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# FLORIDA ENTREPRENEUR

THE OFFICIAL NEWSLETTER OF THE UF  
CENTER FOR ENTREPRENEURSHIP & INNOVATION

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## Director's Notes & Quotes



### Dear Friends, Alumni and Students,

This Spring I retired after 36 years of employment at the University of Florida. This has been a great journey where I have had the opportunity to work with brilliant colleagues, leadership in education, business and government in Florida and at the University, but most importantly with students. The challenge and the joy of students are that every year a new group comes. They could care less of your other accomplishments: they demand that you perform here and now.

This keeps you young. When I think that my first UF students are now in their late 50's and the youngest are in their early 20's, I wonder if I made a

difference in that brief period of time we interacted. I have always lived by the code of Henry Adams who said "A teacher affects eternity, he can never tell where his influence stops."

I have been given the chance to follow my passions at UF working in two departments, enjoying different leadership assignments and working as a consultant with many great businesses and attorneys.

The past ten years have been the best—I have lived the formation and growth of CEI and seen its impact. If you think of life as a series of gigs, this was my best one and I am so fortunate that it came at the end of my career.

For years, I was the only tenured faculty member involved. We have added three new tenure track faculty for the fall and have one additional position to fill. We will also have two post-docs in addition to our clinical faculty. We have achieved the goal of making entrepreneurship an important part of the University curriculum.

CEI was able to succeed because of a supportive dean, supportive department members, a team of co-workers who also embraced the goals of CEI and are better at what they are doing than I, a great advisory board that saw our goals, helped us with their time and their money and their contacts, and were great strategic guides.

I conclude with these thoughts:

This generation of students is in my view special. It is a beacon of hope that shines through the despair of finance, poverty, unemployment, and the environment. We need to help them along the way and then get out of their way. You can encourage them to see and pursue opportunities, teach some basic tools and let them know about who has gone before.

You can't create jobs with legislation. Jobs have always been created by a market economy and most specifically an entrepreneurial economy.

I'll close with a comment from Guy Kawasaki. "Success for an entrepreneur is making yourself dispensable because only

then is your venture capable of providing sustainable value over the long run. It is not about you as the entrepreneur—it is about the organization." I feel like I have done that. The team is more than ready to pick up the challenge. Our organization will not falter as we go into the future. I thank all of you that have been part of the creation of this dream.

#### Faculty Spotlight

Arnold A. Heggstad, Ph.D.  
Holloway Professor and Founding Director  
Center for Entrepreneurship and Innovation

## MSE Alumni Profile



### **Rob Castellucci** *Co-founder & Director of Sales, RoomBug*

A Startup Enterprise Gaining Traction

During his time as a leasing consultant for a local housing development in the summer of 2006, Rob Castellucci often fielded numerous calls from panic-stricken college students. They were distressed about the random roommates they were assigned to live with after viewing their Facebook profiles.

So Castellucci had an idea: Why not provide a roommate-matching enterprise integrating Facebook? The result was [RoomBug](#), a Facebook application that allows college students to achieve roommate-matching on their own.

RoomBug is still in the startup phase, but is gaining traction. RoomBug, which Castellucci co-founded in 2007, has acquired services from four universities—Emory, Florida, Temple and Wichita State—and recently secured another.

Castellucci, a graduate of UF's Thomas S. Johnson Entrepreneurship Master's Program (MSE) in 2008, realized targeting universities instead of dealing with numerous properties would be a simpler and more focused approach to attracting business. So he partnered with RMS (Residential Management Systems), a leading university housing software provider, which already had credible relationships with universities all over the country.

"We integrated with their systems and they introduced us to all their clients," said Castellucci, 25. "That's what started everything. That was the biggest value inflection point for our company to date.

"It's so difficult to sell to universities in general. But if you have someone working with them, someone who has a relationship with them for 20, 30 years, it makes it much easier to use their credibility especially when you're a startup. I think that really legitimized us."

Castellucci (UF BSBA, Marketing '07) admits he wasn't necessarily born with an entrepreneurial spirit, but his interactions with the MSE program and the Center for Entrepreneurship & Innovation (CEI) changed that.

"You start to hear words over and over again and one of the buzzwords was entrepreneurship," Castellucci said. "You kept hearing interviewers were looking for entrepreneurial-type individuals. So I figured, 'Ok, how can I get into entrepreneurship?' That's what initially led me to CEI.

"I wasn't one of those prodigy kids creating businesses when I was 8 years old. I don't think I had that opportunity recognition thing when I was growing up. It really came once I started getting involved with CEI and entrepreneurship... Maybe it proves to the point more that entrepreneurs can be made and aren't necessary born with all the skill sets."

The undertaking of starting your own business can be overwhelming, but one theme Castellucci strives to live by is establishing and maintaining credibility among his clients.

"There's definitely a very strong association between your business and you as a personal brand," Castellucci said. "So you have to be really careful about how you promote your business. Your credibility, your personal story carries around with you, especially with social media. Everybody can know everything you've ever done."

Castellucci said the plan for RoomBug is to continue to expand its presence among universities, gather data as the roommate-matching season approaches and analyze the results. He also hopes to acquire more corporate partnerships to help initiate further relationships with colleges and universities. And Castellucci credits the MSE program for providing him with the confidence and capabilities to expand.

"This program is an accelerated program," Castellucci said. "If you are entrepreneurially-minded right now, it's going to accelerate you to start that business right now versus in five years or 10 years from now. If you are not entrepreneurially-minded but maybe you have an interest in it, it will accelerate you to a future point where you'll start a business as well."

[View Interview Video](#)

## Leading the Way



### Great Accomplishments Honored at Annual Awards Banquet

CEI's annual Entrepreneur of the Year Awards Banquet recognized the accomplishments of three esteemed entrepreneurs in addition to honoring the Center's founding and executive director, Arnold Heggstad. The annual banquet allowed faculty, staff, students, and supporters of CEI to join for an evening of commemoration and celebration.



Recognized for his accomplishments as President of Care Dynamix, Inc., **David Greiff** was this year's S. Clark Butler Entrepreneur of the Year. Care Dynamix offers onsite vaccination clinics for schools, businesses, and government agencies. Greiff has led Care Dynamix towards great success through the company's delivery of a substantial percentage of the H1N1 inoculations that were made available for distribution.



**Richard Allen**, co-founder and CEO of Xhale Inc., was named Gainesville Entrepreneur of the Year for his profound accomplishments in Gainesville. His most recent work with Xhale has led to the production of the HyGreen system, which actively assists hospital workers in following sanitation protocol. Further innovations springing from Xhale include breath-based diagnostics that aim to replace standard blood tests.



This year's Distinguished Alumnus of the Year, **Brent Berthy**, exemplified the power of teamwork. Accepting the award on behalf of his co-workers and employees, Berthy emphasized that he had not traveled the road to success alone. He contributed greatly to the growth of MRI Devices Corporation, overseeing its merger with Intermagnetics General Corporation. This merger gave rise to Invivo Diagnostic Imaging, a current leading supplier of MRI equipment for manufacturers such as GE, Siemens, Philips, and Toshiba.

The award ceremony specifically highlighted various contributions that Arnold Heggstad has made to the community and university over the years. The evening acknowledged his contributions to the Center as its founding director, a mentor to students, and a self-proclaimed "evangelist of entrepreneurship." Marking the Center's tenth anniversary, the banquet allowed attendees to reflect upon the accomplishments of CEI while looking forward to future growth and opportunities.

### CEI Hosts Entrepreneurs-In-Residence

During the past year, CEI hosted on campus four Entrepreneurs-In-Residence, representing a variety of industries and experiences including venture investing, start-up consulting and general business services. As part of the program our guests spent several days on campus lecturing in courses, working with teams participating on GatorNest experiential learning projects, and meeting with students individually and in teams. This year's guests were as follows:

**Mason Allen**, President, Aware Mark

**Scott Brady**, Partner, Palia Partners

**Jim Hammel**, President, Gator Leasing

**Sam Waksman**, President, GatorWear Team Sports

### Students Attend 2010 Entrepreneurial Women's Summit

This spring, CEI hosted its first annual Entrepreneurial Women's Summit. A conference room filled to capacity with MSE and other graduate students as well as CEI Ambassadors, and several successful local female entrepreneurs, produced a lively discussion on topics especially relevant to emerging entrepreneurs in attendance. Through a networking lunch followed by a panel discussion and Q & A, the group explored interesting and current issues with diverse women entrepreneurs who are each currently in a unique stage of the business cycle.

Panelists included:

Stephanie Warrington, President of Synogen and VP-Corporate Affairs & Development of Xhale Inc.  
Wanda Ibanez, Proprietor of Emiliano's Café  
Kristin Hadeed, President of StudentMaid Inc.

To learn more, [watch a podcast of the event](#).

## Current Perspectives



### Q&A with William Rossi

Capital Options in a Down Economy

**Based on his recent presentation at the Jacksonville VenturePlex, Mr. Rossi offers a few personal insights on this timely topic. Mr. Rossi is a Senior Lecturer and Associate Director at CEI.**

[Faculty Profile](#)

**CEI:** *What have been the recent implications of the economy and market performance on financing startups?*

**Rossi:** The general economy, while at times appearing to be not particularly bad, looks pretty perilous due to two significant issues. The first is the fact that banks still retain a significant quantity of commercial real estate paper on their books and a considerable portion of that paper can be categorized as either under-performing or non-performing. Unless the quality of the underlying assets changes such that they become more strongly performing, the banks will likely have to write these assets down. This will affect their capital positions, further reducing their ability to extend credit, particularly for residential real estate, which in turn will put further pressure on the already poor housing market. The second issue is that Fannie and Freddie have discontinued purchasing mortgage-backed securities from the banks. Again, this will very likely cause banks to severely limit the extension of credit for residential real estate putting further pressure on the housing market.

Given the overall concerns about the economy, investors, both institutional and angel, have limited investments in startups. The result has been that some potential startups have not started up because they have not been able to secure financing. Another group, while they have secured some financing, started up undercapitalized forcing them into immediate cash flow problems. These firms have either given up or are struggling to try to resolve what is essentially an unsolvable problem. A third group has received what I call anemic financing. This latter group has launched, may be growing but at a slow pace that will affect their ultimate scale. This has generally not been a good situation.

**CEI:** *What changes appear on the horizon for investors and startups?*

**Rossi:** There are two very, very significant changes that appear to have already begun.

First, there is a sea-change occurring in the venture capital industry. "Lean startups" entail business teams that are exploiting opportunities involving cloud computing, Web 2.0 and Web apps and do not need millions in venture capital. They can essentially create a very saleable software-based business utilizing no more than a few hundred thousand dollars. They are not trying to establish infrastructure that has traditionally run up the price of launching an enterprise. Many are even virtual. With less deal availability involving strong, investible enterprises seeking \$5 million - \$10 million, two things have occurred. Some VC's have actually begun returning investments to their limited partners. Another development is that some VC's have created small funds within their larger organization to participate in this trend. An example I would cite is the i-fund created within Kleiner-Perkins to invest in firms creating businesses based upon iPhone apps. Ultimately, this suggests that VC's may scale down investments and begin to move into what has traditionally been the realm of angel investors. This could begin to muscle out angels, which would be very unfortunate as angels in total have typically invested about twice the amount as have VC's.

Second, and this is really quite interesting, angels it seems, because of the amazing volatility in the markets due to what they perceive as no more than emotion, have begun to feel that private equity investments are more secure than traditional investments in the market of established companies. One reason they feel this way is that they have an opportunity to exercise some control in their private equity investments by getting involved to help. I find this both very interesting and very non-intuitive.

**CEI:** So, what does this mean for startups? Where should they look for financing?

**Rossi:** Given what I've indicated here, I'd say that pursuing angel investment would be the highest leverage use of most business teams' time. I'd continue in parallel to try to forge relationships with a few VC's, but not with the intent of securing investment from them currently. Allow the VC changes I've discussed to sort out.

## MSE Program

### 2010 Thomas S. Johnson Entrepreneurial Scholars Selected

The Thomas S. Johnson Entrepreneurship Master's Program finished the spring semester by recognizing its 2010 Thomas S. Johnson Entrepreneurial Scholars. The students were chosen based on a combination of their academic performance, contributions to experiential learning efforts, involvement in entrepreneurial activities on campus and in the community, and input from classmates, faculty and staff. This year's winners were as follows:



**Hector Di Bonaventura** - With a degree in electrical engineering and graduate studies focused on the identification of emerging opportunities, Hector will leverage his entrepreneurial skill sets in the corporate setting, beginning this summer with Bloomberg L.P., based in New York City. [Resume](#)



**Tracy Shank** - Entering the program as an Anderson Scholar of High Distinction, Tracy served as team lead and founder of BrainActive, a medical device project targeting the Alzheimer's market. Her plans include furthering her graduate studies in creativity and innovation at UF in the area of Digital Arts and Sciences. [Resume](#)

### MSE Ethics Fellows

Do entrepreneurship students care about ethics? Would they invest time thinking and talking about business ethics, sustainability, and innovations that allow a business to be more socially responsible?

We asked them and the answer was "Yes!"

For many years The Poe Center for Business Ethics in the Warrington College of Business Administration has worked with student groups in the MBA and MSM programs. The CEI asked if the Poe Center would run a program on business ethics for MSE students. We would! A new partnership was made: The MSE Ethics Fellows!

In Fall of 2009 we invited all of the Entrepreneurship Masters' students to join the MSE Innovations in Sustainable Business program. They were invited to attend one meeting per month, no credit but a free lunch, to consider the ethical issues in using the growing awareness of sustainability to create new market niches or products to improve bottom line and long term goals.

We kicked off the year by providing all students a copy of *The Omnivore's Dilemma* by Michael Pollan to read before the first meeting, which was a locavore lunch prepared by Chef Mark Newman at 706 Restaurant in Gainesville. Rob and Katherine Lune, who run Heritage Farms in Archer, spoke to the group about the heirloom organic pig they produced, which was the main course. The Lunes grow organic beef, pigs, and chickens for local purchase. They explained the joys and business challenges of running an organic farm, while students experienced the incredible flavor of the meat. Chef Mark regaled them with the market opportunities and business challenges he faces in trying to provide organic local produce for the restaurant. Most of our students will probably not run organic farms, but they began to grasp the business opportunities in scaling such an opportunity in this growing niche market. Moreover, all of the students like to eat, and they do think about what they eat and where it comes from. Discussing the book, in light of the lunch, also provoked broader thought about the food industry overall and small markets in particular. They were hooked on the complexities of ethics in food, how small farmers and businesses grow, buy and sell local organic food, and how the food markets are changing.

The subsequent seven meetings included speakers from RentACrate in Orlando, which invented rentable plastic moving boxes and wheels which allow movers to stop using cardboard boxes, most of which end up in dumps and Valley Forge Fabrics in Pompano Beach supplies hotels, cruise ships and movie theatres with flame retardant fabric made from recycled plastic bottle. In addition, the students discussed the unsustainable labor practices of abusing migrant workers with Bill Maxwell, syndicated columnist and former migrant worker, and they tasted Satchel's Pizza, a local Gainesville pizza icon, to learn how a small business can make money caring well for employees and charging more for pizza (they can). And there were more — a private jet caterer, a local coffee importer who roasts and sells the best coffee in town.

Our young entrepreneurs will begin life after grad school with more of an awareness of current sustainability and ethical issues as they create their own businesses. MSE Ethics Fellows learned a lot beyond the classroom, and had a great time in the process.

## New International Partnerships

Beginning next summer students in the Thomas S. Johnson Entrepreneurship Master's Program will have the opportunity to study abroad in Haifa, Israel. Technion University is Israel's premiere institute of science and technology. In part due to Technion's innovations, Israel is now recognized as one of the world's most innovative countries and has been called the second Silicon Valley. Students will have the ability to take a variety of courses in entrepreneurship, business innovation, and technology management through Technion's world-class MBA program. Courses available include Marketing High-Tech Products and Managing in the Global Economy. Students will also have the ability to take electives and immerse themselves in the Israeli culture.

In addition to the exchange with Technion, the program will be accepting students from South Korea's Sogang University and Turkey's Ozyegin University as part of new cooperative agreements. Students will take entrepreneurship courses on the UF campus toward their master's degree.

## CEI News

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**Students Study Gainesville's E-climate** - A GatorNest team spent the Spring semester studying the city's ability to sustain a proof-of-concept micro-investment fund much like the very successful [Y-Combinator](#). Are there enough talented people, investors, and resources to attract and keep young tech companies in Gainesville? David Whitney, who recently moved to Gainesville from Silicon Valley, guided the team through the process of finding the answers to those questions. Results indicate there is a powerful, untapped stream of student talent that could generate many companies and healthy returns, but not without smart, experienced, and patient investors to kick things off.

**TEDxUF** - In the spirit of ideas worth spreading, the CEI Student Ambassadors held their first TEDx event in February 2010. More than 70 people attended the event. Dedicated to technology, entertainment, and design, TEDx is a program of local, self-organized events that bring people together to share a TED-like experience. (TED is an annual event where some of the world's leading thinkers and doers are invited to share on topics for which they have great passion.) At a TEDx event, live speakers and Ted Videos combine to spark deep discussion and connection in a local, small group environment. Speakers at this year's event included UF entomology professor Dr. Carl Barfield, and Dr. Charles Teleco, professor of astronomy.

**Social Initiatives Update** - This Spring we were able to reintroduce the undergraduate Honors Introduction to Social Entrepreneurship course to a group of bright, motivated students from majors as diverse as accounting, organic farming, sociology, engineering, marketing and dance. Not only did they learn about social entrepreneurship, they put their knowledge into action in the local community with Blue Oven Kitchens, a startup kitchen incubator, which aims to support local farmers and food entrepreneurs as they launch their ventures. The students are most proud of together raising almost \$1500 in support of Barrels of Hope for Haiti, [barrelsofhope.org](#), which will provide supplies for the construction of 5 sustainable barrel homes.

**"Startup Hour" for Young Entrepreneurs** - [Startup Hour](#) is a monthly happy hour geared to student-age people who want to chat about startups. The low pressure atmosphere is perfect for making connections, sharing ideas, finding partners, and joining teams. The success of groups like this (over 100 participated in the last event) is a sign of the increasing culture of entrepreneurship in Gainesville. Startup Hour was created by Ted Astleford of CEI, and Augi Lye, a successful local entrepreneur. The intent was to help facilitate the creation of startups in Gainesville by young people.

**Entrepreneurship Recognized at School of Business Awards Ceremony** - It was a good night for entrepreneurship on campus at the Warrington College of Business Administration's School of Business Awards Ceremony. David Boneparth, Assistant Director, Academic Programs, CEI, was recognized for the second year in a row as the "Student Organization Advisor of the Year" for his work with the CEI Student Ambassadors. The Entrepreneurs Club took home the

co-winner award for "Student Organization of the Year." And the CEI Student Ambassadors were co-winners of the "Top Program of the Year" award for their work on this year's Business Cup. Congratulations to all involved!

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