

growing entrepreneurship through design thinking



Student: Virginia Russell
Mentor: Jozeph Forakis

8,000,000

jobs lost since 2008

unemployment for college
grads under 24 is

9% the highest in

25 years



what can we do?



where are the jobs?



2 places:





1) startups



startups in the united states...

over the last three decades

have created virtually **ALL** of our economy's net new jobs

add an average of **3 million** jobs in their first year.



2) small bussinesses



small businesses in the united states...

are responsible for **80%** of the net new jobs annually over the last decade

produce **14** times more patents per employee than large companies

represent **99.7%** of all employers

job growth

=

innovation

+

entrepreneurs



in addition...

research shows

the survival rate for startups who use incubators is

87% after 5 years

and **44%** for startups who don't

job growth

=

innovation

+

entrepreneurs

job growth

=

innovation

+

entrepreneurs

support

problem

There is no widespread **investment mechanism** that supports the creation and development of our country's largest economic assets: **innovators and entrepreneurs.**

There is a huge untapped resource of innovation and creativity in **American design schools and universities**, but no systemic way to mentor entrepreneurship amongst students, or facilitate the **commercialization of their ideas.**

question

What kind of platform can

- professionally
- financially
- socially

empower entrepreneurship and help today's young innovators launch new businesses?





the problem

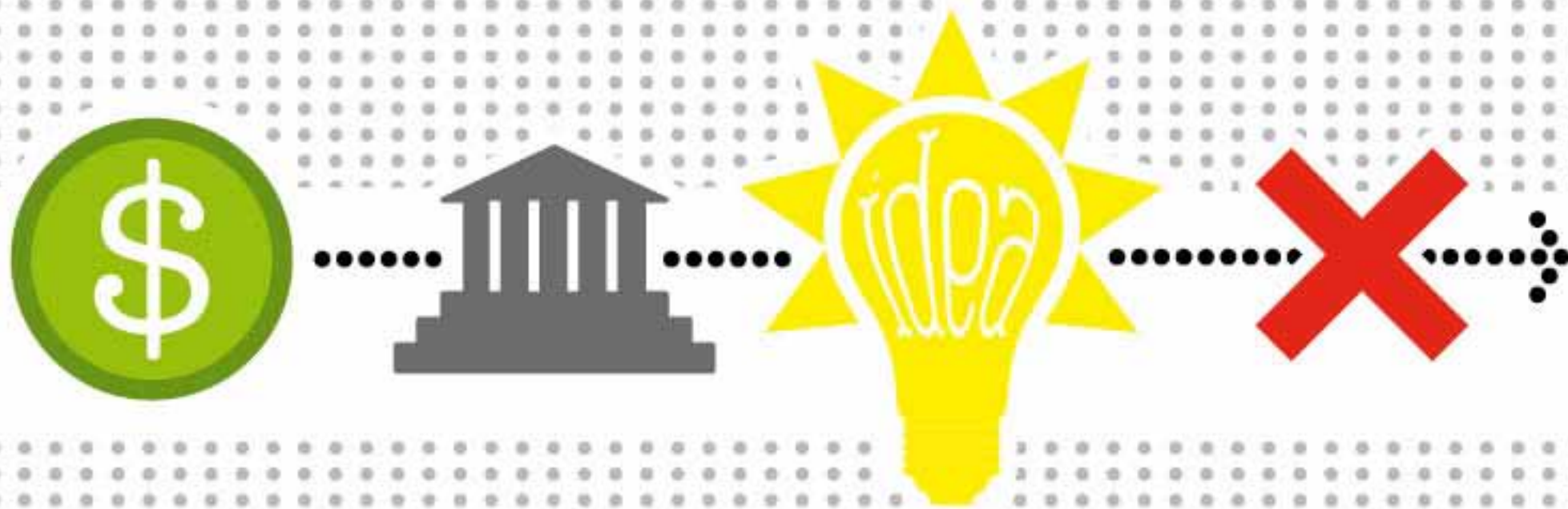
there are 3 problems:

- 1) there is a lack of university support for the commercialization of student ideas
- 2) there is no system for providing seed funding
- 3) there little support and funding for startups geographically outside entrepreneurial hubs

1) no university support

Each year, the U.S. government invests \$90 billion in universities, to support research, creative development and innovation.

However, little is done to commercialize the results

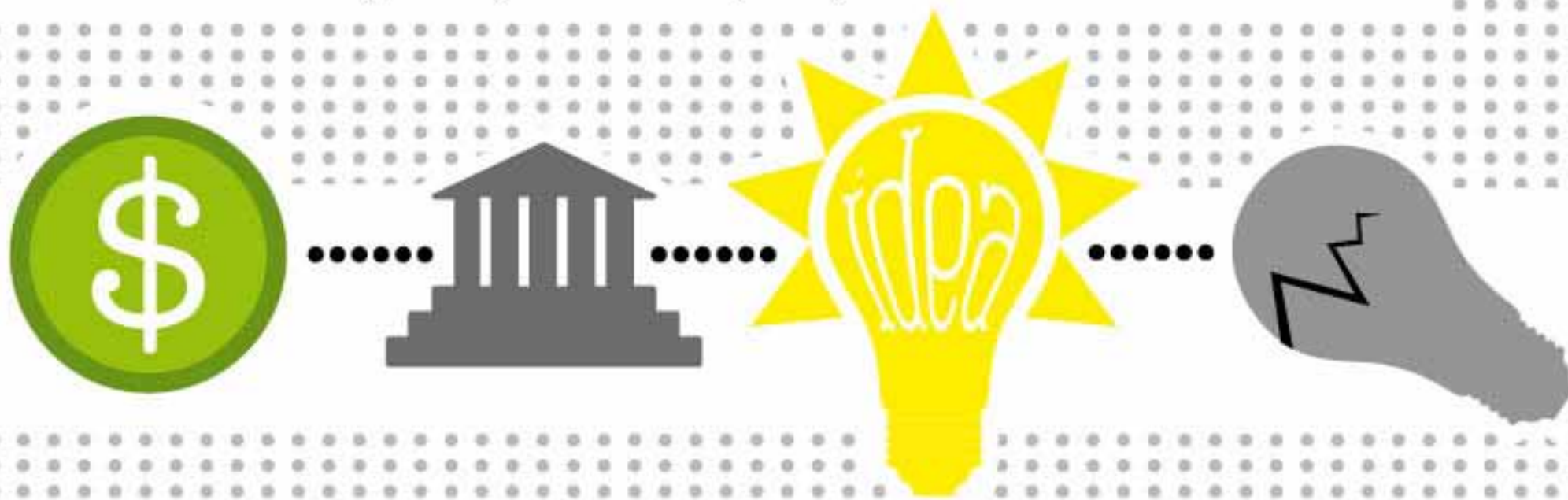


the problem

1) no university support

Each year, the U.S. government invests \$90 billion in universities, to support research, creative development and innovation.

However, little is done to commercialize the results and unfortunately many ideas die quietly



the problem

2) no seed funding

2) no seed funding

funding creates the building blocks of a startup



seed funding

money necessary to start and sustain a business until it is worthy of a larger investment

traditionally acquired through personal savings, a loan, or personal network of friends and family

the problem

2) no seed funding

funding creates the building blocks of a startup

late-stage funding

money invested to fund a startup's marketing, launch and business expansion once feasibility research, market strategy, prototyping and market testing are complete.



the problem

2) no seed funding

traditional models for startup financing
do not systematically provide seed funding



the problem

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traditional models for startup financing
do not systematically provide seed funding

**venture capitalists
& angel investors**

investors or firms who provide
late stage funding in return for
partial ownership and the
expectation of high returns

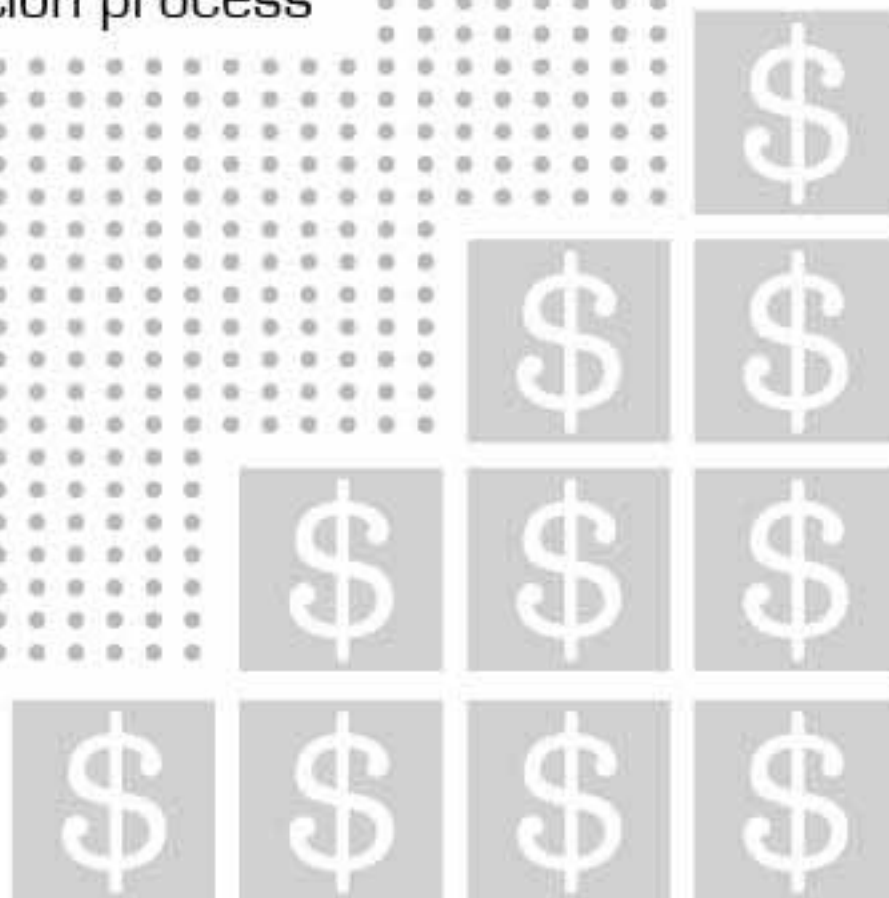


the problem

2) no seed funding

we need a system that:

- first, leads startups through the ideation process



SEED STAGE

LATE STAGE

the problem

2) no seed funding

we need a system that:

- first, leads startups through the ideation process
- second, provides seed funding for further development



SEED STAGE

LATE STAGE



the problem

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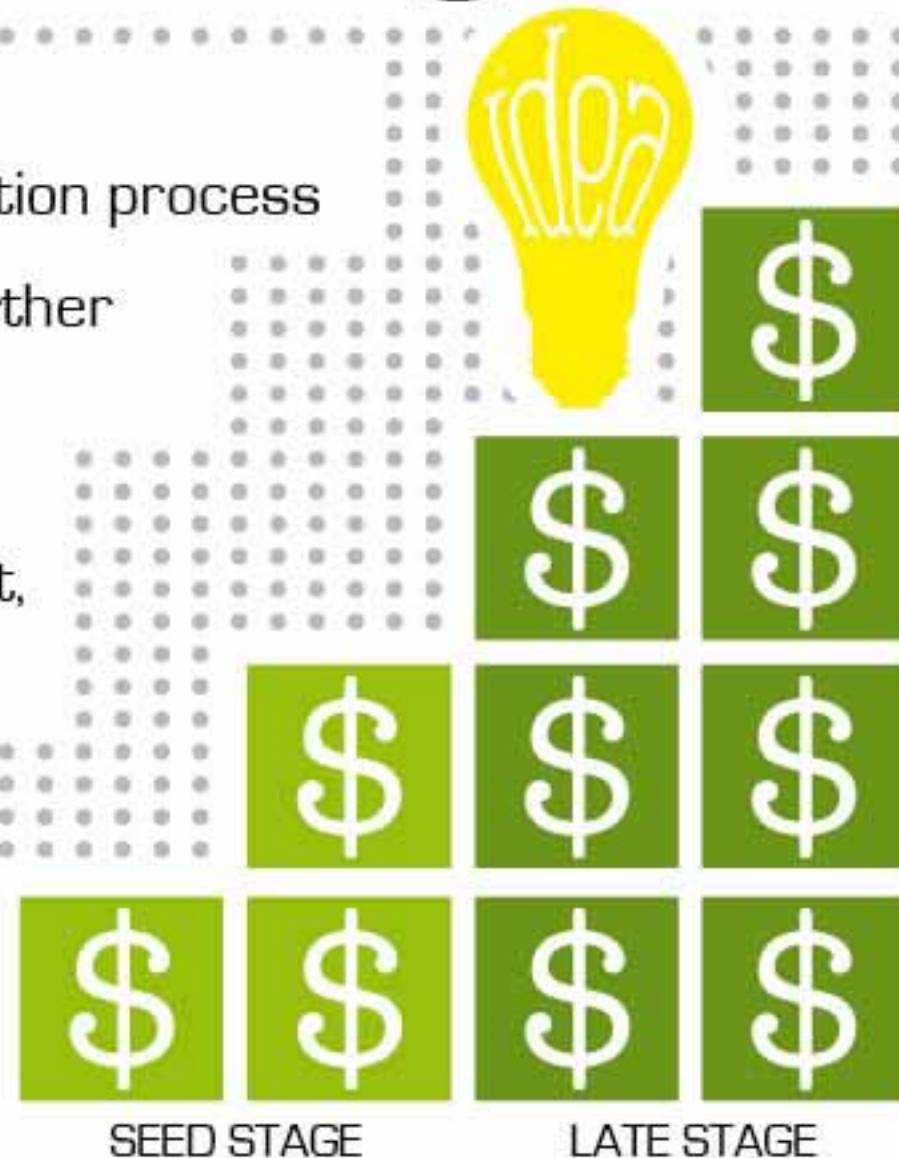


the problem

2) no seed funding

we need a system that:

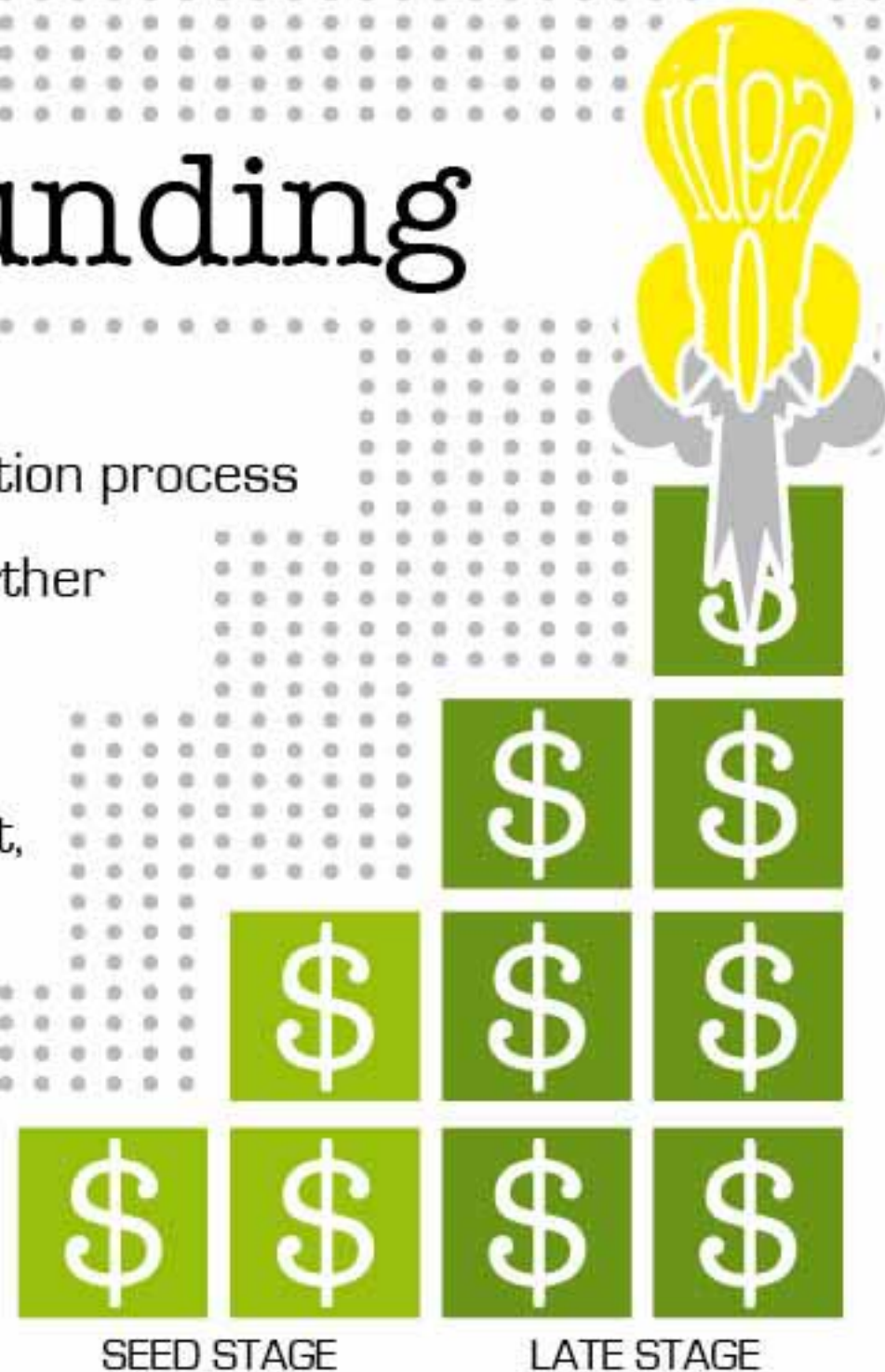
- first, leads startups through the ideation process
- second, provides seed funding for further development
- third, guides startups through the following steps including development, late stage funding, and launch



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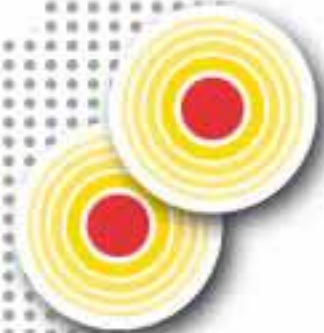
3) limited entrepreneurial hubs

the hubs are centralized in three areas
...where some of the country's
top universities are located.



Silicon Valley, CA

these schools serve as a training
ground for entrepreneurial talent
...and VCs follow the talent.

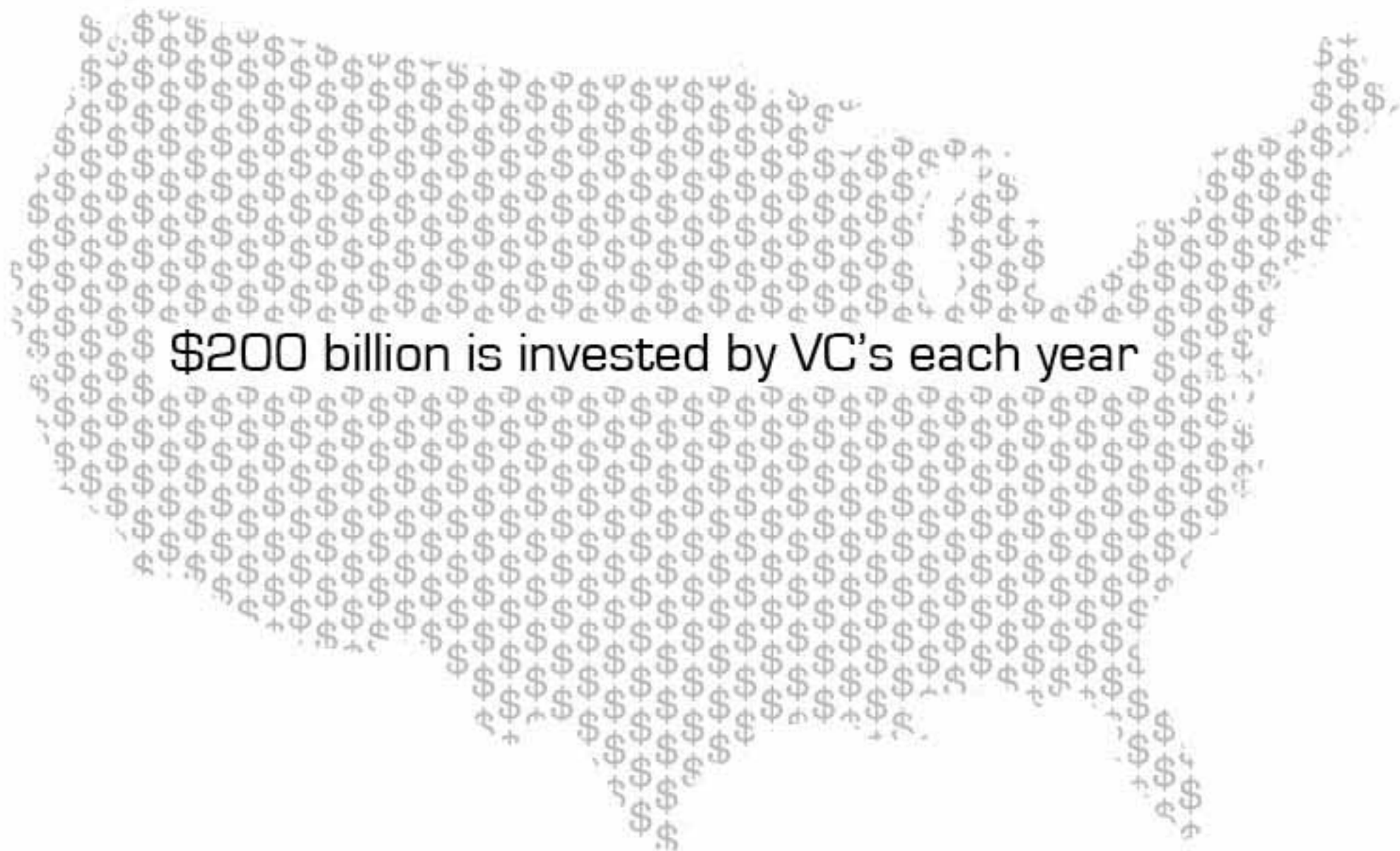


Boston, MA

New York, NY

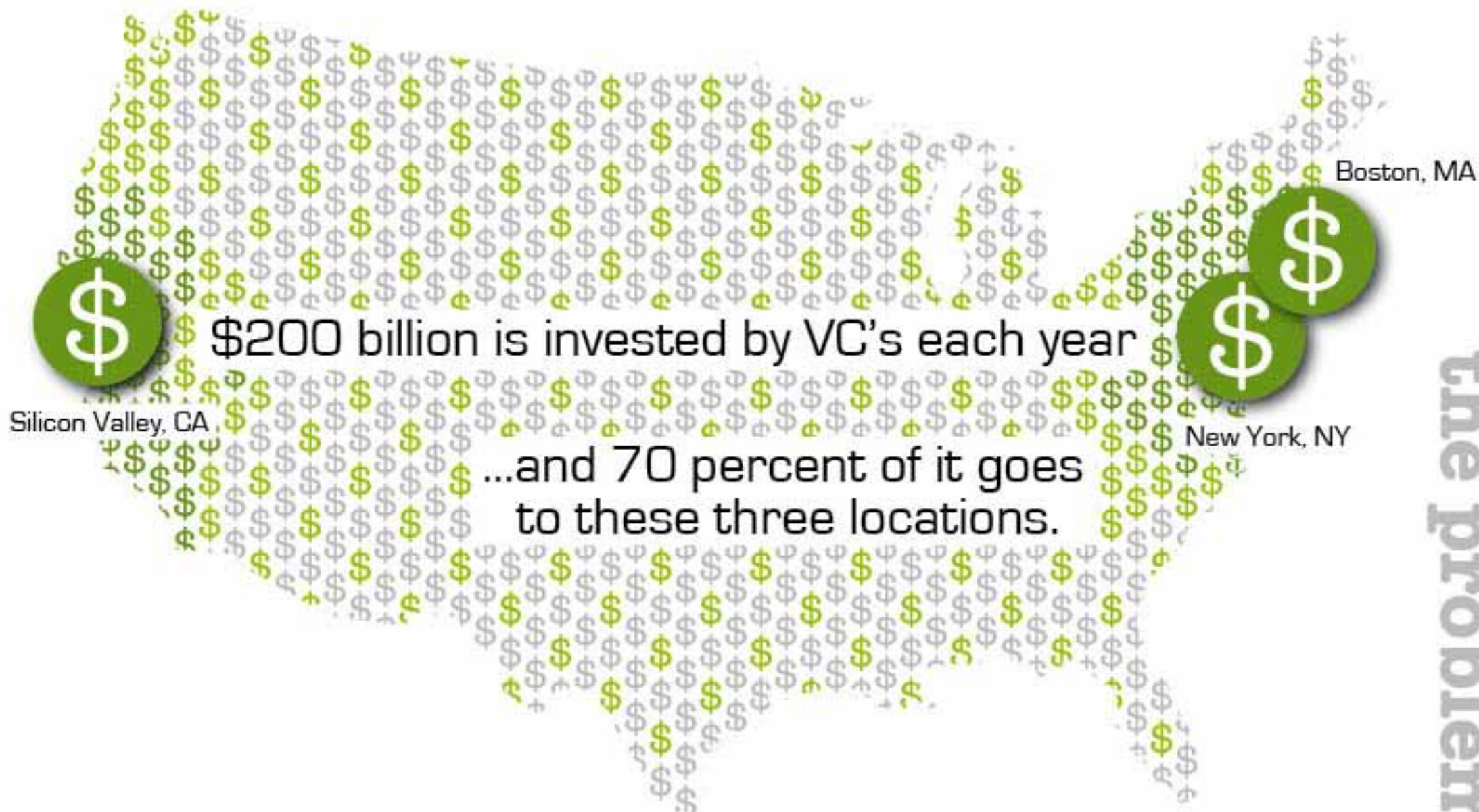
the problem

3) limited entrepreneurial hubs



the problem

3) limited entrepreneurial hubs

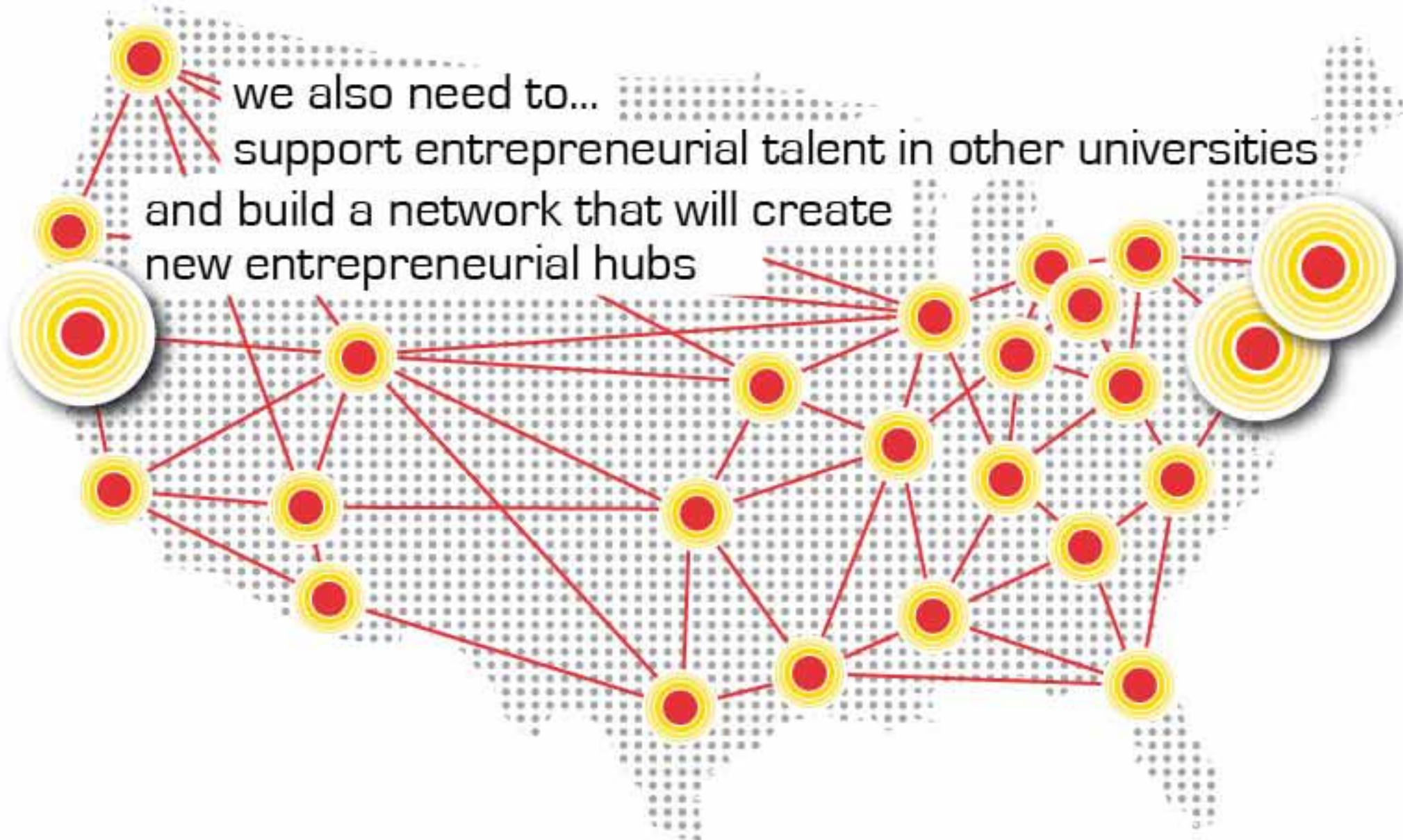


3) limited entrepreneurial hubs



the problem

3) limited entrepreneurial hubs



the problem

to address these problems

a new model should be:

- 1) a university-supported program that enables the commercialization of student innovations
- 2) a resource for seed funding and mentorship that gives support from ideation to launch
- 3) a network of universities and professionals that enables the growth of new entrepreneurial hubs



the precedents

existing models of entrepreneurial support

venture capitalists

angel investors

business incubators

crowdsourced funding websites

university proof of concept centers



precedents

- venture capitalists
- angel investors
- business incubators
- crowdsourced funding websites
- university POCs

late-stage funding

non-participatory

mentorship

early-stage funding

precedents

● Venture Capitalists

● Angel Investors

Vator TV ●

● Thrust Fund

Micropledge ●

● School of Communication Arts

Ideablob ●

● The Hub

Social Innovation Camp ●

● Bethnal Green Ventures

Kickstarter ●

● P.O.C.s

these models:

build a community of support
for entrepreneurs

provide mentorship services

source seed or late stage
funding for startups

late-stage funding

Venture Capitalists

Angel Investors

Thrust Fund

mentorship

School of Communication Arts

The Hub

Bethnal Green Ventures

P.O.C.s

early-stage funding

precedents

team building

- traditional investors
- business incubators
- university POCs
- my objective

peer feedback

networking

scalability

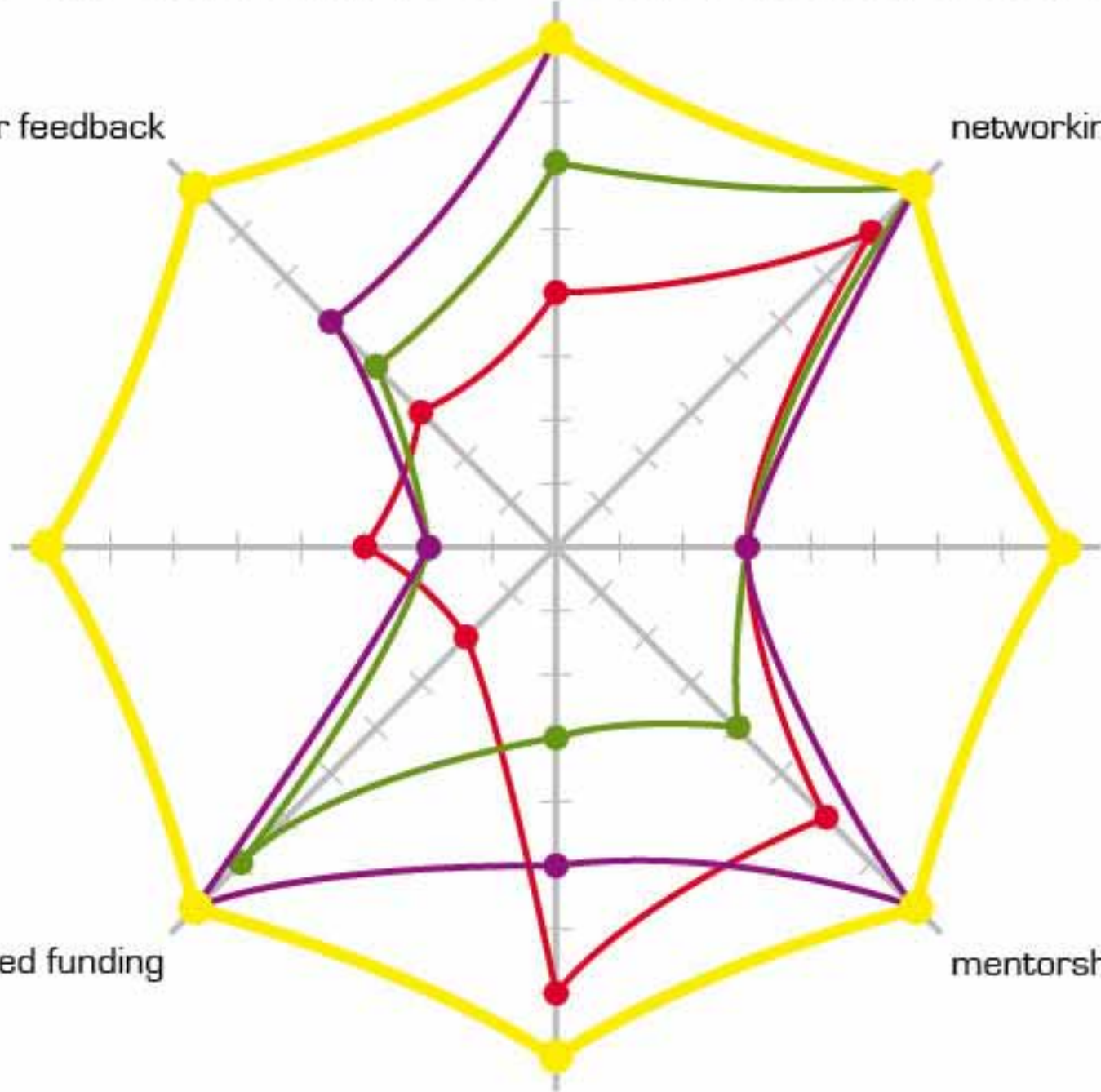
range of industries

seed funding

mentorship

later-stage funding

precedents



team building

peer feedback

networking

scalability

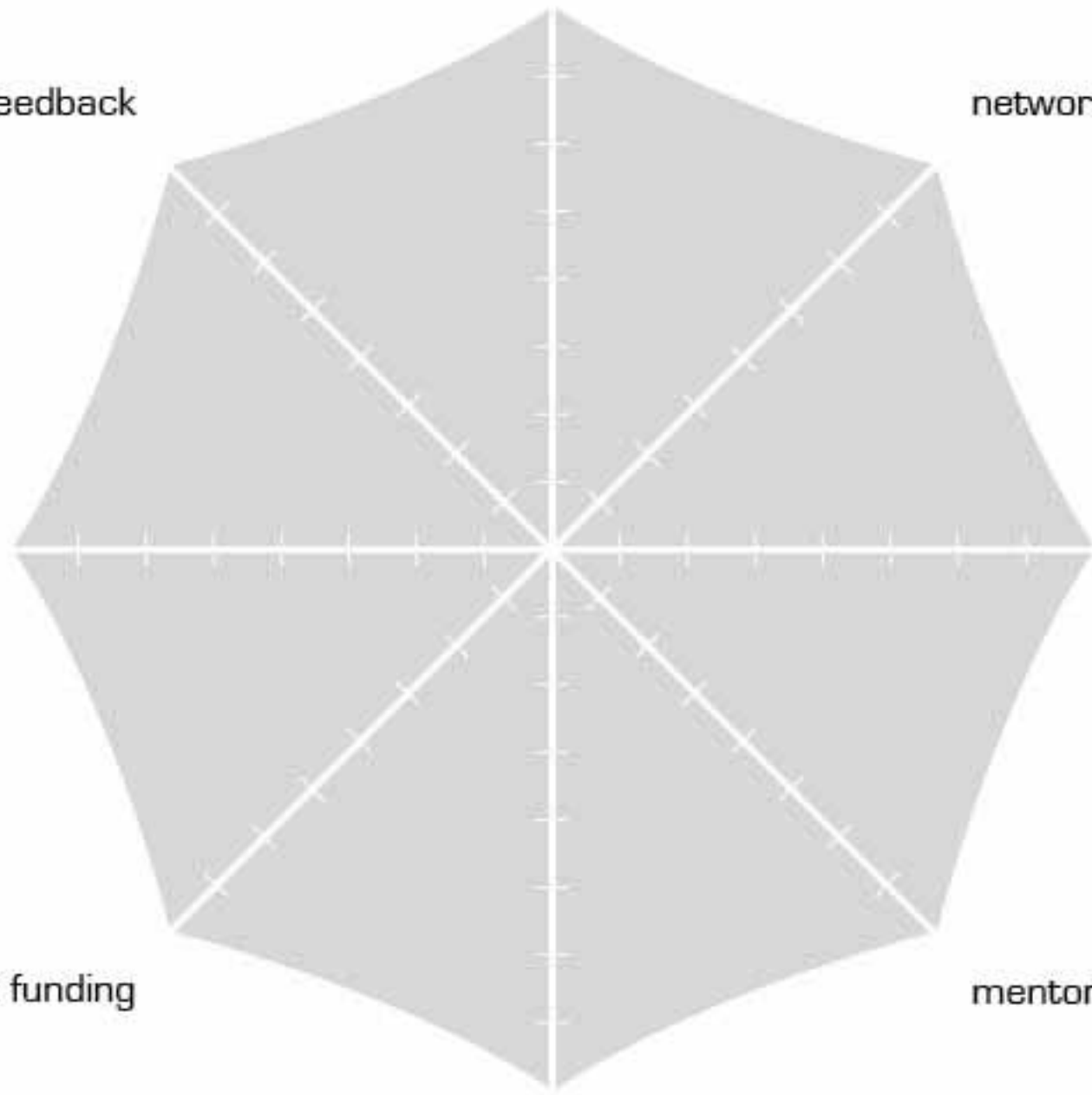
range of industries

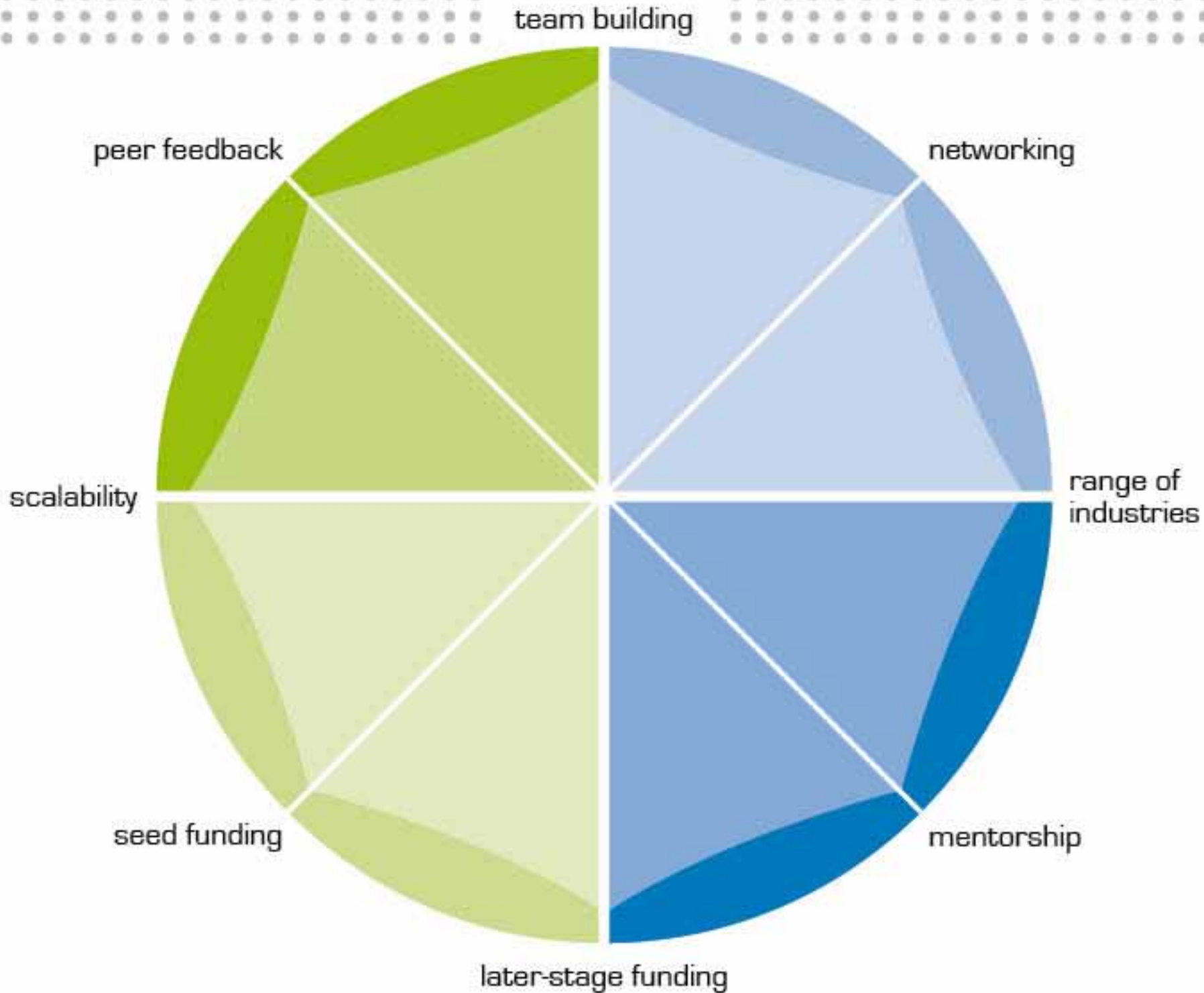
seed funding

mentorship

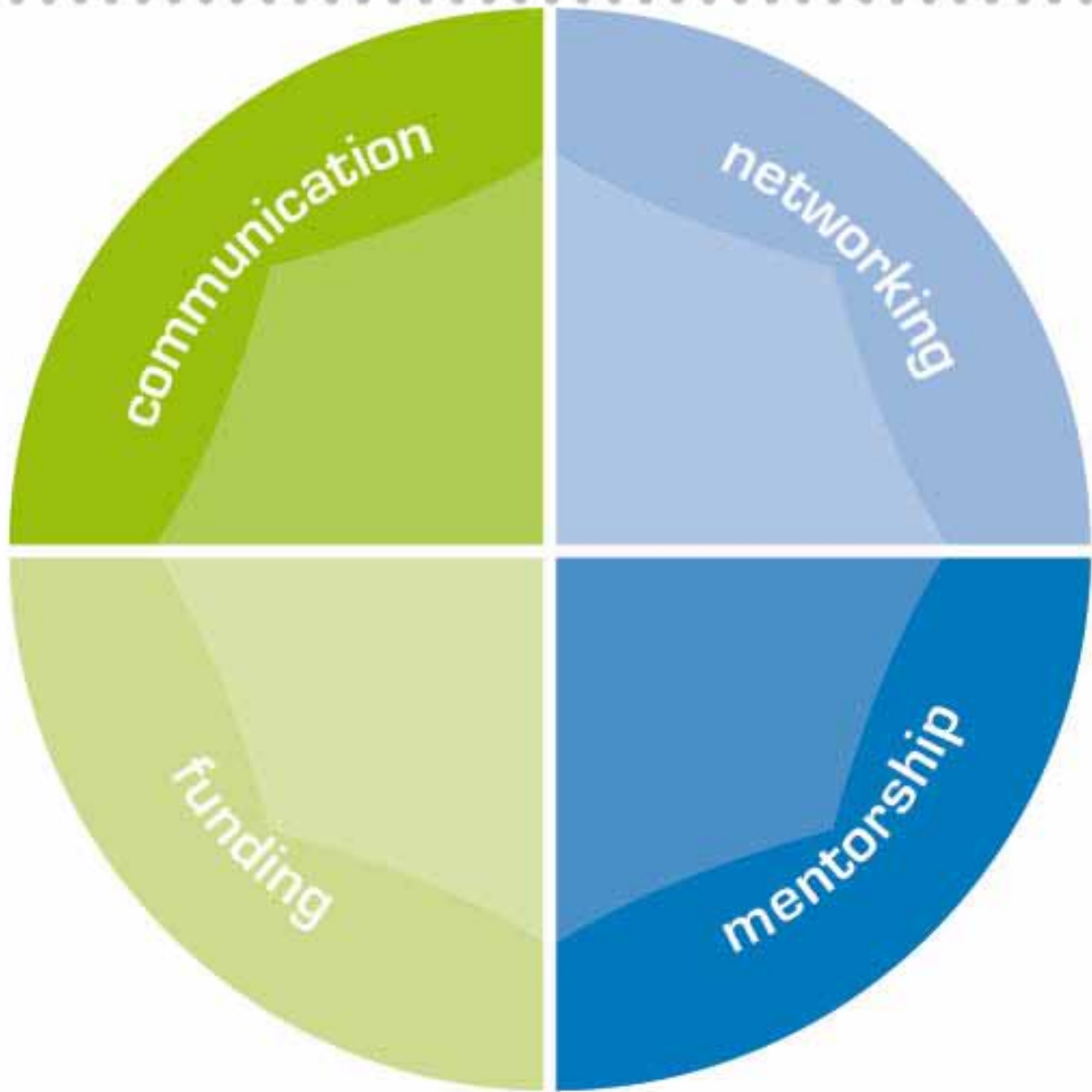
later-stage funding

precedents



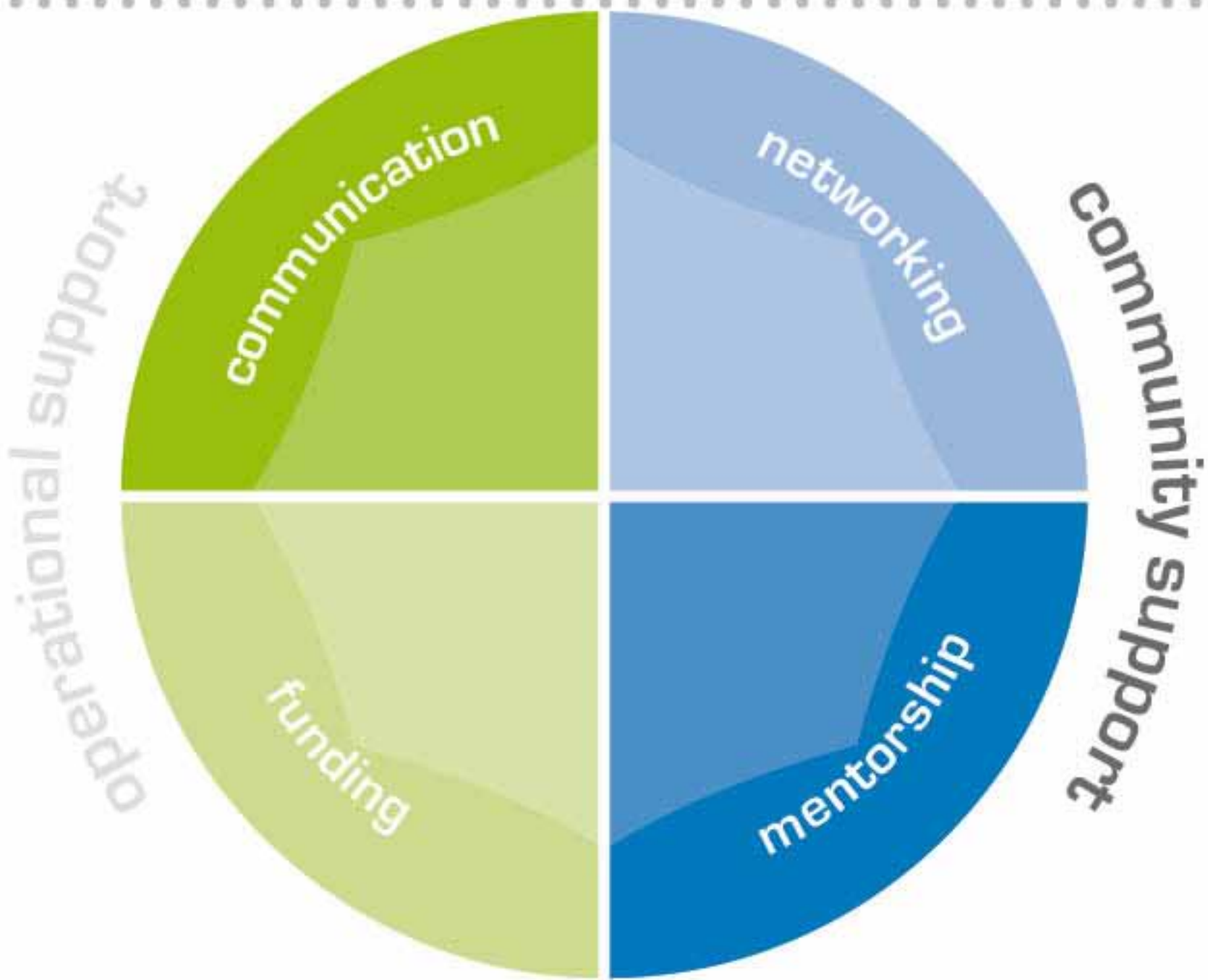


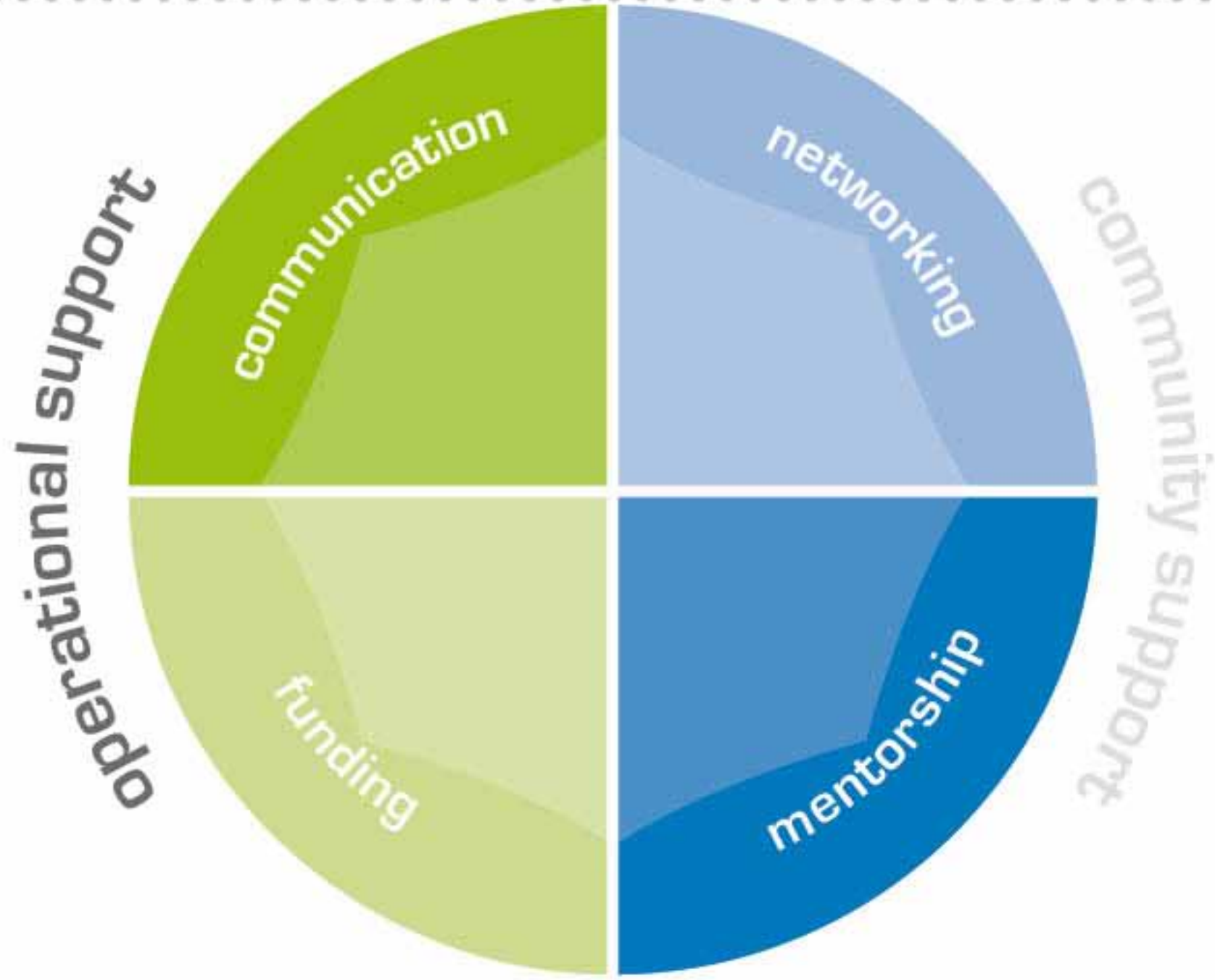
precedents



precedents

precedents





precedents

the design brief

essential support mechanisms of the new model are:

- 1) mentorship & community
- 2) interdisciplinary networking
- 3) seed & late stage funding
- 4) communication tools



the solution



innovation futures market

what is **ifm**?



ifm is...

- 1) a completely **new model for investing** money in ideas, young talent and innovative entrepreneurial endeavors.
- 2) a new incubator and **work platform** that builds qualified teams of elitesourced individuals, trains a generation of **new entrepreneurs** and creates a **new job market** for college graduates.



who is **ifm**?



ifm is a community



ifm is a community of

universities

who can benefit from commercializing student ideas and who strive to build a network of entrepreneurial hubs



ifm is a community of

students

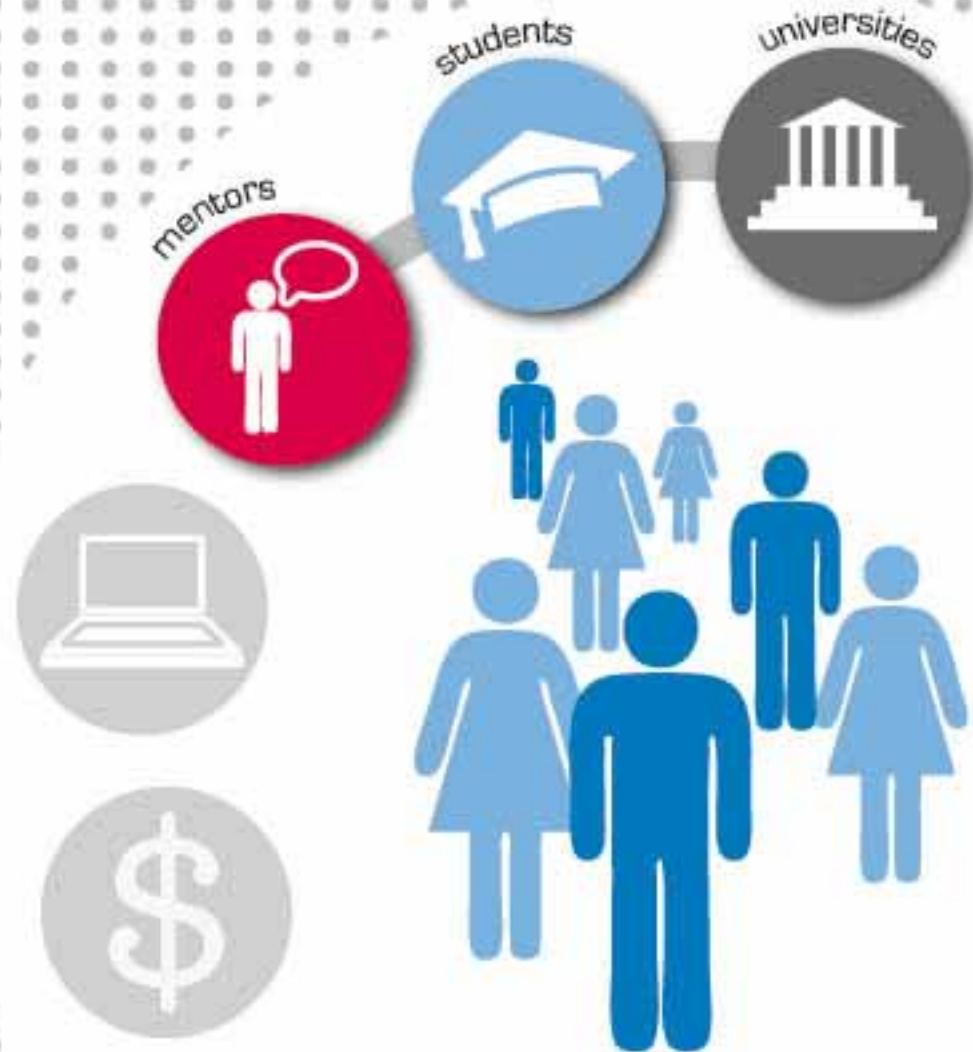
of every discipline who have innovative ideas and the entrepreneurial drive to carry them out



ifm is a community of

mentors

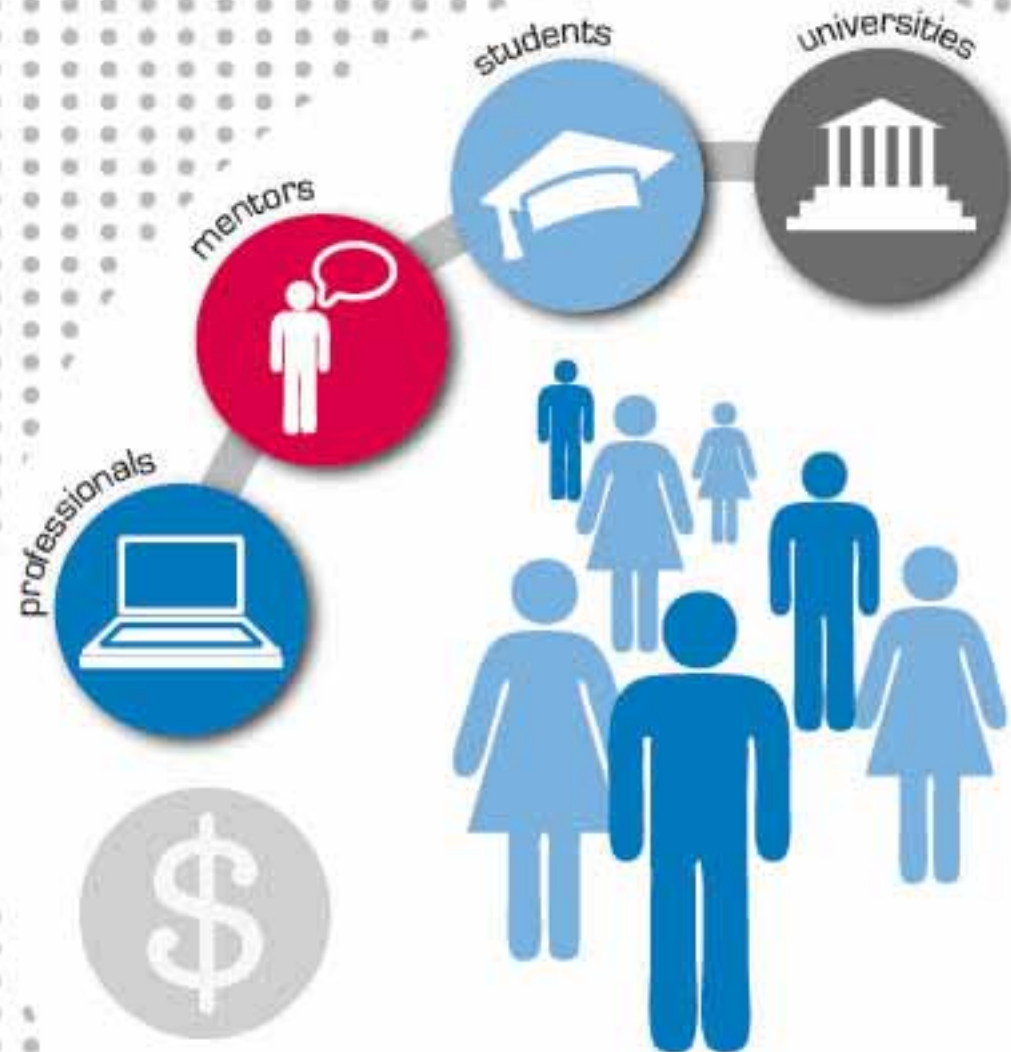
who have professional or academic
experience in entrepreneurship



ifm is a community of

professionals

who want to be part of an innovative
startup at the ground level



ifm is a community of

investors

want to support and make money
from innovative business endeavors
and work with young talent



how does **ifm** work?



1) the investment model



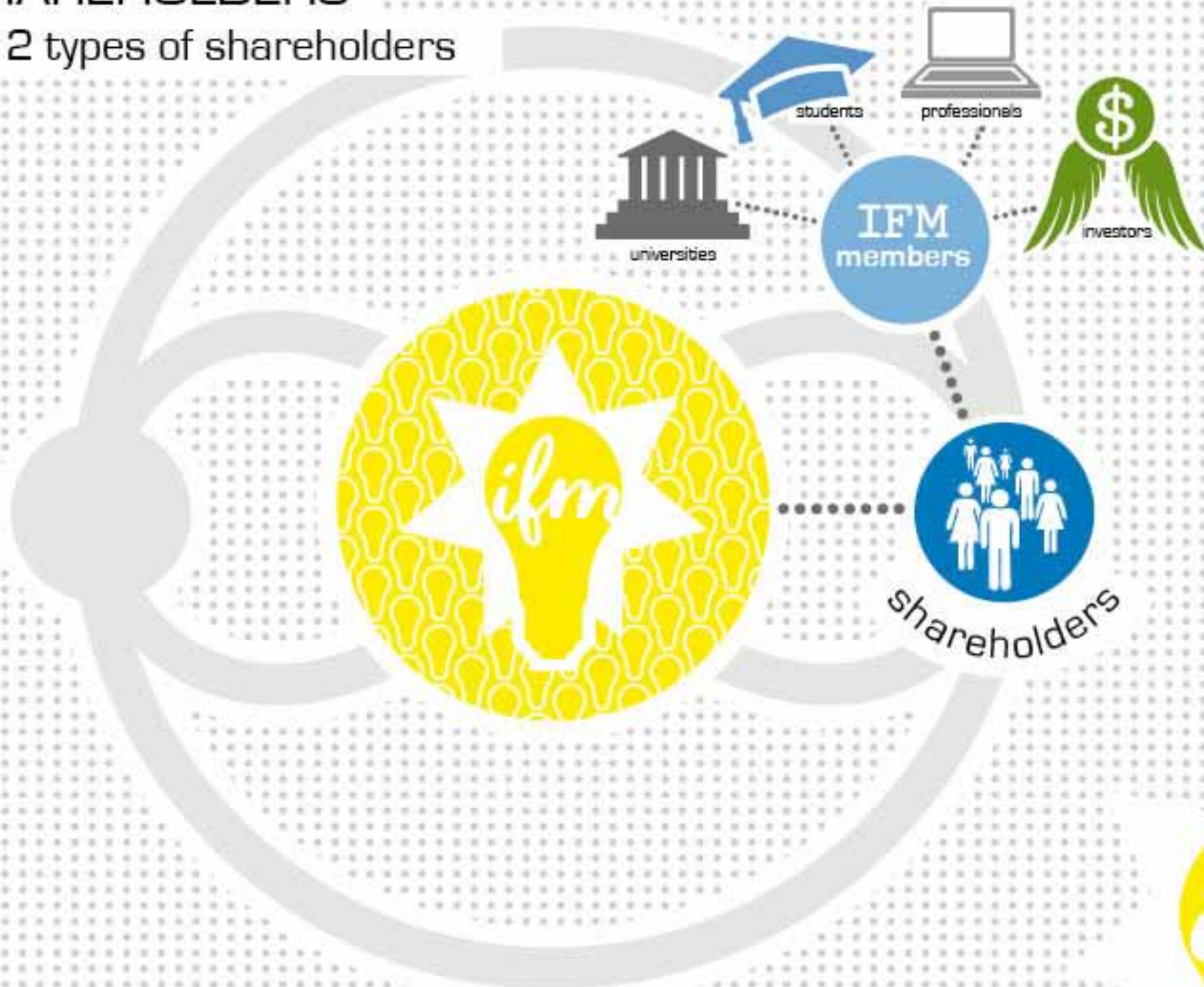
1) THE FUND

IFM is an Exchange-Traded Investment Fund



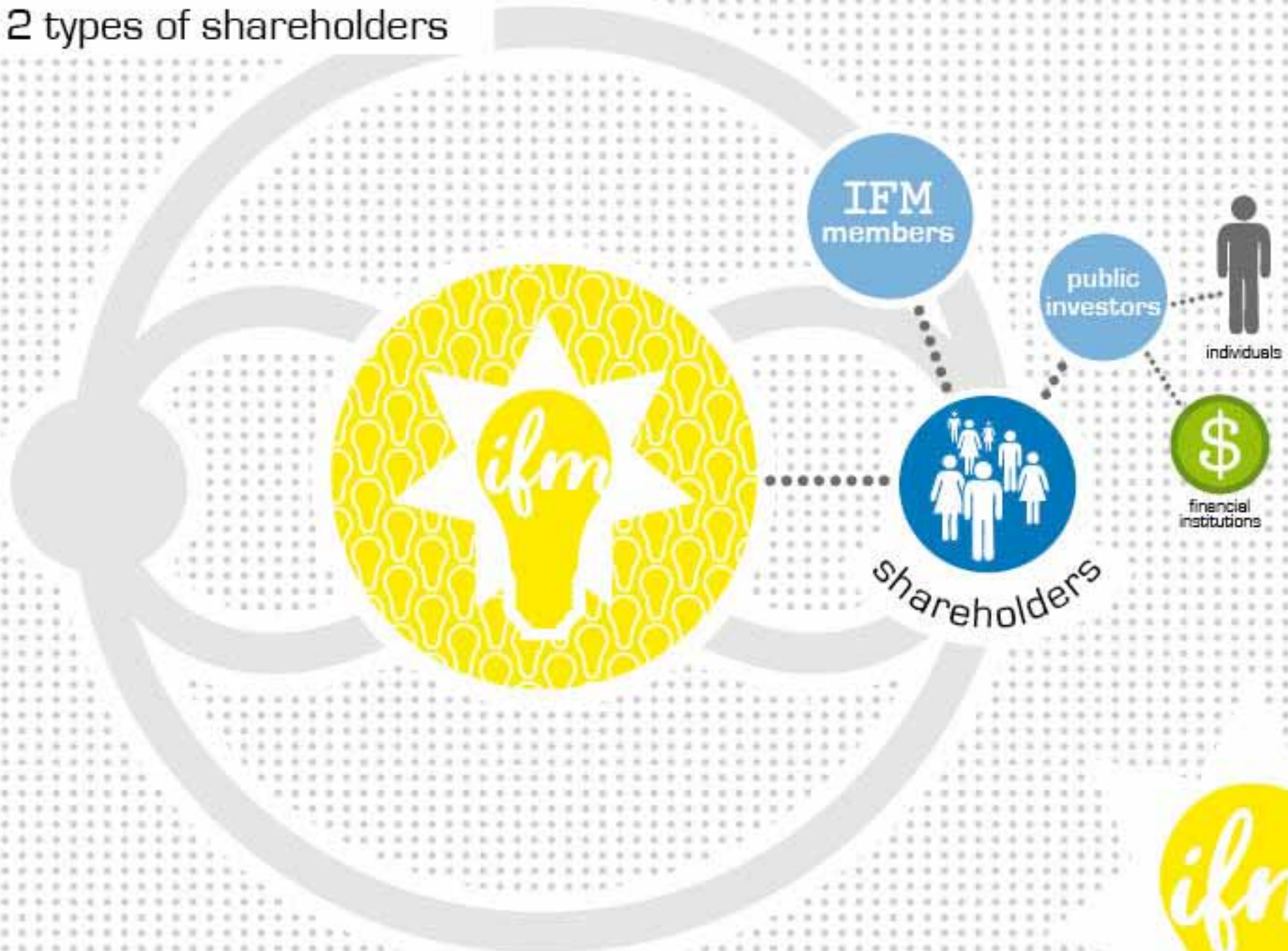
2) THE SHAREHOLDERS

IFM has 2 types of shareholders



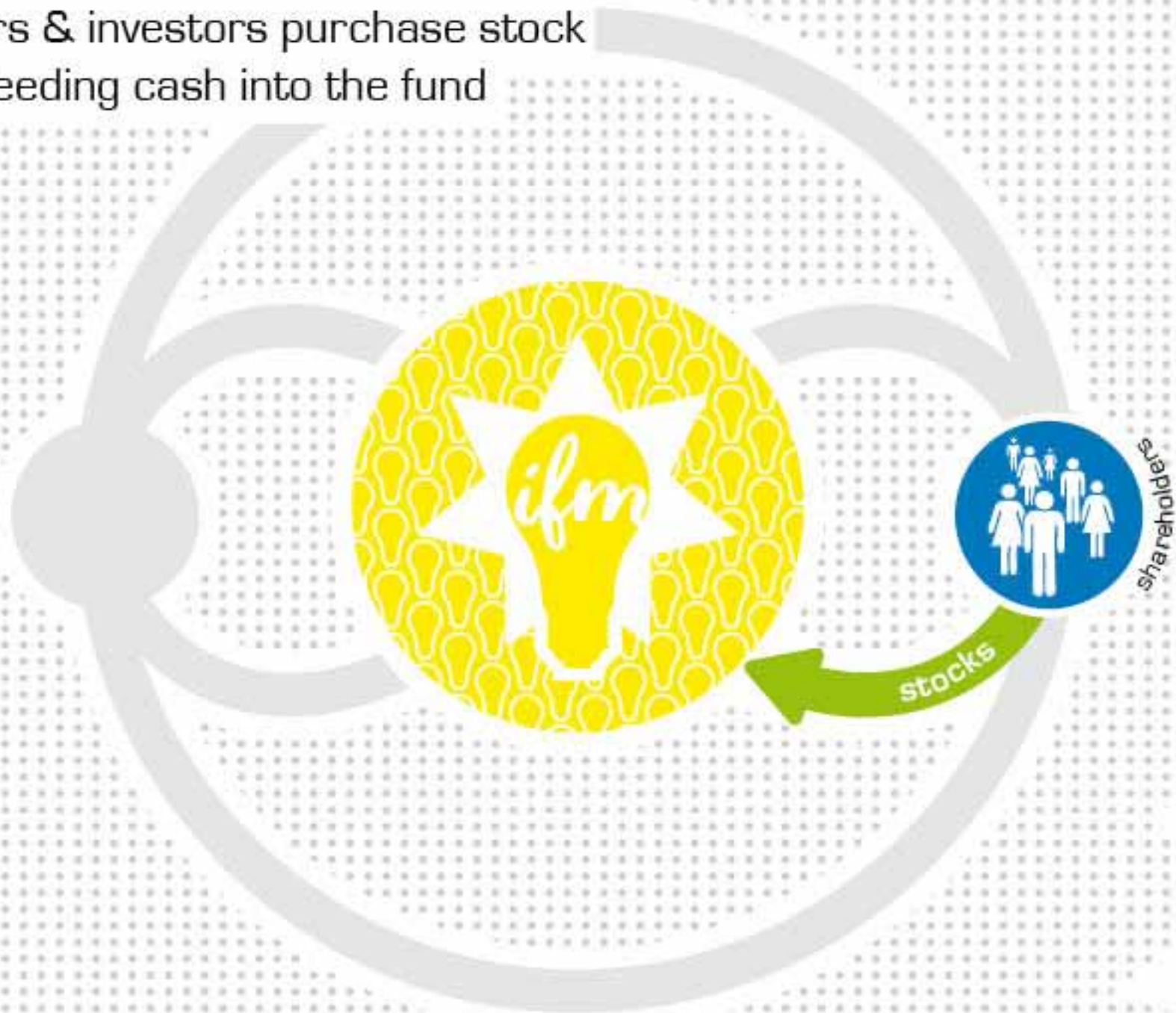
2) THE SHAREHOLDERS

IFM has 2 types of shareholders



3) BUY STOCK

members & investors purchase stock
in IFM, feeding cash into the fund



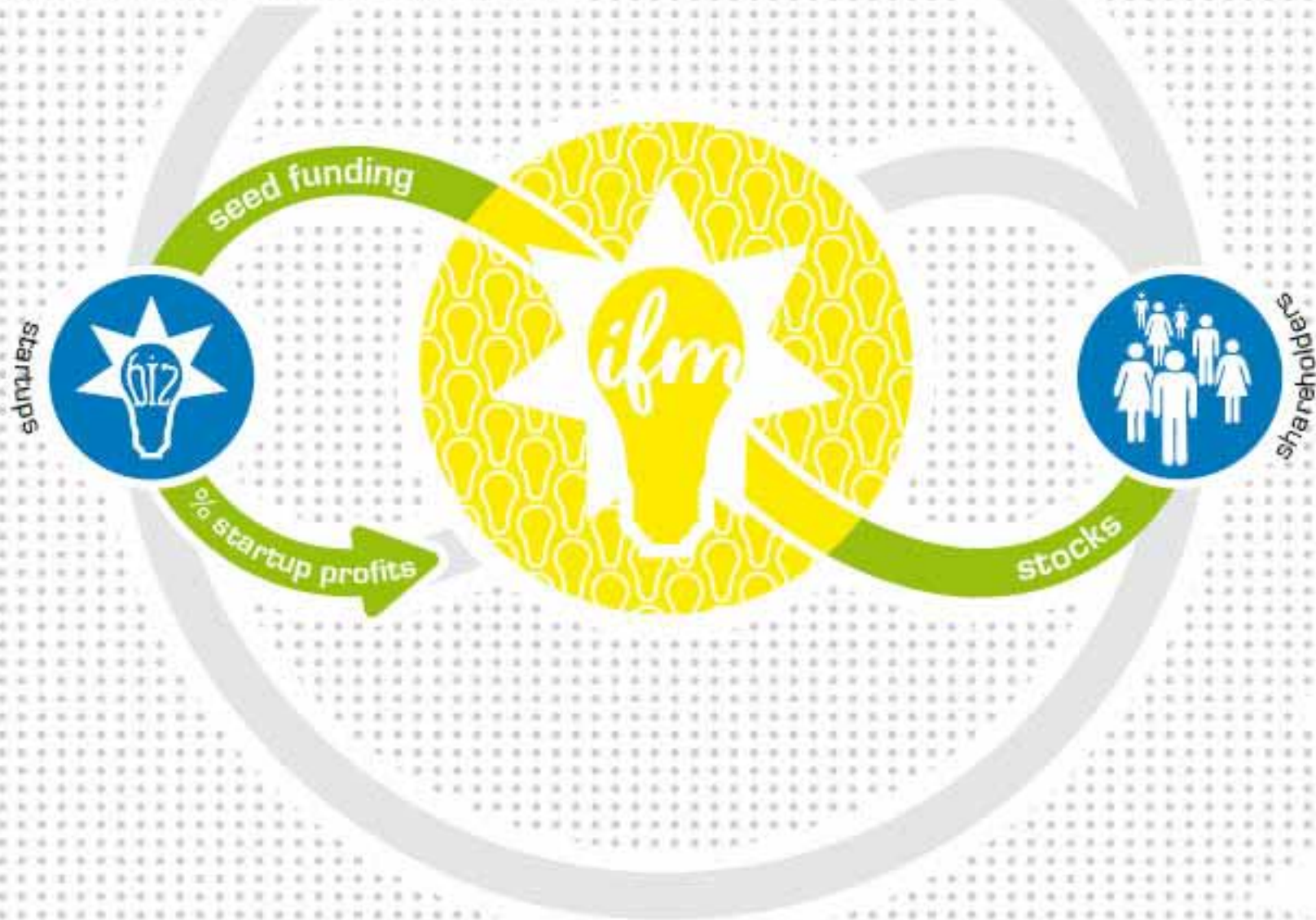
4) SEED FUNDING

stock investments allow the cash flow to provide seed funding to IFM startups



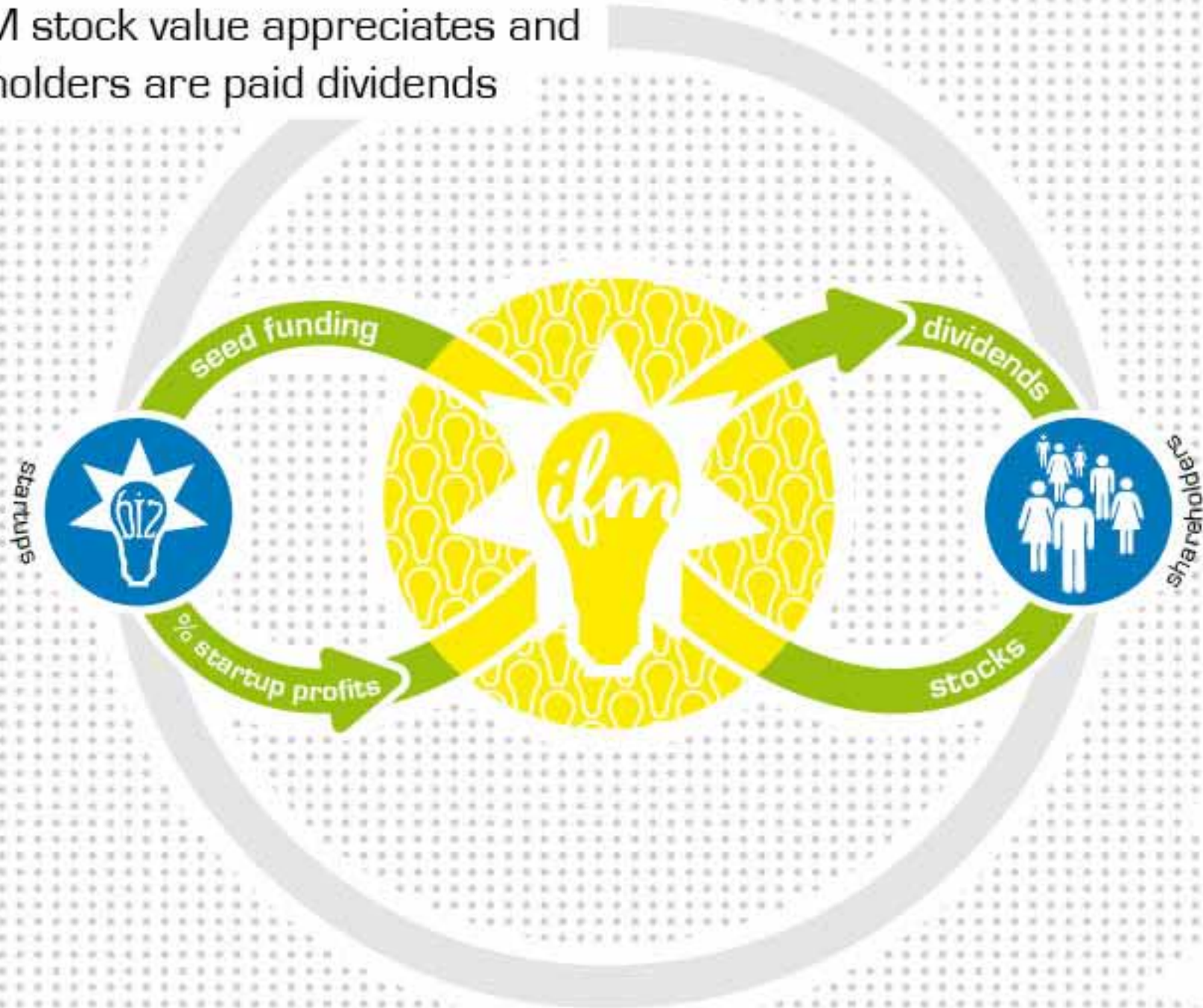
5) THE FUND GROWS

IFM has a percentage ownership in each IFM startup, so a percentage of startup profits are fed back into the fund



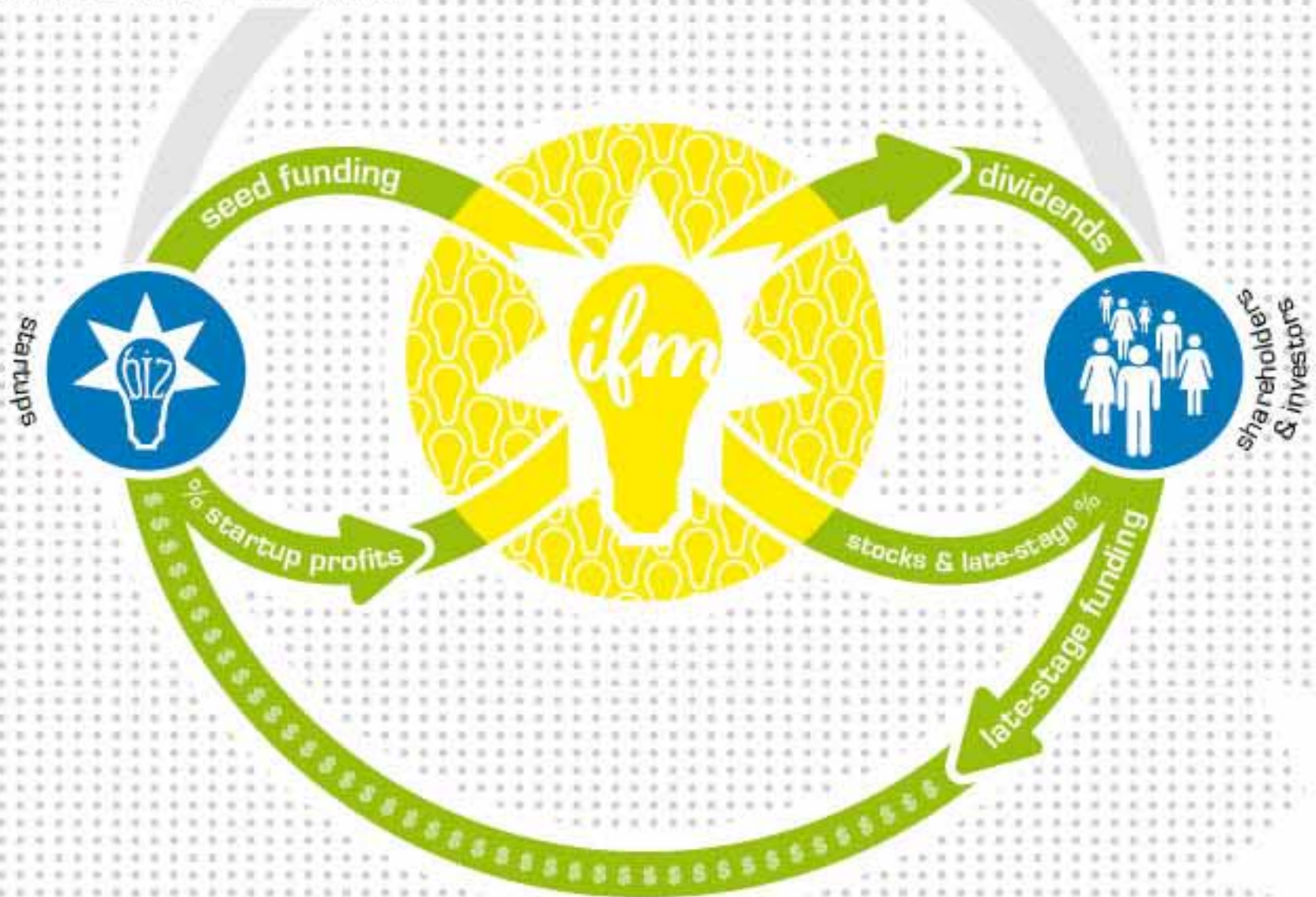
6) SHAREHOLDERS MAKE \$

the IFM stock value appreciates and
shareholders are paid dividends



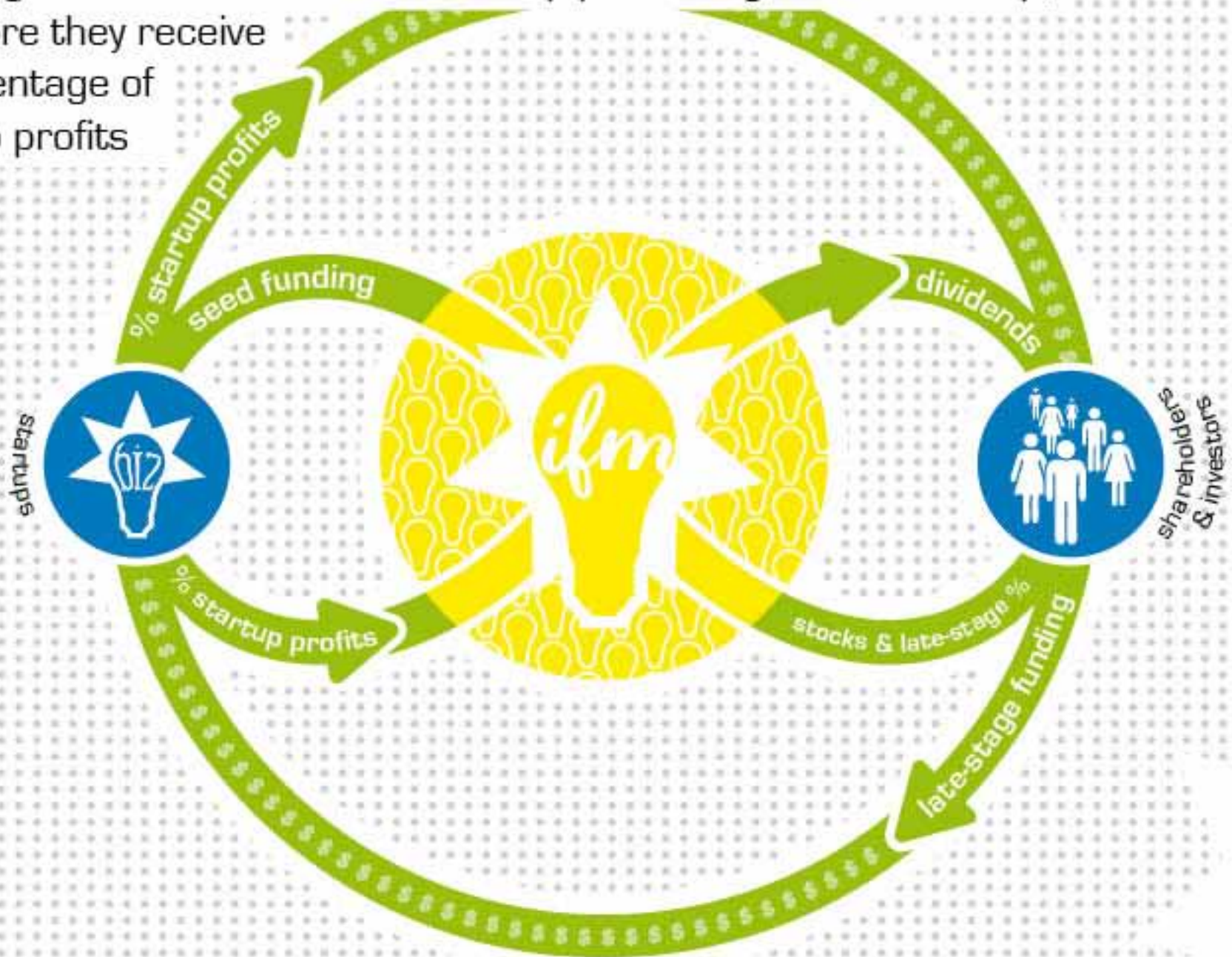
7) LATE STAGE FUNDING

IFM member investors provide late stage funding to a startup and a percentage is invested into the IFM fund

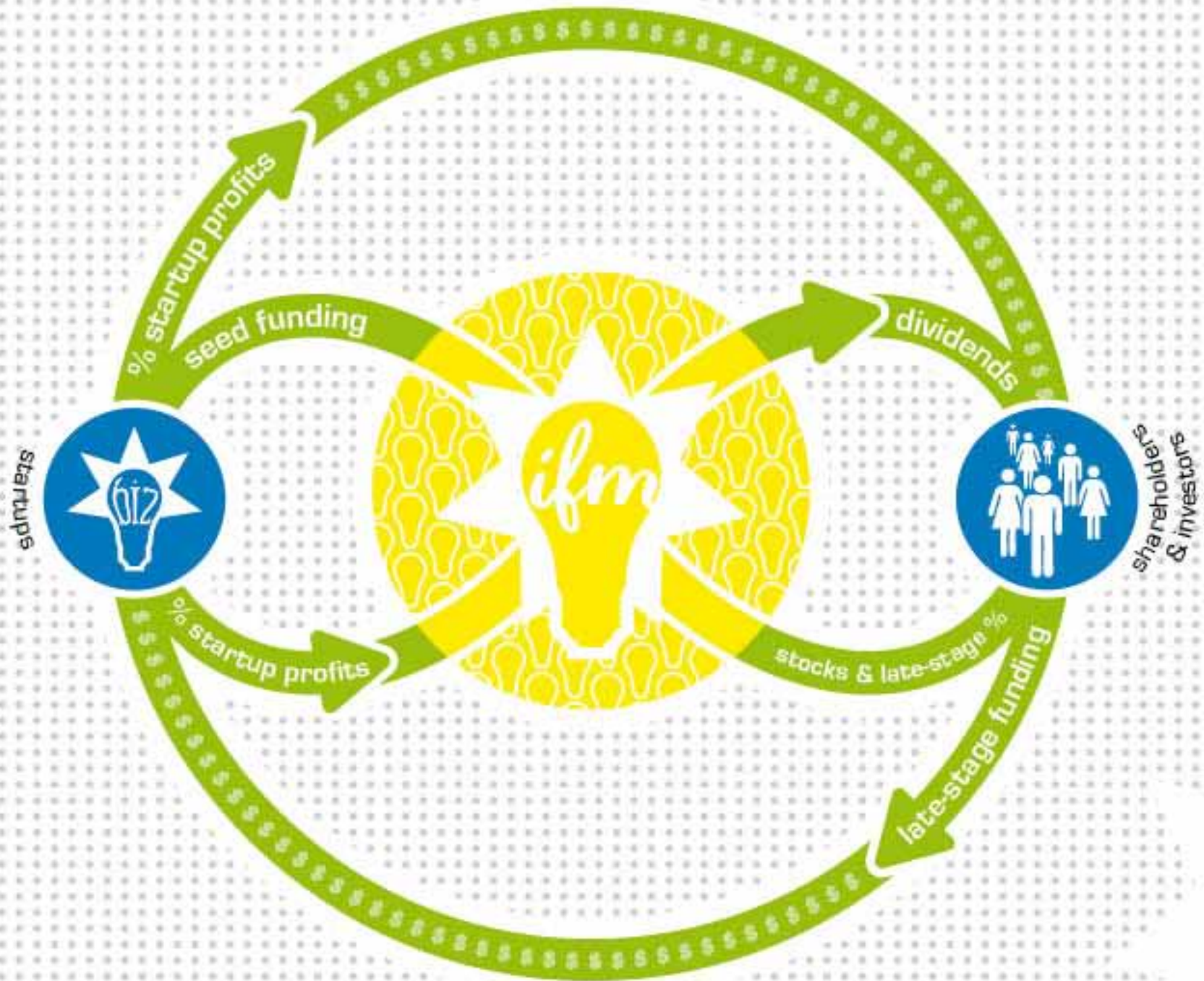


8) MEMBER INVESTORS GET PAID

late-stage investors have an ownership percentage of the startup, therefore they receive a percentage of startup profits



and the cycle continues...



the investment model

allows the public to invest collectively in innovation

creates a model that is financially beneficial to participating universities and members

provides the financial support to develop and launch IFM startups

maintains a symbiotic flow of money to and from members, investors and IFM startups

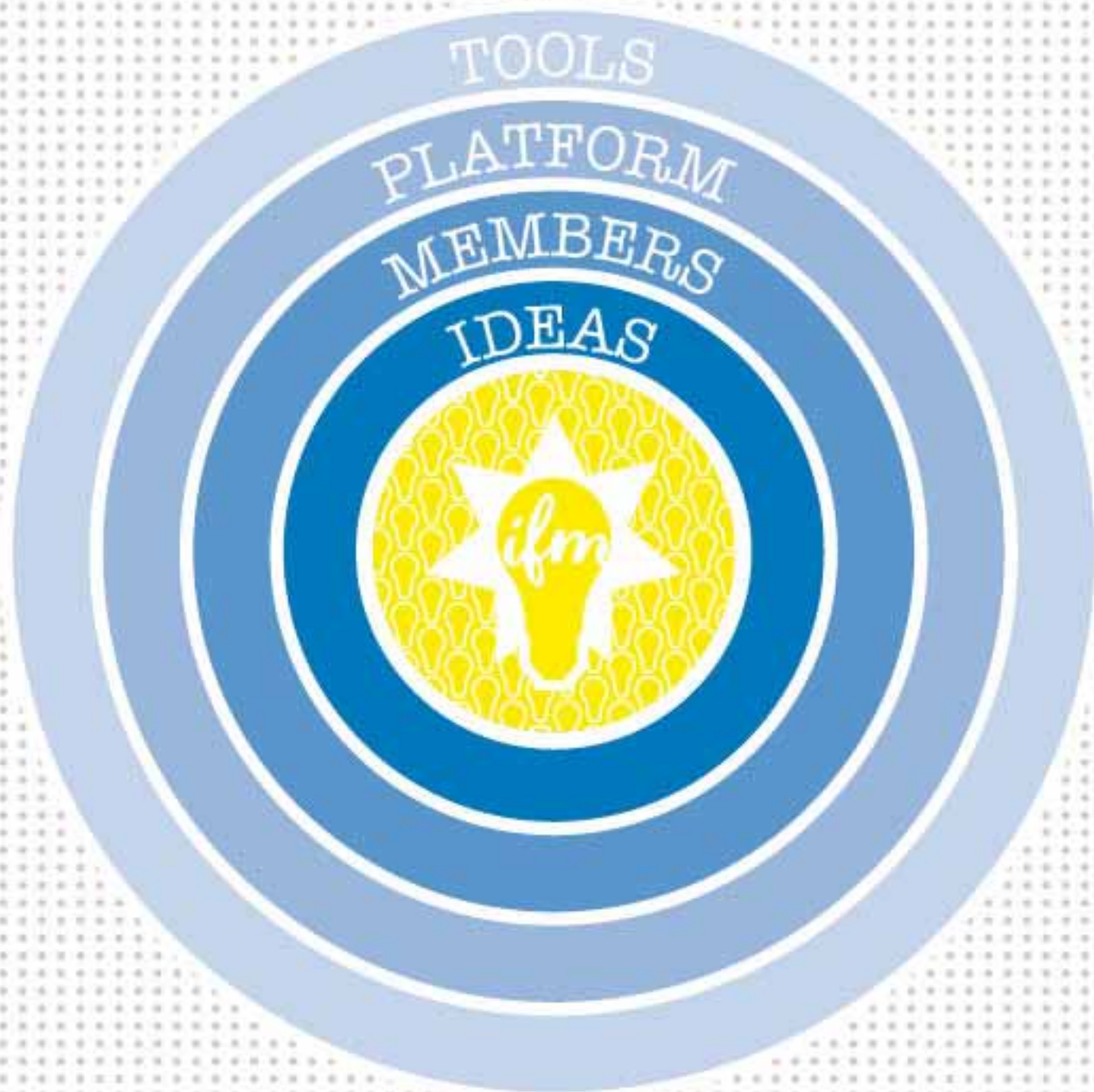


2) the incubator model



ifm is comprised of...





operational support



community support



operational support



community support





the scenario

the 10 easy steps to
launching a business
with ifm



IDEA

**FIDU technology +
home products**

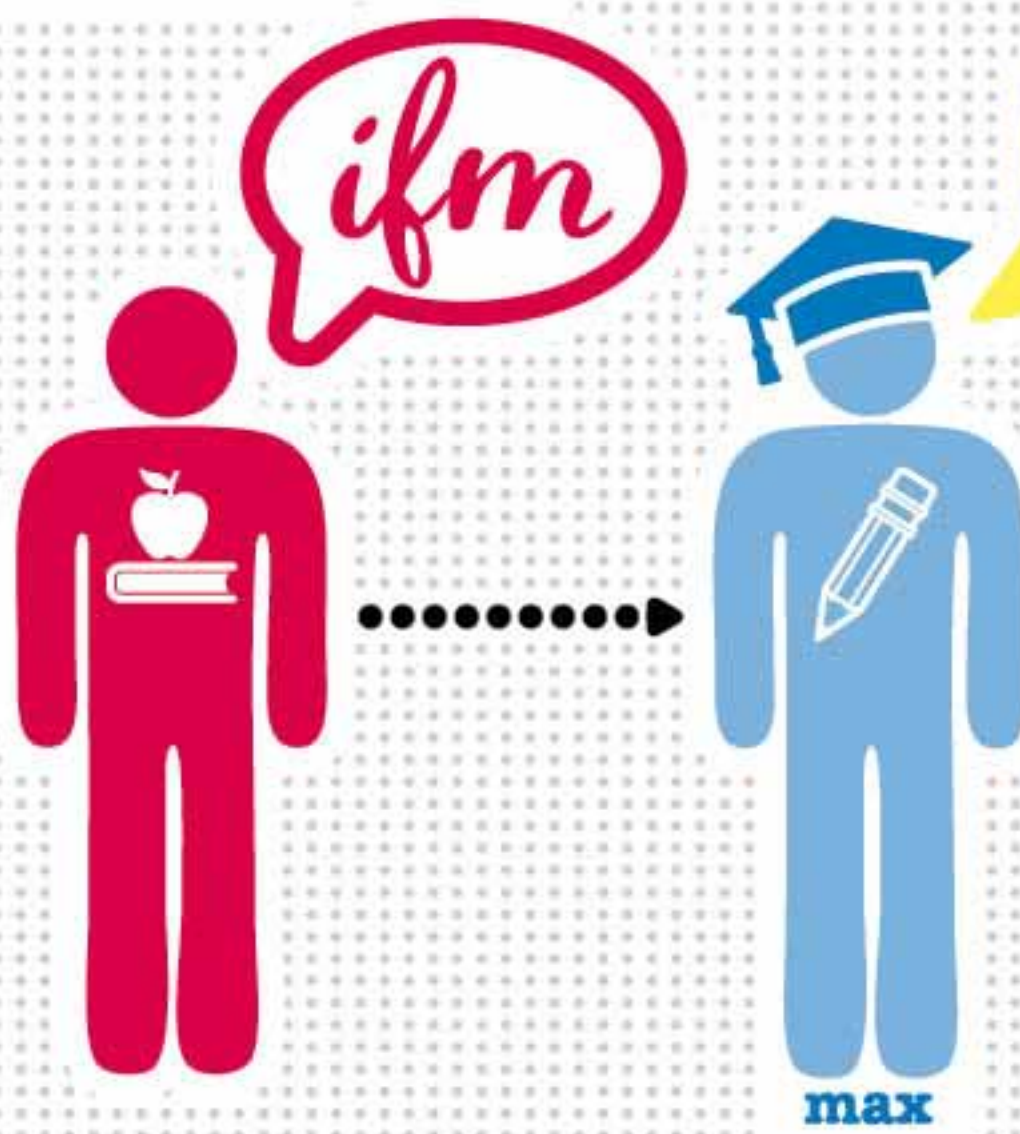


**design student
university of cincinnati, OH**

max

1 2 3 4 5 6 7 8 9 10

IDEA



1 2 3 4 5 6 7 8 9 10

IDEA



max

1 2 3 4 5 6 7 8 9 10

MEMBERSHIP



application

- 1) personal
- 2) project



invitation

- 1) team membership
- 2) full membership

1 2 3 4 5 6 7 8 9 10

MEMBERSHIP



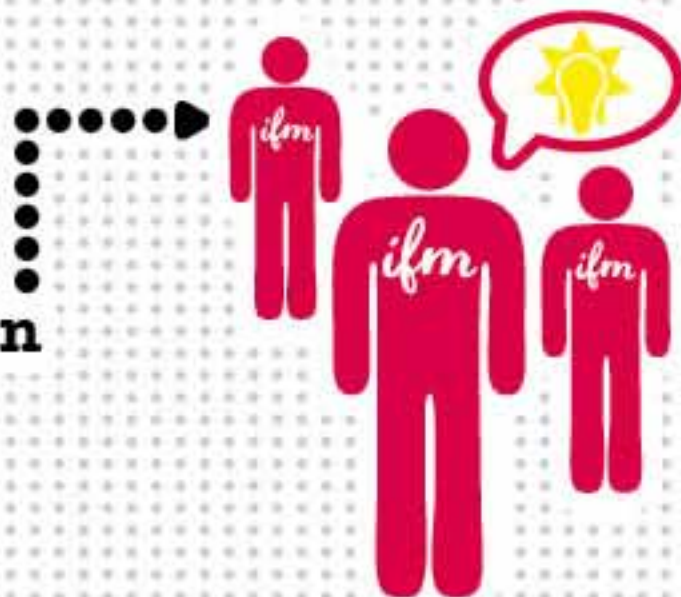
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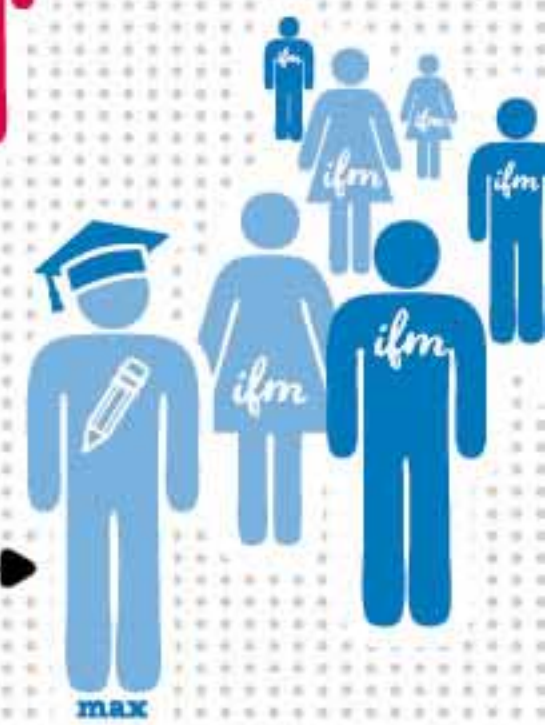
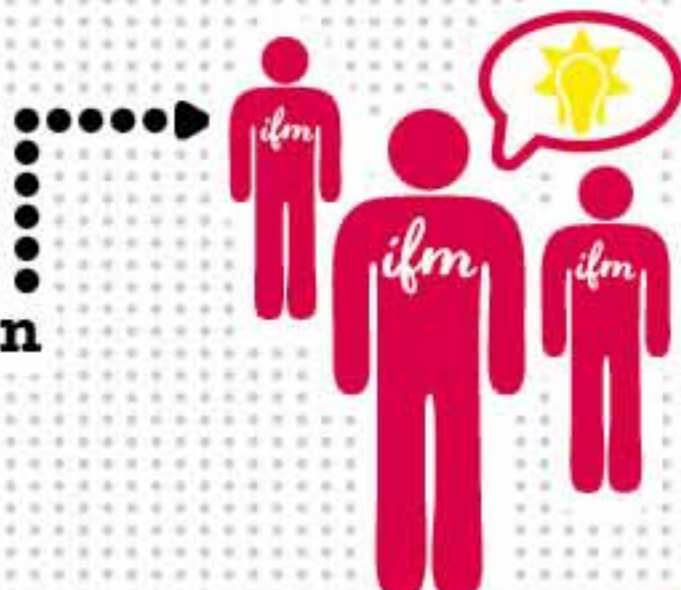
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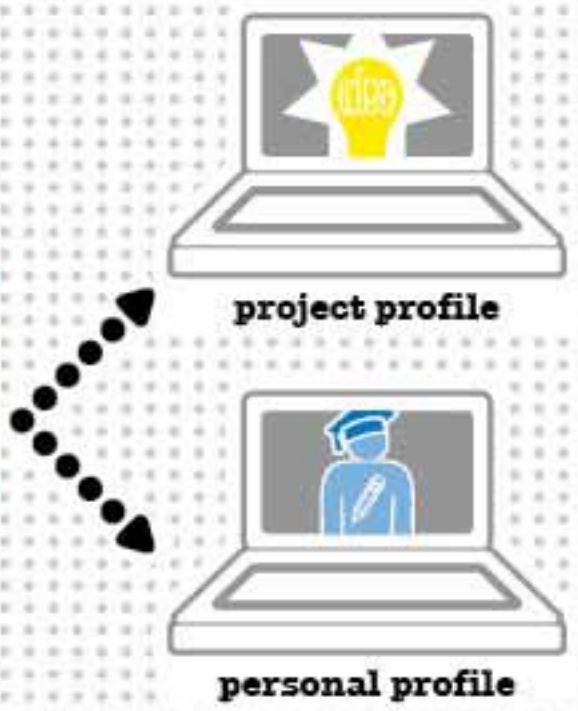
- 1) team membership
- 2) full membership



TEAM BUILDING



max



TEAM BUILDING



search

- 1) collaborators
- 2) mentors

connect

- 1) email
- 2) video chat
- 3) file share
- 4) screen share



TEAM BUILDING



1 2 **3** 4 5 6 7 8 9 10

TEAM BUILDING



chicago, IL

cincinnati, OH



business student
kellogg school of mgmt
max



1 2 3 4 5 6 7 8 9 10

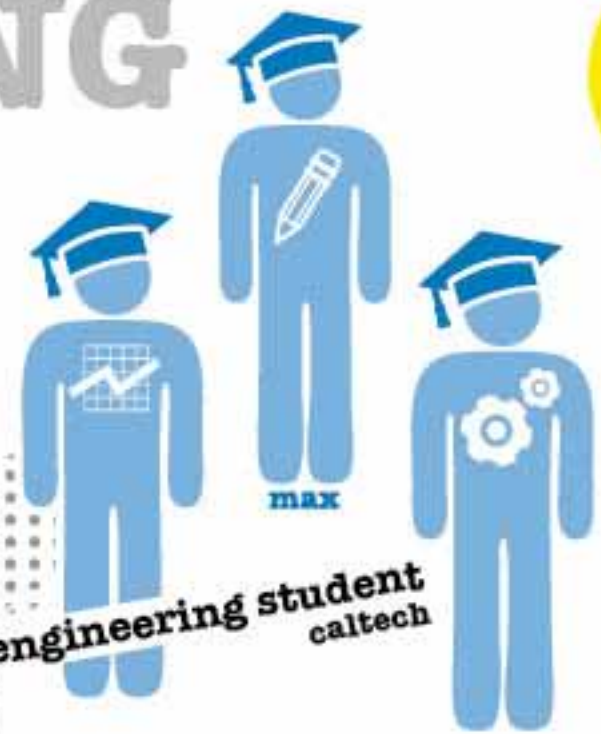
TEAM BUILDING



● pasedena, CA

● chicago, IL

● cincinnati, OH

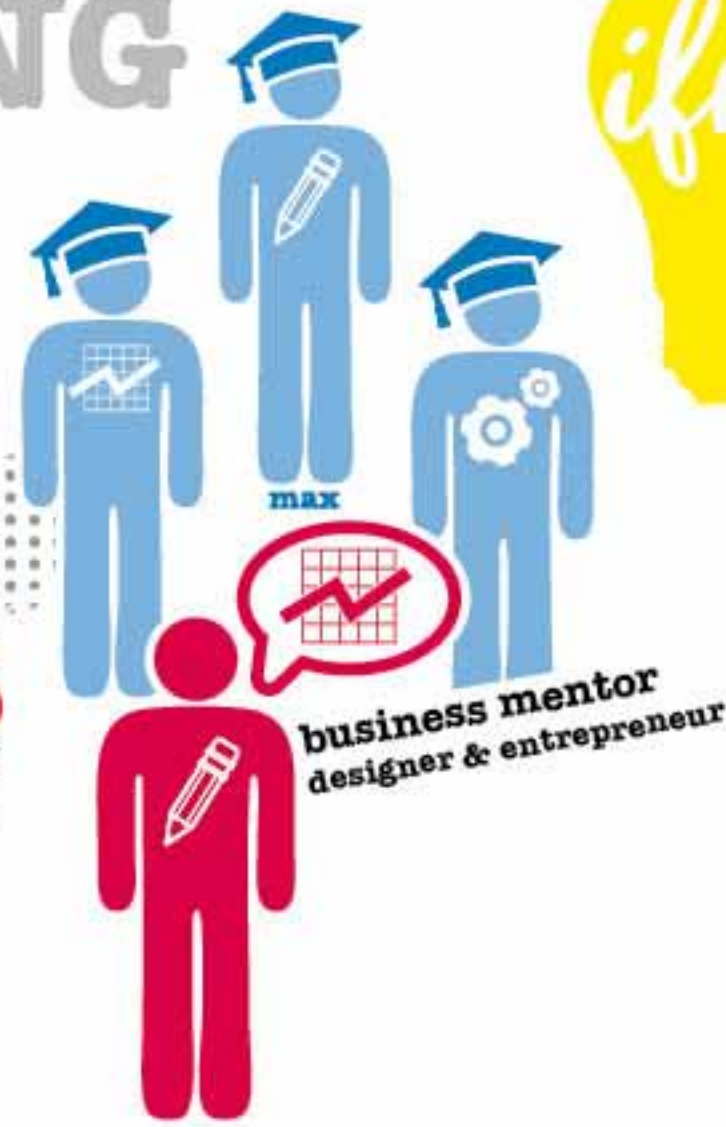


engineering student
caltech

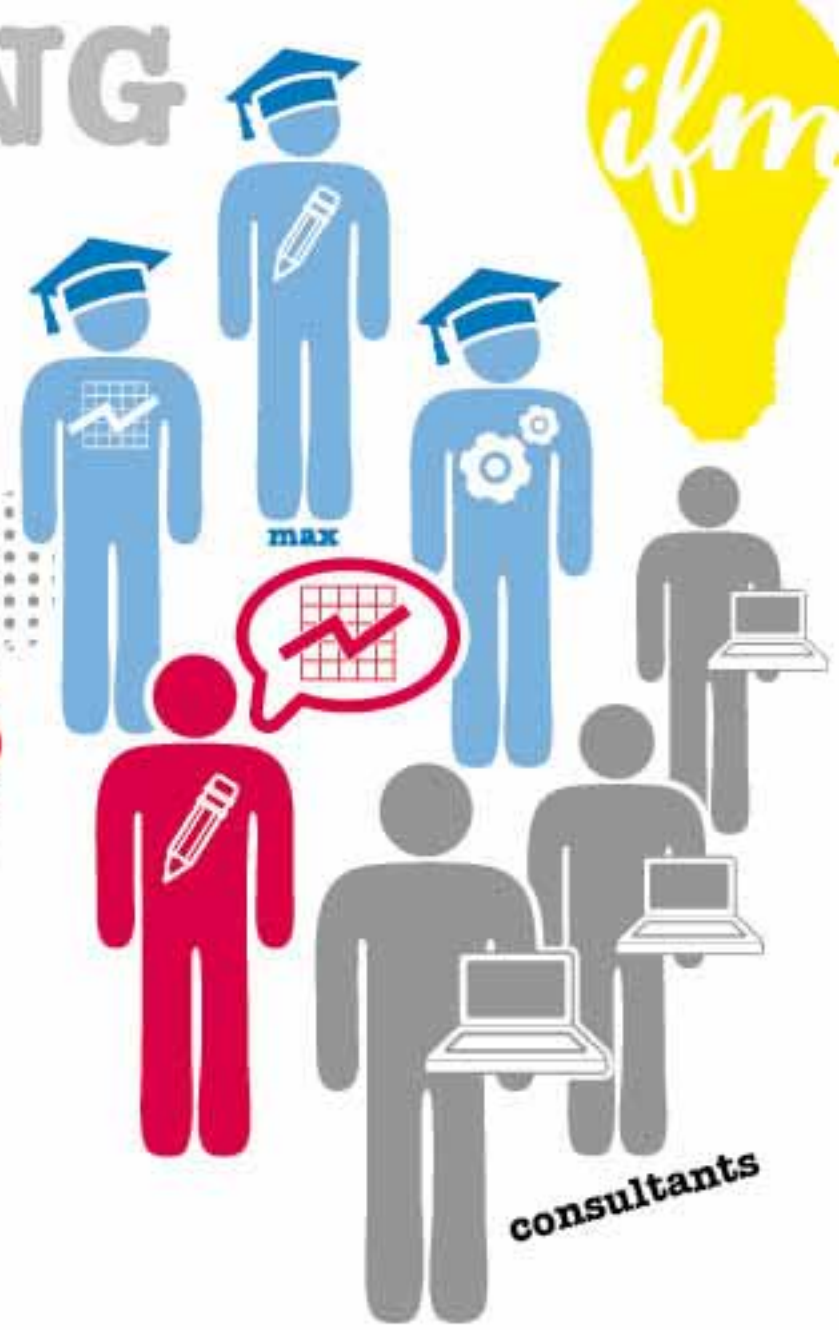
max



TEAM BUILDING

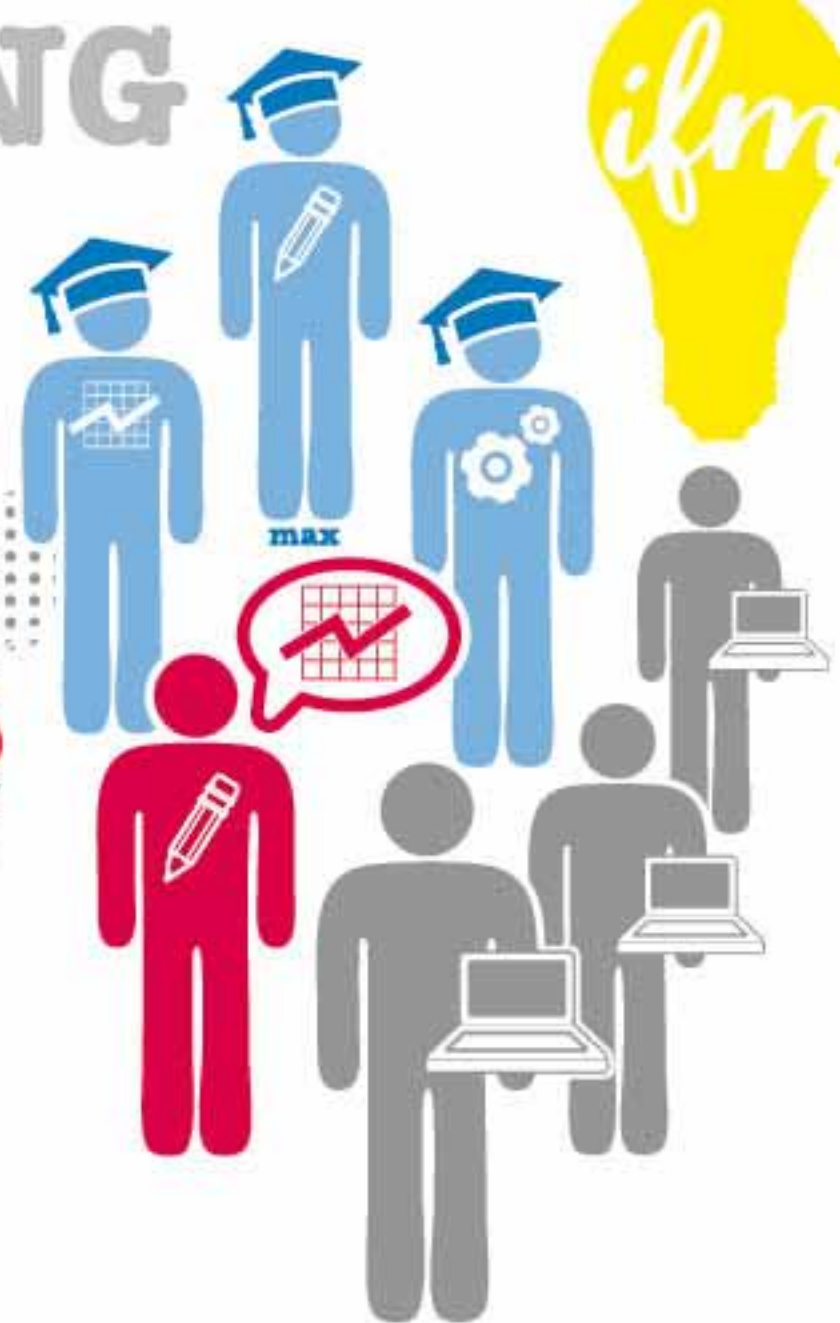


TEAM BUILDING



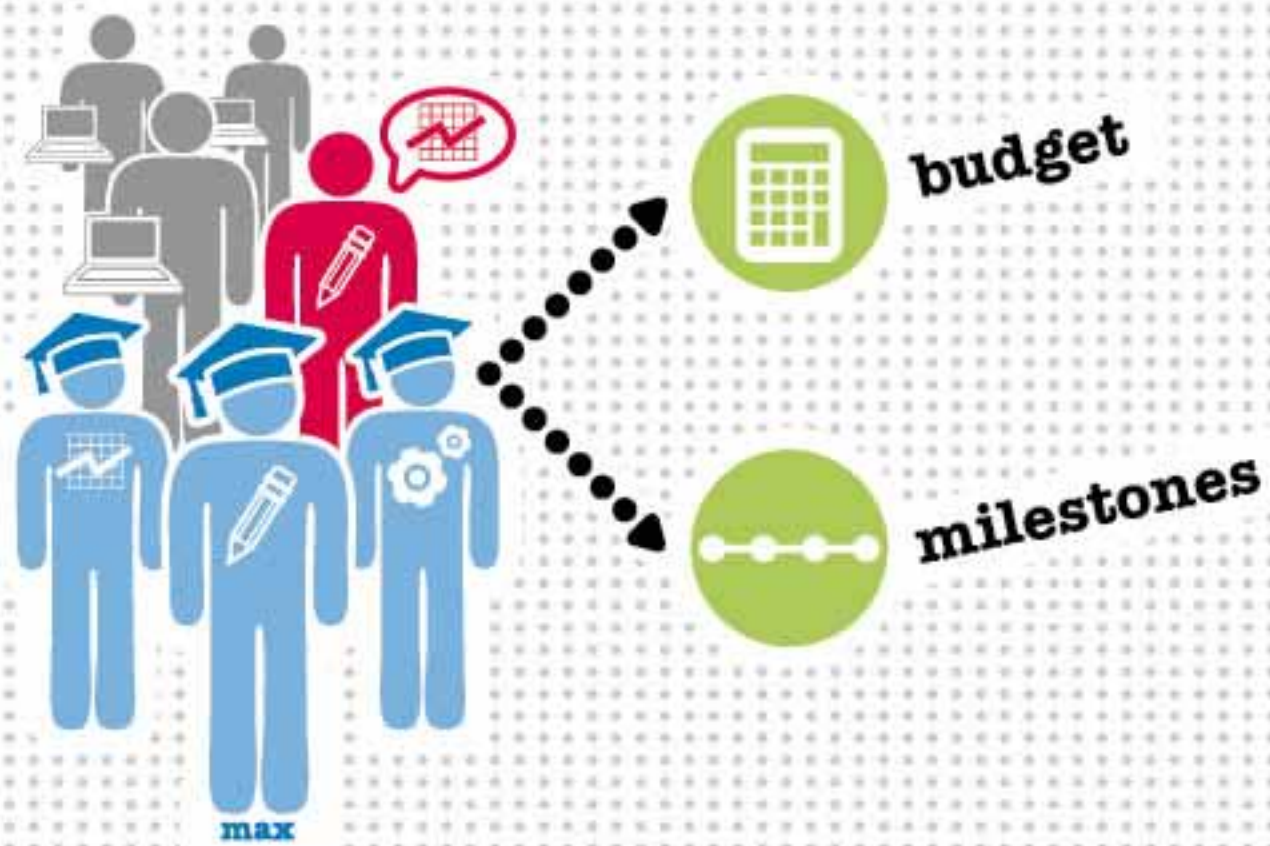
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TEAM BUILDING



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BUDGET & MILESTONES



SEED MONEY



budget



milestones

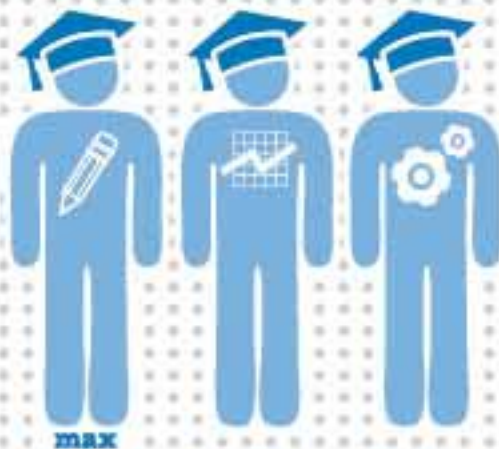


seed money!



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COMMERCIALIZATION STRATEGY

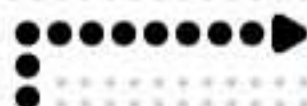


research
prototyping
design
financials
market strategy
team management



1 2 3 4 5 6 7 8 9 10

COMMERCIALIZATION STRATEGY



research
prototyping
design
financials
market strategy
team management

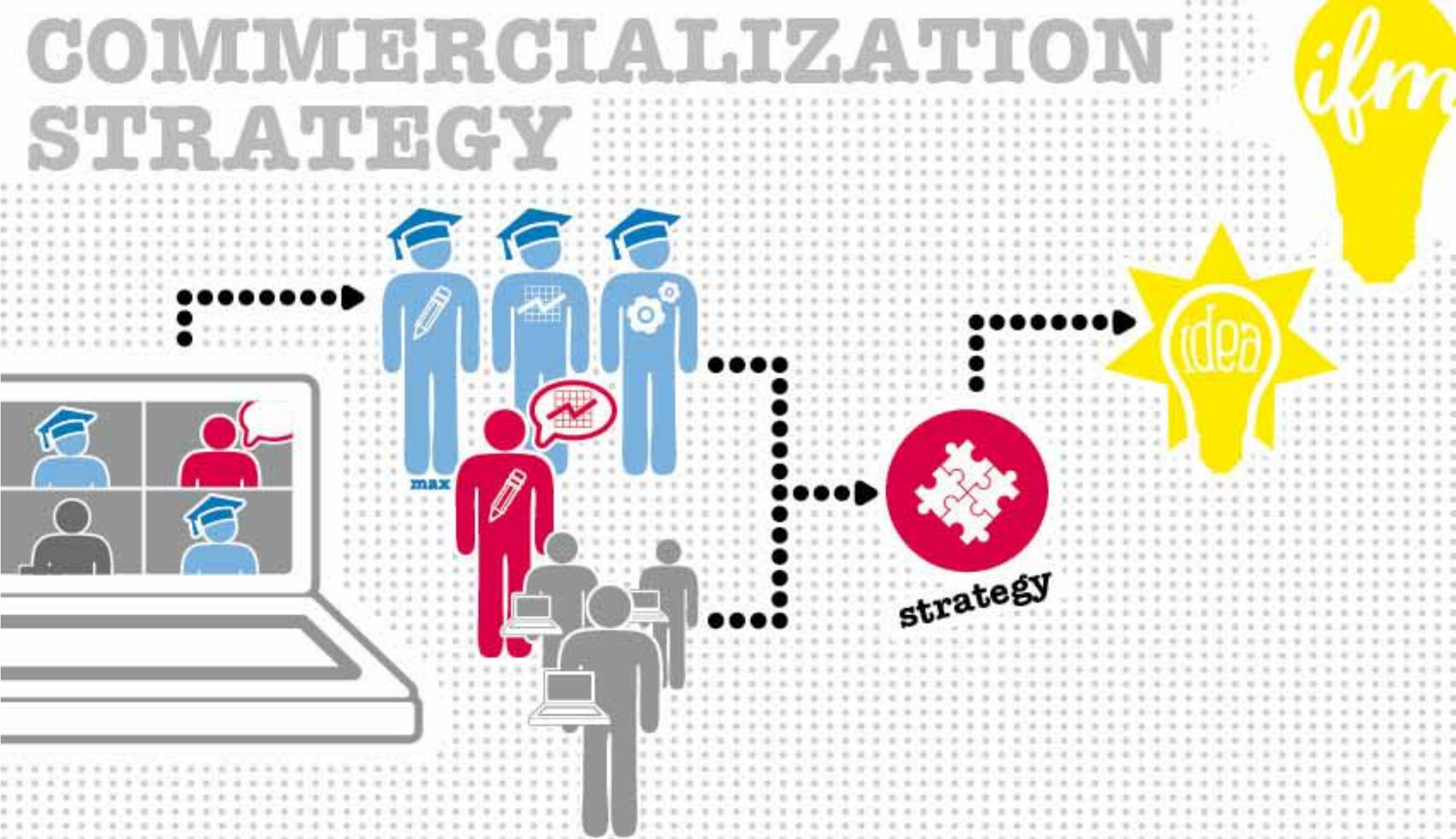


advice
guidance
team management

freelance work
expertise
consultation

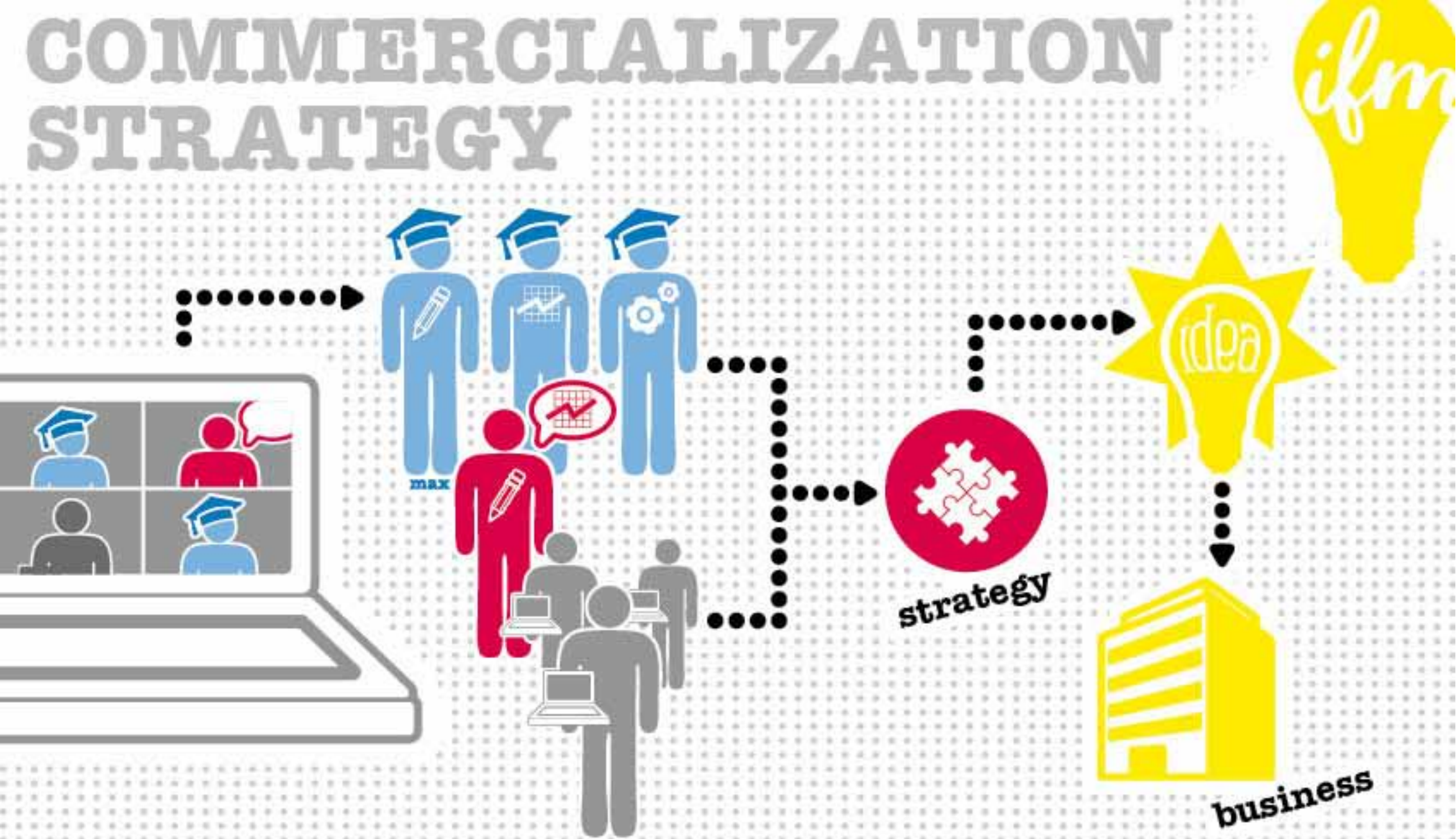
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COMMERCIALIZATION STRATEGY



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COMMERCIALIZATION STRATEGY



PROJECT TRACKING



team project page

1 2 3 4 5 6 7 8 9 10

PROJECT TRACKING



communication



post updates
post dwgs & photos
post files & research

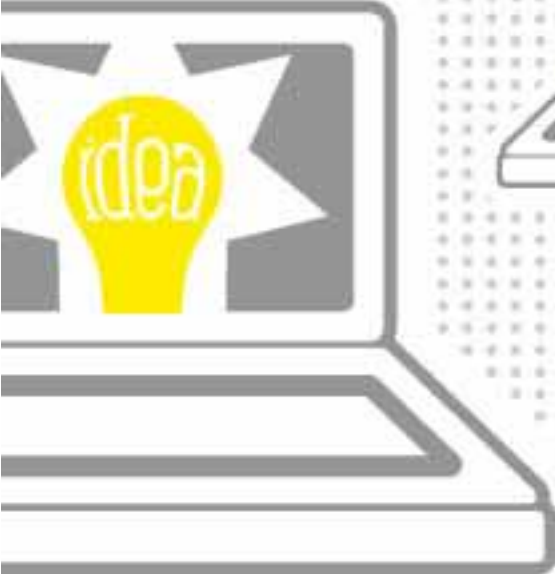
budget & milestones



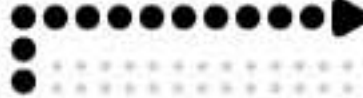
track milestones
update budget

team project page

PROJECT TRACKING



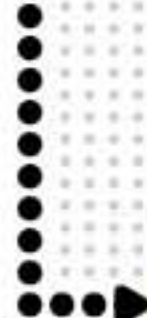
team project page



communication



post updates
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post files & research



budget & milestones



track milestones
update budget

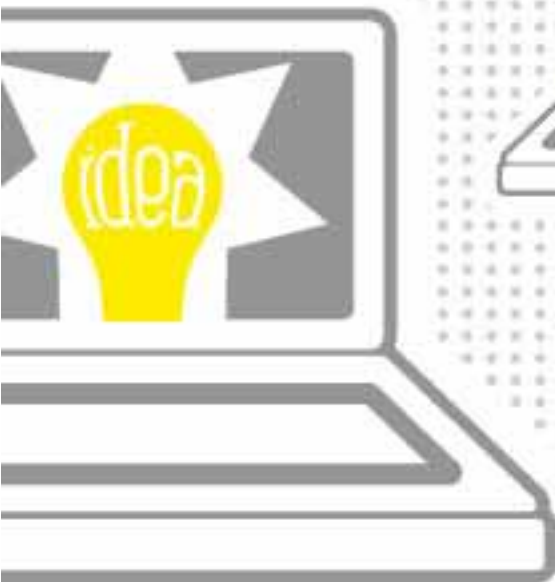


project blog & profile



share progress
share photos
get feedback

PROJECT TRACKING



team project page

communication



post updates
post dwgs & photos
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budget & milestones



track milestones
update budget

project blog & profile



share progress
share photos
get feedback



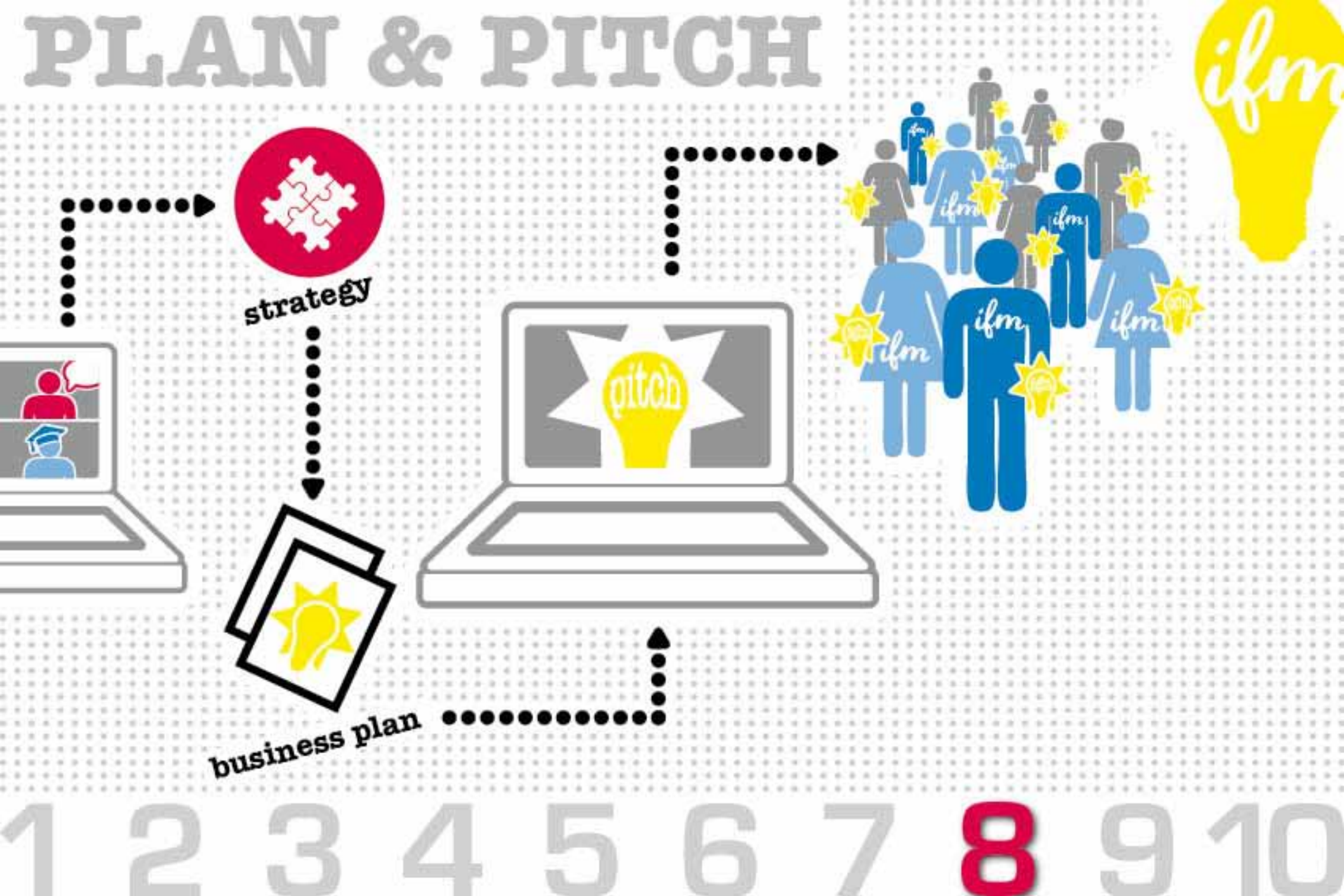
gain project followers
raise 'popularity' on ifm home page
receive comments from viewers
catch the attention of investors

PLAN & PITCH



1 2 3 4 5 6 7 8 9 10

PLAN & PITCH



PLAN & PITCH



strategy



business plan



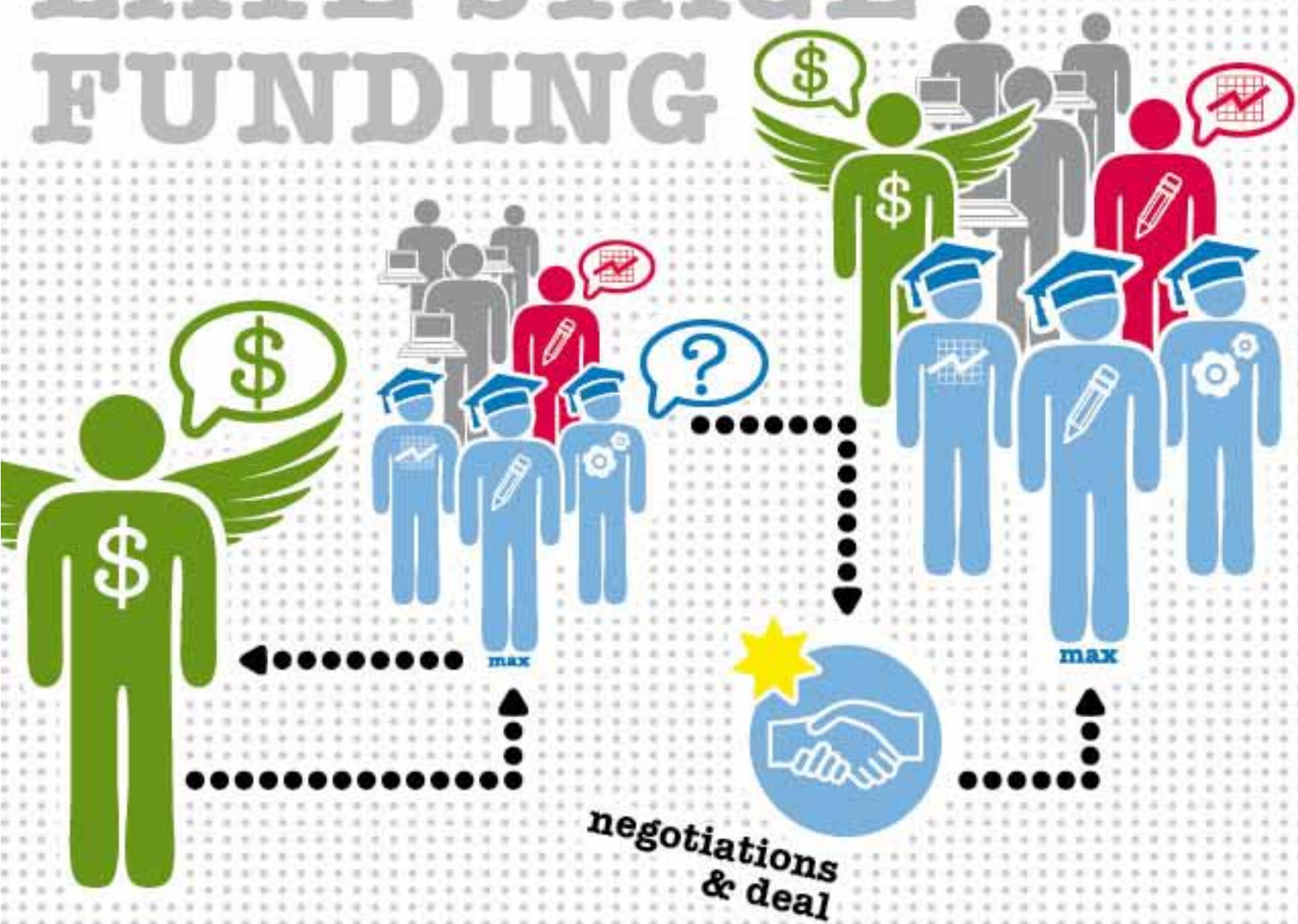
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LATE STAGE FUNDING



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LATE STAGE FUNDING



LATE STAGE FUNDING



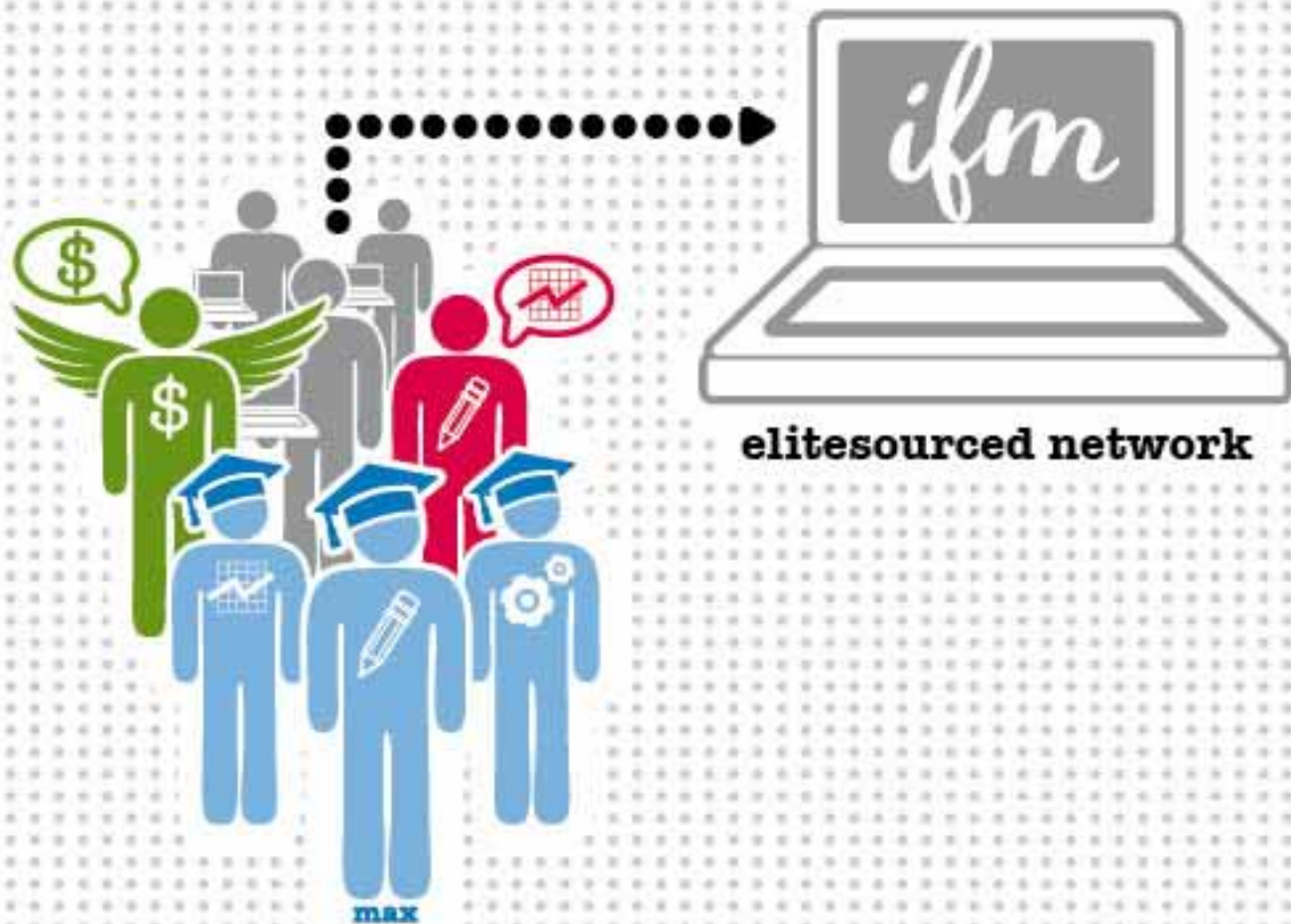
late stage funding!



negotiations & deal

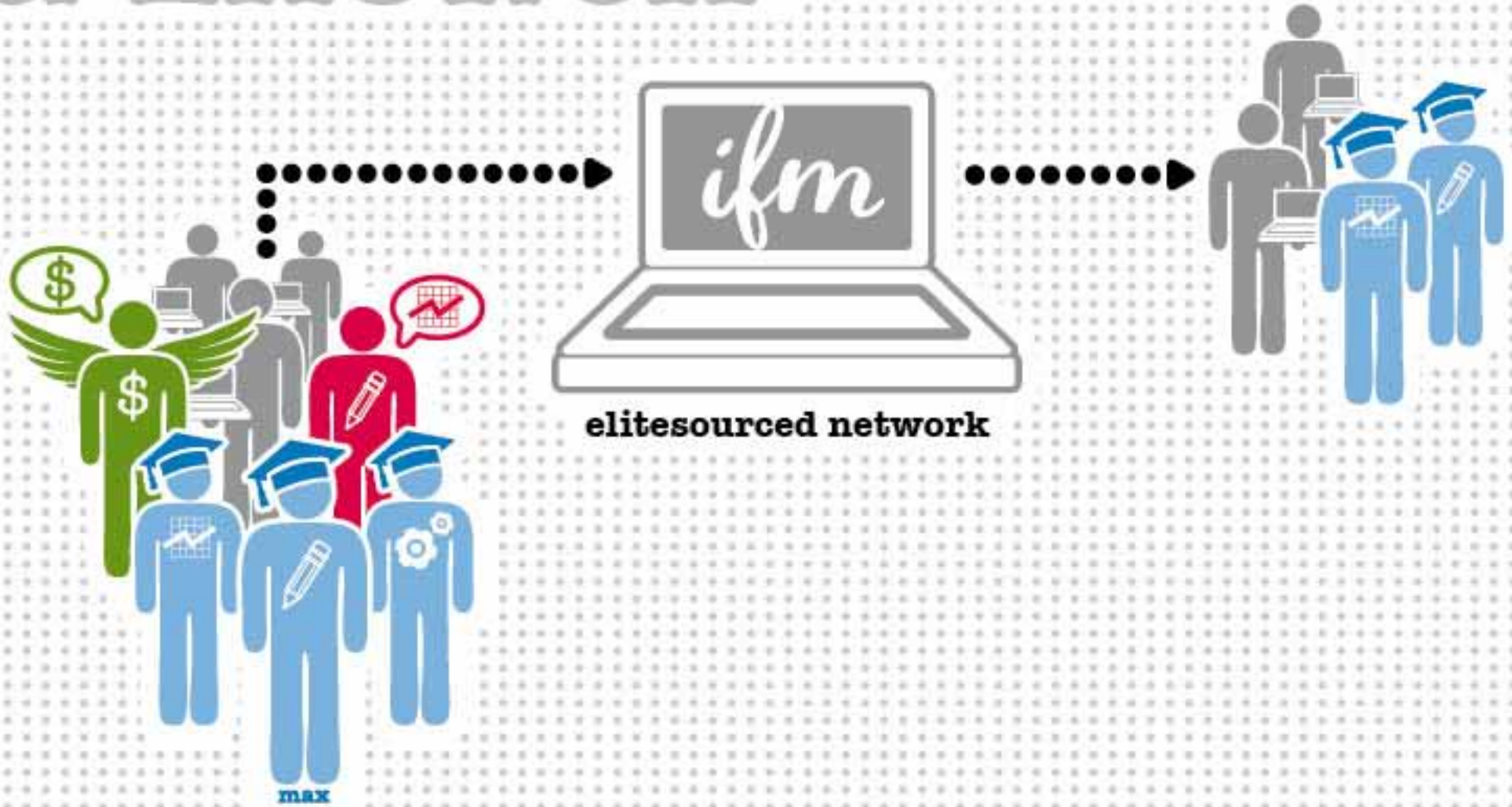
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DEVELOPMENT & LAUNCH



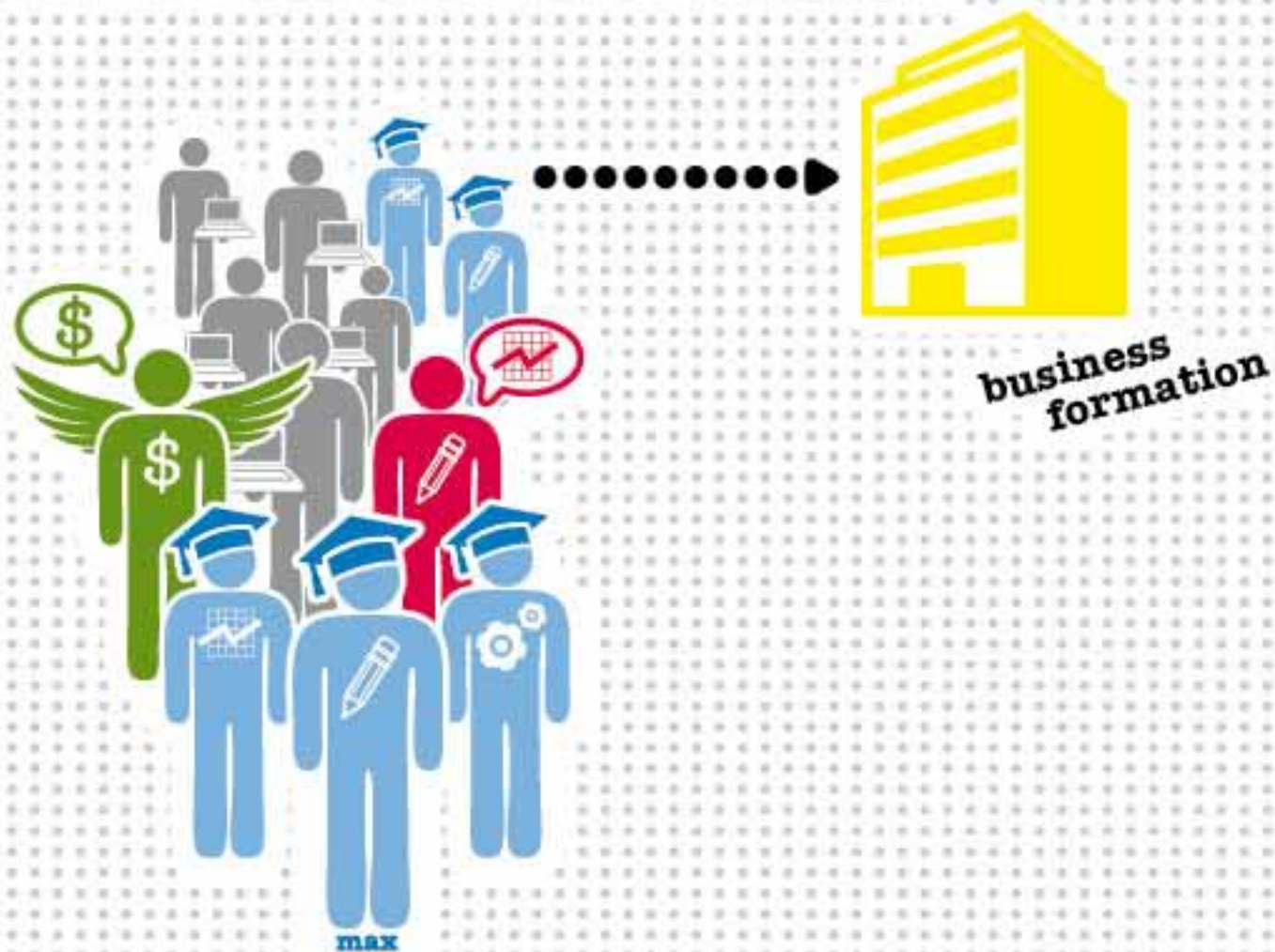
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DEVELOPMENT & LAUNCH



max

DEVELOPMENT & LAUNCH



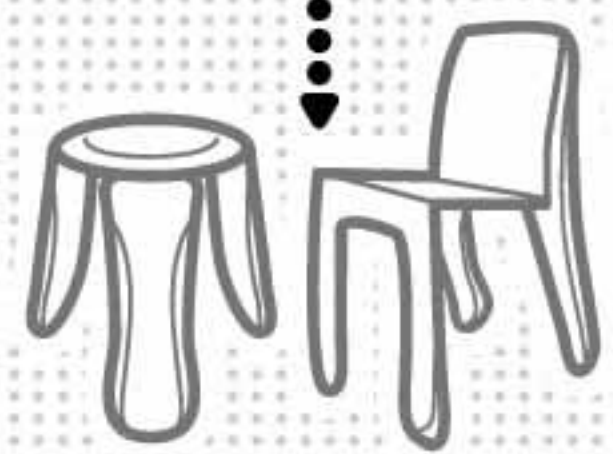
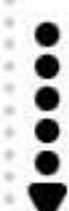
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DEVELOPMENT & LAUNCH



LAUNCH!

**business
formation**



1 2 3 4 5 6 7 8 9 10



in conclusion

ifm is...



ifm is...

a self-sustaining incubator and investment system that:



commercializes the talent of young innovators



creates a new model for the collective investment in startups while leveraging traditional models of investment



breaks down existing barriers for today's young entrepreneurs



thank you!

