Class that generates CASH

A UP teacher gives students $100 each to create ventures

Rob Peterson, assistant professor of marketing at the University of Portland, reacts to a student presentation Tuesday in his Entrepreneurial Marketing course.

Ryan Miller, a University of Portland senior, presents the "Pilot Finger" to his Entrepreneurial Marketing class. Miller's professor, Rob Peterson, gave each student $100 to start a business. Miller's team, including Eileen Burke (left), sold foam fingers at athletic events and ended up with extras. "Anyone need about 80 foam fingers?" Miller asked.

BY SHELBY OPPEL
THE OREGONIAN

Matt Sheeks discovered that college students are stingy. Ben Sullivan found out that most guys won't buy "Men of the University of Portland" calendars. Oliver O'Callaghan realized that in business, not everyone plays fair.

The UP students learned these lessons and more this fall when Rob Peterson, an assistant professor of marketing, gave each of them $100, showed them how to start a small business and told them to turn a profit. Their grade in Peterson's Entrepreneurial Marketing course would depend on it.

The students—a mix of majors, from business to engineering to biology—pooled their cash in groups of four or five to buy inventory from distributors: energy drinks, trucker hats, T-shirts.

Sheeks' group sold candy bars at prices lower than those at the university bookstore. Undercutting the competition was critical.

"If it's not on their meal plan, students won't pay for it," said Sheeks, a sophomore. "College students are cheap."

In class this week, Peterson's students traded their fleece jackets and jeans for suits and skirts to present their results.

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Each group had reaped enough profit to repay Peterson and to pocket at least a few dollars themselves — in one case, nearly $100 per student.

Peterson, tall and gregarious, watched the presentations with three guest judges: two businessmen and another professor. He heckled his students gently but often.

“It’s amazing what a shower, a shave and a clean shirt will do for you,” he told one. To another, on the subject of money: “As long as it’s green, baby!”

This being UP, a Catholic university that takes pride in offering a “values-centered” education, each group was required to donate 20 percent of profits to charity. In five semesters, Peterson’s students have earned nearly $28,000 in profits and donated $5,500 to an orphanage in Chile and to the Portland Relief Nursery, which serves at-risk children.

This semester, O’Callaghan’s group sold $5 “Pilot Platinum Passes,” named for the UP mascot and good for discounts at fast-food restaurants and other retailers. The group sold 144 passes and, after giving to charity, earned nearly $482 in profits, about $96 per student.

Success came only after the students fought back a challenge from a group of UP graduates — former students of Peterson’s — who were kicked off campus after selling similar passes not sanctioned by the university.

“We learned more in this project ... than we ever could in a class based solely on lectures,” said O’Callaghan, an exchange student from Belfast, Northern Ireland. “The icing on the cake is that we’ve got a little money left over for Christmas presents.”

Peterson’s course, a requirement for business majors, is part of a larger effort at UP to broaden business studies to include courses about small-business ownership and entrepreneurial finance.

In the 1960s, one in four Americans worked for a Fortune 500 company, according to researchers at Babson College in Massachusetts, Peterson said. Today that figure is one in 14. College graduates, he said, must be prepared to work for or run a small business.

At UP, high on a North Portland bluff, students for the most part have been insulated from Oregon’s economic woes, Peterson said. A few seniors are frightened about job prospects. Some, he said, have the potential to contribute to the state’s recovery.

“There are certain people in here who have the ability to create jobs, not just take jobs,” he said.

Ben Sullivan’s team produced “Men of the University of Portland,” a wall calendar that includes black and white photographs of student-athletes, Air Force ROTC cadets, and a group of guys playing cards. January was the raciest month — a row of bare-chested, bare-legged men on a couch with a strategically placed surfboard across their laps.

Still, “there was less of a need for the calendar than we anticipated,” said Sullivan, a sophomore. He said he expected to do better because UP is 70 percent female and “girls ‘impulse buy’ more than guys.” In fact, UP is 60 percent female, a university spokesman said.

The calendar group earned $401 in profits but couldn’t keep a cent. After they launched their business, they learned that NCAA regulations required the venture to be a nonprofit because athletes were involved. They turned over all the money to charity.

Peterson found the motivation for his “Tale of Two Fifties” project — named for the two 50-dollar bills that he gives each student — in his undergraduate experience. At Indiana University in the mid-1980s, business courses meant book reading and multiple-choice tests, he said. He wanted a better way to motivate students, to show them how to take risks and recover from failure and to teach them to succeed as a team.

He started the project with $1,200 from his checking account. Since then, he has won grants that provide a self-sustaining source of cash.

Many of Peterson’s students said the Tale of Two Fifties fueled their desire to enter the business world. For others, the project showed them where their talents don’t lie.

“I’m an engineer and I’m definitely going to stick with engineering after this,” said Allison Rutter, a senior. “It taught me other little lessons, but mainly that I’m not going to sell. Ever.”

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