



**// 2019 GCEC AWARDS SUBMISSION**  
**NASDAQ Center of Entrepreneurial Excellence Award**

*Respectfully submitted by:*



THE UNIVERSITY OF  
**CHICAGO**

**Name of University:** The University of Chicago

**Name of Entrepreneurship Center:** Polsky Center for Entrepreneurship and Innovation

**Award Category of the Nomination:** NASDAQ Center of Entrepreneurial Excellence

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# ***NASDAQ Center of Entrepreneurial Excellence Award: The Polsky Center for Entrepreneurship and Innovation at the University of Chicago***

## **// About the Polsky Center**

The Polsky Center for Entrepreneurship and Innovation at the University of Chicago brings the power of ideas from the laboratory, classroom, and community to the world. Launched at the University of Chicago Booth School of Business in 1998, the Polsky Center has led the way in entrepreneurial excellence and has spent two decades providing end-to-end support along the entrepreneurial journey – helping startups access capital, identify talent, find space, build prototypes, and grow. The Polsky Center supports a wide audience: students, faculty, alumni, all with the goal of having a more meaningful impact on society.

After a significant unification and expansion initiative in 2016, the Polsky Center is now a 60-person organization that manages all of the University of Chicago's efforts in entrepreneurship and innovation. We teach academic classes in entrepreneurship across the University, including being the top major at our top-ranked business school. We comprise the University of Chicago's tech transfer team, which partners with research faculty to protect their intellectual property and help them determine if their ideas have commercial potential. We provide a full suite of startup resources at our Polsky Exchange, which includes 34,000 square feet of co-working space, startup incubation, and a state-of-the-art fabrication lab. We invest in startups through our investment funds and partner with industry.

## **// National Prestige and Recognition**

As the Polsky Center's capstone program, the Edward L. Kaplan, '71, New Venture Challenge (NVC), has been recognized for the past four consecutive years by the [Seed Accelerator Rankings Project](#) as one of the top accelerator programs—and the #1 university accelerator program—in the nation. Launched in 1996, the NVC has launched more than 230 companies worldwide, worth more than \$13 billion and that have raised over \$915 million in funding. Some of the most notable companies in the Polsky Center's NVC portfolio are Grubhub, Braintree/Venmo, and Simple Mills—all of which are national brands.

Celebrated by national publications such as [The New York Times](#), the NVC is consistently hailed for the rigor and structure of its programming and curriculum. Rather than a one-day or weekend-long business plan competition, the NVC is a year-long accelerator program that includes a specially designed for-credit business class and regular mentorship and training by industry experts and serial entrepreneurs. As the program has grown over the past 20+ years, the companies participating have grown stronger as well. In 2019 alone, the New Venture Challenge awarded \$850,000 in cash prizes to the finalist teams.

The University of Chicago's Booth School of Business, where entrepreneurship is the largest concentration, consistently is ranked as one of the top MBA programs, most recently #3 MBA program by *U.S. News and World Report*. Chicago Booth also was ranked #2 by the *Princeton Review* as a top graduate program for entrepreneurship.

In 2017, Starr Marcello, deputy head and executive director of the Polsky Center and adjunct assistant professor of entrepreneurship, was invited to testify before the U.S. Congress' Committee on Small Business on the merits of accelerator programs for job creation and economic development.

In 2018, the Polsky Center was awarded the competitive *Industry Champion* award at the Illinois Technology Association's annual CityLIGHTS award ceremony. The Industry Champion award is presented to the company or individual who actively and consistently supports the growth of the Illinois Technology industry through leadership and/or collaboration.

Finally, the Polsky Center was the winner of the Global Consortium of Entrepreneurship Centers (GCEC) award for Outstanding Contribution to Venture Creation in 2017.

## // Breadth, Quality, and Longevity of Program

**Expanding and adapting entrepreneurial education across campus:** The Polsky Center is rooted in a long history of venture creation and entrepreneurship education. Two decades ago, Chicago Booth formed an entrepreneurship center and established an entrepreneurship concentration for students in the MBA program. And since 2002, Michael Polsky, '87, founder, president, and CEO of Invenergy LLC, has endowed the Center and given \$50 million towards growing entrepreneurship at Chicago Booth and establishing the Polsky Center as a campus-wide “venture creation engine.”

In the wake of Michael Polsky’s most recent \$35 million gift in 2016, the Polsky Center expanded its size and scope beyond Chicago Booth to support the entire University, including the management and commercialization of the University of Chicago’s intellectual property, working across all departments and all divisions, including the University-managed Argonne National Laboratory, Fermi National Accelerator Laboratory, and the Marine Biological Laboratory. Through the Polsky Exchange, the University’s incubator space, the Polsky Center has become a vital resource for driving innovation and economic growth on Chicago’s South Side, supporting hundreds of entrepreneurs and community members with no UChicago affiliation.

The Polsky suite of programming and education has also been adapted and expanded to serve the wider University of Chicago campus. In 2018, the Polsky Center launched the College New Venture Challenge as a for-credit class for undergraduates. And, in 2019 the fifth track of the New Venture Program was launched to support all University of Chicago alumni who are in the process of launching and developing their startups. The Alumni New Venture Challenge is a global program and is operated in five key regions – East Coast, Midwest, West Coast, Europe, and Asia. Here, dedicated co-chairs were selected to oversee local programming. Furthermore, the Polsky Center has been the leader in creating and adapting entrepreneurship-based curriculum for science-based faculty, students, and post-docs, particularly within the University’s Computer Science department and the Institute for Molecular Engineering. Four new classes have been added in the recent years to introduce scientists and researchers to the field of entrepreneurship, familiarizing them with common topics and frameworks, and connecting them with local entrepreneurs and investors.

Additionally, after winning a \$300,000 grant from the National Science Foundation (NSF) in 2014, the Polsky Center helped the University of Chicago become a [designated I-Corps site](#). Since 2014, the Polsky Center has delivered education and individualized coaching to 156 student- and faculty-led teams working on STEM projects. To date, I-Corps graduates have raised more than \$66 million in grants or investments. Additionally, in January 2017, the Polsky Center I-Corps program was awarded an additional \$30,000 “Inclusive Entrepreneurship” supplement grant from the National Science Foundation, with the goal of serving female STEM entrepreneurs. The Polsky Center’s I-Corps grant was renewed for an additional \$300,000 in 2018.

## // Curriculum Development

**MBA education:** Entrepreneurship is the most popular concentration at Chicago Booth, with 28 unique classes offered each year. This entrepreneurial interest continues on Chicago Booth’s international campuses—in Asia, one-third of incoming Executive MBA students to Chicago Booth’s Hong Kong campus are entrepreneurs. Through its entrepreneurial education offerings, the Polsky Center has pioneered new areas of study, such as entrepreneurial sales, entrepreneurial discovery, entrepreneurship through acquisition, and application development.

Our distinct approach to entrepreneurship education is a result of commitment to our principles. We believe entrepreneurship education must be: led by a mix of both research and practitioner faculty, a blend of both

classroom and experiential learning, student-facing, and rooted in a passion for new venture creation and innovation.

Additionally, through our Svider Private Equity Program, we offer hands-on educational opportunities such as the Private Equity and Venture Capital Lab, the Sterling Partners Investment Thesis Challenge (SPITC), the Oxford-Chicago Global Private Equity Challenge, and the Venture Capital Investment Competition (VCIC). In 2019, 71 leading private equity and venture capital firms in the Chicago area hosted 119 student interns in the PE/VC Lab. Participation from firms has more than tripled since the program launched in 2000.

Furthermore, the Polsky Center and Chicago Booth are on the forefront of an increasingly popular form of entrepreneurship – entrepreneurship through acquisition (ETA), which includes the search fund model. The Polsky Center and Chicago Booth have taken an active role in this nascent field, hosting an annual Conference that draws over 400 attendees, producing a regular podcast series with our leading ETA advisors and professors, and offering a popular ETA course, taught by Professors Mark Agnew and Brian O'Connor. ETA was the most popular class at Chicago Booth in Winter Quarter 2018.

## // Contributions to Entrepreneurial Research

**Polsky Center leadership in highly-relevant fields of study:** The Polsky Center is proud to be home to two of the leading researchers on impactful topics in the fields of private equity, venture capital, and entrepreneurship—Professors Steve Kaplan and Waverly Deutsch. Kaplan, the Neubauer Family Distinguished Service Professor of Entrepreneurship and Finance at Chicago Booth and the Kessenich E.P. faculty director of the Polsky Center, is one of the world's leading experts in private equity venture capital, entrepreneurial finance, corporate governance, and corporate finance. He has been referred to by *Fortune Magazine* as “probably the foremost private equity scholar in the galaxy.” He ranks among the top 60 in paper downloads and in paper citations (out of over 280,000 authors) on the Social Science Research Network and is the co-creator of the Kaplan-Schoar Public Market Equivalent (PME) private equity benchmarking methodology. Deutsch, a clinical professor at Chicago Booth and the academic director of university-wide entrepreneurship content at the Polsky Center, researches topics that focus on the execution issues entrepreneurs face as they grow their businesses, especially marketing, sales, operations, and team building—as well as diversity and inclusion topics—and is featured quarterly in the *Chicago Booth Review*.

## // Outreach Activities and Uniqueness

**Fostering STEM Innovation and Advancing Scientific Discoveries:** The Polsky Center's efforts and outreach to science-based ventures and related industries, such as healthcare, energy and advanced computing, set it apart from its peers. The Polsky Center manages a multi-million dollar Innovation Fund to help early-stage research and technology reach their commercial potential. Recent investments from the Innovation Fund include:

- **Anapneo Therapeutics** – \$250,000 for their work towards developing novel agents for sleep apnea. Anapneo is the process of enabling an investigational new drug application and beginning Phase I clinical trials.
- **nuBorn Medical** – \$200,000 for their smart baby bottle system that diagnoses feeding problems in preterm infants. nuBorn's non-invasive device gathers objective, clinically significant, and actionable data earlier than other methods currently used.
- **ClostraBio** – \$200,000 for their work with the human microbiome to target food allergies. ClostraBio leverages recent microbiome-related discoveries to create drugs that prevent allergic reactions to food.
- **Switched Source** – \$150,000 for their work to increase the reliability and efficiency of the last mile of electricity delivery. Switched Source provides advanced hardware solutions to electrical utilities

that make their operations more efficient and reliable while increasing their capability to host more renewable energy on the grid.

- **Seurat Therapeutics** – \$250,000 for their work in migraine prevention. Seurat’s drug aims to stop the underlying cause of migraines by reducing the causes of oxidative stress, which cause neurons in the brain to over-activate and cause severe headaches.

Life sciences startups like ClostraBio and Seurat take an enormous amount of resources to get off the ground compared to other companies. That is why the Polsky Center created the Polsky Life Sciences Launchpad in 2017 to provide hands-on, end-to-end support for translating life sciences research into startups. Faculty innovators with scientific discoveries receive intense coaching and personalized guidance from an experienced Polsky Center venture lead who acts as an extension of the venture’s founding team, helping to build a strategy for the company, identify and fill gaps, and ensure that the venture is working towards critical milestones. Already, four companies in the program have raised \$5 million, and the program has attracted dozens of top MBA and doctoral candidates in STEM to explore entrepreneurship at scientific ventures.

The Polsky Center was a leading factor in the establishment of the Duchossois Family Institute (DFI), a \$100 million commitment from the Duchossois family to accelerate research and inventions based on how the human immune system, microbiome, and genetics interact to maintain health. As part of the Institute, the Polsky Center facilitates the process to bring breakthroughs to market through partnerships with industry, venture capitalists, government agencies, like-minded philanthropists, and the public. Additionally, in collaboration with the Polsky Life Science Launchpad, the University has embedded commercialization specialists from the Polsky Center within the DFI to promote participation and support of the business community to further accelerate innovation.

In addition to life sciences, the Polsky Center also provides specialized support for startups in the energy space—everything from providing commercialization support for new technologies developed at the University’s Institute for Molecular Engineering to providing educational curriculum and prototyping facilities to startups in Argonne National Laboratories’ Chain Reaction Innovation (CRI) accelerator.

In addition, the Polsky Center works closely with the Chicago Quantum Exchange (CQE), an intellectual hub for advancing academic, industrial and governmental efforts in the science and engineering of quantum information, through connections to industry and research partners.

Finally, the Polsky Center manages the University of Chicago’s technology transfer portfolio, which includes over 650 licensing partnerships. These licensing partnerships are done with industry and startups, including the FDA-approved therapeutic Relistor to Progenics, and other significant partnerships with existing companies such as GlaxoSmithKline, Phillips 66, and McGraw Hill. Earlier this year, Evelo Biosciences, a biotechnology company based on cancer treatment licensed from the University of Chicago, debuted on the Nasdaq. Most recently, the Polsky Center announced a \$22 million Series A round for newly formed immune-oncology company, Pyxis Oncology. The round was led by Leaps by Bayer and also received a \$300,000 contribution from the UChicago Startup Investment Program. Pyxis was developed in partnership with the technology transfer office at the Polsky Center.

## // Community Collaborations

**Support for non-affiliated, community-based entrepreneurs:** A unique aspect of the Polsky Center is that many of our resources, from workshops to mentor appointments, are open to the broader South Side community. At our 34,000 square foot coworking space, the Polsky Exchange, nearly 20% of our 3,500+ members have no prior affiliation to the University of Chicago. In collaboration with the University of Chicago’s Office of Civic Engagement, the Polsky Center offers workshops and training series for local community entrepreneurs who are looking to grow their business and become a vendor to the university through our UChicagoLocal purchasing initiative. The Polsky Center co-hosts the annual South Side Pitch,

an event which gives local community entrepreneurs an opportunity to present their ideas to investors for cash prizes. So far, several of these companies have gone on to incubate at the Polsky Center.

Through a partnership with JPMorgan Chase and their national Ascend 2020 program, the Polsky Center launched the Polsky Small Business Growth Program to support small business owners—helping them grow and scale their businesses to the next level of success. Through this program, the Polsky Center works with small businesses located in traditionally-underserved areas on the south and west sides of Chicago. Small teams of highly-skilled University of Chicago students provide hands-on consulting experience to these companies, helping them address key business challenges and determine new strategies for business growth. By collaborating with outside partner organizations, such as Accion, LISC, CASE, and the Chicago Urban League, the Polsky Center is able to find ways to provide additional financing, coaching, and other wrap-around services for these businesses and their owners. The first 18 clients that participated in the Polsky Center's program report that their revenues have already increased by almost \$700,000 and that they expect to hire 28 people in the next year.

## // Special Projects and Accomplishments

**Building an innovation district on the South Side:** In June of 2017, Baltimore-based Wexford Science & Technology announced an agreement with the University of Chicago to build a 280,000 square-foot development to serve as a mixed-use innovation complex and expansion of the Polsky Center's footprint on the South Side of Chicago. The development will combine laboratory and office space to support collaborative research, innovation, startups, and opportunities for local entrepreneurs. In addition to expanded space for the Polsky Center and the University of Chicago, this development will serve as a hub for innovation collaboration in the Midwest.

In the fall of 2017, the University of Chicago and the University of Illinois at Urbana-Champaign launched a partnership dedicated to research and technology development for some of society's most pressing challenges. This partnership will bring about 10 tenured faculty and 90 students and post-docs to the facility to collaborate with UChicago colleagues, entrepreneurs, and industry leaders, and will be based at the Polsky Center's planned innovation complex.

Additionally, the U.S. Army Research Laboratory (ARL) announced in November 2017 that it has decided to establish their central location for research and technology at the Polsky Center. This partnership, which serves as a hub for research institutions across the Midwest, will encourage groundbreaking advances in basic and applied research areas relevant to the Army. Partner institutions that will benefit from this collaboration include Northwestern University, University of Illinois at Urbana-Champaign, University of Illinois at Chicago, Purdue University, and the University of Wisconsin.

## // University's Commitment and Support

**Expanding entrepreneurship and innovation across the globe:** Innovation and entrepreneurship is a strategic priority for the University of Chicago. In late 2016, Trustee Michael Polsky increased his total giving to the Center to \$50 million, and the University of Chicago made a major commitment to growing entrepreneurship and research commercialization on campus by designating \$25 million from its endowment to invest alongside established venture funds in startups led by faculty, students, staff, and alumni. The program, known as the UChicago Startup Investment Program, has already invested a combined more than \$1.7 million in four student-founded and Polsky Center-affiliated companies. In the past two years, the Polsky Center has announced more than \$15 million dollars in additional gifts to its programs. The University built the 34,000 square foot Polsky Exchange coworking space in 2014, including more than \$1 million investment in equipment for prototyping physical objects in a resource called the Polsky Fab Lab.

In 2016, the Polsky Center launched UChicago Innovation Fest – a month-long celebration of the pioneering discovery and entrepreneurial endeavors at the University of Chicago. The month of events, workshops, and accelerator programs, including the Edward L. Kaplan, '71, New Venture Challenge, highlights the breadth and impact of innovation at UChicago in the areas of entrepreneurship and research commercialization,

scientific advances, and social impact. Innovation Fest 2018 featured nearly 40 events from a variety of cross-campus and external partners, including a panel of Chicago Booth alumni discussing the cross-disciplinary formula for a successful venture moderated by *Fast Company*, a Facebook Live event about the end of online privacy, a research computing symposium on how to solve societal challenges with artificial intelligence, and five faculty-led team competing for up to \$500,000 in early-stage investment at the UChicago Innovation Fund spring finals.

In 2019, the Polsky Center launched the Alumni New Venture Challenge (ANVC) as an expansion of its top ranked Edward L. Kaplan, '71, New Venture Challenge. The ANVC is a global program for all University of Chicago alumni who are launching an early stage venture. In its inaugural year, 35 teams were selected to advance to phase II of competition – 5 from Asia, 6 from the East Coast region, 3 from Europe, 12 from the Midwest region, and 9 from the West Coast region. At the end of the first-ever cohort, four teams shared a \$125,000 cash prize pool. In addition to the global expansion of the Polsky Center through the ANVC, it has also expanded its global presence in Hong Kong and London, where the University of Chicago has existing locations. Through this expansion, the Polsky Center will extend resources across the world to foster connections that will help more ideas have a meaningful impact on society. To advance these efforts, the Polsky Center has one full-time employee based in Hong Kong and plans to add another in London.

### // Commitment to GCEC

The Polsky Center is excited to increase our commitment to the Global Consortium of Entrepreneurship Centers as a member of the 2018-19 Leadership Circle alongside other elite university partners. We are looking forward to attending and engaging with this year's attendees as we are in the process of building our global reach. With Polsky's global expansion, we look forward to new opportunities to partner in larger capacities and engage with GCEC. Finally, we were very honored to be awarded Global Consortium of Entrepreneurship Centers award for Outstanding Contribution to Venture Creation in 2017.

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## // APPENDIX 1: Seed Accelerator Rankings Project Recognizes the Polsky Center's New Venture Challenge as Top Accelerator in the Nation Four Years in a Row

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# STARTUP ACCELERATOR RANKINGS PROJECT

## Platinum Plus



## Platinum



## Gold



## Silver



## // APPENDIX 2: Duchossois Family Institute

# **\$100 million gift establishes The Duchossois Family Institute at the University of Chicago Medicine**

*Initiative combines genetics, immunology, microbiome, big data to create 'new science of wellness'*



*Members of the Duchossois Family Foundation, including (back row, from left) Craig Duchossois, Janet Duchossois, Ilaria Woodward, Jessica Swoyer Green, Dayle Duchossois Fortino, (seated, from left) Ashley Joyce, Richard Duchossois and Kimberly Duchossois.*

The Polsky Center for Entrepreneurship and Innovation was a key reason why the Duchossois family gave \$100 million to establish the Duchossois Family Institute at the University of Chicago Medicine in May 2017. Much of the research being conducted at the Institute will focus on the microbiome and its relation to human health. Recent discoveries demonstrate that the genetic material encoded within the microbiome is a critical factor in fine-tuning the immune system and can be powerful in maintaining well-being and preventing disease. Commercialization specialists from the Polsky Center have been embedded to promote participation and support the business community to further accelerate innovation related to the microbiome.

## **// APPENDIX 3: Polsky Center’s Expansion and Partnership with the University of Illinois at Urbana-Champaign**

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# UChicago, University of Illinois at Urbana-Champaign partner on major innovation initiative

*Collaboration is first project in statewide plan for tech and economic development, led by the Polsky Center*



*The UChicago-Illinois collaboration will be part of the expansion of the Polsky Center for Entrepreneurship and Innovation in Hyde Park.*

On October 19, 2018, Illinois Governor Bruce Rauner announced the Illinois Innovation Network, a resource to accelerate the growth of businesses and industries. The first project to get underway will be a partnership between the University of Chicago and the University of Illinois at Urbana-Champaign. About 100 faculty, research, and students from Urbana-Champaign will be based at the Polsky Center's forthcoming innovation complex on Chicago's South Side. The goal of the partnership is to develop and commercialize groundbreaking technology, drive the formation of startup companies, and create links to industry.

## // APPENDIX 4: Army Chooses the Polsky Center as Location for Central Midwest Headquarters

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# UChicago and U.S. Army Research Laboratory cut ribbon on ARL Central

*Army chooses the Polsky Center as location for their Midwest research and development headquarters*



*(Starting fourth from left): John Flavin, Eric Isaacs, Chicago Mayor Rahm Emanuel, Sen. Dick Durbin, Michael Polsky and Acting Secretary of the Army Ryan D. McCarthy cut the ribbon to signify a new partnership between the University of Chicago and the U.S. Army Research Laboratory.*

A ribbon-cutting ceremony was held in November 2017 to celebrate the U.S. Army Research Laboratory's announcement that it has selected the Polsky Center as the location for its Central Midwest headquarters. The event included Ryan McCarthy, Acting Secretary of the U.S. Army, Chicago Mayor Rahm Emanuel, U.S. Senator Dick Durbin of Illinois, among others. The Polsky Center and Chicago's South Side was selected for its expanding and robust innovation ecosystem and the opportunity to leverage expertise throughout the region by partnering with the University of Chicago, Argonne National Laboratories, and several leading universities to accelerate discovery, innovation, and the transition of science and technology. Additionally, many of the region's other leading universities, including Northwestern University, University of Illinois at Urbana-Champaign, University of Illinois at Chicago, Purdue University, and the University of Wisconsin will be involved.

## // APPENDIX 5: JPMorgan Chase Expands Support of UChicago Community Entrepreneurs

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## UChicago and JPMorgan Chase extend partnership to support minority entrepreneurs

*Polsky Center receives an additional \$500,000 to provide support for small business owners on the south and west sides of Chicago*



*Jamie Dimon (left), chairman and CEO of JP Morgan Chase, discusses the additional investment with Chicago Mayor Rahm Emanuel at an event at the Polsky Exchange.*

On July 19, 2018, JPMorgan Chase's Jamie Dimon joined University of Chicago and community leaders to announce an additional investment to expand the Polsky Center's program supporting minority-owned business on the south and west sides of Chicago. As announced at an event featuring Chicago Mayor Rahm Emanuel, the University of Chicago received an additional \$500,000 through the Ascend 2020 program as part of JPMorgan Chase's overall \$6.5 million expanded investment. Ascend 2020 is a nationwide program in which top universities across the country connect minority entrepreneurs to mentoring, supplier networks, and community partners to improve access to the 3-M's: management strength, market, and money.

## // APPENDIX 6: Selected Media Coverage

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**The New York Times** |

<https://nyti.ms/2dX3AYO>

### Help for a Business Idea Trying to Catch Fire

By JOHN F. WASIK    OCT. 12, 2016

When Katlin Smith entered the New Venture Challenge business accelerator, she had developed an idea for making food that was “simple, healthy and delicious” but did not have a sense for what to do next.

Ms. Smith came to the program, offered by the University of Chicago’s Booth School of Business, two and a half years ago. She had started out creating gluten-free muffin mixes in her living room in North Carolina, and by that time had “three baking mixes in two to three stores.”

The mentors and guidance provided by the accelerator convinced Ms. Smith that she could be the Betty Crocker of clean eating.

“I never thought about how big I could get,” she said.

She came up with the business concept while working at Deloitte, before starting as a student at Booth, but the accelerator, and the cash prize that came with it, helped her take the next step with her start-up.

Within months of entering the program, Ms. Smith competed against 100 other teams and was awarded some \$30,000 in 2014. Since then, she has increased her business’s sales exponentially.

Her business, now called Simple Mills, has products in more than 5,000 stores and her company has raised \$5 million to date. She would not disclose annual sales.

Ms. Smith is on a leave of absence from business school as she works to expand her business.

Like many entrepreneurs with little business experience, she sought help when she was relatively young.

“I was 23 when I had the idea for Simple Mills and was 24 when I won the challenge,” Ms. Smith recalled. “I was attracted to Booth’s program for the number of resources available to entrepreneurs.”

Although definitions vary, there are more than 230 accelerator programs worldwide that have provided \$19 billion in funding for more than 6,000 companies to date, according to Seed-DB.com, which provides information on accelerators nationwide.

Out of the 160 accelerators based in the United States, about 35 programs are connected to universities.

In essence, accelerators aid start-ups with funding, mentorship and, often, office space. They all provide an essential advantage for any entrepreneur: comprehensive support.

The top two accelerators in the country are Y Combinator, which has provided \$10.2 billion in financing, and Techstars, which has given nearly \$3 billion in funding.

Of the companies emerging from these programs with significant funding, only “2.1 percent of companies have had a meaningful exit” — a sale, merger or initial public offering — said Prof. Yael Hochberg at Rice University, managing director of the Seed Accelerator Rankings Project.

That number, however, can be deceiving. “For most programs — and most *companies* that have attended programs — it’s way too early to talk about exits,” Professor Hochberg said. “You need another five to seven years or so.”

She added that 40 percent of companies at accelerators raise \$250,000 or more in angel or venture capital funding — an indication that the programs are giving entrepreneurs a leg up.

While every start-up has its eyes on funding, some accelerators have specialized goals. Manos Accelerator, based in San Jose, Calif., focuses on Latino entrepreneurs. The mission of Women’s Startup Lab, also based in Silicon Valley, is to “empower female founders.”

In Booth’s New Venture Challenge, 30 teams of students present business plans in April. Those are winnowed down to the 10 best by a panel of 25 business school and independent judges, said Steven Kaplan, director of the program and a professor at Booth.

“It’s like a crucible,” Professor Kaplan said. “It’s incredibly intense and tough.”

The winners are chosen in June and a total of \$250,000 is spread among the 10 finalists. The amounts given can vary. “Last year, the winner received \$90,000 of the \$250,000,” he said.

Occasionally an accelerator can produce a superstar.

Matt Maloney, a co-founder of GrubHub, the online food takeout service, won the New Venture Challenge in 2006. The company, now linked to more than 45,000 restaurants in 1,100 cities, had more than \$120 million in revenue in the second quarter of this year, with 37 percent year-over-year growth.

GrubHub went public two years ago, one of only a handful of start-ups to do so.

Mr. Maloney said the accelerator helped him refine and build on his idea for GrubHub, which had signed on only 100 Chicago restaurants when he went to Booth.

“I knew I had something,” he said. “But I didn’t know what it was. I met a lot of smart, hyper-educated people trying to solve the same problem.”

“The mentoring is the linchpin,” Mr. Maloney said. “The key benefit of the program was being able to model and communicate the power of the business.”

Still, not all accelerators are equal. Mr. Maloney’s advice for start-up owners who are considering one is to look at the people involved. Ms. Smith recommends examining the kind of experienced entrepreneurs the accelerator works with and how much one-on-one advising is offered.

The rankings of Seed-DB, which keeps track of such programs, also offers a guide to entrepreneurs looking for accelerators.

Not all would-be start-ups can get in. Most programs have a competitive selection process. At New Venture Challenge, for example, two-thirds of those who apply do not make the final cut. Accelerators affiliated with business schools typically require participants to be enrolled students.

The programs may also require an investment stake in companies, “generally about 5 percent to 10 percent of investment capital in exchange for seed capital — usually between \$15,000 to \$25,000” — according to Amisha Miller, a senior program officer with the Kauffman Foundation in Kansas City, Mo., which researches entrepreneurial activity.

Ms. Smith said she found it “invaluable” that her program included a network of people who were also entrepreneurs at various levels. Some were already involved in start-ups, so she could trade notes with them and gain support. These businesspeople were also in a position to offer funding as angel investors.

“I love working with other student entrepreneurs to help them think about their businesses,” Ms. Smith added. “I would probably still have Simple Mills, but I’m not sure it would be anywhere near as big.”

The program at the University of Chicago, she said, “helped me realize just how big this could be and to run after that dream.”

For those not academically inclined — or just not suited to the rigors of leading business schools — other entry-level programs like [incubators](#) may be a better match.

These independent entities usually offer co-working spaces; classes in business formation, marketing and funding; and opportunities for networking. Some who have participated advise picking one that offers soup-to-nuts support, including technical advice and access to funding.

Above all, experts advised, make sure the support network of the accelerator is going to work with your personality and business model. Some may be too aggressive, while others provide only meager guidance.

“The top two qualities of the best accelerators for you,” Professor Hochberg said, “are fit and experience of the mentors and managing directors. Making sure the accelerator is a good fit is the key.”



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## BUSINESS

# Polsky Center Gives a Leg Up to Young Entrepreneurs in Chicago

Siobhan Neela-Stock | May 31, 2018 7:11 pm

GrubHub got its start there and now two more student-run businesses will too.

On Wednesday, students from the University of Chicago Booth School of Business won big prize money for their businesses. The companies Manifest and BrewBike won \$315,000 and \$45,000, respectively, from the New Venture Challenge. NVC was launched in 1996 [by the Polsky Center for Entrepreneurship and Innovation](#) at the University of Chicago.

[The online food ordering and delivery service GrubHub](#) was started by Matt Maloney, who received his MBA from the University of Chicago in 2010. Maloney started GrubHub in 2004 and [tied to win first place at NVC in 2006](#) where his team received \$17,500.

Steve Kaplan, faculty director of the Polsky Center, said Maloney's success was a really good business idea and the timing was right. Kaplan was tapped by Robert Hamada, who was the dean of the Booth business school from 1993 until 2001, to start an entrepreneurship program at the university.

He says the transformation from when he started working at the business school to now is night and day.

"When I started we had three courses and we were not a concentration ... [now] we have over 20 courses that count for entrepreneurship. We have what I think is the best business plan competition in the country in the New Venture Challenge," Kaplan said.

Meenakshi Lakshmanan, 36, is originally from India, though she has lived in the U.S. for the past 14 years. Lakshmanan is in her first year of Booth's two-year MBA program. She and her six-member team won the grand prize for their company Manifest.

Manifest simplifies and accelerates the process to transfer 401(k) earnings. Lakshmanan was initially surprised that transferring one's 401(k) is such a difficult process.

There was already another startup, Vest, working to solve that problem. Laskshmanan met Anuraag Tripathi, the founder of Vest, at the Polsky Center. The pair teamed up and [won first place at the numo Fintech Challenge in January](#) for Vest, receiving \$10,000. That challenge is also hosted by the Polsky Center.

Though the name changed from Vest to Manifest, the core of the idea behind the business did not. Manifest is planning to use the prize money to test its business concept.

Another NVC winner, Randy Paris, CEO of BrewBike and current Booth student, will turn 30 in under a week. He got an early birthday present of sorts Wednesday.

[BrewBike supplies Northwestern University students](#) with cold-brewed coffee. The original founder of BrewBike, Lucas Philips, sought out Paris to help him grow his business. In January 2018, Paris joined the team. BrewBike is planning to use the prize money to expand their services to Arizona State University.

"It's warm and students love iced coffee and we found the location to start BrewBike at ASU was just perfect," Paris said about the planned expansion to the university.

Kaplan, Lakshmanan and Paris join us to talk coffee, 401(k)s and entrepreneurship.

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