Background
The Washington University Student Entrepreneurial Program (StEP) provides a unique opportunity for students to develop, own and operate a business that provides a benefit to the campus community.

Undergraduate students can become a part of StEP by starting a new business or by purchasing an existing StEP business. In 2012 a donation was made to the university for the purpose of providing loans to undergraduate students with demonstrated financial need who are interested in participating in StEP.

Through the StEP Loan Fund a total of $25,000 is available for eligible students to borrow in amounts up to $10,000 per loan.

Students interested in StEP and the StEP Loan Fund are encouraged to meet with Mary Zabriskie, Assistant Director of Campus Life, mary.zabriskie@wustl.edu, 314-935-7199.

Loan Criteria
• StEP businesses are meant to provide a benefit to the Washington University community. This benefit should be clear and direct.
• StEP businesses must be owned and operated exclusively and at all times by current full-time Washington University undergraduate students.
• Students who have completed a full semester at Washington University and who have at least one full academic year in which to operate a business prior to graduation are eligible to apply for a StEP loan.
• Loan program applicants must be in good academic and judicial standing with the University.
• Loan program applicants must be eligible for Washington University need based assistance as assessed and confirmed by Student Financial Services.
• Loan applications will be considered only for (i) the start of a new business that has received preliminary approval by the StEP Advisory Board following a presentation of the applicant’s proposed business plan or (ii) the purchase of an existing business, the terms of which have been fully disclosed to the StEP Advisory Board.
• In determining whether or not to grant loan funds, the StEP Advisory Board will consider the amount requested, as well as the value and viability of the proposed business for which the monies will be used.
• Loan applications will be considered by the StEP Advisory Board as they are received.

Loan Information
The governing terms and conditions of a StEP Loan will be set forth in a Promissory Note between the University and the Loan Recipient. Highlighted below are points of interesting when considering whether to apply.

• Interest will accrue over the term of the loan. Loan recipients are therefore encouraged to repay the loan as soon as possible
• The loan (fees and interest included) is due at the earlier of (i) the transfer of the Loan Recipient’s ownership interest in its StEP business to another party; (ii) graduation of the Loan
Recipient; or (iii) Loan Recipient's leave from the University prior to the completion of his/her the undergraduate degree requirements. If a Loan Recipient sells his/her interest in a StEP business, proceeds from the sale of the business will first be used to pay back the loan.

How to Get Involved in StEP

- **Starting a new business**

  Students interested in starting a new business on campus are asked to prepare a comprehensive business plan. They are then given the opportunity to present the plan to the StEP Advisory Board.

  Examples of questions the Board considers when reviewing new StEP business plans include:
  
  • Will the business be owned and operated exclusively by current full time Washington University undergraduate students?
  
  • Is the product or service one that will be of interest to students or satisfy a need/market on campus?
  
  • Is the product or service currently available on campus? If so, would the business violate an existing agreement between the University and an auxiliary enterprise?
  
  • Does the business require use of a storefront?
  
  • Will the business be in any way disruptive to residential living or compromise the mission of the University?
  
  • Will the business place extraordinary costs on the University? (Higher utility bills, additional maintenance, increased housekeeping services, etc.)
  
  • Will the business operate year-round or only during the school year?
  
  • Will the business require modifications to the storefront in which it is housed?
  
  • Is the business financially viable?

  **The Business Plan**

  To start up a new business, aspiring students must submit a business plan which details:

  • Concept and company
  
  • Products and/or services they will provide
  
  • Target market they wish to enter
  
  • Nature of their competition
  
  • Management team
  
  • Ownership information
  
  • Operations plan
  
  • Administrative responsibilities
  
  • Professional support - attorney, accountant, etc.

  In addition, students will need to build a sound financial plan, including a start-up budget with projected revenue and expenditures.

- **Purchasing an Existing Business**

  Students interested in purchasing existing businesses are required to attend a University sponsored Buying a Business Workshop. As discussed in the workshop, prospective buyers are directed to engage in a thorough exploration of all aspects of the business including:

  • Careful consideration of all financial records
  
  • Review of any agreements or contracts the business is a party to
  
  • Market research to determine future performance and growth
  
  • Independent assessment of the viability of the business
  
  • Application of standard, relevant assessment methodology in determining price
Additional Information to Note
When starting a new business or contemplating the purchase of an existing StEP business, students are asked to engage professional service providers (accountant, attorney, etc.) to assist with value assessment and start up matters.

All StEP businesses are required to file an annual report with the StEP Advisory Board and present the content of the report to the Board.

StEP businesses that remain in good standing are given the opportunity to be a part of StEP for a one year period. Renewal for upcoming years is at the discretion of the StEP Advisory Board.