



Class Project to College Connoisseur

This young entrepreneur utilized the university's support and networks to launch his idea for a business.

By Ally Radcliff

If you want the inside scoop on the nation's top colleges, look no further than College Prowler, an idea penned on the back of an airsickness bag at 30,000 feet. Using his university as a learning platform, Luke Skurman gradually grew his idea into a series of well-respected student guides, available nationwide.

Skurman began brainstorming while traveling back from spring break during his sophomore year at Carnegie Mellon University. As a business major, he felt the pull of the dot-com boom and was full of ideas to start his own business. After presenting several of them to his friends at school, the one for gathering and providing real, in-depth information on colleges — from the students' point of view — was the one that sparked everyone's interest.

On advice from a professor, Skurman and his colleagues decided to publish their product in book form instead of online. They began after graduation in a cubicle with a couple thousand dollars and have grown to a collection of more than 200 books sold at Barnes & Noble, Borders and Books-a-Million, as well as independent and college bookstores across the country.

The five co-founders used the university system to the fullest, something more students and schools should strive to do. Though they do have some critics of their comprehensive approach to student information, Skurman says, "We provide a service that most parents and students appreciate. Sometimes a student goes to a party school and is miserable because that's not what he or she wanted. Our viewpoint is, why discover a school is a bad fit after you're already there? If you read our guides, you'll know before you even apply." \$1,000,000aire Blueprints caught up with Skurman to get the step-by-step evolution of his idea and how his up-front style is finding its way to the top of the stacks.



ON THE PROWL

COLLEGE PROWLER CO-FOUNDERS

What were your first steps?

I assembled a team with a couple of friends, and we started searching for college-related domain names. Everything we could think of was taken, until we saw an advertisement using the word “proowler.” It just seemed to fit. Then, during fall semester of our junior year, Joey Rahimi and I took Entrepreneurship I. The goal of the class was to present a rough business plan for your idea. We got an A and won the class competition, but our business model was based on advertising. Our professor told us, “You should think about having a tangible product. Many of the dot-coms fail because they rely solely on advertising revenues. You need a product you can sell.”

What was your original model?

It was a Web site with information on colleges, which was free to students and paid for with advertising. We didn’t work on it again until the spring semester of our senior year, when we took Entrepreneurship II. A week before class started, I got an e-mail about a business plan competition sponsored by Ernst & Young (www.ey.com). The first day of class, our professor, Babs Carryer, said that Carnegie Mellon (www.cmu.edu) was looking for students to enter that same competition. When we showed her our plan, she said, “These are well-formulated thoughts on paper, but it’s not a business plan. You need a serious set of financials and an executive summary, and it needs to be more compelling.” She agreed to help us if we’d work hard.

What happened? Did you win?

We busted our tails and submitted it just in time. We also took our first professor’s advice about creating a tangible product and proposed to publish small books. On March 1st, we found out we were national finalists. Carnegie Mellon agreed to pay for our flights and give us some additional coaching. Unfortunately, we didn’t win or even place in the top three, but the judges pulled us aside and told us they thought we had one of the best ideas they’d seen in a long time and that we should move forward with it.

Joey Rahimi, VP of Marketing. Joey oversees marketing efforts, especially online, and makes sure all the in-house staff is on the same page.

Christina Koshzow, Editor-in-Chief. Christina oversees the products and handles the media.

Luke Skurman, CEO. Luke spends most of his time on strategy, management and finance.

Omid Gohari, Director of Operations. Omid has hired every writer across the country and works with Joey on online marketing.

Christopher Mason, Director of Product Development. Christopher handles retail sales and was instrumental in setting up accounts with Ingram, Barnes & Noble and Borders, as well as developing the compendium concept.

Who came up with the idea to publish books?

All three of us, really. We put together a prototype at FedEx Kinko’s that was about 32 pages long. Soon after, there was an internal business plan competition at Carnegie Mellon. I submitted our plan and we won \$1,500, and then I received the Canfield-Roseman Entrepreneur of the Year award and received \$750 for that. Those two prizes became the seed capital to start College Prowler. The day after graduation, Joey and I started working full time on the business.

What did you spend the seed capital on?

Our goal was to stretch the \$2,250 as far as we could. We worked without pay and we had a cubicle rent-free, because Professor Carryer was also the president of a biotech incubator and they had some extra office space. Our game plan was to produce 100 books on the top doctoral universities in the country by the end of the summer. After about a week, we realized that was impossible. We found two interns to help us, but at that point, I realized there were now four business majors in the room, and none of us knew how to write or edit very well.

How did you cover that end of it?

I talked to my friend, Christina Koshzow, who had just graduated with a pro-

fessional writing degree. She came in to show us her portfolio, and we were blown away. She had tremendous skills, and we couldn’t wait to get her on board. After that, we decided to use English majors across the country to write the college guides. Since then, Christina has single-handedly made our editing and layout process an amazing and efficient system, and she is also the person responsible for our tremendous media exposure. We definitely found the right person. I’m so glad to have her on the team.

How did you recruit writers?

We sent out internship requests via e-mail to various colleges. We began by sending the requests to the schools in general, but then we realized that the Department of English, the Journalism Department and the newspaper staff were the best places to find writers, so we started sending requests directly to those departments. We just kept moving forward, adding people, using as little money as possible, until we hit our first financial wall in September of 2002. We heard about a trade show in Salt Lake City, and everyone said it was the best place to start getting the word out about our books.

What trade show was it?

The NACAC, the National Associa-



tion for College Admission Counseling (www.nacacnet.org). It's the largest national convention for guidance counselors and directors of admission in the U.S. We needed money for travel expenses and booth fees, so we started looking for investors. One of our professors knew a guy in publishing and suggested I e-mail him. He gave us a lot of coaching about the industry, and I told him we were raising capital and looking for \$5,000. He said, "Count me in." The

other investor we found through some business contacts. I presented our idea to him, and after a couple of months, he agreed to invest \$5,000 as well.

What did you give them in exchange for their investment?

They each got one percent of the company. I think we were an S-corp at the time, though now we're a C-corp. Our attorneys helped us file the paperwork. They worked for us in the begin-

ning with the agreement that we would pay them when we could. We eventually paid them everything we owed, but we literally could not pay them for two full years, so we accrued tens of thousands of dollars of legal debt. Our lawyer was David Lehman at Kirkpatrick & Lockhart Nicholson Graham (www.klmg.com). We met him through Professor Carryer. He did a phenomenal job and really believed in us.

SIGNING ON WITH BARNES & NOBLE

Landing a contract with Barnes & Noble wasn't easy and took persistence and patience. First College Prowler became a vendor of record with B&N, which allowed its guides to be sold through the B&N Web site. (For details on how to do this online see the resources page.) Luke Skurman's advice: "It's absolutely essential to follow all of their directions."

The next step was getting the books onto store shelves. B&N usually requires the use of a distributor or wholesaler; it rarely buys books directly from publishers. Once College Prowler made a name for itself, it was able to set up an account with Ingram, the country's largest book wholesaler. Three months after getting accepted into the Ingram system, B&N decided to stock College Prowler titles in its stores.

Skurman says the fastest and easiest way to get your title into retail stores is to hire a literary agent, who will shop your book to prospective publishers. If you want to skip the agent route and sell direct to a distributor or wholesaler, as he did, be prepared for a longer road and more expenses. The College Prowler team chose to sell direct because it feels that being in charge of its own line could lead to more attention and greater sales numbers in the long run.

So what happened with the trade show?

I think we had seven books finished by that time, and we decided that of those, Harvard was probably the most well-known. The books were about 60 pages long, and we wanted to get 5,000 copies printed, so I bid the job out to several printers and found out it was going to cost \$3,000. The payment terms were net 60, so we didn't have to pay until two full months after delivery. We had the money, but we were really working to manage the cash flow.

What printer did you use?

I think it was called Gates Bindery. Once the books came in, we shipped 3,000 of them out to the show. Meanwhile, we got some other things to spark people's interest. My grandfather owns a T-shirt factory in San Diego called Print Inc (www.printinc.net). He printed up 1,000 orange College Prowler T-shirts and gave them to us for free. Then my mother, who is the art director at a large tourism company, ordered a bunch of bright orange keychain pens. She had them printed with www.collegeprowler.com and gave them to us as a present.

What else did you do to prepare for the show?

We ordered an orange banner with College Prowler and www.collegeprowler.com printed on it. That cost us about \$80. We registered for the show and paid the booth fee of \$1,250, and then we found the cheapest flights and hotel rooms possible and Christina, Joey, Christopher Mason and I traveled out there. Every day at the show, we wore khaki pants and College Prowler T-shirts. We were all around 22 at the time, and people kept wondering who the kids were in the orange T-shirts and why we had so much energy.

So the keychains and T-shirts were giveaways?

Yes, the keychain pens, the T-shirts and even the books were giveaways. Every single person we saw — even if they wouldn't talk to us — we handed

a Harvard book and said, "This is a free sample of our first book." We also gave them an order form, and we set up a drawing for a set of our books and asked people to put in their business cards. We came back from the show with 2,200 cards. The feedback from the show was very encouraging, and we made our first two sales.

Who did you sell them to?

Two different private counselors in the Los Angeles area. I think they each bought 30 to 40 books. We made a total of \$300 in revenue, selling them at \$5.95 each. It wasn't much, but we felt like we really got the buzz going. Everyone loved the T-shirts and the pens, and of course, the books. We handed out all 3,000 Harvard books.

Where did you get the information for the books?

We interviewed students, usually via e-mail, and then we wrote and edited them with the help of the English majors we found at the schools. E-mail was the perfect vehicle because students could take their time and think about what they wanted to say and write a nice summary of how they felt about the school. We found most of the students through the interns we hired at each school and the rest of them through university Web sites.

What kind of information is in the books?

There are 20 different sections on all aspects of student life, both on and off campus, and each section has four parts: facts, quotes, an editorial review and a letter grade. If we're talking about meal plans, we tell how much the various plans cost and if there are other options: vegetarian, vegan, kosher. Then there are about 20 quotes from the students: "Don't get the meal plan," "Get the smallest meal plan," "Get the brunch on Sundays." Things like that. The review is just a couple of paragraphs and the letter grade indicates overall student satisfaction and prominence for a given category. We still use that same basic format today.

So who decides what grade a school gets?

The author does, although we review it internally to make sure they're consistent and fair. We check to make sure that if one author at a school in Boston gives the weather a B+ that an author at a different Boston school doesn't give it a C+. Sometimes we push back on the authors and they push back on us. It's fairly collaborative, but it's driven mostly by the student authors.

What is your payment arrangement with the authors?

We don't pay them up front. Instead, they get a royalty of five percent on every book sold. They're all undergraduates in college, most of them first-time authors, and we give them the opportunity to write a book about their school. They love it. Their names are on Amazon and Barnes & Noble, and depending on sales, they get royalties as well. It's great experience for them and a definite win-win.

How long did it take to reach your goal of 100 books?

They were complete by the following February of 2003. Each one was around 60 pages, and we kept the price at \$5.95. When it came time to print them, we decided to bid it out again. The Harvard books were saddle-stitched, which means the pages are just stapled together and folded. We called around the country saying, "We need the best pricing on saddle-stitch." We quickly realized that if we printed 5,000 copies of 100 different schools, it was going to cost \$300,000.

You didn't have that kind of money, did you?

No, not even close. We needed to print on-demand instead of stocking inventory. We found a printer in Columbus, Ohio, who agreed to do print-on-demand for \$1.50 each, with a minimum order of four per title. That worked for a while — we'd receive an order for a school, have a few printed and then keep eight to 12 in inventory, but we had problems ironing out the kinks. We

still had a lot to learn about the printing business. We kept driving down to Columbus, which was three and a half hours away, and my advisers insisted that we find a local printer.

How did you resolve that problem?

We found a Pittsburgh printer called Tri-ad Litho (www.triادلitho.com). When we sat down with them to negotiate a price, we saw a book on the rep's desk that had a spine. We said, "That's awesome. We wish we could have something like that." We had been getting feedback from guidance counselors that when they put the books on the shelf, they couldn't tell which one was which, because there was no title on the spine. We soon found out that bookstores wouldn't order them for the same reason. Tri-ad Litho said it would only cost a nickel more per book, so instead of \$1.50, we paid \$1.55.

How were people ordering books at this point?

That spring, we changed the Web site so people could order online. We had about 300 to 500 visitors a day, but we weren't doing much marketing; it was mostly word of mouth. We were approaching the end of our first year, and I was invited to talk to the executive committee at the Don Jones Center for Entrepreneurship at Carnegie Mellon. One of the people there was Jerry McGinnis. He founded a company called Respironics (www.respironics.com), which is publicly traded. He became our next investor with \$25,000.

Were you still working out of that same cubicle at this point?

That was around the time that we moved. The biotech company moved to a new office, so it was time for us to find our own space. I was determined to sign a one-year lease, instead of a multiyear lease, which is the norm. We were able to get one, but the landlord said he wouldn't do any improvements — we'd get the space "as is," which was fine with us. So, in July

of 2003, we moved into an 850-square-foot office. We had six people working in-house at that point, and the new office was right down the street from Carnegie Mellon, so it was a great location.

Did you start marketing more?

We were getting some publicity from local papers and the PBS station, and then we got a sidebar in *Publisher's Weekly* (www.publishersweekly.com), which is a trade journal for the publishing industry. The NACAC trade show came around again. We went and presented all 100 books. Then we went to New York City and had meetings with some big media outlets: *The New York Times*, *Newsweek* and *Time* magazine. *The New York Times* did a piece about us in its quarterly Education Life section that ran in January 2004. After that, we got a lot of follow-up press, and we did a live CNN interview.



www.collegeproowler.com

Were you getting more customers from that or just a lot of press?

More customers, but not nearly enough to sustain us. We didn't have a brand established yet, but we saw that when people heard about our books, they bought them. We raised \$75,000 from another individual, and we worked with a company called Elliance (www.elliance.com) to improve our Web site. They refined the concept we came up with. They also worked on some SEO (Search Engine Optimization) to get us in the top search results for college guides and college books, in Yahoo! and Google, but we knew we still needed to do more.

So what did you do?

We sent out a five-question survey via e-mail to our last thousand customers, and we learned a lot from the responses. We learned that we didn't cover enough schools, that the books weren't in-depth enough and that the price point was too low. People didn't trust the content, because they expected a book like that to cost more. We also learned from people in the book industry that the layout, which we had done in Microsoft Word, wasn't professional. Those were the four main things we learned, and with that information, we started building a new series.

Did that new investment provide the funding for the new series?

It certainly helped, and then in May of 2004, I met with the president of Carnegie Mellon, to get his opinion of our books. He said he really liked our products, partly because we put the power with the students and let them talk. He asked if I'd ever met Glen Meakem, an incredible entrepreneur who founded FreeMarkets (www.freemarkets.com, now called Ariba). I hadn't, so he set up a meeting, and Glen and I instantly hit it off. Six weeks later, he invested \$500,000 in our company, and we named him the chairman of College Prowler.

Did you finally start taking salaries?

Yes. They were modest, but enough to live on. The new books came out in

October 2004, and we unveiled them at NACAC. We used a professional book design company called McGinty (www.mcgintyinc.com) to design the cover and the layout. We brought the retail price up from \$5.95 to \$14.95 and went from an average of 60 pages to 160 pages. The cost of printing went up, but not that much — we're paying \$2.30 per book now, and we have books on over 200 schools across the U.S. We started getting books in regular bookstores and college bookstores across the country.

Who makes up your customer base?

Parents are the biggest segment for us, followed by high school juniors, seniors and guidance counselors. We recently finished a new addition to our product line called the compendiums. They're condensed versions of several books into one, mostly by region. We

have one on California, New England, the South and the Ivy League. Guidance counselors and librarians are gravitating toward these new books.

So where do you go from here?

We recently moved to an office with 4,000 square feet, got our national contracts with Barnes & Noble, Borders and Books-A-Million and started working with a new printer that could handle our expanding volume better, Ditto Document Services (www.dittodocument.com). We're planning to expand to 400 books, with 260 completed by this fall. The potential market is huge — there are 1,300 four-year colleges in the U.S. We also have our eye on some graduate schools, law schools, med schools and international schools. And we're coming out with one big book this June, which will feature all 200 schools.



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RESOURCES FOR SELF-PUBLISHING COLLEGE PUBLICATIONS

BUSINESS PLAN COMPETITIONS

Business Plan Competition Directory
www.smallbusinessnotes.com/planning/competitions.html

More than 50 listings and links to well-known business plan competitions around the world. Includes a link, "Websites of business schools," to search for additional competitions near you.

Moot Corp Competition
www.mootcorp.org

Called the "Super Bowl" of business plan competitions. Boasts a prize of \$100,000 in equity funding offers.

COLLEGE DIRECTORIES

College Prowler
www.collegeprowler.com

The highly successful series written by students for students.

Thomas Peterson's
www.petersons.com

Complete college planning portal, including extensive search information for colleges worldwide.

Teen Ink: College Directory for Teens
www.teenink.com

Contains quick links to hundreds of colleges alphabetically.

All Schools.com
www.allschools.com

College search directory. Search by name, city, ZIP or category.

SOURCES FOR FREELANCE WRITERS AND EDITORS

Media Bistro
www.mediabistro.com

Outsource pieces of your project to professionals nationwide. Designers, writers, editors and more register on this freelance marketplace and routinely search job postings.

Sun Oasis
www.sunoasis.com

Post your job or project online to search for writers, editors and copy editors.

PRINT ON DEMAND PRINTERS

Ditto Document Services
www.dittodocument.com

Tri-ad Litho
www.triادلitho.com

Print on Demand.com
www.printondemand.com

The digital printer's resource. Full of articles and information about POD. Click on "Find a Digital Printer" in the upper left corner to search for printers near you by state or ZIP code.

Dehanna Bailee's POD Database
<http://dehanna.com/database.htm>

Recommended by various writing sources. Scroll down for an extensive listing of POD printers and basic information about each.

BOOK DISTRIBUTORS AND RETAILERS

Biblio
www.bibliodistribution.com

Provides sales and fulfillment services for small presses and can be your gateway to Ingram.

Ingram Book Group
www.ingrambook.com

The world's largest wholesale distributor of books. Getting accepted into Ingram means every bookstore has a direct line to your book.

Barnes & Noble
www.barnesandnobleinc.com

Different from the retail site, this one is for authors and publishers and contains information about getting your books on their shelves.

Barnes & Noble College Booksellers
www.bkstores.com

Web site for the retailer's college stores across the country.

Baker & Taylor, Inc.
www.btol.com

Worldwide distributor of books. Does retail distribution, but is known as the major wholesaler for libraries.