The 2004-2005 academic year was an exhilarating one for entrepreneurship at Michigan. New businesses were formed and funded. Several early-stage companies made great strides through the engagement of Ross students. The Wolverine Venture Fund saw its first IPO. More scholarships and internships were established. Ross Students took home top prizes in several intercollegiate competitions. Course offerings were expanded. A series of mega events engaged students from across campus, academicians from other schools, community leaders and nationally recognized spokespersons. These are a sampling of the many experiences highlighted in this issue. Thank you for your continued support, participation and enthusiasm as the Institute continues to expand its efforts to grow and provide outstanding entrepreneurial leadership development.
On October 7, 2004, the Wolverine Venture Fund saw its first IPO!

IntraLase Corporation, the Fund’s very first investment returns over $1M to the now $3.5M Fund.

The Fund’s initial investment in IntraLase occurred in May 1998. Tom Porter, EDF Ventures’ champion for this deal, presented this opportunity to the newly-created Wolverine Venture Fund (WVF). Beyond the initial investment, the Fund participated in three follow-on investment rounds with IntraLase in 1999, 2000, and 2001.

As the first investment of the WVF, every one of the 75 MBA student board members (including the present members) and the four BBA students that participated in the WVF over the years have engaged in some activity related to IntraLase— from assessing the company to tracking the company’s progress.

Karen Bantel, the founding managing director of the Samuel Zell & Robert H. Lurie Institute for Entrepreneurial Studies and the founding managing director of the WVF was instrumental in the Fund’s formation and the WVF’s first two investments in IntraLase. Karen’s successor in both of those roles, Tim Petersen, energetically coordinated the WVF’s second two investments in the company.

Thanks to all the outside advisors of the WVF - both past and present. Their guidance of the student board members is invaluable. Special thanks to the founding and current advisory board chairs (Alumni Fund Managers), David Shelby and Mary Campbell, respectively.

The Wolverine Venture Fund, launched in 1997, is the nation’s first University-based student-led fund. The WVF is comprised of eighteen MBAs who work in assigned teams to provide due diligence on emerging companies within specific market sectors – and who determine which companies are selected for investments by the Fund. It operates directly out of the Business School where each year nine students are elected to serve a two-year term and receive course credits. The WVF is also supported by eight advisors who serve at venture firms or have extensive experience in the venture capital industry.

WVF Student Perspectives

“The WVF has truly been the highlight of my educational experience at Michigan and typifies the unique action-based learning opportunities available to all Ross MBA students. Student Board Members work closely with talented venture capitalists at local and national VC firms who serve as mentors and advisors to students and the Fund. These advisors are incredibly generous with their time and expertise and we learn firsthand how they run and structure their funds, raise capital, source investment opportunities, and network.”

-Ted Omlid (MBA ’06)

“The opportunity to participate on the WVF has provided me with one of the greatest learning experiences during my first year in business school. I have had the opportunity to work with a dynamic group of students to evaluate potential venture investments. I have developed a knowledge base that I will leverage during my summer internship and use throughout my professional career.”

-Patrick Kumm (MBA ’05)

Award Recipients – WVF and Thomas Porter

On December 2, 2004 the Michigan Venture Capital Association presented the Wolverine Venture Fund with the Investment Success of the Year Award in recognition of the Fund’s vision and contribution to the success of IntraLase, Inc. Thomas Porter, formerly with EDF Ventures, a lead investor of IntraLase, was also recognized with an Investment Success Award.

WVF Student Members

MBAs ’05
Edward Chao*
Ian Cummings*
Patrick Kumm
Per Larson
Kyle Madan
Karimah Malcolm*
Tony Pandjiris*
Todd Sullivan
Raghav Vasudeva
Patty Yang
*Team Leaders 2004–2005

MBAs ’06
Raj Attal
Jenny Barba
David Cho
Shinya Chikagami
Greg Janus
Nikhil Mathew
Jason Miller
Ted Omlid

WVF Advisory Board

Mary Campbell, EDF Ventures – Alumni Fund Manager
William Johnson, JP Morgan Partners
Timothy Mayleben, Esperion Therapeutics
James Price, CompanyCrafters
Margot Shapiro, formerly at Park Partners
David Shelby, Northport Private Equity Investment Companies
Donald Walker, Arbor Partners
Steven Weinstein, Prism Venture Partners

WVF Faculty/Staff

Timothy Faley, Managing Director
Thomas Kinnear, Faculty Advisor
Carolyn Maguire, Administrator

WVF Investment Activity

<table>
<thead>
<tr>
<th>Portfolio Investments</th>
<th>Investment Partners</th>
</tr>
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<tbody>
<tr>
<td>Direct Flow Medical, March 2005</td>
<td>EDF Ventures</td>
</tr>
<tr>
<td>SilverPop Systems, August 2000</td>
<td>Draper Fisher Juvetson</td>
</tr>
<tr>
<td>Mobius Microsystems, April 2004</td>
<td>Waypoint Ventures, Angel Funds</td>
</tr>
<tr>
<td>PanCelt, March 2003</td>
<td>ARCH Development Fund, White Pine Ventures</td>
</tr>
</tbody>
</table>
Kudos! Outstanding Student Leaders

Entrepreneur of the Year Award for an MBA

Todd Sullivan (MBA '05) was this year’s award recipient for his outstanding achievements in entrepreneurship while attending the Ross School of Business at the University of Michigan.

Todd is a newly minted MBA graduate who launched a business while earning his degree. As a student he created a business plan for Spirit Shop Inc., a custom apparel and merchandise vendor that sells made-to-order products with personalized printing to the K-12 school markets via co-branded websites.

The Institute supported Sullivan in his efforts by awarding him a Dare to Dream grant to assess his business concept, and coaching and sponsorship for his entry in multiple business plan competitions, including the Great Lakes Entrepreneur's Quest where he finished first, Pryor-Hale where he tied for first, and the Moot Corp Global Competition where his team took second place. Sullivan also served as a student advisor on the Wolverine Venture Fund, as an entrepreneurial mentor for his class, as a member of the Entrepreneur and Venture Club and is a founding member of the newly launched Founders Forum.

Scholarship Awards

The Samuel Zell Scholarship and Mitchell Mondry Scholarship Awards, presented in September 2004, awarded select second-year MBA students $5,000 towards their tuition. Each recipient maintained a meritorious GPA while succeeding in previous or ongoing entrepreneurial activity.

Samuel Zell Scholarship Awards
Ed Chao
Adrian Costin
Michael Crowley
Ian Cummings
Per Larson
Karimah Malcolm
Benjamin Lewis
Akash Randhar
David Repp
Rahgav Vasudeva
J.X. Yoon

Mitchell A. Mondry Scholarship Awards
Blair Nelson
David Ragones

Entrepreneur of the Year Award for a BBA

Shruti Jaipuria and Matt Zloto (BBAs '05) were the first recipients of this newly created award for outstanding BBAs in entrepreneurship.

The Entrepreneur of the Year Awards were made possible through the generosity of Ron and Eileen Weiser.

Scholarship Awards

PRCP Student Team
Christopher Hwang
Jeffrey Kao
Benjamin Lewis

PRCP Advisors
Joseph Giachino, WIMS Center
Paul Kirsch, Zell Lurie Institute

Founders Forum: Forwarding Business Development While in School

Launched in April 2005 and based at the University of Michigan Ross School of Business, the Forum engages students who are starting or operating companies while earning their degree. It serves as a vehicle by which students may network with and learn from their peers who are dealing with similar issues to more easily and efficiently obtain knowledge and access resources for their companies. The Forum is modeled after CEO organizations run by or for presidents of small and emerging companies.

The group meets monthly and is mentored by Thomas Porter, the Institute’s Executive-in-Residence (and venture capitalist). The Forum is managed by the Institute and is co-sponsored with the Entrepreneur and Venture Club.

Zell Lurie Institute Launches Program for Research Commercialization Potential

In October 2004 the Institute unveiled the Program for Research Commercialization Potential (PRCP). As part of the launch, the Institute worked with the National Science Foundation Engineering Research Center for Wireless Integrated MicroSystems (WIMS ERC) at the University of Michigan to develop a methodology to identify and shape the commercial potential of WIMS ERC’s research.

Designed to ultimately identify new venture creation opportunities, the PRCP benefited both the WIMS ERC researchers and MBA students alike. Second year MBAs were placed on the front lines of real, tangible research, exploring emerging technologies, identifying customer needs and assessing business models for commercialization potential. In turn, researchers were provided the opportunity to connect with business school students to conduct market research and assess market potential.

Three research projects were reviewed during a six month time period. The final deliverable was an articulated recommendation on whether to advance a given technology to the business planning stage. The top-ranked University of Michigan, with over $750M in total research dollars annually, is the starting point for the PRCP program. The Zell Lurie Institute is planning to roll out PRCP to a larger audience of other research centers, universities and private companies in the coming year.

PRCP Student Team
Christopher Hwang
Jeffrey Kao
Benjamin Lewis

PRCP Advisors
Joseph Giachino, WIMS Center
Paul Kirsch, Zell Lurie Institute

Founders Forum:
Forwarding Business Development While in School

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The group meets monthly and is mentored by Thomas Porter, the Institute’s Executive-in-Residence (and venture capitalist). The Forum is managed by the Institute and is co-sponsored with the Entrepreneur and Venture Club.
Internships: Students “Learn the Ropes” at Start-up and Venture Capital Firms

The Marcel Gani summer internship program links MBAs with start-up companies and venture capital firms across the U.S. Beginning in May the internship program supported 29 MBAs at 26 companies, including six venture capital firms. The Institute works closely with these early-stage companies and venture capital firms during the students 12 week full-immersion experience. Students actually participate in a company’s planning and execution. Entrepreneurial firms, in turn, benefit from the students’ management expertise and strategic recommendations they otherwise might not obtain.

Internship Placements – 2005

<table>
<thead>
<tr>
<th>Company</th>
<th>Intern</th>
</tr>
</thead>
<tbody>
<tr>
<td>Afmedica, MI*</td>
<td>Rebecca Arbuckle</td>
</tr>
<tr>
<td>ALCES Technology, WY</td>
<td>Ben Obrock</td>
</tr>
<tr>
<td>Amherst Fund, MI**</td>
<td>Jonathan Charles</td>
</tr>
<tr>
<td>Apjohn Ventures, MI**</td>
<td>Wei Liu &amp; Jonathan Charles</td>
</tr>
<tr>
<td>Arboretum Ventures, MI**</td>
<td>Gary Rabinovich</td>
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<tr>
<td>Ascendant Solutions, TX**</td>
<td>David Policar</td>
</tr>
<tr>
<td>Asterand, MI*</td>
<td>Matthew Comstock</td>
</tr>
<tr>
<td>Better Rehab, MI</td>
<td>Noelle Goodin</td>
</tr>
<tr>
<td>CEBOS, MI</td>
<td>Stephanie Gesmondi</td>
</tr>
<tr>
<td>Contract Counsel, MI</td>
<td>Vijay Erasala &amp; Ozan Dulger</td>
</tr>
<tr>
<td>Electro-Optics Technology, MI</td>
<td>Payal Kaul</td>
</tr>
<tr>
<td>Environmental Operating Solutions, MA</td>
<td>Ray Hudack</td>
</tr>
<tr>
<td>Ghostly International, MI</td>
<td>Carolyn Gilbert</td>
</tr>
<tr>
<td>Inovo Technologies, MI</td>
<td>Sridhar Loke</td>
</tr>
<tr>
<td>Intercambio, CO</td>
<td>Josh Botkin</td>
</tr>
<tr>
<td>NFTE, IL</td>
<td>Shraya Kidambi</td>
</tr>
<tr>
<td>NanoBio, MI*</td>
<td>Tahalia Barrett</td>
</tr>
<tr>
<td>netXert, MI</td>
<td>David Hares</td>
</tr>
<tr>
<td>Redwood Analytics, NJ</td>
<td>Albert Lin</td>
</tr>
<tr>
<td>Sally Ride Science, CA</td>
<td>Huan Gao</td>
</tr>
<tr>
<td>Siron Corporation, MI</td>
<td>Yoon Kyung Kim</td>
</tr>
<tr>
<td>Spencer Trask, NY**</td>
<td>Danish Irfan</td>
</tr>
<tr>
<td>Spirit Shop, MI</td>
<td>Sarah Winkellar &amp; Michael Herbst</td>
</tr>
<tr>
<td>Tech Start, UM Tech Transfer Office, MI</td>
<td>Christie Clark</td>
</tr>
<tr>
<td>Zoup!, MI</td>
<td>Trusar Naik &amp; Jay Ng</td>
</tr>
</tbody>
</table>

*In Partnership with BioConnections
**VC/Private Equity Firm

Entrepreneurial Multidisciplinary Action Projects

Earning course credit in the field around the world

As part of the Michigan MBA program, first-year students select challenging multidisciplinary action projects (MAP) at sponsoring companies. Their options for placement include entrepreneurial start-ups, corporations or overseas companies. Over a seven-week period, the MAP teams execute high-level management assignments, such as developing business plans, identifying new product opportunities and formulating strategies for market entry. Entrepreneurial MAP opportunities comprised seven of the 80 MAP projects offered this year and engaged 32 students.

Entrepreneurial MAP Company Hosts – 2005

**Domestic**

* Genetics Squared, MI
  - Project Type: Product Line Acquisition Strategy
  - MBA Team: Manish Bansal, Jafar Hasan, Andrew Hass and Gaurang Vyas

* Precisia, MI
  - Project Type: Business Model Identification
  - MBA Team: Hosang Ahn, Joshua Botkin, Jennifer Bowles, Heather Dietrick and Vankat Sridharan

* Sally Ride Science, CA
  - Project Type: Business Plan Development
  - MBA Team: Masayasu Heishi, Yoon Kyung Kim, Christopher Woidka, Lilian Yip and Jessica Wilt

* Zoup!, MI
  - Project Type: Strategic Product Line Expansion
  - MBA Team: Aashish Dhamdhere, Jana Halaby, Matthew McRitchie, Carlos Reynoso and Steven Kime

**International**

* Companies in Ireland Incubators
  - Project Type: Market Entry Strategy

* Fast Form
  - MBA Team: Martha Goodin, Lester Robert, James Sawyer and Joan Scheske

* Manchester England NE Business & Innovation Center
  - MBA Team: Robin Chae, Jennifer Juffman, Kyu Lee, Renato Secol and Vimalraj Natarajan

* Open Jaw Technologies
  - MBA Team: Scott Kropf, Claudia del Campo, Sara Martin and Jason Miller

Marcel Gani Internship Student Perspective

“I was looking for a summer internship that would expose me to the suppliers (pharmaceutical and medical-device manufacturers) and the payers (insurers), so I could gain a better understanding of the health-care system in its entirety. My background is very people-oriented, so I also wanted to be able to utilize and hone my analytical skills.”

- Rebecca Arbuckle (MBA ’06)
Competition:
Experience, Feedback and Exposure to Investors

With financial support and mentoring from the Zell Lurie Institute, students are encouraged to hone their skills, test new business concepts, expand their networks and win cash awards by participating in the Business School’s, as well as intercollegiate, business-plan, venture-capital and case-writing competitions.

University of Michigan Pryor-Hale Business Plan Competition

The 22nd Pryor-Hale Business Plan Competition was held on February 11, 2005. Thirty-one teams submitted business plans with six finalists competing before a panel of judges for $29,000 in prize money.

Pryor Award for Best Business – $10,000, Best Presentation – $3,000 and Best Written Plan – $3,000

Incept Biosystems: Charlie Covert and Michael Crowley (MBAs '05)

A U-M spin-off, Incept has successfully developed working prototypes of a microfluidic platform technology that will enable cell researchers and medical practitioners to more effectively culture, manipulate, and analyze cells and tissues in vitro.

Pryor Award for Best Business – $10,000

Spirit Shop: Ben Lewis and Todd Sullivan (MBAs '05)

A custom apparel and merchandise vendor, Spirit Shop will sell made-to-order products with personalized printing to K-12 schools via co-branded websites.

New in 2005: Social Impact – $3,000 Award sponsored by the Institute for Labor and Industrial Relations

Urban Real Revitalization, LLC: Sheila Collins, Melanie Glover and Ratiera Harrison (MBAs '06) and Karimah Malcolm (MBA '05)

This Michigan-based real estate development concern specializes in renovating distressed property in metropolitan areas, within heavily-researched, high-growth potential, targeted zones, beautifying the skeletal remains of once-prosperous neighborhoods.

Pryor-Hale Judges

David Blaszkiewicz, Detroit Investment Fund
Albert Bogdan, AAA Development Strategies
Mary Campbell, EDF Ventures
Mary Sue Cary-Hoffman, Michigan Small Business and Technology Development Center
Thomas Darden, Reliant Equity Partners
Timothy Foley, Zell Lurie Institute
Thomas Kinneer, Zell Lurie Institute
Nancy Kotzian, Ross School of Business
Beau Laskey, EDF Ventures
Karl LaPeer, Peninsula Capital Partners
Ravi Mohan, Shasta Ventures
John Osborn, Cephalon Inc.
William Pickard, Global Automotive Alliance
Steve Stimson, Exel
Marc Weiser, Waypoint Ventures

University of Michigan Quick Pitch Competition

The fifth annual Quick Pitch Competition, held on January 28, 2005, had a compelling (and diverse) set of ten business ideas presented before a panel of local venture capitalists. Competitors from across the University had three minutes to convince a panel of judges of their business’s pending success. The competition was hosted by the Entrepreneur and Venture Club in conjunction with the 2005 FuturTech Forum and was sponsored by the Zell Lurie Institute.

First Place – $1,200, DuraPower: Nick Cucinelli (MBA '05)

The first market-ready solid oxide fuel cell that is truly portable, affordable, and compatible with widely available 1-lb propane tanks.

Second Place – $500 - Spirit Shop: Todd Sullivan (MBA '05)

Third Place – $300 - Green Dot: Grace Lee (MBA '05)

The application of technology for starch-based biodegradable tableware and industrial packaging.

Intercollegiate Business Plan, Case and Venture Capital Competitions

The Zell Lurie Institute sponsored and coached 24 University of Michigan students on 11 different teams to compete in 15 competitions. The Institute supports teams who have demonstrated a clear intent to launch their business. The Institute also works closely with the Finance Club and Entrepreneur and Venture Club on participant recruitment. This year, teams representing the University of Michigan made the finals and won over $135,000.

Ball State University – Enterprise Creation Competition (March 18)
University Chow: John Glase and Christopher Perez (BAs '05) and Jeff Schaffner (BBA '05) Concept: Pre-paid college dining gift cards.

Boise State University – Northwest Venture Championship (April 4)
AdScreens: Luis Carbajo, Alex Flores and Patrick Wakeham (MBAs '05) Concept: An advertising channel displaying advertisements at the point of purchase.

Carnegie Mellon University – McGinnis Venture Competition (March 10)
Incept BioSystems: Michael Crowley (MBA '05) Second Place

Harvard Business School – Entrepreneurial Venture Competition (February 26)
Incept BioSystems: Michael Crowley (MBA '05) Second Place

Rice University – Business Plan Competition (April 7)
Incept BioSystems: Charlie Covert and Michael Crowley (MBAs '05) Third Place $7,500

San Diego State University – Venture Challenge (March 17)
Poise Technologies: Rohit Pal and Nirmisha Srivastava (Ph.D. Chemical Engineering '05) Concept: a self-calibrating nanoliter capillary viscometer. Third Place $1,500

University of Nebraska, Lincoln – International NU Ventures World Competition (March 25)
Spirit Shop: Ben Lewis and Todd Sullivan (MBAs '05), Graduate Division

San Diego State University – Venture Challenge (March 17)
Poise Technologies: Rohit Pal and Nirmisha Srivastava (Ph.D. Chemical Engineering '05) Concept: a self-calibrating nanoliter capillary viscometer. Third Place $1,500

University of Nebraska, Lincoln – International NU Ventures World Competition (March 25)
Spirit Shop: Ben Lewis and Todd Sullivan (MBAs '05), Graduate Division

The Real Retro: Rohan Ma (LSA) and Evan Steinberg (BBA '06), Undergraduate Division Concept: provide consumers with t-shirts celebrating the legacies of literary and historical heroes. Third Place $2,000

University of North Carolina – Venture Capital Investment Competition
Team: David Cho (MBA/JD '06), Ian Cummings and Karimah Malcolm (MBA '05), Tami Omid (MBA '06) and Patty Yang (MBA '05)

University of Oregon – New Venture Championship (April 7)
Dura Power: Adam Borden (MBA '05) and Ed Chao (MBA/MS '06)

University of San Francisco – International Business Plan Competition (March 9)
DreamLight: Ardash Das (MBA '06) and Akash Randar (MBA '05) Concept: provide a solar energy based electrical lighting system.

University of Texas, Austin – MOOT Corp Competition (May 4)
Dura Power: Bodhi Burgess and Ed Chao (MBA/MS '06) and Nick Cucinelli (MBA/MS '05)

Spirit Shop: Ben Lewis and Todd Sullivan (MBAs '05) Second Place $20,000 cash and in-kind

Wake Forest University – Babcock Elevator Pitch Competition (April 1)
Dura Power: Adam Borden (MBA '05) and Nick Cucinelli (MBA/MS '05) First Place $50,000 cash and in-kind

Spirit Shop: Ben Lewis and Todd Sullivan (MBAs '05)

American Bankruptcy Institute – Corporate Restructuring Case Competition (November 9)
Team: Sean Huss, Blair Nelson, Don Sechler, and Gerald Saltarelli (MBAs '05) Second Place $3,000

Great Lakes Entrepreneur's Quest (June 7)
Spirit Shop: Todd Sullivan (MBA '05) Grand Prize $25,000

Integrated BioMimetics: Michael Crowley (MBA '05) Honorable Mention

Kaufman/Ange1 Center for Entrepreneurship
National Case Writing Competition (February 4-5)
IGlow: Ian Cummings (MBA '05)

MBA Jungle – Business Plan Competition (April 23)
Incept BioSystems: Michael Crowley (MBA '05) First Place $30,000 cash and in-kind

Dura Power: Adam Borden (MBA '05) and Ed Chao (MBA/MS '06)
Dare to Dream Grants for Student Start-ups

The Dare to Dream Grant Program, founded in 2002, distributes up to $100,000 per academic year to Michigan Business School students to apply for funding to advance their innovative, high-growth potential business concepts toward becoming an operating company. In the program’s three-year history, 17 of its 19 grant recipients have continued to develop their business concept or have launched (89 percent).

This year the Dare to Dream program has expanded to award students in two phases of business development: Business Concept Assessment and Business Integration. Awards of $1,000 are given to those entering the Concept Assessment category, with awards of up to $10,000 to those entering the Integration category. The grant recipients are given a roadmap of deliverables to meet over a six-month period, such as feasibility studies for businesses in the Concept phase; and business plans and investor presentations for those in the Integration phase.

Business Concept Assessment Grants ($1,000 / concept)

Fall 2004

CoffeeShop.com
Team: Josh Berg (BBA ’05) and Robert Douglas (BS Engineering ’05)
Concept: a virtual “coffee shop” community, with social networking, news, exhibits from local artists and musicians, and downloadable e-books and magazines.

Fibonacci’s Healthy Fast Food
Team: Matthew Kaczyński and Nick Owens (BBAs ’06)
Concept: healthy fast food restaurant catering to athletes, dieters, vegetarians/vegans, and other health-conscious Americans.

FindIt
Team: Ian Cummings (MBB ’05)
Concept: a handheld GPS navigation system.

Green Dot
Team: Leo Cheng, Terence Jen and Grace Lee (MBAs ’05)
Concept: business-to-business distributor of biodegradable tableware and packaging for restaurants.

HR Insight
Team: Mitchell Halberg (MBB ’05)
Concept: organizational chart analysis software.

Metro-Urban Real Development and Revitalization, LLC
Team: Rabiera Harrison (MBB ’06)
Concept: facilitates investment into developing economically disadvantaged communities to spur revitalization.

No Fall Zone
Team: Jake Braly and Jason Godfrey (MBAs ’06) and Tom Hiddeman (MBB ’05)
Concept: retailers of unique masculine housewares, furniture and gifts.

Spring 2005

DuraPower ($10,000)
Team: Adam Borden (MBB ’05) and Bodhi Burgess (CEMP ’07) and Ed Chao (CEMP ’06) and Nick Cucinelli (MBB ’05)
Concept: plans to bring to market the first market-ready solid oxide fuel cell that is truly portable, affordable and compatible with widely-available one pound propane tanks.

Dare to Dream Grant Program Student Perspective

“Through the Dare to Dream Grant Program, I was awarded $10,000 from Michigan’s Zell Lurie Institute in the spring of 2004. The Zell Lurie Institute not only provided me with grant money and access to experienced entrepreneurs, but also validated that iHome, the concept for home automation technology, is an idea with potential. The result is that my partner and I have a potentially lucrative business we can develop while earning our MBAs.”

- Benjamin Lewis (MBB ’05)
Michigan Entrepreneur and Venture Club

The Entrepreneur and Venture Club (EVC) is comprised of both undergraduate and graduate University of Michigan students that are dedicated to furthering their educational and professional goals as prospective entrepreneurs and investors in new ventures. The club works closely with the Zell Lurie Institute to host guest speakers throughout the year; partner on Entrepalooza (an annual fall symposium), and to coordinate roundtable discussions with prominent venture capitalists and entrepreneurs on the east and west coasts.

2004-2005 Club Officers (MBAs ’06)
David Ragones and J.Y. Yoon, Co-Presidents
Adrian Costin, Vice President Entrepreneurship
Dave Nelson, Vice President Venture Capital
Tony Pandjiris, Vice President Private Equity
Per Larson, Entrepalooza Co-Chair
Ben Lewis, Treasurer

2004-2005 EVC Events and Guest Speakers

September 17 – Breakfast Club
Bringing MBAs together with others from the University community to discuss and vet business ideas. The Zell Lurie Institute presented on what makes an effective executive summary. Dare to Dream grant applicants were provided the opportunity to pitch their idea to the audience and get real-time feedback.

September 17 Geoff Woolley, Partner, Dominion Ventures
Mr. Woolley, a pioneer in venture leasing, presented on this emerging force and the role of leverage in today’s venture-backed company.

September 24 – Entrepalooza 2004
This annual entrepreneurship symposium featured four panel discussions; three breakout, networking sessions; and two keynote speakers: David A. Brandon, Chairman and CEO of Domino’s Pizza, Inc. who took the company public in July 2004, in what was the largest initial public offering in Quick Service Restaurant history; and Keith Alessi (MBA ’79), Chairman and CEO of Lifestyle Improvements Centers, LLC, and former Chairman, President and CEO of Jackson Hewitt. At the symposium, Mr. Alessi was presented with the Alumnus Entrepreneur of the Year Award.

October 8 – Keith Alessi, Chairman and CEO, Lifestyle Improvements Centers, LLC, and former Chairman, President and CEO, Jackson Hewitt
Mr. Alessi presented on the steps to a successful turnaround venture.

October 12 – John Barfield, Founder and Chairman Emeritus, Bartech Group, Inc.
Mr. Barfield spoke about the steps he took in becoming a successful entrepreneur. Bartech is among the nation’s largest, independent professional staffing services and outsourcing firms. Co-hosted with the Black Business Student Association.

October 13 – Business Plan Competitions
The Zell Lurie Institute presented an overview of University and national business plan competitions. Last year’s competition participants were on-hand to answer questions. Afterwards students were invited to pitch their ideas and build a team to compete.

October 15 – Breakfast Club, Crafting the Pitch
Charles Fray of Aurum IT and the Zell Lurie Institute discussed what makes an effective pitch. In addition, business ideas were presented to the audience for feedback and development.

October 28-29 – West Coast Forum, CA
EVC sponsored two venture capital roundtables with representatives, including: John Leckrone of Adobe Ventures, B. Rana and Rajiv Goel of Intel Capital, Michael Jung of JP Morgan Partners, and Ravi Mohan of Shasta Ventures.

November 2 – Entrepreneurial Alumni Panel
The EVC, the Evening MBA Association and the Zell Lurie Institute jointly-hosted Michigan alumni entrepreneurs: John Daly (MBA ’78) of Executive Education Inc., Bruce Main (MBA ’97) of Design Safety Engineering, Craig Matteson (MBA ’03) of HRGems, Praveen Suthrum (MBA ’04) of NextServices Inc., Harold Wilson (MBA ’76) of Rainbow Rehabilitation Centers Inc., Robert Mazur (MBA ’03) of B.A.Maze Inc, and Lorne Zalesin (MBA ’94) of Bruce Building Company.

November 12 – Happy Walters, Founder and CEO, Immortal Records
Mr. Walters (BBA ’90) spoke about his experiences in developing a business in the entertainment industry.

November 19 – Breakfast Club, Financial Models
The Zell Lurie Institute presented on the financial model as part of the business plan. Student business ideas were also presented to the audience for feedback and development.

December 3 – Breakfast Club, The Business Plan
The Zell Lurie Institute presented on all aspects of putting together a business plan. Student business ideas were presented to the audience for feedback and development.

December 6 – Jim Price, Ross School of Business Writing a Good Business Plan - Professor Price presented on how to write a good business plan.

December 6 – Tom Monaghan, Founder and Former CEO, Domino’s Pizza
Mr. Monaghan discussed his unique perspectives on entrepreneurship, international business, and sports management.

December 8 – Fred Feinberg, Ross School of Business Marketing Research for Entrepreneurs - Professor Feinberg covered primary and secondary research methods tailored especially to the available resources of the entrepreneur.

December 9 – Mitch Mondry, Vice President, M Group
Mr. Mondry presented on what differentiates venture capital from private equity finance, and on the Michigan Venture Capital Association (MVCA), which allows venture capital firms to obtain sponsored funding from the State of Michigan.

2005 January 14 – Breakfast Club
QuickPitch “practice pitch” session for Pryor-Hale finalists.

January 21 – Breakfast Club
Students pursuing business ideas for QuickPitch, Dare to Dream and Pryor-Hale pitched their ideas and received real-time feedback from the audience.

January 24 – Dr. Sang-yong Nam, President and CEO, Nam Building Management Company, Inc.
Dr. Nam presented on how he was able to convert $4 in his pocket into the assets of over $50 million. He is a distinguished entrepreneur in real estate. Dr. Nam has donated over $1 million to the U-M to exercise his philosophy to give back.

February 4 – Breakfast Club
Pryor-Hale business plan finalists, Adam Borden for Durapower, and Ben Lewis and Todd Sullivan for Style High, presented for audience review.

February 11 – Ravi Mohan, Managing Director, Shasta Ventures
Mr. Mohan spoke with Club members about his career progression and the process he traversed to raise a new early-stage technology fund.

March 14 – Tom Gottlieb, Founder and Chairman, Mandara Spa
Mr. Gottlieb is the largest international operator of luxury spas in resort hotels and has over 25 years of experience in banking, venture capital, real estate development and the hospitality industry in Asia and the Pacific Rim.

March 17 – Mike Bowers and Bill Henry, Comark Modular Building Company
Mr. Bowers and Mr. Henry presented on their transition from professional careers into entrepreneurship with the help of Brazos River Partners, a $250 million private equity fund based in Dallas.

March 17 – Michael Benchetrit, Senior Attorney, Fragomen, Del Rey, Bernsen & Loewy
Mr. Benchetrit, who practices exclusively in immigration law, presented on legal aspects related to international students’ interests (regarding getting a job and starting a business).
Entrepalooza Symposium: Applying Entrepreneurial Skills in the “Real World”

CEOs Keith E. Alessi (MBA ’79), and David A. Brandon, superstars in the lucrative turnaround management field, specialize in cleaning up after entrepreneurs, the two told more than 380 students and businesspeople—including many would-be entrepreneurs—at “Entrepalooza 2004: Expanding the Horizons of Entrepreneurship,” held September 24 at the Ross School of Business. Co-presented by the Zell Lurie Institute and the Entrepreneur and Venture Club, the annual public symposium also featured four panel discussions on Entrepreneurial Success in Asia, Social Entrepreneurship, Venture Capital/Private Equity Finance and Building Successful Ventures.

Brandon is chairman and CEO of Domino’s Pizza Inc., a member of the University of Michigan Board of Regents and a member of the Ross Business School Visiting Committee. Alessi, chairman and CEO of Lifestyle Improvement Centers LLC, the world’s largest franchiser of hypnosis centers used to assist people with behavioral change, teaches a popular MBA turnaround management course at the school. He also received the school’s 2004 Alumni Entrepreneur of the Year Award.

Alessi, who describes himself as “the sanitation department of the entrepreneurial world,” explained how, as CEO, he engineered the 18-month turnaround of the public tax preparation firm Jackson Hewitt. The market capitalization of the company went from $15 million to $468 million in one year. It was sold for cash at the end of that year, 1998, to Cendant Corporation. As part of Jackson Hewitt’s turnaround, the firm closed losing stores, drove down costs, restructured its board, focused on the business basics of executing, measuring and managing, and introduced stock options to motivate employees.

With stores in 60 countries and annual sales of $4.5 billion, Domino’s relies heavily on franchisees to drive the firm’s success, said Brandon, who engineered the firm’s initial public offering (IPO) in 2004. Brandon, who as CEO of Valassis took the international marketing services and sales promotion company public in 1992, shared what he learned from both IPO experiences.

During the symposium, attendees learned that entrepreneurship and entrepreneurial skills are not limited to small start-up companies—they have universal applications for all types of businesses. “This ability to bridge and succeed in many environments is the embodiment of the new horizon of entrepreneurship that Entrepalooza seeks to explore, and what the Zell Lurie Institute teaches and practices every day,” said Kinnear, Executive Director of the Zell Lurie Institute. “A person who has the classic training of an MBA with the skills and mindset of an entrepreneur can excel at a Fortune 500 company or their very own start-up.”

2004 Michigan Growth Capital Symposium Draws More Than 450 Attendees

Leaders and Best Awards given to keynote speakers and long-term VC supporter

More than 450 venture capitalists, entrepreneurs, university and business leaders attended the two-day 2004 Michigan Growth Capital Symposium (MGCS), June 15 and 16 in Ann Arbor, Michigan.

The MGCS planning committee presented its Leaders and Best Awards to its two keynote speakers and a long-term venture capital supporter, Ted Doan. Keynotes Promod Haque, managing partner of Norwest Venture Partners and Jay Hoag, founding general partner of Technology Crossover Ventures, in addition to Doan, founder of Doan Associates and former CEO of Dow Chemical, were recognized by the Ross School of Business Center for Venture Capital and Private Equity Finance for their leadership of and vision for the national venture capital community.

“The MGCS Leaders and Best Award is a national award created by the Ross School of Business Center for Venture Capital and Private Equity Finance and presented to individuals in recognition of lifetime career achievement in the venture capital field,” said Dr. David J. Brophy, founder of MGCS and director of the Center for Venture Capital and Private Equity Finance. “This year’s recipients exemplify this award for their contribution to venture capitalism and business building.”

Thirty-two companies, representing information technology, life sciences, nanotechnology, and alternative energy, presented to a crowd of prospective investors during the 23rd annual symposium while the Midwest Research University Network (MRUN) organized 12 new company concepts as poster presentations.

Other highlights from the Symposium included State of Michigan treasurer Jay Rising, who discussed the Fund of Funds legislation during a cocktail and networking reception. President Mary Sue Coleman, of the University of Michigan, heralded the Symposium for its contribution to research commercialization and welcomed the many research universities, entrepreneurs and venture capitalists who participated in the Symposium. During Hoag’s keynote, he predicted that technology spending will rise and there will be a strong rebound in money given to venture capital funds.
Mega Events

Emerging Technologies Symposium Highlights Michigan’s Challenges and Opportunities

The challenge posed by so much potential and the subsequent need for a laser-like focus was repeated several times over the two-day event, “The Business Reality of Micro and Nano Technologies” held March 31-April 1 in Ann Arbor, Michigan. Some 250 participants attended, representing business and industry, academia and government. The fifth annual symposium was co-presented by University of Michigan’s Samuel Zell and Robert H. Lurie Institute for Entrepreneurial Studies and Office of Technology Transfer and the Michigan Small Tech Association.

Day one highlighted some of the most current Michigan-based R&D and commercially available products, including several from the university’s Engineering Research Center for Wireless Integrated MicroSystems (WIMS ERC).

Day two featured two keynote speakers, and several panels and more than 20 poster presentations that underscored the challenges of and opportunities for growing a small tech business in Michigan. The planning committee also presented Ken Wise, U-M WIMS director, with the Small Tech Industry Pioneer Award for his work over the past 30 years.

During her keynote address, Marlene Bourne, principal analyst with Small Times Media’s EmTech Research division, said that thinking like an entrepreneur at the early stages of research will increase the probability of success.

From colorful iPods to an “intelligent shoe” with a built-in microprocessor capable of performing five million calculations per second in response to the wearer’s environment, technology is today’s ultimate expression of fashion, said Nano-Tex Inc. CEO Donn Tice (MBA ’82) during his keynote address. Tice’s firm uses nanotechnology to transform the molecular structures of fibers. In the textile industry, nanotechnology has to be low cost, easy to apply and good for the product, said Tice. He attributes Nano-Tex’s success to a large U.S. market, a scalable business model with a global reach and new technologies that are changing the market.

During a panel on real products in the marketplace, Maria Thompson (MBA ’88) of Ann Arbor-based T/J Technologies, addressed the need to mitigate risks at each step of the path to commercialization. T/J Technologies develops nanomaterials for lithium ion batteries and fuel cells. She said businesses should go directly to end users, which makes negotiations with potential suppliers and distributors easier.

Speaking on Michigan’s performance relative to other states, Small Times Media’s Chief Executive Officer Patti Glaza (MBA ’00) stressed the importance of sustained investment and pre-seed funding. Less than 1 percent of all venture capital in 2004 was invested in Michigan firms, with two-thirds of deals focused on expansion and later-stage initiatives.

During a panel on funding and investing, Daryl Boudreault of NanoHoldings, LLC, said that his year-old firm’s focus is on nanomaterials that haven’t yet left the lab. The company is looking to invest in companies here. “There’s a lot we like about the technologies and the region that makes it attractive to us.”

Great Lakes Entrepreneur’s Quest Honors Top Michigan Entrepreneurs

Quest ends with $25,000 grand prize

The Great Lakes Entrepreneur’s Quest offers statewide education, training and real-world experience for anyone who has a new business idea or emerging company. Anyone who lives, works or attends school in Michigan can make the Quest. Those who do can access expert training, networking, coaching and capital to transform a business idea into a company.

On June 7 in Ann Arbor, Michigan the top six entrepreneurs in the Quest had just three minutes to convince a panel of judges that their business idea was the best in Michigan, then spent an additional three minutes answering questions from the judges. Scores from the presentations were combined with scores from previously submitted and scored business plans to determine the winner.

Emerging Company path:
Grand Prize $25,000: Ann Arbor-based Spirit Shop, submitted by Todd Sullivan
Runner-up $12,500: Ann Arbor-based Accuri Instruments, submitted by Jennifer Baird
Honorable Mention: Ann Arbor-based Integrated BioMimetics, submitted by Michael Crowley; Ann Arbor-based Evigia, submitted by Navid Yazdi; Holland-based sci_Zone, submitted by Andrew Santangelo; Ann Arbor-based Pixel Velocity submitted by Erik Trombley

New Business Idea path:
First Place $2,500: East Lansing-based RapidBioSense, submitted by John Cunningham
Second Place $1,500: Plymouth-based SystemAuto, submitted by Michael Cops
Third Place $1,000: Romeo-based SLC WMS, submitted by Tom Foydell

Quest Semi Finals

Half-way through the annual GLEQ season, winning teams were recognized at this year’s Fall Cycle awards ceremony, held January 11 in East Lansing, and moved forward as Emerging Company finalists. The first place finalists competed for the Quest’s Grand Prize awarded at the conclusion of the cycle in June.

Emerging Company, Semi-Finals:
First $5,000: Ann Arbor-based Accuri Instruments, submitted by Jennifer Baird
Second $3,000: Ann Arbor-based Pixel Velocity, submitted by Eric Siezeka
Third $2,000: Kalamazoo-based Proteos, submitted by Thomas Dammer

New Business Idea, East Region:
First $2,500: Ann Arbor-based Spirit Shop, submitted by Todd Sullivan
Second $1,500: Whitmore Lake-based Electrolot, submitted by Kyle Schwulst
Third $1,000: Plymouth-based B.A. Maze, submitted by Robert Mazur

New Business Idea, North/West Region:
First $2,500: East Lansing-based, Medical Professional Performance Systems, submitted by William Donohue
Second $1,500: Edwardsburg-based ImagePath Systems, submitted by Alton Floyd
Third $1,000: East Lansing-based MagBiosense, submitted by Ramani Narayan

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Students Learn About Buyouts and What It Takes for Public Firms to Go Private

In Professor David Brophy's private equity finance course student teams vied for the chance to make their case to Glencoe Capital about investing in a public-to-private transaction with a company of their choosing. In all, 13 teams in Brophy's class went head-to-head to find a public company with the potential to generate wealth if it were acquired and turned private. The two top teams presented their proposals to Glencoe's Investment Committee in Chicago.

The competition carries with it the annual $10,000 Gelband Scholarship prize from U-M and Ross School of Business alumnus Alan Gelband, president of New York investment-banking firm Alan Gelband Company Inc. Winning team members will split the $7,500 top prize and runners-up will share $2,500. Gelband, who also addressed Brophy's students as part of the course, saw this as means to allow students insight into how private equity and the stock market really work, and in the way private equity people think. "My professional career has been focused on founding and building successful companies across many industries in Michigan, from environmental research to health care. Having spent the last few years working for technology growth companies, I know that being an entrepreneur takes a special set of skills—skills that cannot be found in traditional business school programs. With its focus on action-based learning and application of entrepreneurial skills, the Zell Lurie Institute provides the perfect place for me to help MBA students foster these skills."

-Thomas Porter

Entrepreneurial Electives

The Ross School of Business provides 28 intensive entrepreneurial course electives that cover all the stages of the business development process, taught by 24 outstanding ES faculty members. The Zell Lurie Institute works closely with faculty members on infusing course content into ES programs.

Entrepreneurial Course Offerings 2004-2005 — Graduate level

Enterprise Systems Strategy (IT)...

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**Graduate and Undergraduate level

The Real Secrets of Entrepreneurs

Fortune — November 15, 2004 - by Joshua Hyatt

...The truth is that even big companies ignored by a bright spark often flame out when it comes to sustaining it. As the cubicles fill up in an organization, there's a natural drive toward structure and tidiness, reinforced by rules and restrictions that cause most inventive types to run for their lives an start their own companies. ...In fact, what businesses can use to keep growing, especially in volatile markets—quick, name another kind—is a quality that successful entrepreneurs secrete in overabundance. They have a natural inclination to see everything as in dire need of rethinking or reorganizing. "Entrepreneurs are always questioning why things are done the way they are," notes Thomas Kinneer, executive director of the Zell Lurie Institute of Entrepreneurial Studies at the University of Michigan's Ross School of Business. "They are out there challenging everything just about all of the time." That drive to take risks can turn disruptive and even destructive. But harnessing and tempering that instinct—so that it is constantly recirculation through the company—can keep the inventory of ideas well stocked....

Schools Offer Real Venture Capital Lessons

The Associated Press — January 2005...

...it's nothing new for students to play with real money. Dozens of schools let students advise and manage equity funds to learn about stock picking, and many run business plan competitions or "incubators" that fund student start-ups.

But the schools say having students really get their hands dirty in the VC world—hearing pitches, identifying prospects and then helping companies get off the ground—is a challenge of a different order. "Unless they're really putting hard dollars into it, they say, 'Oh, it's probably OK,'" said Timothy Faley, managing director of the Samuel Zell & Robert H. Lurie Institute for Entrepreneurial Studies, which oversees Michigan's fund. "The difference between, 'It's probably OK' and them staking their name on this deal is pretty significant."

Faley says the arrangement is also good for the companies. If they get turned down for funding—as most are—they get better feedback than many professionals would bother to offer. And if they do get money, the business might also get continued help from students who advise them, and who may even come aboard for internships or full-time jobs. In some cases, like Michigan's, the fund is supported by donations and is essentially a sliver of the university's endowment that is farmed off to the students to manage. At Maryland, the university is one of many investors...
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