The Samuel Zell and Robert H. Lurie Institute for Entrepreneurial Studies at the Stephen M. Ross School of Business opened a new chapter in entrepreneurship education at the University of Michigan in 2016.

Over the past year, the Institute rolled out a suite of innovative programs designed to foster the entrepreneurial culture at Ross and across the University of Michigan campus. It also powered up strategic alliances with entrepreneurship centers, startup incubators, business accelerators, economic development organizations and industry trade associations, both inside and outside the University community.

In addition, the Zell Lurie Institute took strides to strengthen its continuous cycle of entrepreneurship education, which benefits University of Michigan undergraduates, graduate students and alumni as well as experienced entrepreneurs leading high-potential companies. Finally, the Institute celebrated the success of student-led startups that demonstrated the great potential of Michigan-minted innovation and entrepreneurial talent at national business plan competitions.
The newly launched Zell Founders Fund made its initial investment of $100,000 in the student-led startup Sneakers by Jordana. The customizable design company, founded by University of Michigan alumna Jordana Schrager, plans to use the funding to ramp up the design, production and sale of its shoes, apparel and other products. The $10 million seed fund, supported by a 2015 gift from Institute benefactor Sam Zell and the Zell Family Foundation, invests in extraordinary student entrepreneurs and recent graduates who need capital to transform their business ideas into profitable companies. The fund is managed by a select group of student investors working under the supervision of Zell Lurie Executive Director Stewart Thornhill, who serves as the fund’s managing director.

The Zell Entrepreneurs program, also supported by the $60 million Zell gift, provided student startup founders, such as Grown Up Sports co-founder Joe Price, with intensive mentoring, seed funding and collaboration geared toward accelerating business growth and development. In the future, Zell Entrepreneurs will receive ongoing support after graduation through the Zell Global Entrepreneur Network, which connects participants in Zell-supported entrepreneurship education programs at Northwestern University and the Interdisciplinary Center Herzliya in Israel.

A third Zell gift-funded initiative, the BBA Entrepreneurship Challenge, engaged junior-year BBA students at Ross in an inaugural three-day competition to develop creative entrepreneurial solutions to high-level world problems. Working in teams, the students proposed products or services that addressed a major global social issue and then designed an enterprise to deliver them.

The new Zell Early Stage Fund, made possible through a gift from the Tisch family, became the Institute’s fifth student-led investment fund and the first to engage undergraduate students in the venture-investment process at an early point in their academic careers. Through their participation in the fund, BBA students in their junior and senior years have an opportunity to gain real-world knowledge and hone their investing skills by sourcing, analyzing, vetting and executing investments in early stage companies. This newest fund extends the breadth and depth of venture-investment education offered by the existing Wolverine Venture Fund, Social Venture Fund and Zell Lurie Commercialization Fund, as well as the recently created Zell Founders Fund.

The Zell Lurie Institute spent nearly $350,000 on programs designed to help graduate and undergraduate students learn and apply a full spectrum of entrepreneurial skills, launch and develop startup ventures, and prepare for careers as serial entrepreneurs or entrepreneurial change agents within established companies.

Much of the Institute’s funding supported long-standing, highly successful Zell Lurie initiatives — among them, the Dare to Dream Grant and Mayleben Venture Shaping Grant programs, the Marcel Gani Internship program and the Michigan Business Challenge. The Samuel Zell, Mitchell Mondry and Zell Institute and Erb Institute provided 12 tuition-based scholarships to returning MBA students. The Weiser Family and Samuel Valenti Awards presented nearly $20,000 to outstanding student entrepreneurs.

Zell Lurie funding also enabled student startup founders and their teams to travel to leading business plan competitions where they squared off against entrepreneurs from other major universities. The returns on the Institute’s investment, coursework and coaching paid off, as Michigan teams brought home top accolades and significant prize money from some of the nation’s most prestigious student-startup match-ups.

At the 2016 Rice Business Plan Competition last April, Neurable won the $50,000 second-place prize and a $280,000 Owl Investment prize. The startup, founded by University of Michigan neuroscience Ph.D. candidate Ramses Alcaide and Ross MBA student Michael Thompson, has created the first noninvasive brain-computer interface that allows users to have precise real-time control of physical objects and software. PreDxion Bio, a student-led venture that is commercializing groundbreaking technology developed at the University of Michigan’s Pediatric Critical Care Precision Laboratory, landed a $100,000 TiE RBPC Angel Investment prize. Prior to competing at Rice, PreDxion Bio, which was co-founded by Ross MBA student Caroline Landau and biomedical engineering graduate student Walker McHugh, won the 2016 Michigan Business Challenge. The startup received the Zell Lurie Institute’s $25,000 Pryor-Hale Award for best business and the $5,000 Williamson Award for outstanding business and engineering team.

At the Thought For Food Global Summit, held last April in Zurich, Switzerland, University of Michigan student startup Kulisha, co-founded by Ross BBA student Eric Katz, earned top honors and the $10,000 grand prize. The sustainable alternative protein company is focused on revolutionizing the aquaculture industry by producing low-cost, high-quality, sustainable fish feed made from insects. Previously, at the 2016 Michigan Business Challenge, Kulisha won the MBC Social Venture Track and $15,000 in prize money.
Visionary leaders drawn from the upper echelons of entrepreneurial business, finance, venture investment and academia shared insights and sparked discussions at four Zell Lurie Institute-sponsored events in 2016.

At the 35th annual Michigan Growth Capital Symposium in mid-May, James Flynn, managing partner at Deerfield Management Company, assessed the health-care regulatory landscape and investment prospects in the life sciences. Keynote speaker Adam Lilling, the founder of PLUS and managing partner of its venture fund, detailed the career pathway that led him to become a venture capital investment adviser to top Hollywood stars and sports celebrities. The two-day symposium also showcased nearly 40 startup companies, and featured a University Research Track segment on promising research projects and spinout companies emerging from leading Midwestern universities.

In September at Entrepalooza, Jerry Greenfield, the affable co-founder, with long-time partner Ben Cohen, of Ben & Jerry’s Homemade Inc., dished out free samples of the company’s iconic brand of ice cream along with sage advice on how entrepreneurs can use the voice of business to drive positive change in today’s society. From its hole-in-the-wall beginnings, the ice cream company emerged as a pioneer in promoting socially responsible business after raising its initial funding by selling shares of company stock to local community members in Vermont and establishing the Ben & Jerry’s Foundation as its charitable arm.

Two back-to-back conferences in October focused on the venture capital and private equity investment space. At the second annual Women Who Fund forum, Margaret Gibson, a partner at Kirkland & Ellis LLP, weighed in on the causes and effects of the underrepresentation of women in the senior leadership ranks of private equity firms. During the event, seasoned entrepreneurs, executives and investors, all of them female, offered their insights into launching, building, managing and investing in successful entrepreneurial companies.

The Michigan Global Private Equity Conference riveted attention on the national and international forces reshaping today’s $4 trillion private equity industry. Bradley Cooper, managing partner at Capital Z Partners, laid out the key drivers behind the emergence of so-called mega-firms, each with more than $50 billion in assets under management. Arn Tellem, vice chairman of Palace Sports and Entertainment, which owns the Detroit Pistons, detailed the heightened interest among private equity firms and investors in taking ownership stakes in National Basketball Association teams. U-M’s new athletic director, Warde Manual, made his inaugural appearance at the conference, where he laid out his game plan for strengthening Michigan Athletics’ focus on leadership, people and student athlete academic success.

QUANTUMSHIFT PROGRAM SALUTES FIRST ENTREPRENEURIAL COHORT

QuantumShift made its debut in 2016 as the nation’s premier executive development program for America’s most promising entrepreneurs, and saluted its first graduates in May. The new initiative further expands the continuum of sustained learning, networking and collaboration offered through the Ross School and the Zell Lurie Institute.

Michigan Ross and KPMG LLP, the U.S. audit, tax and advisory firm, co-founded QuantumShift to recognize successful entrepreneurial founders, owners and CEOs of private, high-growth U.S. companies, and to provide the tools, knowledge and strategies they need to lead more effectively, optimize their potential and achieve quantum leaps in their companies’ growth and performance.

The first cohort of participants spent five days in residence on the Ann Arbor campus. During intensive, high-level sessions, Michigan Ross’s prominent faculty and thought leaders imparted critical insights, skills and hands-on experience designed to prepare and empower entrepreneurs and executives to drive exponential growth and transformational change in entrepreneurial companies. Participants also had an opportunity to co-create knowledge with other high-achievers and lay the foundation for a dynamic, high-powered peer network that will allow them to leverage the relationships they established.

“The business leaders who participated in the inaugural QuantumShift program were able to learn from each other by sharing their own experiences, and walked away with a refreshed ability to take their already successful organizations to the next level,” Thornhill explains.

Following completion of the program, graduates became members of QuantumShift Fellows Network, a business support association intended to foster ongoing interaction among fellow peers at scheduled regional events and an annual conference.

“No matter how much business experience an individual has—and those selected for QuantumShift are among the most knowledgeable in the country—the need and importance of reinvigorating the entrepreneurial spirit is never-ending,” Thornhill says.

LOOKING AHEAD TO 2017

The Zell Lurie Institute’s pioneering initiatives and advances in entrepreneurship education during 2016 laid the groundwork for even greater gains in the year ahead, according to Thornhill. “We introduced a number of ambitious, high-impact programs over the past year, and we will work continuously in 2017 to refine, scale and improve them,” he says.
Throughout its history, the Zell Lurie Institute has been instrumental in building widespread awareness of the important role entrepreneurs play in job creation and economic growth.

Since its inception, the Samuel Zell and Robert H. Lurie Institute for Entrepreneurial Studies has pioneered innovative programs in entrepreneurship education, which have inspired and engaged hundreds of University of Michigan students in conceiving, launching and investing in startup companies. The Institute’s ongoing efforts to develop increasingly creative programming have distinguished it from its peers and continually earned national recognition.

In July 2015, we announced the creation of several new high impact initiatives that deepen and expand the Institute’s reach. In 2016, we took the initial steps to launch new education programs at the Institute:

- **Zell Entrepreneurs**, an intensive program that provides students with the mentoring and financial support they need to launch new ventures by graduation. These students will be further supported after they graduate and throughout their careers with resources through the Zell Global Entrepreneur Network, or ZGEN, which connects students and alumni from Zell-supported entrepreneurship education programs at Northwestern University and the Interdisciplinary Center Herzliya in Israel.

- **Zell Early Stage Fund**, which immerses BBA juniors and seniors in venture investment. The program will provide a source of capital that allows students to justify, make and follow investments in promising student startups. By offering the opportunity and experience of making decisions with monetary ramifications, the fund will cultivate highly motivated individuals who are eager to learn about the investment process and apply it in real time. We plan to grow the fund over time, so the entire program creates and benefits from savvy student investors.

- **Zell Founders Fund**, a $10 million seed fund that invests in student entrepreneurs who have great ideas for new ventures and need critical funding during the early stages of growth. The goal is to help student-led businesses extend their startup runway until they are prepared to seek and secure outside venture capital.

Throughout its history, the Zell Lurie Institute has been instrumental in building widespread awareness of the important role entrepreneurs play in job creation and economic growth – through the creation of new companies, innovation and continual progress in existing companies. These new programs will build upon that fundamental ideological foundation.

As a society we will only remain exceptional if we encourage the creation of business and the fulfillment of ideas. I think all of us share an enormous responsibility — particularly those of us who have benefited from that society — to create new opportunities for future entrepreneurs.

Go for greatness,

Sam
I believe business is the most powerful force for positive change in the world — whether that change is economic in terms of creating prosperity and job growth or social in terms of fostering social mobility or even political in terms of influencing policy decisions. The next generation of businesses conceived of and developed by entrepreneurs will shape and define our future.

We need entrepreneurs who have the right values and vision to create businesses that thrive economically and produce products and services that enable our global society to progress and innovate. I am excited at the potential of entrepreneurship education to prepare these future entrepreneurial leaders for the important role they will play in our world.

In coming years, I look to Stewart Thornhill and the Zell Lurie Institute team to continue charting the course for entrepreneurship education and enriching the experiences of our students. As Dean, I will serve as an ambassador for the Institute’s vision of entrepreneurship and support those efforts. This will help to ensure our long-term success at Michigan Ross, and move us forward as a nation and a society.

Since its inception, the Zell Lurie Institute has created a vision for entrepreneurship education and built a robust infrastructure of resources that support students at each stage of the lifecycle of business creation. These resources range from Dare to Dream grants—which provide funding at three critical developmental stages of business design, business assessment and business plan — to the new Desai Accelerator, which offers entrepreneurs the physical space, mentorship and network to accelerate the growth of their companies. The Zell Lurie Institute’s student-led venture investment funds have become the investment vehicles for seeding and financing promising ventures and enabling aspiring entrepreneurs to build viable companies.

Increasingly, entrepreneurship education at Michigan Ross has become a global platform of experiences that extends far beyond the borders of the Ann Arbor campus, the state of Michigan and the United States. Over the last five years, student experiences internationally have increased 50 percent at the graduate level and 300 percent at the undergraduate level. Around the world, we’ve seen the emergence of hotbeds of entrepreneurial business, ranging from the fintech industry in London and the high-tech sector in Israel to shared-economy companies in China and Internet-based retail ventures in other parts of Asia. These international enterprises provide a learning laboratory for our students, who gain exposure to innovative ideas and then build companies that can thrive, compete and excel in these global markets.

The act of building a company from concept to business is one of the most powerful platforms for learning the fundamentals of business and putting into practice the concepts, tools and frameworks we teach both in the undergraduate and graduate programs at the Ross School of Business. As Dean, I would like to see every student who comes through Michigan Ross have the opportunity to experience entrepreneurship and go through the formative process of developing a concept for a business and bringing that concept to life.

Whether students want to become true entrepreneurs who build high-growth businesses or entrepreneurial individuals who enter finance, consulting, marketing or other domains at large enterprises, entrepreneurship provides an accelerator for their educational experiences at Michigan Ross and a valuable compass for navigating along their chosen career paths in the business world.

I believe business is the most powerful force for positive change in the world — whether that change is economic in terms of creating prosperity and job growth or social in terms of fostering social mobility or even political in terms of influencing policy decisions. The next generation of businesses conceived of and developed by entrepreneurs will shape and define our future.

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This past year, we piloted a new suite of engaging, high-impact programs at the Samuel Zell and Robert H. Lurie Institute for Entrepreneurial Studies. As with all new ventures, we took an entrepreneurial approach to testing, evaluating, improving and, ultimately, growing them. The results thus far have exceeded our expectations.

This innovative group of initiatives includes the Zell Entrepreneurs program, the Zell Founders Fund, the BBA Entrepreneurship Challenge, the Zell Early Stage Fund and the Undergraduate Pracicum for the cross-campus minor in entrepreneurship. Together, these programs have expanded the Institute’s entrepreneurial pipeline of curricular and co-curricular activities and elevated entrepreneurship education at the University of Michigan to a new level of excellence. **In coming years, our students will benefit immensely from increased mentoring and financial support for their startup ventures. At the same time, they will develop the confidence, resources and network they need to pursue their entrepreneurial ambitions.**

A key thread running through these new offerings is action-based learning, which has been the hallmark of business education at the Ross School and the Zell Lurie Institute. As educators, we do more than simply teach students business theory in the classroom. We also give them hands-on experiences as startup founders and venture investors while they are earning their degrees in school. This action-based learning ensures they will be better prepared to pursue successful careers at startups, corporations and investment firms after they graduate.

In 2016, we partnered with KPMG’s Private Markets Group to launch QuantumShift, a premier executive development program for America’s most promising entrepreneurs. During the five-day residential program, Michigan Ross’s prominent faculty and thought leaders imparted the critical insights, skills and hands-on experience required to drive exponential growth and transformational change in entrepreneurial companies. Participants were able to co-create knowledge with other high-achievers and build a dynamic, high-powered peer network. QuantumShift clearly demonstrated that entrepreneurship education through the Zell Lurie Institute is a continuous cycle which benefits experienced, high-growth entrepreneurs as much as students who are testing the waters of entrepreneurship for the first time.

In short, the Zell Lurie Institute is now better positioned than at any time in its history to fulfill its leadership role in entrepreneurship education worldwide. First, the $60 million gift from the Zell Family Foundation in 2015 and the donations from our many other supporters and sponsors have given the Institute the financial resources to become a leading center of excellence. Second, the eagerness of Ross alumni to mentor our current students and participate in entrepreneurship classes and programs has cemented our position as the most collaborative and boundaryless business school in the world. Third, the Ross faculty’s dedication and the high quality teaching they deliver across all core business disciplines, not only entrepreneurship, have contributed greatly to our overall mission of educating the next generation of entrepreneurs. And, finally, the University of Michigan’s top-ranked College of Engineering, School of Medicine and Law School, as well as its other high-performance academic units, have created an unparalleled entrepreneurial ecosystem where our students can flourish and grow.

**In the future, we at the Institute and Ross will continue to think big and aim high. That’s entrepreneurship — the Michigan way.**

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**a message from STEWART THORNHILL Executive Director**

In the future, we at the Institute and Ross will continue to think big and aim high. That’s entrepreneurship — the Michigan way.
CVP’s three major symposiums and conferences proved to be highlights of 2016. In May, the Michigan Growth Capital Symposium celebrated its 35th year by featuring two keynote speakers with unique investment styles and insights and showcasing nearly 40 highly investible startup companies. In late September, the Center hosted a stellar lineup of highly successful, dynamic and influential female investors and prominent female entrepreneurs at the second annual Women Who Fund Conference, which has attracted a standing-room-only audience for two years. WWF was followed the next day by the annual Michigan Global Private Equity Conference, which riveted investors’ attention on the repercussions of Brexit (Britain’s vote to exit the European Union) and the opportunities it unleashed for cross-border private equity and alternative investment.

Over the past year, CVP continued to draw investment and financing professionals and their clients back to the University of Michigan campus for customized executive-education programs. This year, the Center hosted programs for Merrill Lynch, Riverside Company and Huron Capital.

In all, CVP made great strides in 2016 and firmly established its leadership as a convener of, collaborator with and key link to the global venture capital and private equity community.

David Brophy
Director, Center for Venture Capital and Private Equity Finance

In 2016, the Center for Venture Capital and Private Equity Finance (CVP) embarked on new research, enhanced its course offerings, expanded its global reach and continued to deliver the high-caliber programming that has distinguished it over the past 22 years.

The Center’s most exciting research initiative was a collaborative project with University of Michigan Tech Transfer’s Venture Center to examine the qualitative and quantitative valuations of 200 private companies that have licensed technology from the University of Michigan since 2000. The project’s key objective is to gather lessons-learned from companies, particularly startups, that have commercialized Michigan-minted technologies and research discoveries emanating from the University’s medical, engineering and computer research labs. Using this information, CVP will build a Michigan model designed to help entrepreneurs and future University of Michigan spinouts improve the pace and results of research commercialization. This project also will open up new opportunities for University of Michigan students to learn about the process of transforming promising scientific, engineering and computer technologies into usable, profitable market opportunities.

Other CVP research efforts in 2016 shed light on global venture investment and the so-called unicorns. Professor Adriaens is collaborating with CVP to take a deep-dive look at multi-asset funds that have gained significant traction and are now in high demand around the world. Another research thread examines the unicorns (companies with valuations exceeding $1 billion) to determine the interplay of valuation and deal structuring in their sudden rise and eventual swoon. In addition, CVP is tracking the progress of 290 new venture capital funds started since 2010 to analyze their sector investments, portfolio holdings and exit strategies.

This year, the Center widened the scope of the Global Private Equity course and renamed it the Global Alternative Investment Management course to reflect the expanded role of diverse types of investment institutions, such as hedge funds, in the private equity sector. This course expansion is geared to enhance the learning and employment opportunities for Ross graduates, particularly University of Michigan international and domestic students pursuing investment careers in foreign markets. Six CVP-supported courses provide a comprehensive, interactive learning experience for students across a broad spectrum of entrepreneurial finance, venture capital and private equity investment and global alternative investment.

CVP will build a Michigan model designed to help entrepreneurs and future University of Michigan spinouts improve the pace and results of research commercialization.
In Prizes Awarded Through External Competitions

- $500,000+
- $100,000+

Startup Grants

- 300+
- 20
- 98

Investment Funds

- 5

Internship Connections with Startup and VC Firms

- 5

Attendees at Michigan Growth Capital Symposium

- 500+

Support for Undergraduate Entrepreneurship Princeton Review & Entrepreneur Magazine

- #3

Ranks for Graduate Entrepreneurship Princeton Review & Entrepreneur Magazine

- #6

In Scholarships

- $300,000+

In Support to Students Through Grants, Competitions and Internship Matches

- $500,000+
Coming from a family of entrepreneurs, Caroline Landau, MBA ’16, has always had “entrepreneurship in my blood.” Through the Zell Lurie Institute’s programs, coaching and cross-campus network, she was able to co-found and launch PreDxion Bio, a University of Michigan medical-device spinout that went on to win top honors at two prestigious business plan competitions this past year.

“WITHOUT THE ZELL LURIE INSTITUTE, CO-FOUNDER WALKER MCHUGH AND I WOULD NOT HAVE MET AND STARTED PREDXION BIO, AND THE COMPANY WOULD NOT HAVE PROGRESSED TO STAGE IT IS NOW,” LANDAU SAYS. “THE INSTITUTE REALLY CONTRIBUTED TO MY ENTREPRENEURIAL CAREER.”

Landau’s two years on the Social Venture Fund, where she led the Health Care investment team, excited her interest in entrepreneurial business and connected her with McHugh, a biomedical-engineering graduate student. The two teamed up with Dr. Timothy Cornell, a University of Michigan physician, to commercialize groundbreaking technology developed at the University’s Pediatric Critical Care Precision Laboratory. In a North Campus lab, McHugh created a prototype for PreDxion Bio’s patent-pending diagnostic device, MicroKine, which measures certain proteins in the blood of seriously ill patients and gives doctors the critical information needed to tailor treatments more precisely, based on an individual’s immune response.

Entering the 2016 Michigan Business Challenge (MBC) proved pivotal for PreDxion Bio, which at the time had no clear pathway for delivering its life-saving technology to patients. “Our goal was to professionalize and to develop a business plan,” Landau explains. “THE STRUCTURE OF THE COMPETITION AND THE TREMENDOUS MENTORSHIP AND SUPPORT WE RECEIVED FROM THE ZELL LURIE INSTITUTE WAS INSTRUMENTAL IN PUSHING US TOWARD THE BIG STRATEGIC PRIORITIES AND INITIATIVES WE NEEDED IN ORDER TO LAUNCH.”

At MBC, PreDxion Bio won the $25,000 Pryor-Hale Award for best business and the $5,000 Williamson Award for outstanding business and engineering team. Landau and McHugh leveraged the feedback they received to strengthen their pitch and presentation, enabling them to win $100,000 at the Rice Business Plan Competition in April. “Our experience at Rice gave us a lot of good connections and follow-up,” says Landau, who left PreDxion Bio in August to take a full-time position as market planning manager at Genentech in San Francisco.

“The structure of the competition and the tremendous mentorship and support we received from the Zell Lurie Institute was instrumental.”
A year ago, Eric Katz, BBA ’17, identified an environmental problem halfway around the world in Kenya and came up with an entrepreneurial idea to solve it. But he had little experience in launching startups.

With assistance from the Zell Lurie Institute, Katz was able to transform his concept for a new venture into a viable, for-profit enterprise based in Nairobi. Today, Kulisha, a sustainable alternative protein company, is producing a low-cost, commercial-grade insect meal made from native black soldier fly larvae. Its mission is to help small-scale farmers increase profitability and reduce environmentally harmful trawling for edible, wild-caught fish, such as sardines and anchovies, which are dried and used for animal feed.

“The Zell Lurie Institute provided the framework and funding that helped to guide us through the different stages of business development,” Katz says. “We used Dare to Dream grant money to build out our idea of turning dried insect larvae into animal feed protein. We also conducted interviews with Kenyan aquaculture farmers who are making conventional feed and might be potential customers.”

After entering the 2016 Michigan Business Challenge, Katz worked with Zell Lurie coaches to write a comprehensive business plan for Kulisha, which means “to feed” in Swahili. “This forced us to think through our challenges and how we would approach them with a business mindset,” he says. “Our idea for a business venture became more formalized and executable.” Kulisha went on to win the MBC Social Venture Track and $15,000 in prize money.

The startup used its winnings to build a fully operational pilot facility in Nairobi with the capacity to produce 50 kilograms of dried insect larvae per week. Delivery of the company’s first insect protein to aquaculture farmers will be in early 2017.

“We are planning to scale up production to five tons per week by mid-2017,” Katz says. He plans to move to Kenya after graduation next year to oversee the company’s operations and grow the business.
Joe Price, MBA ’16, launched Grown Up Sports (GUS) in 2012 to offer recreational sports leagues for Houston-area individuals and corporations and to help young working adults rekindle a lost sense of camaraderie. “My business partner, John Favor, and I played intramural sports together as undergraduates at the University of Texas, and that was how we met most of our friends,” Price explains. “After graduation, we were looking for that same sense of community, and figured other people had the same desire.”

The two ploughed their savings into setting up GUS Leagues and recruiting players, and found fast traction. “I had no business training, and after we started GUS, it became more relevant to get some formal business education,” Price says. “The University of Michigan rose to the top of the schools I was considering for pursuing my MBA because it has a strong commitment to diversity, supporting entrepreneurship and developing positive leaders.”

Price gravitated toward the Zell Lurie Institute and was selected for the new Zell Entrepreneurs program, which provides startup founders with intensive mentoring, seed funding and collaboration designed to accelerate business growth and development. “Zell Entrepreneurs helped to smooth out my learning curve,” Price explains. “The program pushed me to think about how to scale GUS Leagues, build out our financial model and incentivize our employees.” He used his stipend to complete a redesign and relaunch of the company’s website and to forge industry connections with other sports-management organizations at a Sports and Social Industry Association conference.

During a self-directed Marcel Gani summer internship, Price focused on expanding GUS Leagues to Austin, strengthening the company’s culture and standardizing its internal operations. “The most valuable part of my time at Ross was having Zell Lurie thought partners help me along the way,” he says.

GUS Leagues currently offers six different sports and has 8,500 participants. “It’s easy to get bogged down in the weeds of running a business and difficult to think strategically about entering new markets, selecting the right partners and increasing revenue,” Price says. “Zell Lurie gave me time to etch out a bigger vision for GUS Leagues and map out the pathway for achieving it.”
Jordana Schrager, BA ’16, began creating custom sneakers with unique designs in high school, but soon realized she needed some core business skills to catapult her fledgling company, Sneakers by Jordana, to the next level. At University of Michigan, she majored in art and design and minored in business to gain the entrepreneurial experience she was lacking.

“When I started my company, my designs were hand-drawn and custom-made,” she says. “I wanted to figure out a way to scale my business and grow it.” Schrager honed her entrepreneurial skills and acquired the building blocks of business development in two entrepreneurial-studies courses taught by Professor Len Middleton and by attending several entrepreneurship workshops presented by the Zell Lurie Institute. Winning both a $1,000 Dare to Dream Integration grant and the $3,000 Valenti Award for Exceptional Entrepreneurial Development helped to provide seed funding to move her company forward.

Schrager also worked closely with Zell Lurie entrepreneur-in-residence Josh Botkin to refine her company’s business plan and financial statements. She then applied to the Institute’s new Founders Fund, which offers resources and support for entrepreneurs with startup companies after they graduate.

“Now I’m creating designs that are mass produced and printed on a variety of products, such as sneakers, leggings and phone cases,” Schrager says. “This gives me the ability to sell more products at a lower price and reach a larger audience.” She has broken into the retail market and created themed sneakers for promotional campaigns at Taco Bell and Jamba Juice while simultaneously building her following on Instagram at @sneakersbyjordana and other social-media channels.

Schrager still creates custom sneakers for her high-profile clientele, including celebrities such as Nick Cannon, Selena Gomez, Miley Cyrus, Ariana Grande and P!nk. But she sees a much brighter future and bigger revenues in the new pathway she’s mapped out, with help from Zell Lurie.

“I’m really excited about my mass-produced line, and I can’t wait for it to launch,” Schrager says.

She sees a much brighter future and bigger revenues in the new pathway she’s mapped out, with help from Zell Lurie.
Ross was the best business school for me because the Zell Lurie Institute offers phenomenal opportunities to aspiring entrepreneurs, and the quality of the ZLI’s faculty is second to none.

Neurable, co-founded by Thompson and Ramses Alcaide, a University of Michigan neuroscience Ph.D. candidate, has developed a brain wave interpretation system that allows a user to have precise real-time control of devices, such as toys, cars, wheelchairs, TVs and video games. The user wears a headset embedded with specialized sensors that interfaces directly with leading virtual-reality platforms. Neurable’s brain-computer interface, or BCI, analyzes brain waves and then translates the user’s intent into action.

Over the past year, the startup earned top kudos at several leading business plan competitions and took home prize money that will help to advance the development of its prototype and management team. Neurable was a finalist in the 2016 Michigan Business Challenge and placed second in the 2016 Rice Business Plan Competition in Houston, winning over $300,000. The team has since raised a $2 million seed round.

Zell Lurie Institute resources and mentors, including entrepreneur-in-residence Dr. Michael Johnson, helped Neurable accelerate its business development and refine its business plan. The Institute’s close ties with other campus collaborators, such as University of Michigan Tech Transfer, the Center for Entrepreneurship, the School of Information and the Medical School, also created a rich matrix of expertise, funding and support that Neurable was able to leverage at critical junctures along its startup journey.

Michael Thompson credits the mentors at the Zell Lurie Institute and the University of Michigan Venture Center for helping Neurable grow and develop as a business. “ALL OF THE MENTORS THERE ARE SUCCESSFUL ENTREPRENEURS, AND THEY ARE ALL FAMILIAR WITH THE VENTURE COMMUNITY,” he stated. “MOST STUDENTS ARE FIRST-TIME ENTREPRENEURS. ONE OF THE THINGS THEY’VE DONE IS HELP US THINK ABOUT THIS TECHNOLOGY IN RELATION TO OTHER TECHNOLOGIES AND INDUSTRIES.”
Mikaela Rodkin, MBA/MS ’17, pursued her passion for social entrepreneurship through two formative Zell Lurie Institute programs — the Michigan Business Challenge and Open Road — and acquired both insights and abilities that better positioned her for a successful, fulfilling career as a social entrepreneur. “I learned the importance of playing on your own strengths and building the acumen you need to make a difference,” she says. Becoming fluent in the language of business and maximizing the potential of other people also emerged as important leadership traits.

Rodkin and three other graduate students began working with the Zell Lurie Institute after entering their startup venture, CARt, in the 2016 Michigan Business Challenge (MBC). Their social-enterprise concept revolves around creating a technology platform to provide reliable, subsidized transportation that enables low-income individuals to travel to supermarkets offering fresh, healthy food options. CARt’s innovative solution for addressing healthy food access won first place in the 2015 Accelerate Michigan Student Competition and second place in the University’s 2015 Innovation in Action campus-wide competition.

To prepare for the 2016 MBC, the four co-founders tapped into Zell Lurie’s rich cache of resources and sat in on workshops focused on consulting, writing a business plan and other entrepreneurial topics. Professor Jim Price served as a sounding board and strategic adviser for the team, which advanced to the finals in the MBC Social Impact Track. CARt is now developing its technology and planning a second pilot program with a Detroit-area Meijer supermarket.

Last summer, Rodkin and three other MBA students got a first-hand look at social entrepreneurship through the Open Road program. Over the course of five weeks, they drove to five cities where they met with five social entrepreneurs to work on solutions to business problems.

“This program gave me a better appreciation for the unique ecosystem of opportunities and challenges social entrepreneurs face in starting a successful business and how they adapt to their environment and build networks to overcome these hurdles,” Rodkin remarks. “It was a transformative experience to see how far passion can take you in creating your concept, launching your enterprise and knocking on doors to gather support from your community.”
As a mentor of technology-based startups accepted into the University of Michigan’s Desai Accelerator, Josh Botkin, MBA ’06, is helping to extend the Zell Lurie Institute’s sphere of entrepreneurial influence beyond the Ann Arbor campus, develop entrepreneurial leaders and drive economic growth in Michigan. Of the six companies selected from more than 80 applicants for the summer 2016 Desai cohort, 83 percent are Michigan-based, 33 percent have female founding members and 66 percent have a connection to University of Michigan.

“Many of these first-time entrepreneurs face common challenges,” Botkin says. “They need to validate the opportunity they are pursuing to ensure it addresses a significant unmet need. They also must have a strong product-market fit to ensure their solution meets that need in a way that will be adopted in the marketplace.”

In addition, he says, startup founders must learn to position their company to attract the type of funding needed to launch and scale their business. And they must develop the capability to identify, procure and manage resources — such as hiring their first employees, engaging supply-chain and distribution contractors and collaborating with industry partners.

Drawing upon his own experience as an entrepreneurial leader at two startups and an innovation consultant who advised many Fortune 500 companies, Botkin provides Desai startup teams with the skills, knowledge and mindset to survive what he calls “the entrepreneurial rollercoaster” and become serial entrepreneurs. He also connects them to influential individuals in the Zell Lurie and Michigan Ross community and his personal network.

“Helping startup teams learn how to navigate the operational and financial challenges they face while building resilience and confidence enables them to make that entrepreneurial journey successfully — not just once but over and over again,” he says.

The Zell Early Stage Fund, launched in fall 2015, opened the way for Ross School BBAs in their junior and senior years to gain in-depth knowledge and real-world skills by making actual investments in early stage companies. The new fund gives the Zell Lurie Institute five student-led funds — a unique array that offers students experience in every type of entrepreneurial investing. This ranges from investing at the earliest stage of a student’s idea for a company through multiple rounds of venture and growth capital, including investing in social ventures.

“Many of tomorrow’s leaders are going to come out of entrepreneurial ventures,” says Erik Gordon, the fund’s managing director. “The Zell Early Stage Fund provides Ross undergraduates with a unique two-year experience. They get the foundation they need to understand and apply all the dimensions of entrepreneurship and to become those leaders.” Students analyze potential investments from the perspective of venture capital investors, company founders, industry competitors and society in general.

After a full year of training, the fund’s initial cohort of 11 BBA students, now in their senior year, is ready to make their first investment and to lead and help educate a cohort of incoming juniors. The fund will source deals from across the country through its advisers, friends and other connections.

“These students are going to learn a way of thinking about producing value, growing companies and dealing with risk that they can use in any business, whether it’s launching or working for a for-profit or nonprofit startup or pursuing a career in investment banking, consulting or venture capital investing,” Gordon explains. “We’re preparing them for an entrepreneurial approach to life with the most extensive set of entrepreneurial tools a student can get.”

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Many of the University of Michigan and Ross School undergraduates who enroll in Rashmi Menon’s Introduction to Entrepreneurship course have never written a business plan, done a market study or made an investor pitch. Most have limited work experience, especially in a startup environment. Yet, Menon sees this blank canvas as a plus rather than a minus.

“SINCE THIS MAY BE THE STUDENTS’ FIRST BUSINESS CLASS, I FOCUS ON BUILDING A SOLID FOUNDATION FOR THEIR ENTREPRENEURIAL STUDIES,” says Menon, who held management roles at Yahoo!, Microsoft and the Walt Disney Company before launching her own social entrepreneurship business and a consulting practice. “I PROVIDE FRAMEWORKS FOR IMPORTANT ENTREPRENEURIAL CONCEPTS, SUCH AS HOW TO BUILD A TEAM, CONDUCT CUSTOMER RESEARCH AND PROCURE FUNDING. Through case studies, I expose students to many different types of businesses, ranging from software-as-a-service companies to restaurants to social enterprises, which can be launched as startups.”

Instead of relying on conventional business textbooks and classroom exams, Menon takes a hands-on learning approach to entrepreneurship education. She asks her class to form teams, come up with unique business ideas and then build models and plans to launch their own startups. She also encourages students to cultivate intellectual curiosity, creativity and passion for entrepreneurship while they hone their communications and management skills.

“WHETHER STUDENTS ARE MAJORING IN BUSINESS, MEDICINE, ENGINEERING OR ANOTHER DISCIPLINE, THE ENTREPRENEURIAL TOOLS AND SKILLS THEY LEARN WILL BE APPLICABLE TO EVERYTHING THEY DO IN LIFE,” Menon says. “IT’S HARD TO THINK OF A JOB IN TODAY’S WORLD WHERE YOU DON’T NEED AN ENTREPRENEURIAL MINDSET.”

With one foot firmly planted on either side of venture capital deal making, Michael Johnson, MD/MBA ’11, brings a wealth of personal experience as an entrepreneur and investor to his positions as an entrepreneur-in-residence at the Zell Lurie Institute and faculty managing director of the Zell Lurie Commercialization Fund (ZLCF). Johnson teaches and advises its graduate student investors, who recently inked a seed funding stage investment in the content-marketing startup ContentOro. The deal added the 10th company to the portfolio of the student-led investment fund and its predecessor, the Frankel Commercialization Fund, which have made a series of pre-seed and seed investments in University of Michigan spinouts and Ann Arbor-area startups.

“THE ZLCF OFFERS STUDENTS AN EXTRAORDINARY HANDS-ON LEARNING EXPERIENCE IN BOTH INVESTING AND ENTREPRENEURSHIP,” Johnson explains. “THEY GET A UNIQUE OPPORTUNITY TO EXAMINE STARTUPS, EVALUATE THE OPPORTUNITIES AND RISKS AND WORK WITH THE COMPANIES AT AN EARLY STAGE.”

In the coming academic year, the fund’s student leadership plans to expand support for its portfolio companies and refine institutional knowledge transfer to improve the learning experience for incoming students.

As a mentor at the Zell Lurie Institute and University of Michigan Tech Transfer’s Venture Center, Johnson helps students and faculty move their entrepreneurial ideas from conception to company launch. PreDxion Bio and Neurable, two of the startups that he and his Zell Lurie colleagues worked with this year, won more than $400,000 in investment at the national Rice Business Plan Competition after taking first-place and finalist honors, respectively, at the 2016 Michigan Business Challenge (MBC). “THOSE TEAMS DID A FANTASTIC JOB AT MBC, AND THEIR SUCCESS AT RICE DEMONSTRATES THE GREAT STARTUP WORK HAPPENING HERE AT MICHIGAN,” Johnson says.
More than 1,800 graduate students have taken Jim Price’s New Venture Creation course over the last 14 years, and hundreds have gone on to launch successful businesses, both as entrepreneurs and as “intrapreneurs” within established companies. Price insists, however, that no “magical Steve Jobs” kind of paradigm is involved in transforming ordinary students into extraordinary entrepreneurs.

“ENTREPRENEURSHIP IS SOMETHING THAT CAN BE TACKLED BY PEOPLE WITH ALL KINDS OF BACKGROUNDS AND PERSONALITIES,” he explains. “THE FORMULA WE USE IN ENTREPRENEURIAL STUDIES IN GENERAL AND SPECIFICALLY IN MY COURSE HAS FOUR SELF-REINFORCING ELEMENTS. IF THERE’S ONE THING I WANT STUDENTS TO COME AWAY WITH AFTER 14 WEEKS IN CLASS IT’S THE SENSE THAT THEY TOO CAN BE ENTREPRENEURS. THAT’S BY FAR THE MOST VALUABLE TAKEAWAY.”

The four cornerstones of the New Venture Creation course include:

- Intellectual frameworks. Readings, lectures and classroom discussions convey the key models and business fundamentals of entrepreneurship.

- Action-based learning, a hallmark of a Ross School education. Students form startup teams and generate unique business ideas. Price guides them through the planning and development of their new ventures. Then the teams present professional-level business plans and investor presentations. “We try to get student startups as close as possible to the real world of entrepreneurship, but with a safety net,” he says.

- Classroom discussions and workshops. Price “flips the classroom” by encouraging students to lead discussions on entrepreneurship topics, such as marketing, leadership, sales and finance strategies and capital fundraising. “During the best class discussions, I end up being almost invisible,” he says.

- Guest entrepreneurs and investors. Students drive the conversation by looking through the lens of their particular team’s startup to formulate and pose questions.

“AT THE ZELL LURIE INSTITUTE, WE GET CONTACTED BY MULTIPLE ALUMNI EACH WEEK WHO SAY, ‘NOW, I’M READY TO START A COMPANY,’” Price says. “THAT IS SO REWARDING FOR MY COLLEAGUES AND FOR ME PERSONALLY.”
Ryan Gourley, MS/MSE ’15, knows only too well the opportunities and challenges facing student entrepreneurs and their companies at TechArb, University of Michigan’s student venture program. A little over a year ago, he was walking in their shoes while trying to get his own startup off the ground.

“The mentoring I received as a student at TechArb and through the Ross School’s Master of Entrepreneurship Program gave me the resources and instruction to pivot my startup, Livwel, into a platform that connects people to wellness services in their community,” Gourley explains. He also leads A2Share, a community organization he founded in 2013 that reflects his personal commitment to social impact and sustainability by promoting a local sharing economy in Ann Arbor.

Since becoming TechArb’s program director in September 2015, Gourley has drawn heavily upon his background in education, coaching and counseling and his experiences as a student entrepreneur. At Ross, he was inspired by Professor Michael Gordon’s course on social entrepreneurship, which fostered the idea for Play It Forward, a social-enterprise model to turn fitness-app rewards into donations to health, environmental and educational nonprofits. After Gourley’s student team made the finals in the 2014 Innovation in Action competition, his heightened interest in entrepreneurship prompted him to pursue a Master of Entrepreneurship degree.

“AT TECHARB, THIS ‘MARRIAGE OF MY INTEREST IN HIGHER EDUCATION AND ENTREPRENEURSHIP’ now enables Gourley to fire up entrepreneurial passion among student startup founders. “WE’RE TRAINING STUDENTS TO BE LEADERS, SO THEY CAN BE INTREPID AND ENTREPRENEURIAL IN WHATEVER THEY CHOOSE TO DO NEXT,” he says.

The Michigan Venture Capital Association’s 36 member venture capital firms and 10 angel funds serve as a key juggernaut of economic growth and development in the state by attracting and driving venture investments in Michigan-based startups and growth-stage companies. Working closely with the Zell Lurie Institute, the MVCA has helped to accelerate and sustain Michigan’s economic recovery while promoting the creation of more companies and new jobs state-wide.

“OUR ABILITY TO BRING CAPITAL INTO OUR STATE FOR ENTREPRENEURSHIP HINGES IN LARGE PART UPON OUR PARTNERSHIP WITH THE ZELL LURIE INSTITUTE AND ANNUAL EVENTS SUCH AS THE MICHIGAN GROWTH CAPITAL SYMPOSIUM,” says Maureen Miller Brosnan, MVCA’s executive director. “THE MGCS IS A GREAT OPPORTUNITY TO DRAW INVESTORS AND ENTREPRENEURS BACK TO ANN ARBOR WHERE THEY CAN RENEW OLD TIES AND FORGE NEW RELATIONSHIPS. THIS HEIGHTENED VISIBILITY AND CONNECTIVITY ENABLES US TO GENERATE ADDITIONAL INVESTMENT OPPORTUNITIES FOR ENTREPRENEURS IN MICHIGAN.”

Brosnan sees the Zell Lurie Institute’s five student-led venture investment funds as a fertile training ground for future leaders in the venture capital industry. “The funds reflect Michigan Ross’s philosophy of teaching students by engaging them in action-based learning,” she observes. “Since launching the Wolverine Venture Fund in 1997, the University of Michigan has been a leader in entrepreneurship education.” The WVF has gone one step further by co-investing alongside MVCA member firms in high-profile entrepreneurial companies, such as Accuri Cytometers. Local VCs often loop back to the University by serving as advisors, adjunct faculty and mentors.

University of Michigan’s reputation as an epicenter for research and innovation continues to attract investors’ attention nationwide, according to Brosnan. “PEOPLE ARE WATCHING YOUNG ENTREPRENEURS AND NEW COMPANIES COMING OUT OF UNIVERSITY OF MICHIGAN TECH TRANSFER AND THE NEW DESAI ACCELERATOR,” she reports. “THEY WANT TO INVEST IN THESE EXCITING STARTUPS.”
Every year, 200 to 300 entrepreneurial high-tech startups and established companies turn to Ann Arbor SPARK for economic development services, and 25 to 30 entrepreneurs receive help in launching new ventures. Nearly 2,300 technology workers work in downtown Ann Arbor alone, according to Bill Mayer, BBA ’94, vice president of Entrepreneurial Services at Ann Arbor SPARK.

Through the nonprofit organization’s collaboration with the Zell Lurie Institute, he says, SPARK is able to connect "the best and brightest" University of Michigan students with these high-potential companies as summer interns and, after graduation, as full-time employees. Michigan Ross students and alumni not only contribute value by bringing their business acumen to bear across a broad range of functions, but also receive critical in-the-trenches experience that rounds out their classroom theory through real-time application. "THIS IS NOT ONLY A FANTASTIC EMPLOYMENT OPPORTUNITY FOR THE STUDENTS, BUT ALSO AN OPPORTUNITY FOR COMPANIES TO RECRUIT FRESH COLLEGE GRADUATES THEY CAN MOLD INTO GREAT EMPLOYEES," Mayer adds.

He attributes Ann Arbor’s evolution into a vibrant entrepreneurial ecosystem to its strategic ties with the University, the Zell Lurie Institute and the high-tech community. "University of Michigan students and graduates want to work in the technology industry, and high-growth tech companies are located literally in the University’s back yard," he says. “The Zell Lurie Institute, in partnership with Ann Arbor SPARK, is working hard to inspire and prepare this next generation of entrepreneurs and technology workers.”

University of Michigan students who launch startups with funding and coaching from the Institute can continue to receive entrepreneurial services from SPARK after they graduate, Mayer says. "IF STUDENTS ARE COMMITTED TO FOCUSING ON A STARTUP FULL-TIME AND TURNING IT INTO A VIABLE COMPANY, SPARK IS THERE TO HELP THEM GROW THE BUSINESS," he explains. "THIS CONTINUUM OF SUPPORT FOR UNIVERSITY OF MICHIGAN SPINOUTS AND STUDENT-FOUNDED STARTUPS IS ANOTHER IMPORTANT ASPECT OF SPARK’S INTERFACE WITH THE ZELL LURIE INSTITUTE."