University of Michigan’s Zell Lurie Institute Seeks Promising Ventures for Annual Michigan Business Challenge

Deadline Approaching for Student Entrepreneurs to Enter Multi-phase Business Development Competition

Ann Arbor, Mich. – November 9, 2011 – The Samuel Zell & Robert H. Lurie Institute for Entrepreneurial Studies at the University of Michigan Ross School of Business will officially kick off the Michigan Business Challenge on Nov. 14 when team applications are due. The multi-round business development competition is a cornerstone of the Institute’s action-based educational programming, which enables students to put their entrepreneurial passions into practice and provides them the resources necessary to transform promising business ideas into successful ventures. In the past decade alone, over 500 teams have participated in the Michigan Business Challenge where they have received over $372,000 in prize money.

Unlike many competitions that have entrepreneurs write a business plan in a vacuum, the Michigan Business Challenge spans four-months and exposes students across the University to the rigorous business development and planning process required to commercialize a great idea. The program also encourages entrepreneurship and business development through mentoring at every step in the process. By the end, students receive invaluable feedback from judges, expand their networks and refine their business ideas. Select winners will share in over $60,000 in prizes and the opportunity to travel to other intercollegiate business plan competitions for additional rewards.

“The Michigan Business Challenge creates significant opportunities for our students that set them up for success and set us apart from other entrepreneurial education programs,” said Tom Kinnear, Executive Director of the Samuel Zell & Robert H. Lurie Institute for Entrepreneurial Studies. “It is one of several action-based approaches to learning that make up our robust entrepreneurial model at the University. Every year, we are pleased to see more students representing multiple disciplines across campus take advantage of the program to translate their business ideas into real ventures.”

Founded in 1984, the program was initially opened only to business school students, but now engages students drawn from the University’s 19 schools and colleges, including Engineering, Medicine and Law. Many go on to earn enough seed funding in business plan competitions to fuel the initial stages of business growth and at times, attract sizable Series A investments.

During last year’s business plan competition season one of the teams, Are You a Human (AYAH), a game-based human authentication tool that replaces the distorted text images known as CAPTCHA, went on from the Michigan Business Challenge to win $115,000 in total cash prizes and investment dollars at the Rice Business Plan Competition. The company ultimately secured a $750,000 Series A round investment from a group of investors, including Ross’ Frankel Commercialization Fund.

“We competed in the Michigan Business Challenge and the Rice University Business Plan Competition where we received helpful feedback,” said Tyler Paxton, AYAH Chief Executive Officer. “These programs and grants got us to the point where we felt comfortable about raising money.”
The Michigan Business Challenge is open to all current University of Michigan undergraduate and graduate students and current Medical Innovation Center Fellows. The timeline for this year’s competition is as follows:

- Nov. 14 - Intent to compete forms with an executive summary due.
- Dec. 2 - Round One - teams will give a 3-5 minute pitch to a panel of judges, followed by 3 minutes of Q&A.
- Jan. 20 - Round Two - teams will have 7 minutes to explain their businesses’ market size and dynamics, competitive situation and financial feasibility; followed by 10-15 minutes of Q&A.
- Feb. 17 - Semi-finals and Finals - eight semi-finalist teams will present their entire business plans to judges; four finalists will be selected to discuss their businesses with a panel of professional investors during a 30-minute interactive session.

For more information on the Michigan Business Challenge and complete rules, please visit www.zli.bus.umich.edu.

About the Samuel Zell & Robert H. Lurie Institute for Entrepreneurial Studies
The Institute and its Center for Venture Capital and Private Equity Finance bring together a potent mix of knowledge, experience and opportunities from the front lines of entrepreneurship and alternative investments. The student learning experience is further enhanced through internships, entrepreneurial clubs and events that serve to provide viable networks and engage the business community. The School’s three student-led investment funds, with over $5M under management, immerse students in the business assessment and investment process. Founding Board Members include Samuel Zell, Chairman of Equity Group Investments and Eugene Applebaum, Founder of Arbor Drugs, Inc. For more information, visit the Institute at www.zli.bus.umich.edu.

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