

The Indiana Entrepreneur

Volume 6, Issue 1, February 2006

Indiana Entrepreneurial Awards of Distinction Inaugural Event Held



On October 20, 2005, the Johnson Center for Entrepreneurship and Innovation hosted the 1st Annual Indiana Entrepreneurial Awards of Distinction (IEAD) at the Indiana Roof Ballroom in Indianapolis, bringing together 62 companies from all over the state to pay tribute to their achievements in growth, innovation and entrepreneurial spirit.

Of the 62 finalist companies, 19 were named winners in the Growth, Spirit and Innovation categories. Also introduced were the Social Enterprise Award which recognized a non-profit company with a social mission, and the William L. Haeberle Entrepreneurial Legacy Award, presented to Dr. Bill Haeberle in honor of his lifelong commitment to entrepreneurship in Indiana.

All public and private corporations, proprietorships and partnerships located in Indiana and founded prior to the 2002 fiscal year with revenues greater than \$1 million were eligible to apply.

The 62 finalists, comprised largely of life science firms which represented over \$1.5 billion in combined revenue, were chosen from a pool of over 175 applications by an outside blue ribbon judging panel.

The Indiana Entrepreneurial Awards of Distinction replaced the former Growth 100 Awards which acknowledged companies only for high growth. While these new awards spotlighted companies with over 35% growth over a two year period, they also recognized other aspects vital to entrepreneurial success.

The former award "left out a whole arrangement of entrepreneurial firms in the state of Indiana that have done some pretty amazing things, but because they don't fit the growth category, they

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Dr. K's Entrepreneurial Perspective



Dr. Donald F. Kuratko

Happy New Year to all! I am indeed pleased to share the first 2006 edition of our Indiana Entrepreneur newsletter with you. We have been moving at an extremely fast pace as every entrepreneur understands!! As evidenced by the articles in the pages ahead, IU's Johnson Center for Entrepreneurship & Innovation has been at the forefront of entrepreneurial activity in terms of research, teaching, and service.

In terms of research, we are introducing a new feature to our newsletter entitled "Entrepreneurial Thought Leadership," which showcases some of the very best entrepreneurship researchers here at IU's Kelley School of Business. In this inaugural article, we feature Dr. Tricia McDougall who is considered one of the world's finest in International Entrepreneurship. She truly exemplifies why the theme for our Entrepreneurship Program at Indiana University is "World Class!"

For the experiential component of teaching, we continue our series of Distinguished Entrepreneurs-in-Residence with one of the state of Indiana's

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The JCEI Mission:

To be the premier entrepreneurship entity at Indiana University - Bloomington facilitating entrepreneurial knowledge creation through entrepreneurial research, teaching, and practice; to be the hub for cross campus entrepreneurial initiatives in the life sciences, biotechnology, informatics, law, music, and other entrepreneurial departments that foster the development of aspects of entrepreneurial research or commercially viable enterprises; to develop and support knowledge creation and transfer that will advance the fundamental understanding of entrepreneurial management, thus increasing the potential for entrepreneurial growth & development.

IU Biomedical Dinner Series Launched



Robert C.
McDonald, MD,
MBA

In late November 2005, the Johnson Center for Entrepreneurship and Innovation (JCEI) began collaborating with the Indiana University School of Medicine (IUSOM) and the Indiana University Research and Technology Corporation (IURTC) and launched the Biomedical Dinner Series.

In addition to Drs. Donald F. Kuratko, Executive Director of JCEI and Bob McDonald, Director for Life Science Initiatives at JCEI, who moderated the event, those present included twenty-five of the most successful medical school faculty members in terms of developing life science discoveries. Also in attendance were IU School of Medicine Dean Dr. Craig Brater, President and CEO of the IU Research and Technology Corporation, Mark Long, and President of BioCrossroads, David Johnson.

A discussion was held at the initial program of the types of skill development and business assistance IU Medical School faculty members would like. Future meetings will focus upon grant processes and business plan development. Besides general information sessions, the Johnson Center for Entrepreneurship & Innovation will coordinate business development projects using MBA students from the IU Entrepreneurial Management Academy.

Dr. McDonald stated, “This is an exciting partnership opportunity to take world-class scientists at the IU School of Medicine and assist them in addressing the business dimensions of their plans and, more richly, the opportunity to bring them the world-class skills of Kelley MBA students in entrepreneurship.”

Dr. Kuratko continued that thought by saying, “It is a win-win situation for all. Our renowned IU medical faculty will benefit from some of the best and brightest business minds and as we bring these new science and technology ideas to commercialization, we all stand to gain from improvement for our lives.”

Entrepreneurship Law Clinic Students Immersed in Projects

Since the Entrepreneurship Law Clinic (ELC) opened its doors in August, 2005, it has worked on a variety of client matters, including three involving collaborations with MBA students in Dr. Don Kuratko’s Entrepreneurial Innovations Lab.

A number of cases have involved life science-related projects. BioConvergence, LLC is a \$21 million biotech “cold chain storage” startup company. The ELC is researching the logistical and legal issues faced by BioConvergence customers in shipping temperature-sensitive active pharmaceutical ingredients overseas for clinical testing.

Renascence Medical, Inc. (RMI) is a medical device startup company that has developed a novel IV drip device for the pre-hospital (EMS) market. The ELC is helping RMI refine its business plan in advance of the company’s next round of financing.

The Bloomington E-Health Collaborative (BEHC) represents an effort by various stakeholders in the Bloomington medical community to facilitate community-wide use of electronic health records by establishing a health information exchange (HIE). The ELC is advising the BEHC on an appropriate legal entity for the HIE, as well as privacy, security, and other related issues.

The ELC is also working on cases involving a trademark registration, a twinned tax credit transaction, entity selection and creation, and business valuation in a licensing dispute.

JCEI and ELC Facilitate Lightning Fast Adoption of 3-Year JD/MBA



Entrepreneurial Law Clinic Director, Timothy J. Boeglin, JD, and Dr. Donald F. Kuratko discuss the Clinic's mission.

Next fall, Indiana University will become only the second school in the country to offer a three-year joint degree program for JD/MBA students. Such joint degree programs typically condense a three-year JD degree and two-year MBA degree into four years. IU's new three-year program follows on the heels of Northwestern University's adoption of the country's first three-year JD/MBA program. Since the adoption of its three-year program, Northwestern has seen a dramatic increase in the number of applicants to its JD/MBA program, as well as significant improvements in the GMAT scores and work experience of those applicants. IU hopes to reap similar rewards for its efforts.

The adoption of such a ground breaking program by faculties of both IU's Law School and the Kelley School of Business in under a year sent heads spinning all around campus. The program was unanimously

adopted by the faculties of both schools, and unlike Northwestern's program, was achieved without reducing the number of credit hours required to graduate.

The idea for a three-year JD/MA program at IU was first proposed by two JD/MBA students, Corey Zarse (JD/MBA 2006) and Mark Horvick (JD/MBA 2006) in January, 2005. Horvick and Zarse were aware of the success of Northwestern's program, and saw in it an opportunity to attract both more and better-qualified JD/MBA applicants to IU and the ELC. Working out of JCEI, which houses the ELC, the students began discussions with faculty and administrators at both schools on a host of curricula, financial, scheduling, and other issues.

In late March of 2005, the students made their presentation to the ELC's faculty advisors—Professor of Law, William Henderson and JCEI Director, Dr. Donald F. Kuratko. Both were impressed. Indeed Kuratko suggested the work was so good that it merited a full airing before the faculties of both the Law School and Kelley School. Kuratko arranged for the JCEI to host a gathering of invited faculty of the Law School and Kelley School.

In April, 2005, with Kelley School of Business Dean Dan Smith and Law School Dean Lauren Robel, as well as numerous faculty and administrators from the Law School and Kelley School of Business in attendance, Zarse and Horvick presented their proposal. The students fielded a series of tough questions by faculty, some of whom admitted being quite skeptical prior to hearing the presentation. By the end it was clear the students had made a compelling case for the program.

Over the next several months, task force members Boeglin, Henderson, MBA Program Chair Idie Kesner, Kelley faculty member Bill Sartoris and IU Law School Associate Dean John Applegate refined the students' proposal to meet concerns and issues raised by various faculty members. By early fall, the task force's final proposal had been approved by the schools' two deans. In September of 2005, Dr. Kesner presented the proposal to the Kelley School of Business' faculty council. The proposal passed unanimously. Dean Applegate's presentation to the law school's faculty represented the proposal's final hurdle, but it also passed unanimously.

According to ELC Director Timothy Boeglin, JD, "The ELC is certain to benefit from this innovative program. The type of students this program is intended to attract - highly motivated, highly qualified students with significant work experience - is exactly the type of student best able to serve the needs of the high-growth potential companies served by the ELC. However, the real beneficiaries will be the classmates of these students, whose learning will be significantly enriched by the work and life experiences these students bring to the classroom."

Boeglin also believes the unparalleled collaboration between the two schools speaks to the direction of the schools' joint program, "The adoption by IU's Law School and Kelley School of Business of this very innovative three-year JD/MBA program, combined with the schools' joint sponsorship of the equally ground-breaking ELC, and the schools' close cooperation on JD/MBA curricula, programs and other issues, sends a powerful message that IU is committed to making its JD/MBA program one of the premier programs in the country."

IEAD Inaugural Event Held

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would never be honored,” Kuratko said. “If we’re going to change the culture of Indiana to be more entrepreneurial, we have to recognize entrepreneurship in all areas and forms.”

The Spirit Award recognized companies for higher standards in risk taking, perseverance during lessons learned and visions to succeed. The Innovation Award recognized companies that bring new products and/or “best practices” to the industry.

“The companies considered as finalists for the Indiana Entrepreneurial Awards of Distinctions are truly treasures of the state of Indiana,” said Dan Smith, Dean of the Kelley School of Business. “They play a vital role in the state’s efforts to retain top-flight talent. Not only do these firms provide attractive career opportunities, but by being so successful, they contribute to the collective psychological feeling that Indiana is a state on the move. It is certainly an honor for the Kelley School to recognize the accomplishments of such impressive companies.”

More than 300 people were in attendance at the banquet. The evening was hosted by Gerry Dick, host and creator of Inside Indiana Business and president of Grow Indiana Media Ventures.

The Indiana Entrepreneurial Awards of Distinction partners are Katz Sapper & Miller, IU Research and Technology Corp., LaSalle Bank, NASDAQ, and Monument Advisors. The Kelley School of Business-Indianapolis, Busey Bank, and the Indiana Venture Center were also event sponsors.

For more information about next year’s awards or how to nominate a company, please contact Samantha Uslan at 812.855.1403 or suslan@indiana.edu.

Dr. K’s Entrepreneurial Perspective

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most successful entrepreneurs, Scott Jones. Not only was Scott a founder of Voicemail, he continues to pioneer the technological field with new companies and new technologies. Our students found Scott to be engaging and challenging as he focused on the emerging technologies of the 21st Century.

From a service perspective, we introduced a new statewide awards program. The first Indiana Entrepreneurial Awards of Distinction event was held at the Indiana Roof Ballroom. The new program continues to focus on Indiana’s entrepreneurial community, but in a broader scope. Companies were recognized in three categories: Growth, Innovation and Spirit. Two other awards were also presented: The Social Enterprise Award and The William L. Haeberle Entrepreneurial Legacy Award for an Indiana entrepreneur who has made an indelible mark on the entrepreneurial community.

Sixty-two successful Indiana companies were finalists in the new awards program. About half of the 62 finalist companies are in the life sciences or emerging technologies industries. The finalists were chosen from more than 175 companies that applied. Altogether, the recognized companies employ 9,816 people in Indiana and report a total revenue of \$1,550,515,495. This is quite an accomplishment and quite an event for everyone involved.

Finally, as we continued to expand our entrepreneurial efforts across the Indiana University campus, it became clear that a national focus had to be created. IU is a national university with tremendous national prominence.

In this vein, I established our first ever West Coast Advisory Board in Palo Alto, California in order to gain access to some of the best minds in the Bay Area. As you will read in the feature story, this board provides insights and guidance to me twice a year. I am in the process of creating an East Coast Advisory Board in New York City so the Johnson Center for Entrepreneurship & Innovation has access to some of the brilliant minds in the east as well.

This issue of The Indiana Entrepreneur demonstrates that we are on a most exciting entrepreneurial journey. We invite you to stay for the ride!

2005 Indiana Entrepreneurial Awards of Distinction Finalists and Winners

Growth

Ace Mortgage Funding, Inc. *
Advantis Medical, LLC
ANGEL Learning
Briljent, LLC
Civil Designs, LLP
Electronic Commerce, Inc.
Electronic Communication Systems, Inc
Elwood Staffing
Employment Plus
eTapestry
Fortune Diversified Industries, Inc. *
Global Shred, Inc.
Griffin Analytical Technologies, Inc.
Healthx, Inc.
Helmer, Inc.
Imaginestics, LLC
LHP Software *
Marketing Informatics *
MSP Aviation, Inc.
Option Six, Inc.
Performance Assessment Network, Inc. *
POLARIS Laboratories
Prange Building, LLC
Product Action International, LLC
SELCO Engineering
That's Good HR, Inc.
Trimedx (Ascension Health)

Spirit

Benefit Associates, Inc.
Best Home Furnishings
BitWise Solutions
Bose McKinney & Evans
Briljent, LLC *
Coverstar Central
Daman Product Co, Inc.
Electronic Communication Systems, Inc. *
Employment Plus
Gateway Medical Resource Alliance
Harlan Bakeries, Inc. *
Healthx
Helmer, Inc. *
Imaginestics, LLC
KMS Enterprises
OFS
Option Six, Inc. *
Pac-Van, Inc.
Perkins Specialized Transportation
Perpetual Technologies, Inc.
POLARIS Laboratories *
Productive Resources
SIHO Insurance Services
TRU Star Solutions
Venture Logistics

Innovation

American Institute of Toxicology
ANGEL Learning
Arxan Technologies, Inc. *
Baker Hill *
BioStorage Technologies
eTapestry
gh, LLC *
Global Shred, Inc.
Government Payment Services
Griffin Analytical Technologies, Inc.
Hannum, Wagle & Cline Engineering
Holiday World & Splashin' Safari *
Image Technology Corp.
Information In Place, Inc.
LaBov & Beyond
MediaSauce
Obtech Corp.
Performance Assessment Network, Inc.
Product Action International, LLC *
Quest Information Systems, Inc.
Senex Services Corp. *
TGX Medical, Inc. *
Unique Window & Door



The Indiana Roof Ballroom in downtown Indianapolis, provided the perfect backdrop for the 2005 Indiana Entrepreneurial Awards of Distinction recognition dinner.

William L. Haeberle Entrepreneurial Legacy Award

William L. Haeberle *

Social Enterprise Award

SCAN, Inc. *

** Denotes winners in each category*

Serial Entrepreneur Scott Jones Shares his Technology Visions



Scott Jones visited students in December 2005 as a JCEI Distinguished Entrepreneur-in-Residence.

JCEI hosted its second Distinguished Entrepreneur-in-Residence of the year, Scott Jones, on December 7, 2005. Jones, founder and chairman of Gracenote, IndyRobotics, and Gazelle TechVentures, is most famous for his patent on Voicemail. Jones' current focus is as chairman of Gracenote, the world's number one music recognition service with 700 million hits per month.

In his talk to graduate and undergraduate students and university guests, Jones discussed trends in information technology investing, noting that software continues to receive the largest investments. Jones further noted an increase in consumer focus and the trend of digitization, including music, movies, videos, photos, and books.

Scott Jones remains an active member of the Indiana community, serving as an adjunct faculty member at the IU School of Medicine and the IU School of Informatics. He is also a member of the JCEI Executive Council. Jones is a great example of someone who has come home to invest and to build in the state of Indiana.

Entrepreneurial Internships

The internship season for 2006 kicked off in December with a networking reception hosted by JCEI to give MBA students with an interest in entrepreneurship a chance to talk to various start up companies. Throughout the spring semester JCEI will facilitate scholarships for the Chambers and Lilly Internship Program.

JCEI receives a generous donation from John Chambers, President of Cisco Systems, along with money from the Lilly Endowment Grant to provide students with an opportunity to work for a start-up life sciences or high tech company within the state of Indiana. The internship program has been a great success in the past, with exciting new opportunities for students and host companies for 2006.

The scholarship affords start-up companies the opportunity to hire MBA talent below market rate in order to work on value added projects such as business plans, financial and marketing analysis, product/service price models, and more. Students in turn get to apply their past work experience and knowledge from the Kelley School of Business and work hands on with entrepreneurs to help expand their business.

If you have questions about the Chambers and Lilly Internship Program please contact Kelli Conder at 812-855-3526 or kconder@indiana.edu.

JCEI Builds Bridge to Silicon Valley

This past fall saw the inception of the West Coast Advisory Board for the Johnson Center for Entrepreneurship & Innovation at the Kelley School of Business. The board is made up of friends and alumni of the Kelley School of Business.

The inaugural meeting in November was hosted by Dr. Jack M. Gill at Vanguard Ventures in Palo Alto, California. Dr. Kuratko plans to travel twice a year to California to meet with the board.

“Our major objectives will be to maintain a presence in the Silicon Valley area and review the Center’s initiatives in order to assure continual communication with those closest to the ‘entrepreneurial pulse’,” said JCEI Director Dr. Kuratko.

Current board members are: Greg M. Ayers, MD, Cryocor, Inc.; Gregory S. Oslan, Narus, Inc.; Jennifer Gill Roberts, Nova Partners; Timothy M. Spicer, Ecompanies Venture Group; John C. Shoemaker, Sun Microsystems; Sanjay Subhedar, Storm Ventures; and Joe E. Walsmith, Willitts Designs, Inc.

Dr. Kuratko plans to form the board’s East Coast counterpart in 2006.

Entrepreneurial Thought Leadership

Dr. Patricia P. McDougall: On the leading edge of international entrepreneurship



Dr. Patricia P. McDougall was a co-presenter at the September 2005 Innovation & Entrepreneurship Conference at Jilin University in Changchun, China.

Dr. Patricia P. (Tricia) McDougall is the Associate Dean for Faculty and Research as well as the William L. Haeberle Professor of Entrepreneurship at Indiana University's Kelley School of Business. Her major research interests include accelerated internationalization and new venture strategies.

She has co-edited three books and published in a variety of journals, including *Academy of Management Journal*, *Journal of Business Venturing*, *Entrepreneurship Theory and Practice*, *Strategic Management Journal*, *Journal of Management*, *Journal of International Business Studies*, *Journal of Business Ethics*, and *Academy of Management Executive*. Her business cases appear in more than twenty-five books, and her research has also been presented in the business press, including *Inc. Magazine*, *USA Today*, and *The Wall Street Journal*. She is a 21st Century Entrepreneurship Research Fellow, and in a survey published in the *Journal of Management* she was identified as the third most published author in entrepreneurship.

Yet with all of her research accomplishments, it is in one particular niche that her immense impact on the field of entrepreneurship research has been felt globally...literally! As an entrepreneurial thought leader, Dr. McDougall has been credited as one of the pioneers in the field of international entrepreneurship.

Working for years with her co-author Dr. Benjamin M. Oviatt from Georgia State University, she changed the research focus in international business from an exclusive interest in large multinational firms to also include entrepreneurial firms. Together, their research on new venture firms, which internationalized soon after inception challenged traditional theories of internationalization and pierced the then-held belief that internationalization was reserved for established firms.

Dr. McDougall and her co-author are the first entrepreneurship scholars to receive the prestigious Journal of International Business Studies (JIBS) Decade Award. Their recent article entitled "The Internationalization of Entrepreneurship," was published in the *Journal of International Business Studies* (JIBS) in January 2006. The article is a retrospective essay of their research in international entrepreneurship over the past decade, and was published to honor Drs. McDougall and Oviatt for their receipt of the 2004 JIBS Decade Award for their 1994 article on the early internationalization of new ventures.

The original 1994 article was also reprinted in the January 2006 issue of JIBS, along with commentary on the original article and authors' careers from the journal's editor and two noted scholars. The Decade Award is given annually to the article that has had the most significant impact on international business research during the past decade. This prestigious award was presented at the annual meeting of the Academy of International Business held in Stockholm, Sweden.

McDougall is currently working on a book titled *International Entrepreneurship*. She is also doing research with current IU doctoral student Stephanie Fernhaber and former IU doctoral student Brett Gilbert, who is now an assistant professor at Georgia State University. Their research examines the impact of geographical location on the internationalization of young, entrepreneurial firms.

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