

# HOW UNIVERSITIES CAN PREPARE STUDENTS TO ENTER AN ENTREPRENEURIAL JOB MARKET THROUGH CROWDFUNDING

A special report for educators of entrepreneurship and business



**LAUNCHLEADER**

## Executive Summary

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**LaunchLeader** is a unique “micro-crowdfunding” platform designed to launch the next generation of entrepreneurs and thought leaders. The need for innovative entrepreneurial education and training is urgent due to the realities of the 21<sup>st</sup> century employment market. Today’s college graduates are entering an extremely challenging workforce and economy. And if your university doesn’t prepare them to thrive in this environment, your reputation may suffer as a result.

Not long ago, most people could compare their career trajectory to a ladder; upward and linear. Job seekers of all ages are now encouraged to imagine their career as a jungle gym; expecting to move in all directions. People in all industries are encouraged to think of themselves as an entrepreneur, and think of their careers as a startup. This is especially crucial for young people, who are competing with more experienced competitors.

Entrepreneurship students who want to make a mark in the midst of all of this personal brand building are going to have to work even harder to stand out from the crowd. How do you prepare entrepreneurship students to have what it takes to start successful companies?

This special report explains how universities can fill that that gap using LaunchLeader. This online crowdfunding platform offers several essential features for starting a company and fostering an entrepreneurial mentality, including raising capital, getting feedback and building a team. LaunchLeader is a tool created by two successful startup founders, Nicholas Seet and Ashok Kamal. Nik is the founder of online advertising platform Auditude, which was acquired by Adobe in 2011. Ashok is the founder of Benu, which is a leading sustainability software developer. Both Nik and Ashok hold MBA’s and met through the renowned Rice University Business Plan Competition, where their respective companies were finalists.

With the help of LaunchLeader, universities can give young entrepreneurship students the resources they need to both create startup ventures before they graduate and prepare for the entrepreneurial job market after graduation.

## How can students overcome staggering unemployment rates? Through entrepreneurship and crowdfunding.

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Students who graduate these days are entering an exceptionally difficult job market.

The Bureau of Labor Statistics estimated that one in five young people are unemployed. That's three times the national unemployment rate. Millennials entering the workforce in 2015 can expect to change jobs every 3 years.

The high unemployment rate among young people is caused by many factors: a weak economy, jobs being outsourced, senior staff members working longer rather than retiring, and a job market that is becoming more focused on outsourcing and freelancing.

The world of traditional work has changed dramatically. Metaphors like "career paths" or "career ladder" no longer make sense. Success can be more appropriately compared to a jungle gym, a roller coaster or a labyrinth.

"In the old days "career paths" came from outside. Companies hired you and then defined what you had to do to get to the next level. Those days are gone," wrote Jody Greenstone Miller in *Fortune*, "You have to understand that in the 21<sup>st</sup> century the arc of your professional life is on you, you have the opportunity to design your career and life around the values and objectives that matter most."

When the youngest segment of workers have a harder time getting jobs, the skill gap gets wider over time. Fortunately, the cycle can be broken when more young people develop an entrepreneurial mentality, and gain specific skills to start companies of their own. If many older workers have had to start businesses because they've been laid off, it makes sense that new graduates should proactively include starting a business as part of their career plan. Universities are in a unique position to make a significant impact in this area by bolstering the entrepreneurial efforts of its student body. Who knows? Your institution may produce the next Mark Zuckerberg!

In today's job market, being an entrepreneur may be the safest and smartest path, and crowdfunding is an essential resource for the entrepreneurial leaders of tomorrow to sharpen their skills and launch their ventures.

## The good news? There has never been a better time to start a business and interest in entrepreneurship is at an all-time high!

People of all ages have responded by making their own jobs and starting companies. For young people, there has never been a better time to start a business. There are 165 million young entrepreneurs around the world, and 400,000 U.S. College students taking entrepreneurship classes, which is a twenty-fold increase since 1985.

Students who engage in entrepreneurial pursuits during college will not only be more equipped to start a business where they employ others, but also they will be more employable and able to adjust to unexpected changes.

## How can universities best prepare students for today's market? Help them gain entrepreneurial experience ASAP!

*"There isn't anything like hands-on experience when it comes to running a business," wrote **Richard Branson**, founder of Virgin Group, in Entrepreneur Magazine. "When starting out, the learning curve is steep, since you have to master a variety of fields all at once – from supply-chain management to marketing, to accounting, to customer service. I don't think any course of study can truly prepare an entrepreneur to successfully handle all of these important aspects of an enterprise."*

## Universities across the U.S. have started using crowdfunding platforms to support student entrepreneurship

### Engaging alumni donors

The University of Vermont has its own crowdfunding platform, UVM Start, which helps student entrepreneurs get their companies off the ground by raising money through tax-deductible alumni donations.

### Attracting student interest in entrepreneurial projects

During their fourth annual Technology & Idea Expo, Southern Illinois University used a crowdvoting platform to generate interest and participation in their Saluki Idea Competition. Designed to encourage students to engage in entrepreneurship and environmental innovation, this idea enabled them to drive student participation using a limited budget. A total of 1,736 people voted and the winning proposal generated 188 votes.

### Generating community Support

MIT & University of Colorado both launched branded crowdfunding portals in 2014 where the university and surrounding community donates to support student clubs and organizations, educational initiatives, environmental projects & arts and culture projects. Anyone can donate.

### LaunchLeader provides all these benefits & more!

LaunchLeader allows universities to avoid the cost of building their own crowdfunding platform by implementing a custom-branded version which is easy to set up and administer.

LaunchLeader can be used to collect tax-deductible donations from the community as well as alumni and generate student support and interest.

LaunchLeader offers free training for students via SIVI (Scalable Innovation Virtual Incubator) to prepare them for the entrepreneurial journey.

LaunchLeader provides guidelines to help students understand how much funding they actually need to raise in order to build and test their MVP (minimum viable product).

LaunchLeader provides transparency and flexibility, allowing donors to choose which piece of your MVP they fund and view proof once work is completed to show proper use of funds.

LaunchLeader breaks fundraising campaigns into bite-sized "snackable" chunks, instead of being "all or nothing" like Kickstarter. You get to keep the money for the parts of your MVP which do get funded, avoiding wasted effort.

LaunchLeader can be used to find mentors, form teams and meet collaborators.

## What's the catch? Young entrepreneurs must overcome overwhelming odds, often with no road map for success.

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*“Being a young entrepreneur is like being a Spartan soldier in the legendary army [in the movie] 300. You’re taking on established, well-resourced incumbents and need to be well-armed and extremely resilient to not just survive, but win.”*

- Leslie Bradshaw in *A Survival Guide for the Millennial Entrepreneur*

### **Launch Leader helps guide entrepreneurs on their journey to raise funding to build their Minimum Viable Product (MVP)**

Angel financing, venture capital and even regular bank loans are harder to get in this economy. Investors don’t want to give money to entrepreneurs until their business concept is already proven.

That means there’s a lot of work that needs to be done before most startups are ready to even approach an angel investor, venture capitalist or incubator programs. Universities are already providing the academic foundation necessary for running a business, but aspiring entrepreneurs need to start laying the foundation early on through first-hand experiential learning.

The first thing you do when you start a company is to figure out if you are actually onto something viable. The initial investigation of your business idea is known as building your Minimum Viable Product (MVP) or proof of concept.

### **This process is commonly known as the Lean Startup methodology and was originated by Eric Reis in his book titled, appropriately, “*The Lean Startup.*”**

In order to save time and avoid unnecessary expense when testing your idea, LaunchLeader helps every aspiring entrepreneur:

- Create a website landing page where you succinctly present your idea to the world and gather support in the form of email addresses
- Send traffic to your landing page with social media, email and search engine ads
- Evaluate what the results are telling you

- Consistently communicate with your supporters

LaunchLeader is designed to train entrepreneurs in how to test their MVP's, get initial seed funding and gather their tight-knit group of early supporters.

## **Succeeding where others fail by learning from their mistakes**

Many startups fail because they fail to get support early on.

Crowdfunding, which entails raising money online from a group of individual supporters, democratizes entrepreneurship by making it possible to raise funds from friends and family. Although crowdfunding is now a \$5 billion and growing capital market, crowdfunding campaigns fail at a dismal rate of up 90%.

### **Why do 90% of crowdfunding campaigns fail?**

One of the reasons that crowdfunding campaigns fail is that it's unclear what the money is going to be used for. The startup founder may not even know what to do with the money. People don't want to back a project if they don't know how the money will be used.

Another reason that crowdfunding campaigns fail is that the amount that the entrepreneur is asking for is too high. There are a few amazing success stories where a campaign raises a million dollars or more, but often the campaigns that succeed raise one or two thousand dollars. It may seem obvious, but it's much easier to meet funding goals with a lower dollar amount.

A third reason that campaigns fail is that the founder doesn't have the skills to make the project work, and doesn't have a team who can make the idea work, so credibility and trust are lacking.

Finally, whether or not entrepreneurs secure initial funding, their companies often fail because they don't have access to mentors who can help them accelerate their learning curve and avoid costly mistakes.

LaunchLeader is a unique crowdfunding platform that helps aspiring entrepreneurs overcome all of these challenges. Read on to find out how.

### **Start with an entrepreneur-centered approach**

Aspiring entrepreneurs improve over time and often try many ideas before finding the right one to develop into a business. It's an imperfect, iterative learning process with very little guidance along the way. Enter LaunchLeader.

LaunchLeader provides essential guidance and resources for the journey that each entrepreneur goes through to start his or her own company. While most crowdfunding platforms are centered on individual projects, with little background on the creator of the project, LaunchLeader focuses on individual entrepreneurs and their stories.

Once a person has created a LaunchLeader account, each entrepreneur has a detailed background profile, and over time you can see the history of projects that they raised money for, and evidence that they spent the money as they described. This builds the invaluable trust that allows entrepreneurs to run successful fundraising campaigns.

In a university setting, student entrepreneurs can be graded on the projects and get feedback from professors and other supporters. Resilience and accountability are qualities that make an entrepreneur a good person to invest in, but it takes time to demonstrate that quality. Since LaunchLeader is centered on individuals, the history of their effort will be evident through the information amassed in their profile.

## **Validate the idea**

*“If you have a group of interested people but nothing to sell, you don’t have a business. If you have something to sell but no one is willing to buy it, you don’t have a business. In both cases, without a clear and easy way for customers to pay for what you offer, you don’t have a business. Put these together, and congratulations – you’re now an entrepreneur!” - Chris Guillebeau in *The \$100 Startup**

Starting a business doesn’t have to be excessively complicated, but you do need to validate your idea and ask whether you do, in fact, have a potential business.

Crowdfunding is a great way to test whether other people are interested in your idea.

LaunchLeader makes it possible to test whether there is a market for your idea by allowing people to give their vote of confidence with their dollars or with their social support through feedback. If efforts to build a community or raise money fail, entrepreneurs can move on to the next idea or pivot before investing unnecessary resources.

## **Raise money for each step**

Most crowdfunding campaigns try to walk the line between asking for too much money and not reaching their funding goal, and asking for too little money and not bringing in enough to complete the project.

LaunchLeader is unique, because it is set up so entrepreneurs make a series of small asks (similar to a wedding registry wish list) that cover incremental startup costs such as getting a logo, creating an explainer video or getting a prototype made.

This “micro-crowdfunding” model increases the chances of successfully raising the money, which is gratifying for both the entrepreneur and the backers. Once the money is raised, the entrepreneur invests the money into the designated deliverable and shares the results on their LaunchLeader profile page.

Backers and other supporters can see every step of the business unfold. There will be a record of progress that aspiring entrepreneurs can use to sell themselves throughout their career.

## **Accept tax deductible donations for to fund your campaign**

Crowdfunding donations on LaunchLeader can even be tax deductible by linking the platform to a university bank account.

## **Build a team and find mentors**

Centering on individual entrepreneurs rather than just ideas makes it possible for people to network in meaningful ways on LaunchLeader. Often these connections are what make a startup work and lay the foundation for career development.

People may want to join your team to gain work experience. Doing this could give them a chance to have a role with more responsibility than they could have if they entered the traditional workforce.

Young entrepreneurs also reap great benefits from mentoring relationships from people who are older and more experienced, and universities are in a unique position to facilitate those connections. Alumni love finding opportunities to give back, especially by sharing their expertise with people in younger generations. Using LaunchLeader, universities can better engage alumni in meaningful ways.

## **Build a network for the future, whatever it may bring**

Building a team for a startup may be the best move that students make, no matter where their career takes them. These connections will be valuable throughout their career.

LaunchLeader has an algorithm that connects people with similar interests, complementary skills and matches mentors with mentees.

## **Keep costs low**

The smaller funding ask amounts on LaunchLeader reflect the fact that it does not cost a lot of money to get a business started these days. Experts suggest that [most startups can be validated for under \\$2,000](#). Instead of asking for a large and questionable figure that may or may not correspond to reality, LaunchLeader prescribes a range of dollar amounts that are valid for the creation of the tools necessary to test the viability of a business.

## **Foster trust by providing proof of how the funds are used**

LaunchLeader is the only crowdfunding platform that directs users to provide documented evidence of how they spent the money. This creates a sense of accountability and trust, and makes it possible for donors and supporters to share in the growth and development of the company and individual entrepreneurs.

## **Universities can give students every opportunity possible to succeed in their career journey**

Schools across the country are creating their own crowdfunding platforms to raise money for student projects. None of the other platforms do all the things that LaunchLeader can do for student entrepreneurs: raise money for specific tools as an idea progresses, connect with team members and mentors, and provide the accountability and proof necessary to maintain trust.

Every person, especially young people entering the workforce, needs to approach their career like an entrepreneur, and themselves like a product. This means that they can't count on their employer to lead them along a secure employment path, but rather must learn how to sell themselves, study the market and connect with people who can help.

Entrepreneurship students need to leave school with tangible evidence that they will succeed upon graduation. They need to create proof that they can do things like access financing resources, market themselves online, build a team and create opportunities for themselves and others. Universities that deliver on these benefits will be uniquely positioned to meet the demand for higher education in the 21<sup>st</sup> century's entrepreneurial economy.

## CASE STUDY:

### Gary Xie's entrepreneurial spirit helped him launch Daisy Chain USB

While doing the course work for Nicholas Seet's University of New Mexico class, Financing the Entrepreneurial Enterprise, Gary Xie came up an idea of making a self-replicated USB port that connects several devices on a single USB outlet.

He devised the idea while travelling with his family on spring break. Everyone had at least one device that needed to be connected or charged and there weren't enough outlets in the hotel room.

He realized this patentable idea had commercial potential when he and his classmate, Jason Cox, won first place at the UNM-Los Alamos Pitch Day. He quickly filed the Outside Activity Permission Request with Los Alamos National Labs and filed patent application with USPTO.

Since then, he has won multiple awards at regional business plan competitions, including finalist in Santa Fe BizMix 2014, grand prize at Santa Fe Startup Weekend 2014, and more recently, the second place in Power Up Your Idea Competition 2014.

With his Utility and Design Patent Pending in hand, Gary launched a crowdfunding campaign that was funded with almost \$3,000. The campaign raised money to get to the next step of creating a prototype and starting his business.

The flowchart consists of six panels arranged in a 2x3 grid, connected by arrows. The top row shows a sequence of problems: 1. A phone with a low battery icon and the text 'Your phone is out of battery. But it's OK; You have a USB charging cable, right?'. A 'Yes' arrow points to 2. A photo of a Delta airport sign with a USB symbol and the text 'But wait; You need find an available USB port !'. A 'Yes' arrow points to 3. A photo of people at a Samsung booth with the text 'Oh no All ports have been occupied again! 😞'. A 'No' arrow points from the top row to the bottom row. The bottom row shows: 4. A photo of two USB cables with the text 'Oh no Forgot to bring your charging cable again! 😞'. A 'Yes' arrow points to 5. A photo of an Apple Air and MS Surface with the text 'Your Apple Air and MS Surface have 1-2 USB ports, and you need connect 3 USB devices.'. A 'Yes' arrow points to 6. A photo of a USB hub with the text 'Oh no Forgot to bring your USB Hub again! 😞'. Below the grid is a box for the 'Daisy Chain USB Cable' with a logo and the text 'The first self-replicated all-in-one smart USB cable for your mobile life!'.

**Introducing Daisy Chain USB Cable!**  
The first self-replicated all-in-one smart USB cable for your mobile life!

AN EXCLUSIVE COMMUNITY

BY ENTREPRENEURS FOR ENTREPRENEURS

LaunchLeader offers a structured, simple and engaging experience for entrepreneurs and their friends and family to share in the pursuit of startup dreams.

Get started at [www.launchleader.com](http://www.launchleader.com)

## About The Company

**LaunchLeader** is a product created by [SIVI](#), a virtual incubator for aspiring entrepreneurs. SIVI provides entrepreneurs with educational and training resources. The company's mission is to democratize entrepreneurship.

SIVI's other products include SIVI Academy, where entrepreneurs can learn the fundamentals of entrepreneurship, track their progress and showcase their achievements, and Vidspresso, which curates energizing and informative stories from successful startup founders.

Nik Seet and Ashok Kamal, the founders of SIVI and **LaunchLeader**, were both novice entrepreneurs enrolled in graduate entrepreneurship classes when they got their "big break" from the Rice University Business Plan Competition (RBPC), which is considered the world's premier student business plan competition.

They joined forces to start SIVI, and in the fall of 2013, SIVI was one of seven companies that graduated from the VentureSpur accelerator. They raised \$365,000 in funding from angel and venture capital investors.

Both Nik and Ashok have built several businesses, raised millions in capital, worked with mentors, conducted research, developed products and learned how to find and delight customers. Their biggest goal is to help aspiring entrepreneurs learn from their experiences of both success and failure, and provide a system to improve the hardest part of entrepreneurship: getting started.

Nik and Ashok want to give other aspiring entrepreneurs the same opportunities that they had and look forward to interacting with them on their Facebook group for entrepreneurs: [www.facebook.com/groups/LaunchLeader](http://www.facebook.com/groups/LaunchLeader)

## More about the SIVI founders

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### **ASHOK KAMAL,**

Co-Founder & Chief Executive Officer

Ashok's career as a social entrepreneur spans the for-profit and nonprofit sectors, including running a youth development organization in New York City and co-founding Bennu, a leading green social media marketing company. He is a mentor with the Network for Teaching Entrepreneurship (NFTE), vegetarian foodie, and fantasy baseball aficionado.



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### **NICHOLAS SEET,**

Co-Founder & Chief Technical Officer

Nicholas has been a serial entrepreneur since his first startup concept was funded and he left his software development position at Deloitte Consulting. Since then he served at different times as Founder, CTO, and CEO of Auditude, which was acquired by Adobe Systems in 2011. He enjoys public speaking, creative writing, and being with his wife, Vivien.