



090. COMPETITIVE EDGE-UCATION

Rick Gibson discovers the next generation of entrepreneurs at the 2004 Arizona Venture Competition.

I RECENTLY ATTENDED the 2004 Arizona Venture Competition at the University of Arizona. As an adjunct instructor for the Eller Entrepreneurial Program at UA, I occasionally moderate competitions and serve as a guest lecturer for other classes. But this time I was there as a member of the press, and threw caution to the wind regarding conflicting relationships with students, the university, judging, moderating and all that jazz.

There were eight student teams, each chosen for excellence by their respective schools (UA, Thunderbird, the Garvin School of International Management and Northern Arizona University). While these student business plans start as academic projects, it is hoped they will turn into successful businesses in the real world. Teams were broken up by undergraduate and graduate levels; each gave a 15-minute presentation on their business plans, followed by a 10-minute round of questions from the panel of judges.

What does one look for in these events? I like to consider issues such as: Is there good balance between the academic value and a real-life business? Will the business work or is it just a good presentation? Is the management team strong or is it just the idea? Will the business be

It's all about the proper mix of cultures, environment, art and structure. For instance, how should things like metal, wood, earth and light be related in a design environment?

The company will be providing a myriad of consulting design services, including layered spatial mapping for buildings. (They'll digitally create grids that help plan all the space environments on a 3-D basis.) Feng Shui GIS has even garnered the expertise of one of the industry's premier experts, who will add credibility. But this team has quite a challenge on their hands, since current use of *feng shui* in business is hard to quantify, and the lifestyle feel of the company may make it hard to raise outside money—thus probably limiting its growth potential.

Fourth was Genetic Information Technologies (GIT) from UA. The company works on technologies to assist in genetic research for pre-natal children. They provide data mining and data analysis for molecular biology. It is a unique and patentable custom testing process to identify multiple genetic disorders at one time.

This team handled some very tough questions about their company's intellectual property from what looked to be overly driving

What does one look for in these events? **Consider: Is there balance between the academic value and a real-life business?** Will the business work or is it just a good presentation?

a modest success or might there be a big, venture capital-size upside? Is this the kind of team that can actually move this idea forward?

So, let's get on with the festivities.

First up: Bike Traders, from NAU. Simply put, Bike Traders plans to start opening stores to sell used bicycles. The bike industry is \$5.5 billion strong and growing, and there were 19.5 million new bikes sold last year. The company plans its first actual store in Flagstaff—where biking not surprisingly is the No.3 sport—in walking distance to NAU, with future stores planned for Tucson, Tempe and eventually all over.

I could see this business succeeding like some of the other smart recycling chains that have been started in Arizona: Play It Again Sports, Buffalo Exchange and Bookman's come to mind. The Bike Traders team has significant marketing, service and bike-riding expertise, and they were smart, enthusiastic and poised—especially their leader, Holly Filleman.

Next was Cutting Edge: High Altitude Ice Sports Training Complex, also from NAU. The group presented studies that show high altitude training (6,000 to 8,000 feet) helps athletes build strength, stamina and endurance. Cutting Edge considers the market ripe, since skating leagues are growing faster than available time on the ice, and high altitude training venues are seeing increased use by professional teams. They also point to revenue sources beyond pro and amateur play, like use for community events.

Frankly, I question the upside potential of Cutting Edge, as their project would involve building a whole new ice mega-center—a huge project in all respects. Also, there's an obvious limit to expanding Cutting Edge, since there are so few great locations for this kind of business (remember the altitude requirement).

The third presentation I saw was Feng Shui GIS, from UA. Apparently, interest in *feng shui* is still very popular in certain circles.

judges. Three cheers to GIT for standing up to the test. As it continues to prove its science, I think this company can meet its capital needs and grow.

The fifth and last of the presentations I saw was Quick Cash from Thunderbird. Quick Cash seeks to combine the benefits of eBay (a fast sale) and Amazon (a quality selling environment), helping customers get quick cash for unneeded goods like CDs, DVDs, books, electronics or power tools. The company is setting up centers where customers take items they want to sell, taking photos of the items and then handling the listing requirements for the customers (on a site like eBay). The customer doesn't have to go back and forth to a pawnshop, set up a yard sale, figure out how eBay works, or use an Internet trading assistant site like Auction Drop.

As an investor, though I can see the moneymaking opportunity with Quick Cash, the consumer-lending business is nowhere in our plan.

So which student companies showed the most entrepreneurial mojo? For the undergraduate division, the day's winners were: Bike Traders, NAU (grand prize), Welcome Home Assisted Living Facility, NAU (1st runner up), and Kids at Heart, UA and Cutting Edge, NAU (excellence in business planning). In the graduate division, top honors went to: Culinary Suites, UA (grand prize), GIT, UA (1st runner up), and Feng Shui GIS, UA and Quick Cash, Thunderbird (excellence in business planning).

All in all, I still like Bike Traders, though investing in retail is not my thing. Next, I remain impressed by GIT and will keep my eye on them. But the end result? Sorry, no checks written today. ☹

Rick Gibson (rick@clearblueventures.com) is president of Tucson-based Clear Blue Ventures (clearblueventures.com), a new "venture-lending fund" and also is managing director of HOTventures LLC.