



# **Sterling Partners Investment Thesis Challenge 6.0 (2017)**

Info Session | November 2, 2016

# Welcome & Introductions

- **Chris McGowan**  
General Partner, CJM Ventures  
Adjunct Professor of Entrepreneurship, Chicago Booth  
Entrepreneur-in-Residence, Senior Advisor for SPITC & Oxford-Chicago Global Private Equity Challenge, Polsky Center
- **Matt Hankins, '10**  
Principal, Sterling Partners (SPITC named sponsor)
- **Rick Elfman, '83**  
Senior Managing Director, Sterling Partners (SPITC named sponsor)
- **Erika Mercer**  
Director of Private Equity and Entrepreneurship Programs, Polsky Center
- **Yaniv Kleinman**  
Assistant Director, Polsky Center
- **Jen Fitzgerald**  
MBA '17, participated in SPITC last year

# Challenge Overview

- Launched in 2011-2012 with the support of **Sterling Partners**
- **Unique** and **innovative** concept – the first challenge of its kind among national MBA programs
- Three phases spanning several months
  - Phase 1: Students form teams, conceive original investment thesis, and apply. Participants are selected through a competitive application and review process.
  - Phase 2: Selected teams work with mentors at PE firms and Chris McGowan to develop a full investment thesis based on primary research.
  - Phase 3: Each team formally presents its final investment thesis and execution strategy to its host firm.

# Phase 1 (Nov-Jan)

- Learn more about the challenge by visiting the SPITC website ([SPITC](#)) and meeting with Chris McGowan or Erika Mercer
- Build your team
  - 2-4 people; must be current Chicago Booth students only
  - Any mix of full-time, part-time, first-year, second-year students
- Develop your investment thesis proposal
  - Feedback available from Chris McGowan in advance of deadline
- Submit your application by **12pm, Monday, January 9, 2017**
- Participating firms review proposals and select teams
- All teams notified of their status by **mid-February** at the latest

# Phase 2 (Feb-May)

- Each team receives a **budget of up to \$2,500** to support detailed research efforts
- Selected teams work with assigned mentors at their PE host firms to develop their proposal into a full investment thesis
  - Meetings scheduled on a regular basis to provide progress updates; frequency and timing of meetings arranged with mentor
- Student teams meet regularly (ideally, bi-weekly) with **Chris McGowan**, who provides ongoing feedback, coaching, and research support
- Teams are expected to work diligently and independently to prepare for the final presentation to their host firm

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# Research Resources

In addition to the budget and mentorship from host firm mentors and Chris McGowan, teams receive resources from several in-kind sponsors:



*William Blair*



# Phase 3 (May)

- Each team presents its final investment thesis and execution strategy to members of the host firm's partnership or investment committee in late May
- All teams should practice their final presentation with the SPITC Advisor, Chris McGowan, in advance of their presentation to the host firm
- Host firms provide venue
- Firms provide teams with constructive feedback and submit evaluations to the Polsky Center

# Rewards of Participation

- Participants have unique opportunity to develop an investment thesis, receive personal mentorship from seasoned PE professionals, and present the thesis to a firm's partnership or investment committee.
- Host firm provides a **\$5,000 success fee** to any team whose work:  
1) significantly advances the knowledge the firm has of the target sector; 2) produces actionable ideas; or 3) produces a thesis the firm would like to pursue further.
- Additional opportunities to continue working on the thesis—including internships, consulting positions, etc.—would be negotiated outside the scope of this program

# Ownership of Ideas

- Upon awarding the \$5,000 success fee, the host firm has an **exclusive right** to advance the investment thesis for a period of nine months, either independently or with the students' involvement.
- During this time, students are **not allowed to shop their thesis** to other firms. However, student teams may always work on their own to further advance their investment thesis; the firm's exclusive right does not prohibit advancement of the research by the student team members themselves.
- Neither Booth nor the University of Chicago retains any rights to the students' work products.

# Participating Firms

**Pritzker  
Group**  
VENTURE  
CAPITAL

FLEXPOINT  FORD

  
VISTRIA

**BAIRD**

**GTCR**

  
BECKEN PETTY O'KEEFE & COMPANY

**STERLING  
PARTNERS**

 **PSP**  
CAPITAL  
PARTNERS

WATER STREET

 **ParkerGale**  
CAPITAL

 WIND POINT PARTNERS

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ORGANIZATION**  
™

- Expectation is that there will be 7+ host firms
- Students are asked to familiarize themselves with the profiles of the participating firms before drafting their investment thesis proposal

**POLSKY**

# Course Credit

- SPITC participants may **request permission to earn course credit** for the challenge through the Private Equity & Venture Capital Lab by contacting Erika Mercer in the Polsky Center
- Course cannot be audited or taken pass/fail
- Students may apply to and participate in both SPITC and the PE/VC Lab (through an internship with a different firm); however, only one course credit will be given
- Be aware that the PE/VC Lab covers a broad range of topics in PE and VC (not just investment thesis formulation in PE settings)

# Eligibility

- SPITC is open to:
  - Chicago Booth students only
  - Both first-year and second-year students
  - Both full-time and part-time students
- Prior experience in PE/VC not needed to be considered
- Suggested courses: *Entrepreneurial Finance & Private Equity (34101)* or *Commercializing Innovation (34106)*
- **Students may not contact host firms directly about SPITC without approval of Polsky Center. Doing so is considered an ethical violation and may render student ineligible for challenge.**

# Application

- Deadline to apply: **Monday, January 9, 2017 at 12 p.m. (noon)**; email applications to Erika Mercer at
- Feedback available from Chris McGowan in advance of deadline
- Application consists of two parts, both of which must be submitted by the above deadline:
  - Resumes of all team members
  - Investment thesis proposal (approximately 10 slides)
- Proposals should summarize the thesis; explain why this particular thesis was selected; introduce the team members; and outline a strategy/milestones for developing the thesis

# SPITC vs. PE/VC Lab

Firm-based “mini-internship” with  
and Booth faculty

Apply via proposal

5 hours / week

Start late February – late  
March

Subject is more defined; based on  
need topic

General internship with

Apply via resume

10 hours / week

Start early January –  
March

Subject based on firm’s  
needs at the time

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# Program Contacts



**Erika Mercer**  
*Director of Private Equity  
and Entrepreneurship  
Programs*



**Chris McGowan**  
*Adjunct Professor,  
Entrepreneur-in-  
Residence, Senior Advisor*



**Yaniv Kleinman**  
*Assistant Director*





# Questions?

