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TEC ENTREPRENEUR MONTHLY
The Newsletter Bringing You the “Inside Scoop” on UF Entrepreneurial OPPORTUNITIES!

2002-2003 BIC

It’s that time of the year again. No, I am not talking about Christmas time. What I am talking about is the Entrepreneur’s Club Annual Business Idea Competition. Nineteen teams have entered this year’s competition in hope of winning the $5,000 prize. We’d like to recognize the effort and the courage these students have showed in having their ideas presented to the world, and, at the same time, we’d like to encourage the other members to take their dreams and put them in a business plan. TEC has tried throughout this semester to create an outlet for students to explore and pursue the business world. We’d like to think that this club is not like the rest of the clubs, in the sense that we try to offer real-life experiences and lessons that will help you be more successful in your business or life endeavors. We’d like our members to think of this club as more than an extracurricular activity posting on a resume. That is why your inputs, suggestions, and critics are so important to us. TEC would like to thank all our speakers, guest lecturers, students, advisors and officers for their time and ideas.

TEC is also very thankful to the sponsors that helped give the fresh and innovative ideas of the UF students the opportunity to come to live and get recognized. The following sponsors have contributed to make another Business Idea Competition possible this year:

The College of Business, Atlantic.net, Gator Domino’s, Center for Entrepreneurship and Innovation (CEI), College of Engineering, Environmental Consulting and Technology Inc., Paradigm, Rubicon Insurance.
DUDE, YOU ARE GETTING A DELL!

Michael Dell, the owner and founder of Dell Computers, was invited to speak at a UF luncheon during the month of October. TEC officers were invited to attend the event and had the opportunity to meet the Dell Man and ask questions face to face. Here are some interesting questions and the answers Michael Dell provided:

**QUESTION:** What is your definition of entrepreneurship? Do you think somebody is born with it or can it be cultivated?

**MICHAEL DELL:** Well, the first thing I would say is, I think what we saw in the last two or three years was not necessarily entrepreneurship, it was more opportuneurship. People who took an opportunity that was given to them, and they weren’t necessarily taking a massive risk on their own initiative, and we’re seeing the devastation that’s occurring as a result of that.

You know, I guess, I would reflect on a couple of things. I’ve spoken to a lot of entrepreneurship groups, and university students, and you get a lot of questions like, well, gee, I’ve got this idea, what should I do? Well, my first thought is, if I have to tell you, you are not an entrepreneur. So, yes, you can learn from others, but you have to have your own initiative, and you have to be willing to make it up as you go along, allowing for much lower overhead.

I think it probably — some of these things can be bred and learned, but I think some of it is instinctual. People see opportunities, they see risks, they see challenges in different ways than others do. I mean, I like to look at problems a little differently than others, and that sometimes helps me see opportunities that maybe others don’t see.

But, you know, I think we have a great thing going in this culture in the United States where risk taking has generally been appreciated and admired as opposed to in other cultures around the world where there’s plenty of wealth, there’s plenty of capital, but if you take a risk and you fail, then you’re kind of an outcast. You’re considered a failure, and nobody will talk to you. Whereas in this country, generally, if you fail, it’s kind of like, well, he learned something. You know, it’s good experience. He’ll try something else. He’ll go again. I worry a little bit that in the current environment we’re losing some of that, but I don’t think it will be totally lost. I think that will remain and is something that’s very valuable in the culture.

And my last thought about this, I think one of the other problems that opportuneurs or entrepreneurs faced in the last couple of years is...
that there was actually too much capital available. And I say that because a lot of these companies failed because they really didn’t have to think very hard about what they were going to do to create something valuable. They just had all this money, and the challenge was, let’s go investing, let’s go spend the money, let’s go build a business. That doesn’t force really tough decisions. I mean, our company was started not with $20 million or $50 million. We started with $1,000. And if you only have $1,000 to start a company, you think very carefully about what you do with each one. And I think that’s a problem that a lot of these companies had. If you have a new idea, I would say, you have to decide for yourself whether you should go for it. I certainly followed some learnings or some examples of others, but, if I went around opinion shopping when I started my company, a lot of people would have said, well, that will never work, that’s crazy, you should stay in school.

QUESTION: Apple has mentioned this idea of the digital hub, with the Macintosh in the center and all these peripherals that are personally networked through Entourage. Where do you see the PC in five years, and how tightly do you think they’ll be tied through personal networking?

MICHAEL DELL: I think in the home there’s a very good likelihood that the PC will be at the center of the entertainment and productivity that goes on in the home. And I think it’s likely to occur using wireless, 802.11. The cost of 802.11 and its pervasiveness really can’t be underestimated. The cost of 802.11 is getting so inexpensive it’s like a few dollars, going out a year or two. So you can imagine just about any piece of electronics that you would want to interact with, or communicate with, or distribute digital data to or from would have 802.11, with the PC being right at the center of that. And I think that, as we mentioned earlier, is kind of a proxy for how that’s occurring today. You know, in the typical dorm today, the PC is the television, it is the stereo, it is the entertainment as well as the access to the outside world and everything else. And I think there’s a pretty good chance that will happen in the home.

QUESTION: Hi, Michael. I’m the founder of the Entrepreneur’s Club. So my question is partly related to entrepreneurship, and the future of mobile computing. Micro-fabrication processes are reaching limitations today that are going to have an effect with the future of mobile computing, or computing in general. How do you think we’ll be able to overcome that obstacle?

MICHAEL DELL: In terms of making computers smaller?

QUESTION: In terms of reaching higher speeds, making computers smaller, making embedded devices, and all of that.

MICHAEL DELL: You know, we can put a computer on your watch. The problem is, you can’t see it, and you can’t interact with it. You know, the semiconductor miniaturization that continues, and you can get all kinds of power, and very, very small spaces. Fundamentally, I think today it’s driven by user interface, which is still very. Now, there are prospects of maybe we don’t have a keyboard, and that’s sort of a debate that’s raging on. But the screen, I don’t think the screen is going to go away anytime soon. The reason is that we’re visual people. We like to see things. That’s the reason why I’m here today as opposed to a little postage stamp about this big on a little screen right here. You know, you like to see things, and you look at windows on this building looking outside at the football stadium, they’re big windows, not little tiny windows. There was this notion that the telephone would replace the PC a few years ago. Nokia was very fond of saying more people are accessing the Internet using phones than they do PCs. Well, that’s true, they just do different things, like walking to work or driving, you know. It takes a lot longer usually if you’re walking. The problem with the phone is, the screen is too small, and so you can’t get that much information through it.

So, if you look at the data, the screens have been getting bigger. Now, there may be other ways to display the information. You could blast it on the eye, you could have virtual screens that kind of show up in midair, all kinds of things like that. You could have screens that roll out, and LCDs. For us, those are just new technologies that we keep exploring and keep playing with. But there is a huge trend toward mobile computing. People want to take their data with them, wireless is definitely happening. The biggest beneficiary of the 3G stuff, and even the DPRS and 1XRDT is not the phones, it’s computers, people with notebooks, laptops, and I think that part of the business is going to keep growing.

TEC Officers and Michael Dell at the UF Launcheon. From right to left: Juan, Shafiq, Bushan, Camelia, Joel, Chris, Jonas, Michael, Krystal, Hamed.
What is your full name?
Juan Guillermo Sanchez

Do you have a nickname?
No, sorry.

Originally from…?
I was born in Pereria, Colombia but was raised in Miami.

Age…?
23

Major?
Majoring in electrical engineering with a minor in business administration

When did you get involved with TEC and why?
I got involved close to a year ago due to my overwhelming interest in entrepreneurship as well as in the people who made up the club at that moment in time.

What have you learned so far from working with TEC?
I think the most useful thing I have gained while working with TEC has been the network of people I have come across through its various programs and events. I feel that learning from others’ experiences with start-ups is an excellent source of wisdom that can’t be gained from books. Probably the most critical element of the club is the quality of the people that help make it interesting and diverse. Each meeting deals with people’s ideas, experiences, and dreams and, as such, has a real inherent value every time I go.

What are your goals for the club?
My goals for the club are fundamentally simple: to continue providing our students with an entrepreneurial environment where they can test and experiment with their ideas while at the same time learning how to properly implement their potential ideas using our universities readily available resources, ranging from eager business leaders to intense entrepreneurship courses.

Do you have any entrepreneurship experience?
No, unless you count the time I sold lemonade when I was a kid. With an engineering degree in progress, I would be seriously demented if I thought a business venture would be a wise move—so no launching of any ventures until I feel readily capable after graduation.

Are you planning to start a business anytime soon? What field are you interested in?
No, but if I were, I would be interested in wireless medical devices or in providing better real-time collaborative software for the hospitality and restaurant industry.

What is holding you back from pursuing that?
School and a promising outlook on the economy.

Where would you like to see yourself a year from now? How about 5 years from now?
A year from now, I see myself in grad school; in five, either as a fledgling multi-millionaire opening the ground floor of the NASDAQ in my first IPO or looking through the classifieds because my IPO tanked.

If you had $ 500 how would you invest it to get the most of return? How about $ 1 million dollars?
With $500, I would just use it as extra cash on my backpacking to Europe trip. With $1 million, I suppose I would become my very own venture capitalist in Florida since it seems like the most needed profession in this state.

What is the best business idea you’ve heard of?
Costco, wholesale household products with as little overhead as possible. It’ simply taking advantage of the economies of scale—ingenious.

How about the worst idea?
I think it was an on-campus taxicab service where students would pay for a ride across campus from some guy on a golf cart.

What is your favorite quote-motto?
“You cannot plough a field by turning it over in your mind”
-Anonymous

What is the coolest thing you learned while at UF?
There is TEC.

If you had to work for somebody else, who would it?
I would probably like to work for someone who has had as much experience and success as Wu-Fu Chen.
How did you hear about TEC?
I first heard about TEC last year from the BIC competition. I went to the first meeting - The Million Dollar Speaker- and got interested in the minds that one day are going to be future business leaders. I thought it would be nice to have a piece of the action.

What motivated you to attend the meeting?
For one, the members motivated me to attend the meetings. Everyone is so nice, and we all have a common goal. With that in mind everyone is willing to listen. And, unlike most clubs where you go to hear just few people in the meeting, here you have everyone participating. And I mean everyone.

Do you believe the following statement is still true: “It’s a men’s world out there” (I refer to the business world)?
Hehe, no. It has never been a world where only men could benefit. I feel even men would be disappointed if it were that way. Women have always been there; maybe not as direct (they were usually in the shadows.) but they were. A woman should invest in what she believes, and although she may have a more scrutinizing path, I feel it will make her stronger in the business world than some men. A good example is Mary Kay in this arena. Men just have a head start, but women are catching up. It’s not a competition, but teamwork.

Where you intimidated by the fact that there were only few girls in the audience?
At first I was slightly scared. But I have always considered myself to be a bit of a tomboy. I found that the women in the audience, as few or as many as they were, had the same reason for being there as I did. So, leaving would mean giving up on a chance to be a part of something - and that scared me even more.

If you had 500$ what would you invest in to get the most of return?
To be honest, if I had 500 I would invest it in the following:
10% poor.
200- Stocks.
100-family.
100-education (important).
50-getting parts for my inventions (hobbies).
This is embarrassing but its the truth. That is how I think of money.

What motivates you to have high goals and improve yourself?
My friends, family, and God help and encourage me to be a better person. They love me, and I love them. It’s that simple. My favorite quote is: “You can live everyday as a miracle, or everyday as a pain” by Einstein (not word for word).

Who is your business role model?
My business role model would have to be Dr. Redd. He was just a man, but he had a remarkable zeal. Even after losing his home to a terrible incident, he kept working, and healing children like myself. He still wore a smile to work. He invested his time in his dream, and let no one destroy his spirit.
1. **Start with family.** Tapping family for great business ideas may not seem like an obvious first step. Sure, you’ll hit them up for cash once you’ve developed your idea, but what can your aging father or cousin Margaret contribute this early in the process? Plenty. Donald Trump certainly wasn’t bashful about learning the real estate business from his dad, Fred, who ran a thriving real estate development company, says Ries. Trump had the good sense to get some priceless training before going off to become one of the country’s foremost builders and real estate developers. “If his father hadn’t provided the foundation and training [he needed] to create a profitable business, Trump wouldn’t be where he is today,” Ries explains. “Unfortunately, many people insist on [creating a business] themselves without any help from their family. That’s foolish.”

2. **Get a little help from your friends.** Ries says you are severely limiting yourself if you rely solely on your own ideas —especially when your creative juices run dry. “This is reason enough to listen to ideas others may have,” he says. “If you have 15 or 20 friends, chances are a couple of them have some incredible business ideas.”

If it weren’t for Steve Jobs’ good friend Steve Wozniak, there would be no Apple Computer today, Ries points out. “Jobs didn’t know anything about computers,” he says. “Wozniak, on the other hand, was the computer genius who developed the first Apple.” Jobs had an eye for great business ideas and saw the marketing potential for developing a new type of computer. The important lesson is to keep your antenna up at all times so you can retrieve good ideas when you stumble across them. Ries insists you can make more money recognizing someone else’s idea than creating one yourself.

3. **Look at all the things that bug you.** It may not sound profound, but Ries says this is fertile ground for great business ideas. He cites how upset Kemmons Wilson was in the 1950s when a motel owner wanted to charge him an additional price for each of his five children. He was so ticked off he launched Memphis, Tennessee-based Holiday Inn, today one of the world’s largest hotel chains.

If King C. Gillette hadn’t been fed up with the tedious process of sharpening his straight-edge razor, he wouldn’t have founded the massive disposable razor industry. When he took his idea for a portable razor with a blade that could be used several times to a research university for assistance, engineers questioned his sanity. Gillette followed his instincts and the rest is history.

4. **Tap your interests.** Thousands of clever people have taken up hobbies and turned them into a successful business. Tim and Nina Zagat, who launched the Zagat Surveys, a publishing empire that sells restaurant guides for many major U.S. and European cities are great examples.
In the early 1970s, the Zagats were high-priced corporate attorneys whose passion was dining out. For fun, they created a newsletter in which they asked their friends to rank popular restaurants in several categories. Each year, the newsletter encompassed more restaurants. Eventually it became such an expensive and time-consuming undertaking that the couple began charging money for it to allay their expenses. That was the meager beginning of the famed *Zagat Survey*, which is sold in bookstores worldwide. “When you’re doing something you love, it’s never considered work,” says Ries.

5. Travel. Traveling opens your eyes to a plethora of potential business ideas. Ries cites Leopoldo Fernandez Pujals’ discovery of Domino’s Pizza on a trip to the United States from his native Spain. Pujals was so impressed with the fast-food operation, he went back to Spain and launched his own version, called TelePizza, in 1986. His company now registers $260 million in sales, and employs 13,000 people in eight countries.

6. Keep your eyes open. “When you see something that piques your interest, ask yourself, What is it about this situation that’s special?” says Ries. “Then narrow your focus so you home in on the idea.” The process of zeroing in on the idea often spawns important niche markets. “Blockbuster Video’s niche is renting videos, and Bulbs Unlimited’s niche is selling light bulbs,” says Ries. Get it?

7. Examine old mousetraps—then build a better one. “If a product doesn’t meet your own high standards, create a better one,” advises business trend watcher Perry Lowe. “That’s what put Ben & Jerry’s on the map.” Ice cream fanatics Ben Cohen and Jerry Greenfield felt popular ice creams weren’t rich and tasty enough for their cultivated palates, so they created their own super-premium line of ice cream, which is a bestseller nationwide. Just think: If these ice cream gurus weren’t such picky eaters, there would be no Cherry Garcia, Chubby Hubby or Phish Food to enjoy.

8. Take it to the streets. There’s no better place to lock into up-and-coming trends than city streets, Lowe contends. Street culture spawned punk, hip-hop, grunge and a number of other fads that rapidly evolved into multimillion-dollar businesses. “Great ideas can often be found by just browsing happening inner-city neighborhoods in virtually any big city in the United States,” says Lowe.

9. Sleep on it. Many people ignore their dreams, and some don’t remember them at all. But sometimes it pays to listen to those inner messages, no matter how strange or unintelligible they are. “You never know, you might just find the germ of a great idea,” says Lowe. The tough part is crawling out of bed in the dead of night to jot down those great ideas before they’re forgotten.

10. Check out the Net. Finally, Lowe endorses Web surfing as a fun way to log on to potential business ideas. “Virtually every search engine has a ‘What’s New’ or ‘What’s Hot’ section, where it lists new trends, news tidbits and hot new Web sites,” says Lowe. “Make it a point to check out various sites daily. It may trigger an idea or concept you never thought of.”

10 great ways to find the business of your dreams- By Bob Weinstein

*Entrepreneur* magazine - February 1999 Courtesy of Entrepreneur.com
What’s My Business Idea Worth?

By Keith Lowe
Entrepreneurs Magazine July 01, 2002 - Courtesy of Entrepreneur.com

Q: I’ve got a great idea for a business—but what is it worth? Can I find someone to pay me for it? Will someone take this idea to market and pay me a royalty?

By itself, not much. But if you have the ability to build a successful company around it, then you’re in business.

A: OK, it isn’t quite that bad, but it’s close. Like many current and aspiring entrepreneurs, you have probably wondered about the value of your great business idea. Most people put a lot of stock in their ideas, but the fact is, an idea by itself is worth nothing. The sooner you understand this, the faster you’ll move along the path to success. This concept is very hard for most people to understand. It sure was for me! Ideas are a dime a dozen—lots of people have great ideas. And for every great idea you’ve had, there are probably quite a few other people who have had the same or a similar idea at about the same time—hey, it’s a big world out there with a lot of people in it! An idea is just the start. It is the very early beginning of a product or service, and the idea stage is a long, long, long way from a successful business. Many people don’t understand this because they don’t understand how value is added to a company. The very valuable (and pretty rare) skill in the business world is the ability (mixed with determination and persistence) to build a profitable business. It is easy to have the idea (“I’ll make this gizmo, and it will revolutionize the auto industry!”), but it is very hard to think about how you’d actually go about designing the gizmo, how you’d make it, how you’d price it, how you’d get production going, how you’d make a compelling sales pitch to your customer, how much, if any, they’d buy, and, let’s not forget, how you’d find the money to make this happen. Yep, that’s the hard part. But if that sounds daunting to you, don’t despair—I promise that you can learn how to do all those things! Just remember that there is a big, big difference between a great idea, a great product and a company that makes money selling it.

Related to the value of your idea is the question of how worried you should be about someone stealing it. The answer in most cases is not very. While it does happen, it doesn’t happen as often as you might think, and the reason goes back to the value of an idea. If the real work is in the skill and time and effort it takes to build a successful business, then why would anyone capable of actually doing that want to try to do it with your stolen idea when they could just as easily come up with their own? Pretty much everyone who is capable of doing something with your idea is too busy with his or her own projects to steal yours. If your idea is something that, just by knowing it, other people could easily copy, then you’ve got bigger problems to deal with as you try to build your company, I hope I haven’t discouraged you from thinking up new and exciting business and product ideas. I hope that what you take from this column is the understanding that to strike it rich, you have to do much more than just come up with the idea. You have to take your ideas and figure out how to market them, how to sell them and how to produce them at a low enough cost to allow you to make money. You have to figure out how to respond to your competitors when they duplicate your products. You have to figure out how to manage your people, pay the bills and make your products and services better and better. In short, you have to build a company—that’s the hard part.