Microloan Fund Established for Student Entrepreneurs

The University of Hawai‘i at Mānoa Pacific Asian Center for Entrepreneurship and College of Engineering are working together to implement the Hoku Scientific Microloan program to support aspiring entrepreneurs. Hoku Scientific, Inc. and its chairman, president and CEO, Dustin Shindo, signed a gift agreement for $130,000 in September. The gift agreement establishes the Microloan Fund, which will be administered by PACE.

“We are honored to have had the opportunity to create the Microloan Fund at UH Mānoa. These loans will provide students – Hawai‘i’s future entrepreneurs – with resources to launch their own business ventures, as well as provide them with valuable mentoring and professional development opportunities,” said Shindo. “We are hopeful that this program will encourage student innovation by strengthening the links between engineering and entrepreneurship, two disciplines Hoku strongly supports.”

In 2005, Hoku Scientific donated warrants for Hoku shares that were sold by UH Foundation after the Company’s IPO for proceeds in excess of $130,000. These funds were used to establish the Microloan Fund. Up to $20,000 per semester will be awarded to students enrolled at UH Mānoa to start their businesses. The maximum per loan is $5,000. To receive a loan, students must submit an application, attend a workshop and prepare a business plan. Loans must be used for working capital, supplies, equipment and inventory. Priority will be given to undergraduate students enrolled in the engineering and entrepreneurship degree programs. The first loans are scheduled to be granted in early 2010.

“We are grateful to Dustin Shindo and Hoku Scientific for their generous gift to encourage entrepreneurial ventures at UH Mānoa,” commented V. Vance Roley, dean of the Shidler College of Business. “Our goal is to provide students with relevant entrepreneurship courses combined with real-life experiences so students can develop the skills and knowledge to start their own businesses.”
DIRECTOR'S MESSAGE:

Celebrating Milestone Success

Aloha!

The 2008 - 2009 academic year has been an exciting one! With the assistance of members in the University and business communities, PACE has built a foundation of programs upon which to develop even more ways to assist students and faculty in making their ideas come to life.

WHAT WE'VE DONE

❖ We have expanded the number of programs offered by PACE from 5 to 15, and now offer an undergraduate degree in Entrepreneurship and a graduate certificate in Entrepreneurship. Our Advisory Board has been revitalized and we are aggressively marketing our programs to the University community.

❖ After providing more guidance to teams, for the first time EVER, UH teams earned coveted finalist positions in both the San Diego State Venture Challenge and the Asia Moot Corp competitions!

❖ This year was the 10th anniversary of our Business Plan Competition and it did not disappoint. Scrappy Ka Mahi’ai Ihi o Wailea took first place honors with their comprehensive plan to grow maile on the Big Island. I’d like to thank Eric Martinson from Tradewind Capital Group and HiBEAM for their support of the competition with cash prizes, and Greg Kim with Virtual Law Partners and Piia Aarma of Pineapple Tweed PR and Marketing for their donations of service to our competition winners.

❖ Jay Shidler’s generous donations have enabled PACE to once again field two interdisciplinary Fellowship teams this summer. One team analyzed merger and acquisition prospects for a local software company and the other investigated market opportunities for an electric car network in Honolulu.

❖ Mr. Shidler’s support also enabled us to offer a three-tiered, commercialization grant program called Imagine, Discover, Realize. Teams receive monetary awards of $100, $500 and $1,000, as they fulfill the requirements of each tier.

So, WHAT’S NEXT?

PACE programs aim to encourage early-stage innovators to unveil their ideas in a supportive environment. Innovators who are interested in becoming entrepreneurs will be assisted through PACE’s programs.

❖ Hoku Scientific Microloan Program— You may have heard about this in the local news. Through the generosity of Dustin Shindo and in cooperation with the College of Engineering, PACE will administer our first loan program. Students on the Manoa campus with promising business ideas will be encouraged to apply for low-interest business loans ranging up to $5,000.

To those of you who have given so generously of your time and donations, thank you for your support of PACE. If you are not involved yet but would like to be, please give me a call. Hillary Clinton said, “It takes a village to raise a child.” Well, it takes a community to develop an entrepreneur. Let’s do it together!
On May 1, PACE announced the winners of the 2009 UH Business Plan Competition at The Plaza Club in downtown Honolulu. More than $50,000 in cash and in-kind prizes were awarded. Five teams competed in the final competition.

1st *Ka Mahi'ai Ihi o Wailea*
$10,000 cash sponsored by Tradewind Capital Group and over $20,000 in-kind gift package

The creation of the sole commercial venture in the State of Hawaii for the production and marketing of Hilo Maile.

2nd *MB Therapeutics, Inc.*
$5,000 cash sponsored by Tradewind Capital Group and over $8,000 in-kind gift package

A noninvasive, targeted drug delivery system to improve the treatment and quality of life of patients.

3rd *Technoalgae*
$2,500 cash sponsored by HiBEAM and over $2,500 in-kind gift package

An alternative energy company focused on technology development and advanced research in the field of microalgae-based biofuel production.

All three teams are eligible for the PACE Realize Grant, which provides $1,000 to assist the team in developing their business.

Mahalo to Tradewind Capital Group, HiBEAM, Virtual Law Partners and Pineapple Tweed for their generous gifts of cash and services.
ENTREPRENEURS’ FORUM

It’s a Great Time for Entrepreneurs

On March 11, PACE held the first Entrepreneurs’ Forum, entitled “Has the Economy Killed Entrepreneurship?,” at the Shidler College of Business. Each Forum focuses on a specific issue that is relevant to local entrepreneurs. Panel members, who include business executives and owners, speak openly about their experiences and perspectives related to the proposed topic of discussion.

The March 11 panel discussion was moderated by PACE Interim Director Susan Yamada. Panelists included Lena Gan, an International Financial Advisor with Merrill Lynch Global Private Client Group; Robert Robinson, co-founder of Kolohala Ventures and Hawaii Angels; and Dew-Anne Langcaon, co-founder of Ho’okele Personal Health Planners, LLC and COO of PacificCap Management, Inc.

After giving brief introductions about themselves, each panelist went on to provide thought-provoking words of knowledge and advice. While the entire panel agreed that the economy will not recover until after 2010, they all shared optimistic insight for entrepreneurs.

Robinson touched upon opportunities in the venture capital world. He noted that funders currently favor ventures in the areas of technology, specifically renewable energy. He philosophically imparted, “Every crisis has great opportunities.”

Langcaon agreed with Robinson in that the poor economy provides unique opportunities. She said, “Entrepreneurs can take advantage of low prices, and the fact that talented people are looking for work at reasonable salary expectations.” She ended with, “It’s a great time to be an entrepreneur!”

THE LUNCHROOM

Grabbing a Bite with Joyce Chung

On April 29, eight students sat down to lunch with Joyce Chung, managing director of Garage Technology Ventures, a seed-stage and early-stage venture capital fund. Joyce has over 10 years of operating experience in technology companies and 10 years of venture capital investing experience.

The students were hand-selected from different units on the UH campus, including the business, engineering, medicine and law schools. During the one-hour lunch event, students were inspired by Joyce’s stories of business dealings, and were able to pick her brain about how to become a successful entrepreneur.

In a wide-ranging discussion, Joyce answered questions posed by Lunchroom participants.

How has school helped you in your career?

“Entrepreneurs need to be salespeople. They are constantly selling to investors, customers and talent. If you aren’t comfortable in this role, fledgling entrepreneurs may need to rethink their role in the start-up.”

How do VCs evaluate deals?

She suggested that entrepreneurs closely study VCs and angels who they solicit for investments. Understand the types of deals the investor invests in and whether they have made investments in competitive companies.

How does the current economic situation affect entrepreneurs?

“It’s a great time to start a business because skilled workers are available, rent is cheap and competition isn’t as fierce. When the economy begins to recover, these companies will be in a great position to be acquired by larger companies who will not have had the funds, or focus, to start new ventures and who have subsequently fallen behind the innovation curve.”

Lunchroom attendee and MBA student Tarik Sultan commented, "Programs like this not only provide students with a rare chance to interact with high-level executives but also yields valuable insights into the world of start-up ventures.”
The Future of Entrepreneurship

BY JOEY AQUINO
Entrepreneurs Club President/Founder

With a year under its belt, The Entrepreneurs Club has become a catalyst for business start ups.

Thirty new faces joined the organization at the start of the Spring 2009 semester, plunging head first into entrepreneurialism with an inspiring keynote presentation by local super-success Dustin Shindo. Throughout the semester, students attended workshops featuring Piia Aarma and Chenoa Farnsworth that helped prepare students for the EC's inaugural business pitch competition, “Level Up.”

Raul Castellanos, a sociology major, said, “The workshops were exactly what I needed. It taught me about business start-ups, and it was very inspirational because these professionals were successful people who have done it already, and I could interact with them.”

Our three winners were “extbook,” “Macau in Hand” and “Ono Deals.” Each winner was given the chance to present their idea at a pitch fest hosted by the Hawaii Venture Capital Association. Sponsor Grant Thornton and Patrick Oki donated $10,000 in prizes.

Our faculty advisor, Rick Varley, director of Internships and Career Development at the Shidler College of Business, has helped us create a program specifically providing entrepreneurial internships for our members.

With a changeover of the executive board for the semester, we are excited on continuing this entrepreneurial empowerment movement. We see the value we are creating for our members and are dedicated on making a difference for this community through business.

This semester started off with an excellent speech by L&L founder Eddie Flores, a maximum-capacity club roster and a handful of new auxiliary programs. We’re excited to keep this momentum moving forward into the new years!

High marks were awarded to two UH Shidler College of Business MBA teams competing in the San Diego State University Venture Challenge in California and the Asia Moot Corp in Thailand in March.

At the Asia Moot Corp competition in Bangkok, Thailand on March 12, Ubiquitous Solar Energy (USE) took third place beating out a dozen of the best teams from top business schools in Asia. Full-time MBA students Garret Chang, Noel Miller and Adrian Pieron, with the support of team advisor John Butler presented a plan for transparent solar film that can be applied to windows. The team plans to commercialize solar technology by providing customers with low cost transparent amorphous solar film.

“This is a great achievement for us,” exclaimed Butler. “In the first four years of participating in this competition we’ve never made it to the semifinals. The result was quite close with the two Thailand teams taking first and second. I think we are making great progress.”

At the San Diego State Venture Challenge Competition, Adama Materials placed sixth in the finals.

“They did a great job and fought hard to make it as far as they did,” said Susan Yamada, team advisor and PACE interim director. “They placed second in their group beating all other second place teams from four other groups to take the “wild card” or sixth spot in the finals.”

“Ben Wo, Steve Baker and Rob Robinson should be credited with some of the team’s success,” said Yamada. “They spent quality time with both teams to provide healthy criticism and advice that enhanced their presentations.”

The Venture Challenge is a premier event with competitors from 24 top business schools in the U.S. and Canada. Comprised of MBA students Donavan Kealoha and Lee Taylor, Adama Materials presented a plan for nanotechnology research and development in advanced structural chemicals and materials.