

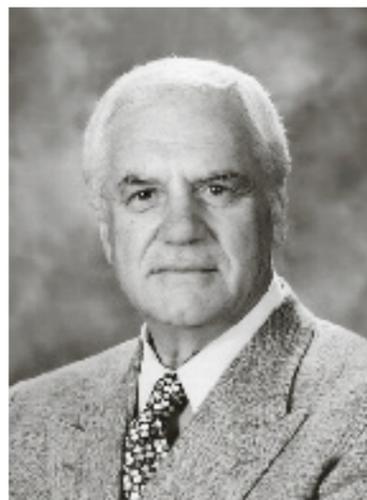
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The Indiana Entrepreneur

Volume 7, Issue 1, May 2007

Elmore Entrepreneurship Law Clinic



David Elmore, JD

Two years in existence, the Entrepreneurship Law Clinic is receiving a major “vote of confidence” from two of the university’s most distinguished alumni. David Elmore (BS ’55, JD ’58) and his son, D.G. Elmore (JD/MBA ’84), are making a gift of three million dollars to the Entrepreneurship Law Clinic, the transactional law clinic operated as a joint effort between the School of Law and the Kelley School of Business. In the Fall of 2007, the university will formalize the Elmore family legacy, when the clinic is renamed the Elmore Entrepreneurship Law Clinic. “We are honored to have Dave and D.G., alumni and friends who have already given so much of themselves to the university, now make such a generous gift, supporting scholarships and an

important clinical program,” said Lauren Robel, Dean of the Law School.

Donald F. Kuratko, Executive Director of the Johnson Center for Entrepreneurship & Innovation, considers the Elmore family a “perfect fit” for the Entrepreneurship Law Clinic. In Dr. Kuratko’s opinion, “Their personal and professional lives demonstrate that David and D.G. Elmore truly embody the entrepreneurial spirit.” David and D.G. have used their business and legal degrees to build and manage the Elmore Group, Ltd. and the Elmore Sports Group, Ltd, business organizations that own several successful companies and sports teams.

David Elmore received the Distinguished Entrepreneur Award from the Kelley School of Business in 1989, and the Law School inducted him to the Academy of Law Alumni Fellows in 2006, its highest honor for alumni. D.G. Elmore continues to call Bloomington his “home base,” from which he owns and operates four of the family businesses. Among his other entrepreneurial ventures, D.G. opened Cornerstone Information Systems in Fountain Square in Bloomington, and he owns and operates Gant Travel Management. According to Professor Mark Need, the Director of the Clinic, “With this gift, we are now poised to pursue the longer-term vision for the growth of the Entrepreneurship Law Clinic, a capstone experience for joint degree candidates.”

The JCEI Mission

To be the premier entrepreneurship entity at Indiana University - Bloomington by 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 fostering the development of entrepreneurial research or commercially viable enterprises; to develop and support knowledge creation and transfer advancing the fundamental understanding of entrepreneurial management, thus increasing the potential for entrepreneurial growth & development.

Dr. K's Entrepreneurial Perspective

As we finally get a glimpse of the late arriving spring weather here in Bloomington, the semester winds down to close out another academic year. And, what a year this has been for our Entrepreneurship Team here at Indiana University. I am proud to report that we have achieved some of the most prestigious rankings and awards in the entrepreneurship realm. Here are some of the highlights:



Dr. Donald F. Kuratko, Executive Director of the JCEI

#1 Graduate Business School for Entrepreneurship (public universities)
-U.S. News & World Report

#1 Undergraduate Business School for Entrepreneurship (public universities)
-U.S. News & World Report

National Model MBA in Entrepreneurship Program
-U.S. Association for Small Business & Entrepreneurship

National Award for Exceptional Contributions to Entrepreneurship Research
-National Consortium of Entrepreneurship Centers

Thanks to the phenomenal IU entrepreneurship faculty and an amazing staff here at the Johnson Center for Entrepreneurship & Innovation,

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We would like to acknowledge the following members of our Executive Board and our Advisory Boards for their support, vision and guidance.

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2007 Velocity Conference Held at University of Southern California

Wrapping up this year's spring Academy Week for first year Entrepreneurial Management Academy students was the 8th Annual Velocity Conference held in Los Angeles at the University of Southern California. Founded by Jack M. Gill, Ph.D., the Velocity Conference is an annual event organized by Indiana University's Kelley School of Business and the Johnson Center for Entrepreneurship & Innovation in partnership with another university for the purpose of "Accelerating Entrepreneurial Careers".

This year's conference was hosted by the USC's Lloyd Greif Center for Entrepreneurial Studies. In addition, the Kelley and USC MBA's were joined by a select number of students from Syracuse University's Whitman School of Management, the 2006 host.

Students heard from a number of speakers from various industries and areas of expertise including venture capital, bio-technology and distribution. Presenters included: Gary Aden, founder, president and CEO of Pacific Nanotechnology; Jim Pearson, president & CEO of Suros Surgical Systems, Inc.; Nicholas Seet, founder & CEO of Auditde, Inc.; Torin Pavia, CEO of Aribetch, LLC; Tuomas Holmberg, VP of Business Development, NovaDigm Therapeutics; and Joe Kaplan, Division President of Innovative Merchant Solutions.

A panel presentation "Dilemmas & Debates: VCs and Venture Financing" was also given. Participating in the panel discussion was Gary J. Anderson, TL Ventures; Jack M. Gill, Maven Venture Partners; and Jane H. Martin, Village Ventures.

Donald F. Kuratko, executive director of JCEI and the Jack M. Gill Chair of Entrepreneurship at IU said "We were excited to have the opportunity to partner with USC this year and to again include MBA students from Syracuse University. California is considered a hotbed of entrepreneurial activity. This was a golden opportunity for our students to network with some very successful entrepreneurs."

Unique to this year's conference was the participation in USC's 12th Annual Networking Day, bringing together several hundred USC alumni entrepreneurs to share their successes, obstacles, and current company needs. Students also participated in a tour of Warner Bros. Studios, providing an "inside look" into the industry that dominates the region.

One Kelley MBA student summarized his experience by stating, "To listen to entrepreneurs' insights was the best way to stimulate my senses, provoke my thoughts, and energize me. I could immerse myself in those entrepreneurial experiences."

Previous Velocity Conference co-hosts have included Syracuse University, Stanford University, the University of Texas, the University of California at Berkeley, and Boston University.



IU delegation to this year's Velocity Conference.



Business Plan Competition Showcases Promising Future Businesses

This year's Indiana University Campus Wide Business Plan Competition held on February 2, at the Kelley School of Business included both undergraduate and graduate teams.

Original business ventures, which were prepared by the teams under faculty supervision and were in the seed, start-up or early stages of development, were judged by state business executives who have expert knowledge in the various facets of entrepreneurial development.

Sporos.com and *Benjamin Emmanuel* were the two business plans presented at the undergraduate level, with *Benjamin Emmanuel* winning the competition. *Benjamin Emmanuel* team members were Phil Kealing, Pat Keefer, Jamie Schieken, Todd Scott and Michael Stangle.

Secure Data Solutions, *Stretch Investment Services* and *X-POD Project, LLC* were the three business plans presented at the graduate level, with MBA student Dan Chen winning the competition with his innovative *X-Pod Project, LLC* plan.



Top Photo: Grad winner Dan Chen with faculty advisor Dr. Joe Denekamp. Bottom Photo: Undergrad winners Philip L. Kealing and Benjamin R. Schieken with faculty advisor Dr. Joe Denekamp.

Gibbs Innovation Scholarships Created

Early this year, John R. Gibbs, co-founder of Interactive Intelligence Inc. and a member of the Johnson Center for Entrepreneurship & Innovation Executive Board, committed to providing \$100,000 to create a scholarship endowment at IU Bloomington's Kelley School of Business.

The Gibbs Scholarships will be used to attract outstanding students who have demonstrated or expressed a stated interest in innovation and entrepreneurship. Preference will be given to Indiana residents and those students with a financial need.

The gift qualifies for IU Bloomington's Matching the Promise campaign and its impact will be doubled. The campus will match the typical \$5,000 award, resulting in a \$10,000 scholarship for the student.

"Because the Kelley School is such an excellent school and aspires to attract the best and brightest, I hope this endowment encourages and motivates others to provide scholarship support to maintain the continued excellence of the school," Gibbs said.

Donald F. Kuratko, Executive Director of the Johnson Center for Entrepreneurship & Innovation, expressed his appreciation for Gibbs' gift and his involvement with JCEI. "John is a visionary, always looking to better the state of Indiana's business and civic communities. With this scholarship, he is further investing in the state's future by investing in its students."



John R. Gibbs, co-founder of Interactive Intelligence Inc.

Entrepreneur Day 2007 Goes Off-Campus

Cook Medical executives were featured at the seventh annual Indiana University Kelley School of Business Entrepreneur Day on March 30. IU students visited the world headquarters of Cook Incorporated located in Bloomington, Indiana. The Johnson Center for Entrepreneurship & Innovation sponsored the annual event that highlights the philosophies and skill sets needed to be successful entrepreneurs.

Over 100 students, faculty and staff from the Kelley School of Business, School of Public and Environmental Affairs, Informatics and College of Arts & Sciences Liberal Arts Management Program had the opportunity to not only hear from entrepreneurs, but also tour the facilities of one of the most successful medical devices businesses in the world.

Steve Ferguson, Cook's Chairman of the Board, welcomed the group. Immediately following the introduction were presentations by three of Cook's executive team. Dan Peterson, Vice President of Industry & Government Affairs for Cook Group, who received his MBA from Kelley, moderated the presentations. Tom Osborne- Senior Vice President of IP Growth & Development, Matt Waninger- Vice President of Engineering and Brian Bates, Senior Vice President of IP Growth and Development talked about Cook's entrepreneurial culture from their long term perspectives.

Following the presentations, Donald F. Kuratko, the Jack M. Gill Chair of Entrepreneurship and Executive Director of the Johnson Center for Entrepreneurship and Innovation, moderated a discussion panel. Kuratko stated, "To be able to offer the chance for our students to hear from these leaders in the life science industry and tour the Cook facilities was a wonderful opportunity for our students."

During a panel discussion with Cook Incorporated President, Kem Hawkins, Tom Osborne, and Brian Bates, students asked a variety of insightful questions, and panel members gave candid responses about successes and struggles that Cook Medical, as a privately held, large entrepreneurial company faces in a highly competitive global market.

Students were also able to network with Cook managers and look at product displays of medical devices made by Cook. The day ended with a tour of the facility so students could see the hand crafted detail that goes into Cook's specialty devices.



Participants in Entrepreneur Day.



Dean A. Shepherd Receives Distinguished Chair in Entrepreneurship



Dr. Dean A. Shepherd

Professor Dean A. Shepherd has been named the Randall L. Tobias Chair in Entrepreneurial Leadership in the Kelley School of Business. Dr. Shepherd came from Colorado University at Boulder's Leeds School of Business in the fall of 2005. His interests include entrepreneurship and strategic management.

Dr. Shepherd's research focuses on entrepreneurial leadership and includes: the entrepreneurial decision making of organizational leaders, the discovery and exploitation of opportunity, and the impact of new and small firms' strategies. He has published his research in various sources such as Academy of Management Review, Journal of Business Venturing, Journal of Management, as well as many others. He has also co-published four books: Entrepreneurship; New Venture Strategy: Timing, Environmental Uncertainty and Performance; Attracting Equity Investors: Positioning, Preparing and Presenting the Business Plan; and Entrepreneurial Small Business. He has co-edited four additional books as well.

Professor Shepherd is an associate editor of the Journal of Business Venturing and is also on the editorial boards of all major entrepreneurship journals. He received his MBA and Ph.D. from Bond University and a Bachelor of Applied Science from the Royal Melbourne Institute of Technology (all in Australia).

2007 Entrepreneurial Scholarships Awarded

The 2007 Glaubinger and Hershberger entrepreneurial scholarship winners were recognized at this year's Entrepreneur Day on March 30th. Recipients are selected based on the individual's academic achievement, demonstrated entrepreneurial skills, and entrepreneurial career plans.

Stephen Wolff, a first year Kelley School of Business MBA student in Finance and Entrepreneurship, was recognized as this year's recipient of the Terry R. Hershberger Scholarship. The Hershberger Scholarship was established in 1993 by the family and friends of Terry R. Hershberger (MBA '65), the late chairman, president and CEO of Security Group in Indianapolis. The scholarship was created to ensure that Terry's extraordinary entrepreneurial spirit is continued and to increase interest in the MBA entrepreneurship program at Indiana University.

Six undergraduate students in entrepreneurship were recognized as this year's Glaubinger Entrepreneurial Scholarship winners. The scholarship is made possible by Larry D. Glaubinger, a 1949 accounting graduate of IU who continues to generously "give back" to his alma mater through scholarships, professorships and service. Indiana residents majoring in entrepreneurship with junior or senior standing receive a \$5,000 award for the 2007-08 academic year, and non-residents receive a \$10,000 award. This year's in-state resident winners are: Elizabeth Hemmelgarn, Phillip Kealing, Suzanne Simeri, and David Weisburd. This year's non-resident winners are: John Ramey and Benjamin Schieken.

Dr. K's Entrepreneurial Perspective

continued from page 1

Indiana University achieved history in attaining the #1 public university ranking for entrepreneurship at both the graduate and undergraduate levels. This was truly monumental and a tribute to the outstanding research and teaching that emanates from our faculty. With some of the latest journal articles and books published by our faculty, Indiana University continues to lead the world in entrepreneurship scholarship and research.

I was also personally humbled and very proud to have been selected as the 2007 recipient of the prestigious John E Hughes Entrepreneurial Advocacy Award by the U.S. Association for Small Business & Entrepreneurship. This is a wonderful honor coming from my peers who I deeply respect, and it represents my devotion to what I believe is the greatest academic area of study in business schools today.

Overall this has been an "entrepreneurial year" for all of us here at IU and we are truly excited to see our efforts recognized so visibly by our peers. I know I speak for our entire entrepreneurship team when I say that we continually seek to be world leaders in every aspect of our research, scholarship and teaching. So, as the entrepreneurial journey unfolds we all believe the years ahead will be even greater for the impact we can make across the globe. Entrepreneurship is about creating the world of tomorrow. Here at Indiana University, we seek to be the wave creating tomorrow's entrepreneurial knowledge!

Dr. Dean A. Shepherd: Entrepreneurial Decision Making and Strategies



Dr. Dean A. Shepherd

Dr. Dean A. Shepherd is the *Randall L. Tobias Chair in Entrepreneurial Leadership and Professor of Entrepreneurship* at the Indiana University Kelley School of Business. Dr. Shepherd received his doctorate and MBA from Bond University (Australia) and a Bachelor of Applied Science from the Royal Melbourne Institute of Technology. His research is in the field of entrepreneurial leadership; he investigates both the decision making involved in leveraging cognitive and other resources to act on entrepreneurial opportunities and the processes of learning from experimentation, in ways that ultimately lead to high levels of individual and organizational performance.

Entrepreneurial Opportunity. Although the concept of opportunity is central to the field of entrepreneurship, scholars have struggled philosophically with the concept and empirically with how it should be operationalized. Dr. Shepherd's work focuses on the role of individuals' knowledge and motivation in the acknowledgement and exploitation of opportunities. In a recent Academy of Management Review paper McMullen and Shepherd (2006) were able to reconcile

economic theories of the entrepreneur that were previously considered alternate explanations. He has also concomitantly considered knowledge and motivation in the pursuit of entrepreneurial careers through a combination of theoretical, analytical, and experimental research.

Entrepreneurial Strategies. Dr. Shepherd's research in this stream focuses on entrepreneurs' decisions to position their firms for success, especially considering the role of knowledge, motivation, and how entrepreneurs choose to position their firms by their resource allocation decisions. Knowledge is the primary focus of investigations of timing of entry decisions, motivation is the primary focus of his studies into small business growth, and he has investigated the contingent relationship between firms' strategic orientations and their knowledge-based resources.

Stakeholder Support for Entrepreneurial Firms. Resources from external parties are an important input in to the entrepreneurial process. Dr. Shepherd's research with Andrew Zacharakis (Babson College) has made a number of contributions to knowledge of venture capitalists' decision making. They have moved this stream of research away from atheoretical studies relying on retrospective and self-reporting methods of data collection (with their numerous biases) to more theoretical studies that include the use of "real time" data collection methods from which decision policies can be derived. Such an approach is now beginning to have an impact on decision making research focused on other stakeholders (e.g., loan officers, alliance seekers, and family business successors).

Failure of Entrepreneurial Businesses. Entrepreneurship and strategy research has an anti-failure bias, with little research on failure other than how firm failure should be avoided and acknowledgement that project failure within a firm can represent an important learning opportunity. Recently Dr. Shepherd explored the emotional consequences of failure for entrepreneurs; that the loss of a business due to failure can cause the self-employed to feel grief - a negative emotional response from the loss of something important - which interferes with the ability to learn from the events surrounding that loss. He then proposed a dual process of grief recovery that minimizes emotional interference and enhances the ability of the self-employed to learn from the loss of a business.

Focusing on the four streams described above Dr. Shepherd has published primarily in the top general management journals (Academy of Management Review, Journal of Management, Management Science, and the Strategic Management Journal), top general operations journals (European Journal of Operational Research) and the top specialized entrepreneurship journals (Journal of Business Venturing and Entrepreneurship Theory & Practice).

The following list highlights some of the "impact" articles that Dr. Shepherd has published in the last two years:

Zacharakis, A., McMullen, J., and **Shepherd, D.A.** "VC decision making across three countries: An institutional theory perspective". *Journal of International Business Studies* (in press).

Bruns, V., **Shepherd, D.A.** and Wiklund, J. "Assessment Policies of Bank Loan Officers." *Entrepreneurship Theory and Practice* (in press)

Choi, Y.R., Levesque, M., and **Shepherd, D.A.** "When should entrepreneurs expedite or delay opportunity exploitation?" *Journal Business Venturing* in press.

Wiklund, J. and **Shepherd, D.A.** "Portfolio entrepreneurship: Habitual and novice founders, new entry and mode of organizing." *Entrepreneurship Theory and Practice* (in press).

Brundin, E., Patzelt, H. and **Shepherd, D.A.** "Managers' emotional displays and employees willingness to act entrepreneurially." *Journal Business Venturing* (in press).

DeCastro, J.O., Balkin, D. and **Shepherd, D.A.** "Entrepreneurial firms can benefit from product piracy." *Journal of Business Venturing* (in press).

Brigham, K., **Shepherd, D.A.** and De Castro, J.O. 2007. "A person-organization fit model of owner-managers' cognitive style and organizational demands". *Entrepreneurship Theory and Practice* 31(1): 29-51.

Dimov, D., **Shepherd, D.A.**, and Sutcliffe, K. 2007. "Organizational status and investments in uncertain markets: The moderating role of management team expertise". *Journal of Business Venturing* 22(4): 481-502.

McMullen, J. and **Shepherd, D.A.** (2006). "Encouraging consensus-challenging research in universities". *Journal of Management Studies* 43(8): 1643-1669.

Hayward, M., **Shepherd, D.A.**, and Griffin, D. (2006). "Hubris theory of entrepreneurship." *Management Science* 52(2): 160-172.

McMullen, J.S. and **Shepherd, D.A.** (2006). "Entrepreneurial Action and the Role of Uncertainty in the Theory of the Entrepreneur". *Academy of Management Review* 31: 132-152.

Choi, Y. R., **Shepherd, D. A.** (2005). Stakeholder Perceptions of Age and Other Dimensions of Newness. *Journal of Management*, 31: 573-596.

Shepherd, D. A., and DeTienne, D. (2005). "Prior Knowledge, Potential Financial Reward, and Opportunity Identification." *Entrepreneurship, Theory and Practice* 29(1): 91-113.

Shepherd, D. A., Armstrong, M. and Lévesque, M. (2005) "Allocation of attention in venture capital firms". *European Journal of Operational Research* 163(2): 545-564.

Zacharakis, A. and **Shepherd, D. A.** (2005). "Entrepreneurs' Leadership Ability and Venture Capitalists' Assessment of Likely Success: A Contingent Approach." *European Journal of Operational Research* 162(3): 673-690.

Dimov, D. and **Shepherd, D.A.** (2005) "Human capital theory and venture capital firms: Exploring "home runs" and "strike outs"?" *Journal of Business Venturing* 20(1): 1-21.

Wiklund, J. and **Shepherd, D.A.** (2005) "Entrepreneurial Orientation and Small Business Performance: A Configurational Approach." *Journal of Business Venturing* 20(1): 71-91.

REMINDER...

Save the Date

3rd Annual Indiana University Entrepreneurial Awards of Distinction

Awards Banquet Thursday, October 18th

Applications will be available online on June 1st

www.kelley.iu.edu/jcei/

For more information, please
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