



# Kellogg

School of Management

## Center for Family Enterprises



## Lloyd E. Shefsky

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Lloyd Shefsky understands that dreamers and successful entrepreneurs are one and the same. He should know. In 1970 at the age of 29, after practicing law with a law firm where he was already a partner, Shefsky quit to become his own boss. The author of *Entrepreneurs are Made Not Born* founded Shefsky & Froelich Ltd., a Chicago law firm specializing in advising entrepreneurs and their companies at every stage of development—from the billion-dollar corporation looking for overseas or new business expansion to the young person with rich dreams and no resources. "I started my firm," says Shefsky, "because I saw changes occurring in finance and business and knew that law firms would have to keep pace. My first firm, with older partners, wasn't capable of meeting the new trends I anticipated. And, I didn't want to just meet those trends, I wanted to be ahead of them."

It was not easy at first, however, and Shefsky's story reads like those of many of the famous entrepreneurs he interviewed for his book. He says: "I wasn't oblivious to the risks—the years of payment left on my school loan, a mortgage, a new baby to support—but the risks paled next to the opportunities—not just to earn more but also to be tested every day and to know that my success depended on and would flow from my own talents and efforts. My partner and I had no capital. We borrowed all the money we needed from a local banker. Later, the banker came to me for advice on how to leave his large institution and open his own bank—not just legal advice, but also information on how to be a successful entrepreneur. Over the years, many clients have come to me for that reason, because they know I understand what they are about to go through." Shefsky says, "It's important for entrepreneurs to follow two rules. First, do what you know best and love most. Second, know when your baby—your entrepreneurial business—no longer needs an entrepreneur but requires a manager."

Based on these precepts, Shefsky did as he says. After 26 years in the powerful and prestigious position of managing partner of his law firm—one of the fastest growing in the U.S.—Shefsky resigned to follow his true passion, helping a few select entrepreneurs to grow their business or move them to the next level. In addition, he has founded or co-founded a few successful businesses. Shefsky also serves on the Board of Directors of a few companies, including the American Association of Individual Investors and Commtouch Software, Ltd.

Shefsky's love of competition and success turned his attention to the world of sports. In 1975 he founded the Sports Lawyers Association (SLA). Since then, the SLA has blossomed into an organization of more than 1,000 members who represent professional athletes in almost every major

sport in the United States, as well as those who represent teams, leagues, players' associations and other sponsors of professional sports. Shefsky served as president of the SLA for 12 years and remains a director and president emeritus.

Shefsky is a clinical Professor of Entrepreneurship at Northwestern University's Kellogg School of Management where he teaches the course he developed, "Successful Entrepreneurship," and serves as Co-Director (and founder) of the Kellogg School's Center for Family Enterprises, as well as Co-Founder of the Kellogg School's Center for Executive Women. Shefsky also serves on the Kellogg Center for Biotechnology Advisory Board. Previously, Shefsky served by Gubernatorial Appointment, on the Board of Directors of the Illinois Institute for Entrepreneurial Education, and on the Board of Governors of Economics America (Illinois Council on Economic Education). He co-founded and served as Chairman of The Institute for Entrepreneurship, which has been funded by the Kaufmann and Coleman Foundations. Shefsky also serves as a coach and mentor to entrepreneurial leaders. It was this activity combined with his other experience that prompted the question, "What makes Entrepreneurs Successful?" The search for the answer to that question is the source for his popular course at Kellogg.

In addition, Mr. Shefsky is a member of the Advisory Board of the Kellogg- Recanati International Executive M.B.A. Program. A past president and over 20-year member and director of the America-Israel Chamber of Commerce, Shefsky also received the Chamber's Industrialist of the Year Award and was the moving force in establishing several regional and the National America-Israel Chambers of Commerce, where he served as a member of the Executive Committee. Mr. Shefsky is a Committee member of the Associate National Commission, the Outreach and Interfaith Committee on the Regional Executive Board of the Anti-Defamation League (ADL), as well as co-chairman of the ADL's Regional Civil Rights Committee. He is actively involved in supporting the Weitzmann Institute of Science in Rehovot, Israel. He had previously served as a member of the board of the Chicago branches of the American Jewish Congress and the America-Israel Cultural Foundation, as well as America-Israel Economic Education Institute of Illinois. Shefsky continues to serve the government of Israel as legal counsel throughout the Midwest region. Those doing business with Israel value his advice on international entrepreneurship and, for over 25 years, he has represented many Israeli business people and entrepreneurs, as well as American entrepreneurs who do business in Israel and serves on the Board of Directors of such companies from time to time.

Because it seemed to Shefsky that his advice on entrepreneuring was being sought more and more frequently, he decided to investigate the information already available on the subject. He discovered that, although there were many books and courses on how to run a business, none of them explained satisfactorily what it takes to become an entrepreneur. Shefsky realized from his own and his clients' experiences that the attitudes and traits entrepreneurs share are latent in many people. As he thought more about it, Shefsky became convinced that the way to achieve entrepreneurial success was to eliminate the barriers people put in their way. His goal would not be to teach entrepreneurial traits, which in most cases already exist, but to show how the obstacles blocking the effective use of those abilities can be overcome. Shefsky then began the six years of research and writing that have gone into his book. To help him explain the attitude that can motivate people to success, he interviewed more than 200 of the country's most accomplished entrepreneurs. The result is *Entrepreneurs are Made Not Born* (McGraw-Hill), which was an alternate selection of three major book clubs (the Fortune Book Club, the Newbridge Executive Program, and the Business Week Book Club); has had several printings in hardcover; is now in paperback; has been published in Chinese, Japanese, Thai, Hebrew, Spanish, Arabic, and Hungarian; and has been required or recommended reading at the Kellogg School, Harvard, University of Chicago, Washington University, and others. Shefsky's book has received praise from successful people in all areas of entrepreneurship.

Shefsky has received various honors, including the 2002 Civil Rights Award from the Anti-Defamation League, the 1995 Entrepreneur of the Year Award for his support of entrepreneurship from Inc. Magazine, Ernst & Young LLP, and Merrill Lynch, the 1992 Award of Excellence from the Sports Lawyers Association and the 1990 Distinguished Alumnus Award from DePaul University.

Shefsky has been retained by numerous companies over the years (ranging from Fortune 500 to start-up and including many involved with new technologies and with broad sectors of the healthcare industry) to help them start and grow new business ventures. His strategic planning, guidance in development and implementation, and early establishment of both unique and innovative exit strategies have proven extremely valuable to clients, some of whom have maintained decades-long relationships with Shefsky. Others, who have "done it again," retain Shefsky to guide their repeat performances.

Shefsky guest lectures at numerous business schools and alumni groups (e.g., Kellogg, University of Chicago, University of Southern California, Harvard, Wharton, Washington University, University of Miami, University of Illinois, De Paul University, BIMBA at Peking University in Beijing, China, SASIN Graduate Institute of Business Administration of Chulalongkorn University in Bangkok, Thailand and the Great Lakes Institute of Management in Chennai, India.), was a visiting professor, in 2000, at the Graduate Business School of Keio University in Japan, and is a frequent lecturer appearing before legal, accounting, government (U.S. and foreign) business (Y.P.O., Chambers of Commerce, Venture Capital and Corporate Annual Meetings) and education associations (e.g., International Institute for Entrepreneurship Education), as well as organizations relating to women in business (e.g., NAWBO), and doing business in Israel. He has lectured to several venture capital, professional, and academic groups regarding entrepreneurship during visits to Japan and Israel. He participated in the Wall Street Journal's roundtable for small business and entrepreneurship. He also has contributed numerous articles to legal and professional publications and served as contributed editor to the Entertainment Law and Finance Journal. Shefsky also is quoted frequently in various business publications.

Shefsky received his J.D. in 1965 from the University of Chicago Law School, after graduating with a B.S. degree in 1962 from DePaul University. He was admitted to the Illinois Bar in 1965, the U.S. Tax Court in 1970, the U.S. Supreme Court and the Florida Bar in 1983, and is also a Certified Public Accountant.