

Starting Your Company at UBC

Presented to
ACE Scholarship Recipients

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www.University-Millionaires.com

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My Goals Today

- I'd like to change your life.
- And possibly help make you a lot of money.
- I believe more students, staff and faculty at universities should start spin-off companies.
- I did and it worked out well for me.
- To start out, let me give you an example.

Introducing Helge Seetzen



Helge's Story – Case Study #1

- Helge is the most recent university student I have helped to become a millionaire.
- I invested three times in Helge's company.
- Mine was the first fund to invest.
- I invested the first time when there was only Helge and one other person on the company payroll.
- The only other fund that ever invested was Mike Volker's WUTIF fund.

Helge's story - 2

- Helge came to Canada in 1998 when he was 19.
- He completed high school in Germany, and spent an obligatory year in the military.
- When he arrived, his first priority was to learn to speak English.
- Helge had an idea for a student project (a common theme among University Millionaires).
- That project got him introduced to Professor Lorne Whitehead in the Physics department at UBC.

Helge's Story - 3

- Lorne offered Helge a job in his lab as a junior research assistant.
- Helge's job included labeling storage boxes, maintaining the computer network and helping to build prototypes.
- At this point, Helge was still a first year undergrad.
- Helge got excited about Dr. Whitehead's experiment to increase the brightness and dynamic range of liquid crystal displays (LCD's).

Helge's Story - 4

- Helge and Lorne got each other more excited.
- In 2001, they started a company called Sunnybrook.
- It was renamed Brightside in 2004.
- Helge was the CTO from the first days in the lab until the company was sold.
- Dolby Labs acquired Brightside in February 2007
- For \$28 million in cash

Helge is now a multi-millionaire

- Today, Helge is still in charge of research - doing the same thing - working on high dynamic range displays.
- But now he is a multi-millionaire.
- Now he can even complete his Ph.D.
- He is still only 29 years old.
- Professor Whitehead made a lot of money.
- UBC made millions too.

More on Helge and Brightside

- This is a classic case study.
- There is much more you can learn from Helge and Brightside.
- A more detailed description is online at:
- www.University-Millionaires.com

This is a 'standard model'

- This happens all the time.
- Many of the elements in Helge's story are the same as in most other University Millionaire experiences.
- My goal is to tell you what they are.
- To help you become a University Millionaire.
- Let me tell you another story – about me this time.

My Decade at University

- BCIT Diploma of Technology, 1973.
- UBC BAsC Electrical and Computer Engineering, 1977.
- UBC Ph.D. in Electrical and Computer Engineering, 1982.
- Elected three times to the UBC Board of Governors.
- Led the UBC Engineering Project to build an Electric Vehicle.

Case Study #2 – Nexus

- I started Nexus Engineering with an Engineering classmate, from the Electric Vehicle project.
- While we were both still grad students here at UBC (literally right in the lab at UBC.)
- Grew to 7 companies, 350 employees in 6 countries.
- Second largest manufacturer of headends in the world.
- Sold to Scientific Atlanta in 1993 for about \$20 million.

The ACE Scholarships

- When we started Nexus, our first startup capital
- Came from a BC Science Council
- Industrial Post Doctoral Fellowship for \$50k.
- I had to ask permission to use that money to launch our company.
- It's very gratifying for me to see the BC Innovation Council (the new BC Science Council),
- Providing the same type of capital to you.

UBC Electrical Vehicle Project

- Back in the 70's the UBC Engineers always built cars.
- Started as a way to avoid a summer job.
- Our project won 2nd prize in a worldwide competition by Intel.
- = Entrepreneurial training.
- Three UBC University Millionaires in this photo



Recommendation #1 - Projects

- University provides wonderful of opportunities beyond the classroom.
- Yeah, I know you think you are too busy already.
- Get involved in:
 - Student projects
 - Student politics
 - Something outside your core department
 - Any activity to broaden your perspective

Recommendation #2 – Do It Now

- Try hard not get a ‘real’ job first!
- Do it early in life.
- Being a student is excellent training:
 - used to working long hours
 - for no money
 - not yet risk adverse (because you don't have much money)
 - willing to roll the dice double or nothing every day

Recommendation #3 – Be honest

- The real question is whether it's right for you.
- Should you even try?
- Shouldn't everyone try?
- No, it can easily ruin your life.
- How much is genetic and what can be learned?
- Be honest with yourself.

Some Discriminating Tests

- Hot stove test.
- Is the glass half full?
- See around the mountain.
- Perseverance.
- Work with teams.

Characteristics of Entrepreneurs

- Lots written by VCs
- You may not like some of it.
- Sample characteristics:
 - first born
 - entrepreneurial family
 - incredibly persistent
 - intuitive
 - OCD
 - weird relationship with father
 - high serotonin levels

Entrepreneurial Teams

- An individual can't be perfect.
- But a team can come close.
- There are exceptions (like Jim Pattison and Ted Rogers).

Recommendation #4 – The Team

- Investors only back teams.
- Because they have learned the expensive way.
- And because they know teams can be much closer to perfect.
- Its also a test.
- To see if the idea is contagious,
- and the leader can lead.

Recommendation #5 - Mentors

- We started our first company, we were SO naïve.
- I now literally laugh at our original structure and financing agreements.
- Nevertheless, we grew to be #2 in the world.
- Single biggest reason: Our Mentors.
- **Peters' Law: All successful entrepreneurs have Mentors.**

Mentors

- The most important controllable factor in your success.
- Ideal team includes some grey hair and some serious entrepreneurial scar tissue.
- Good ones not easy to find or to get sucked in.

Why they might make you rich

- How it worked for us at Nexus.
- What it feels like after you make your first \$million.
- What's still fun?
 - vicarious business thrills
 - management - NOT
- Passages and symbiotic relationships.
- Could always use a few more \$million and what else would you do anyway?

Mentors – The difference between success and failure

- A good Mentor's most important contribution is:
- To prevent the entrepreneurs from blowing up the company.
- Seriously.
- In my first company, our angel investors / mentors / directors literally prevented that a dozen times.
- In my own investments, have done the same several dozen times.

How can they do that?

- It's experience.
- For example, many companies fail because they run out of money.
- That almost never happens to experienced entrepreneurs.
- Even a founder with an IQ of 160 can't learn enough, fast enough, to have the experience.
- Every successful company I have seen has mentors / good directors.

Recommendation #6 - Network

- To succeed you need:
 1. A Team
 2. Mentors
 3. Directors
 4. Investors (friends and family then Angels)
 5. Financial Partners
- All usually sourced by networking.

Getting an Investor's Attention

- What it looks like from my perspective.
- Dozens of business plans per week.
- You need an introduction.
- Ideally from someone who has written a cheque.
- And has credibility with me.
- Sorry it's not easier.

Summary of Recommendations

1. Get involved with student projects.
2. Do it now.
3. Be honest with yourself.
4. Build a team – investors only back teams.
5. Mentors – the most important controllable factor.
6. Network to find angel investors or financial partners.

My Experiment and Offer to Help

- I already have a number of investments.
- And directorships.
- I can probably only invest in one or two new spin-offs per year.
- But I'd like to try and help more entrepreneurs.
- I believe the hardest thing is getting started.

My Experimental Resource

- www.University-Millionaires.com
- A new site, still under construction, where you can:
- Learn about starting your spin-off.
- Read case studies.
- Connect to online resources.
- Possibly get introduced to mentors.
- Get some quick feedback on your idea.
- Plan to cross link to the [UBC Venture Hub](#).

The screenshot shows a Windows Internet Explorer browser window with the following elements:

- Address Bar:** http://www.university-millionaires.com/My_Idea.html
- Page Title:** University Millionaires - My Idea
- Page Content:**
 - Header:** University Millionaires
 - Sub-header:** Dedicated To Creating University Millionaires
 - Section:** Help With Your Spin-Out Idea
 - Text:** I would like to help you with your university spin out.
Please give this form a moment to load. If you experience any technical difficulties, please call Linda at 604-818-4930.
 - Section:** Description of your business idea
 - Text:** Please write a few hundred words about the concept for your business.
 - Form:** Please describe your business idea in 500 words or less: [Empty text area]
- Left Sidebar (Navigation):**
 - Home
 - What is a spin-out?
 - Help With Your Idea
 - Case Studies
 - 1. Helge Seetzen
 - University Millionaire Presentations
 - Subscribe to the UM Newsletter
 - Contact Basil
- Bottom Status Bar:** Done, Internet, 100%

GOOD

LUCK!

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