firm differentiates itself by using a unique pricing structure as the foundation for all transactions, and the patent on the business system is currently pending. Markowicz says the firm has the potential to grow into the algorithm and software development markets using its proprietary index of behavioral data. Jonny Trade joins other incubator businesses, Aught9 and MediTel Health Solutions. Rochester students interested in applying can download an application at rochester.edu/entrepreneurship/incubator.

Chem professors named latest Tech Development Fund recipients

Todd Krauss and Lewis Rothberg, both professors of chemistry, are the latest to receive grants from the University's Technology Development Fund. The fund was launched to help University scientists advance technologies closer to the stage where they can be transferred to the market. Krauss led a team in creating a procedure to engineer high-quality, inexpensive semiconductor nanocrystals. These materials, none currently commercially available, can be used in the biomedical imaging industry. Rothberg and his researchers are working to develop a diagnostic platform for the on-site testing of fruit and vegetable pathogens. This tool will allow growers to get results much faster and at a cost of up to 20 times less per sample than off-site laboratory testing.

Koning breast scanner receives EU approval

Koning, a University of Rochester Medical Center startup company that developed an imaging system to detect breast cancer, announced it has obtained a key regulatory approval from the European Union. This will allow for its Koning Breast CT scanner to be marketed and sold throughout the EU. The technology combines the advantages of digital x-ray with computed tomography to produce three-dimensional pictures without having to compress the breast tissue. Ruola Ning, a professor of Radiology at URMIC, invented the imaging system and serves as president of Koning. The company is also seeking approval from regulatory authorities in the United States, Canada, and China.

Entrepreneurship gains popularity in dissertations

One recent graduate and two doctoral candidates—representing three disciplines—have each centered their dissertation research on entrepreneurial themes. Sally Ellis Fletcher '10N (PhD) studied nursing faculty and students' behavioral intentions and perceptions toward entrepreneurship in nursing. Nikhil Varerkar, a doctoral candidate at the Warner School, is currently working on his dissertation, focusing on human capital development and the role of higher education in economic growth. Political science PhD student Jonathan Klingler is investigating the role that club goods play in encouraging individuals to join and remain in organizations, specifically studying how mission uncertainty affects individual behavior, which can help entrepreneurs optimize certainty about their goals.

1960 Richard C. Ling (BA), founder of a manufacturing consulting and education company and current partner at Ling-Coldrick, was recently a featured speaker at the *Industry Week* event "The Evolution of Sales & Operations Planning: Moving Beyond the 'Single Plan.'"

1965 American Academy of Nursing Fellow Madeline Schmitt (N, BS), '70 (MA) will represent the organization at the Institute of Medicine's Global Forum on Innovation in Health Professional Education, which aims to bring together interdisciplinary leaders to address challenges in health professional education and support the incubation and evaluation of new solutions.

1980 Press Ganey Associates, an industry leader in health care performance improvement based in South Bend, Ind., announced it hired Patrick T. Ryan (BA), a 30-year health care industry veteran, as its new chief executive officer.

1981 Bradford Berk (M, MD, PhD), chief executive officer of the University of Rochester Medical Center, has been appointed to the Board of Directors for Raland Therapeutics Inc., a transformational medical device company with headquarters in Fairport, N.Y.

1988 The Korea Foundation, an organization that aims to enhance the image of Korea in the world and also to promote academic and cultural exchange programs, recently named Woosang Kim (PhD) as its new president. Kim also serves as a political science professor at Sookmyung University and Yonsei University.

2004 Kenneth K. Conte (S, MBA) joined Frontier Oilfield Services Inc., an oilfield services company with operations focused primarily in Texas, as the company's new vice president and chief financial officer.

2005 *Forbes* named Joshua Pollard (BA), vice president at Goldman Sachs, to its 30 Under 30 list in finance.

2008 Robert Bates (S, MBA), David Chauncey '09S (MBA), and Benjamin Randisi '09S (MBA) were recently issued U.S. Patent No. 8,044,794 for technology that blocks mobile phone use while inside a car. They developed the idea as Simon School students in ENT 422, taught by Professor Mark W. Wilson.

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Editor/Layout Supervisor
Natalie Yager Antal

Senior Staff Reporter
Maureen Konopka

Contributor
Leslie Orr

Photos Provided By
Eastman Kodak
Kathryn Lantuh
Eric Meyer
Young Entrepreneurs Academy

Vice Provost for Entrepreneurship
Duncan T. Moore

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Are you an entrepreneur?

Stay connected.
Address correspondence to:

The University of Rochester Center for Entrepreneurship Innovations
1-211 Carol Simon Hall
P.O. Box 270360
Rochester, NY 14627-0360

Phone (585) 276-3500

Email cfe@rochester.edu

Website
www.rochester.edu/entrepreneurship

Key to School Abbreviations

- E** Eastman School of Music
- M** School of Medicine and Dentistry
- N** School of Nursing
- S** Simon Graduate School of Business
- W** Warner Graduate School of Education

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