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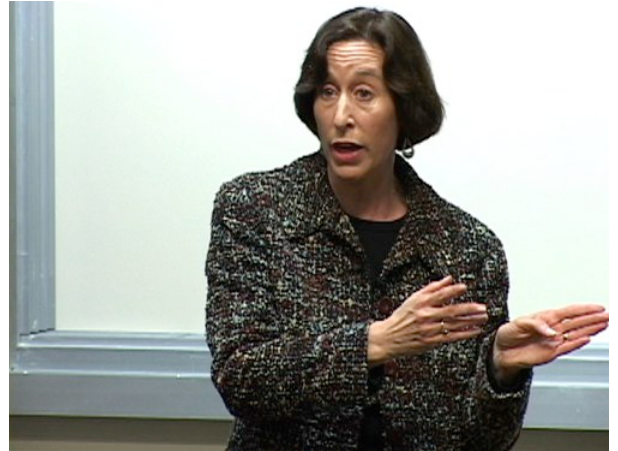
Value Creation from Opportunities

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April 12, 2006

Video URL: <http://ecorner.stanford.edu/videos/1465/Value-Creation-from-Opportunities>

Tina Seelig, Executive Director of the Stanford Technology Ventures Program, walks us through a life-changing hands-on classroom activity where students are taught to identify opportunities in nooks and crannies. With five dollars in seed funding and two hours of execution, she reports on the success of the exercise, and that many students reaped over one hundred times the initial investment (and others built a business without using any funding at all). Look for problems around you, says Seelig, and convert them into opportunities that create value. Embrace the opportunity to challenge assumptions and identify true cultural, social, or technological need.



Transcript

In addition to being Executive Director of STVP, I also had the honor to participate in the new d.school or the Design Institute of Stanford. And last quarter, I was invited to teach one week on entrepreneurship in the design school course. And so I figured, how do I distill this down, this concept of turning problems into opportunities, into one week? So I crafted an assignment where I gave every team--and there were 14 teams. Every team received an envelope with seed funding in it. And this seed funding was a total of--you're not going to believe this--five dollars. And every team had as much time as they wanted from a Wednesday afternoon until Sunday night, as much time as they wanted, to brainstorm and do whatever they wanted. But as soon as they cracked open that envelope, they had two hours to make as much money as possible. This was about identifying opportunities and creating value. And on Sunday night they had to give me one PowerPoint slide that described what they did and how much they made, and on Monday they got to give a three-minute pitch to the class on what they had done. So I want you to think about it for a second.

Think about what you might do if you had \$5 in two hours. And I want you to tell me how much money you think these teams earned. Do you think that they maybe doubled their money? Do you think they could've done that? Do you think they tripled it? What do you think? Do you think anybody even made 10 times the amount? What do you think? Tell me what you think. You think that someone did what? A hundred dollars? They made \$100? You think that from \$5 they made \$100? Anyone else, what do you think? Nobody who's in the class can answer. Well, I want to tell you, the teams that were the winning teams brought in well over \$600, and the average amount that was brought in was \$200. And I will tell you the other trick and the clue here. The teams that made the most money did not use the five dollars. They didn't even use it. These were ideas where they looked around and found these incredible opportunities lying on the floor around them in Palo Alto and on Stanford campus. So the winning team that brought in \$650, you know what they did? They challenged all the assumptions.

They sold their three-minute pitch time in class on Monday to a company that wanted to recruit the students in the class. But guess what? It was incredibly successful. There were other groups that did equally creative things. They went into Palo Alto and realized that there were really long lines at the restaurants on Saturday night. So their team of four people went out and made reservations for four to six people in all of these restaurants. And as their time came up, they sold their reservations.

There were groups that did things that on the surface seemed like it wasn't going to make a ton of money, but did. They basically served a stand in front of Tresidder and they, for free, would measure your bike tire pressure. Maybe some of you had your bike tire pressure measured for free. But if it needed air, they filled up your tire for a dollar.

And guess what? They ended up realizing halfway through that if they didn't ask for a dollar but asked for donations, that people gave them a lot more. Which is a really interesting sort of thinking about reciprocity, right? Once people got this service, they felt very indebted. And the students who pumped up air in the tires, at first thought they were sort of taking advantage of these students, until they realized that this was a real value that they were providing for people on campus. So the list goes on and on and on. I could talk for the entire time about the stories. But this was a life-changing experience for a lot of these students because they realized that there are opportunities in front of them everywhere and that there's no point at which they can say, "I don't have any money in my pocket," because they should look around and find opportunities to create value.