

Transcript

How Two Years at Rice Alliance Became 22 feat. Brad Burke

Alt: Houston is Becoming a Center of Innovation and Investments

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[00:00] **Intro:** Welcome to Owl Have You Know, a podcast from Rice Business. This episode is part of our Flight Path series, where guests share their career journeys and stories of the Rice connections that got them where they are.

[00:14] **Maya:** Welcome to Owl Have You Know. Today, we have a magnificent guest, the managing director of Rice Alliance, Brad Burke. And it's Reunion Weekend. There's a lot of energy. There's all this music outside. There's, like, you know, wine, cheese, food. It's like the best weekend ever to be on campus. So, we want to thank you for being with us here today. And we want to talk about your illustrious career here at Rice. You've been here for 22 years.

[00:39] **Brad:** 22 years, yes.

[00:39] **Maya:** The number one graduate entrepreneurship school in the country, right?

[00:45] **Brad:** Yes. Yeah, it's cool.

[00:45] **Maya:** So, what a big deal. We talk about that a lot.

[00:47] **Brad:** Yes.

[00:48] **Maya:** And you're really a big part of that.

[00:51] **Brad:** Yeah. Thanks, I appreciate that. Yeah. Cool.

[00:53] **Maya:** So, let's talk about... because I know you like to talk about Rice a lot, but I would like to talk about you a lot —

[00:58] **Brad:** Yeah, sure.

[00:59] **Maya:** ... and know about your story and how you got started and how, I know that you were planning on just staying here for a hot minute at Rice and it turned into 22 years.

[01:08] **Brad:** It did.

[01:09] **Maya:** So, tell me, so you're from Memphis.

[01:11] **Brad:** So, that's right. So, I grew up in Memphis, lived there my whole life, and wanted to go to a college that was somewhere far away, but not too far away from home. So, I went to Vanderbilt, which is in Nashville

[01:18] **Maya:** In Tennessee.

[01:20] **Brad:** It was 200 miles away. It was before Nashville became cool. Now, Nashville's, kind of, like Austin.

[01:25] **Maya:** Yeah.

[01:26] **Brad:** But it became cool. And so, I went into, went to Vanderbilt, knowing that I was going to become a lawyer. I was pre-law, and I stayed pre-law until I took a finance class my senior year. Fall of the senior year, I had a faculty member who had a great class. And he said, "Look, you should try business schools." And he took a piece of paper, drew, wrote down 10 names, drew a line halfway down, and said, "You should apply to schools that are above the line. And if you end up having to go below the line, come see me."

So, I applied to about three or four business schools. I looked at... I had a... he wrote both Northwestern and Chicago on the list above the line. And I looked at where they were located, Northwestern's in the suburbs, in the lake.

[02:07] **Maya:** It's cold. It's cold there.

[02:08] **Brad:** And so, we ended up going to Northwestern, straight from Vanderbilt. I also applied to law schools and got in. I thought about doing a joint program, but ultimately said two years for an MBA, get a higher salary, then you go three years as a law student.

[02:23] **Maya:** Right.

[02:24] **Brad:** And business was really what I wanted to do and be in.

[02:27] **Maya:** And so, Kellogg School.

[02:29] **Brad:** So, Kellogg. So, to Kellogg.

[02:30] **Maya:** So, you were a baby MBA, what we call baby MBAs, right?

[02:33] **Brad:** A baby MBA.

[02:34] **Maya:** That's, like, an original MBA, and you got the professional, and you got the executive. So, you came in straight.

[02:37] **Brad:** Full time. Got a full-time MBA, two years. I had no work experience, so I didn't want to even consider, like, a four-quarter program or, you know, a one-year program because I needed a summer internship to get some work under my belt that had some relevance. And so, I went there. And it was a great experience. Now, the first winter I was in Chicago was the coldest winter they'd ever had in Chicago.

[02:59] **Maya:** Of course.

[02:59] **Brad:** And it was the snowiest winter they'd ever had.

[03:02] **Maya:** Uh-huh.

[03:02] **Brad:** Being a Tennessee kid, I interviewed with every company that came from a warm place. That was the great strategy, right? So, that included Exxon, and so I ended up taking a job with Exxon.

[03:16] **Maya:** Out of, out of business school?

[03:16] **Brad:** Out of, out of Kellogg.

[03:18] **Maya:** Huh, here in Houston?

[03:19] **Brad:** Well, it would have been Houston, except they said, "What would you think about working in a refinery in Baton Rouge?" And I said, "Well," you know, at that time in my life, I said, "That sounds cool to learn the business."

[03:28] **Maya:** Right, right.

[03:29] **Brad:** And so, I was there for three years and then came to Houston after that.

[03:33] **Maya:** And Exxon brought you to Houston?

[03:34] **Brad:** Exxon brought me to Houston, that's right.

[03:35] **Maya:** Okay. So, how long were you at Exxon?

[03:38] **Brad:** I was there 15 years.

[03:39] **Maya:** Wow, in finance?

[03:40] **Brad:** In finance, primarily. I also did sales. I sold lubricant specialty products for a while in a territory that went from Texas to California to Washington and Hawaii and Alaska.

[03:51] **Maya:** Wow.

[03:52] **Brad:** Unfortunately, we didn't have enough business to actually go on a business trip to Hawaii.

[03:54] **Maya:** In Hawaii.

[03:56] **Brad:** But I had a great territory.

[03:57] **Maya:** That's where I'd want to go, too. Yeah, that sounds like a great territory.

[03:59] **Brad:** Yeah. So, I did that, too. So, I did finance and sales and marketing with Exxon.

[04:03] **Maya:** Okay. And so, you did that for 15 years?

[04:05] **Brad:** Did that for 15 years. And at 15 years, I was at that point at the international headquarters, international downstream headquarters. My next job would have been overseas. And at that point, I had to say, "Am I going to be an Exxon Lifer or not?" Because if I was going to change jobs, I needed to do it then while I'm still in the U.S. So, I decided to interview with a number of management consulting firms. And I got an offer, and went into... did a transition in management consulting for three years.

[04:36] **Maya:** Did you like that?

[04:38] **Brad:** Yes and no. I liked, I liked the travel and all that comes with it. But what I didn't like was not actually being able to implement the recommendations. So, I felt like that they were paying us to develop a recommendation and strategy.

[04:54] **Maya:** Couldn't follow through.

[04:55] **Brad:** And they couldn't, and I couldn't, you know, we didn't follow through. And ultimately, most of the companies probably don't... aren't able to successfully follow through. So, I'd rather do things than suggest recommendations for other people to do things.

[05:08] **Maya:** Right.

[05:09] **Brad:** And so, I realized that really wasn't my favorite thing.

[05:12] **Maya:** So, three years.

[05:13] **Brad:** Three years. And so, this was when the internet was getting started in '90. I went there at '95 and was there through '98.

[05:23] **Maya:** Wow.

[05:25] **Brad:** Now, I remember on a... in the middle of that, I remember being on a plane to France on a vacation. And I was like, "What do I really want to do with my life when I grow up?" And the internet came along, was coming along. And I had a second degree at Vanderbilt in computer science, of all things.

[05:40] **Maya:** You failed to mention that earlier.

[05:42] **Brad:** I did.

[05:43] **Maya:** So, two degrees.

[05:43] **Brad:** A two degree. Well, I had a double major, not two degrees, but a double major in business and computer science.

[05:45] **Maya:** Okay, double major, okay. Okay.

[05:49] **Brad:** And I'd always, sort of, wanted to do something in that area. And then, the internet came along. And I was on this flight. I remember being on this flight to Paris in first class because I had enough miles to travel first class to Paris.

[05:59] **Maya:** Sure. If you have enough miles... I mean, now they're worthless. So, then, they actually like meant something.

[06:05] **Brad:** Yeah. And so, I was like, "I think I want to get involved in the internet." Well, a person who I worked for in consulting had gone to a startup company, an internet startup company.

[06:15] **Maya:** What was it called?

[06:15] **Brad:** It was called Viant, which no one's heard about. But it was a systems integrator, so we developed websites for people. And he said, "Hey, what do you think about coming over to Viant? And so, in '98, I got recruited over to this internet startup company. I was in Dallas at the time. And so, as part of the Dallas office, we were backed by venture capitalists from Silicon Valley. Ultimately, we were like, "Well, when will we go public?" And we went public in '99. So, I joined in '98. A year later, we went public. And the Goldman Sachs took us public, and the stock ran up like all the other dot-com stocks did at that time.

[06:55] **Maya:** I was going to say the dot-com, yeah.

[06:57] **Brad:** It went from, you know, \$8 to \$55. So, we're all happy. And, we were thinking, "We're here, we're here with the long term."

[07:05] **Maya:** For sure.

[07:05] **Brad:** Now, we're also watching all the inside trades on Yahoo Finance, and we're seeing that the VCs are all selling once the stock went public.

[07:16] **Maya:** A bit unnerving. A bit, a bit unnerving.

[07:18] **Brad:** They're selling the stock. And I didn't understand the VC model at that time.

[07:21] **Maya:** Right.

[07:22] **Brad:** I didn't know that we were a home run for the venture capitalists.

[07:25] **Maya:** Right.

[07:25] **Brad:** We're all there for the long term and, you know, got to hold our shares for, you know, low. And if we're going to sell it, we're going to wait a year at least to get the capital gains treatment.

[07:33] **Maya:** That's not the way that the venture capitalists were in.

[07:35] **Brad:** And they were selling. And we didn't, sort of, understand the picture. And of course, we didn't know what the future held.

[07:41] **Maya:** Right.

[07:42] **Brad:** And then, demand for their services dropped off and begin to, kind of, peak in 2000. And then, 2001, the demand dropped off for these services because the dot-com boom was over. And so, in the middle of that I had moved to...

[07:56] **Maya:** A lot of things happened in 2001, actually.

[07:59] **Brad:** Yeah, a lot of things.

[08:00] **Maya:** A lot of, like, pretty, you know, worldly events that happened at the same time.

[08:05] **Brad:** It did. And I was in Dallas, but I was traveling to Houston every week because Compaq Computer Corporation, which used to be on the north side of of Houston, was our, was our... became our biggest client and the biggest client the firm had.

[08:23] **Maya:** It was by Halliburton.

[08:24] **Brad:** Yeah. So, I was here every week, anyway. And so, that I... we convinced the management of the company to open an office here. So, I opened the Houston office of Viant downtown, rented a floor out — 20,000 square feet, five-year lease. And while that was being designed and built out, we had temporary space there. And then, the dot-com boom ended and the space never got built out. We closed the office in 2001. And now, it's not... it was a great ride.

[08:52] **Maya:** Well, it was a great ride, sure.

[08:55] **Brad:** It was great ride. Great front row seat to going public, the dot-com boom, and, you know, a little taste of venture capital and startup world. And so, I thought, you know, at that point I had worked

for 21 years, never taken a day off, you know, basically, and was going, "I was going to take a year off or so." And then, the founder of the Rice Alliance, who was Steven Currall, Steve Currall, a faculty member here at the Jones School, said, "Hey, I'm looking for somebody to run it, so I can go back to teaching and research."

[09:28] **Maya:** How'd you meet him?

[09:29] **Brad:** I met him because we were doing, I was doing marketing and business development, trying to find startups we could sell our work to and we could build websites for.

[09:36] **Maya:** Uh-huh.

[09:37] **Brad:** So, I was a, I was a judge at the very first Rice Business Plan Competition, because I am at stake.

[09:42] **Maya:** Really?

[09:43] **Brad:** I was a sponsor of the Rice Alliance when I was at Viant until I knew him. And I...

[09:49] **Maya:** So, you believed in their program.

[09:51] **Brad:** I believed it. I was a sponsor of it.

[09:54] **Maya:** Yeah.

[09:54] **Brad:** And so, I knew him and then I interviewed with it and was lucky that I was fortunate to be selected.

[10:02] **Maya:** And that was the beginning.

[10:04] **Brad:** That was the beginning. So, I...

[10:05] **Maya:** Of this whole place.

[10:06] **Brad:** In 2001. I joined in the summer of 2001. And I remember having a conversation back to something you said a minute ago. I remember having a conversation with Steve and he said, "Look, if you come on board, will you at least agree to stay for two years?" And I remember thinking in his office, I

remember these conversations, like, he and I were about as close together, as you and I are. I remember thinking, "Well, you know, two years is a long time. But okay, I'll stay here two years." And then...

[10:36] **Maya:** 22 years later —

[10:37] **Brad:** 22 years later, I'm still here.

[10:38] **Maya:** We're still here.

[10:39] **Brad:** Steve got recruited to London in about 2004, 2005. And so, he...

[10:45] **Maya:** London School of Economics, is that where he went?

[10:47] **Brad:** He was with University College of London, but he also had a secondary appointment at another university there. And I think it was London School of Economics. And so, he was in London. And so, that was great. From that same point, you know, it was a great move for him and, you know, good for the Rice Alliance as well.

[11:08] **Maya:** Well, a streamlined transition.

[11:10] **Brad:** It did.

[11:11] **Maya:** You know, this is something that you believed in from the very beginning, you know.

[11:12] **Brad:** Yes.

[11:13] **Maya:** And so, tell me about how you've grown the Rice Alliance to be what it is today, because it is the number one... when people think of entrepreneurship and when people think of, you know, the Rice Business Plan Competition, it's bigger than Harvard. It's bigger than... I mean, it's the biggest one.

[11:28] **Brad:** Yeah.

[11:29] **Maya:** So, how did you, how did you start up that? Because you basically ran a startup.

[11:35] **Brad:** I did. And in some ways, it still feels like a startup as well. So, I was a judge at the first business plan competition. And we had nine schools that competed for \$10,000. Now, so I came on board six months after that first competition. And so, I led the 2002 competition. And I said, "Look, we

just got to... let's just say we're going to triple the prize money and see if we can figure out how to raise it." But we tripled the prize money.

[12:01] **Maya:** It incentivized quite a few additional start-outs.

[12:04] **Brad:** It did. So, we had 15 schools, I think, 14 or 15 schools compete for \$30,000.

[12:10] **Maya:** The following year.

[12:10] **Brad:** The second year of the competition. Then, we raised it a little bit more the third year and the fourth year. And finally, in 2005, I looked at some of the other business plan competitions, and what they were doing is they were offering an investment prize for the grand prize winner of \$100,000. So, \$100,000 investment prize, that would be cool if we could do the same thing.

[12:31] **Maya:** Or even more.

[12:32] **Brad:** Or, even more. Well, at the time, I would, yeah. First, I was just happy to get \$100,000 yeah.

[12:35] **Maya:** Think big. You got to think big.

[12:37] **Brad:** Yeah. Well, the thing was we always had the vision that we wanted to be the biggest. I wanted to be the biggest and baddest and best business plan competition. So, we approached an investor in town, Dr. Jack Gill, who's a well-known successful venture capitalist who was originally from Texas but lived in the West Coast for a long time but then retired from venture capital and came back to Houston.

[13:00] **Maya:** Why? Why would you leave California?

[13:02] **Brad:** Well, you know, he's from Texas, originally. And the cost of living, much better. And, you know, I think he might say, you know, the lifestyle is better as well.

[13:11] **Maya:** Yeah.

[13:12] **Brad:** So, we approached Jack, and Jack said... I said, "What we want to do is get individuals to put up \$100,000 investment prize for the winner." And Jack said, "Yeah, I can do that. And I'll get four friends."

[13:24] **Maya:** "Of my friends."

[13:25] **Brad:** "And they'll, we'll have five individuals who agree to put up \$20,000 investment each to come up with the first prize." Well, it turns out we ended up with six individuals. We still kept it at \$100,000, but we had six individuals, including Rod Canion, the founder of Compaq Computer Corporation. We had Michael Holthaus, a successful entrepreneur from Houston, and three others.

And so we had... in 2005, we had the first 100,000 investment prize. So, our prize money, the total that year was about 200,000.

[13:59] **Maya:** About 2, yeah.

[14:02] **Brad:** Now, what happened is that, once this group of individuals did that, then other angel investment groups said, "Hey, maybe we could do the same thing."

[14:12] **Maya:** It's like the tipping point.

[14:13] **Brad:** It was.

[14:13] **Maya:** Malcolm Gladwell's tipping point.

[14:14] **Brad:** Exactly. It was the catalyst for the competition. And by about 2006, we had the most prize money of any competition. And at the time, kind of, the founder of the competition circuit was UT Austin.

[14:31] **Maya:** McCombs.

[14:32] **Brad:** McCombs. They had been running it for a long time. And they had, they were one of the schools that we saw that had this \$100,000 prize. But it was put up by a single individual who, after a few years, decided that they didn't want to do that anymore. But the beauty of our model is that, even in the first year, we had six individuals. So, if one of them said, "I'm, you know, I want out," didn't make a problem. It didn't cause a problem.

Now, fast-forward today, we've got about 25 individuals who were involved in sponsoring, investing in the grand prize winner. And the prize now is \$350,000 first place.

[15:10] **Maya:** Wow.

[15:13] **Brad:** But then, that year, 2005 was the first year, right? So, they said, "We're going to put up... whoever the judges vote on, we'll invest \$600,000." But they met with the entrepreneur after the competition and they said, "Hey, we really, kind of, like his idea." And so, instead of investing \$100,000 in that first winner, they invested \$1.1 million in that winner.

[15:35] **Maya:** That was probably unexpected.

[15:36] **Brad:** It was. It was.

[15:38] **Maya:** I mean, imagine being that winner, you know. What a, what a... I mean, that's earth-changing, I mean, you know.

[15:44] **Brad:** It was life-changing. It has been life-changing for that individual who I still stay in touch with. And he, ultimately, his company would have failed had it not been for that amount of money and for the advice he got from the members of the group.

[15:59] **Maya:** This Rice community.

[16:00] **Brad:** This Rice community. Ultimately, the company sold for over \$100 million to Adobe. And so, he had a great outcome and so did the investors, the GOOSE Capital Group that put up the investment money.

[16:10] **Maya:** Yeah.

[16:12] **Brad:** And same thing happened in 2006. The team won. They were guaranteed \$100,000, but then when they met with the founder of the second company, they said, "We really like this company, so we'll invest more." And ultimately, I think they invested about \$6 million in that second company. And that company exited as well, had a good exit as well.

[16:33] **Maya:** I think, I think that you have just guaranteed that there's going to be significantly more people entering this competition next year. Just by saying, by telling that tidbit of information of, you know, just the belief of the people that really believe in the Rice Alliance, that really believe in the competition, that really believe in the startups and the good that they can do and the way that they can change the world, because that's what it's about.

[16:58] **Brad:** Well, it's amazing. You have the opportunity to mentor these amazing, bright, enthusiastic, young founders who are generally first-time founders. And then, you have the opportunity to see this

innovation benefit society, you know, come to the world. And so, you can see a real impact in what you do.

[17:18] **Maya:** So, what are some of the ones that stick with you?

[17:22] **Brad:** Oh, you know, there are a lot of them. The second winner created a device for an 18-wheeler going down the highway, called a trailer tail. And you may see these going down the highway. So, what he figured out was, a trailer, an 18-wheeler going down the highway, is like the least aerodynamic thing that you could think of. It's a box with a truck in front pulling it. But what it does, it creates a suction in the back. And so, that suction creates drag.

So, he created a device that would go on the back end of an 18-wheeler, on the back of the trailer, that would improve fuel efficiency by something between 5 and 8%.

[18:06] **Maya:** Wow.

[18:07] **Brad:** And it's billions of gallons of gasoline, of diesel, billions of gallons a year.

[18:12] **Maya:** So, how did he come up with that idea? I'm just curious. Was he just driving down the road or did he have a background in this?

[18:17] **Brad:** He didn't have a background, but I think he learned of a faculty member who had done research in this and around aerodynamics.

[18:26] **Maya:** And physics. I mean, that's...

[18:26] **Brad:** It should have been with that. Yeah. Exactly. And he was able to take that technology and then get some data that say, "Yeah, that really does work." And so, then he developed that company.

[18:36] **Maya:** It's amazing. What else?

[18:37] **Brad:** Yeah, it's very cool.

[18:38] **Maya:** Tell me, tell me about another one.

[18:40] **Brad:** Well, you know, one that... the individual that I like a lot is a student from Brigham Young University created... this was back in, probably, 14 years ago or so, 15 years ago. Created an app to scan QR codes.

[18:56] **Maya:** It's my favorite thing in the whole wide world.

[18:58] **Brad:** Oh, well, back then... it's commonplace now, right?

[19:01] **Maya:** Yeah.

[19:02] **Brad:** Almost every app can scan a QR code.

[19:03] **Maya:** But I mean, that's really, like, life-changing for me because that way... I mean, because I... well, because I serve on a lot of nonprofit boards. And in order to get folks to, you know, to donate, like, listen, just put a QR code on all of, all of your marketing material. And when you go to a luncheon or when you go to an event, the QR code with their phone, because nobody wants to take out their credit card. Nobody wants. That's too much effort. Just simplify people's lives and give them their time back. If you can figure out a way to give somebody back their time, that's the most precious natural resource.

[19:33] **Brad:** So, in the early days of the QR codes, he created one of the first most popular apps to scan QR codes, when you couldn't just do it on phone camera.

[19:41] **Maya:** Yeah.

[19:41] **Brad:** So, he created this app. He had something like in the first couple of weeks, 36 million downloads of this app. He was on Shark Tank, and I don't think he got investment from the Sharks at that time because they said his company was overvalued too much. But it drove demand for his app.

[19:57] **Maya:** What did they know?

[19:59] **Brad:** What did they know? Exactly. Exactly. And they made a big mistake because, ultimately, he raised about \$9 million of investment, which he didn't really need all that money, but he probably raised more than he needed. And then, he had an exit. But his exit was private, was not disclosed. But I got a call one day from one of the investors from Houston. And he said, "Hey, did you see that? Did you read about this company? The company was called Scan." And I said, "No, tell me about it." Well, getting on the web, and it turns out that... now, here's a convoluted way to get around to this. When the movie comedy, the interview came out, it was about North Korea. And the North Koreans didn't like that movie, and it was put out, I think by Sony.

[20:45] **Maya:** Shocking.

[20:46] **Brad:** They hacked into Sony's web servers. And as a result, some of the emails that were confidential got disclosed. One of the emails that got disclosed was from an executive at Snapchat to an executive at Sony. And it said, "Hey, we're not going to disclose this, but we had just acquired Scan for \$54 million."

[21:11] **Maya:** Wow.

[21:12] **Brad:** So, if you'd invested in this company, you would have done really well. But people, most people didn't.

[21:19] **Maya:** Right.

[21:19] **Brad:** And he didn't do that well at the competition because people said, "Well, that's just an app to scan QR codes."

[21:24] **Maya:** Well, it's the, it's the most basic thing that people don't really think. It's a chess game, right? And I think that, a lot of times, there's people with phenomenal ideas, and they get rejected over and over and over again. And it's, and, you know what, like, the light bulb that failed a couple of... 1,000, over 1,000 times.

[21:42] **Brad:** He said, he said he... one day, one of his stories was he was having a meeting with a VC on Sand Hill Road, which is where all the VCs are in Silicon Valley. And he said, "I got there early. And so, I just decided to walk up and down the road and knock on VC doors." And I said, "Well, I'll try to talk my way into it." Now, he says, "I tried to talk my way into about 10 different VCs," and he never got past the gatekeeper on any of them.

So, he didn't even get in. And the VC that he talked to had no interest in investing. So, his investment came from other places. But this guy, this changed his life because he sold his company for a lot of money. And then, he said, "Look, what I want to do is travel." And so, he created what he's branded as The Bucket List Family. And so, prior to COVID, he spent about four years traveling every week to a different place, posting a video about that location that he's in. And then, he brought... taking his kids with him, too. So, now, he has three young kids. And they've traveled all over the world. And basically, I said, "Well, you know, so you're using the money that you earned, right?" He said, "No." They figured out a model that allows to monetize —

[22:53] **Maya:** To monetize that.

[22:53] **Brad:** ... his adventure travel.

[22:57] **Maya:** Could you share that with me? Because I would really like that. That would be, that would be ideal. I could, you could just give me his number. I'll give him a call, figure it out, because that's brilliant. Okay. So, what is the future for the Rice Alliance? Where are we going next?

[23:13] **Brad:** Well, it's a, it's a, it's a number of things. I mean, one is the business plan competition has continued to get bigger. So, I said we started with nine teams. We now have 42 teams. Last year, at the end of the banquet, we were at... the total prize money was \$2 million, the highest ever. But that wasn't all because the same thing that happened back in 2005 happened last year. So, the group that put up the grand prize, after they, again, met with the company, they said, "We really like this." So, they put in \$1.5 million in last year's winner. But they led around... the total round was about \$5.5 million. So, the winner of our competition last year got \$5.5 million, led by investors from Houston.

[23:57] **Maya:** Wow.

[23:57] **Brad:** And in total, the GOOSE Capital Group has invested \$27 million in business plan competition winners. So, way more.

[24:07] **Maya:** Yes, it's just becoming a really big VC place, you know, I mean, more so than Austin.

[24:13] **Brad:** Well, there's a lot. Especially, angel investors who want to give back and support entrepreneurs. A group of judges saw what the GOOSE Capital Group was doing, and they got together and said, "Hey, we can do the same thing." So, a group of... we have 275 judges at the competition. A group of them came to me at the end of the banquet and said, "Look, hey, we can do the same thing the GOOSE can, but, you know, we won't invest each as much." And so, led by a Rice alum, who is a West Coast venture capitalist, has organized a group called the Owl Investment Group. Every year, they put up an investment prize. And they have now invested over \$5 million in business plan competition teams, way more than the, you know, they initially, you know, signed up to do. So, this competition has —

[24:59] **Maya:** Growing exponentially.

[25:00] **Brad:** ... mobilized a number of individuals who really weren't doing angel investment before.

[25:06] **Maya:** Right.

[25:07] **Brad:** And now, they're doing, not just investment in the business plan competition, but they're investing in companies from Houston as well.

[25:13] **Maya:** Right. And Houston is now becoming, you know, this with the Ion and everything else, I mean, it's really becoming the place to be, which is also exciting. And to be just right down the street, and Rice is very much involved with the Ion, and, you know, you've got the medical center right here, and it's exciting times to be at Rice.

[25:31] **Brad:** It's a great time to be at Rice.

[25:31] **Maya:** And it's exciting time to be in Houston.

[25:33] **Brad:** We launched... about 11 years ago, we launched a accelerator for students in the summer called the OwlSpark Accelerator. The initial idea, you know, wasn't a particularly novel idea, but it was started by four students at Rice. And one of the students, an MBA student, deferred his McKenzie full-time career so he could run it the first year.

[25:58] **Maya:** Wow.

[25:58] **Brad:** So, he ran it the first year, and then we took it over in year two. And so, we've completed 11 years of the OwlSpark Accelerator, I think 10 or 11 years. We've had 77 or so startups that have gone through it, and they've raised over \$100 million in that time.

[26:12] **Maya:** Amazing.

[26:14] **Brad:** And then, last summer... so, those are for tech startups. Last summer, we started a second accelerator if you have a small business — a consumer product business, a non-traditionally VC backable business.

[26:25] **Maya:** Right.

[26:25] **Brad:** And so, last year, we started the first cohort of what we call the BlueLaunch Accelerator. And it is for consumer products and other startups.

[26:33] **Maya:** I did those e-mails.

[26:35] **Brad:** Yeah. So, so we expanded to a second. So, we cover those individuals who want to start a company, but it's not a high-tech company and it's not going to get, likely not going to get venture capital.

[26:47] **Maya:** But really creating opportunities for all of those that really want to get involved.

[26:52] **Brad:** Yes.

[26:53] **Maya:** You know, this is, this is the Mecca.

[26:54] **Brad:** So, if you have, like, you come to Rice to come to school or you come to get your MBA, if you have an interest in learning about entrepreneurship or getting into entrepreneurship, there's so many things, programs that you can get into, like OwlSpark or BlueLaunch, where you can, with low risk, you can for three months work on your company and decide, is this something that really has legs and that I want to stay with? And so, it's very, it's very cool.

[27:19] **Maya:** Well, it's... what are you the most looking forward to? What's for the next year? What are you excited about the most? Last question, and then I'll leave you alone.

[27:27] **Brad:** Oh, okay. What is, what is really huge right now and the momentum is behind the energy transition in Houston. All of the oil and gas, major oil and gas companies, you know, traditionally are, you know, they, 10 years ago, were focused on, how do we produce more oil, how do we produce it more efficiently? They have all now embraced that we're entering this energy transition period, where we'll have both oil and gas and we'll have renewable and sustainable fuels. Ultimately, that's the long term.

[27:56] **Maya:** Right.

[27:56] **Brad:** And we're in this period of time.

[27:57] **Maya:** Well, nuclear fusion as well.

[27:58] **Brad:** Exactly, exactly. That may be, that in fact may be the answer.

[28:03] **Maya:** Agreed.

[28:03] **Brad:** But we are in this period. So, we launched a Clean Energy Accelerator two years ago, and we're about to start. We're evaluating the applicants for the third cohort of the Clean Energy Accelerator. And part of the reason is we're attracting startups from all over the U.S. and outside the U.S. to come through the accelerator with a... you know, we want to help them be more successful, but we also want to show them what's going on in Houston, what they have at the Ion, and what they have at other places in Houston, so that they think about starting a company here, or moving here, or at least opening an office here.

[28:40] **Maya:** Right.

[28:41] **Brad:** And we also want to show the investors in Houston really promising clean energy technologies. And so, it gives investors in Houston, like, an early look at some of these promising technologies. So, Houston, I think, has the ability. And we've been the energy capital of the world. We have the ability to be the energy transition capital of the world, because we have the knowledge, the expertise, the resources here. And almost every major energy investor knows about Houston and is aware of it and has a presence here. So, I think it's going to be transformative for the city.

[29:14] **Maya:** And it all starts here. It's where you belong, right?

[29:18] **Brad:** Right.

[29:19] **Maya:** Rice is where you belong. Thank you, Brad. It's been a pleasure to talk with you and to learn about your story. I think that there's many that know about the Rice Alliance, but, you know, you're very humble and you don't really talk much about yourself. So, thank you for sharing all that with us.

[29:32] **Brad:** Thanks. I appreciate it.

[29:34] **Maya:** Sure.

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