

Business Plans Bring in Bucks

Panel of Judges Awards Top Prize to Grad Students for LED Manufacturing Idea

By Ben Krasnow
Staff Writer

From doubling the speed of wireless Internet access to a proposal to sell lottery tickets from ATMs, eight teams of students presented their best ideas Monday night during the 6th Annual Business Plan Competition, hosted by the UCSB Technology Management Program.

A panel of judges, comprised of investment firm executives and entrepreneurs who have experience financing start-up companies, reviewed the presentations and awarded one team a \$10,000 prize and three other teams prizes of \$3,000. The purpose of the competition is for UCSB science and engineering students to gain realistic and practical experience in applying their cutting-edge technical knowledge to the business world.

The competition's Judge's Choice Award — and the \$10,000 check — went to team Inlustra, led by doctoral student Ben Haskell and postdoctoral student Paul Fini, for creating a new way to manufacture the components of light-emitting diodes.

The award for best idea was given to a team called Datapoint for developing a device that will allow visually impaired people to use computers by feeling the display instead of looking at it. Ethan Smith, a fourth-year psychology and computer science major originally conceived the product and joined forces with Yanting Zhang, a doctoral student in microelectromechanical devices, Jennifer Goykman, a senior business economics major and Nitin Kataria, a doctoral student in computer engineering.

The Wi-Yu team, comprised of Amit Jardosh and Krishna Ramachandran, PhD students in computer science, created the technology behind a system that would double the speed of wireless Internet access. Their business plan, authored by third-year economics/mathematics and Spanish major Matthew Kirk, won first place.

The prize for best business pitch was awarded to Nidero, a team that envisioned and developed a plan to al-

low Monday's event. Some of this preparation involved writing proposals and meeting with business mentors to formulate a professional plan.

"We analyzed start-up costs and will convince investors of what their return will be," Bakhshi said. "Our start-up costs are over \$2 million. After the fifth year, we estimate revenue to be \$160 million."

The majority of this start-up cost is required to program the ATMs to allow customers to purchase lottery tickets. The company plans to make money by charging six cents for the convenience of buying a \$1 ticket. The company will keep three cents of this charge as revenue, and the other three cents will be paid to the ATM owner. The company proposes only to utilize private ATMs such as those found at convenience stores — not bank ATMs.

The large amount of money required to start a company is often provided by venture capital firms, referred to as "angel investors" — several of which were present in the audience at the competition. Bakhshi said the prize money from the competition is a nice reward, but is not intended to provide start-up costs. If a willing investor is found, Bakhshi said he and his team are willing to go ahead with the company.

"I am confident to say we are dealing with the biggest market [of all the teams], and largest revenues," Bakhshi said. "If [the company is started], I'll try to graduate as fast as possible."

Entrepreneurship

Gary Hansen, professor of technology management and associate dean of the UCSB Technology Management Program, said participating in business is a good way for people to advance technology and provide the general public with useful products and solutions to problems.

"Entrepreneurship is really about managing your destiny and you do it through your career and through doing good things that are consistent with your values," Hansen said. "We live in a society that requires some means, some wealth in order to live. It always manifests itself in some sort of moneymaking opportunity, but it's rare that that's the main driver. Take away the money, and [the teams] will still



Paul Fini and Ben Haskell (center) from team Inlustra, accept a check at Corwin Pavilion for their efforts during the 6th Annual Business Plan Competition put on by the UCSB Technology Management Program. The two were awarded the \$10,000 Judges' Choice Award for creating a new approach to the manufacturing of light-emitting diodes.

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watching smart people present really cool things."

For Datapoint, the team that received the Best Idea Award for a touch-sensitive computer interface, practical engineering has been an important facet from the beginning. Smith said he originally got the idea for building a computer interface for the visually impaired from working with a UCSB professor whose research centers on interfaces for the visually impaired.

"A lot of groups develop the technology and then the need," Smith said. "You have grad students working on things which may be interesting, but do not have an application. The technology itself, I didn't develop, but I conceived the application."

Smith said the technology is often widely available, but not applied to a relevant situation. The better business model addresses an important need that people would pay for to solve. In order to protect the application, the creator can file a patent that gives a specific company or person rights to develop it. Unfortunately, Smith said patents can often be undermined by finding loopholes. One of the best methods of idea protection is simply to keep the fine details secret.

"You can get your idea out there," Smith said. "But you don't have to give all the details out."

Plans and Ideas

The team that won the Best Business Plan Award was Wi-Yu for creating a way to increase wireless network speed. Team member Kirk said his group's technological innovation allows wireless networks to route Internet traffic more efficiently, leading to a doubling of speed.

"The applications are really large," Kirk said.

Some of these applications would include public wi-fi networks found in airports, restaurants and city streets. These networks function by relaying wireless signals between a number of routers — devices that transfer and convey signals from computers to the Internet at large. Wi-Yu's technology allows the routers to switch signals in a way that provides more information to be transmitted. Kirk said a major point of the group's business plan is to market the technology in a hardware device that will require network operators to purchase a peripheral that will improve their network's speed.

"[My teammates] invented a software, an algorithm that doubles these networks' speed," Kirk said. "Our business model is to sell a hardware device that plugs into one router and will optimize the whole network."

Another favorable aspect of the plan is the marketability and speed at which the team can deliver the product, Kirk said.

"We have a prototype which has been tested in a lab environment," Kirk said. "If we receive seed money, we would be able to [progress] from a prototype to a market-ready device by October [2005]."



John Gannon, senior mechanical engineer and founder of Infantech, presents his company's product idea and business plan to judges and potential investors at the 6th annual Business Plan Competition. The company's product is a baby health monitor that can warn parents if their child stops breathing while unattended.

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low ATMs to vend state lottery tickets. The team is made up of three second-year undergraduates; Ben Bakhshi and Jared Goldschen, both business economics majors and Tudor Barac-Matei, an actuarial statistics major.

Teams that won for best idea, best business plan and best business pitch each received one of the \$3,000 prizes.

Bakhshi said he originally wanted to develop the idea of selling lottery tickets at ATMs in a UCSB business writing class, but was discouraged because of a technicality.

"I came up with this idea in Writing 109 in the fall. It was the most popular idea in the class," Bakhshi said. "I wasn't allowed to do it because it involved the lottery, a form of gambling."

After choosing another topic for the class, Bakhshi decided to form an independent team and pursue the idea for the business competition. Like most teams in the competition, Bakhshi's team has spent over five months preparing

to be going through the battles."

Hansen said the UCSB Technology Management Program is planning to make technology management an academic minor available to science and engineering students next year. He said offering students the ability to work on technological start-up companies provides a good opportunity to learn about business.

"A technology start-up is a lot harder than a non-technology startup," Hansen said. "You've got regulations, you've got a lot of uncertainty with regards to the technology. By looking at the sort of the larger, more complex [model], you are better able to do the smaller one."

The competition itself also provided students with the incentive to work on their proposals, entertainment and the possibility to meet new business contacts, Hansen said.

"It's great networking, great learning and it's a lot of fun," Hansen said. "I mean there is nothing more fun than



One of the judges at the Business Plan Competition, Jeff Carmody, asks Infantech questions about how the company will find a niche in the crowded market of baby monitoring devices.

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