

The

# Care and Feeding of Student Startups

*Philanthropy key to nurturing entrepreneurial mindset at Tech*

**When a budding entrepreneur demonstrates “proof of concept” for a product or service, what happens? More investors jump in.**

A similar cause and effect seems to be playing out with Georgia Tech’s Initiative to Enhance Entrepreneurial Confidence, started back in 2015.

Leveraging years of entrepreneurial expertise at Georgia Tech and branded CREATE-X, this initiative was developed to bring even more students into the culture, with structured classes and support for the three basic elements of the startup process: Learn-Make-Launch. Now these efforts, enhanced through the gifts of earlier donors and starting to yield success, have attracted another generous philanthropist to the cause.

This past spring, an anonymous donor pledged a \$30 million gift designated for student entrepreneurship at Georgia Tech. The endowment comes with but one stipulation — that it be used for “programs, activities, and initiatives designed to advance entrepreneurship in the student body at the Georgia Institute of Technology.” Distributions from the fund will be expended in perpetuity at the direction of the provost or his or her designee.

Not much can be revealed about the donor, except that he is from Asia and is himself an entrepreneur.

His own experience as an entrepreneur drew his attention to Georgia Tech’s efforts to support student startups, but his gift was not made lightly, says Marta Garcia, associate vice president for international development.

“He did a lot of research on our programs like InVenture Prize, TI:GER, and CREATE-X — where technology developed in the lab and classroom is being advanced toward commercialization — and that convinced him Tech was being led strategically and with great forethought in this arena,” she says. “He could see his gift would be game-changing and well stewarded long-term.”

## TREMENDOUS LEAP FORWARD

The program that piqued this donor’s interest the most, Garcia says, is CREATE-X — flourishing in no small part thanks to its first philanthropic fan, Chris Klaus, former Georgia Tech student; founder of one of the first internet security companies, ISS, and social gaming company Kaneva; and namesake of Tech’s Klaus Advanced Computing Building.

Impressed by the trial run in 2015 — a pilot called “Startup Summer” — Klaus stepped up with an expendable \$2 million gift to go toward operations as the program became established. He also set up a separate seed fund that makes a \$20,000 investment available to any team accepted into the Launch component of the program. “I’m thrilled to help the Institute’s efforts in

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— STEVEN W. MCLAUGHLIN, DEAN OF THE COLLEGE OF ENGINEERING, SOUTHERN COMPANY CHAIR, AND CREATE-X CO-FOUNDER

getting students excited about innovation and entrepreneurship,” he said at the time.

Klaus’ gift was estimated to provide three to four years of funding for CREATE-X. As the program started scaling up — going from eight teams in 2015 to 30 teams in 2017 — and it became clear more operating funds would be needed to sustain and grow student participation, the Marcus Foundation pitched in with \$400,000 grants in 2016 and 2017.

This new \$30 million commitment is a “tremendous leap forward to help the Institute achieve its ultimate vision,” says Rafael L. Bras, provost and executive vice president of Academic Affairs and K. Harrison Brown Family Chair. “We are very excited about the opportunities that the funds from this endowment will open up, both near- and long-term — they will bridge much of the gap between where we are and where we hope to go in building entrepreneurial confidence at Georgia Tech.”

## TAPPING INTO A CULTURE

The 10-year vision for CREATE-X is to engage 100 percent of each class in one of their many programs so that every Tech student will get a taste of entrepreneurship before graduating.

“We’re hoping that all students will at least take the first course, the Learn course, Startup Lab,” says Steven W. McLaughlin, newly named dean of the College of Engineering and Southern Company Chair, and co-founder of CREATE-X with Raghupathy “Siva” Sivakumar, Wayne J. Holman Chair and professor in the School of Electrical and Computer Engineering and CREATE-X director, and Ravi Bellamkonda, a former Georgia Tech professor, now dean of engineering at Duke University.

McLaughlin compares this introductory class to the drown-proofing course Georgia Tech required back in the day. “It was a life skill the Institute thought every student should have,” he says. “We talk about Startup Lab as drown-proofing 2.0 — every student needs to know how to create their own job, and if they take



Almost 30 student startups participated in Product Day, July 12, 2017, at the Klaus Advanced Computing Building. This is the first of two public events for the Startup Launch phase of CREATE-X. The second event, Demo Day, takes place in the Fox Theatre’s Egyptian Ballroom, where outside investors are welcome to shop around for promising ventures.

Startup Lab, they will know what it takes to do that.”

From each class of approximately 3,000 students, it’s assumed that fewer will continue on to the Make component — Idea to Prototype — and fewer still to the final component, Startup Launch. Still, based on previous performance, this sequence could yield about 300 startup teams per year, which would engage around 1,200 student entrepreneurs.

“CREATE-X has tapped into a culture where we thought we were pretty good, and we were, but we’re going to be that much better at it — I think it’s going to be defining for generations of students who come to Tech,” McLaughlin says.

“Having 300 student-led startups per year would position Georgia Tech as the No. 1 startup campus in America — no contest,” he adds. “That’s a lot of entrepreneurial confidence for our students.”

## TOUCHING LIVES AND FORTUNES

The resources it will take to own this “signature space,” McLaughlin says, are significant, but not beyond reach — especially now. “We are very grateful to the donor for this incredibly generous commitment. The funds generated from this endowment are going to allow us to greatly expand pieces of CREATE-X, along with other entrepreneurial competitions and programs going on at Tech.”

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McLaughlin recalls when the seed for CREATE-X was planted. “A student came to see me from the InVenture Prize and said, what do I do next? I thought, you’re kidding, you don’t know what to do next? How could that be?”

And how many other students were stuck in first gear with innovative ideas and no clue where to go with them?

When McLaughlin, Sivakumar, and Bellamkonda teamed up to think about the best way to fill this educational void, they realized that if the initiative worked as planned and scaled up as hoped, it would touch the lives and fortunes of every student at Georgia Tech and also go a long way toward helping Atlanta become the top-tier, high-tech hub it aspires to be.

So far, so good. Even students whose startups faded or flopped — as most do — have come back to campus with stories of a job snagged or a more successful venture launched because of the experience they had and the lessons they took from it.

Atlanta’s high-tech sector is also taking notice of Tech’s stepped up commitment to instilling entrepreneurial confidence, McLaughlin says. “We’re talking to the Georgia Research Alliance, the Metro Chamber, TAG (Technology Association of Georgia), all of the other incubators in town — everybody sees CREATE-X students and their startups as a very promising source of talent.”

As for Donor X, Garcia says, he sees this interplay between student entrepreneurs and the larger community as one of the most exciting prospects from his gift. “He has seen how entrepreneurship can generate wealth and prosperity, for not just inventors and owners, but for a whole segment of society.” ■

*To inquire about making a gift to support student entrepreneurship at Georgia Tech, please contact **Philipp Spessard**, associate vice president for Development, at 404.385.1418 or [phil.spessard@dev.gatech.edu](mailto:phil.spessard@dev.gatech.edu).*

### BUT WAIT...THERE’S MORE!

Georgia Tech has more than 25 programs, contests, and spaces designed to enhance and support student entrepreneurship. For a breakdown of these innovative options, visit [gatech.edu/innovation-ecosystem/education](http://gatech.edu/innovation-ecosystem/education).

## MEET A STUDENT STARTUP

**T**his year, 30 teams participated in CREATE-X’s Product Day. One of them was Top Time Coffee Co.

It all started when Nolan, who had been experimenting with roasting his own coffee beans (with decidedly mixed results), heard about CREATE-X’s Idea to Prototype class. Perhaps this “Make” component could help him design and build a roaster. He enlisted the aid of Alan, whose computer skills would be necessary for coding the device. Then they wondered, would other coffee aficionados want a home roaster of their own, with preprogrammed and customizable “roasting profiles” to fit their tastes?

They still don’t know the answer to that. But with Mika and Travis rounding out the team with marketing/design and operations strengths, respectively, they have a three-phase plan to find out — starting with a coffee stand in a local brewery.

Whatever ultimately happens, what will the students take from their startup experience that will always stay with them? Here are their answers:

**NOLAN, ME 2017:** After this, whether it’s a failure or a success, I can add more value to any project or company I work with. The experience I’ve gotten has been invaluable for my growth and development. Seeing a business grow from nothing into something, it’s huge for me, and I have the confidence to take on any challenge now.

**ALAN, CS 2017:** This has been a really cool experience. We get to use the skills we’ve learned, and we’re learning as we go. We also are able to get the big picture, which you wouldn’t get if you just started working for someone else after college. This really brings awareness that there’s a lot more going on than just what your job is.

**MIKA, CS 2017:** I think, more than anything, just confidence that it is possible to start a company like this. A lot of people have so many ideas, and they would rather do their own thing, something they love, and actually have the confidence to see that come through. The freedom of being able to start your own company and seeing how that can happen is really awesome.

**TRAVIS, ME 2017:** I think it’s mostly personal for me. I’ve always made coffee at home, I’ve always been into experimenting, but the fact that we could have an idea, set it up, and put it out there, and that I could be a leading part of that — the hustle, the self-starter thing — it’s really a confidence booster. ■



**Above:** Students Mika Munch, Nolan Hall, Travis Sadler, and Alan Grusy (not shown) built a free-standing, modular coffee cart, complete with wiring and plumbing, to launch Top Time Coffee.

**Left:** A prototype of Top Time Coffee’s customizable microroaster — the “secret sauce” of their startup venture.

# Same Vision, New Direction

## Tennenbaum Endowment broadens reach in support of enterprise innovation at Georgia Tech



**Michael E. Tennenbaum**  
IE 1958, HON Ph.D.  
2016

The man behind the first multidisciplinary center at Tech to draw on the talents of academic, government, and corporate experts is taking a new philanthropic tack.

Since 2004, the Tennenbaum Institute has focused on bringing problem-solving methods from industrial and systems engineering to bear on business practices and organizational cultures, with the aim of enhancing competitiveness and driving economic growth, particularly in health care delivery and global manufacturing.

Over time, the Tennenbaum Institute's research and education mission has made an indelible impact — not only imparting skills and methodologies, but also helping to attract Fortune 500 companies to partner with the Institute, grow innovation neighborhoods such as Tech Square and Technology Enterprise Park, and incubate the Center for 21st Century Universities. In addition, the Tennenbaum Institute was instrumental in advancing Tech's role in cell-based manufacturing and commercializing analytic tools and platforms related to electronic patient records.

Now, founder and namesake Michael E. Tennenbaum, IE 1958, HON Ph.D. 2016, is seeking new avenues for his visionary

philanthropy. Effective July 1, 2018, the work of the Tennenbaum Institute will transition to the Office of the Provost and be supported by the Michael E. Tennenbaum Enterprise Transformation Endowment Fund.

In addition to the \$2.5 million in expendable funds already deployed, the \$5 million endowment combines previous endowment gifts made by Tennenbaum with a new commitment of another \$2.5 million.

Replacing the named institute, income from the enhanced endowment will provide support, in perpetuity, for programs and initiatives that promote enterprise innovation at Georgia Tech. These include strategic research, pilot programs, facilities construction or renovation, seed funding, startup funding, challenge grants, and other purposes.

"We couldn't be more pleased by Michael's ongoing support in these vitally important strategic areas," said Rafael L. Bras, provost and executive vice president for Academic Affairs and K. Harrison Brown Family Chair. "For nearly a decade and a half, the research institute that carried his name helped Georgia Tech make great strides as a hub of innovation. As we continue to advance the research, the methods, and the technology that drive economic development, this enhanced endowment will make possible untold opportunities for students, researchers, and businesses."

Tennenbaum is the founder of Caribbean Capital & Consultancy Corp., a Puerto Rico-based private merchant bank. Before that, he

was senior managing partner of Tennenbaum Capital Partners LLC. He has been named a distinguished alumnus and a Hall of Fame member by both the College of Engineering and the H. Milton Stewart School of Industrial and Systems Engineering, and in 2008 he received the Joseph Mayo Pettit Distinguished Service Award from the Georgia Tech Alumni Association. In 2016, Tennenbaum received Georgia Tech's highest award — the Honorary Ph.D.

Reflecting on a half century of philanthropy for his alma mater in support of academic facilities, undergraduate scholarships, graduate fellowships, and faculty chairs, Tennenbaum says, "The original mission of the Tennenbaum Institute is not now as unique as it was. The new mission will always be on the cutting edge because it will be refreshed constantly by Georgia Tech. Making an impact on worthwhile efforts that endure — that, for me, is what it's all about." ■

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— RAFAEL L. BRAS, PROVOST AND EXECUTIVE VICE PRESIDENT FOR ACADEMIC AFFAIRS AND K. HARRISON BROWN FAMILY CHAIR