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The UO's 'innovation center' helps enterprising innovators to negotiate the ins and outs of a start-up

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The wall-size whiteboard listed the supplies still needed to transform the drab, white-cinder block interior and cement floors of the office into a functional business space. “Pens, paper, pencils, desk lamp, coffee maker, mini fridge, carpet squares, silverware, paper shredder and posters,” the board read.

It had been only a few hours since 27-year-old Jason Bolt turned the key and began lugging boxes of sunglasses into his new office space. But already he and his colleagues, University of Oregon graduate students Caleb Iorg, Lindsay Lowen and Vijay Raghavan, were looking at 1900 Millrace Ave. as an opportunity to expand a garage business into something much bigger.

The UO calls the space the “innovation center,” but Bolt’s business team calls it “the incubator” because of its reputation for turning start-up businesses into successful companies. Floragenex, a genetic sequencing company started by UO biology professor Eric Johnson and UO student Nathan Lillegard, was the last company to come out of the center.

In the past 30 years, the technology era has spawned numerous college-age entrepreneurs.

Some like Mark Zuckerberg, the founder of Facebook, have gained fame — his story inspired the Academy Award nominated movie “The Social Network.”

Many others, like Bolt and his co-workers, work in relative obscurity.

Bolt launched “Shady Peeps,” a sunglasses venture, in May 2010 after recognizing that with all the spirit gear UO fans sported, the one thing they didn’t have yet was

sunglasses. “Now you can say ‘Go Ducks’ with your sunglasses and the other stuff you are wearing,” Bolt said.

At \$20 a pair and with 11 different color combinations, Bolt views his product as a good quality but inexpensive accessory for fans eager to express their spirit. And he describes them as fun “but technically sound.” The glasses are equipped with polarized lenses that reduce glare and have a mirror coating. The Duck Store first started selling the glasses in June, but Shady Peeps didn’t start ramping up its marketing — including giveaways in the student section of Autzen Stadium — until the fall, when most students returned to school. “This was a fun year to launch the business,” Bolt said. “We sort of rode the wave with the team.”

Shady Peeps found opportunities in its niche, expanding the business to include the University of Washington, selling sunglasses in the school colors through the University Bookstore.

Between the UW and UO campuses, Shady Peeps has sold a couple thousand pairs of sunglasses in the approximately nine months it’s been in business. Bolt said he financed the start-up with his own resources rather than borrowing money. He declined to disclose profits.

He and his team plan to continue expanding the company. After sending out 14 licensing requests a week ago, Bolt and his team are hopeful they will soon get permission to sell sunglasses with university logos on them to schools around the country.

“We picked teams like Ohio State with a track record of success and big college campuses. The longer the season, the longer people will be looking to buy our product,” Bolt said.

Applying to the Collegiate Licensing Company, which provides trademark licensing services to a number of schools, cost \$500. If Shady Peeps gains licensing rights from a college, the company will then be charged an additional \$500 to \$10,000 one-time fee by the college. After that, the school charges a percentage of total product sales, paid quarterly or annually.

Getting a school to agree to a licensing agreement isn’t a guarantee of success. But the Shady Peeps team is optimistic after its experience since gaining approval from the UO to use its logo.

Bolt, who is enrolled in a postbaccalaureate premedical program, is taking this term off to grow Shady Peeps to its full potential, he said.

This makes sense for a student business owner trying to expand a business past the start-up phase, said Christopher Klemm, the director of the Austin Entrepreneurship School at Oregon State University.

“It always looks easy, but it takes a lot of work. If you look at some of the really great starters such as Bill Gates, Mark Zuckerberg and Steve Jobs, the thing they all have in common is that they all dropped out of school once their businesses really got going,” Klemm said. “A university, even a business program, is not always a good fit for someone with that kind of entrepreneurial mind.”

Ian McMenammin, also a UO student, said he was kicked out of the business school for a time because of low grades. But he continued to run a very lucrative coral-selling business during that time called Anything Coral, he said.

“What they are talking about in class I am really doing so that is a little hard on me,” McMenammin said.

Klemm said that budding entrepreneurs can easily become bored or irritated with the structure of classes in business schools.

“A university is like an oil tanker, but an entrepreneur only wants to buy a few gallons of gas at a time,” he said. “We offer things in 10-week classes. However, the classic entrepreneur has a million and one problems to deal with, so they find out what they need to know for the now, and then they move on to the next thing.”

McMenamin gets an average of four hours of sleep a night because growing coral is such a tedious process, he said. Some corals take up to two years to grow.

“Basically you have to have better conditions than the ocean and Mother Earth. Coral doesn’t even grow in parts of the ocean any more so you can imagine that it is very hard for people to grow coral in saltwater indoors,” McMenammin said. “I am very far from a scientist. I am just determined. I will stay up as late as possible. I won’t let anything stop this. I am just passionate.”

More than 50 stores now buy his coral in a typical week, plus about 100 private customers, he said. McMenammin said he sells between five and 12 boxes of coral a week for a minimum of \$500 a box.

The business has produced enough income for McMenammin to buy himself a new Nissan Xterra with cash, pay his own rent and hire a few employees.

Klemm said that those who are successful at running businesses in college have one thing in common: They believe in what they are selling.

“People who make it are interested, really interested, and have passion for their product,” Klemm said. “If you make a business out of need for money, the chance isn’t as good that you’ll survive as if you are trying to make meaning.”

Only .03 percent of business owners registered across the country in the fall of 2010 were between the ages of 20 and 24, according to the National Bureau of Labor

Statistics.

Klemm said he suspects there are a lot more kids starting businesses out of their garages, selling items on eBay, or T-shirts out of their dorm rooms than these figures show. But most of those businesses are only temporary ventures, he said.

“They are not as sustainable, but that doesn’t mean they are not great learning experiences. It’s a neat opportunity for students to get their feet wet,” Klemm said.

Dick Sloan, the undergraduate adviser at the UO for innovation and entrepreneurship, said he is approached daily by students with ideas for businesses and, while few ideas become reality, the simple act of imagining a business is a valuable step for a business student.

“Just because an idea doesn’t turn into anything doesn’t mean it was a waste; it starts the process and enforces an entrepreneurial mindset that allows them to move on to a better concept or idea,” Sloan said.

Start-ups are risky ventures, whatever the age of the entrepreneur. Klemm said small businesses fail 70 percent of the time.

“It really is a thrill, a chill, a spill a minute having your own business,” he said. “No one goes into a venture expecting to fail, but it does happen a lot.”

While Bolt and his team are working hard to keep the venture alive and thriving, they are still enjoying all of the ups and downs that come with starting a new business.

“There’s no doubt we work hard, but I make money hanging out with the people I love,” Bolt said.