The Importance of Equity Investment in Fostering Student Enterprise

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Abstract.

Despite the vast amount of innovative thinking occurring on university campuses there is surprisingly small evidence of student entrepreneurship. Student enterprise is not suffering from a lack of innovative thinking but rather from a lack of key resources. Student entrepreneurs need more access to funding and business experience in order to launch businesses with greater frequency and success. Equity investment in young companies gives the entrepreneur capital and an increase in management contingent thus greatly reducing many of the barriers that young companies face. Increasing the presence of equity investors at Binghamton University would tremendously help students turn great concepts into profit generating businesses. By implementing clubs and conferences Binghamton University could become a destination for equity funding and greatly boost the amount of student enterprise coming from the university.

Keywords: Equity, Venture Capital, Angel Investor, Private Equity, Finance, Funding, Investment, Barriers to Entry, Management, Debt, Student Enterprise, Entrepreneurship, Startup, SME

Binghamton Keywords: Entrepreneurship, Equity Investment, Angel Investment Network, and Student Enterprise

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I. INTRODUCTION

Every day research universities across the country generate new ideas and innovative ways of thinking. Unfortunately many of these ideas and concepts fall by the wayside and do not develop past the point of a fleeting thought. With all these great minds creating new ideas there is a large potential for new ways of thinking, new innovations and new businesses. By making the transition from an idea into a business easier, universities and the surrounding areas will see new methods of economic growth emerge.

When starting a new business there are significant barriers to entry. Two common obstacles facing entrepreneurs are a source of financing and business management experience. Student run business is even more depressed by these barriers. If funding and management of student startup companies can be more easily obtained, then innovations from universities can make the transition to businesses with fewer difficulties. Student business represents a large potential source of economic growth. In order to unlock this source of economic growth we must alleviate these obstacles of financing and management skills.

II. BARRIERS TO ENTRY FOR STUDENT ENTERPRISE

Despite the large amount of innovation occurring on university campuses today there is surprisingly little student entrepreneurship taking place. The problem with fostering student business does not come from a lack of innovative thinking, but rather from a lack of key resources. Students generally lack two things needed to start and grow a business: financing and management knowledge.

A. Lack of Capital

When beginning a new business it is difficult to obtain capital. Financial institutions are wary of lending out money to businesses in their infancy. It is much easier for larger established businesses to get financing due to their proven track record of success. This barrier, created by large banks and traditional avenues of lending, has stunted growth and inhibited great ideas from coming to fruition. Entrepreneurs and innovative startup companies have the ability to generate large amounts of growth, but without access to capital, this growth can be impeded.

In order to grow ideas and startup ventures into full-fledged companies there needs to be more capital made available to entrepreneurs. This is especially important to student-enterprise due to the added obstacles for students to finance business ventures. Beck, Demirgüç-Kunt, and Maksimovic find that firm size increases with financial institution and stock market development (2006a). Assuming that firm size is positively correlated with success of the firm, we can say an increase in financing directly affects the success of businesses. In “Small and medium-size enterprises: access to finance as a growth constraint,” Beck, Demirgüç-Kunt, and Maksimovic concludes “the literature suggests that a focus on improving the institutions and the overall business environment is probably the most effective way of relaxing the growth constraints SMEs (small and medium-size enterprises) face and facilitate their to contribution to economic growth (2006).”

Thus the motivation behind encouraging different methods of small business financing is clear. With a stronger financial network, ideas can more easily make the transition to profit generating business. When students easily capitalize their business there will be an increase in both student enterprise viability and size. When ideas can be easily turned into profit generating businesses, universities and the surrounding areas will see an increase in economic growth.

B. Lack of Management Skills

When an idea starts to become a viable concept for a business there is another major barrier to overcome: lack of management skills. Although college students are innovative thinkers, in order to make the transitions from an idea to a viable concept for a business and to a profit generating business there are specific skills necessary. University students, although well schooled in their specific fields of study, generally will not have the training on how to construct and run a business. There are various technical skills necessary to manage and market a business. Usually, these skills develop with expertise; it is a tall order for a student to be in charge of the business end as well as the creative and innovative processes.

Entrepreneurs cannot run every aspect of business and eventually the need for outside assistance in managerial tasks develop. In “Angel finance: the other venture capital” Wong, Bhatia, and Freeman bring up the issue of management skills (2009). “Additionally, as a firm develops, the need for professionalization (i.e. management skills) is greater…” The paper continues to discuss that many entrepreneurs begin looking for outside assistance to help with running more technical aspects of their business. It is very difficult for one person to serve as the innovator and to also balance managing the business (i.e. day-to-day operations).

C. Solution

The goal is to find a common solution to both of these barriers. With the issues of funding and managing the business taken care of, the company can grow at a much faster pace. The entrepreneur can concentrate on the concept and/or product of the business while the other aspects are handled externally. Therefore, if the entrepreneur can afford to hire another person to manage the day-to-day operations of the business, the entrepreneur can focus on the bigger picture of growing the company with new ideas and new markets.

III. EQUITY INVESTMENT

Equity Investment represents a viable way to alleviate the main barriers faced by student entrepreneurs. Equity investment, in layman’s terms, is when an investor buys a share of ownership in a company. When an investor takes a stake in a company both the problem of capital and the lack of management knowledge can be alleviated.

A. Addressing the Problem of Financing

There are many other ways to obtain financing for your business. Although all of these methods have importance, most are not very appropriate for student entrepreneurs. All businesses need some sort of capital in their infancy; for many, finding a source of that capital may be challenging. The first logical step in developing your idea into a business is to use your own money to grow your concept into a business.

Self-financing is rational since you do not need to interact with any outside parties, thus not wasting time in a lengthy approval process. The obvious draw back to using your own money is that you take on all the risk of your company; if your company fails, you are adversely financially affected. In "The pecking order hypothesis: does it apply to start up firms?" by Paul and Wyper, a case study of start-up companies and their methods of financing is analyzed. Despite the great risk in using your own money to capitalize your business, all 20 start-up companies analyzed in the study obtained their first source of funding by using their own money. Although self-funding is convenient, it is not a viable option for most student entrepreneurs.

Students, generally, are already cash-strapped with the burden of paying for college without a steady stream of income. Unless the student entrepreneur comes from a wealthy background there are little options for self-funding. This forces the student to seek external capital to progress his or her business. Without their own money to invest into their idea, the next logical step is to borrow money. The problem with this method of financing lies in the repayment of the loan. Many student businesses are based on concepts that may take lots of research and development to become profitable, this makes loans a problematic source of funds. If student businesses will not break-even for an extended portion of time but the student needs funds to develop the idea, a problem emerges. This is one motivation for finding another source of financing.

Another problem with debt financing is that without any of their own money invested, students have a tough time showing they are committed to their idea. Banks, investors, and other lending institutions are more comfortable providing capital to a business if they see the ownership already has money invested in the idea. With no prior investment in the concept the lending institution is weary of the start-up defaulting on the loan. As one member of the case study in Paul and Wiper's paper said "I knew that I needed more money than I could afford [to launch the business]. But I couldn't expect anyone else to invest unless I had done so myself. It's about showing commitment . . . showing that you know you are on to a winner." Hence another problem in financing student entrepreneurs arises. Without any money to invest in their concept, students have little proof of commitment to their business. This dilemma leads to the conclusion that borrowing money for a time and paying it back with interest cannot help start and sustain high-growth businesses. So in order to encourage student entrepreneurship there needs to be alternative avenues of finance available.

Aside from debt financing, the other main way to capitalize your business is through equity. If you finance your company through equity you are essentially selling an ownership stake to an investor. In turn you have money to use to grow the business. I propose that equity investment solves the barrier of financing faced by

student entrepreneurs.

Equity investment is more appealing than debt financing in a number of ways. One does not need to pay back the money you get from selling equity in your company; this frees up the company to take more risks and grow at a faster pace. Another benefit for equity investment is that students can generally obtain much greater amounts of money than they would using other methods. In an empirical study of new technology-based firms(NTBFs) in Italy by Massimo Colombo and Luca Grilli it was found that "…firms that managed to get access to bank debt obtained on average an amount of bank loans(47,000€ ~ 68,000USD) that was less than half the mean amount of personal capital and almost six times smaller than the mean amount of private equity obtained by firms that resorted to this latter source of financing (Colombo and Grilli, 2006)." The methods by which technology-based companies get financing are of particular interest because many businesses coming out of universities are based in the sciences and technology.

B. Addressing the Management Problem

Aside from providing capital to the company, another valuable service provided by equity investors is an increased management contingent. When an equity position is taken in a company the investors are looking to make a profit on their investment by the company increasing in value and experience high-growth. This automatically gives them a vested interest in the company's success. Since much of equity investment comes from business savvy investors these individuals will generally try to insure their investment by becoming part of the management contingent.

The action taken by the equity investor in an attempt to insure their investment also is beneficial to the entrepreneur. As mentioned above most student entrepreneurs are not experienced in managing a business, which may impede the success of the venture; an increase in outside management can solve this problem. With the equity investor acting as a part of management the entrepreneur can focus more on the operations of the innovative and unique part of the business, rather than managing the company.

In "Angel finance: the other venture capital" Wong and Freeman gave some further insight on why these investors would want to become involved in the company:

> …companies that are relatively early in their lifecycles, they may face a high risk of expropriation. Investors usually seek to protect their investment from expropriation through the use of control rights — the methods accorded to investors to allow them to oversee the entrepreneur's management of a company's affairs. Three control mechanisms commonly used by venture capitalists are board rights, staging investments, and contracting mechanisms. If angels are similar to venture capitalists, they should maintain similar protections, particularly in ventures where the threat of expropriation is the highest (2009).

This increase of management is almost exclusively a product of equity investment. When a company takes a loan from a financial institution they agree to pay back the loan, plus interest, over time. This agreement does not depend on the

success of the company whatsoever. Therefore the lender doesn't have an interest in how the company performs other than the business making loan payments on time. With equity investment, increase of a company's worth positively affects the investor and therefore motivates the investor to help the company.

IV. TYPES OF EQUITY INVESTMENT

Equity Investment usually comes in 3 stages. First, is an angel investor, an individual who invests money into a company. Second a larger equity stake is taken by an institution called a venture capital firm (VC). Lastly the business is offered to the public and shares of their business are traded on a stock exchange. Entrepreneurs often start by getting equity investment from angel investors and then move to attracting the attention of the more institutional investors such as VCs. So the focus for fostering student enterprise is placed on the two most common forms of early equity investment: angel investors and venture capital firms.

A. *Angel Investors*

Often angel investors are the first ones to take an equity position in a company. The term angel investor is used casually to refer to a high net worth person who makes an investment into a newly formed business. One such informal definition of an angel investor is "a person who provides capital… from his own funds to a private business owned and operated by someone who is neither a friend or family (Shane, 2008)." Although 'angel investor' is often used as an informal term, the United States Securities and Exchange Commission (SEC) holds formal criteria for one to be considered an 'accredited investor.' According to Rule 501 of Regulation D the qualifications for an accredited investor are:

> 1. a natural person who has individual net worth, or joint net worth with the person's spouse, that exceeds $1 million at the time of the purchase; or
>
> 2. a natural person with income exceeding $200,000 in each of the two most recent years or joint income with a spouse exceeding $300,000 for those years and a reasonable expectation of the same income level in the current year;

These high net-worth 'angel investors' are all over the world. They play a crucial role in the creation of new business. Looking again at the case study on start-up companies and their methods of financing in "The pecking order hypothesis: does it apply to start up firms?" by Paul and Wyper, the importance of angel investors can be seen immediately. Every one of the entrepreneurs in the study had investments from an angel investor at one point or another. The majority of companies in the study got their first source of outside investment from an angel investor (Paul and Wyper, 2007). The 'Entrepreneurship in the United States Assessment' in 2007 found that 15.1% of new businesses need between $25,000 and $500,000 to grow their businesses (Shane, 2008). One can imagine that there are an even larger percentage of

businesses that need smaller sums of capital. As mentioned above, student entrepreneurs cannot get access to this amount of capital through the loan market so angel investors are the most viable option. This is what makes angel investors very important to new businesses; they bridge the gap between self-financing and institutional investment.

The main difficulty with angel investors lies in getting these individuals' attention. Due to the informal nature and small quantity of angel investors it is not easy to attract them to invest in student business. With angels having a high net worth, many of them like to remain anonymous to prevent too many unwanted requests for capital. This is another barrier to overcome. In order for a university or a city to have a high concentration of successful entrepreneurs it is almost essential for them to also have a high concentration of angel investors. But, almost paradoxically, in order for a concentration of angel investors to be attracted to a university, the university must have a track record of entrepreneurial success. This problem will be addressed in later parts of the paper.

B. Venture Capitalists

The second main source of equity investment is Venture Capital firms (VCs). Venture capitalists are essentially more institutionalized forms of angel investors. VCs take high net-worth individuals' money and invest it in young, not yet public, companies. Morrissette constructed a very useful table listing the distinctions between angel investors and venture capital firms in "A profile of angel investors."

Table 1:

EXHIBIT 1
Differences between Business Angels and Venture Capitalists

	Business Angels	**Venture Capital**
Funding Source	Angel's own money	Investors
Number of deals per year	One every two years	5-10 per year
Typical investment per company	$25-250,000; average $50-75,000	$1-10 million; average $4 million
Company Stage	Small, start-up, early stage	Larger, expansion stage
Geographic Focus	Usually near (within one to two hours) of home	Usually nationwide, sometimes regional
Industry Focus	No focus, but prefer industries they know	Often focus on one or two industries
Source of deals	Other angels, friends, business contacts	Proposals submitted, other VCs
Decision Maker	Individual, experienced entrepreneur, personal, 50 years old	Professional, MBAs, committees, 40-year-olds
Analysis/Due Diligence	Minimal, informal, subjective, judgment	Extensive, formal, analytical, spreadsheets
Investment Structure	Simple, common stock	Complex, Convertible Preferred Stock
Involvement	Hands-on	Strategic, Board Seat
Investment Time/Horizon	Longer, five or more years	Shorter, three to five years
Exit/Harvest Strategy	Less important, long-term investment horizon	Important, IPO or Sell Company
Return on Investment Expectations	20-30% but often don't have predetermined ROI expectation	Expect 30-50% ROI

Sources: Van Osnabrugge & Robinson ([2000] pp. 106-111), Benjamin & Margulis ([2001] pp. 32–33); Hill & Power ([2002] pp. 24–26, 61–67, 249), National Venture Capital Association website at www.nvca.org, Gaston ([1989] pp. 14–27, 44–78), Freear, Sohl, and Wetzel [1994].

(Morrissette, 2007)

Table 1 outlines some important details of venture capitalists and gives a good overview of what they are generally about. The most major distinctions between the two sources of equity investment are size and timing of the investment. Venture capital firms look at equity investment in a start-up company much more strictly than angel investors. As noted before, angel investors are usually the first to take an equity position in a company. So angel investors frequently invest in some very young companies and, as a result, take on a lot of risk. VC firms usually wait until a company has some evidence of success to invest.

The venture capital step may be the most crucial in starting a successful high-growth startup company. Samila and Sorenson found, using data on venture capital (VC) firms and new companies in areas of the United States, that there is a distinct positive relationship between the concentration of VC's and startup companies (2011). This is why it is important to have venture capitalists in an idea-rich area such as those that surround a university.

Venture Capital firms are similar to large version of angel investors so many of the same principles apply. The importance of venture capital firms comes later down the road when firms are more developed. Venture capital firms bridge the gap between angel investors and a public offering (Morissette, 2007).

Although venture capital plays a very important role in financing business, venture capital won't be attracted to a region without a track record of success. This puts even more emphasis on the informal angel investors to help spur growth in a company's infancy. Without angel investors to provide the, vitally important, early investment in start-up companies, there would be no use for VC funding. This is how the chain of funding is developed. An idea is grown into a concept and then a business; much the same way that investment is provided by one's self then an individual angel investor then an institution such as a VC firm.

V. BEST PRACTICES

Across the country and around the world equity investment is taking place. The goal is to have a concentration of willing investors around universities so that students can receive capital with greater ease and turn their great concepts into businesses. In order to make recommendations to a city like Binghamton, it is essential that we first research other parts of the country that have had success attracting equity investors to capitalize student ideas.

A. Boston, MA- Massachusetts Institute of Technology

When looking at best practices of encouraging entrepreneurs an obvious first place to look is MIT. Massachusetts Institute of Technology has been regarded as one of the leading universities in encouraging student enterprise. With a center for entrepreneurship and long list of clubs and programs dedicated to sparking entrepreneurial thinking, MIT truly encourages student business. Along with encouraging students to think more entrepreneurially MIT also has several programs that help student get the skills to attract equity investors as well as the opportunity to network with them.

The MIT Venture Capital Conference is an annual conference to help bring together entrepreneurs and venture capitalists. This conference is 2 days of programs, seminars, and lectures all about funding start-up business within MIT and around the Boston area. This conference not only caters to companies ready to get VC funding, there are workshops that help less experienced entrepreneurs develop methods to 'pitch' their idea to equity investors down the road.

I believe the most important service that is provided by this conference is bringing entrepreneur and investor together. The 'VC Deal Screening' provides the opportunity for startup companies to get exposure to potential investors.

> The VCs will analyze the pitches of some of the hottest startups in the Boston area: those participating to the startup showcase. First, the VCs will go through the different sections expected in a pitch by showing examples. They will

analyze and explain how to improve these examples, and provide constructive feedback applicable to any new entrepreneur (MIT VC Conference).

Not only do these entrepreneurs get the chance to pitch their concepts to investors but there is also an element of education involved. VCs give the presenting entrepreneurs an outline of what they want to see and afterwards feedback on the presentation. This idea of bringing investor and entrepreneur together in a formal conference setting goes a long way in attracting the attention of potential investors.

Aside from the annual formal conference, MIT has student groups on campus looking at equity investment. The MIT Venture Capital & Private Equity Club (VCPE Club) brings together interested students to network with business professionals and develop connections between investors and MIT. This club caters to students interested in venture capital; the VCPE club also facilitates venture capital funding to reach student enterprise.

> We have established deep partnerships throughout MIT and with the local business and investing community, and have a proven track record of developing new projects, identifying and matching talent, and helping drive MIT-generated technology towards successful commercialization. We continue to focus on building relationships, visibility, and collaborative initiatives that can assist partners looking to enhance their connections to MIT's innovation ecosystem (MIT VCPE Club).

It is important to note that one of the goals of the organization is to 'help drive MIT-generated technology towards successful commercialization.' This support of student groups is crucial in fostering student enterprise. The culture of university created enterprise is something that is essential in attracting and receiving funding from angel investors and venture capital firms.

Although MIT is a university on a much different scale than Binghamton University, I believe we, as a university, have the resources to implement them. So although one may think comparing Binghamton to MIT might be outlandish, upon closer inspection, many of the great things MIT is doing to help student entrepreneurs obtain equity investment can also be put into practice at Binghamton.

B. Ithaca, NY- Cornell University

The Ithaca area stands out as an upstate New York region encouraging equity investment in student business. Ithaca is, much like Binghamton, a city greatly impacted by the university within it. Cornell University has a large presence in Ithaca and also does a lot to help provide students with equity investment. Cornell's main program helping to get student enterprise equity investment is an angel network.

The Cornell Angel Network(CAN) brings together Cornell startups and Cornell alumni who are accredited angel investors. CAN uses both student entrepreneurs and successful alumni to foster business partnerships. Because this program is exclusively for Cornelians there is already a commonality between investor and entrepreneur, thus strengthening the business connection. Entrepreneurs at Cornell can use this resource

without going through a difficult process of hunting down and attracting the attention of investors. Both of these aspects of CAN decrease the obstacles faced by students trying to get equity investment in their company.

While Cornell alumni play a role in capitalizing student entrepreneurs, there are also resources on campus to provide equity investment to student enterprise. BR Venture Fund (BRV) is a venture capital fund operated by MBA students from Cornell that invests up to $250,000 in 'high-growth based' companies. With this fund operating at Cornell, it represents another avenue for student entrepreneurs to pursue. Unlike CAN, BRV not only invests in Cornell startups but startup companies around the country. "BRV also serves as the gateway to Cornell technologies by providing its investment partners unique access to new innovations (BR Venture Capital)." Since this fund is not exclusive to Cornell, it has interaction with other venture capital firms and thus makes valuable connections. This gives Cornell entrepreneurs another resource to obtain capital.

C. Binghamton, NY- STOC Angel Investor Network

One of the best practices for encouraging equity investment among students is located in Binghamton. The Southern Tier Opportunities Coalition (STOC) is "a private sector / academic partnership initiative to help address economic growth in the Southern Tier (STOC)." The organization provides business knowledge and assistance to entrepreneurs, as well as, already established businesses. STOC provides a central place where business resources and information can be obtained to help grow a business. On STOC's website they list their objectives and goals:

Objectives :

1. Establish the Southern Tier as a competency center for emerging new business development.
2. Sustain long-term growth through evolving technologies.
3. Attract common 'value chain' business / technologies to the area.
4. Extend the area west and north to gain more technology and business diversity.

Goals -

1. Grow existing businesses (large and small) through collaboration and networking.
2. Attract new businesses.
3. Support start-up business development.
4. **Commercialize university research.**

(Southern Tier Opportunity Coalition)

Through STOC's objectives and goals the barriers to entrepreneurs can be greatly reduced. The 'commercialize university research' goal shows that STOC puts emphasis on capitalizing student enterprise. STOC helps turn great student business concepts into actual profit-generating enterprises. With an organization acting as an intermediary between student and equity investor the partnership is more easily

attained. Binghamton University can use STOC's already established angel network as a resource to get student startups funded.

VI. RECOMMENDATIONS

The end goal of this analysis on equity investment is for Binghamton University's student-entrepreneurs to receive equity funding with greater ease. To achieve this goal there needs to be more programs, awareness, and initiatives from both the students and the faculty. I propose 3 relatively simple initiatives that Binghamton University and its students can implement to bring an increase in equity investment:

1. **Student Venture Capital and Private Equity Club**
2. **Annual Entrepreneur Pitch Competition/ VC Conference**
3. **Binghamton University Angel Investor Network**

This 3-step plan, which will be enacted gradually with each step laying the foundation for the next, will help foster equity investment in Binghamton University startups. Hopefully over a period of a few years these 3 steps can be fully implemented. These 3 programs will work together to help students go from developing a pitch all the way to making deals with investors. Once in place, these programs will help grow not only equity investment in Binghamton University startups but also help encourage students to think more entrepreneurially.

1. Student Venture Capital and Private Equity Club

The first step in this program is to establish a club for students to look into equity investing. This club will not be only for entrepreneurs or students interested in getting an idea funded, it will be for any student interested in private equity. By having students that are interested in getting funding from an investor as well as some that are interested in working for a venture capital firm, this club will look holistically at the process. Looking at each step of the venture capital process will help the students get a better image of how these companies and investors function.

Along with the learning aspect, this club will hopefully get a diverse demographic of students thinking entrepreneurially. Seeing, first hand, individuals obtaining equity investment in their concepts, students will hopefully begin thinking about pitching an idea themselves. This club will allow students to see inner workings of the investment process. Once a student sees how the process works they will hopefully become less averse to trying it themselves.

The key to this program will be networking and interaction. If the club can create contacts and partnerships with equity investors or venture capital firms then Binghamton University will start getting exposure to the equity investment community. The exposure Binghamton University will receive from the club and its interactions will hopefully help it get on the map in the minds of potential investors.

2. Annual Entrepreneurial Pitch Competition/ VC Conference

With an established club looking at VC and other equity investors the next step is to get them to come to Binghamton University. A competition/conference for entrepreneurs to pitch their businesses would help attract the investors to visit Binghamton. The investors that attend the conference will be the same ones that the club formed partnerships with. This will give the organizers of the conference a pool of investors to invite and eliminate the need to 'cold call' participants.

By making this event annual you can help new ideas become businesses each year. An annual event also gives student entrepreneurs something to look forward to each year. The event can encourage students to work on their concepts in preparation of the competition.

3. Binghamton Angel Investor Network

The final step is to retain these investors. Once Binghamton has been established as a place where investors can look for new investments, Binghamton needs a way to make these connections more permanent. During the times of the year when the conference is not taking place there needs to be a way that entrepreneurs can still obtain financing. A relatively simple method would be establishing a group of investors willing to put money into ideas coming from Binghamton University. This group would have a registry that students with serious concepts in need of capital could access.

The VC and PE club can become a link between student enterprises in need of funding and investors. Thus the program comes full circle; in order for a student to access these investors the VC and PE club must approve them. This is a method to assure the ideas being pitched to the investors are only the most worthy ones.

Another source of potential investors is STOC's angel network. If Binghamton University could utilize STOC's existing network as well as add to it by bringing in new investors we could create a vast system of equity investment sources. It is this type of partnership that will truly make an angel network sustainable throughout the ups and downs of the business cycle.

These 3 programs work together to help make Binghamton a destination for equity investors looking for new ideas. Of course these initiatives are not without risk of failure but over time with the proper leadership I believe they can be successful. Their success will be contingent on Binghamton University students thinking entrepreneurially, but I believe that the 'VC and PE club' will help motivate and encourage students to start businesses.

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