Our spring publication offers you insight into the people, programs, and events that make up the Samuel Zell and Robert H. Lurie Institute for Entrepreneurial Studies. In this issue you will read about the successes of our students whom represented the Institute in 11 intercollegiate competitions this year. We also highlight Wolverine Venture Fund activities and recount our exciting Microsystems Symposium. Through your support, the Institute is quickly becoming recognized for its key role in shaping the leaders of entrepreneurial ventures around the world.
ENTREPRENEURIAL SUCCESS
The Road to Success: BlueGill’s Story

In 1996 Hal Davis founded Ann Arbor-based BlueGill Technologies which he sold to CheckFree for $250 million in April 2000. As a UMBS alumnus, Davis will be recognized for his success by receiving the distinguished Alumni Entrepreneur Award on September 14, 2001 at our annual fall Entrepreneurship Symposium. In addition, he will be one of two featured keynote speakers at the Symposium.

BlueGill pioneered Internet billing and statement creation software applications and quickly grew to become an international software development company. Careful strategic positioning throughout North America, South America and Europe, solidly placed BlueGill in the financial electronic commerce service and products market.

In December of 1999, CheckFree I-Solutions, the leading provider of financial electronic commerce services and products, acquired BlueGill. The company’s solid roster of clients and partnerships gave CheckFree exciting avenues in which to expand its business.

“It was Hal’s single-minded determination to make BlueGill successful and his complete faith in the company's value proposition, despite 'nay sayers’ during the businesses evolution, that kept BlueGill on the road to success,” said Vinay Gupta, BlueGill’s Former CFO. One year after the acquisition, Davis is now helping incubate other start-up companies and is in the early stages of forming his next great business success. He is also exercising his creative spirit, “The old band is back together again,” said Davis, who plays lead guitar for one of Michigan's premier blues bands.

Davis serves on the boards of Yplor International and has recently been named to JustTalk, Inc.’s Board of Directors. He also serves as an Advisory Board member for the Institute.

AWARDS & RECOGNITION
Alumni Thomas Porter & Mary Campbell

Thomas Porter (MBA '67) and Mary Lincoln Campbell (MBA '79) were presented the Bert F. Wertman Alumni Service Award on March 22 for their outstanding service to the University of Michigan Business School (UMBS).

Since 1993 Tom and Mary have taught Managing Growth in New Ventures, an MBA course. In addition, Tom has long championed the School's participation in the Kauffman Foundation's Venture Capital Fellows Program for which he volunteers as a mentor. Tom is an active member of the UMBS Corporate Advisory Board and was instrumental in the formation of the Art Acquisitions Committee, which selects and acquires contemporary art for display within the School.

Tom is a general partner of EDF Ventures and is a director of Selective Genetics Inc., Synthon Corp., IntraLase Corp., HandyLab Corp., and Gen Vec Inc. His diverse range of professional experience founding, managing and advising new companies, together with his committed volunteerism, makes him a valued contributor to the UMBS.

Mary is an active member of the Visiting Committee and the manager of the Wolverine Venture Fund. The $2 million dollar student-run Fund is the first of its kind in the nation and has seven portfolio companies. She is also an Advisory Board member of the Institute. Mary has chaired the School's Growth Fund Board of Trustees and has judged the School's annual Pryor-Hale Business Plan Competition.

Mary co-founded and is a general partner of EDF Ventures. She is a director of Aastrom Biosciences and is Chairman of the Board of Think & Do Software and Fullscope. Her vast professional and personal contributions as a leader and teacher continue to strengthen and enrich the UMBS community.
WOLVERINE VENTURE FUND BOLSTERS ITS PORTFOLIO

One to Watch: Avail Networks

Avail Networks, an Ann Arbor manufacturer of hardware and software that makes it easier for businesses to put voice and video over Internet data lines, has attracted $15 million in new venture funding. Ann Arbor-based EDF Ventures, San Francisco-based Blueprint Ventures, Cincinnati-based Blue Chip Venture Co., and the Wolverine Venture Fund led the round. The company, founded in June 1999, is a spin-off from the Network Express division of Cabletron Systems.

"Avail has all of the elements of an exceptional venture investment: an experienced and proven management team, a large market opportunity, strong strategic relationships, and an outstanding group of investors. We are really excited to have Avail as part of our portfolio," said Rich Harding, MBA2 and Wolverine Venture Fund student.

Avail President and CEO David Hartmann said the new round would be used to beef up the company’s sales staff and marketing budget, with a smaller amount used to increase the company’s engineering budget. Avail had revenue of just under $5 million last year, and Hartmann said he expected revenue this year of about $20 million.

The market for voice and data services (including internet access) for smaller locations is measured in the tens of billions of dollars. Telecom deregulation has caused this market to become a hotbed of competitive activity, ushering in hundreds of competitive service providers and forcing incumbent providers to react quickly or risk losing market share. In parallel, the emergence of affordable broadband access technologies now enables "bundling" of multiple services (e.g. voice and data) over a single high-speed access facility. These developments open new revenue opportunities for service providers and generate cost savings for their subscribers.

PORTFOLIO INVESTMENTS

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<tr>
<th>Company</th>
<th>Date</th>
<th>Investors</th>
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<td>Intralase Corporation</td>
<td>May 1998</td>
<td>EDF Ventures, Brentwood Venture Capital</td>
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<td>Centromine, Inc.</td>
<td>November 1998</td>
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<tr>
<td>ZuluSports.com</td>
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<td>Beautiful Island.com</td>
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<td>HandyLab Inc.</td>
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<td>Avail Networks</td>
<td>December 2000</td>
<td>EDF Ventures, Blue Print Ventures</td>
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WVF STUDENT TESTIMONIAL

"My participation on the Wolverine Venture Fund has been among the best experiences that I have had at UMBS. Learning about what goes into making an investment decision has been a phenomenal experience. We have had opportunities to talk to entrepreneurs to get a sense of what their vision is and how they plan to execute and deliver on that vision. The Fund has also given me the opportunity to work with incredibly talented fellow students. This, among other things, contributes to making the Fund unmatched, both as an opportunity and as an experience."

Mekhala Vasthare (MBA1)
MEMS—the tiny often microscopic, machines used in applications as varied as disease diagnosis and environmental monitoring—was the focus of an important symposium held February 16 at the Michigan League. Over 300 people from industry, government, and academia attended the gathering that was presented by the Samuel Zell and Robert H. Lurie Institute for Entrepreneurial Studies, College of Engineering, Center for Wireless Integrated Microsystems (WIMS), and Technology Management Office.

This first-of-its-kind symposium highlighted existing and emerging technologies at the UM and at private companies throughout the state. "The symposium was really a way for us to leverage the visibility of Microsystems in Michigan," said Ms. Nickson, Coordinator of Public Relations for the Institute. Our vision for the symposium was to bring together entrepreneurs and engineers to further collaborate in supporting Michigan’s burgeoning Microsystems industry and to educate the audience about the world-class Microsystems research taking place at the UM.

The symposium featured two national keynote speakers. Kurt Petersen, President and COO of Cepheid, who co-founded two successful companies where he was responsible for commercializing micro-machined devices and developing fundamental fabrication processes. Petersen discussed the challenges of the commercialization of Microsystems.

In his closing comments, Dr. Petersen spoke about start-up strategies for MEMS based industries. As a word of caution, Dr. Peterson warned that it was easy to get caught up in the technology and over-hype it. MEMS is not an end in itself but an extension of technology that enables the harvesting of enormous opportunities in all areas.

Joining him was Roger Grace, President of Roger Grace Associates, a San Francisco-based marketing consulting firm specializing in high technology. Grace has specialized in sensors for more than 20 years, with a focus on MEMS and automotive applications. He spoke about "killer apps" in the Microsystems industry. His speech ended with a call to action for the players in the industry. Mr. Grace urged that the entrepreneurs and engineers should understand customer needs and wants and target their efforts on maximum value-added for the MEMS application. "The Microsystems industry needs to create awareness of the advantages and limitation of MEMS devices," said Mr. Grace.

The panel discussions covered topics on "Microsystems: Path to Commercialization," "Killer Apps," and "Growing the Microsystems Industry in Michigan." Themes that emerged from the discussions included: Microsystems is an exciting technology, poised for countless applications in many undiscovered areas; the historical fragmentation of the industry has tempered its growth; and current challenges include volume production and packaging.

Marvin Parnes, UM's Associate Vice President for Research, reinforced the theme that many components exist that need to work together to grow Michigan’s industry. Panelist Rick Snyder, President of Ardesta, advised the State to work hardest on establishing a culture that encourages collaboration: "We've got to get over the hurdle of competing with our neighbors. It's a world market, let's work together, so that everyone can benefit."

Ardesta, ERIM, Michigan Economic Development Corporation, and Nanovation sponsored the event.

Kurt Petersen and Roger Grace's keynote address can be listened to on Real Player at www.zli.bus.umich.edu/news_events

Michigan's Microsystems industry opportunities or Michigan's Microsystems Consortium (to be launched this year), please contact Mahendra RamSinghani, Business Development Manager of Michigan Economic Development Corporation at (517) 241-4180.

UM Technology Transfer Commercial Options visit www.techtransfer.umich.edu for online searching of technologies available for licensing, contact information, and office locations or email: techtransfer-tmo@umich.edu

UM Research Activities in MEMS and Microsystems: www.eecs.umich.edu/wims or call Karen Richardson, WIMS Center Administrative Director, at (734) 647-1779.

A Crash Course in Microsystems

Web sites on what’s happening in Microsystems
http://mems.isi.edu - MEMS clearing house of information
http://www.trimmer.net – MEMS resource site
http://www.ardesta.com – Information on key markets, investment opportunities, and a network of companies in the small tech field.
ACTIVITIES AND EVENTS

FuturTech Forum 2001
Unwired: the Impact of Wireless

The Institute was sponsor for the kickoff reception for the third annual Forum hosted by the High-Tech and Telecom Club. This two-day forum brought together business leaders, faculty, and students to explore the future of wireless communications and its impact on business models and consumers.

The kickoff reception, on January 25, preceded Ross Bott’s keynote address. Dr. Bott, Senior Vice President of Market Development at Openwave Systems, discussed his views on the impact of third generation (3G) wireless capabilities on the wireless Internet. He reviewed the major developments that will drive growth in the industry, including increased bandwidth, improved access devices and browsers, and deployment of wireless applications. In addition, his discussion highlighted the opportunities and challenges resulting from these developments and the future benefits derived from the adoption of 3G technologies.

There were over 35 panelists during the two-day event representing small, start-up to large, established high-tech companies. The Forum provided keen insight into wireless technology and its impact on corporate strategy and management decisions.

National Foundation for Teaching Entrepreneurship (NFTE) Future Leaders Day

The Institute sponsored 44 students from Scarlett Middle School to experience a day of entrepreneurship and business instruction on January 12 at UMBS. Special thanks goes to MBA students Mitch Green, Ritu Singhal, Jon Polon, Max Jacob, Heather Lee, Anna Schocket, Allison Allgaier, Kurt Knight, John Carione, and Brandon Schmidt for their perseverance leading young teams through the four-part program. Students had an opportunity to experience a simulated business process by actually giving them the tools and materials necessary to create and run their own friendship bracelet business. Steve Mariotti, Founder of NFTE and a UMBS alum, donated course materials.

Institute staff members volunteered their time to assist with the program. Tim Petersen, acting as venture capitalist for the day, quizzed the young students on sales, distribution, and marketing strategies before awarding teams “kid bucks” to start their companies. In spite of the grueling negotiations, students were quick to explain their superior friendship bracelet production expertise and marketing strategies. The students’ business processes were challenged by Tim’s initiative to buy low from companies and at a crucial time at the end of the business day and to sell back to businesses low on inventory at a higher price. However, the students quickly caught on to the “distributor” concept and created some competition for Tim.

In the end the Blue Chips took 1st place with 158 kid bucks to their name. Overall it was a great day and showed that it is never too early to get kids involved in entrepreneurship, provided that it’s fun!

PICTURED
Tom Kinnear and Steve Director
William Trimmer
Roger Grace
Paul Kirsch, Tim Petersen, Tom Kinnear, and Mary Nickson
Mickey Katz-Pek, Steve Director
Kurt Petersen
Max Jacob (MBA1) with Blue Chip Student Team
Pictured Far Right Scarlett Middle School Students

Photographs by Bill Wood
Michelle Hester, MBA2, won $1,000 as runner-up at the inaugural Kauffman/Angell Center for Entrepreneurship National Case Writing Competition (KACE) held at Wake Forest University’s Babcock Graduate School of Management on January 26 and 27. This national inaugural event was co-founded by the Institute. Tim Petersen, Manager of the Wolverine Venture Fund, participated as one of the six judges for the competition. The event was open to students participating in the Kauffman Entrepreneur Internship Program. Michelle’s case was based on her internship at i-Glow.com, Inc, an online girls sports magazine.

Michelle wrote about i-Glow as an introductory case to help teach entrepreneurial concepts in MBA classrooms. Her case was designed to address the entrepreneurial process and basic issues related to a start-up venture and also to highlight some of the characteristics of an entrepreneur.

The concept of i-Glow was to establish an online community for girls to gather relevant information on girls’ sports, to chat with other girl athletes, to get expert advice, and to create a girls sports community in their voice, in their language, all about girls. Unfortunately, the actual execution of their concept into an online business occurred just as the financial market was beginning to cool its affection for anything dot com. i-Glow was one of several online companies that became lost in the market correction.

“...The Southwest Business Plan Competition at Rice University was fantastic! We met some wonderful people in Houston, including our former dean, Dean Whitaker, and certainly gained a great deal of interest and support in ZAN from the venture capitalists that attended the event. After presenting on Friday morning, we were notified that night that we made it to the final rounds. We presented in the final round in front of over 45 judges on Saturday afternoon. Ultimately, we came in second place and were awarded $3,000. It was an incredible learning experience and one that we are both very grateful for.”

Sarah Winnay and Suzanne Watson
relevant, and not so relevant, information is para-
mount. The whole idea is to stretch and challenge
students to analyze real business situations," Hester says. "Additionally, I discovered that there is still a considerable need for more women busi-
ness school students to become involved in the
writing process and for the stories of women entreprenuers and minorities to be told."

Michelle said the KACE competition was a
tremendous opportunity for her. The value of the
i-Glow case is multifaceted: it features female
protagonists; it provides an overview of the stages
of entrepreneurship, it allows students to test or
make calculations surrounding the viability of
i-Glow's business model, and lastly, it encourages
debate surrounding business options and when to
walk away from one's idea.

UMBS's Pryor-Hale Business Plan Competition
The 18th annual Pryor-Hale Business Plan
Competition was held on April 18th, 2001. The
Pryor-Hale is one of the oldest competitions in the
country and remains a University-wide effort to
promote new business development. This cross-
functional focus is represented in this year's
team's; team members represent Master-level stu-
dents, Ph.D.-level researchers and faculty in the
Business School and the College of Engineering.

The competition has spawned many successful
businesses over the course of 17 competitions.
This year's competition boasts four finalist teams
that offer opportunities in wireless access, online
communities, miniaturization and medical testing.
Awards include: MBA First Prize of $7,500, Best
Written Plan of $1,500 and Best Oral Presentation
of $1,000. This year there was also a $2,000
award for the best BBA plan. Awards are funded in
part by the Pryor and Hale families and Campsix
of San Francisco.

This year's finalists are:
Evisen: Michael Beaton, Haksu Li, Wilfred Lei,
Chris Guibert de Bruet, Nicolas Guibert de Bruet,
Andre Guibert de Bruet, Jacques Guibert de Bruet,
David Leung, Gail Ruppert
Flex Lab: Dean Nowicki, John LoPorto, Stephen
Rose, Richard Smith
Mobius: Michael McCorquodale, Matthew
Guthaus, Keith Kraver
Walkabout Wireless: Eduardo Barros, Jonathan
Chizick, John Gearty, Ravi Gopal, Srin Venkat

CURRICULUM
EMAP
Multidisciplinary Action Project (MAP) is a core
MBA requirement and is the prominent, project-
based course at UMBS where students work on-
site solving real business problems. Currently
EMAP is providing challenging opportunities in
the highly changing Entrepreneurial environment of
six start-up companies. The six participating Ann
Arbor-based companies are: EximWare, FullScope,
HomeRun, InterLink, JustTalk and KinderStreet.

Continuing a Legacy:
Leading a Family Business
Professor Len Middleton will be teaching a new
course this fall. The course is designed for sec-
don-year MBA students who have worked in
family business or who will be returning to their
family-owned companies. Course topics will
include: the strategic, financial, legal, and fami-
ly issues found in family business. In addition,
the course seeks to develop a student's skills
to be the future CEO or a shareholder in the
family-owned company.

Business Planning Courses
Prepare Students for Competitions
Sarah Winnay and Suzanne Watson were encour-
gaged to enter Rice University's Southwest
Business Plan Competition by Professor Andy
Lawlor. Professor Lawlor teaches MBA students
how to develop their business ideas into a busi-
ness plan during UMBS's fall term Business
Planning Course. Their ZAN team placed 2nd in
the Competition.

Tim Petersen, instructor for UMBS's winter term
Business Planning Course, encouraged a team
of MBA students and an Electrical Engineering
Ph.D. candidate to participate in the Wake
Forest Elevator Pitch Competition. The format of
the competition included two elevator rides up
to the top floor of Wachovia Center, the downtown
headquarters for Wachovia Bank. Each ride
was timed and the participants were allowed two
minutes to pitch their business to a different
venture capitalist. After each team completed
their rides, five finalists were chosen based on
an average score for the two rides. UMBS's
Mobius was one of the five finalists.

UMBS’s Entrepreneurial Studies Program
Ranked 10th by US News and World Report
UPCOMING EVENT DATES
visit www.zli.bus.umich.edu

June 7 - UMBS Hale Auditorium, 6:00 - 8:00 p.m.
The Ardesta Story. Co-hosted with the Ann Arbor IT Zone.

June 19-20 The 20th Venture Capital Symposium.

September 14 - UMBS Hale Auditorium, 7:30 a.m. - 1:00 p.m. Entrepalooza 2001: The Changing Face of Entrepreneurship. A half-day symposium featuring keynote speakers Donna Dubinsky, Co-Founder and CEO, Handspring and Hal Davis, Founder & CEO, BlueGill Technologies. with special guest Joe Sipher, Vice President Marketing, Handspring.

October 25 - Eastern Michigan University's Convocation Center, 8:00 a.m. - 5:30 p.m. BioMedExpo: Road to Success.

November 9 - Location TBD, 7:30 a.m. - 1:00 p.m. Entrepreneurship: Back to the Basics. Co-hosted by Association for Corporate Growth (ACG).

November 15 - Holiday Inn North Campus, 5:30 - 7:30 p.m. Michigan Colleges and Universities: Student Entrepreneur Start-ups. Co-hosted by the New Enterprise Forum.

EXECUTIVE ENTREPRENEURIAL WORKSHOPS www.umich.edu/cvpumbs or (734) 936-3528 Seminar location: Executive Education Center, Ann Arbor, MI

May 16-17 Angel Investing

September 28-30 Entrepreneurial Finance: Building and Financing the Entrepreneurial Company.

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