



## *Institute for Entrepreneurship*

Spring 2009 Newsletter

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### *Students help Michigan businesses grow*



Eppley Center, Eli Broad College of Business

#### **Also in this issue**

- Grant helps mid-Michigan businesses plan for success
- Students launch Broad Entrepreneurship Association
- Venture Capital research grant releases first findings

## Meet the Institute Leadership



**Roger Calantone, Ph.D.**

Co-Director, Institute for Entrepreneurship  
Director, Center for Entrepreneurial Strategy  
The Eli Broad Chaired University Professor of Business  
Department Chair, Marketing



**Shawnee Vickery, Ph.D.**

Co-Director, Institute for Entrepreneurship  
Professor  
Supply Chain Management



**Zsuzsanna Fluck, Ph.D.**

Director, Center for Venture Capital and Private Equity  
Associate Professor  
Finance

## Meet the Institute Faculty

**G. Geoffrey Booth**

Acting Associate Dean of  
Academic Affairs and Research  
Department Chair, Finance  
Frederick S. Addy Distinguished  
Chair in Finance

**Forrest (Sam) Carter**

Associate Professor of Marketing

**Steve Dilley**

Professor of Accounting

**Kent Miller**

Professor of Management

**Paulette Stenzel**

Professor of Law and Business

**Blake Ashdown**

Professor of Practice

**Hariloas Sorovigas**

Professor of Practice

**Michael Williams**

Professor of Practice

*For more information on Institute  
faculty and leadership, visit  
[www.bus.msu.edu/ie/faculty.cfm](http://www.bus.msu.edu/ie/faculty.cfm)*

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Please direct all comments and inquiries to [entrepreneur@bus.msu.edu](mailto:entrepreneur@bus.msu.edu).

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## Spartan Strategic Solutions works with local businesses



Forrest (Sam) Carter

Students majoring in Marketing or specializing in entrepreneurship at the Broad School are likely to spend a semester or two working with Spartan Strategic Solutions, a program that matches Michigan businesses with Michigan State University students to facilitate experiential learning for students and provide consulting services for businesses. This program, led by Institute faculty member Forrest (Sam) Carter, offers benefits to all parties in the collaboration. Students gain valuable real-world business experience and their “course clients” receive research deliverables, creative insights for solutions to strategy problems from students and participating faculty, and an opportunity to establish a relationship with the Eli Broad College of Business.

Students have worked with several entrepreneurial firms in the past, including Grand Rapids-based Soy Ultima. Soy Ultima is a food and technology company with a mission to introduce “whole soy” technology into finished foods. After successfully obtaining a patent on its soy processing technology, the company worked with marketing research students to conduct a market feasibility study. The company faced the problem of whether to develop and market consumer products based on its technology, or produce a powder that could be sold as a supply source to other producers of consumer products. The students provided a detailed analysis of the potential, competitive environments, and likely success in a broad range of consumer markets, as well as the supply sector.

Based in part on the results of the study, Soy Ultima developed a high quality soy powder and successfully launched their line to several food producers. One of the first products to hit consumers is a chip snack made with Soy Ultima’s ProTato, a 60/40 blend of dehydrated potato and soy that gives products the taste and texture of a potato snack with the extra protein and nutrients of soy.

Soy Ultima is just one example of Spartan Strategic Solutions’ success. Carter’s students have worked with a variety of businesses and groups. Past projects include consulting and market research for New Citizen Press, Aldelano Packaging, Polly Products, the Michigan Apple Committee, and EdVenture Partners. *Companies interested in Spartan Strategic Solutions should email [entrepreneur@bus.msu.edu](mailto:entrepreneur@bus.msu.edu).*



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## Research and Publications

Rod Runyan, **Cornelia Dröge** and Jane L. Swinney, "Entrepreneurial Orientation versus Small Business Orientation: What Are Their Relationships to Firm Performance?" Journal of Small Business Management (2008)

Andreas B. Eisingerich, **Gaia Rubera**, and Matthias Seifert, "Managing Service Innovation and Interorganizational Relationships for Firm Performance," Journal of Service Research, (December 2008)  
doi:10.1177/1094670508329223

**Cornelia Dröge**, **Roger J. Calantone** and Nukhet Harmancioglu, "New Product Success: Is It Really Controllable by Managers in Highly Turbulent Environments?" Journal of Product Innovation Management, (2008) 25:3, 272-286

**Zsuzsanna Fluck**, "Highlights from the MVCA Venture Capital in Michigan Study," Creating the Foundation for Business Growth in Michigan. (2008)  
Michigan Venture Capital Association

*Broad School faculty appear in bold.*

## Venture Capital Research publishes first results



Zsuzsanna Fluck

In 2007, Zsuzsanna Fluck, director of the Center for Venture Capital, Private Equity and Entrepreneurial Finance (CVCPEEF) and associate professor of Finance, was awarded a \$150,000 research grant from the State of Michigan's 21st Century Job Fund Grant on the behalf of the CVCPEEF in partnership with the Michigan Venture Capital Association (MVCA) for a research project entitled "Sources of Capital for Michigan Venture Capital Firms and Entrepreneurial Companies." The project successfully passed two major milestones set by the MEDC. Highlights from the first report were presented at the MVCA annual meeting and appeared in a recent MVCA publication, "Creating the Foundation for Business Growth in Michigan."

Fluck conducted a survey of 239 national and international institutions that have alternative investment programs in venture capital. The survey was supplemented with information from various subscription databases, media and internet sources. Among the 116 institutions that replied to the survey, 70 answered "yes" to the question whether they would be willing to consider investing in a Michigan venture capital fund. Also, nearly all institutions that had invested in Michigan in the past would consider doing so again.

While there is much research on venture capital as a whole, this survey is the first to measure institutions' interest in Michigan venture capital partnership investments. The study also tracks the decision making process of institutions with alternative investment programs and the geographic location of their venture capital partnership investments. Highlights from the second research report will be published by the MVCA.

## Grant helps mid-Michigan businesses plan for success

Last summer, Institute for Entrepreneurship co-directors Shawnee Vickery and Roger Calantone received a grant to help mid-Michigan businesses strategically plan future growth and expansion. The project, "Imaging the Future: Revitalization of Mid-Michigan Companies through Deep Strategic Change," was funded by the Michigan Initiative for Innovation and Entrepreneurship (MIIE) program (Mott Foundation). The project focused on helping the participating companies maximize their growth potential and create new jobs for Michigan workers.

Five mid-Michigan companies are participating in the program this year: Demmer Corporation, Peckham Industries, Quality Dairy Company, Sparrow Health Systems and Spartan Motors. Working with Vickery, Calantone, and MBA students Kim Crawford and Ruppy Singh, the companies identified challenges and opportunities for growth and developed strategies for competitive advantage.

The team designed each project to meet the specific needs of the company. One company worked to define new strategies for improving the profitability of a manufacturing facility by more fully utilizing the facility's capacity. For another company, the team worked to support its diversification and expansion goals by developing a strategy map/balanced scorecard. Top management at the company also engaged in a scenario analysis exercise that led to the development of contingency plans for addressing environmental uncertainties. A third



Shawnee Vickery and Roger Calantone

company worked with the team to develop a comprehensive strategy for its retail units that leverages an advantage gained from a recent change in the parent organization's status. The team is currently working with one of the companies to capture and communicate its values more effectively and infuse a culture of innovation across its business lines.

The project has already produced tangible results. Quality Dairy Company recently hired a 2009 Broad MBA graduate, Gabriel Iocco, to serve as its new Marketing Coordinator. Iocco will be responsible for developing the branding for Quality Dairy's wholesale Auntie Em Bakery products.

Stanley Martin, CEO and President of Quality Dairy Company, said, "The work of the MIIE project team has introduced us to what MSU has to offer mid-Michigan companies, and I am amazed at the talent available to provide assistance. The team has helped us become more fully informed about the opportunities and threats facing us and has guided us in developing strategies that foster the learning and growth we need to improve our competitive abilities."

## Other News

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- ◆ Roger Calantone, Eli Broad Chaired University Professor and co-Director of the Institute for Entrepreneurship, was recently recognized as one of the top 50 researchers in the Technology Innovation Management field by the International Association for Management Of Technology (IAMOT). This recognition was based on his academic journal publication record in the technology innovation management field over the past five years.
- ◆ The Center for Venture Capital, Private Equity and Entrepreneurial Finance (CVCPEEF) held its first advisory board meeting in November 2008. Remarks and presentations were delivered by Zsuzsanna Fluck (Director of the CVCPEEF), Geoffrey Booth (Acting Associate Dean of Academic Affairs and Research and Frederick S. Addy Distinguished Chair in Finance), Stephen Dimmock (Assistant Professor of Finance) and Paulette Stenzel (Professor of Business Law). Students Ruppy Singh (MBA '09) and Kathryn Gardner and Alaina Vince (undergraduate Broad scholars) also participated.
- ◆ The inaugural Entrepreneurship Capstone Class taught by Forrest (Sam) Carter has completed a semester-long, intrapreneurial marketing project with the CIA, facilitated by EdVenture Partners. Students designed, implemented and assessed their own unique marketing and recruitment strategies tailored to the Michigan State University student body. The students were also featured in *The State News*, [http://statenews.com/index.php/article/2009/04/mission\\_possible](http://statenews.com/index.php/article/2009/04/mission_possible).

## Students launch entrepreneurship club

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After months of planning, the students of the Broad Entrepreneurship Association (BEA) have successfully launched their organization. The group's executive board hosted an open event featuring local entrepreneurs Pierre and Catrine Medawar as guest speakers. Students gathered to learn more about entrepreneurship in general with a discussion led by Institute faculty member and BEA advisor Blake Ashdown.

Pierre Medawar shared his experiences running a successful business and some of the challenges he has overcome, including emigrating to the United States in the 1970s and

helping his father bring the family business from Lebanon to the US. After Medawar's talk, students had the opportunity to ask questions and gain insights from the successful entrepreneur.

The Broad Entrepreneurship Association followed up on its first event with a learning session led by Ashdown. The students focused on five crucial steps for entrepreneurial success. BEA will continue to host events throughout the school year.

*For more information on the Broad Entrepreneurship Association, please email [bea@msu.edu](mailto:bea@msu.edu).*

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## Institute for Entrepreneurship

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## About the Institute

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The Institute for Entrepreneurship was formed in 2006 to bring together the knowledge and expertise of Broad School faculty in a concentrated entrepreneurship initiative. The Institute draws in faculty from across the college and entrepreneurs from the university and the Michigan community.

The Institute focuses on three main areas:

- ◆ **Research:** Institute faculty conduct academic and applied research on a variety of topics pertaining to entrepreneurship: from new product development and commercialization to entrepreneurial finance, venture capital and private equity investments.
- ◆ **Education:** Becoming an entrepreneur is a risky decision. At the Broad School and the Institute for Entrepreneurship, students are provided with the knowledge and experience they will need to succeed. Courses cover a range of topics and experiences, including developing a new business plan, learning the ins and outs of venture capital, and hands-on experience consulting for emerging businesses.
- ◆ **Outreach:** In Michigan over 23,000 new businesses were born in 2006 alone.\* The Institute for Entrepreneurship helps to stimulate this economic growth by serving as a resource for emerging firms in Michigan. The Institute also supports the commercialization of Michigan State University's own innovative ideas through partnerships with the Michigan State University Foundation.

The Institute for Entrepreneurship is organized into two centers of excellence. The Center for Venture Capital, Private Equity, and Entrepreneurial Finance, run by Dr. Zsuzsanna Fluck, is attached to the Finance department. The Center for Entrepreneurial Strategy, led by Dr. Roger Calantone, draws on all departments in the Eli Broad College of Business.

\*United States Small Business Administration Office of Advocacy