

A New Class of Kellogg Students Learn the Basics of the Private Equity Industry

by Adam Weinberger, KSM '12 on Oct 10, 2010 -

On **October 6th, 2010**, the Private Equity and Venture Capital Club and the Heizer Center hosted the annual private equity and venture capital boot camp session. The purpose of the session was to provide an overview of private equity and venture capital for first-year Kellogg students interested in learning pursuing a career path in principal investing as well as those looking to gain a better understanding of the industry. Enthusiasm for the half-day event was high, with approximately 150 students filling both the primary presentation room and a second room where a simulcast of the event was provided.

Presenters at the event included Kellogg professors as well as current students with previous experience working in the industry. A diverse set of firms was represented, including Technology Crossover Ventures, Canaan Partners, Huntsman Gay Global Partners, Adams Street Partners, RRE Ventures, Golden Gate Capital, Brockway Moran & Partners, Galen Partners, Prophet Equity, American Securities, Shasta Ventures, Austin Ventures, Webster Capital, Tenaya Capital, Hunter Equity Capital, Capri Capital Partners, Burke America, Lightbank, and Excel Ventures.

The boot camp kicked off with an introduction to the Heizer Center, presented by Finance Department Chair and Heizer Center Director Mitchell Peterson. Professor David Stowell then provided an in-depth overview of the private equity and venture capital industry. Topics covered by Stowell included definitions, investment parameters, industry participants, investment and firm structure, and deal mechanics for both early-stage investments and later-stage LBOs. Next, Shane Sugino, Director of Kellogg's Career Management Center, gave an informative and honest overview regarding the state of recruiting in the industry, for internships and full-time positions.

The remainder of the boot camp involved student-led presentations which leveraged these students' pre-MBA and internship experiences in private equity and venture capital. First, teams of two students—one offering a venture capital perspective and the other offering an LBO point-of-view—covered components of the deal process, including sourcing, diligence, closing and portfolio management. This early-stage/late-stage frame was then used to discuss valuation techniques. Second-years Jason Sondag and Elaine Szu, who are the current Career Directors for the PE/VC Club, provided recruiting tips for success. Boot camp attendees then had the opportunity to ask questions of a four student panel during a session called "Day in the Life of a PE/VC Associate". Finally, four second year students who successfully secured internships last summer discussed their experiences.

The event concluded with a networking reception which allowed students the opportunity to get to know other classmates that shared an interest in the industry.