

# UNIVERSITY OF OKLAHOMA

# THE Entrepreneurship Center



*“OU, with the fastest growing research base in the Big 12, is already the most powerful engine for economic growth in our state. The Entrepreneurship Center will help us translate our new discoveries into new businesses and new jobs. Oklahoma cannot prosper simply by recruiting out-of-state businesses. We must be in position to grow our own new businesses. OU graduates are the ones to do it.”*

*OU President David L. Boren*



*“The way I look  
at opportunities in  
business (and in life)  
has been refocused  
by this program.”*

*— Jim Rogers*

## Dear OU friends, alumni and students,

The University of Oklahoma Entrepreneurship Center, established by the Michael F. Price College of Business, has two main purposes: to create wealth in the state of Oklahoma and to retain our talented graduates, who all too often flee the state for Fortune 500 opportunities.

The center, open to all OU undergraduate and graduate students, teaches the fundamentals of starting and growing a successful business.

The Entrepreneurship Center has had an exceptional start. Two years ago, OU offered no classes in entrepreneurship. In the fall of 2004, more than 250 students will be enrolled in seven different case-based and outreach entrepreneurship classes. Graduate and undergraduate students from all majors — engineering to public relations to business — will be taught how to solve problems through a variety of techniques, including the case method, and how they can start, run and grow their own businesses someday. Students are taught the entrepreneurial process — opportunity, launch, growth and harvest — along with field studies and a business plan class and competition. Price College Dean Dennis Logue and Price College faculty and Oklahoma entrepreneurs John Penton, Don Dillingham, Eddie Edwards, Lowell Busenitz and I are teaching oversubscribed classes that are some of the most highly regarded on campus.

Our future plans for the Entrepreneurship Center focus on universitywide growth and outreach programs. More core classes and sections will be offered. Marketing efforts to attract students and student support will increase. Incubator space is being constructed. Outreach programs will continue to grow. Teacher training will be implemented. Other colleges will create college-specific electives. Colleges are increasing the number of elective hours to allow students to minor in entrepreneurship. The result will be more students exposed to entrepreneurship through the classroom and in startup industry. This will lead to more businesses, jobs and wealth for the state of Oklahoma.

Currently, any senior at OU can enroll in Price College’s “Starting and Managing the Entrepreneurial Venture.” Access is available to all who are interested, provided they are willing to work and learn. This formula has worked well in the recent past. Currently, classes are oversubscribed, and our teachers are ranked near the top for the entire university.

Formal planning for the current Entrepreneurship Center began June 21, 2002, when the deans of the OU colleges of Law, Engineering and Business (Andy Coats, Skip Porter and Dennis Logue) and other college representatives met to discuss the development and importance of such a center to OU and the state. From that initial discussion, OU created a universitywide Entrepreneurship Center in which undergraduate and graduates students in all OU colleges would be able to participate. The goals of the OU center are:

- Create entrepreneurial-thinking students.
- Connect faculty, researchers and students to the entrepreneurial world through research, teaching and working labs.
- Provide OU alumni knowledge and resources for Oklahoma’s business and entrepreneurial community to assist their growth.
- Start and grow businesses in the state of Oklahoma.
- Commercialize University of Oklahoma intellectual property.

Price College undergraduates can now major in Entrepreneurship and Venture Management, and MBA students will soon have the option of a 12-hour emphasis that will also be open to other OU graduate students. The case-method teaching will emphasize supplemental classroom instruction with opportunities to learn from speakers who have been successful



*Jim Wheeler  
Co-Founder and Executive Director*



## DON DILLINGHAM

MBA (Oklahoma City University)

Don Dillingham is an OU adjunct instructor who teaches Financing the Entrepreneurial Venture. He is also



managing director for Avondale Investments, LLC. He has held investment management and financial planning positions with Bank One Investment Management Group, American Express Financial Advisors

and Bank of America, as well as 10 years with Stifel Nicolaus & Co.

*“More learning takes place as students, in their own words, explain how a situation will succeed or why it will fail rather than when they quote paragraphs from a text book.”*

## JIM WHEELER

(BBA University of Oklahoma)

Jim Wheeler is the cofounder and executive director of the University of Oklahoma Entrepreneurship Center. He teaches the New Product Development class, the IP class and the Field Studies class. Before joining the university, Jim spent 10 years in sports media, marketing and licensing, including work involving the Olympic Games, the FIFA World Cup, the NCAA Basketball Tournament and post-season college football.

*“I am amazed by the excitement and enthusiasm this program has generated from the students, teachers, alumni and friends – it wouldn’t work without all of their support.”*



*The Partners Building will be part of the OU Research Campus. The vision of the campus is to collocate the university, government and private sector in a setting that enables and supports interaction and collaborations.*

# Graduate Program Curriculum

### The Entrepreneurial Process

The Entrepreneurial Process course rigorously explores the four distinct phases of an entrepreneurial business — opportunity identification; gathering the resources and launch; managing entrepreneurial growth; and harvesting the rewards – with a special emphasis on ethics, morality and life-planning skills. The Entrepreneurial Process is a course designed for students who are committed to learning the practical skills, habits and judgment required to make money; learning to ask the right questions, analyze the right numbers and clearly defend their ideas; and learning how to live a “life of meaning” so they can make a difference in the world.

### Corporate Finance

This course focuses on advanced topics in corporate finance including long- and short-term investment decisions, cost of capital, working capital management, dividend policy and long-term financial planning. The course

emphasizes the development of computerized financial models. Cases involving domestic and international firms are utilized.

### Field Studies

This practicum course provides students with opportunities to apply concepts mastered in previous business courses. Students will work with University of Oklahoma intellectual property and its inventors to perform a due diligence. Students will perform the due diligence, interview the scientists, perform market research, and competitive analysis, etc. The scope of the projects will generally involve the research into the feasibility of patented projects, market research surrounding a new concept, or the development of a business plan for new business opportunities. Each student will be assigned an OU-developed technology, perform the due diligence and analysis and then present their findings to actual investment bankers and venture capitalists at the end of the semester. The specific scope of each project will

be determined on a case-by-case base by the instructor.

### Entrepreneurial Business Plan

The capstone course is focused on designing and writing a quality business plan. It is expected that the developed business plans will be of sufficient quality that they can be presented to potential financiers and can be presented to the OU Business Plan competition or other regional and national business plan competitions. The course will also cover the topics of stages of financing, business models, growth models and strategic positioning of the early-stage venture. Differences in obtaining financing from business angels, venture capital funds, financial institutions such as banks, and corporations (as internal projects or external investors) are discussed. The topics of financing startups, financial planning for the nonpublic smaller enterprise, taking a firm public, buying and selling a business, bankruptcy and other related issues will be addressed.

*“Before entering the program, I felt that somehow the only people with the potential to ever own a real going concern came from wealthy backgrounds with prestigious connections. The program has made me optimistic about a future I didn’t know was open.”*

*– Matt England*



## LOWELL BUSENITZ

Ph.D. (Texas A&M University)

Lowell Busenitz is an OU associate professor of management and the academic director for the Entrepreneurship Center.



He teaches the business-plan courses for undergraduate and graduate students. He has published more than 25 research articles on entrepreneurship and venture capital and has co-authored the book *Venture Capital* Volumes 1-3. Before

pursuing his academic career, he founded and managed his own business and remains involved in private business.

*“My greatest privilege in teaching entrepreneurship is helping students design businesses that are a reflection of their talents and passions.”*

## EDWARD B. EDWARDS

(BBA – University of Oklahoma;  
MBA – University of Texas)

Edward B. Edwards is an OU adjunct instructor of management. He teaches The



Entrepreneurial Process — using Harvard case studies — to graduate students. He has been involved in numerous private business ventures during the past 25 years, in such areas as real estate, energy, human resource management

and software development.

*“My overriding goal in this effort is to encourage my students to look for business opportunities in their everyday life – in Oklahoma. Keeping these young men and women in our state for the long term is good for them and us.”*

## JOHN PENTON

MBA (Central State University)

John Penton is an OU adjunct instructor who teaches Entrepreneurial Process. He was employed as a petroleum landman by



Hunt Energy Corp. from 1980-84. He owned and managed an independent exploration company from 1984-87. In 1987, he was a co-founder of an independent exploration company that was a General Partner for eight

partnerships. The partnerships were rolled into a public corporation in 2000.

*“I make every effort to leave students with not only skills to manage a business with realistic solutions but also that consider morals, ethics and a life of spiritual significance. “*

# Undergraduate Program Curriculum

## Starting and Managing the Entrepreneurial Venture

The course focuses on the early development of independent ventures. Entrepreneurial thinking will explore the thought processes that challenge existing norms and pave the way for novel solutions to problems in any field. The course highlights the venture life cycle of opportunity: launch, growth and harvest. It will also address startup team issues, legal issues with new firms and innovations and organizational form. Concepts are illustrated through field and case studies and guest speakers. The principal pedagogy in this course is case method. This focuses on education for judgement.

## New Product Development

The course focuses on the development of ideas for new or established organizations, creating an environment conducive to innovation, recognizing business opportunities, assessing the market and people, context, customer and competitor situations. The course examines the development of a sales and distribution structure (including franchising, distributorship and licensing and alliances), understanding segmentation, branding, alliances, product launch, product and company extensions, public relations and advertising, sales, creating a market, targeting, technology transfer and niching. Concepts are illustrated through case-

method instruction, supplemented by notes and readings. Graduate students enrolled in the class will also have a parallel project in performing a feasibility study for the business plan class.

## Financing the Entrepreneurial Venture

This course covers various aspects of financing entrepreneurial ventures. Topics include methods of financing, financials, techniques for valuing new businesses and financial structure. Funding sources examined will include commercial banks, small business investment companies, SBIC, business angels, IPO, Series A& B & C financing, acquisitions, LBO and venture capital companies. These processes are often referred to as sourcing, diligence and valuation. Concepts are illustrated through case method instruction, supplemented by notes and readings.

## Entrepreneurial Field Studies

This practicum course provides students with opportunities to apply concepts mastered in previous business courses. Students work with Oklahoma startup companies and entrepreneurs as consultants to develop comprehensive business plans for new ventures or to assist business persons with problems related to market research, financial management, managerial issues and other business requirements such as planning expansion or new

product development. The specific scope of each project will be determined on a case-by-case base by the instructor.

*“The classes were pretty much the antithesis to the world presented in Dilbert cartoons. Action superseded buzz words.”*  
– Amy Childers Elliott

## Business Plan

The capstone course focuses on designing and writing a business plan. Differences in obtaining financing from business angels, venture capital funds, financial institutions such as banks, and corporations (as internal projects or external investors) are discussed. It is expected that the developed business plans will be of sufficient quality that they can be presented to potential financiers that can be presented to the OU Business Plan competition or other regional and national business plan competitions.



# Students “exercise entrepreneurial muscles”

By Grant Hughes  
Entrepreneurship student

It's hard to explain the thrill that I received when I walked into the first day of Starting and Managing an Entrepreneurial Venture. After countless hours spent in classrooms, I was gaining hands-on knowledge that will be relevant to my present and future life in business. That motivates me, and my fellow students, every day to learn more and push ourselves harder.

Lane Neal, an entrepreneurship senior, described it well when he said: “Starting and Managing an Entrepreneurial Venture was the first class that actually made me excited to prepare for class. I learned more in that one semester about the real-world application of finance than I had in all of the other finance classes I had taken combined.”

That's the way the Entrepreneurship Program begins, and many students say the program allows them to thrive and grow. That's because entrepreneurship classes promote an open and exciting learning environment. We get to exercise our entrepreneurial muscles by



studying cases that give us a real-life window into the make-or-break issues that a company faces. As Neal points out, “In the real world, there is no multiple choice, and questions are not always as clear cut as textbooks make them.”

Blair Humphreys, another entrepreneurship student, says “case studies, unlike textbooks, put the lesson in perspective, letting you understand how the business

principles work in relation to real situations.”

This perspective is enhanced by the faculty. In fact, many of the lessons we learn in entrepreneurship classes are only realized because the instructors take their real-world experiences and apply them to the situations to the cases we read.

“The professors who teach the classes of this program have made more of an impact on my view of my personal future than any other,” said student Matthew England. And he's right. The faculty make you realize the problem in each case is much more than just a problem for the protagonist — it's real business life. That context cannot be mimicked in a textbook. The professors have been in similar situations, and we're eager to learn from their wisdom.

Standing alone, neither the curriculum, the professors nor the students make the program a success. It's the combination, the synergy that is created everyday in an entrepreneurship class. Every day is another product, another opportunity, another chance at success that empowers us to succeed not only in class, but also in our careers.

## Cotton IP: from class to market

Cotton is billed as the fabric of our lives. And if three OU students are successful, it'll be the fabric of our future.

In the Entrepreneurship Center's Intellectual Property class, students work with OU's Office of Technology Development to perform a due diligence on an assigned piece of intellectual property. OU is a leading research institution, ranking 14th nationally in terms of royalty income received from intellectual property (according to the Association of University Technology Managers). But many of the ideas and technology need analysis: What is the technology application? Is it enough for a business, a product line or an addition to an existing product? The work of the IP class complements the efforts of OU's Office of Technology to answer these questions.

Student teams interview scientists and research the feasibility of a patented project, perform market research and analysis for a new concept or develop a business plan for a new business opportunity. They then present their finds to investment bankers and venture capitalists. Or, in this case, take on the project themselves.

Krystal Abbot, Brandi Huffman and Jordan Tuttle, with the help of center executive director Jim Wheeler, are working to market the water-repellent/waterproof cotton they researched in the IP class. OU scientists have created a technology that can make cotton hydrophobic by coating individual fibers. Tests indicate that a water droplet placed on top a flat swatch will sit on the fabric for hours without being absorbed.

“It has endless applications and the ability to change the cotton



world,” Huffman says. Potential uses include clothing, particularly outerwear, bed linens and tablecloths, tents, disposable diapers and cardboard boxes.

In return for their marketing efforts, the team will receive 20 percent of any profits OU receives for the technology. “The project is an amazing opportunity for me, especially being an undergrad,” Tuttle says. “The fact that we've been given a chance to start our own company, with the support of the university, before we've even graduated is very exciting.” Tuttle says after graduation (she's double-majoring in marketing and entrepreneurship), she plans to get her MBA and continue the cotton project. “After we have licensed that IP, hopefully we can market another piece of intellectual property for the university.”

All three students say that they've learned far more than in a traditional classroom setting. “I will actually be able to remember things I've learned in the Entrepreneurship Program, instead of just cramming for a test and forgetting the material a week later,” Huffman says. “The teachers are key. They don't just teach from a textbook; they teach us concepts that they learned in the real world.”

Abbott agrees. “The IP class gives you experience above anything else. It puts you out there and gets you ready for the business world.”



# \$10,000 helps student companies

This spring, two OU students each received \$10,000 and a chance to launch their dreams. Graduate and undergraduate students from across Oklahoma competed in the first OU Business Plan Competition in April; Julian Luby and James Wickett walked away with equity investments in their companies.

Luby's BoffoFilm.com promotes local independent films and filmmakers, often by means of streaming video. Since winning the competition, Luby has begun selling DVD-quality downloads of independent films on the site. He's also planning to offer local and regional musicians video shoots and to host those videos on the site.

There's no doubt the competition furthered his business, Luby says. "I am now partnered with the No. 1 institution in the state (OU). It's instant legitimacy for advertisers and possible investors." He's planning to use his prize money to buy film and video equipment, bandwidth, which is expensive for streaming video, and employ web designers.

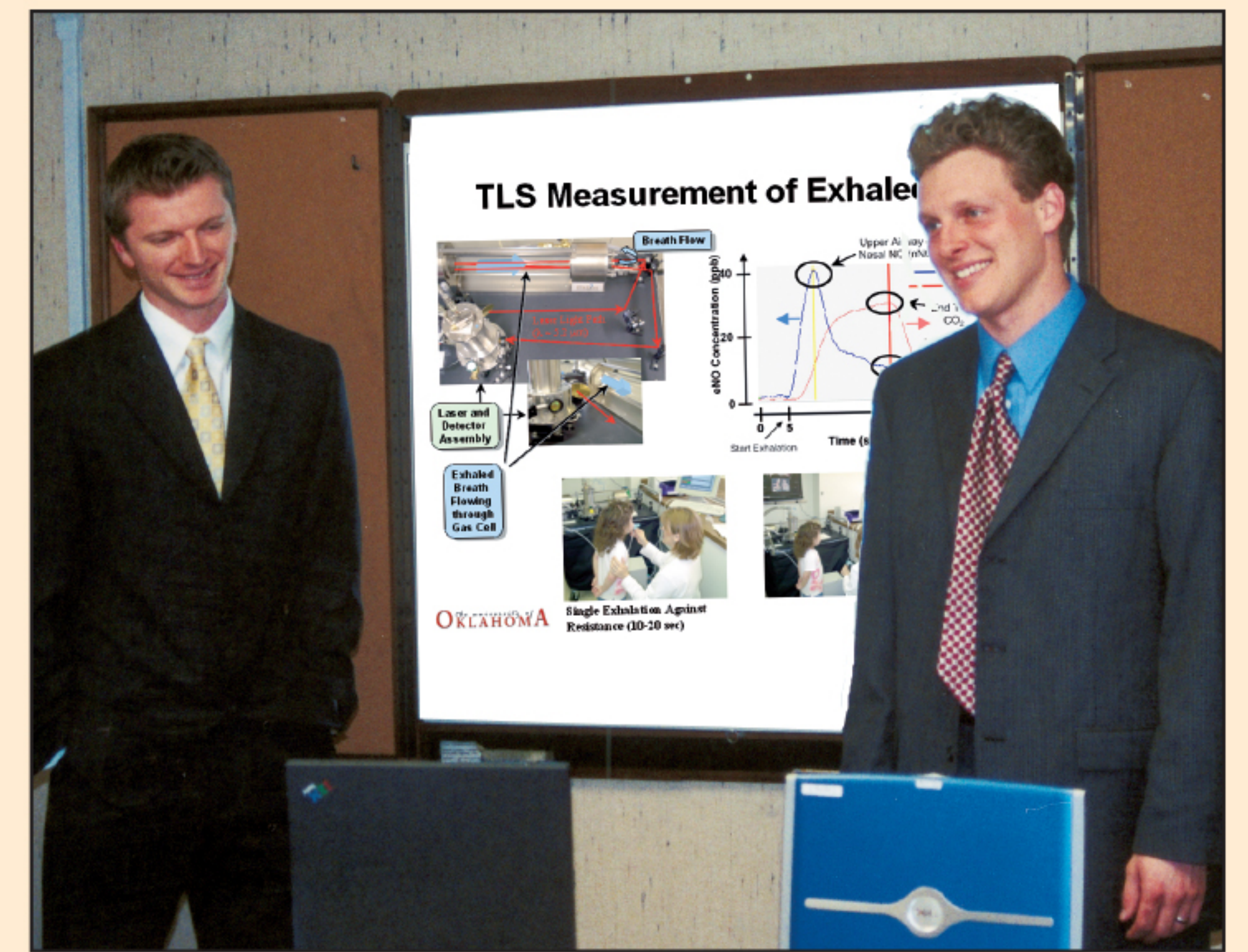
Stokes Cigar Club, Wickett's company, is an online cigar community. The company,

which started as college students going in together to buy expensive cigars, sends monthly selections of premium cigars to its members. "We're trying to take the classic cigar store and bring it online," Wickett says.

He says the competition "helped us think through our business plan and made us analyze our target market and core competencies." He's using his \$10,000 to purchase inventory and supplies, as well as to build a large humidor.

This year's competitors "came from Stillwater, Tulsa, Oklahoma Christian University and Shawnee Baptist," said Entrepreneurship Center Executive Director Jim Wheeler. Their companies were as varied as their locales: a brokerage distribution system for chemical and biological reagents, a Caribbean restaurant, a student magazine, an architectural modeling, rendering and animation firm, a microbrewery, a car-seat comfort pad, a freelance photography firm and a greeting card company that focuses on interracial relationships.

"It's all about what has the best chance to be successful," Wheeler said. "It's not about



who has the prettiest presentation — simply who has the best business plan." Oklahoma entrepreneurs and business professionals made that decision.

And it wasn't easy, says one judge. "Student projects submitted to the OU Business Plan Competition were innovative, savvy and well developed," says Greg Main of i2E. "Entrepreneurship is alive and well at OU."

Though only one graduate and one undergraduate company received funding from the competition, Wheeler says he believes many of the companies will launch. "We want to help ignite the economic development potential of these students," Wheeler said.

## Interns learn hands-on details

OU student Grant Hughes is learning how to diagnose asthma. And Bovine Respiratory Disorder. But he's not a pre-med or veterinary student, he's double-majoring in entrepreneurship and letters. And he's learning, firsthand, how building a business works through an Entrepreneurship Center practicum course in which students work directly with Oklahoma companies.

"I learned what it was like to get in on the ground floor of a company before they even have sales, which made me realize the type of commitment and strategic vision that is necessary to even a possible chance of success," Grant said. "I also realized how important the management and creative team are in making that vision tangible."

Ekips Technology is giving Grant a behind-the-scenes look at that vision. Ekips is a development stage laser company that creates products and services for health-care and industrial applications. Grant started his internship as part of a team in the practicum course. The Entrepreneurship Center partners with i2E (Innovation 2 Excellence) to place students with Oklahoma startups throughout the state. Students meet with their companies for fieldwork and with instructors as a class to discuss progress on their projects and hear guest speakers. Grant



## i2E

performed market research on The Breathmeter, which uses laser technology to detect exhaled biomarkers that allow for the early diagnosis of asthma. And along the way, the company took a

detour: applying the same technology to cattle.

"In the classroom, we wouldn't get to see the way the company works from day to day," Grant said. "We also wouldn't have seen how it was necessary for the company to modify its business plan, to shift to livestock disease analysis, just so they could have a chance to realize their ultimate goal: applying the technology to the detection of asthma in children."

Ekips is a perfect place for OU students to learn: It's an OU IP spinout; Dr. Patric McCann invented the technology at OU. Chief Financial Officer G. Carl Gibson is a Price College graduate and serves on the college's Board of Advisors. He says the learning process works both ways. "Ekips benefits from the interns' fresh perspectives, asking tough questions and spending a significant amount of time researching the issues." Of course, the students benefit, as well. "Venture companies, such as Ekips, are great venues for interns using creative thinking to apply a technology to markets not yet penetrated."

MBA student Murali Manohar Ravindran agrees. He worked with Ekips through the Field Studies class and was asked back for an internship the next semester. "The immediate critical feedback I got from different VCs and investment firms, through our CFO, changed my thinking process. It helped me prepare strategically and analyze what investors valued most: money, market and management."

The class led to more than an internship for Murali. He's accepted an after-graduation job with one of Ekips' suppliers. And he credits the most important thing he learned as an MBA to the practicum class.

"I learned how the investors would think and how the entrepreneurs should think."



entrepreneurs. The case method has proven to be effective in helping students learn how to think, prioritize and execute, not memorize or regurgitate. Of course, other instructional methods are used when they are most appropriate to the subject at hand.

The Entrepreneurship Center has grown quickly. It started in the fall of 2002, with a graduate pilot class. In the spring of 2003, OU offered two sections of this same course, one graduate and one undergraduate. In the fall of 2003, we added another section of The Entrepreneurial Process, along with one graduate and one undergraduate field study class.

In the graduate field-study class, i2e (Innovation 2 Enterprise) assigned students to Oklahoma startups through a strategic alliance with the state of Oklahoma and the Oklahoma Technology Commercialization Center. More than 60 students have assisted 14 Oklahoma startups through OU-sponsored intern programs.

In the undergraduate field-study class, teams of three were assigned a piece of OU Intellectual Property for which they performed a due diligence. The class ended with presentations to Oklahoma venture capitalists and angel investors. Also, 85 students have listened to more than 60 prominent guest speakers, discussing more than 18 topics ranging from building an unfair advantage to managing a startup.

As previously mentioned, all prerequisites have been waived to allow students from all colleges to enroll in "Starting and Managing the Entrepreneurial Venture." We have had a number of engineering students, journalism students – wanting to be the next Ted Turner — and even meteorology students. The two meteorology students have an interest in applying weather research to the futures market and insurance derivatives. We have seen that having a cross-college class has created a dynamic learning environment. That cross-college dynamic will be the igniter for future growth for the Entrepreneurship Center.

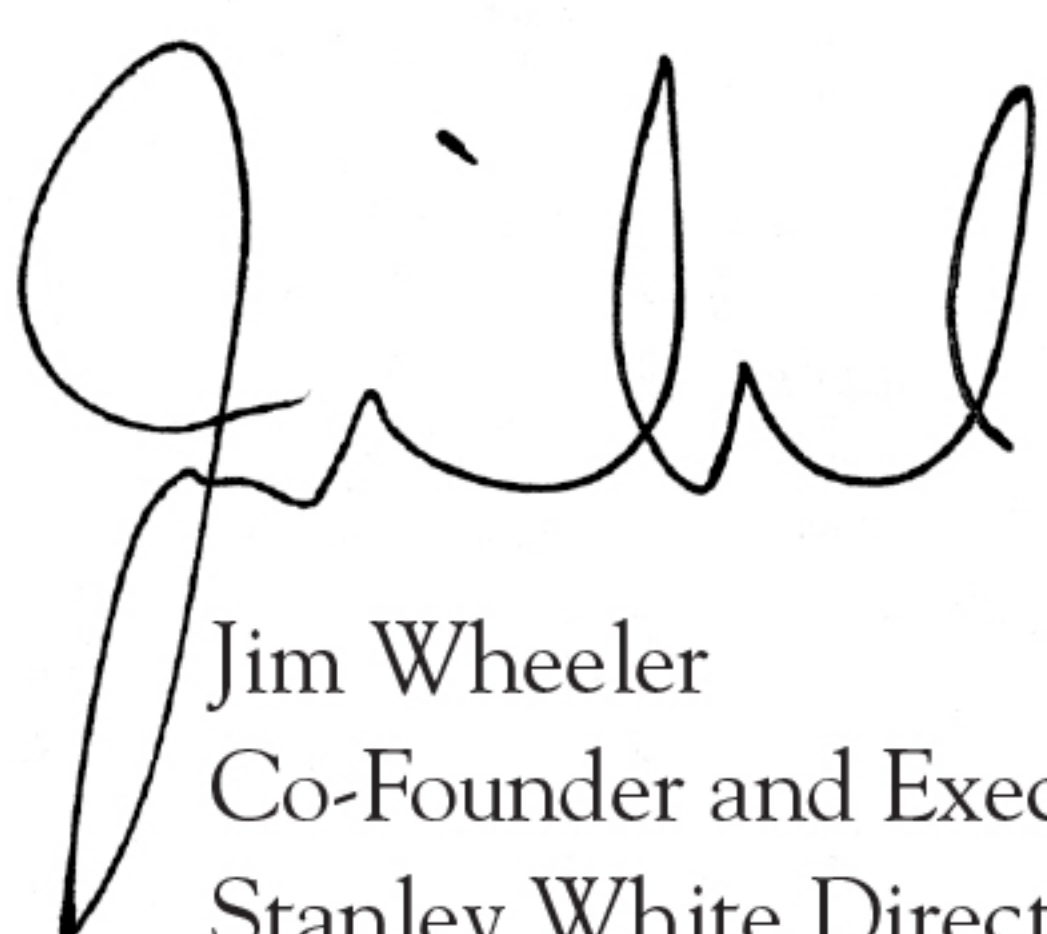
For the spring of 2004, three additional classes were added, including Entrepreneurial Finance and New Product Development.

In the fall of 2003, students formed an entrepreneurship society, extending to all OU colleges. The Entrepreneur Society is dedicated to directly exposing and involving students in the great freedom and opportunity of entrepreneurship as well as organizing events that promote awareness of the role that entrepreneurs play in society. The society is entirely student-directed and hosts several projects to excite and spread the spirit of entrepreneurship. They helped coordinate an annual, statewide Business Plan Competition and administer the annual Frontier Society Award, an annual Entrepreneur Forum, a Speakers Series, guest seats at the Oklahoma Venture Forum, a mentoring program, a business project and collaboration with SIFE as well as other functions.

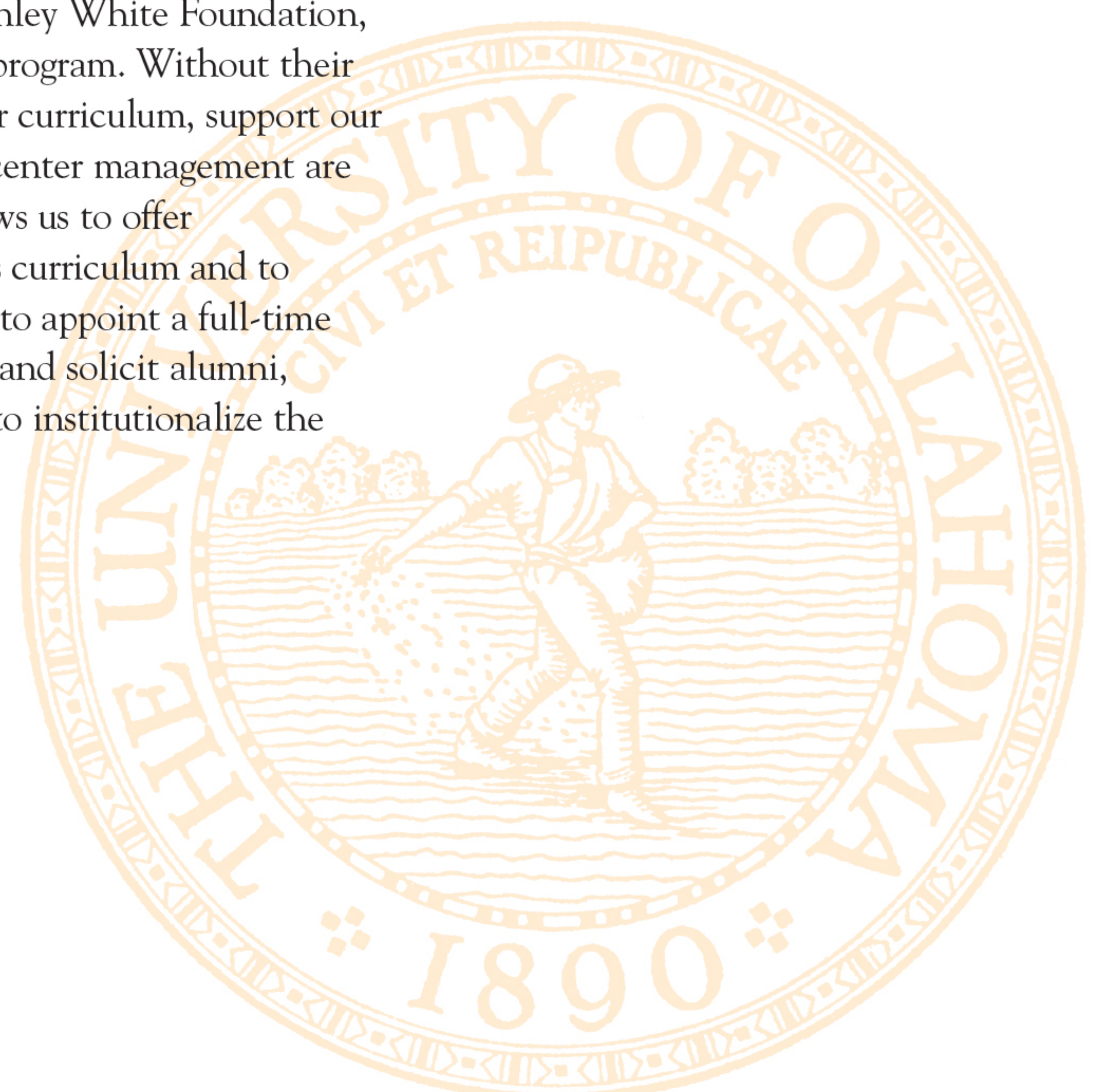
We have had a great two-year run. Out of necessity, the efforts to date of the Entrepreneurship Center have been entirely privately funded. The Stanley White Foundation, Roy Oliver and Owen Lafferty have been instrumental in seeding the program. Without their support, the program would not exist. Obtaining funding to expand our curriculum, support our teaching efforts, support outstanding students and provide support for center management are critical to maintaining our current momentum. This vital funding allows us to offer entrepreneurship classes as a permanent part of Price College's business curriculum and to reward outstanding student academic achievement. It will also help us to appoint a full-time staff to develop the center as outlined in the accompanying document and solicit alumni, entrepreneurs, foundations and others to obtain the necessary support to institutionalize the center. Many thanks in advance for your support.

*"The entrepreneurship curriculum forces undergraduates to evaluate a situation, make a decision and defend it to the rest of the class."*

*— Lane Neal*



Jim Wheeler  
Co-Founder and Executive Director  
Stanley White Director  
The Entrepreneurship Center







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