

*Proceedings*  
*Teaching Entrepreneurship to Engineering*  
*Students*

---

Engineering Conferences International

*Year 2003*

---

Teaching Students About the Venture  
Capital process Through a Professional  
Conference

Larry Stauffer\*

Shirl Boyce†

\*University of Idaho

†Boise Metro Economic Development Council

This paper is posted at ECI Digital Archives.

<http://dc.engconfintl.org/teaching/27>

# **TEACHING STUDENTS ABOUT THE VENTURE CAPITAL PROCESS THROUGH A PROFESSIONAL CONFERENCE**

**Larry Stauffer**  
**Director, College of Engineering**  
**University of Idaho**  
**Boise, ID 83712**  
**and**  
**Shirl Boyce**  
**Vice President & Manager**  
**Boise Metro Economic Development Council**  
**Boise Metro Area Chamber of Commerce**  
**Boise, ID**

## **Abstract**

**We have developed a means of teaching students about the venture capital process through a collaboration of higher education and industry in Idaho. This paper does not present a comprehensive entrepreneurial program. Rather it describes a single event that has been a very effective piece for educating students about entrepreneurial issues.**

## **Introduction**

**There has been a growing interest in exposing engineering students to entrepreneurial issues at U.S. universities. We did a web-based survey of 15 universities that have both engineering and business colleges. All of these programs and offer some entrepreneurial instruction. We found that of the 50+ academic courses listed, the vast majority was taught in the business colleges. Twenty percent of these courses were specifically geared towards non-majors and most had little or no prerequisites. From one perspective, it is encouraging to see so many courses available to engineering students. In addition to their core and technical requirements, they have these business courses in entrepreneurial issues available. Yet therein lies the problem: *in addition to*. Engineering curriculum are fully scheduled with required courses. States are pressuring their universities to graduate students in four years requiring fewer credits, not more. So while courses on entrepreneurial issues are available, engineering faculty are strained to recommend them.**

At the University of Idaho, we have had an additional encouragement from our Industrial Advisory Board. They formed an ad-hoc committee to provide direction to the College of Engineering for meeting one of the objectives of our strategic plan. This objective is to *build programs to enhance economic development in the State of Idaho*. They developed an action strategy to *build into engineering programs training that prepares the student for an entrepreneurial culture*. Towards this end, they assembled 20 business leaders from technology firms in southwest Idaho to provide input to the college. They began the discussion with the following statement: *The past decade has seen explosive growth of high tech start-up businesses or corporate spin-offs that focus on niche technologies. The engineering college graduate is often not prepared to deal with the entrepreneurial work environment or with growing his or her own innovative idea into a viable business*. They developed a list of technical and soft skills, as well as business, finance, management, and marketing attributes that they believe our students need to develop in order to be successful in the future. When the findings of this committee were presented to the college, there was mixed reaction by the faculty and administration. The largest concern about implementing these recommendations is that adding courses into an already full curriculum is not a popular option. We began, and are still, looking at exposing students to entrepreneurial issues without adding additional course requirements to the curriculum.

#### **The Intermountain Venture Forum**

Formed by the Boise Metro Economic Development Council, a division of the Boise Metro Chamber of Commerce, the Venture Capital Committee is a not-for-profit group whose goal is to add high growth, high value businesses to Idaho's economic base. The committee has more than forty members representing every aspect of the venture capital community, including venture capital firms and angel investors, entrepreneurs, bankers, government officials, attorneys, CPA's, and other service providers. One of the duties of the committee is to annually sponsor the Intermountain Venture Forum. This event brings together investors and entrepreneurs from across the intermountain west (CO, ID, MT, NV, OR, UT, WA, WY). The objective of the forum is to be a catalyst for early-stage companies. Up to fifteen businesses are selected to make formal presentations to VC and angel investors from throughout the region. Representatives from venture funds totaling hundreds of millions of dollars attended this year's forum.

In addition to the company presentations, the Forum includes several panels and guest speakers. Last year's topics included: *Successful Angel Investing, Recruiting to Land and Keep Top Talent, If I Were Starting a Company Today, and How to Get Funded in Today's Environment*. Successful entrepreneurs from the western U.S. staffed these panels. In summary, the Forum is as much an educational event as a "match-making" event.

For the past two years we have created a track at the conference where students at Idaho universities participate in this venue. There are several unique

characteristics regarding this event that make this an exciting opportunity for the students. First, this is a real professional event, not a simulation or academic exercise. Millions of dollars of investment capital are at stake as well as the fate of many companies. The students get to observe this activity first hand. Second, we mix students and schools with industry professionals. Both business and engineering students, and schools around the state are invited to the Forum to foster interdisciplinary activities. We also host a dinner after the Forum where the students have a question and answer session with selected entrepreneurs and venture capitalist. Third, we provide formal instruction in the context of the Forum. At the end of the day, we provide a session of lecture and discussion on entrepreneurship as it relates to venture capital and other forms of funding.

### **The Student Track at the Forum**

The first student track was established in 2001. In truth, it was a rather last minute decision and put together about 6 weeks before the event. Six students attended. We quickly realized that to rally the State's universities regarding a new event would take planning. For the second year we assembled a small planning team that began work six months before the event.

#### *Gaining Endorsement*

The first task was to gain buy-in from the Venture Capital Committee. There was a large concern that the number of students would not overwhelm the event. We assigned a specific number of "seats" to each school for a total capacity of 23 students, which represented about 10% of the expected Forum enrollment.

#### *Selecting the Students*

After gaining endorsement from the main committee, we drafted a plan for working with the various schools. We divided each engineering and business college in the state among the student track planning team. A faculty member or the dean at each college served as the main point of contact with the team. Each college pursued their own process for filling their seats, typically by a simple announcement in classes and picking from those interested. We preferred this process rather than a central application process. This strategy reduced the workload on the student track committee and enabled each college to work directly with their own students. Once identified, our committee corresponded directly with the students regarding Forum logistics. We also made it the responsibility of each college to arrange for transportation to the event and housing in Boise, if needed.

#### *Funding*

We obtained a \$1,500 sponsorship contribution from one of the state's employers. These funds paid for the extra expenses of the students to attend the Forum, specifically food and conference materials. The main purpose for obtaining this sponsorship was to make the event free to the students and help off-set cost so that it would not be a financial burden to the main event.

### *Agenda*

The agenda for the Student Track paralleled much of that of the Forum. Early in the morning we conducted a briefing session with the students to introduce them to the event and review the “ground rules”. It was important that the students were cognizant of the seriousness of this event and that they respect the main goals of the Forum. Fortunately, the students were very professional. After the briefing, the students attended the Forum sessions with everyone else. Towards the end of the afternoon, we pulled the students off into their own sessions. The first session was instructional with a professor from the entrepreneurial program at one of our universities. Afterwards, we had a dinner catered into the room and had a Q&A session with two entrepreneurs and a VC investor. This was the student’s chance to reflect on the day’s events and ask their questions. One of the panel members was very senior and headed a newly-formed construction firm. The other was mid-career and starting his third high-tech firm. The venture capital representative was early career. This mix gave the students a wide variety of perspectives. After two hours of Q&A, the session was brought to a close. The attachment to this paper is an information sheet that we distributed to the schools.

### *Feedback from the Students*

Feedback from the students was very positive. In fact, we would have been surprised had it not been since participation was voluntary. We submitted a short survey via email after the event to get their impressions and suggestions for improvement. One of our questions was wondering if it was worth our efforts to continue to host a student track at the Forum. Here is what one student said: “Yes (it was valuable). The experience gave me the opportunity to interact with actual investors and persons seeking investing. It was quite refreshing to see these concepts and ideals applied and (to) be able to see the process integrated.”

Another area of curiosity was how this event compares to learning about entrepreneurship in a classroom setting. When you participate in an event like this, it is impossible to control the content. We knew which companies were going to present their business plans, but not who would attend or what they would say. Yet again, the students were extremely positive about this aspect. As one student responded in the survey, “My classes don't tell me anything about business or how to build a company. The forum taught me a lot. I saw that small companies that try to do everything themselves end up pouring their lives into just producing one product. We also saw that there is a network out there of resources to help us build our companies; we don't have to do everything by ourselves.” Or as expressed by another student, “In a classroom setting, I have the opportunity to learn about the concepts and procedures, but not to see them realistically applied. The passion and dedication shown by each entrepreneur was amazing.”

### *Improving the Student Track*

There are two opportunities for improvement that we will undertake next year based on student feedback. The first is to give the students time to share their

thoughts and ideas about entrepreneurial issues. We devoted the entire student track to providing information to the students but no formal time for them to express their thoughts. One opportunity is to expand the Q&A session with the experts. Some students would like a time to present their entrepreneurial ideas, much like the companies that were presenting at the Forum. One response from the survey was “(We) are very serious about the companies we want to build, and we want to be taken seriously. It would have been very valuable if we could have shared our business ideas and then received advice from the experts. The experts could have given us business strategies, people strategies, models to follow, lists of relevant resources and contacts, all tailored to what we want to do.” As we plan for next year’s Forum, we will discuss this point and provide students an opportunity to bring their business ideas to the group.

Another opportunity for improvement is to be more strategic with the afternoon instructional session. This past year was the first time we included this session and it was a fairly general, broad discussion of entrepreneurial issues. One of the reasons for this generality was our assumption that with so many engineering students, the knowledge level would be low. We were wrong! These students, both business and engineering, had a good grasp of fundamental entrepreneurship. We need to keep this event truly participatory and forgo formal instruction.

## Summary

Each fall, the Boise Metro Chamber of Commerce sponsors the Intermountain Venture Forum. The Forum brings together investors and entrepreneurs from across the intermountain west. The objective of the forum is to be a catalyst for early-stage companies. Up to fifteen businesses are selected to make formal presentations to venture capital firms and angel investors from throughout the region.

There are several unique opportunities regarding this event. First, this is a real professional event, not a simulation or academic exercise. Millions of dollars of investment capital are at stake as well as the fate of many companies. The students get to observe this activity first hand. Second, we mix students and schools with industry professionals. Both business and engineering students, and schools around the state are invited to the Forum to foster interdisciplinary activities. We also host a dinner after the Forum where the students have a question and answer session with selected entrepreneurs and venture capitalist. Third, we provide formal instruction in the context of the Forum. At the end of the day, we provide a session of lecture and discussion on entrepreneurship as it relates to venture capital and other forms of funding.

*Student Track*

*Boise Metro Area Chamber of Commerce*

*Intermountain Venture Forum 2002*

*Boise Centre on the Grove*

*Boise, Idaho*

*Wednesday, October 2, 2002*

**Sponsored By: Idaho National Engineering and Environmental Laboratory**



*Intermountain Venture Forum - Boise, brings together investors and entrepreneurs from across the Intermountain West (CO, MT, NV, OR, UT, WA, WY). The objective of the forum is to be a catalyst for early-stage companies. Up to fifteen businesses will be selected to make formal presentations to VC and angel investors from throughout the region. Business and engineering students at Idaho universities will be participating in this exciting venue!*

*Agenda*

**7:30 Briefing on the Student Track and introductions**

**8:00 Continental Breakfast**

**8:30 Welcome Address**

**Joe Daltoso, Former Chairman & CEO, *Micron Electronics***

**9:15 Company Presentations**

**12:00 Catered Lunch**

**12:30 Keynote Speaker**

**Len Jordan, Former Senior Vice President, *RealNetworks***

**1:15 – 4:15 Panel Discussions**

**Successful Angel Investing**

**Recruiting – Landing & Keeping Top Talent**

**Executive Roundtable – “If I Were Starting a Company Today ... “**

**4:30 Special Student Session: planning and financial issues of starting a new business**

***Kent Neupert, Boise State University***

**5:30 Networking Reception**

**6:00 Buffet dinner and Q&A session with entrepreneurs and VC investor**

***Eric Breon, Highway 12 Ventures; Jack Lemley, Lemley & Associates, and Holmes Lundt, Portsmouth***

**8:00 Student track closes**