

Wharton SBDC's Venture Initiation Program

By Peter Sakkis (WG'05) and Allison Fried

Do you have a great idea for a business, but do not know how to get started? The Wharton Venture Initiation Program (VIP) is how you can put that plan into action, beginning with attending an Information Session on Wednesday, November 3rd at noon in JMHH 350.

The next VIP Session will start on January 10th and applications are due November 12th. While the VIP application requires a business plan or proposal as part of the admissions process, the Program does not focus on sitting behind a desk perfecting a business plan. Instead, the Program emphasizes execution. VIP entrepreneurs Kofi Kankam & Kevin Cadette (WG '04), working to build a software solution to help venues with long lines generate revenue from their waiting patrons, sum up the Program's goals: "In short, we were told that we needed to slip out of the office and stop reflexively bouncing and confirming ideas off each other and focus more on the actual customer. While this step of collecting primary data is obvious in hindsight, without VIP, we likely would have glossed over it."

VIP is managed by the Wharton Small Business Development Center, a division of the Sol C. Snider Entrepreneurial Research Center of Wharton Entrepreneurial Programs. Among VIP's objectives is helping students create self-sustaining operating businesses. The Program's mission is also educational and reflects the principles of discovery-driven planning, through which entrepreneurs test their assumptions and execute against milestones. Steps include: Identifying major underlying assumptions; setting quantifiable objectives by which to test assumptions; assessing and interpreting results against pre-set metrics of success; and adjusting the business vision to these results. This philosophy has served Kankam & Cadette well. "The challenging of our business assumptions that we innately believed to be true is a key asset of the Program. Prior to VIP, we were likely to proceed forward without challenging some of these assumptions as they rightly should have been." Likewise, with VIP's approach, Infracan entrepreneurs Samonnoi Banerjee (WG '05) and partner, Baruch Ben-Dor, winners of the 2004 Wharton Business Plan Competition, have furthered their venture, a small, mobile medical device that uses near infrared technologies to detect brain hematomas. "Practical advice from VIP has helped us emerge from what was initially a business plan to what is now an actual company with seed funding from a VC firm and investments from the U.S. Navy."

VIP entrepreneur Paul Baker (WG '06), whose company CollegeDeck operates websites facilitating the trade of used textbooks, credits VIP's iterative process for the development of a revenue model that takes the company in a new direction. "After working with VIP, I began to see my progress in CollegeDeck as more of a test of assumptions rather than a launch phase. I think this realization is important because I have a lot more flexibility than I originally thought I had with the model." Working in VIP since January 2004 with partner Andy Zarate, an EAS student, Baker reflects on the skills he has developed over the past year. "VIP has been instrumental in helping Andy and me turn our theoretical vision into practical goals and strategies. While we are able to see the big picture and the direction we wanted to go, VIP has helped us map the strategies, tests, and assumptions that we will need to take our business to that next level. Working backwards through discovery-driven planning relates directly to the assumptions and tests that my VIP advisor was so helpful in getting me to articulate and decipher."

One of the key benefits of VIP is the advisory services it provides. VIP Advisors have VC and entrepreneurial experience in various industries. Infracan entrepreneurs Banerjee and Ben-Dor turned to their VIP advisor for feedback on their planned presentation prior to a global business plan competition in Singapore, which included teams representing the world's top 20 business schools from the USA, Europe, Asia, and Australia. With a bit of fine-tuning based on their advisor's recommendations and significant investments of time and energy, Infracan placed second overall and won in the categories of best written business plan, best drafted and performed presentation, and the most investable business plan. Banerjee gives credit to VIP's guidance for Infracan's success in the competition. "Advisors from VIP went out of their way to schedule multiple feedback sessions with us prior to the Global Startup @ Singapore competition. Without their critique, we would not have received the second spot in a competition that had the best teams in the world."

Beyond the twice-monthly advisory meetings, VIP entrepreneurs have exclusive meetings with successful entrepreneurs who participate on a quarterly basis by providing candid insights into their experiences, including Internet-over-TV pioneer Ami Miron, Delaware Valley Financial Services founding CEO Lois Haber, and AnswerNet

Network CEO Gary Pudles. VIP entrepreneurs absorb mentors' functional and subject matter expertise and adapt that to their own businesses. Paul Baker says that one mentor's presentation "got me thinking that not only can a business take different directions, but people can as well. The true entrepreneurial spirit is not developing an idea, which is important obviously, but recognizing new opportunities and exploiting them."

VIP also breaks down the many administrative barriers for entrepreneurs. VIP entrepreneurs receive a business address, office space with Internet connection, conference room space, and a dedicated phone line. Additionally, past VIP entrepreneurs have had the opportunity to attend Early Stage East and participate in the Angel Venture Fair. Equally important is the credibility gained from participating in the highly-selective program. Ben-Dor states, "[It] opens doors with all the VC firms that we approach. It's a completely different story now."

To participate in VIP, entrepreneurs must be Penn students enrolled in a degree program at the time of application. The VIP Oversight Committee is seeking entrepreneurs distinguished by their creativity, their flexibility, and their high level of individual accountability. VIP entrepreneurs have the opportunity to obtain up to \$20,000 in Snider Seed Award funds to assist in the execution of the initial stages of their business plans. The award will be distributed based upon entrepreneurs' execution of their businesses against the milestone objectives used in turn to test their underlying assumptions.

For a VIP application, see <http://whartonsbdc.wharton.upenn.edu/vip.htm>. The upcoming VIP Information Session is scheduled for Wednesday, November 3rd from 12:00 pm to 1:00 pm in JMHH 350. Applications for both VIP and the Snider Seed Award are due November 12th 2004.
