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# The Inc.

The Handbook of the American Entrepreneur

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## + PRICING STRATEGIES FOR HARD TIMES

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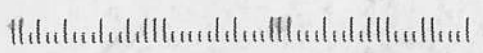
# THINK BIG

How Marc Ecko turned his high school T-shirt business into a billion-dollar hip-hop powerhouse

PAGE 52



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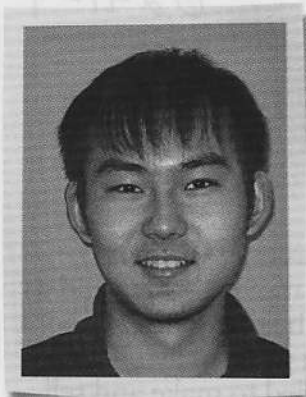
# THESE 16 ENTREPRENEURS HAVE THE FOLLOWING IN COMMON:

- Ⓐ They are hard at work developing new products and services.
- Ⓑ They are raising money and hiring salespeople.
- Ⓒ They are probably a little late for class...
- All of the above

Meet the future of American business.  
To quote one of the companies' websites,  
*"Prepare for awesomeness."*

**The Coolest College Start-ups**

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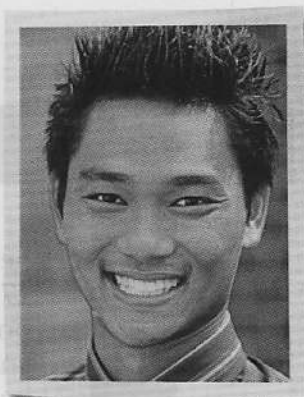
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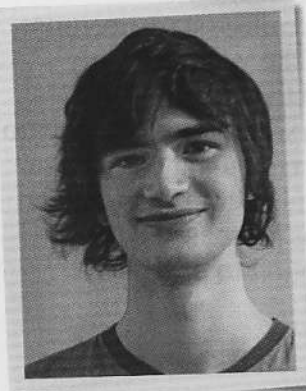
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**SCOT FRANK**  
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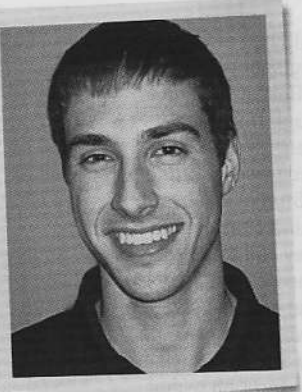
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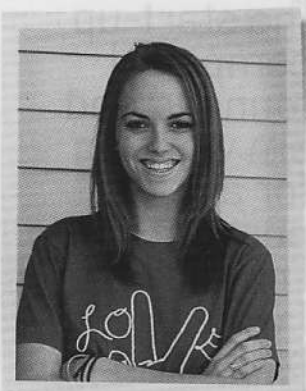
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**DAVID WACHTEL**  
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**MATTHEW BRIMER**  
YALE UNIVERSITY



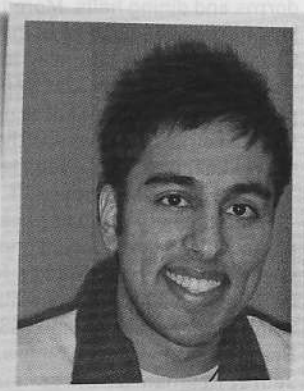
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YALE UNIVERSITY

KLAM: HANNAH EASTHAM/COURTESY UH BAUER COLLEGE; ROONEY: COURTESY SHAW SPANOLA; ALL OTHERS COURTESY SUBJECT 114



# T

he Dobie Center, a dorm complex at the University of Texas at Austin, is 27 stories tall and boasts a cafeteria, a basketball court, a movie theater, and a pool. But for students interested in business (at UT, 150 belong to the school's entrepreneurship club), the Dobie Center is more than a place to live. That's because 25 years ago, a young resident of the tower decided to make and sell low-cost PCs from stock components. Michael Dell scrounged up \$1,000 and turned his room into a mini assembly line, and the rest is history.

In the years since Dell launched the world's best-known college start-up, more students have followed his lead—spurred on by the rise of the Web, the vastly reduced cost of starting a business, the veneration of the Google guys, and the explosion of entrepreneurship curricula on campuses everywhere. On these pages, you will meet students who are building companies in fields as diverse as consumer products, gaming technology, and travel services. Like all business owners, they juggle duties—in their case, a typical dilemma is whether to take a conference call or go to class. As these profiles (written by campus journalists) reveal, an ambitious and enterprising kid like Michael Dell is no longer the exception to the rule.

## YALE UNIVERSITY

### MYSPACE MEETS WORLD OF WARCRAFT

Justin Yan joined Yale's army the week he arrived in New Haven, Connecticut, as a freshman last fall. He proved himself first as a spy, infiltrating enemy lines up and down the Northeast. Then he was promoted to commander. "It was all downhill from there," Yan says. "I was sucked in."

Yan is one of more than 40,000 college students who have become addicted to GoCrossCampus, or GXC—an online game developed by a group of current and former Yalies. The rules are similar to those of the classic board game Risk: Teams of players from various schools battle for territory on a map that reflects real campuses, right down to landmarks such as dorms and dining halls. More than 2,000 kids from the 12 schools in the Atlantic Coast Conference competed in a recent championship match, and 5,600 participated in an Ivy League battle. ("The single largest competitive event in the history of the Ivy League," GXC's website boasts. "Prepare for awesomeness.")

With the help of a pair of campus organizations that support undergraduate entrepreneurs, four students founded GXStudios in 2007. They are Matthew Brimer, a Yale senior, and 2008 grads Brad Hargreaves, Sean Mehra, and Jeffrey Reitman. (A fifth co-founder, Columbia senior Isaac Silverman, has

since left the business.) The company makes money by selling sponsorships to advertisers such as Coca-Cola and Princeton Review. Though the students won't disclose what their revenue was last year, they say GXStudios is profitable.

The founders of GXStudios believe they are pioneering a new kind of interactive formula, something they call team-based social gaming. The concept combines a handful of variables that exist in isolation online and in the real world but have not been combined as they are in GXC. Users speak with one another through a chat function, and the interactions are goal driven rather than purely social. Think MySpace meets World of Warcraft, with a heavy dose of teamwork. "Take a look at Facebook or any pure social networking site, and there are all sorts of ways to interact, but there's no inherent motivation to do so," says Brimer, a sleep-deprived sociology major who serves as GXStudios's chief marketing officer.

Although the game is no longer limited to students and now offers tournaments based on seemingly arbitrary preferences such as *Star Wars* characters and favorite brands of soda, it began on university campuses, and its success relies on those age-old rivalries. "The general idea is that people have real pride in certain of their



"If someone would've told me that, when I graduate, I'd go to work for the start-up company I founded and am working for already part time, I'm not sure I would've believed it."

—Matthew Brimer, senior



**GAME TIME** A team meeting at GXStudios (above). In the company's online game, GXC, players compete for territory in a universe that depicts armies conquering campuses (below).

affinities, obviously starting on the college campuses," says Dan Googel, a principal at Easton Capital, a venture capital firm that has invested more than \$1 million in GXStudios. "Not everyone can be the quarterback on the football team, but this was a way to engage the rest of the campus to participate."

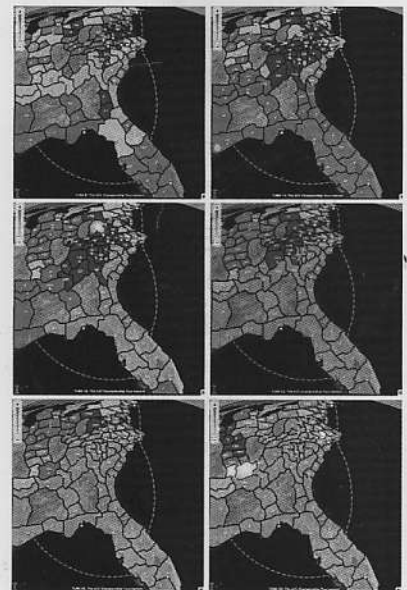
The funding came about in an interesting way: Mehra and Reitman first contacted Easton Capital when they were in high school in an effort to secure financing for an artificial bladder they had developed for an invention contest sponsored by a large pharmaceutical company. Easton passed on that idea before agreeing to back GXStudios.

In a bid to expand beyond the academic world, GXStudios has created a second gaming platform—a team-building tool for companies. Google, Vivendi, and others have already run the game, pitting

employees in one city against those in another or the sixth floor of an office building against the seventh. And this month, GXStudios plans to set up a new site, PickTeams.com, to host a series of team-based social games that move beyond the Risk playbook.

The start-up now has a Manhattan office with about a dozen employees. The popularity of the company's games has thrilled but not necessarily surprised a group of founders convinced of the power of its idea. Still, running a venture-backed start-up is a heady experience. "It's one of those things I never would've predicted when I came to Yale," Brimer says. "If someone would've told me that, when I graduate, I'd go to work for the start-up company I founded and am working for already part time, I'm not sure I would've believed it."

—Andrew Bartholomew, Yale class of '09



TOP: GEORGE RUHE; BOTTOM: COURTESY GOCROSSCAMPUS (L)

COOLEST COLLEGE START-UPS

0291-6



**"You can get a lot more done with a staff of 14 who care than with 25 or 30 people who don't."**  
 —Brian Laoruangroch

UNIVERSITY OF MISSOURI

## A NEW LIFE FOR OLD PHONES

If you happen to be in Missouri, keep an eye out for a commercial on cable TV featuring a guy in white tights and a green cape. His name is Brian Laoruangroch, and he is the 24-year-old founder and CEO of Green Mobile, a company that buys, sells, trades, and repairs used mobile phones.

The business started in 2004 basically as an eBay hobby, when Laoruangroch realized he could buy old phones and resell them for a profit. He soon built his own website to market refurbished phones; his brother Brett, like Brian a University of Missouri student, joined him and took charge of learning how to repair them. They eventually opened a kiosk in a local mall, and then, last summer, Laoruangroch decided the business was large enough to support a retail storefront in Columbia. He borrowed money from his parents and then landed a \$50,000 bank loan backed by the Small Business Administration—no small feat for any business, let alone one run by an undergrad. Along the way, he pumped

money into Green Mobile by doing side work as an actor and model in Kansas City. When it came time to decide whether to open a second retail location there, Laoruangroch had to make a tough choice: Keep his car or sell it to raise money to open a new store? In the end, the car had to go.

The company has passed the \$500,000 mark in revenue, and Laoruangroch is learning about the difficulties of hiring and managing employees. At one point, Green Mobile's head count was up to 30, which Laoruangroch found too difficult to manage. He trimmed the staff by half. His new philosophy about managing: "You can get a lot more done with a staff of 14 who care than with 25 or 30 people who don't."

Advertising has come naturally to the founder, who drew on his acting experience to make a series of kitschy TV commercials, which feature Green Mobile Man, a superhero who goes around saving people money. When he punches villains, a big "KA-POW" appears on the screen. "I knew that we had

LEFT: COURTESY SUBJECT



to do something really outlandish that would last in people's minds," he says.

Being a recognizable face on campus does have its downside, however. When, in 2007, Laoruangroch was arrested on suspicion of driving while intoxicated, the school paper covered the news. After the incident, Laoruangroch took an alcohol-awareness class and says he kept himself out of further trouble by partying less. "Anytime you slip, you have to get back up on your feet and keep on going," he says. "It's something that compares to business a lot."

This year, Laoruangroch expects sales to accelerate because of the recession. The company's pitch has always been convenience—its slogan is "Change your phone, not your plan." But Green Mobile is well positioned to present itself as a low-cost alternative to other phone retailers. Fixing a phone means customers don't have to buy a new one. And recycled phones run as low as \$30 at Green Mobile; carriers typically charge \$100 or more for a phone that is not bundled with a service contract.

Managing multiple locations will become a challenge. But Laoruangroch has found he has a knack for retail. For example, when Green Mobile opened its Kansas City location, it did so without a completed floor plan. Laoruangroch's thinking was that the store's layout would evolve around the workflow as it happened. "If you try to build the store before you're operating there, you don't really know what to expect or how to build it," he says. So far, the business has found that it's efficient to set up cabinet workstations in the front of the store instead of having to bring every repair to a work area in the back. The approach cuts down on the time it takes to complete a transaction and fosters interaction with customers, Laoruangroch says. He has since reorganized the Columbia location along the same lines.

As Laoruangroch's business has grown, he has found it difficult to juggle work and school. Now that he is working 60- to 80-hour weeks, Laoruangroch, who is nine credits shy of a diploma, is looking to finish his degree online. He confesses some nostalgia for the classroom, however. When he was getting Green Mobile off the ground, he says he found himself paying closer attention to his professors when they covered business fundamentals such as branding and marketing. "I was learning important business concepts while I was using them in my own business," he says. "I was genuinely more interested in what they were teaching."

He remains in touch with his professors. Some have chastised him for missing class to go to business meetings, but a few have invited him to speak to their classes.

—Jacob Stokes, Missouri class of '09

INDIANA UNIVERSITY

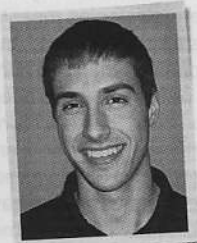
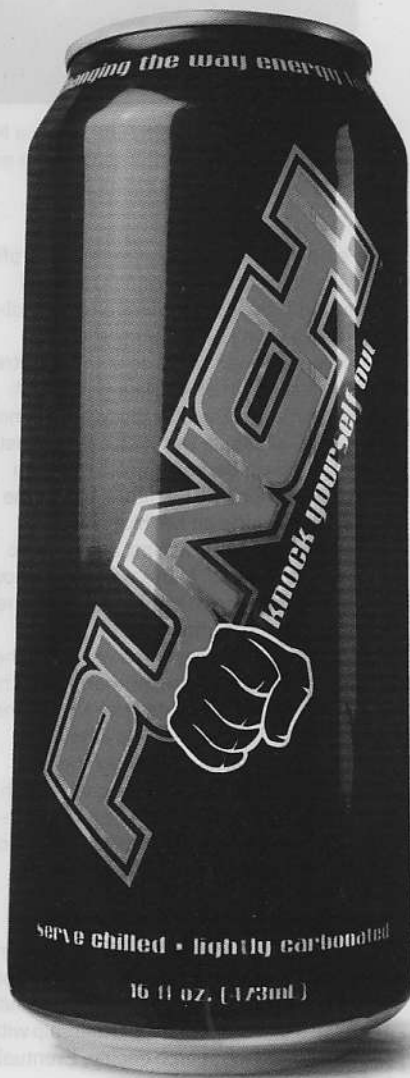
### A JOLT OF ENERGY, MINUS THE CRASH

Zac Workman became a connoisseur of energy drinks at an early age. At the end of each day, after five hours' practice for his high school swim team, he would choke one down. His drink of choice "tasted awful, but it gave me energy, so I just kept drinking it," he says. Today, the 21-year-old junior at Indiana University is the founder of ZW Enterprises, which sells its own energy drink, Punch.

After completing his freshman year, Workman threw himself into researching energy drinks. He identified what he saw as an unfilled gap in the market—an energy drink that was made from natural

ingredients and did not produce the crash effect common with sugary or highly caffeinated beverages. Working with a fruit-punch recipe that has been in his family for years, Workman came up with a drink that tasted good and satisfied the necessary dietary requirements. He began to pitch it to potential manufacturing partners. After a slew of dead ends, Workman found Power Brands, a Los Angeles-based beverage development firm whose clients have included Gatorade, Pepsi, and Sierra Mist. Executives there agreed to meet with the student—if he flew to L.A. "I wasn't sure it was something my parents would support," Workman says, "but they said yes and decided to make it a family trip."

Power Brands CEO Darin Ezra says his team was impressed by the professionalism of Workman's research and presentation. Then there was Grandma's recipe. "The taste of Punch was definitely a major component in why we decided to work with Zac," Ezra says. "One of our project man-



"I have a management team worth several million, and they work for free just to see me succeed."

—Zac Workman, junior

**GETTING CANNED** A family recipe for fruit punch was the basis for the energy drink Punch, which is on track for national distribution.

RIGHT: COURTESY SUBJECT

agers rated Punch as her favorite product of 2008, which is great, considering we developed over 250 products last year.”

Within days of signing a contract with Power Brands, Workman began collaborating with chemists to develop a drink that could be mass-produced but that did not contain high fructose corn syrup, sodium, or preservatives. After 10 attempts, the recipe was finalized. Workman and his family put up \$200,000 in start-up capital.

Since Workman launched Punch last year, three Anheuser-Busch distributors have picked up the product; they sell it in most of Indiana and Illinois. To get the word out, ZW Enterprises is co-sponsoring a car that will race in the Indianapolis 500 in May. Sales are on track to reach \$1 million in 2009. The black-and-red can is his design.

Running a business on campus has been surprisingly easy. “People would think it would be difficult to balance class and a business, but I’m learning more now than I ever have in the classroom,” says Workman, a finance and entrepreneurship major. “Because now, I’m sitting in class learning business strategies meant to be applied in the professional world, but I actually get to do that when I go home.”

Workman’s professors have been extremely supportive. “I have a management team worth several million, and they work for free just to see me succeed,” he says, adding that his classmates have embraced Punch, too. “I come home at least once a week to find money on my bed from a friend who wanted a Punch and took it from the fridge,” he says.

—Allie Townsend, Indiana class of '09

UNIVERSITY OF CALIFORNIA, BERKELEY

## A PLACE TO FIND GREAT INTERNSHIPS

At the tender age of 14, Jessica Mah learned a tough lesson about business. Her first company, which rented server space to small and medium-size businesses, had grown quickly to 1,200 customers and \$6,000 a month in revenue. Rather than renting server space, as she had done in the past, Mah began to purchase hardware. Inexperienced at managing cash flow, she found it difficult to keep up with expenses. “I started the company with \$10 and a homemade desktop computer, and somehow that initial \$10 ended up in me spending \$10,000 a month in upkeep and investments to grow the company,” Mah recalls. Feeling overwhelmed,



**LOOKING FOR A GOOD INTERN** Jessica Mah uses her blog, which draws 100,000 visitors a month, to publicize InternshipIN, an online guide to internships.

she sold the business at a marginal profit.

Mah then set up *jessicamah.com* and began to blog about business and technology from a young person’s perspective. (Sample headline: “Idiots do nothing. Entrepreneurs sometimes feel like idiots. Both sound like me!”) The blog quickly drew more than 100,000 unique visitors a month. Last fall, Mah, now a Berkeley junior, came up with the idea for a new venture, which she began to chronicle on her blog. “All of us were looking for internships, and I had no clue where to start,” Mah says. “This is how business ideas begin: You want to do something, and you run into problems.”

Mah ran her concept for a website to help students find internships, primarily at tech start-ups, past her friends Arielle Scott and Andy Su. The idea was to help employers and potential interns cut through help-wanted listings by incorporating what Mah calls “a nimble version of the Amazon relevancy algorithm.” Su and Scott liked the concept and signed on to help Mah launch InternshipIN. Equal parts Craigslist and Mediabistro, InternshipIN helps students identify high-quality internships—i.e., internships that do not involve “getting coffee and making copies,” Mah says. Much of the initial traffic has come through a partnership with SimplyHired, a job search engine. Eventually,

Mah hopes to begin charging employers a fee to post listings on the site.

Though many find that running a start-up by committee is tough, Mah believes that collaborating helps to make a business stronger. In fact, she ran her first business with two other teenagers—including one from Australia with whom she communicated via webcam. “You always hear about Bill Gates and Steve Jobs, but Bill Gates had Paul Allen, and Steve Jobs had Steve Wozniak,” Mah says. “If you have co-founders and don’t try to make it a one-man operation, things work great.”

One thing Mah has changed: With her first business, she maintained a “zero disclosure of age” rule, which backfired when a few clients discovered the truth and fled. This time around, Mah has found that being the very public face of her business is fun and has its advantages. Her blog and InternshipIN scored her a coveted invitation to the TED Conference, an exclusive gathering of innovators and technologists. She felt right at home. “Once you’re an entrepreneur, there is no turning back,” she says. “The reason is you’re working on something you believe in, you’re actually solving a problem, you’re making money in the process, and you’re learning something new every day.”

—Deepti Arora, Berkeley class of '11



UNIVERSITY OF PENNSYLVANIA

## BOTTLED WATER YOU CAN FEEL GOOD ABOUT

When Ben Lewis met the national beverage buyer for Whole Foods, the buyer was shocked to discover that the founder and CEO of Give Water was a sophomore at the University of Pennsylvania's Wharton School of Business. But Lewis says his age, 20, has been only a benefit for him in launching his bottled-water brand. "The youth element adds some excitement and uniqueness to the whole brand and the story," Lewis says.

Borrowing the business model of Ethos

Water, which is owned and distributed by Starbucks, Lewis's company donates a share of every sale to charity. But to differentiate itself from Ethos, Give donates 10 cents per bottle sold, compared with the 5 cents that Ethos will donate. (Give's average retail price is \$1.29.) Another contrast: Ethos funds clean-water programs overseas, while Give directs its consumer-driven philanthropy toward local charities in the markets it serves. And Give lets cus-

tomers choose from several charitable options: Its bottles come with four differently colored labels, each representing a different cause. Sales of blue bottles support children's causes; pink bottles support breast cancer research; green bottles support environmental causes; and orange bottles support muscular-disorders research. "Consumers want choice," the entrepreneur says. "They want to choose how they give back, and

**WATER WORKS** Give Water donates 10 cents from every bottle sold to local charities. The color-coded labels allow consumers to direct funds to particular causes.



"I'm not the type of person who just wants to sit in the classroom and learn about an industry or learn about business. I want to go out and do it myself."

—Ben Lewis, *sophomore*

RIGHT: COURTESY SUBJECT

they want to give back locally."

Lewis and a few of his friends had the idea for Give during high school. The summer before entering college, Lewis, who describes himself as "the 10-year-old who read *The Wall Street Journal*," borrowed warehouse space at a friend's dad's office and started selling from the trunk of his car. He persuaded a few delis and grocery stores in his hometown, Pittsburgh, to stock the product. Give caught the eyes of distributors, who picked up the product along the East Coast, in Canada, and in the Midwest.

In the 18 months since its debut, Give has donated more than \$50,000, which suggests retail sales of about \$650,000. Whole Foods is distributing the product in stores on both coasts, and Lewis thinks Give will have national reach by 2010. He hopes someday to donate \$1 million a year to charity.

Conscious of criticism of the industry's environmental impact, Lewis plans to switch to new biodegradable and recyclable bottles that a company called Planet Green Bottle is launching this spring. "When we announced this technology, Ben was the first person who called us," says Patrick Rooney, the Toronto-based company's director of corporate development. "As a young guy, he's more in touch with what is happening out there. He knows consumers are demanding plastic bottles that won't be around to pollute the planet forever."

In addition to going green, Give also has plans to launch an energy drink this spring, with donations going to renewable- and sustainable-energy charities, and Lewis hopes to branch out further. "A year from now, it's conceivable that there will be 10 different causes and several products," he says. "Once we have that relationship with the customer, the possibilities are endless."

Lewis has to balance the responsibilities of being a full-time student who lives in Philadelphia and the CEO of a company based in Pittsburgh. Though Lewis often must decide between taking a conference call and going to class, he speaks with his four-person staff all the time. Mark Slepak, Give's 37-year-old director of sales, who previously worked for Red Bull and Jones Soda, says he has never seen a CEO as engaged as his current boss. On a recent day, Slepak got off the phone with Lewis at 2:30 a.m. and was back on the phone with him at 7 a.m., and Slepak says that is typical.

Lewis sees the roles of student and CEO combining to provide him with a great education. "I'm not the type of person who just wants to sit in the classroom and learn about an industry or learn about business," he says. "I want to go out and do it myself. That's what Give allows me to do."

—Beth Sussman, Penn class of '09



**OUT ON A LIMB** Justin Cannon (left) and Chris Varenhorst are testing their software, which helps students refine their spoken-language skills, in classrooms at MIT.

MASSACHUSETTS INSTITUTE OF TECHNOLOGY

## SAYING ALL THE RIGHT THINGS

The idea for Lingt Language came to MIT seniors Scot Frank and Chris Varenhorst while they were sitting in Chinese class. The students, who were preparing for trips abroad as part of the MIT-China program, found that their professors had little problem teaching the written language but, with 30 to 40 students in a class, teaching proper pronunciation was difficult.

To address the problem, one of Frank's teachers created digital audio recordings that featured prompts that could be rerecorded by students and returned to the professor via e-mail. But the process was tricky and time-consuming and involved downloading special software. There had to be a better way, Frank and Varenhorst thought. So they partnered with Justin Cannon, a 2008 MIT graduate, to develop a tool for teaching foreign languages. Unlike other software on the market, which focuses on self-learning, theirs would be designed for use in the classroom. The result is Lingt Editor, an application that lets teachers create custom assignments with images, text, and video. It also includes a tool that allows a student to record and submit audio of himself or herself directly through a Web browser.

Throughout the development process, the founders of Lingt (pronounced *linked*) worked closely with MIT's Venture Mentoring Service, a campus office that introduces pro-

spective entrepreneurs to volunteer mentors. Through these sessions, the founders got the idea to differentiate their technology by targeting teachers and schools. The decision has come at a price, however. Investors tend to shy away from educational software companies because the customer is price conscious and wary of new technology. Lingt's founders did attract the interest of one funder, Y Combinator, a group that provides small amounts of seed money to early-stage tech start-ups. At the time, however, Y Combinator was accepting pitches only from companies that were willing to relocate to California, which would have delayed graduation for Frank and Varenhorst. The partners decided not to make a pitch to Y Combinator until later this spring.

Remaining in Cambridge has some benefits, as it plants Lingt in a region with a large number of prestigious private schools and charter schools that pride themselves on being early adopters of classroom technology. A pilot program conducted in several charter schools and the language classrooms at MIT helped to improve and refine the product. Now, a deal to test the technology in high schools in Kansas City, Missouri, is in the works.

Though Lingt's founders are aware that many of their fellow MIT grads have made a fortune developing new technology, they say their motivation is more about solving a vexing problem. "We're interested in language learning," says Frank. "We wouldn't be doing this if it was just a way to save the stock market."

—Benjamin P. Gleitzman, MIT class of '09

UNIVERSITY OF MICHIGAN

**A T-SHIRT LINE WITH GREAT WORD OF MOUTH**

Caroline Rooney produced her first T-shirt design, with a "Peace and Love" theme, in her high school textile class. She wore the shirt throughout high school and then at the University of Michigan. Her friends wanted to know where she got the shirt, and when she told them, they asked her to make copies of it. "One of my friends basically gave me an ultimatum that said, 'We can't be friends anymore unless you have more of those shirts made,'" Rooney says. She promised the friend a shirt for his birthday and quickly realized it was more cost-effective to make 25 shirts than to make just one. The first run cost her \$300 to produce and sold out immediately. "I thought to myself, Let's just see how this goes," she says.

So, last year, Rooney launched The Bearon, a T-shirt line sold primarily through

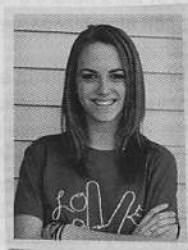
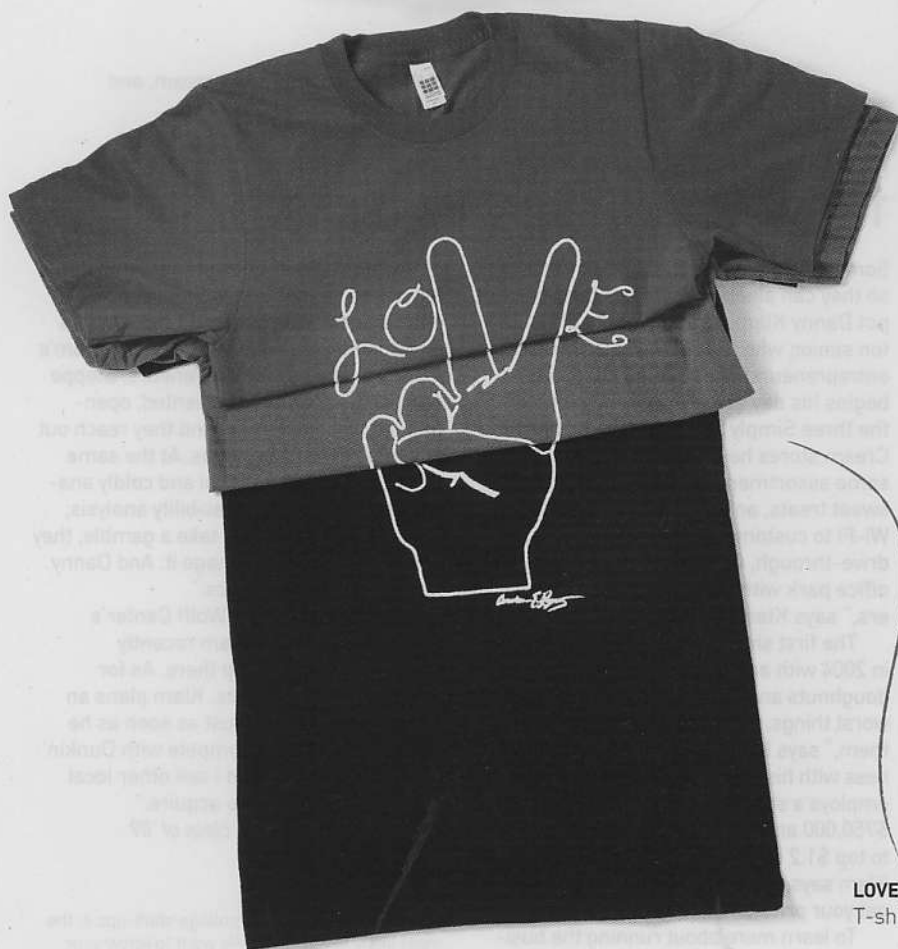
her own website and independent sales reps on six other college campuses, including the University of Wisconsin at Madison, Syracuse University, and Northwestern.

The origin of the company's name is a bit embarrassing for Rooney. When she was a child, her family called her Care Bear. Then, after a series of summer internships unearthed her innate talent for business, her brother started to call her "the baron," as in "robber baron." The Bearon is a combination of the two nicknames and reflects something else—Rooney wants to be a success in business, but she wants to do more than make money. The 19-year-old is donating 20 percent of the profit from every shirt sold to three charities: UNICEF, the Alzheimer's Foundation, and New York City's Public Art Fund.

For marketing, Rooney maintains a page on Facebook, holds events with campus Greek organizations, and often speaks at assemblies and club meetings. She also maintains a blog on her website, thebearon.com, on which she promotes her favorite artists and photographers, and posts photographs of customers wearing her shirts in cities around the world. "It's getting to the point where I don't recognize some of the people who are sending in orders, calling in questions, or walking around campus wearing the shirts," Rooney says. "That's when you know the word of mouth has gone to the next level, and that's really exciting."

As a sophomore, Rooney still has a full course load, which makes it hard for her to focus on the business. Her plan is to add sales reps at a few more colleges and see where it goes from there. "I can tell you all the awesome things I'd like to do with the company and all the great places I think we can grow," she says. "But at the same time, I have a 10-page paper due tomorrow. There are definitely times when ambition and academics collide."

—Caitlin Brody, Michigan class of '09



"There are definitely times when ambition and academics collide."

—Caroline Rooney, sophomore

**LOVE IS GOOD** Caroline Rooney's upbeat T-shirt line is sold on seven campuses.



COOLEST COLLEGE START-UPS

UNIVERSITY OF SOUTHERN CALIFORNIA  
**SMELLS LIKE  
 TEAM SPIRIT**

Like many of his classmates, University of Southern California senior David Wachtel is crazy about college football and will follow the Trojans nearly anywhere. The only thing that dampens his enthusiasm for away games is the cost. He saw students paying exorbitant amounts of money for, say, a trip from Los Angeles to the San Francisco area for the Stanford game, and he knew he could get a better price if he put together a group. In the fall of 2007, he put up fliers around campus advertising a package deal.

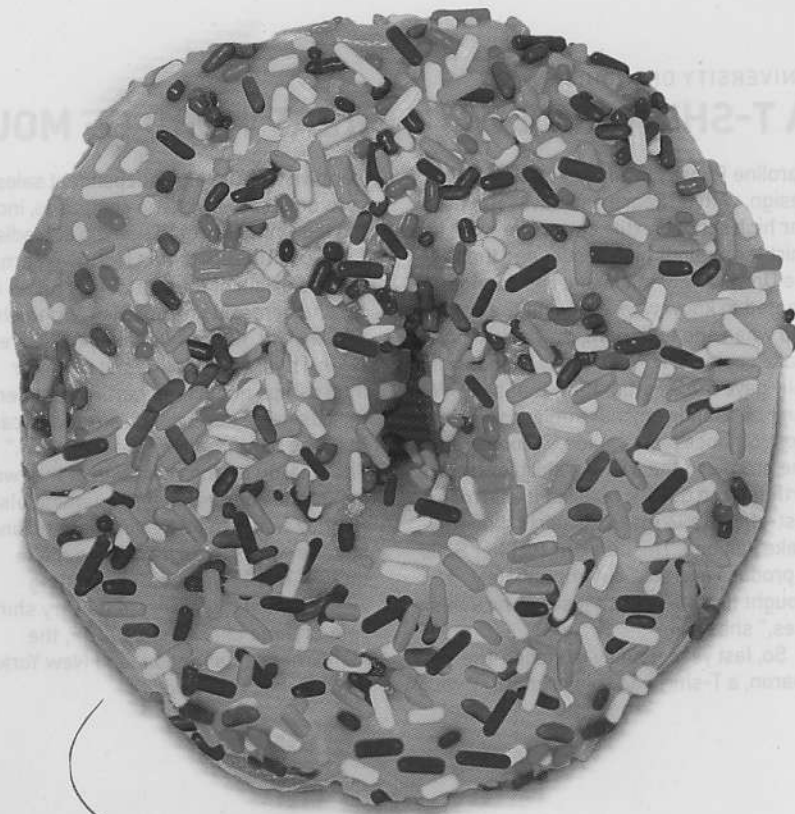
"I had 100 spots originally," he says, "and those 100 spots sold out in under two weeks. Then I had a wait list that was 50 people long, so I called the hotel back." By the time the caravan of buses Wachtel had assembled pulled off USC's campus and began to head north, he had arranged travel for 216 customers and booked \$50,000 in revenue. A business, College Weekenders, was born. Three years later, student travelers can choose from two tiers of service (\$295 or \$395) to attend a USC Pac-10 game. Typically, a package will include two nights in a nice hotel, transportation to and from the game, and access to private parties at bars before and after the trip. Students can also buy game tickets through the company.

This year, Wachtel signed up sponsors for his trips, including a local restaurant and King Keg, a beer delivery service in L.A. In the fall, he plans to take College Weekenders to other campuses and orchestrate weekend trips for students at UCLA and UC Berkeley, and possibly Arizona State University. If he gets the level of participation at those schools that he has enjoyed at USC, the company could reach \$300,000 in revenue. Wachtel's teachers have taken note. "It's a great business model," says Patrick Henry, a professor at USC's Lloyd Greif Center for Entrepreneurial Studies.

—Keaton Gray, USC class of '11



**NO. 1 FAN** College Weekenders helps USC die-hards follow their team on the road.



**HOLE IN ONE** Doughnuts, ice cream, and Wi-Fi—a recipe for success

UNIVERSITY OF HOUSTON  
**THE DOUGHNUT KING OF TEXAS**

Some college students schedule classes so they can sleep in as late as possible, but not Danny Klam. The University of Houston senior, who is double-majoring in entrepreneurship and marketing, often begins his day at 3 a.m., opening one of the three Simply Splendid Donuts and Ice Cream stores he owns. They all sell the same assortment of baked goods and sweet treats, and they also provide free Wi-Fi to customers. "One store has a drive-through, while another is more of an office park with more business customers," says Klam, 27.

The first shop opened in west Houston in 2004 with a simple concept in mind: doughnuts and ice cream. "Take the two worst things, health-wise, and combine them," says Klam, who co-owns the business with his cousin Rock. The chain employs a staff of 12. Last year, it grossed \$750,000 and, this year, revenue is on track to top \$1.2 million. "The hours are crazy," Klam says. "You just have to make time and get your priorities straight."

To learn more about running the business, Klam took courses at the University

of Houston's Wolff Entrepreneurship Center, where he met Daniel Steppe, a serial entrepreneur who serves as the center's director. Steppe has become one of Klam's mentors. The best entrepreneurs, Steppe says, are "very market-oriented, open-minded, and inquisitive, and they reach out to people to find new ideas. At the same time, they are very critical and coldly analytical about risk and feasibility analysis, so that by the time they take a gamble, they know that they can manage it. And Danny has those characteristics."

In gratitude for the Wolff Center's advice and support, Klam recently endowed a scholarship there. As for Simply Splendid Donuts, Klam plans an ambitious expansion just as soon as he graduates. "We can compete with Dunkin' Donuts," he says, "and I see other local shops as something to acquire."  
 —Zaneta Loh, Houston class of '09

**inc.com** Which of these college start-ups is the most likely to succeed? We want to know your opinion. Cast your vote at [www.inc.com/college](http://www.inc.com/college).

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