

# New Venture News

A Newsletter on Entrepreneurship and Private Equity

THE UNIVERSITY OF CHICAGO GRADUATE SCHOOL OF BUSINESS

## A Guiding Light

*Michael Polsky '87, founder of Chicago-based Invenergy LLC, is lighting up the entrepreneurial path at Chicago GSB. In honor of his \$7 million gift, the GSB has established the Michael P. Polsky Center for Entrepreneurship. Under the auspices of the new Polsky Center, the GSB will be able to coordinate all aspects of the entrepreneurship program—research, teaching, experiential learning, and outreach to the business community—from one central location.*

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WHEN THE ENERGY FIELD was rapidly changing in the early 1980s, Michael Polsky, who had been working for Fluor Daniel (<http://www.fdglobal.com>) in Chicago as a supervising engineer, decided to strike out on his own. "There was an opportunity for private people to generate energy," said Polsky. "I was fascinated. I tried to push Fluor into owning and operating power plants. Then I started looking for opportunities to do it on my own."

In 1985, he found the right opportunity, sold the idea to investors and with a partner launched Indeck Energy Services Inc. in Buffalo Grove, Illinois. Indeck (<http://www.indeck-energy.com>) is a developer, operator and long-term owner of independent power generation and energy facilities. During Polsky's tenure, Indeck's revenues grew from \$765,000 in 1986 to \$38,028,000 in 1990.



Michael Polsky

In 1991, *Inc.* magazine rated Indeck the 38th fastest-growing company in the United States.

Ready to move on to his next entrepreneurial venture, Polsky created the Polsky Energy Corp. in 1990. Polsky Energy, based *Polsky, continued on page 3 →*

Ellen Rudnick



## A Word from the Director

*Ellen Rudnick, Executive Director, Michael P. Polsky Center for Entrepreneurship*

THE 2002–2003 ACADEMIC YEAR has kicked off with a bang this year. We are pleased to announce that Michael Polsky '87, an entrepreneur in the private energy business, has committed \$7 million to the University of Chicago Graduate School of Business entrepreneurship endowment to name the Michael P. Polsky Center for Entrepreneurship. This generous gift will enable us to enhance our curriculum, research, faculty, programs and experiential learning resources in entrepreneurship. Look for new programs and developments this upcoming year and read more about Michael Polsky and the center's endowment gift in this issue.

We have also received entrepreneurship grants from the Coleman Foundation, the NASDAQ Educational Foundation, and the Kauffman Foundation (see News and Events on page 11). It is with the support of donors such as Michael Polsky, the foundations and other supporters that entrepreneurship has become institutionalized at the GSB and continues to build momentum. For example, the EVC group is one of the two largest student groups on campus, entrepreneurship has become the second most declared concentration at the GSB, 15 entrepreneurship courses are now offered, we have an outstanding mix of research-based and experiential-based faculty, and we sponsor one of the top business plan competitions in the nation creating new companies.

Through this funding commitment, the Polsky Center for Entrepreneurship will continue to offer students and alumni ways to build their networks and access important resources for their entrepreneurial ventures. The Polsky Center, in conjunction with the Entrepreneurship & Venture Capital (EVC) student group, recently hosted the 4th annual Willis Stein Entrepreneurial Edge Conference, featuring industry leaders such as Sam Zell of Equity Office Properties Trust, John Hummer of Hummer Winblad, and Leon Heller of Fastweb. We launched the 7th annual Edward L. Kaplan New Venture Challenge (NVC) business plan competition this quarter to a full house of eager students, researchers and faculty from around the University of Chicago. If attendance is any indication, we will have another excellent year of entries and participation in the competition. Additionally, we look forward to the Private Equity Conference and Biotechnology Conference in the winter, and the Lab courses in both the winter and spring quarters.

If you would like to explore different ways to get involved with the Polsky Center for Entrepreneurship, please contact us at any time (773.834.2838, [eprogram@gsb.uchicago.edu](mailto:eprogram@gsb.uchicago.edu)) or visit our website at [gsbwww.uchicago.edu/entrepreneur](http://gsbwww.uchicago.edu/entrepreneur). We look forward to another successful year in entrepreneurship at the GSB.

### New Venture News

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→ *Polsky, from page 1*

in Northbrook, Illinois, suffered from growing pains until 1996 when Polsky engineered a deal to build a large power plant in Wisconsin for the Wisconsin Public Service Corp. Polsky Energy was on its way to becoming a leading developer, owner and operator of independent power projects in North America.

In 1999, he changed the company's name to SkyGen Energy LLC, and a year later, sold the firm to San Jose, Calif.-based Calpine Corp. (<http://www.calpine.com>) for \$650 million.

According to *Crain's Chicago Business*, Polsky "caught the energy market near its peak."

Polsky continued to serve as President of SkyGen and was a member of Calpine's Board of Directors until 2000. He resigned to launch Invenergy LLC, a Chicago-based firm that focuses on investment opportunities to optimize, restructure or link together energy assets, expertise, and capital sources. "I've shifted my focus to acquisitions," said Polsky.

Over the years, Polsky, 52, has been an ardent supporter of entrepreneurship at the GSB. He has served as a class judge in the New Venture Challenge course, BUS 34104 Developing a New Venture, and served on many panels, including last January's event on "The Collapse of Enron: Causes,

## GSB Celebrates Polsky Center for Entrepreneurship

**On November 7, 2002, the Graduate School of Business gathered together more than 150 alumni, faculty, and friends of the entrepreneurship program at the GSB's Gleacher Center to celebrate the opening of the Michael P. Polsky Center for Entrepreneurship. "It was a great evening," recalled Steven N. Kaplan, Neubauer Family Professor of Entrepreneurship and Finance and Faculty Director of the Polsky Center. "It brought together a lot of the people who have been instrumental to building a world-class program. With Michael's gift, it will only get better."**

Consequences & Implications" and more recently, the Fourth Annual Willis Stein Entrepreneurial Edge Conference held on November 15, 2002.

Polsky's knowledge and experience will benefit both the new center and GSB students. "We are excited to work with him on building the entrepreneurship program," said Ellen Rudnick '73, clinical professor of entrepreneurship and executive director of the center. "Michael Polsky exemplifies what we mean by entrepreneurship," said Rudnick. "He has persevered, worked hard and despite adversity has made it happen."

A Ukraine native, Polsky emigrated to the U.S. in 1976 with his wife and a degree in mechanical engineering from Kiev Polytechnic Institute. He enrolled in the GSB's evening program in 1982 and earned his MBA in 1987. Polsky's advice for starting a company is to select an area where you have

expertise. "When you start a company, your chances of success are best in an area where you have deep knowledge," he said. He also credits the GSB for sharpening his business skills. "The MBA has given me a complete package as an entrepreneur."

## Faculty News

## Roll Call

### Goolsbee Goes Global

ECONOMICS PROFESSOR Austan Goolsbee was one of two academics recognized by the World Economic Forum as one of the 100 Global Leaders for Tomorrow.

Known as the Class of 2002, global leaders are a group of professionals under the age of 37 in government, politics,



**Austan Goolsbee**

philanthropy, and business who have achieved considerable influence and responsibility and shown commitment to public

affairs. Professor Goolsbee's research focuses on the "new" economy and the economics of the Internet. He acted as a special consultant for Internet policy to the Department of Justice Antitrust Division and was appointed to an advisory committee that investigated placing a federal sales tax on goods purchased on the Web. [See *Faculty Research* sidebar below for information on recent research by Professor Goolsbee.]

### Faculty Spotlight

### Scott Meadow, Clinical Professor of Entrepreneurship

IN RECOGNITION of his outstanding contributions to student life at Chicago, class of 2002 students presented the annual Phoenix Award to Scott Meadow, clinical professor of entrepreneurship. Professor Meadow received the honor at convocation in June.

## Faculty Research

RESEARCH ON ENTREPRENEURSHIP has been featured in *Capital Ideas*, a quarterly newsletter (<http://gsbwww.uchicago.edu/news/capideas/>) and in the Selected Paper Series (<http://gsb.uchicago.edu/pdf/selectpapers.html>), which are both published by the GSB.

### *Capital Ideas*, Spring 2002

*Bargaining Power* based on "Financial Contracting Theory Meets the Real World: An Empirical Analysis of Venture Capital Contracts," by Steven N. Kaplan, Neubauer Family Professor of Entrepreneurship and Finance and academic director of the entrepreneurship program and Per Strömberg, associate professor of finance.

### *Capital Ideas*, Winter 2002

*Entrepreneurs: Will They Stay or Will They Go?* based on "Organizational Roles and Transitions to Entrepreneurship," by Stanislav D. Dobrev, assistant professor of organizations and strategy.

### *Capital Ideas*, Winter 2001

*Beyond the Hype: Making B2B E-Commerce Profitable* based on "A Framework for Analyzing B2B E-Commerce," by Luis Garicano, assistant professor of economics and Steven N. Kaplan, Neubauer Family Professor of Entrepreneurship and Finance and Faculty Director of the Polsky Center for Entrepreneurship.

### *Capital Ideas*, Spring 2001

*Six Degrees of Separation* based on "Syndication Networks and the Spatial Distribution of Venture Capital Investments," by Toby E. Stuart, Fred G. Steingraber—A. T. Kearney Professor of Organizations and Strategy.

### *Capital Ideas*, Summer 2000

*The Impact of Sales Tax on E-Commerce* based on "In a World Without Borders: The Impact of Taxes on Internet Commerce," by Austan D. Goolsbee, professor of economics.

### *Capital Ideas*, Fall 1999

*Coming From Good Stock* based on "Coming From Good Stock: Career Histories and New Venture Formation," by Jesper B. Sørensen, former assistant professor of strategy.

### *Selected Paper No. 83*

"Syndication Networks and the Spatial Distribution of Venture Capital Investments," by Toby E. Stuart, Fred G. Steingraber—A. T. Kearney Professor of Organizations and Strategy.

### *Selected Paper No. 79*

"What Happens When You Tax the Rich," by Austan D. Goolsbee, professor of economics.

GSB students praise Professor Meadow not only for his excellent courses on entrepreneurial finance and commercializing innovation, but also for his equally stellar career advice. He is known to hold regular office hours dedicated to advising students on careers in the venture capital and private equity markets, as well as entrepreneurship. "View entrepreneurship as a life's work," is one

piece of advice always given to his students. "There's always time for more preparation through education or operating experience. There's no rush."

Last year, Professor Meadow's commitment to his students led to his departure from the venture capital industry in order to focus on teaching at the GSB. Students in Professor Meadow's classes will surely benefit from his nearly 20 years experi-

ence as a general partner in the venture capital industry. He has been recognized as one of the outstanding healthcare investors and until recently, was a venture partner with Sprout Group, the venture capital affiliate of Donaldson, Lufkin and Jenrette.



Scott Meadow

## 2002 Kauffman Center for Entrepreneurial Leadership— Faculty Research Grants

### Susan Hapak, Adjunct Associate Professor of Entrepreneurship

Professor Hapak is developing course curriculum for BUS 34102 New Venture Strategy based on two case studies on U.S. Cellular based in San Ramon, California and an IT consulting practice for mid-market manufacturers.

### Thomas N. Hubbard, Associate Professor of Economics and Strategy

Professor Hubbard is studying venture capital in the context of the legal services industry. First, because the organization of the acquisition and use of knowledge is the key issue faced in this industry. Second, because the Bureau of the Census collects detailed, firm-level data on lawyers' specialties and firms' hierarchical structure.

### Steven N. Kaplan, Neubauer Family Professor of Entrepreneurship and Finance and Faculty Director of the Michael P. Polsky Center for Entrepreneurship, and Per Stromberg, Associate Professor of Finance

Professors Kaplan and Stromberg are currently working on a research program that assesses the venture capital investment process, using several unique and detailed data sets of investments by US and international venture capitalists.

### Scott F. Meadow, Clinical Professor of Entrepreneurship

Professor Meadow is developing cases on various startups and organizations to utilize in his courses and to teach in entrepreneurship education at the GSB.

### Damon J. Phillips, Associate Professor of Organizations and Strategy

Professor Phillips is currently expanding research that has identified how a founder's previous organizational

affiliation and experience can influence the structure, strategy, and success of a new venture.

### Ellen A. Rudnick, Clinical Professor of Entrepreneurship and Executive Director of the Michael P. Polsky Center for Entrepreneurship

Professor Rudnick is currently working on a case study of an early stage GSB health care related venture. She believes there are some very interesting issues in studying startups in the health care industry and more GSB students are becoming interested in this field.

### Toby Stuart, Fred G. Steingraber— A. T. Kearney Professor of Organizations and Strategy

Professor Stuart recently collected data for a study examining who starts biotech companies. He also plans to start a paper that examines the formation of syndicates in the venture capital industry.

*In Brief*

## Leveraging Private Equity

MORE THAN 200 STUDENTS attended the GSB's first Private Equity Conference (PEC) in Chicago. Held at the GSB's Gleacher Center, the conference featured more than 30 lecturers, five panels, and two keynote speakers—all from the private equity community. "The event provided amazing insight into such topics as the current state of the private equity industry and how to get into the

industry," said Steve Pattison '02, conference co-chair.

Coordinated in conjunction with the Polsky Center for Entrepreneurship, the PEC is an outgrowth of the EVC's annual Leveraged Buyout Conference, which had been held in New York City. Last year, EVC members decided to move the event back to Chicago and work with what is now called the Polsky Center for Entrepreneurship to expand its



**Full house at the Private Equity Conference**

scope to include growth equity, senior and mezzanine investments.

At first, Pattison expected to face some difficulty in attracting participation from senior-level professionals. But with the support of GSB faculty—including the assistance of Professor Steve Kaplan, Neubauer Family Professor of Entrepreneurship and Finance and faculty director of the Polsky Center for Entrepreneurship, Ellen Rudnick '73, clinical professor of entrepreneurship and executive director of the Polsky Center for Entrepreneurship, and Professor Scott Meadow, clinical professor of entrepreneurship—Susan Tai, Associate Director in the Polsky Center for Entrepreneurship, and student volunteers, the event drew participants from major private equity companies. The conference featured luncheon keynote speaker Jack Levin, Senior partner at Kirkland & Ellis and lecturer at the University of Chicago Law School. Panelists included John Willis, managing partner at Willis Stein & Partners, Bruce Rauner, managing principal at

### Eye on Entrepreneurship

AMONG THE TWO LARGEST student groups on campus, the Entrepreneurship and Venture Capital (EVC) group's mission is to educate students about entrepreneurship and the private equity industry, provide career development



opportunities and promote the entrepreneurship program at the GSB. The group also provides students with

several leadership opportunities as students lead many events and activities.

EVC helps coordinate three major entrepreneurship events each year, including the Private Equity Conference, the Willis Stein Entrepreneurial Edge Conference and the Edward L. Kaplan New Venture Challenge. The Private Equity Conference focuses on later-stage investments in existing companies that are looking to grow or move to the next stage of development. The Entrepreneurial Edge Conference highlights early-stage companies and the venture capital firms who finance them. The New Venture Challenge is concerned with business plan development and the initial launch of new companies.

In addition, EVC is supported by the school's Polsky Center for Entrepreneurship and offers student leaders a unique opportunity to work closely with faculty from the program. Students can join EVC at any time during the year. For more information, visit the group's website at [www.chicagoevc.com](http://www.chicagoevc.com). [See *Save the Date* on page 12 for a list of upcoming EVC events.]



Jack Levin

GTCR Golder Rauner LLC, and James Perry, managing director at Madison Dearborn Partners. Ned Jannotta, chairman of William Blair & Company, who was also very instrumental in bringing in speakers, gave the morning keynote address to students eager to learn from one of the industry's top leaders.

The conference gave students a chance to network with top players and gain an inside perspective on the industry. "There is a lot of student interest in the field but it's hard for students to enter right out of business school," said Professor Rudnick. "By learning about the background of those in the field, students can get a better sense of how to shape their own careers."

The next Private Equity Conference will take place on February 14, 2003 at Gleacher Center. For more information, please see the EVC group's website at [www.chicagoevc.com/Events.htm](http://www.chicagoevc.com/Events.htm).



Ned Jannotta

## Biotech or Bust

ORGANIZED LAST YEAR by first-year students Geoff Bonn, Sam Nickerson, Tim Ramsey and Devin White, the inaugural GSB Biotechnology Symposium signaled a growing interest at the business school in the biotech field. Drawing on their own healthcare backgrounds and the healthcare expertise of Ellen Rudnick '73, clinical professor of entrepreneurship and executive director of the GSB Polsky Center for Entrepreneurship, Bonn, Nickerson, and their co-organizers set out to offer a first-rate product.

Featured at the half-day event were speakers and panelists from the Chicago area who discussed biotechnology investments, provided an overview of the field, and offered perspectives on career opportunities. Participants included Douglas Reed, managing director of Vector Fund Management, and William Dwyer, vice president of strategic marketing for Abbott Laboratories. "We kept it on a small scale the first time around," said Sam Nickerson '03, event co-chair. "We learned that it's definitely something to continue."

Indeed, the event drew attendees not only from the GSB but students from the law school, the biological sciences division, the medical school, and the humanities. "We had attendance from all parts of the University," said Bonn, '03.

With continued advances in technology and an aging population, there are a



lot of growth opportunities in the biotech industry, according to Professor Rudnick. "There are good opportunities for MBAs both with scientific backgrounds and those without," said Professor Rudnick. "Many of these biotech businesses that emerge need help accessing capital markets, understanding market opportunities, and strategically positioning their companies. MBAs complement the scientists and the company founders who don't have the business skills."

The next Biotechnology Conference will take place on January 17, 2003 in Hyde Park. For more information, contact Sam Nickerson at [snickers@gsb.uchicago.edu](mailto:snickers@gsb.uchicago.edu).

*The GSB's Entrepreneurship and Venture Capital (EVC) student group spearheaded two inaugural conferences in Chicago in 2002. The first Biotechnology Symposium was held in March and the first Private Equity Conference was held in February.*

*In Brief*

## Technology Drives 2002 New Venture Challenge

WINNERS OF THE 2002 Edward L. Kaplan New Venture Challenge business plan competition demonstrate that technology is the driving force behind their successful new business concepts. First place winner Chicago-based Ocuity was awarded \$20,000 for their plan for a company that applies satellite technology to support asset-tracking equipment for high-value materials and sensitive shipments. Using a global positioning system (GPS), Ocuity can help a shipper of hazardous chemicals, for example, track the location of a shipment, the temperature and pressure of its contents, and monitor contamination and/or tampering.

Second-place winner Advanced Chromatography Systems was awarded \$10,000 for their plan for a firm that

develops innovative liquid separation technologies for use in many industries, including dairy and pharmaceuticals. "The technology is very attractive for separating dietary protein and for separating therapeutic protein which can be used as medicine," explained team member Sam Nickerson '03.

Maroon Biotech won third place and \$5,000 for their business plan to commercialize poloxamer technologies in order to treat injuries and diseases, from heart attacks to strokes to spinal cord injuries. "Anytime there is a trauma in the body, holes form in the cellular membrane and those holes cause cells to die," explained team member David Knoepfle '03. "Our products are designed to insert themselves into those holes and allow cells to live." The

remaining five of eight finalists received \$2,000 each and included AutoShop Inc., CUBIS Group, InfoUnity, PinPoint and Symphony Design. AutoShop was one of 30 teams worldwide to compete in the 2002 MOOT CORP business plan competition hosted by the University of Texas at Austin last May. [See *Doing the Texas "MOOT" Step* on page 10.]

Added to the NVC competition this year was a "lightening round" in which five teams each made a 3-minute "elevator pitch" to judges, responded to judges Q & A and feedback, and then walked away with \$1,000 each. Lightening Round teams included ChangingWorld Foods, DispatchNow, Drivebase, Purechem, and Supertilities.

A total of 61 teams entered the NVC in its sixth year. "This year was by far

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### The Idea Next Door

Linda Zabors '02, member of the Ocuity team that won first place in the 2002 New Venture Challenge, met fellow team member Mary Koelle the summer of 2001. Zabors, an intern in the Summer 2001 Social Kauffman Entrepreneur Internship Program, was working as director of strategic planning for Chicago-based Inkindex, a company that manages the exchange of inkind goods. Mary Koelle, an entrepreneur, was just down the hall. "She was the startup next door," said Zabors.

When school started again, Zabors knew that she wanted to participate in the 2002 New Venture Challenge. She approached Koelle, who—as luck would have it—had been working on her concept and was starting to put together a business plan. Koelle and co-founder Bill Garfield had both left their jobs in the rail industry to start Ocuity ([www.ocuity.com](http://www.ocuity.com)), a company which designs, manufactures and supports asset tracking equipment for transporting hazardous materials and tamper-sensitive shipments.

Zabors and her teammates, part-time students Gurinder Dhillon '03 and Vinay Pande '02, came on board and started researching the rail industry market, as well as examining the company's financial statements. Over the next six months, the team made a lot of decisions—whether to manufacture or purchase the product, determining market size and market potential. "In the course of our research and the contacts that Mary was making, we decided to add another market—the

intermodal chassis in the trucking industry," said Zabors. The intermodal is the container that is set on top of a chassis or wheel base of a truck.

In May, the Ocuity team wowed the NVC judges, who included representatives from venture capital, technology and start-up companies. Their first-place ranking earned the company \$20,000 in prize money. Meanwhile, Zabors continues to be involved in the company, which is currently seeking its first-round of funding.

the best competition yet, with more serious ideas that will no doubt lead to successes in the business world,” said Steven N. Kaplan, the Neubauer Family Professor of Entrepreneurship and Faculty Director of the Polsky Center for Entrepreneurship. “In other years, we have had five plans that had a chance to become a real business. In this competition, there are 15 with a legitimate shot.”

Past winners of the business plan competition include brightroom Inc., an online event photography company based in California; Sarvega Inc., a Burr-Ridge, Ill.-based technology company (see News & Events on page 11); Flyswat, a provider of Internet navigation tools; Integrated Genomics, Inc., a full-service microbial genomic firm; MedSpeed, a transportation service provider for the health care industry; and Epotec, a creator of Web-based interactive programs, content and communities that help people change their behavior through active learning. All of these companies have received capitalization and are now competing in the real business world.

A special thanks to the sponsors of the 6th annual Edward L. Kaplan New Venture Challenge:

#### **Title Sponsor**

Edward L. Kaplan ('70)  
Chairman and CEO of Zebra  
Technologies Corporation

#### **Platinum Sponsor**

Coleman Foundation

#### **Gold Sponsors**

Alzheimer & Gray  
Guy Nohra ('89)  
Berry Allen, Elizabeth Pitt,  
and Linda Sloma ('01)

#### **Silver Sponsors**

Sheila A. Penrose  
Frontenac Co.

Now in its 7th year, the New Venture Challenge recently kicked off another year with a panel presentation of previous winners and judges, who discussed the “dos and don’ts” of competing in the Challenge. For more information on the competition, visit [www.chicagonvc.com](http://www.chicagonvc.com) or contact Susan Tai in the Polsky Center for Entrepreneurship at [susan.tai@gsb.uchicago.edu](mailto:susan.tai@gsb.uchicago.edu).

### **Meet the Winning Team Members**

#### **First Place: Ocuity**

Team members included part-time students Gurinder Dhillon '03 and Vinay Pande '02, Linda Zabors '02, and company co-founder Mary Koelle.

#### **Second Place: Advanced Chromatography Systems**

Team members include students Rob Benson '03, Sam Nickerson '03, and Chris Pattinson '03

#### **Third Place: Maroon Biotech**

Team members include students Jeremy Graff '03, Edgar Ho JD'02, David Knoepfle '03, and Peter Stratil MD'05, MBA'04, company founder Dr. Raphael Lee, and company chairman Richard Egen.

### **NVC Judges Panel**

Stephen S. Beitler, Managing Director,  
Dunrath Capital  
Keith Crandell '88, Managing Director,  
ARCH Venture Partners  
Gian M. Fulgoni, Chairman and  
Co-founder, comScore Networks  
Gerald R. Gallagher '69, General  
Partner, Oak Investment Partners  
Pantelis (Pete) A. Georgiadis, Founder  
& CEO, Synetro Group, LLC  
Kurt A. Keilhacker '89, Managing  
Partner, TechFund Capital  
Karen Kerr, Managing Director, ARCH  
Venture Partners  
Michael P. Lazarus, Managing Partner,  
Weston Presidio  
Bret Maxwell, Managing Director,  
MK Capital  
Allan B. Muchin, Founding Partner,  
KMZ Rosenman  
William C. Mulligan '79, Managing  
Director, Primus Venture Partners  
James F. O'Donnell '77, Chairman &  
CEO, Capital for Business, Inc.  
John Oxaal '81, Partner, Sevin Rosen  
Funds  
John F. Richards '72, Co-founder &  
General Partner, Crabtree Ventures,  
LLC  
John Van Dyke '69, President &  
Founder, Dakota Water Systems  
Sona Wang, General Partner, INROADS  
Capital Partners  
Robert Zieserl, Managing Director,  
KB Partners

*In Brief*

## Doing the Texas “MOOT” Step

JOEL BLUMBERG '02, Daniel Gott '02, Ryan McGlothlin '02, Abhinov Singh '02, and Mike Wilks '02 packed up their AutoShop business plan last April and set out for Texas. Accompanied by Waverly Deutsch, adjunct assistant professor of entrepreneurship, they were going to compete in the MOOT CORP business plan competition (and hoping to return to Chicago with \$100,000 in prize money). Hosted by the University of Texas at Austin, MOOT CORP ([www.mootcorp.org](http://www.mootcorp.org)) is an international contest which brings together 30 teams from around the world for a weekend of presentations to panels of investors. Participation in the MOOT CORP Competition is through invitation or by winning other competitions.

The GSB team's business plan, AutoShop Inc., is a retail business that gives boys aged 5 to 12 the chance to select, customize and assemble their own racing car toy and then run it on an in-store racetrack. Over the course of the four-day event, the AutoShop team made three presentations, advancing to the final round.

The AutoShop team used its free time to work on fine-tuning its presentation. “We had a lot of time in between the rounds,” said team member Joel Blumberg. “It really helped to have

Professor Deutsch there. She really helped us to hone our message and to improve different areas at different stages. She's got great presentation skills and coaching skills.”

For Blumberg, the Q & A sessions following the presentations were the most challenging aspects of the competition. Seasoned judges asked questions to potential issues that were not addressed in the presentations. But the AutoShop team, thanks to the expert faculty at the GSB, was well prepared. “The Q & A can make or break a presentation,” said Blumberg. “We practiced being asked tough questions with Professors Meadow, Rudnick, Kaplan and Deutsch. Of all the questions we were asked [at MOOT CORP and at the GSB], our faculty asked the hardest and most difficult questions.”

AutoShop was one of five finalist teams competing for the \$100,000 grand prize. Although the team did not win the competition, their performance was stellar and their overall experience very positive. “The fact that we made it to the finals was fabulous,” said Professor Deutsch. “The issues brought up by the judges could not have been solved by the students. They had to do with supply chain issues and the experience of the team in retail and store roll outs.”

Not only was AutoShop the first team to represent the GSB in the MOOT CORP Competition in nearly 10 years,

the team also placed among the finalist teams in the seventh annual GSB's Edward L. Kaplan New Venture Challenge. The NVC is one of the top university-sponsored business plan competitions in the nation (see *Technology Drives 2002 New Venture Challenge* on page 8). To other GSB students considering the MOOT CORP competition, Blumberg offers the following advice: “A lot of the competition had already been on the business plan circuit for quite a while. You really need to accelerate and work at a quicker pace than the New Venture Challenge timetable to get your business plan up to speed.”

Professor Deutsch agreed. “If the GSB wants to participate in intercollegiate business plan competitions, it needs to identify potential New Venture Challenge teams earlier in the process.”

## News & Events

### Turning Up the Entrepreneurial Heat

EXPERIENTIAL LEARNING at Chicago GSB continues with the 2002 Kauffman Entrepreneur Internship Program (KEIP). The traditional internship program, now in its sixth year, gave 14 Chicago GSB students hands-on experience at entrepreneurial or startup companies around the nation. For the second year, the Social Kauffman Entrepreneur Internship Program provided two GSB students a chance to intern with a not-for-profit or socially responsible company. Both internship programs were initiated with partial underwriting by the Kauffman Center for Entrepreneurial Leadership (Kansas City, Missouri), which is also a donor to the GSB Polsky Center for Entrepreneurship. The internship programs are also generously funded by individual donors who have continuously supported the Polsky Center in many ways, including John F. Richards (GSB '72), Co-Founder and General Partner of Crabtree Ventures LLC, Kathryn C. Gould (GSB '78), General Partner of Foundation

Capital, and Guy P. Nohra (GSB '89), General Partner of Alta Partners.

### Summer 2002 Class of Kauffman Interns

#### Traditional Kauffman Entrepreneur Internship Program

Marcus R. Blakely, Jr.  
Geoffrey A. Bonn  
Andrew W. Deley  
Brian P. Fitzgerald  
Jamila P. French  
Marta R. Glazier  
Peter C. Johnson  
Michael J. Kelly  
Bryan M. Pepper  
Hidenori Sasaki  
Maria L. Stecklein  
Chelsea R. Stoner  
Jeremy Woodlee  
Xing-Chun Zheng

#### Social Kauffman Entrepreneur Internship Program

Peter M. Cassel  
Christopher Miller

### Company News

SARVEGA INC. (Burr Ridge, Illinois) was named Start-up of the Year by *siliconindia* magazine. The award was presented on Saturday, November 16, 2002 at *siliconindia's* Annual Technology and Entrepreneurship Conference and

Leadership Awards Ceremony in Santa Clara, California. No company outside of the Bay Area has ever won this award. Sarvega is a leading provider of XML Switches to Global 1000 enterprises and was the second place winner in the GSB's Edward L. Kaplan New Venture Challenge business plan competition in 2000.

### Committed to Entrepreneurship

THE GSB'S POLSKY Center for Entrepreneurship received a \$50,000 grant from the Illinois-based Coleman Foundation, Inc. allowing the program to expand the impact of experiential learning opportunities at the GSB. The grant also allowed the GSB to add a series of open

workshops that develop key skills for entrepreneurship that do not fit into a standard academic curriculum. Programs that benefited from support from the Coleman Foundation include the New Venture and Private Equity Laboratories, Summer Internships, and the New Venture Challenge Business Plan Competition. Dorothy W. and J.D. Stetson Coleman were committed entrepreneurs who established the

foundation in order to ensure the entrepreneurial community pursued opportunities that would improve the quality of life both for the immediate community and society at large.

The NASDAQ Stock Market Educational Foundation, Inc. granted the Polsky Center a \$15,000 grant to support the Private Equity Laboratory Course. In this course, taught by Professor Ellen Rudnick in the Spring, students supplement their classroom work with an internship with a venture capital or private investment firm. They work directly with the managing directors and other top executives in the firms, learning

how investors evaluate business plans, identify market opportunities for investments,

make investment decisions, and acquire capital for their funds. The NASDAQ Stock Market Educational Foundation, Inc., was established in 1994 and is supported entirely by contributions from The NASDAQ Stock Market, Inc. The Foundation is particularly interested in funding projects or programs that engage in, and promote, innovative thinking and learning about the role

*Continued on page 12 →*



*News & Events*

→ *News & Events, from page 11* of capital formation and financial markets in a free enterprise system—financial markets literacy.

## Ewing M. Kauffman Foundation

THE EWING M. KAUFFMAN FOUNDATION (Kansas City, Missouri) awarded GSB doctoral student Weiyu “Waverly” Ding \$15,000 grant to pursue her thesis, “Gender and Social Network in Academic Entrepreneurship.” (<http://www.emkf.org/>) Ding’s dissertation examines the social conditions that prompt female scientists to embark on entrepreneurial ventures. Specifically, she will design a case study that compares data on the career histories of nearly 2,500 university-employed women who have founded, joined, or advised publicly traded biotech companies to a matched sample of about



5,000 randomly drawn scientists who are university professors in the life sciences field. She hopes to finish collecting her data by February 2003 and will complete her dissertation sometime next fall.

## Investing in Students at the GSB

FELLOWSHIPS AND SCHOLARSHIPS provide an important source of financial aid to students as well as demonstrate support for and commitment to building the entrepreneurship program at the GSB.

## ARAMARK/Neubauer Scholarships for Entrepreneurs

Joseph Neubauer ’65, chairman and CEO of ARAMARK Corp. and longtime GSB supporter created the ARAMARK/

Neubauer Scholarship in 1999 to provide financial aid to two first-year students interested in entrepreneurship. Recipients include:

### 2002–2003

Chad Iverson and James Mortimer

### 2001–2002

Lalita Advani and Sam Nickerson

### 2000–2001

Sonjai Gupta and Robert Wilhelm

### 1999–2000

Sol Kanthack and Nicole Pietrandrea

## Herman Family Fellowships for Women in Entrepreneurship

Established in 1995 by Michael Herman ’64 and his wife Karen, the Herman Family Fellowships provide up to two female incoming students per year an opportunity to pursue their entrepreneurial interests. Each

winner receives a one-time financial award and a lifetime distinction as a Herman Fellow. Recipients include:

### 2002–2003

Kristina Burow and Eteri Zaslavsky

### 2001–2002

Francine Brennan and Maria Stecklein

### 2000–2001

Aparna Sharma and My-Khanh Nguyen

### 1999–2000

Lynette Hart and Elke Rohn

### 1998–1999

Jean Rosauer

### 1997–1998

Cimi Barouh Silverberg and Daphne Mazarakis Nikitas

### 1996–1997

Mary Elizabeth Arzac and Victoria Malin

### 1995–1996

Helen Han and Alana Muller

## Save the Date!

For more information, contact Susan Tai, Michael P. Polsky Center for Entrepreneurship, 773.834.2838 or [susan.tai@gsb.uchicago.edu](mailto:susan.tai@gsb.uchicago.edu).

### December 2002 (Date TBA) Edward L. Kaplan New Venture Challenge

Past Participants Panel & Team-Building Session  
For more info, see [www.chicagonvc.com](http://www.chicagonvc.com)

### December 2002 (Date TBA)

#### Kauffman Entrepreneur Internship Program

Informational Session  
For more info, contact Susan Tai, [susan.tai@gsb.uchicago.edu](mailto:susan.tai@gsb.uchicago.edu)

### January 2003 (Date TBA)

#### Edward L. Kaplan New Venture Challenge

How to Write an Executive Summary Presentation  
For more info, see [www.chicagonvc.com](http://www.chicagonvc.com)

### January 17, 2003

#### 2nd Annual Biotechnology Symposium

For more info, contact Sam Nickerson (GSB ’03), [snickers@gsb.uchicago.edu](mailto:snickers@gsb.uchicago.edu)

### February 3, 2003

#### Edward L. Kaplan New Venture Challenge

Executive Summaries due  
For more info, see [www.chicagonvc.com](http://www.chicagonvc.com)

### February 14, 2003

#### 2nd Annual Private Equity Conference

For more info, see [www.chicagoevc.com](http://www.chicagoevc.com)

### May 28, 2003

#### Edward L. Kaplan New Venture Challenge Finals

For more info, see [www.chicagonvc.com](http://www.chicagonvc.com)