

Tucson Citizen

Great ideas waiting to become solutions

Young entrepreneurs tap into 21st-century market

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It was a simple idea, but no one had done it yet.

Girard Kelly and two University of Arizona peers thought to connect multiple Internet communities through one Web site.

After graduating, the trio launched DegreeSoft Inc. and began offering a Web application giving Facebook.com users an option to talk in real time.

"One of the biggest stumbling blocks is meeting people and allowing people to communicate easily," said Kelly, 24. "All of us want to meet like-minded people. We're making it that much easier."

That kind of thinking marks today's young entrepreneurs.

"An individual's ability to launch a revenue business is greater than it was in the past," said Sherry Hoskinson, director of UA's McGuire Center for Entrepreneurship. "There are countless opportunities that didn't exist even 10 years ago."

Whether in marketing, sales, software design, entertainment or multimedia, entrepreneurs are adapting to society and market demands.

UA graduate Eric Wu, who recently was named by BusinessWeek as one of the nation's best 25 entrepreneurs under 25, connects apartment owners with potential renters. With his business, LiveByCampus.com, established in the Phoenix area, Wu, 24, plans to launch his Tucson operations Jan. 1.

Christopher Hogan co-founded a software development company that attracts clients from around the world.

Many ideas that come from young adults such as Wu and Hogan make it easier to network, access information and find products, said Hoskinson, 45.

Making connections is part of what this generation is about.

But most won't have blockbuster ideas and stellar market strategies to become rich.

Many will introduce the small businesses that boost local communities and economies, but have a high risk of failure in the first four years.

Yet young adults have an advantage because "they can conceive of ways to do business and create products in ways some of us older folks cannot," Hoskinson said.

In the minds of 20-somethings, also known as millennials, "you can almost, without exception, get something created," she said, "and that's not how other generations have thought."

'You're not the boss of me'

Here comes the contradiction.

Reports such as "Are They Really Ready to Work?" co-authored by The Conference Board, say young, entry-level employees often lack "critical skills."

Most employers surveyed in the report - released in October - said young employees excel in diversity, teamwork and technology but are ill prepared in communication, critical thinking and professionalism.

But several young entrepreneurs say the problem is that entry-level work tends to restrict the freedom to be creative. Motivation tends to hinge on the phrase, "You're not the boss of me."

Martin Ruef, a Princeton University sociology professor, has studied what motivates young entrepreneurs.

Many opt for "personal development, autonomy, material well-being, creativity, social status and social ties" - in that order, he said.

"Some folks are surprised to learn that material well-being does not rank higher," said Ruef, who analyzed the national Panel Study of Entrepreneurial Dynamics.

His co-authored book, "The Sociology of Entrepreneurship," will come out this spring.

Daniel Shlossman said it is all about being creative.

"People want to do much more," said the UA marketing and entrepreneurship senior, who is helping two others students create a sports instruction facility that will use video motion analysis.

"People want to be inspired and they want to contribute to something," said Shlossman, 21.

It can be harder this way, but it's worth it, said Seth Lesky, 26, DegreeSoft co-founder. An improved version of the company's first application, which will incorporate other sites, is coming soon.

"We work too many hours, but we love what we do," Lesky said. "How else do you get to graduate right out of college and design cool software?"

It does happen, especially with engineers and computer scientists taking jobs with giants like Google, Apple and Microsoft - all created by people in their 20s.

The rare upshot is that a young innovator will end up with a billion-dollar idea like YouTube.

Then come those such as Suzanne Dhruv, co-creator and director of the Ironwood Tree Experience, which is operated out of Prescott College's Tucson Center.

The nonprofit organization educates youths on conservation and ecology issues. Like Shlossman and Lesky, Dhruv said her work is improving the world.

Dhruv has been interested in this work since earning her UA ecology and evolutionary biology degree in her 20s.

"We strongly feel we're providing a sense of peace or a sense of awareness about who (people) are as individuals," said Dhruv, 35.

Most jobs at small firms

Entrepreneurship programs are growing in popularity.

UA's Eller College of Management and 1st National Bank of Arizona recently created

the Arizona Youth Entrepreneurship Award. The first awards - in amounts ranging from \$500 to \$2,000 - will be handed out in April to support high school students who want to be self-employed and earn a college degree.

Next month, the private Grand Canyon University in Phoenix will open its College of Entrepreneurship.

But entrepreneurs younger than 25 are a rare breed.

At last count, people age 15 to 24 made up about 14 percent of the nation's population but 2 percent of small-business owners, according to the U.S. Census Bureau. The information is based on the bureau's most recent survey - released in September - which is comprised of industry figures dating to 2002.

People age 25 to 34 also made up about 14 percent of the nation's population, and oversaw 12 percent of small businesses.

Businesses that employ fewer than 500 people provided the bulk of U.S. jobs in the last decade.

The same is true in Arizona, which is encouraging for some.

Earlier this year, Trevor and Seth Zamar sat in a Texas gelato shop and began to dream.

The siblings - in love with the shop and its Italian frozen treat - decided to open their own gelato "lounge" here and call it "Fratelli" - "brothers," in Italian.

With help from Pima Community College's Small Business Development Center, the two plan to open in March.

"It's really appealing to me to work hard and know that everything I do is for myself," said Trevor Zamar, 26. "I wanted something that was more of me."

Degree vs. no degree

Some say success is more about creativity, good marketing and a financial plan than a college degree.

"I'm not sure schooling motivated me to do my own thing," said Wu, the BusinessWeek honoree, who now lives in Scottsdale.

As a UA sophomore, Wu paired with a friend to use scholarships to buy property around campus and rent the homes.

Later, while a UA junior, Wu helped launch LiveByCampus.com, which pays users \$100 after they sign a lease with a listed complex owner, who pays \$195.

Wu said success depends on what a person is willing to sacrifice and risk.

"To run a company with such a demand requires more work than expected," he said. "Always try to create value in your company and try to solve problems. Don't be so bent on making money."

Christopher Hogan co-founded Aragon I Peralta with \$200 in the bank. He has no degree, but that hasn't stopped him. The company helps corporations strengthen their marketing, online and in print.

"I was always interested in staying on the leading edge and helping business do better business," said Hogan, 24.

The business technology consultant said his nearly two-year-old company has about 80 clients worldwide and makes more than \$200,000 annually.

"I didn't automatically know I was going to fill this type of role," Hogan said. "But, at the same time, I've always had this spirit in me to pursue prosperity. I think that's the American way."

ADDITIONAL INFORMATION

Be Your Own Boss Startup suggestions:

- Be ready for long hours.
 - Your responsibilities will include making purchases, bookkeeping, customer service and much more.
 - Market research is essential. A successful entrepreneur knows what customers want and can get it for them.
 - Critical issues include locating potential customers, identifying competitors, finding a location and having both a marketing and business plan.
 - You'll need help financing your idea with loans, capital, lenders and financial programs.
 - Get to know all about business licenses and taxes at the city, county, state and federal levels.
 - Develop policies for employees, suppliers, insurance, accounting and sales.
- Source: Pima Community College's Small Business Development Center

ON THE WEB

To learn more, visit these Web sites:

- UA Eller College of Management's Arizona Youth Entrepreneurship Award: www.azbizideas.com - Open to high school students. Deadline to apply is Feb. 21.
- Arizona Department of Commerce: <http://app1.sba.gov/faqs/faqIndexAll.cfm?areaid=24> - the Small Business Services Online Program will help those who are trying to plan or expand their businesses.

- Pima Community College: www.pima.edu/smallbusiness/ - The college's Small Business Development Center offers workshops, gives advice and helps businesses tackle issues related to marketing, growth and financing, among other topics.
- University of Arizona: <http://entrepreneurship.eller.arizona.edu/> - The McGuire Center for Entrepreneurship offers several programs for graduates and undergraduates.
- Arizona Small Business Association: www.asba.com - Member-based organization that has information about upcoming events, news and services related to small business owners.
- U.S. Small Business Administration: www.sba.gov/az/ - Has a "small business planner" and startup kit, among other information about how to plan and run a business.
- StartupNation: www.startupnation.com/ - Learn business basics, how to improve sales, how to patent an idea, ways to beat the competition, among other things.
- Minority Business Enterprise Center: www.azmbdc.org/ - The statewide organization offers support directed at minority developers.
- National Association for the Self-Employed: www.nase.org/ - The national member-based organization targets businesses with fewer than 10 employees.