



The 2014 Governor's Cup awards banquet.

An Idea Incubator Eyes the Future

In its 15th year of challenging college students to come up with their best entrepreneurial ideas, the business plan competition prepares for a future without its signature sponsor.

By Eric J. Francis // Photography by Cindy Momchilov and courtesy of Arkansas Capital Corp.



Innovation and legacy meet head-on in the Donald W. Reynolds Governor's Cup collegiate business plan competition, and Sam Walls is the guy at the crossroads.

Walls, president and chief operating officer of Arkansas Capital Corp. — and son of its former CEO — reflects on the more than 15 years of these competitions and, with a chuckle, paraphrases a Barbara Mandrell song: "We were talking entrepreneurship when talking entrepreneurship wasn't cool."

Arkansas Capital Corp., with funding from the Donald W. Reynolds Foundation, has since the competition's inception awarded more than \$150,000 in unrestricted prize money to collegiate teams that produce the most promising business plans. But the Reynolds Foundation has worked against a deadline to distribute all of its assets, and it's now winding down its giving. What that means, Walls said, is next year's Governor's Cup will be the last funded by the foundation's generosity.

The search for a new sponsor or sponsors is, of course, already underway, because Arkansas Capital Corp. intends to keep hosting the competitions.

"We're talking to people," Walls said. "It would be a very big loss to Arkansas for us not to have this event, from the academic side and in the business community, because it is just a constant drip out there on the value of entrepreneurship."

There are two Governor's Cups to be contested under the banner of the Reynolds Foundation, and Arkansas Capital Corp. is fully engaged in the current one, which drew 47 entries from a dozen Arkansas colleges and universities.

Harding University is fielding 13 undergraduate teams — more than any other school — and the types of proposals span a wide spectrum, said Allen Frazier, associate dean of the College of Business. One of them is Natural Cattle, which found a recipe for livestock feed that includes material from hardwood trees in the meal, a process picked up from an expired patent students discovered during their research.

"They learn all of the elements and factors associated with a business startup, from the inception to introducing it to market and showing evidence of a need," Frazier said of the benefit of a contest like the Governor's Cup. "It forces them to integrate all the business disciplines together and demonstrate how they work together."



Sam Walls, president and COO of Arkansas Capital Corp.



The Arleesa team of John Brown University won first place in the undergraduate division in 2014.

John Riggins, the entrepreneur-in-residence at Arkansas Tech University and president of Riggins Group in Little Rock, has five undergraduate teams entered. One of those, Food Trucks 101, aims to consult for restaurateurs thinking about going mobile.

"They will lease a fully equipped food truck, along with advisory services on local regulations, health codes, et cetera," he said. "If you think you want to get into the food truck business, this is a great way to cut the risks."

During their research, Riggins' students interviewed many food truck owners and found the thing they wished they had known before starting was "all the bureaucracy they had to address," as well as how to find a location, attract a crowd, and what happens when it rains. Food

Truck 101 aims to educate its clients on such practical matters.

The four graduate teams from the University of Arkansas (UofA) are being advised by Cynthia Sides, associate director for the Office of Entrepreneurship, and Carol Reeves, associate vice provost for entrepreneurship at the Sam M. Walton College of Business. Sides said business plan competitions like the Governor's Cup are "preparation for life" for grad students. The fact that they can win a cash prize and invest that money into their idea is a huge benefit.

"For instance, our BioBridge LLC team just placed third at [Brown Forman Cardinal Challenge at the University of] Louisville a couple of weeks ago," she said. "They won \$3,000, and they can even now, during this process, start

looking into redevelopment of prototypes or things along that line. I think it gives them a little taste of, 'We can really do this.' It makes it a real scenario for them."

The UofA's undergraduate teams are being mentored by Jeff Amerine, an adjunct faculty member at the Walton College and the founder and principal of Startup Junkie Consulting in Fayetteville. He's got two teams competing this year and believes there are real dividends to entering competitions.

"It's very much a gauntlet that gets them ready to do this for real, if they're not already intent on doing it," he said.

Ouachita Baptist University is fielding three teams; Chris Brune, an assistant professor of finance, is adviser for one of them. It's called SmoothService Payment Processing, and it's an idea that came about from actual experiences of the two young men who developed it, rather than as the result of a class assignment.

"They're entrepreneurs at heart. One built a fairly large lawn care business and realized it was taking him a considerable amount of time to collect payments," said Brune. "They were looking for a way to expedite the process. They think they found a unique niche so they can target smaller service providers."

Williams Baptist College is entering the contest for the first time in six years, and Summer DeProw, chair of the Business Department, said the two young women have been working on their idea for a year and a half.

"They have developed what they consider to be the eHarmony of international athlete recruitment for college sports," she said. "There's not one [website] that does a good, comprehensive job of allowing international athletes to upload videos about themselves, statistics from their home country, and so forth. And international recruitment is on the rise at both NCAA and NAIA schools."

The Governor's Cup has "a good track record" of bringing in business people to judge the competition, and DeProw hopes they will give her students the feedback they need to transform a plan they're passionate about into a launchable business.

Though it's regrettable that the Reynolds Foundation money is going away, Walls doesn't see reason to be upset. After all, the foundation was there from the start and made the Governor's Cup what it is today.

"I'd like to think someone will step up and be maybe that 'name' person," he said. "And the rest of the business community will do as it has done and step up — buy a table, do those little sponsorships. So we're hopeful."

"But we have roughly a little over a year," Walls added. "By this time next year, we better know something." **M&P**