



The Venture Lab at ie business school

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If there is a business school fully committed to fostering the entrepreneurial spirit, it is IE Business School. In fact, the School itself was founded by entrepreneurs, and the entrepreneurial spirit

is an integral part of IE’s day-to-day fabric – from how we teach in the classroom and develop new programs for the next generation of students to how we engage with the external community of investors, government agencies and start-ups. IE Business School’s various entrepreneurial efforts are coordinated by its International Center for Entrepreneurial Management (ICEM), whose mission is to sustain and build upon IE Business School’s status as a world reference for entrepreneurs. Among its many initiatives, the ICEM aims to facilitate partnerships between entrepreneurs and large business organizations, to foster the advancement of female entrepreneurs and to develop entrepreneurial initiatives in Africa, Asia and Latin America.

The Venture Lab serves as an essential part of IE Business School’s entrepreneurial fabric by providing a unique opportunity for entrepreneurial students and alumni to celebrate their passion for entrepreneurship and value creation. Our aim is to incubate the development and consolidation of business start-ups proposed and launched by IE students and alumni, both in Spain and worldwide, and to foster an ecosystem aimed at facilitating the funding of past, present, and future business projects as an engine for growth and social welfare.

As the aim of the Venture Lab is to provide high-quality “deal flow” to a global network of investors, entry into IE Business School’s

Venture Lab is highly selective. The majority of students that apply to the Venture Lab will be denied admission. The Venture Lab is neither a business plan competition nor an opportunity for students to entertain interesting business ideas. It is a unique opportunity for students with entrepreneurial spirits and disruptive ideas to begin the process of transforming those concepts into investment-worthy companies, and it is open to all students of all programs at IE Business School. The culmination of the Venture Lab is the Venture Day, a biannual event during which the five (5) most promising student projects are presented to investors with the mission of opening the doors and beginning the relationships that might eventually lead to successful funding.

That being said, IE Business School’s commitment to supporting entrepreneurs extends beyond the Venture Lab, and each and every student with entrepreneurial aspirations will receive our support, whether via the Venture Lab or the Knowledge Incubator, which supports projects whose profiles fall outside of the boundaries of the traditional venture capitalist. All projects in the Knowledge Incubator receive the support of a professor and a mentor, meaning that the overall educational experience is very similar to that of the Venture Lab.

But don’t take our word for it. By the fall of 2010, we will launch a new website (www.ie.edu/entrepreneurship), where you will be able to see for yourself the various student, alumni and investor presentations that make up the Venture Lab experience. Watch this space, and until then, please feel free to contact us with any questions that you might have.

Gary Stewart

Managing Director of the Venture Lab

Getting into the Venture Lab

To ensure that only the most innovative and disruptive projects enter into the Venture Lab, a Selection Committee of investors and entrepreneurs filter student applications according to criteria that include the following:

- **Disruptive potential of the idea:** Does the project solve an important problem in a way that is materially different and better than the existing options?
- **Size of the potential market:** Is there a large and growing number of potential clients? Is the project easily scalable to other markets?
- **Marketing:** How will the entrepreneurial team convince potential clients to change from their current preferences?
- **Competitive advantage:** Who are the project's main competitors (both direct and indirect), and what is the project's main competitive advantage in relation to them? Is there a technological innovation or other potential entry barrier to differentiate the project from the already existing options?
- **Risk factors:** What are the main risk factors related to the project, and how will the entrepreneurial team overcome them?
- **Business and financial model:** How will the project generate income? What are the high-level projections as to revenue and cost? How much investment will be needed until the project reaches break-even?
- **Team:** Who are the members of the team behind the project and what sector-specific experience do they have? Does the team have all of the skills needed to run the business successfully? Why is it an "A" team?
- **Prototype or existing company:** What milestones has the team achieved in relation to the project to demonstrate that it is serious about pursuing this opportunity?

Process

Prior to Entry in the Venture Lab

All students at IE Business School must take a core course in Entrepreneurial Management, the main objective of which is to develop a workable business plan. Many students take advantage of this introductory course to probe the disruptive potential of their ideas with the help of professors and colleagues. Indeed, in some cases, professors have been known to recommend their best students' business plans to the Venture Lab's Selection Committee, and we welcome whole-heartedly the recommendations of our faculty (though any such recommendation will not guarantee entry into the Venture Lab).

For those students that have not yet perfected their ideas during the Entrepreneurial Management course, we offer team-building and matchmaking sessions at the beginning of each semester to unite entrepreneurs with disruptive ideas with students looking to join an entrepreneurial team. We also actively encourage networking with and participation from the outside community. In fact, teams may consist of a mix of current IE students and non-IE working professionals, provided that there is always at least one current IE student on the founding team. Most projects have a technological basis or some other differentiating innovation relative to already existing products in the market. Projects that lack such innovation or differentiation will most likely not be admitted into the Venture Lab.

Once the teams have been consolidated, each team must submit a two-page executive summary addressing the main questions posed by the selection criteria referenced above. The Selection Committee will then evaluate the real-world potential of each project and grant admission to all projects that demonstrate said potential. In other words, there is no maximum or minimum number of projects that can be admitted to the Venture Lab. The threshold is qualitative, not quantitative. Admitted students will be invited to participate in the Venture Lab. All admissions decisions are final and are not subject to further review.

Once in the Venture Lab

A mentor will be assigned to all student-teams admitted to the Venture Lab. The mentor will be an entrepreneur, investor, or businessperson with sector-specific experience whose mission is to bring a real-world perspective to the students' project – that is, to counterbalance the students' ambition and vision with hard-learned lessons from the real world. Mentors serve both as a “reality check” and a source of potential networking for each student team. ->



-> Most mentors hold weekly meetings with their teams during which they analyze and apply the selection criteria to the project at hand and give invaluable feedback about the evolution of the students' executive summaries and business plans.

In addition to the personalized mentors, all students admitted to the Venture Lab attend mandatory training sessions that help them to analyze the key elements posed by each selection criteria. A local industry expert leads each session and offers a generous amount of time to the students for questions and answers.

Semifinals

Towards the end of the semester, each team in the Venture Lab will be asked to provide a revised executive summary of its business plan that reflects the lessons learned during the training sessions and personalized feedback sessions with the sector-specific mentors. The Selection Committee will invite approximately 10 student teams to make 10-minute presentations of their business plans to the Committee, followed by five (5) minutes of questions and answers for each team. The Committee will select the five (5) most investment-worthy projects to present their business plans on the biannual Venture Day, which takes place in the spring and autumn of each calendar year. Semifinalists that do not advance to the finals will be invited to provide two (2)-minute elevator pitches on their respective Venture Day.



Venture Day

The Venture Day at IE Business School is a biannual event that has three fundamental aims:

- To highlight the most promising projects from IE Business School's entrepreneurial community (depending on interest and availability, alumni are often invited to participate as speakers or panelists, and/or to pitch directly to the audience at the Venture Day);
- To provide potential "deal flow" to the investor community; and
- To bring together all stakeholders in the international entrepreneurial ecosystem – that is, entrepreneurs, investors, service providers, consultants, analysts, and academics.

The full-day event consists of various panels and keynote speeches by renowned entrepreneurs, investors, and academics, but the day's main purpose is to invite these movers and shakers to celebrate (and hopefully, to begin the conversations that might someday lead to an investment in) the most investment-worthy projects that have been incubated in the Venture Lab.

The Venture Academy

To maintain contact and to follow up with our entrepreneurs after they have graduated from IE Business School, we have created the Venture Academy. Each year, the Venture Academy will work with 10-15 alumni start-ups as they navigate the difficult process of transforming an idea into a company. Participation in the Venture Academy is much more flexible than the parallel experience in the Venture Lab, as the main focus is on helping the entrepreneur achieve the next milestones that were defined in her business plan. In this sense, depending on the entrepreneur's particular needs, participation in the Venture Academy might entail receiving on-going support from a Venture Lab mentor, being introduced to potential investors, receiving invitations to serve as panelists or keynote speakers at various events sponsored by IE Business School and/or the Venture Lab, participating in networking sessions with other entrepreneurs, etc. The Venture Academy's ultimate aims are to identify and nurture potential success cases being developed by alumni of IE Business School and help them get funded.

Case Studies



Jose María Castillejo – MBA, Class of 1988

My entrepreneurial journey began when I was a kid watching my grandfather's example of the daily life of an entrepreneur. By the time I finished my MBA, I already had my first company running. It was a great success during its first two years, but it went bankrupt in its third year! It was a good first lesson. Over the last 25 years, I've started and sold companies in different sectors: distribution, agricultural process and biotech, fashion and design, construction and energy, and now I'm extremely happy with **Zinkia**, the company we found in 2001 that created **Pocoyó** and many other animated characters for kids and preschoolers. We created a global company from scratch, which means that we are competing on a global stage against the "big guys" in the entertainment industry. Nonetheless, we have won many important awards, and we fight every day for the quality of our creations, for the smile of our clients, and of course, for growth. Within the next two years, 90% of our income will come from outside of Spain, and we will have two more great properties supporting Pocoyó, as we continue our expansion into becoming a global entertainment company.

Miguel Arias - Part-time MBA, Class of 2005

I founded IMASTE in 2004 while still a part-time MBA candidate. Although **IMASTE's** initial focus was on organizing live career fairs to bridge the gap between companies seeking talented employees and university graduates, we are now the European leader in the organization of virtual events and fairs, with more than 100 successful events delivered in more than 10 countries. I am a civil engineer by training, so before coming to IE Business School, I knew very little about marketing, human resources, strategy, etc. But my MBA experience prepared me to overcome the problems and challenges of a start-up's initial phases by strengthening my capacity to analyze, execute and adapt the original business idea. Sharing ideas with other entrepreneurial students, teachers and mentors was essential to my evolution. IE Business School's powerful investor and entrepreneur network also provided us with invaluable early feedback that both enhanced our company's chances of early survival and eventually laid the groundwork for our successful expansion into Europe and the United States. As an active member of IE Business School's entrepreneurial community, I also currently serve as a member of the Venture Lab's Selection Committee and as a mentor to student entrepreneurs in the Venture Lab.



For more information about IMASTE, please go to: www.imaste-ips.com



Miguel Braz, Ignacio Garcia de Quevedo, Stephen Graziano and Sung Ha Lee – IMBA, Class of 2010

Since winning the Venture Lab competition in May 2010, we have been actively involved in first-round funding and prototype creation. Our project, **Social-Fish**, is a web application that allows users to create profiles and receive targeted ads as they surf the web. The proceeds from the online ads fund microfinance projects chosen by the Social-Fish user. It's a great way for Internet users to receive discounts from advertisers and support social projects without actually donating their own money. Winning the Venture Lab competition brought much credibility -- and more importantly, investment opportunities -- to our project, both in Europe and in the USA. We attended IE Business School precisely because of its renowned entrepreneurial culture. The Venture Lab allowed us to bring our idea to life. When we present our business plan to investors, we know that finance professors who are active venture capitalists have vetted our financials and that field professionals have assessed our market research.

Gonzalo Castellano Benloch and Philipp Hasskamp – IMBA, Class of 2009

We are co-founders of **CityDeal S.L.U.**, currently the fastest growing company in the Internet space. Our friendship and future partnership started after we studied in the same section. In February 2010, shortly after finishing the IMBA, the Samwer brothers (German serial entrepreneurs) offered us the chance to found the Spanish branch of CityDeal. A few months later, Groupon acquired CityDeal to form the world's leading social commerce site, offering one great deal, everyday, in more than 170 cities across Europe, the US and Latin America. Our MBAs not only provided us with many concepts and experiences that we later used in starting up our company, but also allowed us to nourish ourselves within a strong entrepreneurial environment flourishing with innovative ideas. Moreover, it allowed us to establish ties with other students and teachers who then have supported us in our journey. Since graduating from IE, we have also gotten to know the larger entrepreneurial community thanks, in part, to networking events and speaker series sponsored by the Venture Lab. In our fast expansion, we count and will count on the support of many people that we met at IE Business School and that are now, in some way or another, part of our organization.



For more information about CityDeal - Groupon, please go to: www.groupon.es



Claus Biernoth, Ian Paterson and Philippe Remise – IXMBA, Class of 2008

Respiro Car Sharing was born in the Venture Lab. During our MBA, we became increasingly interested in the commercialization of green technologies as an ingenious way of doing well by doing good. Respiro is the first car-sharing company in the center of Madrid. We offer an all-inclusive, e-based, pay-as-you-go service for 0,15 € per minute. Respiro empowers people to make smart economical and ecological transportation choices, and gives access without ownership, wheels when you want them. We are part of a global phenomenon of transforming modern cities into more sustainable environments.

For more information about Respiro Car Sharing, please go to: www.respiromadrid.es

Marino Giocondi, Suzanne O'Brien, Henry Okafor and Fabio Pisi Vitagliano, IMBA, Class of 2010

While we were students at IE Business School, we established the **Foundation for African Leadership in Business**, which creates MBA scholarships for African students, partnering with universities, corporations and other NGOs for funding. At IE Business School, entrepreneurial spirit is infused in every interaction among students, professors, staff and alumni, and that spirit inspired us to create our foundation. Gayle Allard, our economics professor, not only helped us develop the idea, but also put us in touch with world-famous foundations. Laura in the bookstore helped us to find a printer. Victoria in Alumni Relations introduced us to key alumni, and Dean Santiago Iñiguez invited us to a very private dinner with an important leader in the world of foundations. Thanks in large part to this continuing support, we have established partnerships with several organizations, including IE Business School, and have already created 2 scholarships for African citizens.



For more information about the ALB Foundation, please visit www.albfoundation.org

Teresa Gonzalo - IE Master in Biotechnology Management, class of 2009

My passion for medicine and my desire to continue learning led me to undertake the MBM in 2008, with the vision of founding a biotech company with colleagues at my research lab. Our product aims to help prevent the spread of HIV. IE Business School's entrepreneurial spirit combined with the MBM's integrative vision helped transform our scientific discoveries into a successful biotech venture, **Ambiox Biotech**. The MBM helped me develop my leadership, marketing and business management skills. This dual training is essential, given that biotech entrepreneurs must be fluent in the different languages expressed in the scientific and business worlds. In addition, because biotech start-ups need investors to survive, the training in finance and managing venture capital was key, as are the introductions and opportunities to present to biotech venture capitalists that we have received thanks to the Venture Lab.



Drury E. MacKenzie – IMBA, Class of 2009

I came to IE Business School because of the Venture Lab. My company, **RenewEn**, is a smart energy solutions provider, committed to providing everyone everywhere with cost-effective and technology-appropriate clean energy systems. At IE Business School, I was enveloped in an unbeatable entrepreneurial ecosystem formed by diverse and globally minded professors and students who helped me to transform my idea into a company. Without the support of my classmates (Kannan, Vitaliy Bubka, Ashutosh, Agrawal, Carlos Morodo, Ajibade Ogunbiyi and Andre Franciss), RenewEn might never have been born. My finance professor (and Venture Lab mentor), Paz Ambrosy, helped me to develop a partnership with one of the world's largest renewable energy companies, and we are also about to engage two customers in Haiti for small-scale renewable energy systems and water-purification systems. IE Business School has helped me to make my dream – RenewEn – a reality.

Damià Tormo, Ph.D, Master in Biotechnology Management 2010

After intense research in various labs in Spain, Germany and the USA, I led a discovery on new molecular strategies to induce a targeted auto-degradation of malignant melanoma cells. Our results received international praise, because melanoma is almost incurable, and effective treatments have been elusive. We published our findings in prestigious scientific journals, and I was poised to continue accumulating theoretical knowledge. But I resolved that it was time to translate our data into clinical reality, and I joined IE Business School. I am still amazed that a part-time degree can provide so many tools and connections to prepare entrepreneurs to overcome leadership, marketing and business management challenges. We have launched **BiOncotech**, a start-up with international projection that targets melanoma and other (orphan) cancers. Through the Venture Academy, I have met investors specialized in biotech and I am working with a mentor to further develop our market objectives. Within just a few months, we have attracted public and private funds and are ready to embark on the clinical development of our product.





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