

College of Micronesia FSM, Center for Entrepreneurship Quarterly Report

Q2 2016

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Synopsis of Activities over the Quarter

Over the summer, the Center for Entrepreneurship (Center) wound down most of its activities to focus on the coming academic year. Students that attend summer school usually have classes that last three hours a day every day of the week, making it difficult to plan regular activities around their schedules. Many of the core students the Center attracted over the last year have taken summer classes and visit the Center on a regular basis. The Center has worked to improve relationships with each of these regular attendees and has encouraged them to take up entrepreneurial ventures.

Because the Center has risen in popularity amongst students, the Center plans to implement more stringent rules on the use of computers and the space. In the coming semester, the Center will require students to fill out an application to become Center for Entrepreneurship Associates for the academic year. Successful applicants will also have to make a commitment to some of the Center's activities. For instance, an Associate may be responsible for setting up one of the roundtables, and must also compete in one of the competitions or take one of the Center's workshops. Successful applicants will have access to the Center's resources and may receive recommendations from the director in addition to help with entrepreneurial ventures after graduation.

The Center has broken down its core functions into three categories: a small scale incubator program, entrepreneurial workshops, and competitions/events. The Center recently applied for a \$25,000 Economic Development Assistance (EDA) grant that will help to fund the activities of the Center without cutting into the budget for staff salaries. Should the Center receive the EDA grant, it would be able to carry out larger projects and competitions, obtain more resources for its incubator, and allow the Center's staff to travel to other FSM states to promote the Center's programs on other campuses. If the Center does not receive funding from the EDA, there are alternative plans to increase funding and resources over the next several years. Additionally, the Center recently joined the National Association of Community College Entrepreneurship, which will give the Center access to a broad network of likeminded institutions.

Incubator Program

Student-operated business that become official partners of the Center's Incubator Program have regular access hours to computers and can use the Center's printer or other resources.

Pohnpei Consulting Firm

The Pohnpei Consulting Firm (PCF) is comprised of three third-year business students who demonstrated a knack for writing business plans and accounting. They plan to register as a partnership within Sokehs municipality in the near future. The group started out small by writing business plans for several community entrepreneurs. Already the group has a successful loan application under their belt for a local piggery. They also met with the major banks to explain their



Members of PCF meet with Pohnpei Government Officials

services and have received interest from new customers. The major success of PCF thus far was a \$2,500 contract from the Pohnpei State Government to conduct business workshops for the owners of the Lididuniap Waterfall, which is undergoing state sponsored renovations to increase tourism activity. PCF has also had meetings with the leadership of U municipality and the United States Department of Agriculture on conducting similar trainings for community members. The three partners of PCF plan to use their initial money as investment in side businesses.

4Stars

4Stars continues and has had satisfied customers thus far. They are primarily busy with designing a new website for the Federated States of Micronesia (FSM) Post Office and working on retainer for Chris Christian of Cliff Rainbow. One area where the business struggles is on obtaining new customers. Almost every business and government entity on the island will say they desperately need a website, but most are not ready to commit to one. Many assume a professional website will cost only \$100 or they will continuously push back the creation of a website in lieu of other priorities, even when they claim they need the site immediately. Another major issue is the time it takes to agree on terms for a contract and to have the head of the business actually sign it and send a check. 4Stars will continue to find remedies to these problems to keep the business viable.

Workshops and Teambuilding

The Center's workshops provide students and faculty of the College with opportunities to learn skills not normally offered within the FSM.

Grant Writing Course

The Grant Writing Course has already had several successes. In its first iteration last semester, two different attendees (an individual making a water catchment system in her community and a student group working to establish a slaughterhouse on the College's campus) won Global Green Grants for \$5,000 each. Seeing these successes, several other students have applied for grants on projects in hydroponics and taro flour. There are dozens of grants available to FSM citizens on a monthly basis that will likely be a source of startup capital for the Center's student-operated businesses in the future. The Center has already received numerous requests to host the workshop again in the fall and just finished one during the summer with two faculty members.



Phyllis Ching, a regular at the Center, won a grant for a water catchment system. She now hopes to use her grant writing skills to start new projects and her services are available for hire. Above are her husband and the foreman for the project.

Android Workshop

The Center plans to host an Android App Development workshop in the fall. The course will allow students with little or no experience in app development to make basic apps. The course should also give them the requisite experience required to increase their skills on their own time after the course. The Center hopes that this course will give some of the more computer savvy students the encouragement to become involved in the world of app development.



There were 25 participants for the Six Waterfalls Hike.

Team Building Hikes

The Center hosted two hikes over the last three months to encourage teamwork among the Center's beneficiaries. Students went up Sokehs Rock and hiked the infamous Six Waterfalls. It was a great opportunity to get everyone out of the office and gave the staff time to build personal relationships with the students. The Center will likely host more hikes in the future.

Side Projects

The following are entrepreneurial projects that the Center has become involved with after an individual or group requested help.

Slaughterhouse

The Center is working in conjunction with the Agriculture Division of the College and the Future Farmers of Micronesia student club to create a small-scale slaughterhouse for the local community. The Agriculture Division has already received promises from the Japanese Embassy for the procurement of the larger pieces of equipment, while the student club received a \$5,000 grant for the other items necessary to slaughtering and butchering. The facility will allow the Agriculture Division to give students real-world experiences in slaughtering and butchering, which is a much-needed service on the island. Additionally, the facility will be open for the student club to provide butchering services to locals who have excess pigs they need slaughtered for a fee. This will give both the student club and the Agriculture Division a source of revenue for outside activities. Should the venture prove successful, the Center hopes to work with some of the newly trained butcherers on creating a for-profit business in town.

Hydroponics

The Center put out an announcement for a \$20,000 accelerator grant and was contacted by a recent Bill & Melinda Gates scholarship awardee, Yota Oue. Mr. Oue is studying at Fordham University, but came over the summer and is interested in creating a hydroponics prototype for use on the island. The Center paid for some of the materials necessary to build a hydroponics prototype while it waits to hear back from the accelerator grant. By the end of the July, the Center and Mr. Oue should be finished with creation of the prototype. The Center has partnered with the Cooperative Research Extension Division of the College to watch over the project during the fall semester and to collect data for Mr. Oue to analyze. The Center hopes to discover the right combination of design, produce, and expense to begin building hydroponics units that can be sold on island.

Taro Flour

Another applicant for the \$20,000 accelerator program is Desmond Anson, a third-year business student. He plans to purchase several small grinders and use them to produce taro flour, which is a healthy, affordable alternative to wheat flour. The Center is working closely with Mr. Anson to create a sustainable business model that will include significant marketing to create a demand for the flour. Even if Mr. Anson does not win the competition, the Center plans to seek other grant funding or a small business loan to purchase the grinders, packaging materials, and marketing materials.

Pohnpei Small Business Development Center

The Center was approached by Pohnpei State Government earlier in the year to help establish the Small Business Development Center (SBDC). The Center recently learned that the Pohnpei legislature has passed the SBDC as a part of the yearly budget and is now awaiting a decision from JEMCO. Although the SBDC would be an extension of the Center, the day-to-day operations and management would mostly fall under the Guam Small Business Association (SBA). The Center would be able to control the general direction of the SBDC while also utilizing the SBA's resources, such as trainings on business development and small loan guarantees. The Center also budgeted to provide space for paid student interns to work for the SBDC for real-world experience in developing small businesses.

Other Notable Moments

FSM Vice President Yosiwo George

Kasio Mida, member of the College's Board of Regents, arranged an introduction between the Center's Executive Director, Mason Wiley, and FSM Vice President Yosiwo George. The meeting was attended by other notable people, including leaders of the FSM banking sector and Special Advisor to the President, Herman Semes, Jr. Each of the invitees gave a synopsis of their activities and provided their analysis of the major issues the FSM faces when trying to improve private sector development. Those attending the meeting seemed impressed with a synopsis of the Center and its activities. When Mr. Wiley mentioned the Center's desire to expand its influence to the other states, Vice President George asked for a proposal to allow the Mr. Wiley to travel to the other campuses. Overall it was a very positive experience that may allow the Center to obtain funding and other forms of support from the



FSM National Government.

Norm Zahler Visit

One of MRA's shareholders, Norm Zahler, paid a visit to the FSM and the Center over the course of a week. Mr. Zahler was extremely helpful in two respects. First, he was able to provide unique observations on some of the business opportunities that might exist within the FSM that no one has picked up on. Second, he offered to meet with many of the Center's best and brightest to give them advice on their entrepreneurial ventures. Most of the students found their meeting with Mr. Zahler very helpful in that it gave them encouragement and a clear path for moving forward. The Center hopes Mr. Zahler or other successful entrepreneurs will visit the Center in the future for the benefit of its students.



Investor Roleplaying for the Introduction to Business Students

The Center's staff was invited to take part in the final judging for some the Introduction to Business summer course. The Center spent several days watching the students' presentations and providing them with both criticism and encouragement. The Center enjoyed the experience and hopes to take this idea to the next level by creating a competition next semester and model it after the show "Shark Tank". The Center will seek out prominent members of the business community and ask them to be on a panel to judge students who have dedicated a significant amount of time to create a business plan on a startup venture. Of course, the competition will include prize money for whoever is judged to have created the best business proposal.



Expenses

The Center took on no new costs in the form of staff or other major expenses. The Center had the following costs over the course of the second quarter:

Items	Purpose	Cost
Food		
Bottled Water	Meetings, Roundtables	\$ 61.92
Pizza	Roundtables, Competitions	\$ 200.00
Office Supplies/Equipment		
Printer Toner	Printing (Black & White/Color)	\$ 277.93
Portable Phone	Portable Phone for Incubator Use	\$ 55.20
Android Development Course	Class on Udemy for Android App Workshop in the fall	\$ 27.00
PVC, Pump, PH Tester, etc.	Hydroponics Prototype	\$ 394.49
Misc. Office Supplies		\$ 100.83
Prize Money		
Graphic Art Design Contest	T-Shirt Design for Pacific Island Art's Festival in Guam	\$ 100.00
Misc. Expenses		
NACCE Membership Fee	Network of other Entrepreneurship Centers at Community Colleges	\$ 750.00
Hiking Guides	Six Waterfalls Hike for Team Building	\$ 100.00

Total: **\$2,067.37**

Executive Director of the Pacific Asian Center for Entrepreneurship, Susan Yamada, continues to help the Center with its EDA grant application. The Center is still awaiting a final verdict before it pursues other grants.