A company that markets abdominal simulators clinches first place

A crowd of nearly 150 watched as a team called SmarTummy pitched their business idea to a panel of judges, and walked away with the top prizes at the 2013 UH Business Plan Competition, held on April 30 at the Waialae Country Club.

SmarTummy sells the first-of-its-kind abdominal simulators that are designed to train medical, nursing and emergency medical service students in abdominal palpation exams. The team is comprised of a winning combination of individuals who each bring a specific set of skills to the business: Larry Martin, a graduate student in electrical engineering; Scott Miller, a professor in the Mechanical Engineering department; John Salle, who holds degrees in electronics systems technology and electrical engineering; Walton Shim, an award-winning pediatric surgeon; and David Yarber, who holds degrees in business and law.

Team leader Larry Martin says, “It (the competition process) helps you refine your business plan, your product, and your presentation from start to finish. It’s a great learning experience, and big accomplishment for our team and our company.”

The team plans to use the prize offerings to continue to develop this early-stage business. The $10,000 cash award will be used to build a prototype, and in-kind gifts of accounting, legal and marketing services will guide them as they form their business.

Nanodiagnostics, LLC, a company that brings molecular imaging contrast agents for human-use to market, coveted second place. Aloha Bridal Connections, a personalized service for couples to connect with experts in the Hawai‘i wedding industry through an online platform, took third place. Both teams earned cash and in-kind prizes, intended to assist in pursuing their business goals.

This year’s competition was sponsored by American Savings Bank. Their title sponsorship allowed PACE to offer the best resources and added value to a semester of activities related to the competition.

In total, more than $50,000 in cash and in-kind prizes were awarded. Generous gifts were donated by BizGym.com, Blue Startups, Convergent Law Group LLP, HiBEAM, Hawaii Venture Capital Association, Pineapple Tweed Public Relations and Marketing, PKF Pacific Hawaii LLP, Rapid Technology, LLC, and the Shidler College of Business.

To view photos and video of the competition, go to: www.UHBusinessPlanCompetition.com
Dear Friends of PACE:

It’s hard to believe that five years have passed since I assumed the position of Executive Director of PACE. Over this time, the PACE team has effectively created a dozen new programs, engaged thousands of students in entrepreneurial learning, partnered with hundreds of professionals in the community, and significantly raised the visibility of PACE both on and off campus. Additionally, our goal to work with an interdisciplinary group of students from different majors such as engineering, science, law, art and agriculture is being realized.

Five years ago, my focus was to make PACE relevant to students, and to engage professionals in the community by increasing the awareness of our program and value of the Center by offering new programs. Students are now able to apply for microloans, participate in pitch contests and mentoring sessions, hear from world-class entrepreneurs, compete in business plan competitions, create a business over a weekend, and seek the support and knowledge they need to build a business.

The way I view “entrepreneurship” has evolved over the years. My focus, which was first assisting students in starting businesses, has now shifted to teaching students that ENTREPRENEURSHIP IS A PROCESS. One can be entrepreneurial while working for a major corporation, small business or sole proprietorship. Every student who graduates from the University of Hawai‘i needs to think entrepreneurially. Being comfortable with change and creating change, thinking creatively and embracing innovation, taking risk, and being able to collaborate with others are all hallmarks of the 21st century workforce. It is crucial that students understand this concept—not only to help them in their careers, but to improve and sustain the local economy.

As you may know, PACE is the recipient of a $100,000 grant from John Dean through the Emmett Quady Foundation. John has been a longtime supporter of PACE, who has seen firsthand, through his work at Silicon Valley Bank, the positive influence and growth that entrepreneurship has in a community.

His donation has sparked a discussion of the accomplishments of PACE, and new goals that still need to be achieved. As a result of these conversations, PACE is embarking on a campaign to raise $1 million over the next five years. These funds will be allocated in three categories:

1. $350,000 in capital improvements, furnishing and equipment for a new space within the Shidler College for PACE to call home. This center will be the hub of entrepreneurial learning at UH. Designed as a co-working space, the center will provide students and faculty with a collaborative space to share ideas and receive assistance to develop their ideas.
2. $400,000 over five years in new entrepreneurial programs to further bolster our “learning by doing” and “learning from others” philosophy. New programs will include internships with entrepreneurial companies, a speaker series targeted at different student groups (computer science, agriculture, art, engineering, etc.), face-to-face networking opportunities, and the creation of an accelerator with financial and mentoring assistance targeted at students and faculty.
3. $250,000 over five years to provide training to professors who teach entrepreneurship in their classes. PACE will coordinate workshops that feature entrepreneurial experts, as well as send professors to seminars that are held abroad to absorb the latest pedagogy and network with their peers.

With your support, we have made great strides in bringing entrepreneurship to the forefront at UH and in the community. We have built a strong foundation upon which to move forward. Yet, our work is far from done. The effort to train our future workforce to be entrepreneurial is not a “nice to have;” it is a “must-have” for the economic health of Hawai‘i. I am counting on your continued support.

Aloha,

SUSAN YAMADA
PACE Executive Director
PACE hosted two memorable Kīpapa i ke Ala lectures this academic year. The events featured Central Pacific Bank (CPB) president and CEO John Dean and Lawson, Inc. president and CEO Takeshi Niinami, consecutively. While the two executives represent vastly different industries, the common thread to both public forums was the importance of open communication as the key to gaining trust when turning around a failing business.

A Conversation with John Dean

Dean sat down with PACE executive director Susan Yamada on September 25, 2012 at the Waialae Country Club and revealed what fuels his passion for the community, entrepreneurs, turnarounds and Hawai‘i.

In 2010, the 30-year finance industry veteran emerged from "semi-retirement" to lead the then struggling CPB. Under his leadership, the bank successfully raised $325 million in a recapitalization effort and has since had eight consecutive quarters of profitability.

The humble executive shared his perspectives on topics including creating corporate culture by communicating openly and treating people with dignity; the importance of diversifying the local economy to stop the "brain drain"; the community effort that is needed for entrepreneurship to thrive in Hawai‘i; and the critical trait of passion in an entrepreneur.

"...passion is the ingredient that allows [entrepreneurs] to charge ahead."

- John Dean

PACE executive director Susan Yamada (left) interviews Central Pacific Bank president and CEO John Dean (right) at the Kīpapa i ke Ala lecture on September 25, 2012 at the Waialae Country Club.

A Conversation with Takeshi Niinami

Niinami, shared his hardships in instilling an entrepreneurial culture and facilitating the turnaround of Lawson, Inc., a 70-year-old company, on February 11, 2013 at The Plaza Club.

Lawson, Inc. is the second-largest convenience store chain in Japan with over 11,000 store outlets in Japan, China, Indonesia, and the U.S. However, when the Harvard-educated Niinami joined the company in 2002, it was in bad shape.

"The company was horrible and I regretted it many times," he said.

He explained the difficult obstacles he faced going against the Japanese cultural norms by abolishing the seniority system, restructuring the company, closing 1,500 stores, and cutting 20 percent of the workforce. He began by communicating his long-term goals for the company.

"I had to gain trust from the market. I spent two-thirds of my time in the first three years communicating with our people," he said.

He sought to differentiate Lawson and created a new merchandising policy asking employees to volunteer new product ideas. Recognizing that it takes many failures to have one successful innovation, Niinami empowered his employees to come up with innovative ideas by creating an appraisal system.

"I started to say, 'I will not punish any challenge,'" he said. People did not believe him at first, but when ideas failed, he stuck to his word.

"You can't make it happen overnight," he added. "Over three years, people started to believe what I was saying.

"All of a sudden, people started to offer new [store] formats," he said. Today, the company has more than 30 formats, including a hot spring for feet, which brought 30 percent return on investment.

The Kīpapa i ke Ala lecture series is sponsored by the Emmett R. Quady Foundation. Videos of both presentations are available at www.shidler.hawaii.edu/kipapa.

Lawson, Inc. president and CEO Takeshi Niinami sits for an interview on February 11, 2013 at the Plaza Club.
A team of UH College of Engineering students took top honors in the Biomimicry-themed Breakthrough Innovation Challenge (BIC) last fall for their chameleon skin-inspired thermal insulation design. Team members Cody Hayashi, John Hirano, Richard Ordonez and Trent Robertson received $1,000 for Chameleon Skin, an affordable window system that mimics the iridophore cell structure of a chameleon to control the temperature of a building by reflecting and redirecting heat.

"The Breakthrough Innovation Challenge was an excellent experience in taking the spirit of entrepreneurship and applying it to our knowledge of engineering," says John Hirano, Chameleon Skin team leader. "It forced us to look beyond the intrigue of the technology and begin to understand how to turn it into a profitable product for market."

Bioengineering student Aaron King took second place and received $500 for The Powerplant, his electric eel-inspired energy converter. MBA student Brendan Mulligan took third place and received $250 for his human nervous system-inspired information processing idea.

The 2012 BIC was focused on Biomimicry, a design discipline that seeks sustainable solutions by mimicking nature's time-tested patterns and strategies. PACE challenged students and faculty to submit fresh ideas that emulate nature to solve human problems. Teams from across the campus embraced the competition and submitted 2-minute videos, via YouTube, describing how their innovation emulates nature and its market opportunity. The video submissions were viewed and ranked by a preliminary round of judges. The finalists were announced and paired with a mentor to prepare them for the last phase, where they presented their ideas and its commercial potential to a final judging panel on November 1, 2012.

The Challenge is organized by PACE, in partnership with the UH College of Engineering, the College of Natural Sciences and the William S. Richardson School of Law. For more information, visit www.shidler.hawaii.edu/bic.

A cross-discipline group of students focus on entrepreneurship

Six students were awarded with Certificates of Completion of the PACE Entrepreneurs program on April 30 at the Waialae Country Club. The interdisciplinary group is hand-selected in the fall semester and spends a year together, receiving customized mentorship, a wealth of networking opportunities, and priority assistance in fulfilling their individual new venture aspirations. PACE executive director Susan Yamada serves as the group’s advisor and sets the agenda for eight mandatory monthly meetings where participants share each other’s goals and progress, and meet special guest entrepreneurs for guidance. Inspirational guests included Big Island Candies president, Allan Ikawa; Savings Point founder, Dustin Shindo; and former DFS International executive Sharon Weiner.

PACE Entrepreneur (PE) and MBA candidate Andy Landgraf said, “The program helped me to fine-tune my idea and actually launch it within a year. Getting feedback and discussing business issues with my fellow

PEs motivated me to get my business to where it is today.”

This is the second cohort of entrepreneurial-minded students to graduate from this program. Each student received a $1,000 award to assist them with the further development and growth of their business.

"Getting feedback and discussing business issues with my fellow

PEs motivated me to get my business to where it is today.”

-Andy Landgraf
PACE brings Startup Weekend to campus

Last fall, PACE partnered with the global, non-profit organization Startup Weekend to bring their intense three-day event to campus to connect entrepreneurs, students, researchers, developers, designers and startup enthusiasts with mentors and resources.

Startup Weekend University of Hawaii (SWUH) provided unique advantages not offered by other Startup Weekend programs in Honolulu by encouraging all ideas including research-based innovation, and by incorporating more education throughout the weekend by providing books and Business Model Canvases.

Joey Aquino, UH alumni and current managing director of Startup Weekend University, returned to the islands to facilitate the event. “Startup Weekend is the best place for first time entrepreneurs to learn about entrepreneurship and build a sense of community,” he said.

After cases of energy drinks, gallons of coffee, hundreds of customer feedback, and hours of intense business modeling, the winners of the first SWUH were announced in three categories: Most Likely to Succeed, Best Presentation and Judges’ Choice.

The teams were selected based on their business model concept, marketplace due diligence, execution/implementation, pitch and team. They received co-working space and a cloud plan of virtual office services, a chance to pitch to the directors of an accelerator and a hybrid incubator, mentorship from two PACE board members, and a lot of high-fives.

MOST LIKELY TO SUCCEED: My Perfect Day
A website that offers virtual wedding planning
Team: Lauren Ellis, Michael Foley, Aaron MacDonald, Kirstin Seal and Richard Tran

BEST PRESENTATION: Timple
A website that allows travel agents to bid on travelers’ itineraries
Team: Topher Brough, Kenneth Huang, Kai Rilliet and Morgan Roman

JUDGES’ CHOICE: Education Energy
A web site that harnesses the resource of students’ school projects and brings organizations and students together
Team: Jonathan Fritzler, John Kwong, Kyle Loo, Jon Shear and Michael Sullivan

“We were pleased to see so many students and members of the community come to the event with innovative ideas. The weekend really put the teams to the test and it was fascinating to watch the evolution of the idea from Friday night to Sunday night,” said Susan Yamada, PACE executive director.

Fifty participants and 30 coaches devoted their time and energy to the event, which ran from November 16 to 18, 2012 at the UH Manoa Campus Center and the Shidler College of Business. All-Pro Hawaii, the College of Engineering, College of Natural Sciences, Debra Beresini, Goodsell Anderson Quinn & Stifel, Kinetiq Labs, Resource Suites, Shan Steinmark, The Upside Fund and XLR8HI are sponsors. To learn more about the event, visit uofhawaii.startupweekend.org.

[Stepping Up The PACE]

ENTREPRENEURS ROUNDTABLE LUNCHEON
PACE kicked off this spring semester with an Entrepreneurs Roundtable Luncheon. Faculty with particular interest in entrepreneurship were invited to lunch at Campus Center on January 17 to discuss entrepreneurial activity within their departments and how PACE can partner with them to support their efforts.

UH INVITED TO THROW-DOWN AT A HIGH-STAKES COMPETITION IN CALIFORNIA

The Shidler College of Business sent a team called SmarTummy to represent the University of Hawaii in Chapman University’s California Dreamin’ Investor and Fast Pitch Competition in Orange, California on April 26 and 27. This by-invitation-only event drew 25 top universities from around the country for the chance to win $230,000 in prizes.

The five-man SmarTummy team pitched their business idea for a company that markets the first-of-its-kind abdominal simulators that are designed to train students in abdominal palpation exams. The team knocked out 11 other schools, successfully qualifying for the semi-final round, despite the fact that the business is very early-stage. Competition judges imparted that they were impressed by the team’s composition and commitment.

SmarTummy team member David Yarber said, “It was an honor to represent UH. The chance to pitch in front of well-known angels and VCs built my confidence for the future, and made me believe that I’m closer to success than I thought.”

HOKU SCIENTIFIC MICROLOAN FUND

This spring, a Hoku Scientific Microloan was awarded to entrepreneurship student Lauren Ellis for her business Aloha Bridal Connections, LLC. Lauren is building an affordable online wedding planning tool and service for brides who want to hold their ceremony in Hawai‘i. She was a winner at Startup Weekend University of Hawaii and placed third in the UH Business Plan Competition.
Students from Farrington and Moanalua High School took first prize in the tenth annual High School Business Plan and Marketing Plan Performance-Based Assessments (PBA), respectively.

The winning entrepreneurship team developed a plan for Royce’s Place, a food truck that specializes in potato-based snacks including fries, chips and wedges. The winning marketing team, Out of Bounds Marketers, developed a plan for Bay View Golf Course in Kaneohe, Hawaii. The plan focused on increasing revenue from local residents by targeting beginner golfers as well as senior and women golfers.

The rigorous assessments provide students with real-world experiences, and prepare them for college and careers. David Chattergy, teacher for the winning Farrington High School team, said, “All of my students that participated in the PBA competition broke through the glass ceiling of normal high school work. Each of them worked hard without the promise that there would be just rewards at the end of the rainbow, and in the end walked away from the competition better prepared for what awaits them in life after high school.”

Since 2003, PACE has partnered with the Department of Education to organize this culminating event that assesses the education standards of public school students in the Career and Technical Education business pathway. The program relies heavily on support from the business community. More than 40 volunteers helped to make this year’s event a success.

In addition to winning cash prizes and awards, students may be eligible for free community college credits. Cash prizes were generously donated by McDonald’s Restaurants of Hawaii, Hawaii Venture Capital Association, and Sopogy. The assessments were held on April 24 and 25 at the Sheraton Waikiki Hotel.

WINNING TEAMS

Marketing Plan
1st place ($800): Out of Bounds Marketers from Moanalua High School
2nd place ($600): Kulia i ka Nu‘u Marketing from Hilo High School
3rd place ($300): Team 20/20 from Waiakea High School

Business Plan
1st place ($800): Royce’s Place from Farrington High School
PACE is grateful to the many judges, mentors, instructors and volunteers who participated in the 2013 UH Business Plan Competition and the High School Business Plan and Marketing Plan Performance-Based Assessments.

Students entrenched in learning and networking

Over 100 students surrendered their Saturdays on February 16 and March 16 to put their business idea into action at two day-long Entrepreneurs' Bootcamps on the UH Manoa campus.

The morning hours were dedicated to providing knowledge. Eight volunteer experts instructed sessions on topics including, opportunity, value proposition, cash flow, business planning, equity and capital structure, intellectual property and pitch development.

“I learn best by talking to real entrepreneurs—learning hands-on, making mistakes, then adjusting.” -Steven Inouye

After lunch, participants were introduced to more than 20 volunteer business professionals with varying areas of industry expertise. Students were given the chance to pitch their ideas and then use the remainder of the day to network and utilize the experts to seek advice and help them to determine the feasibility of a business idea.

Attendee and business student Steven Inouye said, “I learn best by talking to real entrepreneurs—learning hands-on, making mistakes, then adjusting. At the Bootcamps, the coaches provided current and relevant advice on how to make my business better. Instead of burying my head in books, I chose to get out there for the real experience.”

The Bootcamps are open to all University of Hawai‘i students and faculty, who wish to pursue a business idea. Through a generous donation from American Savings Bank, the Bootcamps were provided free-of-charge to participants.

Pace volunteer feature: Pia Aarma

Pia Aarma, founder and president of Pineapple Tweed Public Relations and Marketing, is a tireless volunteer for PACE. The media and marketing guru brings her creative energy to PACE as she guides aspiring entrepreneurs as a Professional-in-Residence.

Pia says she is motivated by the excitement of new entrepreneurial ideas. “There are so many fresh ideas and the enthusiasm is just wonderful. It’s also incredibly gratifying to be able to be a small part of their efforts,” she said.

As a successful entrepreneur herself, Pia believes that having no fear is the key for thriving in the entrepreneurial world. She encourages entrepreneurs to, “Stay focused, don’t give up, and don’t worry about set-backs or fear of failure.”

“Learn everything you can about the market for your product and/or service,” she adds.
Hawai‘i Student Entrepreneurs, a club dedicated to helping student entrepreneurs start and grow their businesses, launched in fall 2012. Our members are either working on a business idea or growing their existing business. Eleven student companies have been a part of our club so far, two of which started last November.

This has been an exciting first year with a jam-packed schedule of activities and events. We held think tanks and workdays for our members to brainstorm and work on their businesses. We hosted great networking events such as our Manoa Mixer, Presidents’ Meet up, and PACE Mixer. We held other events including entrepreneurial challenges, workshops, guest speakers and a company tour of Oceanit’s Innovation Center.

We enjoy being active in the startup community and participated in Wetware Wednesdays, Entrepreneurs Foundation events, and Founders Institute events. We are also a proud sponsor of Startup Weekend Honolulu, a 54-hour competition to start a business. We are proud of the progress our members have made and couldn’t have done it without PACE and the entrepreneurship community. We are excited for the upcoming school year and the future of student entrepreneurship here at UH.

The Family Business Center of Hawaii continues to flourish with an active program of events and membership meetings on Oahu and Maui. The center has provided opportunities for family business owners to address many of the challenges they face by providing educational seminars and high-quality activities. Recent meeting topics have included:

- Courage in Family Business
- How one local family links to G-4, a story on succession
- Succession planning ideas and strategies
- Families who invest together, stay together
- Leaving on top: Graceful exits for leaders
- Increasing shareholder value for easier succession

The FBCH is a dynamic group of local family businesses in a unique partnership with the UH Shidler College of Business. For more information and a calendar of upcoming events, visit our www.fbcfhawaii.org.

PACE Mixer

The PACE Mixer brought together professionals, entrepreneurial-minded students, and alumni for an evening of networking.

A student planning committee with representatives from the Hawaii Student Entrepreneurs club and the UH Entrepreneurs Club crafted the program into a speed-dating format. Groups of two to three students rotated around tables to meet and mingle with professionals.

“The PACE Mixer motivated me to pursue my business idea,” said Jamie Jo Uy, an entrepreneurship and finance student. “I was able to meet many professionals. They gave me valuable feedback and were very encouraging.”

More than 70 people attended the event, held on February 20 at Vice in Ward Center.

Family Business Center of Hawaii continues to flourish