

The Indiana Entrepreneur

Volume 6, Issue 2, May 2006

Kelley School of Business MBA Students Close NASDAQ



Dean Dan Smith, of Indiana University, Dean Melvin Stith, of Syracuse University's Whitman School of Management, Dr. Michael Morris, the Witting Chair of Entrepreneurship at Syracuse University and Dr. Donald F. Kuratko are flanked by MBA Students while ringing the closing bell.

Kelley School of Business faculty and MBA students along with Syracuse University got the unique opportunity to ring the NASDAQ closing bell on Friday, March 3, 2006. The occasion was the highlight of the Entrepreneurial Management Academy's annual Velocity Conference. (See Velocity story page 4) They rang the bell to close the NASDAQ market at 4 pm. Onlookers in Times Square were able to watch the ceremony on NASDAQ's massive MarketSite Tower.

each year organizes the Velocity Conference in partnership with another university and meets with chief executives from high-potential businesses and the venture capitalists who fund them. This year, the Kelley School joined Syracuse's Whitman School of Management at its executive education facility in New York City.

NASDAQ is the largest U.S. electronic stock market. With approximately 3,300 companies, it lists more companies and, on average, trades more shares per day than any other U.S. market. It

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Dr. K's Entrepreneurial Perspective



Dr. Donald F. Kuratko

Spring is in full bloom and summer is almost on our doorstep here in the rolling hills of Bloomington, Indiana. As another academic year winds down, I am indeed proud to share some of our entrepreneurial activities and accomplishments here at Indiana University's Kelley School of Business. Once again, IU's Johnson Center for Entrepreneurship & Innovation has been leading the way in terms of entrepreneurial initiatives across the entire campus. This edition of our Indiana Entrepreneur highlights some of the most significant events that showcased entrepreneurship on and off the campus this spring.

Off campus, our annual Velocity Conference was held in New York City partnering with Syracuse University's Whitman School of Management. In addition to the outstanding speakers that the MBA students interacted with, the experiential highlight was the official closing of the NASDAQ Stock Market in Times Square. It was truly a memorable event for each MBA from Indiana University and Syracuse University, as each experienced a once in a lifetime event that will only be matched when they return to NASDAQ as successful entrepreneurs with their own businesses going public.

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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.

QUALCOMM Co-Founder Speaker at Sixth Annual Entrepreneur Day



Dr. Irwin M. Jacobs, co-founder and CEO of QUALCOMM, Inc

Dr. Irwin M. Jacobs, co-founder and CEO of QUALCOMM, Inc., was the keynote speaker at the sixth annual Entrepreneur Day at Indiana University's Kelley School of Business on April 7th.

The Johnson Center for Entrepreneurship and Innovation sponsored Jacobs' presentation on "Wireless Communications and Beyond". Dr. Jacobs is a pioneer and world leader of Code Division Multiple Access (CDMA) digital wireless technology.

Immediately following the keynote address, a panel discussion was held on "Entrepreneurship in Today's University -- a New Paradigm." Joining Dr. Jacobs on the panel were Gary J. Anderson, founder and managing general partner of TL Ventures, Robert M. McDonald, Clinical Director of Life Sciences Initiatives, and Bradley C. Wheeler, IU Chief Information Officer and Dean of Information Technology at IU Bloomington. Donald F. Kuratko, the Jack M. Gill Chair of Entrepreneurship and Executive Director of the Johnson Center for Entrepreneurship and Innovation, moderated the discussion.

QUALCOMM's major business areas include CDMA chipsets and system software, technology licensing, the Binary Runtime Environment for Wireless™ (BREW™) applications platform, QChat™ push-to-talk technology, Eudora® e-mail software, digital cinema systems, and satellite-based systems including wireless fleet management systems, OmniTRACS® and OmniExpress®. The company is included in the S&P 500 Index, and is a 2005 Fortune 500® company traded on the NASDAQ Stock Market® under the ticker symbol QCOM.

SYMPOSIUM FOR WOMEN ENTREPRENEURS: ACHIEVEMENT & TENACITY

The Johnson Center for Entrepreneurship & Innovation, in conjunction with the Women in Business Club and the Kelley Association for Women MBAs, will be introducing a new program this fall geared toward strengthening relationships between women entrepreneurs in Indiana. The Symposium for Women Entrepreneurs: Achievement and Tenacity (SWEAT) will provide a forum for women entrepreneurs and MBA students to meet, network, and learn from a variety of keynote speakers and panel presentations. Notable speakers include Pat Miller, co-founder of Vera Bradley, and Jane Ford, co-founder of Benefit Cosmetics.

SWEAT exemplifies JCEI's commitment not only to fostering entrepreneurial relationships within the state of Indiana, but to celebrating diversity in the entrepreneurial realm.

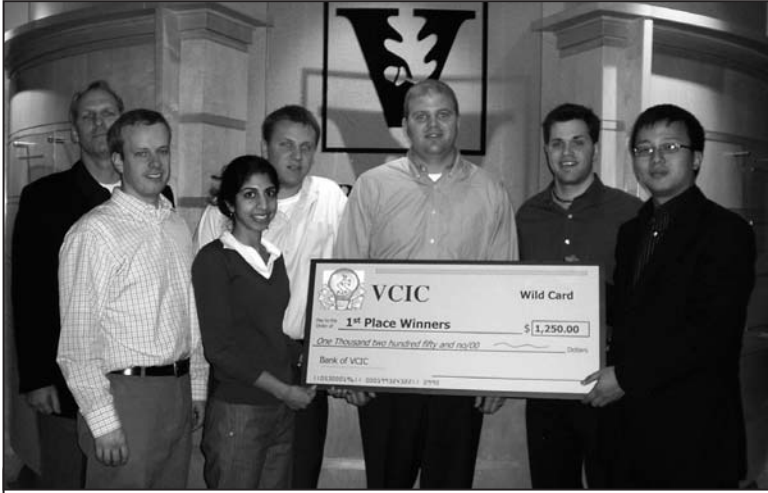
October 6, 2006
Whittenberger Auditorium
Indiana Memorial Union

For more information, contact:
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Pat Miller, co-founder of Vera Bradley

Kelley School of Business Team Wins First Round in the Venture Capital Investment Competition



Entrepreneurial Law Clinic Director, Timothy J. Boeglin, JD, and Kelley's VCIC Team: Tony McAllister, Yogini Samudra, Mark Horvick, David Rolwing and Daniel O'Neill.

On February 3rd, a team of MBA students from the Kelley School of Business participated in and won the first round of the 2006 Venture Capital Investment Competition (VCIC) at Vanderbilt University. The Kelley VCIC team advanced to the second round in Atlanta on March 3rd where it placed third.

The VCIC is regarded as the nation's premiere strategy competition for venture-minded and entrepreneurial MBA students. Students from top business schools in the United States and Europe play the role of venture capital firms and interact with real entrepreneurs pitching real business plans. A panel of venture capitalists judge the competition.

IU's team was coached by Professor Tim Boeglin, Director of the Entrepreneurship Law Clinic at the Johnson Center for Entrepreneurship & Innovation

(JCEI), Dr. Donald F. Kuratko, Executive Director of JCEI, and Dr. Gary Anderson, JCEI Venture Capitalist-in-Residence. Participating students were Mark Horvick, fourth year JD/MBA, Daniel O'Neill, second year MBA, and Yogini Samudra, David Rolwing, and Tony McAllister, first year MBAs.

According to Professor Boeglin, the team earned a rarely seen unanimous first place vote among the five judges at the Vanderbilt competition, decisively deposing of teams from Purdue, Georgetown, Georgia and Wake Forest. The team then faced teams from Duke, North Carolina, Virginia, and New York University in the second round.

Dr. Gary Anderson, founder and former CEO of TL Ventures, congratulated the team on their fine work by saying "Team Kelley made the rubber hit the road. I am very proud of their performance. It is a clear demonstration of their deal-making intuition which VCIC has stimulated. It was a pleasure for me to have had a part in this preparation."

Student Mark Horvick expressed his views saying, "It was fun, fast and stressful in a good way. I learned more about the VC world in one day than I think most MBA students could learn in 2 years."

Kelley School of Business MBA Students Close NASDAQ

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is home to companies that are leaders across all areas of business including technology, retail, communications, financial services, transportation, media and biotechnology including Cisco Systems, Inc. and PetSmart, Inc., both founded by IU alumni.

"This was truly an honor to have the Kelley School of Business close the NASDAQ stock market," said Donald F. Kuratko, executive director of the Johnson Center for Entrepreneurship and Innovation and the Jack M. Gill Chair of Entrepreneurship at IU. "To have our dean, Dan Smith, and our MBA students stand at the epicenter of U.S. business and officially close the NASDAQ stock market was a remarkable experience."

Kelley School of Business Dean Dan Smith and Syracuse University's Whitman School Dean Melvin Stith presided and spoke briefly at the ceremony at the NASDAQ studios at the corner of 43rd Street and Broadway in Times Square. They were joined by nearly 50 students from both schools, Dr. Kuratko, and Dr. Michael H. Morris, Witting Chair in Entrepreneurship and chairman of the Department of Entrepreneurship and Emerging Enterprises at Syracuse.



Dr. K and Dean Dan Smith enjoy a shining moment at the NASDAQ Stock Market in New York City.

2006 Velocity Conference held in New York City



Jack M. Gill, Ph.D. and Daniel A. D'Aniello, Founding Partner & Managing Director of The Carlyle Group.

Wrapping up this year's spring Academy Week for first year Entrepreneurial Management Academy students was the 2006 Velocity Conference in New York City. Founded by Jack M. Gill, Ph.D. in 2000, the Velocity Conference is an annual event organized by Indiana University's Kelley School of Business in cooperation with another university for the purpose of accelerating entrepreneurial careers.

This year, Kelley MBA students were joined by MBA students from Syracuse University's Whitman School of Management. Students listened to premiere speakers share their entrepreneurial stories and experiences, providing a unique opportunity to learn first-hand from the absolute best in entrepreneurship today.

Students heard from a number of speakers from various industries and areas of expertise including venture capital, bio-technology and manufacturing. Students also had a chance to network with each other and the entrepreneurs.

The Velocity Conference culminated in an awards banquet on Saturday evening. Ron Dollens, former CEO of Guidant Corporation, gave a keynote on leadership based on his experience.

"The Velocity Conference represents acceleration of entrepreneurial careers for the best and brightest MBAs, this year we were proud to have partnered with Syracuse University in New York City, and we believe this was the best Velocity experience in the history of the conference," stated Dr. Donald F. Kuratko, The Jack M. Gill Chair of Entrepreneurship.

One of the MBA students summed up his experience by stating, "The best part of the conference was "the 'humanizing' of these exemplary speakers. The discussions about knowing your weaknesses and remedying them was 'ungluing' insightful!"

Previous Velocity Conference co-hosts have included Stanford University, the University of Texas, the University of California at Berkeley and Boston University. The Kelley School of Business will join the University of Southern California in Los Angeles, California for the 2007 Velocity Conference.

"Fireside Chat" Series a Big Hit!

On April 20th, JCEI held the first in a series of Fireside Chats, an informal discussion series led by the 2005 Indiana Entrepreneurial Awards of Distinction sponsors. The relaxed conversation style provides a forum for a small group of entrepreneurs and MBA students to join the sponsors in an informal discussion on a given topic of interest.

At the April gathering, Larry Wechter, Founder and CEO of Monument Advisors, was joined by John Campbell, President of Separators, Inc., a company recently invested in by Monument Advisors. Together they provided an in-depth look into dealing with institutional capital as partners. While sharing their story, the audience was free to ask questions or add their perspectives on various subjects.

The small, informal design allowed for easy interaction throughout the evening. All participants were very enthusiastic about the program style and encouraged more programs of this type.

One MBA student stated, "The format is much more engaging than having someone come in with a PowerPoint presentation and speak about issues that he or she feels are important. Having the entrepreneurs there seemed to put the information in perspective. I would highly recommend more events like this and I would certainly attend them if they were offered."

For information on the next Fireside Chat, please contact:

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2nd ANNUAL

INDIANA ENTREPRENEURIAL AWARDS OF DISTINCTION

AWARD RECOGNITION PROGRAM

Honoring *outstanding, emerging* and *established* entrepreneurial companies in the areas of growth, entrepreneurial spirit, and innovation.

Company Eligibility

- Founded prior to fiscal year 2003.
- Private or public corporation, proprietorship or partnership located in Indiana.
- Revenues over \$1 million.

Company Criteria

■ **Indiana Entrepreneurial Growth Award**

Must have a minimum of 35% increase in revenue, or higher, for each of the past two years. Absolute growth, percentage growth, and profitable growth will all be considered.

■ **Indiana Entrepreneurial Spirit Award**

Demonstrates high standards in risk-taking behavior, has a clear vision and plan for success, and learns from/overcomes obstacles and mistakes.

■ **Indiana Entrepreneurial Innovator Award**

Pioneers new systems, brings new products to the market, and/or creates and develops “best practices” for the industry.

Company Nominations & Applications

- Companies may apply for one or more award categories.
- Nominations may be made by owners, employees, clients or service providers.

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- **LaSalle Bank**
- **IURTC**
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GOLD SPONSORS

- **Monument Advisors**
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October 19, 2006
The Indiana Roof Ballroom

For additional information, nomination or application forms, contact:
Samantha Uslan
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or visit <http://www.kelley.iu.edu/jcei/busines/iead/iead.html>

Application deadline: August 15, 2006



Former Anthem Leader Addresses Kelley School of Business Students



L. Ben Lytle, chairman and chief executive officer of AXIA Health Management, LLC and former CEO of Anthem, Inc.

L. Ben Lytle, Chairman and Chief Executive Officer of AXIA Health Management, LLC and former Chief Executive Officer and Chairman of Anthem, visited the Johnson Center for Entrepreneurship and Innovation on February 1st as a Distinguished Entrepreneur-in-Residence. Lytle spoke on the topic, “Corporate Innovation and Entrepreneurial Start-Ups in the Health Care Industry, a Personal Perspective”.

The Kelley School’s Johnson Center for Entrepreneurship and Innovation hosts the Distinguished Entrepreneur-in-Residence program to inspire students and enable them to hear about the successes and challenges of starting or expanding an emerging business. It enhances the instruction they receive through classes and work in other activities, such as the school’s Entrepreneurial Management Academy.

Lytle retired from Anthem in 1999 after leading the Indianapolis health insurer through successful rounds of acquisitions. He remained Board Chairman until May 2003. During that time he built, took public, and sold Acordia, Inc., which became the world’s seventh largest insurance broker

under his leadership. In 2004, Anthem acquired WellPoint, Inc. In early January, Lytle retired as a director of the renamed company, WellPoint, to devote more time to AXIA, which is based in Tucson, Ariz.

AXIA takes a preventive approach to fighting the rising costs of healthcare. With its integrated suite of prevention programs, AXIA offers personalized solutions that help healthy individuals stay healthy and improve the health of those already affected by disease or disability. It does this through a high-touch delivery system of more than 10,000 fitness center locations, 4,000 AXIA-certified health improvement instructors, and over 40,000 chiropractor and whole health network providers.

Dr. Donald F. Kuratko, Johnson Center for Entrepreneurship and Innovation Executive Director stated, “The opportunity to have someone of Ben Lytle’s stature share his entrepreneur story is priceless. His dedication to pushing the envelope is inspiring and should be a standard for our students to model.”

Dr. K’s Entrepreneurial Perspective

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In February, four IU Kelley MBAs (Tony McAllister, David Rolwing, Yogini Samudra, and Dan O’Neill) and one JD/MBA (Mark Horvick) teamed up to compete in the prestigious VCIC (Venture Capital Investment Competition). Under the expert coaching of Dr. Gary Anderson, our Venture Capitalist-in-Residence, and Tim Boeglin, JCEI’s Entrepreneurship Law Clinic Director, the Indiana University team captured first place in the first round held at Vanderbilt University. This was the first time ever that a Kelley School of Business team advanced in the competition. We are extremely proud of their performance and the dedicated work of Dr. Gary Anderson! KUDOS!

This spring our campus resonated with the voices of two nationally prominent entrepreneurs who served as “Distinguished Entrepreneurs in Residence” and conducted special sessions for our students. L. Ben Lytle, former Chairman & CEO of Anthem Blue Cross & Blue Shield, captured everyone’s interest as he described the corporate entrepreneurial strategy employed by Anthem to create one of the most intriguing turnarounds in American business history. Just when we thought we’d heard one of the best entrepreneurial stories, Dr. Irwin M. Jacobs, founder of QUALCOMM visited Kelley on April 7th. Dr. Jacobs described the building of a communications dynasty that left a lasting impact on all of those who were able to participate in our annual Entrepreneur Day.

Finally, as Indiana University continues to be a leader in entrepreneurship research, we present another Entrepreneurial Thought Leadership section highlighting Dr. David B. Audretsch and the phenomenal impact his work has had on economic development. He truly exemplifies the commitment to excellence in entrepreneurship research here at Indiana University.

As I have stated before, the Johnson Center for Entrepreneurship & Innovation continues to lead the IU campus from an entrepreneurial perspective. We invite you to continue to enjoy this journey with us!

Entrepreneurial Thought Leadership

Dr. David B. Audretsch: Global Leadership in Entrepreneurship & Economic Development



Dr. David
B. Audretsch

Dr. David B. Audretsch is the Ameritech Chair of Economic Development, Director of the Institute for Development Strategies at Indiana University, Director of the Entrepreneurship, Growth and Public Policy Group at the Max Planck Institute in Jena, Germany, and is a Research Fellow of the Centre for Economic Policy Research (London). He has consulted with the World Bank, National Academy of Sciences, U.S. State Department, United States Federal Trade Commission, General Accounting Office and International Trade Commission as well as the United Nations, Commission of the European Union, the European Parliament, the OECD, and a number of European Governments.

He has published thirty books including, *Entrepreneurship and Economic Growth*, with Oxford University Press in 2006 and *The Entrepreneurial Society*, Oxford University Press, forthcoming in 2007. He is co-founder and co-editor of *Small Business Economics: An International Journal*. His research has been published in over one hundred scholarly articles in the leading academic journals. Some of his more powerful articles include: “R&D Spillovers and the Geography of Innovation and Production,” and with Maryann P. Feldman, *American Economic Review*, 86(3), June, 1996, 630-640 “Company-Scientist Locational Links: The Case of Biotechnology,” with Paula E. Stephan, *American Economic Review*, 86(3), June, 1996, 641-652, and “Does Entrepreneurship Capital Matter?” with Max Keilbach, *Entrepreneurship Theory and Practice*, Vol.28, No.5, September 2004, pp.419-430.

As Dr. Audretsch’s research has focused on the links between entrepreneurship, government policy, innovation, economic development and global competitiveness. Two vivid illustrations of Dr. Audretsch’s insightful research are the introduction of the Knowledge Spillover Theory of Entrepreneurship and Entrepreneurship Capital.

In 1995, Dr. Audretsch introduced the Knowledge Spillover Theory of Entrepreneurship which explicitly identified an important source of opportunities – investments in knowledge and ideas made by firms and universities that are not completely commercialized. By linking the degree of entrepreneurial activity to the degree of knowledge investments in a region, systematic empirical evidence was provided suggesting that entrepreneurial opportunities are not at all exogenous, but rather endogenous to the extent of investments in new knowledge. Entrepreneurship has emerged as a vital organizational form for economic growth because it provides the missing link in the process of economic growth. Dr. Audretsch’s research demonstrated that serving as a conduit for the spillover of knowledge, entrepreneurship is a mechanism by which investments, both private and public, generate a greater social return, both in terms of economic growth and job creation.

In 2006, Dr. Audretsch’s newest research shows that in addition to labor, physical capital, and knowledge capital, the endowment of entrepreneurship capital also matters for generating economic growth. Entrepreneurship capital refers to the capacity for a region to generate the startup of new enterprises. Together, with an international team of researchers and scholars constituting the Entrepreneurship, Growth and Public Policy group at the Max Planck Institute of Economics in Germany, Dr. Audretsch suggests that what had been called social capital in the entrepreneurship literature may actually be a more specific sub-component, which they introduced as entrepreneurship capital. The entrepreneurship capital of an economy or a society refers to the institutions, culture, and historical context that is conducive to the creation of new firms. This involves a number of aspects such as social acceptance of entrepreneurial behavior, individuals who are willing to deal with the risk of creating new firms, and the activity of bankers and venture capital agents that are willing to share the risks and benefits involved. Hence, entrepreneurship capital reflects a number of different legal, institutional and social factors and forces. Taken together, these factors and forces constitute the entrepreneurship capital of an economy, which creates a capacity for entrepreneurial activity. By including measures of entrepreneurship capital along with the traditional factors of physical capital, knowledge capital, and labor in a production function model estimating economic growth, Dr. Audretsch found pervasive and compelling econometric evidence suggesting that entrepreneurship capital also contributes to economic growth.

The powerful impact of Dr. Audretsch’s research earned him the highest global award for entrepreneurship research: The International Award for Entrepreneurship and Small Business Research presented by the Swedish Foundation for Small Business Research.



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