

NOVEMBER, 2000

YALE ENTREPRENEURIAL SOCIETY

YESLETTER

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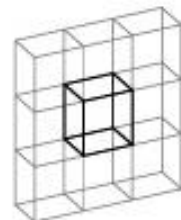
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Yale Entrepreneurial Society

Opinion & Editorial

CEO OF BLUNET VENTURES RESPONDS TO LOCAL ENTREPRENEUR'S CRITICISMS

TO THE EDITOR,

I WOULD LIKE TO RESPOND TO THE COMMENTARY OF R.S OPHIR PUBLISHED IN THE LAST YESLETTER. THE PIECE PROFESSES TO EVALUATE THE CURRENT SITUATION FOR STARTUP COMPANIES IN NEW HAVEN. ALTHOUGH OPHIR SUGGESTS THAT STARTUPS SHOULD WORK "TOGETHER TO OVERCOME THE OBSTACLES THAT LIE BEFORE THEM," HE SHOWED THE OPPOSITE MINDSET IN HIS POORLY INFORMED CRITIQUE OF BLUNET VENTURES.

BLUNET IS A HIGH-TECH INCUBATOR AND VENTURE CONSULTING FIRM THAT WAS FOUNDED IN MARCH 2000. WE HAVE WORKED WITH NINE STARTUPS INCLUDING SEVEN IN DOWNTOWN NEW HAVEN AND FIVE CURRENTLY IN OUR INCUBATION

SPACE. SOME RECENT AND CURRENT CLIENTS INCLUDE:

TURBOGENOMICS – A BIOINFORMATICS COMPANY THAT IS THE SECOND SPIN-OFF OF SCIENTIFIC COMPUTING ASSOCIATES (AN EARLY YALE TECHNOLOGY SPIN-OFF).

HIGHERONE (FORMERLY UNECT) – A RECENTLY FUNDED FINANCIAL SERVICES STARTUP FOUNDED BY YALE STUDENTS AND ALUMNI (FOUNDERS OF THE YALE ENTREPRENEURIAL SOCIETY).

YELLOWPEN – WINNERS OF THE Y50K CONTEST. FOR THE LAST FIVE MONTHS, YELLOWPEN HAS BEEN DEVELOPING THEIR INNOVATIVE KNOWLEDGE MANAGEMENT TOOLS.

MYPEOPLE NETWORKS – A WIRELESS BUSINESS-

TO-BUSINESS SOLUTIONS PROVIDER WITH CUTTING EDGE TECHNOLOGY.

IEDI GROUP – A FACILITATOR OF ELECTRONIC BUSINESS INTERCHANGES THAT ALLOW SMALL TO MIDSIZED COMPANIES TO TRADE ACROSS ANY ELECTRONIC PLATFORM.

AUDIONUGGETS – A MULTIMEDIA INTERNET COMPANY PROVIDING ENTERTAINING MARKETING SOLUTIONS TO ONLINE ORGANIZATIONS.

BLUNET IS CURRENTLY WORKING WITH SEVERAL OTHER COMPANIES THAT ARE IN THE DEVELOPMENT STAGE OR IN STEALTH MODE. WE INVITE ANY MEMBERS OF THE COMMUNITY (INCLUDING MR. OPHIR) TO VISIT OUR WIRED FACILITIES.

DAVID MEYERS, SOM '99

YALE: A BREEDING GROUND FOR GREAT ENTREPRENEURS

APTITUDE: (NOUN) THE POWER TO DO. CAPABILITY.

ADAPTABILITY (NOUN) EASE OF ADAPTING YOURSELF TO NEW CIRCUMSTANCES.

APTITUDE AND ADAPTABILITY ARE THE TWO KEY COMPONENTS OF CREATING ANY NEW ENTERPRISE. I WOULD LIKE TO PROPOSE THAT YALE NURTURES BOTH OF THESE ATTRIBUTES, HELPING STUDENTS GAIN GREATER APTITUDE AND FORCING THEM TO BE MORE ADAPTABLE. ONCE ONE HAS BOTH THE POWER TO DO, AND ARE ADEPT AT ADAPTING YOURSELF TO NEW CIRCUMSTANCES, THEN ENTREPRENEURIAL SUCCESS IS ONLY 80 HOURS A WEEK OF WORK AWAY!

MOST YALIES ARRIVE IN NEW HAVEN WITH A TREMENDOUS AMOUNT OF APTITUDE. WHETHER IT IS THE ABILITY TO WRITE CLEAR COHERENT PROSE,

OR CODE THAT MAKES A COMPUTER DO WHAT ONE WANTS, EVERY DAY I AM AMAZED AT THE INCREDIBLE APTITUDE OF THOSE AROUND ME. YALE'S LIBERAL ARTS EDUCATION ONLY INCREASES THE APTITUDE OF EVERY STUDENT. BY GAINING A BROAD EDUCATION YALE STUDENTS GARNER THE CONFIDENCE TO TRY THINGS THEY MIGHT NEVER HAVE THOUGHT THEY COULD DO.

IF YOU'RE NOT ADAPTABLE WHEN YOU COME TO YALE, YOU'RE GOING TO LEARN PRETTY QUICKLY. FROM THE RUSH OF THE FROSH BAZAAR TO YOUR FIRST "SCREW YOUR ROOMMATE" DANCE THERE'S ALWAYS A NEW YALE TRADITION TO ADOPT. AND IF YOU'RE NOT ADAPTABLE IN THE CLASSROOM, LEARNING HOW TO PRIORITIZE ASSIGNMENTS AND CRAM JUST ENOUGH TO GET THE A YOU REALLY NEED, YOU'LL LEARN AFTER THE FIRST SEMESTER. AGAIN YALE FORCES ONE INTO SITUATION WHERE

ONE HAS TO LEARN TO ADAPT. PEOPLE COMPLAIN ABOUT THE DISTRIBUTIONAL REQUIREMENTS, BUT FOR AN ENTREPRENEUR THEY HELP TEACH YOU HOW TO BECOME ADAPTABLE WHILE INCREASING YOUR APTITUDE.

NOT ALL YALIES WILL GO ON TO FOUND A COMPANY OR START A NON-PROFIT. HOWEVER MANY WILL, AND THOSE WHO DO WILL BE WELL PREPARED TO DO WHATEVER IT TAKES TO REACT TO ALL OF THE CONSTANT CHANGES THAT STARTING SOMETHING ENTAILS. THEIR IMMENSE APTITUDE AND TREMENDOUS ADAPTABILITY, NURTURED AT YALE, WILL GIVE THEM THE EDGE THEY NEED TO SUCCEED.

SEAN GLASS '02 IS THE FOUNDER OF HIGHERONE.

PHOTO POLL: WHO IS YOUR FAVORITE ENTREPRENEUR AND WHY? COMPILED BY BRENNAN IGOE



David Eaton, SOM Student
Favorite Entrepreneur: Himself
"I hopefully will open my own investment management/ consulting practice

for professional athletes... You know, a lot of them come from poor backgrounds and then get a lot of money quickly and only have the money for five to ten years so they don't even have it long enough to learn what to do with it... So I actually foresee myself opening up a small practice."



Brigitte Majewski, SOM Student
Favorite Entrepreneur: Anita Roddick, Founder of Body Shop
"She started with such a great vision creating

a company that had a dual purpose. I definitely appreciate founding a business to make money, I definitely think that's what businesses are made to do, but if you can do something more, then why not...."



Ravi Dhar, SOM Professor
Favorite Entrepreneur: Shikhar Ghosh, Founder of iBelong and Open Market, Inc.
"What I like about Shikhar Ghosh is that he is a good entrepreneur, he knew

when the company was becoming larger, basically when to step aside and bring in professional management from outside. I also see that also in Jay Walker. He starts the businesses like Priceline but he decides when to step aside and bring in seasoned managers who run large Fortune 500 companies...."

RECRUITING EVENTS: ARE COMPANIES ATTRACTING STUDENTS IN SEARCH OF JOBS OR SIMPLY STUDENTS IN SEARCH OF FREE FOOD?

WHEN I HEARD THERE WOULD BE A RECRUITING EVENT FOR THE YALE START-UP, SPLITTHEDIFFERENCE, AT CAFFE ADULIS A FEW WEEKS AGO, TWO WORDS CAME TO MIND: OPEN BAR. THAT AND FREE HORS D'OUVRES, OF COURSE. I FELT A LITTLE GUILTY GETTING DRUNK ON THEIR BILL WHEN I HAD NO INTEREST IN WORKING FOR THEM, BUT WHEN I GOT THERE, I REALIZED THAT HALF THE PEOPLE IN THE ROOM HAD LESS OF A REASON TO BE THERE THAN I DID. AT LEAST I HAD THIS ARTICLE TO WRITE.

WHEN I GOT THERE, I WAS SIMULTANEOUSLY GREETED BY JON GOLDBERG, A YALE STUDENT WHO WORKS FOR SPLITTHEDIFFERENCE, AND A WAITRESS, WHO POLITELY INQUIRED WHETHER I WANTED "RED OR WHITE." I PROMPTLY RESPONDED THAT I WOULD PREFER RED WINE AND AS SHE FILLED MY GLASS, I SPOKE TO JON ABOUT THE SPLITTHEDIFFERENCE. HE EXPLAINED THE COMPANY AND THE POINT OF THE RECRUITING EVENT. HE EXPLAINED THAT SPLITTHEDIFFERENCE IS A SOFTWARE DEVELOPMENT FIRM THAT PRODUCES SOFTWARE FOR ONLINE NEGOTIATIONS. THE COMPANY WAS FOUNDED LAST YEAR BY PROFESSOR BARRY NALEBUFF OF THE YALE SCHOOL OF MANAGEMENT AND R.S. OPHIR, A STUDENT IN THE SCHOOL OF MANAGEMENT. THE SCENE AT CAFFE ADULLIS WAS CONSISTENT WITH WHAT JON GOLDBERG SAYS IS A BIG DRAW OF THE COMPANY, NAMELY "THE ABILITY TO SIMULTANEOUSLY WORK AND PLAY HARD."

"WE ARE COMPLETELY COMMITTED TO OUR SOFTWARE," GOLDBERG SAID, "BUT WE ALSO ARE YOUNG PEOPLE THAT LIKE TO HAVE A GOOD TIME. A BIG LURE OF WORKING FOR OUR COMPANY IS THE ATMOSPHERE, AND WE TRY TO IMPRESS POTENTIAL APPLICANTS WITH THIS ATMOSPHERE AT RECRUITING EVENTS." WELL I MUST ADMIT, I WAS IMPRESSED. HE DIDN'T CARE THAT I WASN'T INTERESTED IN WORKING FOR THEM. HE GOT ME ANOTHER GLASS OF WINE AND TOLD

OF THE LEADERS OF THE COMPANY, AND SCHMOOZED WITH SOME STUDENTS JUST THERE FOR A GOOD TIME.

I LEFT CAFFE ADULIS TIPSY AND HAPPY, BUT WONDERING IF THESE EVENTS ARE WORTH THE MONEY. HOW COULD THEY BE EFFICIENT IF PEOPLE LIKE ME CAN WALK IN, EAT THEIR FOOD, DRINK THEIR WINE, AND LEAVE WITHOUT EVER HAVING ANY INTEREST IN THE COMPANY? THESE EVENTS, TAR-

"HOW COULD THEY BE EFFICIENT IF PEOPLE LIKE ME CAN WALK IN, EAT THEIR FOOD, DRINK THEIR WINE, AND LEAVE WITHOUT EVER HAVING ANY INTEREST IN THE COMPANY?"

GETED AT YALE STUDENTS, ARE USUALLY HELD AT ADULIS OR XANDO, AND BOTH PLACES ARE EXPENSIVE CAFFE ADULIS COSTS AROUND FIFTEEN DOLLARS A PERSON FOR MOST EVENTS, WHICH CAN HAVE AS MANY AS FIFTY TO SIXTY PEOPLE OVER THE COURSE OF A NIGHT. THE PRICES AT XANDO ARE COMPARABLE, BUT MORE FOR A PRIVATE ROOM, WHICH COSTS A FEW HUNDRED DOLLARS TO RENT IN ADDITION TO FOOD AND DRINK. SO WITH THESE PRICES IN MIND, I QUESTIONED WHETHER IT WAS WISE FOR YOUNG COMPANIES TO SPEND A GOOD CHUCK OF MONEY ON SUCH EVENTS.

MILES LASATER '01, FOUNDER OF HIGHERONE, A COMPANY THAT PROVIDES FINANCIAL SERVICES TO ACADEMIC ORGANIZATIONS, TOLD ME ABOUT AN EVENT THEY HAD RECENTLY AT XANDO. LASATER SAID THAT AROUND 20 STUDENTS ATTENDED, AND THAT THE COMPANY WAS VERY HAPPY WITH THAT TURNOUT. FROM THOSE WHO ATTENDED, HIGHERONE RECEIVED SEVERAL APPLICATIONS FOR SUMMER INTERNSHIPS, AND THE APPLICANTS, ACCORDING TO LA-

SATER, ARE QUITE QUALIFIED. HE SAID I MET MANY THAT SINCE MOST COMPANIES ARE LOOKING FOR SUMMER INTERNS, SOME RECRUITING EVENTS ARE BETTER SUITED FOR THE SPRING, BUT THAT THEIRS WAS NEVERTHELESS A SUCCESS.

GOLDBERG SAID THE SAME OF THE SPLITTHEDIFFERENCE EVENT. HE EXPLAINED THAT WHILE THE COMPANY MAY NOT BE HIRING ME OR SOME OF THE OTHER STUDENTS WHO CAME TO THE EVENT FOR THE OPEN BAR, SEVERAL OF THE PEOPLE CAME WITH RESUMES. THE COMPANY WILL BEGIN HIRING THESE STUDENTS FOR PART TIME JOBS STARTING NEXT SEMESTER. GOLDBERG SAID THAT HE WAS HIRED BECAUSE OF AN EVENT AT XANDO'S LAST YEAR HELD IN AFFILIATION WITH THE YALE ENTREPRENEURIAL SOCIETY (YES). CONSEQUENTLY, HE BELIEVES THAT THESE EVENTS ARE DEFINITELY WORTH BOTH THE TIME AND MONEY.

THEREFORE, IT SEEMS THAT OVERALL THESE EVENTS ARE A SUCCESS IN MANY WAYS, WHETHER OR NOT EVERYONE AT CAFFE ADULIS ENDS UP WORKING FOR SPLITTHEDIFFERENCE, THEY PROBABLY ALL HAD A GOOD TIME, AND THE COMPANY WILL END UP WITH SEVERAL VALUABLE EMPLOYEES. SUCH EVENTS ALSO GET THE COMPANY'S NAME OUT TO THE YALE COMMUNITY, A HUGE RESOURCE FOR POSSIBLE EMPLOYEES. MORE IMPORTANTLY, THE COMPANY IS ABLE TO GIVE POSSIBLE EMPLOYEES A SENSE OF THEIR WORK "ATMOSPHERE." ALTHOUGH I WAS ONLY AT THE EVENT TO WRITE THIS STORY, SPLITTHEDIFFERENCE'S "WORK HARD, PLAY HARD" MENTALITY CAME THROUGH AT THEIR EVENT AND DEFINITELY APPEALED TO ME. THEREFORE, THESE EVENTS SEEM TO BE WELL WORTH THE PRICE—EVEN IF A FEW PEOPLE SLIP THROUGH THE CRACKS AFTER A FEW GLASSES OF MERLOT.

By Max Dittman '04

WRITE FOR THE YES NEWSLETTER.
CONTACT : WESLEY MITTMAN '03
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Y2K EVENTS GIVE STUDENTS A LEG UP ON THEIR COMPETITION

AS THE Y2K CONCEPT COMPETITION DEADLINE APPROACHES (NOVEMBER 13, 2000), STUDENTS PREPARE BY ATTENDING VARIOUS TEAMBUILDERS AND EDUCATIONAL SESSIONS.

THIS YEAR MARKS THE INTRODUCTION OF A FALL SEMESTER WARM-UP COMPETITION, NAMELY THE Y2K, TO THE SPRING SEMESTER Y50K ENTREPRENEURSHIP COMPETITION. THE Y2K IS BASED ON THE A SIMILAR COMPETITION HELD AT MIT, THE \$1K, IN WHICH ENTRANTS SUBMIT A SHORT PAPER OUTLINING A BASIC BUSINESS PLAN AND COMPETE FOR CASH PRIZES. THE Y2K REQUIRES A THREE-PAGE PLAN TO COMPETE FOR THE PRIZES. EVEN IF ONE DOES NOT WIN AN AWARD, ENTRANTS ARE GUARANTEED CRITICAL FEEDBACK FROM A PANEL MADE UP OF PROFESSORS, ENTREPRENEURS, AND VENTURE CAPITALISTS. THIS CRITIQUE ALLOWS PARTICIPANTS TO MORE FULLY DEVELOP THEIR IDEAS FOR THE Y50K. THE YALE ENTREPRENEURIAL SOCIETY (YES) HAS PREPARED A Y2K OFFICIAL CONTESTANT KIT THAT ASSISTS ENTRANTS BY ANSWERING PERTINENT QUESTIONS. MOREOVER, THE KIT POSES QUESTIONS TO THOSE CONSIDERING A CONCEPT IN ORDER TO GUIDE THEIR PLANS ACCORDINGLY.

YES HAS CONDUCTED THREE TEAMBUILDERS. THESE TEAMBUILDERS SERVED TO BRING TOGETHER THOSE STUDENTS INTERESTED IN THE Y2K AND Y50K COMPETITIONS SO THAT THEY MIGHT FIND OTHERS INTERESTED IN SIMILAR CONCEPTS, OR PERHAPS THOSE WITH THE SKILLS NEEDED OUT TO CARRY OUT A CONCEPT OF THEIR OWN.

ON OCTOBER 2, A TEAMBUILDER WAS HELD WITH A FOCUS ON ALLOWING UNDERGRADUATES INTERESTED IN PARTICIPATING IN THE Y2K AND Y50K COMPETITIONS TO MEET EACH OTHER. ON OCTOBER 10, ANOTHER TEAMBUILDER WAS HELD WITH THIS SAME GOAL, BUT THIS TIME THE FOCUS WAS ON THOSE GRADUATE STUDENTS INTERESTED IN EITHER COMPETITION. THE FINAL TEAMBUILDER, HELD ON OCTOBER 18, GAVE PREFERENCE TO THOSE INTERESTED IN A BIOTECH OR HIGH-TECH CONCEPT.

NOW THAT THE MIXERS ARE OVER, ASSEMBLED TEAMS MOVE ON TO THE NEXT STEP: EDUCATION. YES HAS BEGUN EDUCATIONAL SESSIONS THAT FOCUS ON DIFFERENT ASPECTS OF ENTREPRENEURSHIP. THE SESSIONS GIVE TEAMS THE INFORMATION THEY NEED TO DEVELOP A PLAN, BY INTRODUCING THEM TO THE INTRICACIES THAT MAKE THE DIFFERENCE BETWEEN A MIEDIOCRE PLAN AND

A SURE WINNER. IN ADDITION, THESE SESSIONS MOTIVATE STUDENTS BY EXPOSING THEM TO PRACTICING ENTREPRENEURS WHO, BY THEIR VERY EXISTENCE, PROVIDE THE IMPETUS FOR HOPEFUL STUDENTS VYING FOR A PLACE IN THE ENTREPRENEURIAL WORLD.

THE FIRST EDUCATIONAL SESSION, HELD ON OCTOBER 24, WAS LED BY MEMBERS OF VENTURE VORTEX ([WWW.VENTUREVORTEX.COM](http://www.venturevortex.com)). VENTURE VORTEX IS AN ONLINE COMPANY PROVIDING SERVICES FOR START-UPS AND SMALL BUSINESSES. VENTURE VORTEX FACILITATES THE PROCESS OF BUILDING AND LAUNCHING THESE COMPANIES BY EDUCATING ENTREPRENEURS AND PROVIDING THEM

WITH A WAY TO INTERACT WITH PEERS AND POTENTIAL PARTNERS ONLINE. THUS, WITH VENTURE VORTEX, ENTREPRENEURS HAVE AVAILABLE TO THEM ALL OF THE TOOLS THEY NEED TO GO FROM THE IDEA TO THE FIRST ROUND OF FINANCING. DUSTIN PETRIE, THE DIRECTOR OF BUSINESS DEVELOPMENT, ADDRESSED A ROOM OF WOULD-BE ENTREPRENEURS AND SUMMED UP WHAT HE REGARDED AS THE MOST IMPORTANT ELEMENTS IN BUSINESS PLANNING. HE CAUTIONED HOPEFULS NOT TO LET THE FOLLOWING ESCAPE FROM THEIR MINDS WHILE PLANNING: THE IDEA, THE MARKET, THE COMPETITION, AND THE FINANCIALS. THERE IS NOT DOUBT THAT THOSE ATTENDING THIS EDUCATIONAL SESSION LEFT IN A BETTER POSITION TO TACKLE THE PROBLEMS THEY FACED IN FORMULATING A PLAN FOR THE Y2K AND THE Y50K, SHOULD THEY ENTER. EACH RECEIVED SEVERAL HELPFUL HANDOUTS THAT INSTRUCTED THEM ON HOW TO BUILD A BUSINESS PLAN, ALONG WITH A CONDENSED VENTURE ROADMAP IN THE FORM OF A COLORFUL BOOKMARK, WHICH ENUMERATED STEPS NECESSARY FOR THIS PROCESS.

ON NOVEMBER 1, YES HELD A SECOND EDUCATIONAL SESSION, "THE ABC'S OF ENTREPRENEURSHIP," WHICH WAS LED BY SOM PROFESSOR

BARRY NALEBUFF AND SOM PROFESSOR DAVID CROMWELL. THIS SESSION WAS HELPFUL FOR THOSE WITH NO ENTREPRENEURIAL EXPERIENCE WHATSOEVER, AS IT COVERED THE BASICS. CROMWELL BEGAN HIS TALK BY ADDRESSING THE DIFFERENT WAYS ONE CAN FINANCE A COMPANY. HE NAMED FOUR POSSIBLE SOURCES: ONESELF, FAMILY/FRIENDS, ANGEL INVESTORS, AND VENTURE CAPITALISTS. CROMWELL EMPHASIZED HOWEVER THAT IT IS USUALLY A

BAD IDEA TO HAVE ONE'S FRIENDS AND FAMILY PLACE AN INVESTMENT IN ONE'S COMPANY, AS A HIGHER PERCENTAGE OF COMPANIES OFTEN FAIL RATHER THAN SUCCEED. CROMWELL, HALF-JOKINGLY, POINTED OUT THAT IF THIS IS THE CASE, ONE WILL NOT ONLY LOSE ONE'S BUSINESS BUT ALSO ONE'S SUPPORT SYSTEM! HE THEN CHANGED TOPICS, AND DISCUSSED THE IMPORTANCE OF FORMING A TEAM WHOSE MEMBERS NOT ONLY HAVE A VARIETY OF SKILLS BUT ALSO EXPERIENCE. CROMWELL EMPHASIZED THAT IT IS BETTER TO HAVE AN A TEAM WITH A B IDEA, RATHER THAN VICE VERSA.

NALEBUFF, WHO NOT ONLY IS A PROFESSOR BUT ALSO A FOUNDER OF THREE ESTABLISHED COMPANIES, THEN TOOK THE FLOOR.

NALEBUFF DISCUSSED THE VALUE OF AN IDEA IN CREATING A BUSINESS. HE MENTIONED THAT THOSE IN THE AUDIENCE SHOULD BE LOOKING FOR "THINGS THAT ANNOY YOU OR ARE INEFFICIENT," AND TRYING TO DEVELOP IDEAS THAT WOULD REMEDY THESE PROBLEMS. HE ALSO CAUTIONED THE AUDIENCE THAT ONCE THEY HAVE COME UP WITH AN IDEA, IT IS THEIR DUTY TO FIND WHY OTHERS HAVE NOT ATTEMPTED TO DO IT PREVIOUSLY. NALEBUFF DREW ON HIS OWN EXPERIENCES IN FOUNDING HIS TEA COMPANY, HONESTTEA, THROUGHOUT HIS TALK.

YES MEMBERS THOUGHT THIS EVENT WAS A SUCCESS. "BOTH THE SUBJECT MATTER AND THE EXCEPTIONAL QUALITY AND EXPERIENCE OF THE SPEAKERS THEMSELVES, MADE THIS EVENT OUR MOST SUCCESSFUL EDUCATIONAL SESSION TO DATE," SAID YES VICE-PRESIDENT EVAN LEPATNER '03.

ANY TEAM WITH A YALE-AFFILIATED MEMBER CAN ENTER THE Y2K. KEEP AN EYE OUT FOR THE Y2K ENTRANTS AND WINNERS IN THIS SPRING'S Y50K, AS THEY ARE EXPECTED TO BE BETTER TRAINED, EDUCATED, AND ORGANIZED FOR THE LARGER COMPETITION.

By KRISTIN MENDOZA '01



At an educational event in November, SOM Professor Barry Nalebuff drew from his own experiences in founding HonestTea when talking to students about the importance of an idea. Pictured above is Nalebuff's product.

FROM EAST TO WEST: THE GROWTH OF STUDENT ENTREPRENEURSHIP

ALTHOUGH THE YALE ENTREPRENEURIAL SOCIETY IS ONLY IN ITS SECOND YEAR OF OPERATION, IT HAS QUICKLY MATCHED OTHER UNIVERSITY'S MORE-ESTABLISHED ENTREPRENEURIAL CLUBS IN TERMS OF NUMBER OF STUDENT MEMEBERS AS WELL AS THE PRIZE MONEY GIVEN FOR WINNERS OF COMPETITIONS. AS A SIGN OF ITS HARD WORK, YES HAS THE LARGEST STUDENT PARTICIPATION ON CAMPUS. THIS ARTICLE TAKES AN INSIDE LOOK AT HOW OTHER UNIVERSITIES FOSTER AN ENTREPRENEURIAL SPIRIT AMONG THE STUDENT POPULATION ON THEIR CAMPUSES.

STANFORD

STANFORD UNIVERSITY, IN PALO ALTO, CALIFORNIA, WAS ONE OF THE FIRST MAJOR UNIVERSITIES TO FORM AN ENTREPRENEURIAL SOCIETY. B.A.S.E.S., BUSINESS ASSOCIATION OF STANFORD ENGINEERING STUDENTS, IS A STUDENT RUN ORGANIZATION IN THE STANFORD SCHOOL OF ENGINEERING. THIS ORGANIZATION TRIES TO ENCOURAGE AND FACILITATE ENTREPRENEURIAL ACTIVITY AMONG THE STUDENTS OF STANFORD BY UTILIZING THE PROXIMITY OF SILICON VALLEY. THE ORGANIZATION AIMS TO PROVIDE OPPORTUNITIES FOR STANFORD STUDENTS TO GET THEIR BUSINESS IDEAS INTO ACTION.

WITH THE WINTER TERM APPROACHING IN PALO ALTO, SUBMISSIONS FOR STANFORD'S ENTREPRENEUR'S CHALLENGE ARE DUE. THE "E-CHALLENGE" IS RUN BY B.A.S.E.S. AND IS AIMED AT PRESENTING A FORUM FOR STUDENTS' BUSINESS IDEAS AND AN OPPORTUNITY FOR STUDENTS TO LEARN ABOUT VENTURE CAPITAL. SUBMISSIONS CONSIST OF EXECUTIVE SUMMARIES AND DETAILED BUSINESS PLANS, WHICH ARE REVIEWED BY A PANEL OF JUDGES IN THE WINTER. THE FINALISTS THEN PRESENT THEIR IDEAS TO A PANEL OF VENTURE CAPITALISTS IN THE SPRING; AFTER THIS FINAL ROUND, THE WINNERS ARE PRESENTED WITH A PRIZE OF 25K ENDOWED BY THE MORGENTHALER FAMILY. THE REMAINING FINALISTS SPLIT A PRIZE OF 20K.

MIT

AT THE MASSACHUSETTS INSTITUTE OF TECHNOLOGY THERE IS ALSO A BURGEONING ENTREPRENEURIAL SPIRIT WHICH IS FOSTERED BY THE MIT ENTREPRENEURS CLUB. AS AT YALE AND STANFORD, MIT HOSTS AN ENTREPRENEURIAL COMPETITION CALLED THE MIT \$50K. THIS COMPETITION WAS STARTED IN 1990 BY THE MIT ENTREPRENEURS CLUB AND THE SLOAN NEW VENTURES ASSOCIATION, IN ORDER TO SPARK

INTERESTS IN ENTREPRENEURIAL ACTIVITY ON CAMPUS AND TO ENCOURAGE STUDENTS TO ACT ON THEIR BUSINESS IDEAS. IN THE INITIAL COMPETITION, IN 1990, FIFTY-FOUR TEAMS COMPETED. SINCE THEN, THE NUMBER OF PARTICIPANTS HAS GREATLY INCREASED AS HAS THE PRIZE MONEY, FROM TEN TO FIFTY THOUSAND DOLLARS, WITH 30K TO THE WINNING TEAM. IN ADDITION TO THIS COMPETITION, THE MIT ENTREPRENEURIAL CLUB ALSO SPONSORS A MENTORING PROGRAM WHERE TEAMS FROM THE MIT \$50K PROGRAM ARE PAIRED WITH SUCCESSFUL ENTREPRENEURS, VENTURE CAPITALISTS AND ANGEL INVESTORS. THESE VARIOUS ENTREPRENEURS PROVIDE AID TO THE CONTESTANTS NOT ONLY WITH THEIR EXPERIENCE AND SKILL IN THEIR FIELDS, BUT ALSO WITH THE CONTACTS THAT THEY HAVE DEVELOPED.

AS ONE CAN SEE, THE YALE ENTREPRENEURIAL SOCIETY IS ON THE HEELS OF THE OTHER ENTREPRENEURIAL ORGANIZATIONS AROUND THE COUNTRY. IN THE SPAN OF ONLY A YEAR, YES HAS BEEN ABLE TO MATCH THEIR SPONSORSHIP AND STUDENT INVOLVEMENT. ONE CAN ONLY EXPECT BIGGER AND BETTER THINGS FROM YES IN THE FUTURE.

By DAVID S. BELLER '04

YALE, HARVARD START-UPS FACE SIMILAR CHALLENGES DESPITE POLICIES

LAST YEAR, HARVARD RECEIVED POSITIVE PRESS CONCERNING ITS "LANDMARK" DECISION TO ALLOW STUDENTS TO USE UNIVERSITY RESOURCES FOR COMMERCIAL PURPOSES, PROVIDED THAT THEY REGISTER WITH THE UNIVERSITY IN ADVANCE.

WHILE PRAISING HARVARD, THE MEDIA NATURALLY CRITICIZED YALE'S SEEMINGLY "ANACHRONISTIC" POLICIES, WHICH PROHIBIT A STUDENT FROM OPERATING A BUSINESS ON CAMPUS.

UPON CLOSER EXAMINATION OF YALE'S REGULATIONS, HOWEVER, IT IS OBVIOUS THAT LITTLE, BUT THE WORDING, DIFFERS FROM HARVARD'S POLICY. THIS YEAR, SECTION IX OF YALE COLLEGE'S UNDERGRADUATE REGULATIONS PROHIBITS UNDERGRADUATES FROM REPRESENTING "ANY COMMERCIAL INTEREST OR OPERAT[ING] ANY BUSINESS ON THE CAMPUS, UNLESS STUDENTS HAVE SECURED "PRIOR PERMISSION FROM THE DEAN OF

THEREFORE, WHEN A STUDENT FINDS A COMPANY ON CAMPUS WITHOUT YALE'S PRIOR PERMISSION, IT WOULD BE EXPECTED THAT YALE'S INFORMATION TECHNOLOGY SERVICES (ITS) WOULD INTERVENE. ITS POLICY READS: "THE UNIVERSITY IS A NON-PROFIT, TAX-EXEMPT ORGANIZATION. AS A RESULT, COMMERCIAL USE OF IT SYSTEMS FOR NON-YALE PURPOSES IS GENERALLY PROHIBITED."

YET ACCORDING TO DIRECTOR OF ITS DANIEL UPDEGROVE, ITS RARELY INTERVENES IN SUCH CASES, EXCEPT UNDER THE MOST EGREGIOUS CIRCUMSTANCES. THUS, WHILE YALE APPEARS TO HAVE A STRICT POLICY, VARIOUS LOOPHOLES AND THE SCHOOL'S RELAXED ATTITUDE ENABLE STUDENTS TO CONDUCT A BUSINESS FROM THEIR DORM ROOMS.

INTERESTINGLY ENOUGH, WHILE HARVARD'S POLICY MIGHT SEEM LENIENT, A CLOSER EXAMINATION OF ITS POLICY REVEALS MANY RESTRAINTS THAT

STUDENTS MUST FACE WHILE CONDUCTING BUSINESS ON CAMPUS. ACCORDING TO AN ARTICLE IN THE HARVARD CRIMSON ON FEBRUARY 8, 200 "BUDDING ENTREPRENEURS MUST TAKE CARE NOT TO DISRUPT THEIR ROOMMATES. FURTHERMORE, THE PROPOSED POLICY, CITING THE UNIVERSITY'S NON-PROFIT TAX-EXEMPT STATUS, WARNS AGAINST 'EXCESSIVE' USE OF RESOURCES. BUSINESS TRAFFIC ON HARVARD'S COMPUTER AND MAIL SYSTEMS MUST BLEND IN WITH NORMAL USE. STUDENTS ARE ALSO PROHIBITED FROM LISTING THEIR HARVARD E-MAIL ADDRESSES OR PHONE NUMBERS."

WHILE THE MEDIA MAY TAKE HARVARD'S POLICY AT FACE-VALUE, A CLOSER LOOK REVEALS THAT IT DOES NOT OFFER MUCH MORE LATITUDE FOR STUDENT START-UPS THAN YALE'S POLICIES ALREADY DO.

By ALEXANDER CLARK '04 AND WESLEY MITTMAN '03

COMMUNITY CONSULTING SPREADS ENTREPRENEURSHIP BEYOND YALE

WHILE THE YALE ENTREPRENEURIAL SOCIETY HAS PREVIOUSLY WORKED WITHIN THE YALE COMMUNITY TO FURTHER AN ENTREPRENEURIAL SPIRIT, YES HAS RECENTLY UNDERTAKEN THREE NEW PROJECTS GEARED TOWARD THE NEW HAVEN COMMUNITY. STILL IN ITS NASCENT STAGES, YES'S COMMUNITY CONSULTING GROUP (CCG) IS PAVING THE WAY FOR FUTURE ENTREPRENEURIAL RELATIONS BETWEEN YALE AND NEW HAVEN.

AS ITS FIRST PROJECT, THE CCG HAS TEAMED UP WITH THE NEW HAVEN AND NEW ENGLAND DIVISION OF THE NATIONAL FOUNDATION FOR TEACHING ENTREPRENEURSHIP (NFTE). NFTE INTRODUCES LOW-INCOME TEENS FROM LOCAL COMMUNITIES TO ENTREPRENEURSHIP BY TEACHING THEM HOW TO DEVELOP AND OPERATE THEIR OWN RETAIL AND LIGHT-PRODUCTION BUSINESSES. UNDER THE NAME PROJECT 55, A GROUP OF YALE ALUMNI HAVE DECIDED TO SPONSOR LOCAL NEW HAVEN STUDENTS SO THAT THEY CAN TAKE PART IN THIS PROGRAM. BEGINNING THIS WINTER, YALE STUDENTS WILL ACT AS MENTORS FOR NFTE PARTICIPANTS.

THE SECOND PROJECT THAT THE CCG

PLANS TO UNDERTAKE WILL SHIFT ITS FOCUS TOWARD LOCAL MERCHANTS. USING THE NEWEST TECHNOLOGY TO ASSIST THEM, YES MEMBERS WILL BE GATHERING DATA CONCERNING LOCAL MERCHANTS' BUSINESSES. AFTER WHICH, THEY WILL ANALYZE THE DATA COLLECTED AND WRITE A REPORT TO THE NEW HAVEN MERCHANTS ASSOCIATION CONCERNING THE PROBLEMS AND CONCERNS THAT THESE BUSINESSES FACE. THE NEW HAVEN MERCHANTS ASSOCIATION WILL THEN IMPLEMENT A STRATEGY TO IMPROVE THEIR LOCAL BUSINESSES' NEIGHBORHOODS, AND THEREFORE MARKETABILITY, BASED ON THE RESEARCH THAT THE YES STUDENTS COLLECTED. YES HAS ALREADY RECEIVED A LIST FROM CHIP CROFT, THE HEAD OF THE NEW HAVEN MERCHANTS ASSOCIATION, DETAILING THE PRIORITIES THE MERCHANTS WOULD LIKE TO STRESS IN THE CPEC PROJECT. OPPORTUNITIES TO VOLUNTEER FOR THIS PROJECT WILL COME SHORTLY.

THE CCG'S FINAL COMMUNITY PROJECT IS TO ESTABLISH DIRECT INTERNSHIPS WITH LOCAL NEW HAVEN START-UPS AND BUSINESSES. YES IS CURRENTLY ESTABLISHING A PROGRAM WHERE UNDERGRADS CAN GET

BUSINESS EXPOSURE THROUGH HANDS-ON EXPERIENCE WITH LOCAL COMPANIES. YES HAS ALSO ESTABLISHED A PARTNERSHIP WITH THE ENTERPRISE CENTER, A NON-PROFIT ORGANIZATION THAT WORKS WITH THE YALE SCHOOL OF MANAGEMENT STUDENTS TO HELP ENTREPRENEURS, START-UPS AND OTHER SMALL TO MEDIUM SIZE BUSINESSES BUILD SUCCESSFUL ENTERPRISES BY SERVING AS A MENTOR AND PROVIDING ACCESS TO NECESSARY RESOURCES. IN THESE INTERNSHIP POSITIONS, STUDENTS WILL HAVE THE OPPORTUNITY TO LEARN ABOUT MARKETING, RESEARCH, ADVERTISING, PROPOSAL EDITING, AND GRANT WRITING. NOT ONLY WILL THESE INTERNSHIPS HELP LOCAL BUSINESSES, BUT THEY WILL ALSO GIVE STUDENTS EXPERIENCE IN THE CREATION OF A COMPANY.

THROUGH MENTORING LOCAL STUDENTS, HELPING LOCAL MERCHANTS, OR WORKING WITH LOCAL BUSINESSES, LEADERS OF THE CCG ARE WORKING TO ESTABLISH FRUITFUL RELATIONS WITH NEW HAVEN FOR THE PRESENT AND THE FUTURE.

FOR MORE INFORMATION, CONTACT DARA MAC CABA '02 AT DARA.MACCABA@YALE.EDU

BY ADAM REIN '03

YALE COMPANY FOCUS: THE FLIGHT OF PAN AMERICAN AIRWAYS

LIKE MANY YALE STUDENTS WHO COME FROM AFAR, I TAKE IT FOR GRANTED THAT I CAN FLY HOME FOR THE HOLIDAYS. BUT, I OWE THIS PRIVILEGE NOT JUST TO MY PARENTS FOR PAYING FOR THE COST OF THE TICKET, BUT ALSO TO THE ENTREPRENEURIAL SPIRIT OF YALE GRAD JUAN TRIPPE (21). THE FOUNDER OF PAN AMERICAN AIRWAYS INC., TRIPPE PILOTED THE WAY FOR AIR TRAVEL BY EXPANDING AIRLINE ROUTES AND BY MAKING AIR TRAVEL AFFORDABLE TO THE MASSES.

BORED BY HIS BRIEF STINT AS A SELL-OUT ON WALL STREET, TRIPPE, WHO WAS FASCINATED BY PLANES, DECIDED TO PURSUE HIS BELIEF THAT THE FUTURE OF TRAVEL WAS IN THE AIR. BELIEVING THAT HE HAD HIT UPON A TRULY UNTAPPED INDUSTRY, TRIPPE, RELYING ON SOME OF HIS YALE FRIENDS FOR FURTHER FINANCING, FOUNDED PAN AMERICAN AIRWAYS INC. PAN-AM RAN ITS FIRST SUCCESSFUL FLIGHT ON OCTOBER 28, 1937 FROM FLORIDA TO CUBA.

FLYING WOULD SOON ADVANCE BEYOND MERE ISLAND HOPPING AS PLANES BECAME MORE SOPHISTICATED. UNDER TRIPPE'S GUIDANCE, PAN-AM CONTINUED TO BE THE LEADER IN PUSHING THE TECHNOLOGICAL FRONTIER OF FLYING. IT WAS THE PAN-AM FLYING CLIPPER THAT MADE IT POSSIBLE TO CROSS OCEANS. BY THE END OF THE WWII,

FLYING WAS TRULY GLOBAL IN ITS REACH.

TRIPPE'S NEXT BIG MOVE WAS TO INVENT THE TOURIST CLASS. HE SLASHED PRICES IN HALF IN 1945 FOR MOST OF HIS ROUTES, IN SPITE OF THE NEGATIVE REACTION BY THE INTERNATIONAL AIR TRANSPORT ASSOCIATION. THE AIRLINE INDUSTRY EVENTUALLY ACCEPTED TRIPPE'S IDEA OF A "TOURIST CLASS," BUT FLYING ACROSS THE OCEANS REMAINED MOSTLY A PRIVILEGE ENJOYED BY THE EXTREMELY WEALTHY AND FAMOUS.

TRIPPE BELIEVED THAT TO TRULY MAKE FLYING EFFICIENT AND AVAILABLE TO AS MANY PEOPLE AS POSSIBLE, PLANES STILL NEEDED TO BE BIGGER AND FASTER. IN 1958 THE PAN-AM 707 USHERED IN THE JET-AGE. THIS PLANE WAS TWICE AS FAST AS ITS PROPELLER DRIVEN PREDECESSOR AND COULD CARRY TWICE AS MANY PEOPLE.

TRIPPE DID NOT STOP THERE. IN FACT, HE ONLY BECAME MORE INVOLVED, DEVELOPING THE NEXT JET TO REVOLUTIONIZE THE AIRLINE INDUSTRY. AS CO-CREATOR OF THE 747 HE WORKED CLOSELY WITH HIS BUDDY BILL ALLEN, THE BOSS OF BOEING. THE AIRLINE INDUSTRY EVEN TODAY STILL RELIES ON THIS OCEAN-CROSSING FLYING MACHINE. TRIPPE IS ALSO RESPONSIBLE FOR DESIGNING THE 747'S CHARACTERISTIC HUMP. THIS SPACE WAS ORIGINALLY INTENDED AS A REST AREA

FOR THE CREW UNTIL TRIPPE INSISTED THAT NO SPACE BE WASTED. THE SPACE WAS THEN TRANSFORMED INTO MORE PASSENGER SEATING. SADLY, IT WAS ALSO THE 747 THAT CAUSED PAN-AM TO GO UNDER. PAN-AM BOUGHT 25 AIRPLANES FOR 450 MILLION DOLLARS IN THE EARLY 1970S RIGHT BEFORE THE OIL CRISIS HIT. PAN-AM WAS NEVER ABLE TO RECOVER BECAUSE THE COMPANY ALSO HAD A HARD TIME SURVIVING THE COMPETITIVE AIRLINE INDUSTRY THAT IT CREATED. PAN-AM FINALLY WENT OUT OF BUSINESS IN 1991, TEN YEARS AFTER TRIPPE'S DEATH.

TRIPPE MIGHT NOT HAVE BEEN THE BEST BUSINESS MAN. HE PROVED UNABLE TO REINVENT HIS COMPANY AT THE TIME IT NEEDED HIM THE MOST. HE WAS ALSO KNOWN FOR HIS INABILITY TO DELEGATE TASKS OR TO COMMUNICATE EFFECTIVELY WITH HIS TOP MANAGERS. HOWEVER, HE WAS AN INNOVATOR WHO REVOLUTIONIZED HOW WE ALL TRAVEL. HE SAW A MARKET THAT DID NOT YET EXIST, AND THEN WENT ON TO CREATE IT. IN THE PROCESS, HE SHAPED A WHOLE INDUSTRY-- ONE THAT MOST OF US ARE COMPLETELY DEPENDENT ON TODAY.

BY SARAH CREWS '03

CALENDAR OF EVENTS

UPDATED INFORMATION ON THESE EVENTS CAN BE FOUND AT:

WWW.YALE.EDU/YES

EVENTS	TIME & LOCATION
<p>Y2k Contest Deadline:</p> <p>Submit concept plans to drop-off locations. Please provide five (5) copies of each entry</p>	<p>* November 13, 2000 * Commons Dining Hall and Career Development Office at SOM from 10 am - 3 pm. * Also drop-off plans all this week (11/6-11/10) in Commons, 11:30-1:30.</p>
<p>Joel Schiavone, local manager and mayoral candidate, will speak about entrepreneurship in New Haven and his plans if elected mayor this coming year</p>	<p>* November 15, 2000, 7:30pm * Location: WLH 114</p>
<p>Ron Bienvenu, founder of SageMaker, will speak about his entrepreneurial experiences</p>	<p>* November 30, 2000, 4:30pm * Location: TBD</p>
<p>Y2k Concept Competition Awards Ceremony</p> <p>Representatives from the judging panel will present awards to the category winners of the Y2k. Reception will follow</p>	<p>* December 3, 2000, 4:00pm * Location: LC 102</p>

YALE ENTREPRENEURIAL SOCIETY
 P.O. BOX 206094
 NEW HAVEN, CT 06520

GET INVOLVED IN THE YALE ENTREPRENEURIAL SOCIETY. CONTACT DAVID POZEN '02 OR EVAN LEPATNER '03, OR COME TO YES' NAPLES NIGHTS HELD EVERY SUNDAY AT NAPLES PIZZERIA, 9 P.M.