

Uncover the Entrepreneurial DNA in Yourself

October 2009

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Ross Updates

- **2009 Job Data Continued**
 - 77% of graduating BBA's accepted an offer within 3 months of graduation
 - Consulting: 17%,
 - Finance: 50%
 - Marketing: 13%
- **Admission of the MBA Class of 2011**
 - Class Size: 500 (Class of 2010: 434)
 - Selectivity: 23% of the applicants admitted were accepted
 - Yield: 79% of the admitted students chose the Ross School
 - Avg. Age: 28
 - Avg. Years of Full-time Work Experience: 5
 - Avg. GMAT: 701
 - International: 33% (31 countries represented)
 - Women: 33%
 - Underrepresented Minorities: 9%

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Ross Updates

Other Areas of the School...

- The school launched a **Master of Supply Chain Management (MSCM)** Program in January 2009. The one-year degree program includes a 14-week, guaranteed, paid summer project through the Tauber Institute for Global Operations.
- The **Executive Residence** and the **Executive Dining Room** recently reopened after an extensive renovation and will again house Executive Education and Executive MBA students; recruiters; speakers; alumni; and others.
- The **Part-time MBA Program** now includes a Weekend Format in addition to the Evening Format. Weekend Format classes will begin in May 2010. The Weekend Format is a two-year program with classes held in Ann Arbor every other weekend. It also includes some distance learning.

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Topics

- **Ross Update**
- **Zell-Lurie Entrepreneurship Institute**
- **Entrepreneurship**

Time permitting

- **Family Business Challenges**
- **Private Equity in China**

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Ross Updates

Trends

- **Increased yield among International admits, 88% vs. 76% in '08**
- **Applications were up slightly this year in the US, and down internationally, specifically in India and China**
- **BBA Admissions**
 - Preferred Admissions Applicants: 1203, 95 students admitted
 - Regular Cycle Applicants: 736, 310 students admitted
 - Women: 34%
 - Underrepresented Minorities: 24%
 - International: 8%

Trends

- **Applications down slightly from last year**
- **Class size at 384 vs. 356 last year**
- **Avg. GPA: 3.61**

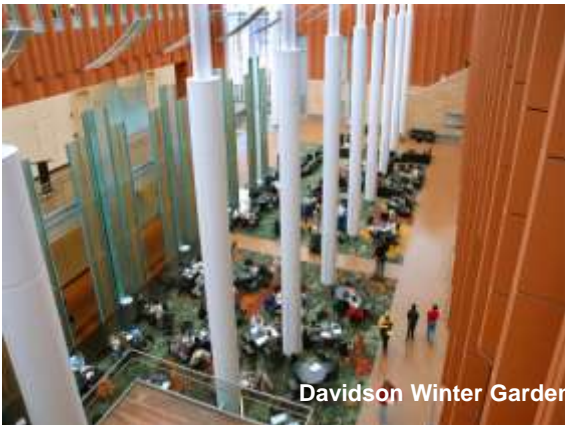
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Ross School of Business





Davidson Winter Garden



Group Study Room



Seigle Cafe





Och Fitness Center



6th Floor



Blau Auditorium

**Samuel Zell & Robert H. Lurie
Institute for Entrepreneurial Studies**

*10 Years of World-Leading
Entrepreneurship Education*



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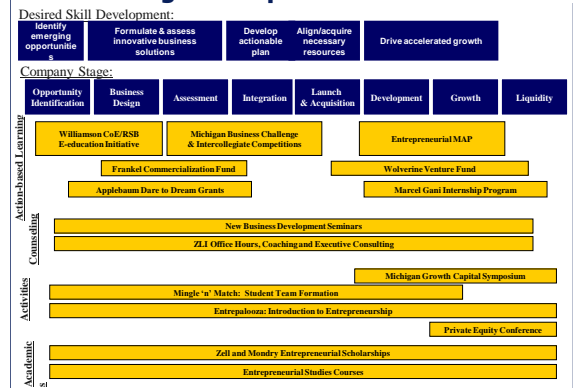
Ross Entrepreneurial Outreach

- With Shanghai's KIC entrepreneurial community (Knowledge-Innovation-Collaboration): business plan competition, conferences, and MAP projects
- With Israel's high tech sector and its incubators and accelerators: MAP projects
- With Ireland's high tech sector and its business innovation centers, high performance start-ups, and Enterprise Ireland organization: MAP projects
- With Ross School Alumni Clubs in Grand Rapids, Detroit, Chicago, and Kansas City: seminars
- Entrepreneurial MAP projects throughout the world

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Program Depth and Breadth



Real Impact on Students

- Dare-to-Dream student grants
 - \$692,970 awarded
 - 993 unique students
- Business Plan Competition
 - \$372,950 awarded
 - 707 unique students
- UM Teams competing in other plan competitions
 - 337 students
 - \$437,050 in prizes won
 - 1st: 20; 2nd: 17; 3rd: 11; 26 "best" other (pitch, plan, etc.)
- Summer Internships
 - \$1,100,000 awarded
 - 203 Students /154 Companies
- Scholarships
 - ~ \$240,000
 - ~ 64 students
- Wolverine Venture Fund and Frankel Commercialization Fund
 - ~ 195 students
 - ~ 23 companies invested in
 - ~ 42 investments
 - ~ \$2.8 million invested
 - ~ 2 very positive exits
 - Varsity.com, acquired 1999
 - IntraLase, IPO 2004
- Case Studies written: 14

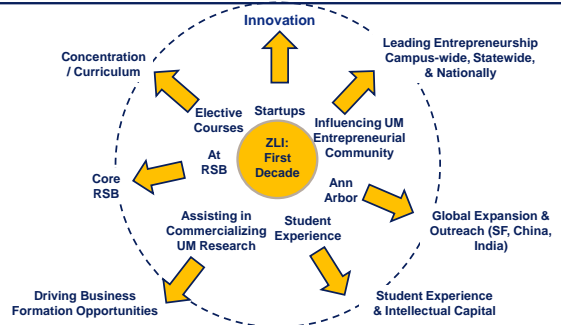
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The Second Decade...



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GETTING STARTED

- *Your DNA*
 - *Business Plan Process*
- ✓ *Is it Caught or can it be Taught?*

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Personality Assessment -

Do You Have What it Takes?

The Entrepreneurial Mindset

- ~ Passion
- ~ "Failure" is not in your lexicon
- ~ Energetic
- ~ Creative thinker, visionary
- ~ Business savvy
- ~ Determination
- ~ Self-confidence
- ~ Promotion

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Skills Assessment -

Do You Have the Ability?

- Leadership
- Analytical Reasoning
- Public Speaking
- Problem Solving Skills
- Focus
- Marketing Skills
- Sales Ability
- Research Skills
- Networking

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Opportunity Assessment

Ten Important Questions:

1. Who will buy it?
2. How big is the market and it's growth rate?
3. What is your competitive advantage?
4. Who is your competition?
5. Are there barriers to entry?
6. What is the window of opportunity?
7. What is your sales forecast?
8. What are your expenses?
9. Will you make money?
10. Do you have the right team?

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Pitfalls of Entrepreneurship

- Long Hours
- Managing cash - Cash is King
- Misjudging the window of opportunity
- Great technology/product - but NO market
- Tunnel vision
- Comfort zone
- Growth issues



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To Plan or Not To Plan?

(If Shakespeare was an entrepreneur)

Business plans

- ~ Do you always need one?
- ~ What is the purpose of a business plan?
- ~ How detailed does it have to be?

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Business Plan Purpose

- To propose a new venture
- To provide a roadmap for company & initial product and revenue development
- To guide, maybe force, the entrepreneur to do a thorough and effective analyses
- To benchmark progress; projected vs actual analyses
- To raise capital for the company
- Should delineate and evaluate, not promote
- The best plans focus attention on carefully defined opportunities, market realities, and fact-based decision-making

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Elements of a Business Plan

- Executive Summary
- Situation Analysis
- Company Overview
- Product/Service
- Marketing
- Management Team
- Operations and/or R&D
- Financials
- Funds Required
- Risk Analysis
- Appendices

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Business Plan Contents

- the Company and its founders, initial investors
- the Concept, solution, product, or service
- Value propositions, F/Bs, & competitive advantages
- Customers needs addressed, or "pain" solved
- Market size, addressable markets, and segments
- Business models and revenue generation options
- Strategic, Marketing, Manufacturing, Administrative, Financial and Funding plans (as applicable to the specific business, its opportunities, and its operations)
- What If analyses and scenario planning options

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Many Potential Audiences

- Management Team
 - ~ Current – talking from the same script
 - ~ Potential – need to understand business
- Investors
 - Friends & Family | Banks | Private investors | VCs | Grantors
- Business Partners
 - Alpha/Beta Customers | Suppliers | Distributors

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Coordinated Message for Your Business



You need the right message
 ...for the right audience
 ...at the right time
 ... clearly articulated
 ... and delivered with **PASSION!**

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Where Does the Money Come From?

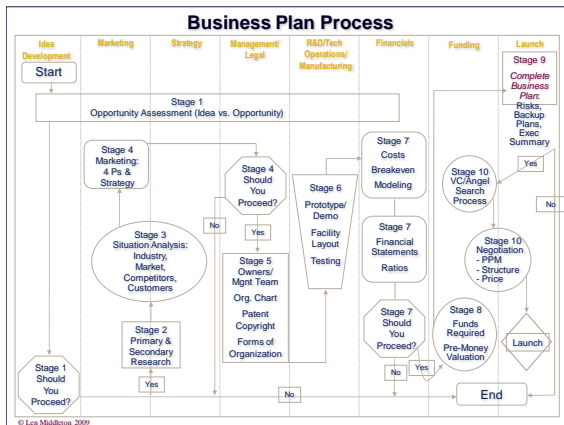
• Bootstrapping Sources

- OPM
- Wealthy "Angels"
- Venture Capital
- Corporations
- Government
- Debt
- Others...

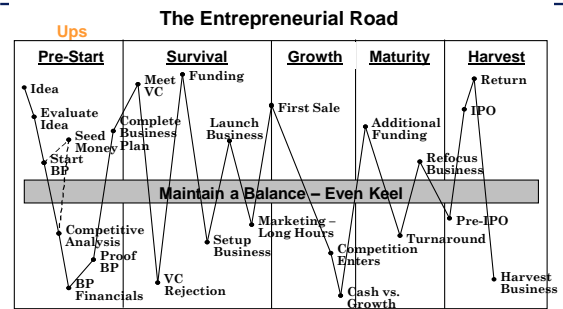


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The Rocky Road to Success



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Entrepreneurship Web Resources

- **Zell-Lurie Institute website:** www.zli.bus.umich.edu
- **Kresge Library website link:**
 ~ www.bus.umich.edu/KresgeLibrary/
- **Kresge Library Wikis – Resources for Alumni:**
 ~ http://webservices.itcs.umich.edu/mediawiki/KresgeLibrary/index.php/Kresge_Business_Administration_Library_Wiki
 ~ http://webservices.itcs.umich.edu/mediawiki/KresgeLibrary/index.php/Entrepreneurship_and_Business_Resources_for_Ross_Alumni
 ~ http://webservices.itcs.umich.edu/mediawiki/KresgeLibrary/index.php/International_Business_Resources
- **Kauffman Foundation main website links:**
 ~ <http://www.kauffman.org>
 ~ <http://www.entrepreneurship.org>

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Business Plan Resources

- McKinsey Business Planning guide *
- Ernst & Young Business Planning guide *
- Great Lakes Venture Quest Business Planning guide *
- Business Plan Development ppt deck *
- Marketing Plan Development ppt deck *
- Strategic Plan Development ppt deck *
- Discovery Driven Planning – a Harvard Business Review article by Rita McGrath & Ian MacMillan (available from the Harvard Business School website)
- New Venture Creation – a book by Jeffrey Timmons (available from Amazon.com)

* electronic documents available to interested alumni

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FAMILY BUSINESS PRIVATE EQUITY IN CHINA

Family Business

- Governance
- Succession
- Third Generation Syndrome
- Making Changes to the Business – Family
- Growth of the Business

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Private Equity

Trends:

- Growth in this area
- Better management of LPs
- Continued focus on strategy more than finance
- Risk assessment

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Thank you! Questions

Len Middleton
lenm@umich.edu

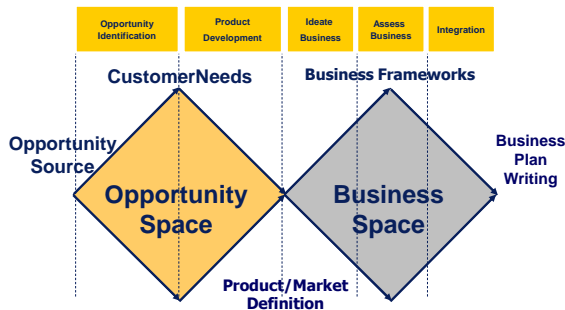
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Stages within the Venture Formation



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Decision Point: Go/No Go??

- Does the original proposal still make sense?
- Do the competitive advantages exist as planned?
- Can you foresee overcoming the shortcomings?
- Have you assessed the risk?



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Corporate Situation Assessment - Why Do You Want to Leave?

- Tired of office politics?
- Frustrated with bureaucracy?
- Overly defined job description?
- Working long hours and traveling?
- Questionable business practices?
- Bored with 9 to 5?
 - Prefer 24 / 7 ?
- Are you caught in the Dilbert Zone?



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