

# Silicon Ivy: How Cornell Is Prepping Young Entrepreneurs

This story appears in the August 18, 2014 issue of Forbes.



*Cornell's impressive Gates Hall for Computer & Information Sciences was built with a \$25 million donation from the Bill & Melinda Gates Foundation*

Jake Reisch, then a junior at [Cornell University](#), sketched out his idea for Audiarchy, a company that would rent headsets for trendy silent discos (DJ shows where people listen to music through wireless headphones instead of a normal speaker system). The panel of VCs and [entrepreneurs](#) in his Entrepreneurship & Private Equity class on hand that day in May 2012 thought he was onto something.

So Reisch ditched a summer internship and started planning the company with Matt Reiners, his cofounder and childhood friend. That fall the pair was accepted into eLab, an on-campus accelerator program for student companies. Thanks to a nifty search engine optimization, their first major client, New York's Museum of Modern Art, came knocking before Reisch and Reiners had fully sourced their product; they managed to get 300 headphones for that event and were off and dancing. With support from Cornell—including access to dozens of investors and mentors—they have since booked parties with [Red Bull](#), Nestlé, [Viacom VIAB -1.98%](#), MTV2 and Pepsi, running 100 events in 2013 and clocking six-digit revenues.

This year Audiarchy is on course to do around 250 events and double revenue to over \$200,000. Their headphone line is already profitable, and Reisch is now focusing his attention on a new market, pivoting part of the business to provide audio for senior citizens. “There’s this formula coming together at Cornell that is helping startups, and we’re getting support from the alumni, which is why I see so much value in the university,” says Reisch, 24, sitting in the mahogany-

walled Cornell Club in midtown Manhattan. “All the feedback and mentorship really helped me navigate the early phases,” Reisch says. “I wouldn’t have jumped into the business had I not gained encouragement from professors.”

Cornell University, with campuses in Ithaca, New York City and even Doha, Qatar, has roughly 11,100 alums and students, including Reisch, who identify themselves as business founders and owners on [LinkedIn LNKD -3.34%](#). Based on the ratio of these founders to the school’s total student body, Cornell ranks fourth on FORBES’ annual list of America’s most entrepreneurial colleges, just behind Stanford, MIT and Berkeley.

Now the university is taking its most daring step yet, building a \$2 billion graduate campus on New York City’s Roosevelt Island that will offer startup-focused curricula in business and computer science in the hopes of finding the next Zuckerberg—and attracting millions of tuition dollars in the process. Called Cornell Tech, it will cement Cornell’s identity as an innovation powerhouse—and stamp its bearish imprint on Columbia and New York University’s backyard. “Entrepreneurship is a big part of the future of Cornell,” says David Skorton, Cornell’s high-profile president who will next year leave to lead the Smithsonian Institution.

Big Red has a deep entrepreneurial tradition that dates back to its cofounder Ezra Cornell, who revolutionized communication technology and founded Western Union in the 19th century. In 1894, 29 years after the school’s founding, Student Agencies, the nation’s oldest independent student-run corporation, was started. Today it is the second-biggest employer of students in Ithaca, N.Y. after the university. Qualcomm’s cofounder Irwin Jacobs and Workday’s David Duffield (both billionaires who have given generously to Cornell), as well as Arby’s cofounder Forrest Raffel, all attended Cornell in Ithaca, while Drew Nieporent, owner of the Nobu chain and New York’s Tribeca Grill, got his degree from Cornell’s highly regarded School of Hotel Administration.

In the last decade Cornell has graduated from open-for-business to full-blown startup shop, launching an innovation office that distributes \$1 million a year; attracting big-time donors, such as Bill and Melinda Gates, who gave \$25 million to build a newly opened computing and information sciences hall on its sprawling Ithaca campus; and winning the bid to build Cornell Tech on Roosevelt Island.

A key initiative has been eLab, the student-business accelerator that backed Reisch. Founded in 2008, it has since helped 40 teams of three or so students, mostly upperclassmen, develop their businesses through rigorous in-classroom sessions and constant mentorship, culminating in a springtime demo day in front of dozens of potential investors, including Big Red Ventures, an M.B.A. student run venture fund, and Cayuga Venture Fund, an Ithaca-based firm composed nearly entirely of Cornell alumni. ELab also offers students five and a half credits per semester for the yearlong class, which is about a third of an average course load. “For most students it’s a real struggle to keep academics up while running the company,” said Reisch. “I’m a prime example of that—I’ve had to take time off because of my business.”

Also critical to the campus’ bustling startup culture has been PopShop, a student-formed-and-run workspace launched in 2012 as a monthlong experiment. Undergraduates scrounged furniture

from around campus to outfit the tiny 50-person-capacity space in Ithaca's Collegetown; next year the administration will upgrade PopShop, giving students access to a 4,000-square-foot office right on campus plus another 10,000-square-foot hub in downtown Ithaca.

"I think college can be a catalyst for entrepreneurship," said Ali Hamed, 22, a recent graduate who helped set up PopShop, which became permanent after eLab and Student Agencies started funding it. "Being in Ithaca was fantastic because you're forced to be part of this tight-knit community that comes together." Hamed now runs CoVenture, a VC firm in New York that codes for businesses in exchange for equity and has already invested in 13 companies.

"When I was there, there were maybe five or ten kids working on entrepreneurial projects," said Aniq Rahman, a 27-year-old three-time entrepreneur who worked on his first company at Cornell, sold it to SoundCloud and is now working on Moat, an online advertising analytics company with \$17.5 million in funding (FORBES is a customer). "I think there are more and more going down the path."

Up next is a new incubator called Rev, set to launch this fall. A partnership between Cornell, Ithaca College and Tompkins Cortland Community College, it hopes to funnel Cornell's startup momentum into the wider community, with help from state funding. "Our students can go through eLab, launch their businesses, and if they decide to stay in Ithaca they can easily move to Rev," said Tom Schryver, executive director of Cornell's Center for Regional Economic Advancement and an eLab teacher.

Cornell's much bigger plans are down in metropolitan New York, where a fifth of its 250,000 alums already live. Cornell Tech, the graduate school that preps students to build projects for local companies and eventually start their own tech companies, started classes in Google's offices in 2013 with plans to move to the Roosevelt Island campus in a few years, when it's complete. Built in partnership with Israel's Technion, the campus, being funded in part by Cornell grads Chuck Feeney and Irwin Jacobs, hopes to generate \$23 billion in economic activity over three decades; it's expected to create 30,000 new jobs.

"The entrepreneurial passion is something you can't teach," admits Dan Huttenlocher, dean of Cornell Tech, speaking from Google's offices overlooking Manhattan's Chelsea neighborhood. "But I think an Ivy League university is a tremendous place to get the skills to make you much more likely to succeed in your entrepreneurial endeavors."