

The Kellogg Private Equity and Venture Capital Club is pleased to share the winter edition of the Kellogg PEVC Alumni Newsletter to highlight some of the exciting happenings about PEVC at Kellogg with our alumni in the industry. PEVC at Kellogg has only been getting stronger, much in part due to Kellogg's dedicated alumni. We look forward to hearing your insights as we continually strive to connect with our alumni in a relevant and beneficial manner.

### Search Funds Open New Doors for Two Recent Alumni

Search funds have been in existence since 1983 and represent a tremendous opportunity for post-MBAs to acquire and operate their own small business. Per the 2011 Stanford GSB Center for Entrepreneurial Studies, to date, over 150 search funds have been raised, with an aggregate pre-tax IRR and ROIC of 34.4% and 11.1x, respectively, through 2011. The median search fund acquisition has the following characteristics: \$7.5 million in revenues, EBITDA margin of 21.6%, purchase price to EBITDA multiple of 5.1x, trailing annual EBITDA growth rate of 12%, and 50 employees. We spoke with two recent Kellogg graduates who started search funds upon graduation to get their thoughts about search funds firsthand:



**Mark Anderegg '10** founded Madison Equity Associates and acquired **Little Sprouts**, LLC, an operator of early education centers, in October 2012.



**Jon Selame '11** founded Charlotte Street Partners and acquired **Out of Home America**, Inc., an out-of-home media agency, in January 2012.

» [Click here](#) for the full article, including additional Q&A with Mark and Jon

### Baird Capital Partners & Aaron Lillybridge ('05) Close Deal for PARTNERS+simons

Kellogg alumni put capital to work every day. However, PEHub lacks a dedicated newsfeed for deals led by Kellogg grads. In this regular installment, we highlight a recent transaction led by a Kellogg alum, Baird Capital Partners' (Aaron Lillybridge, '05) investment in **PARTNERS +simons**. The Company is a leading brand communications company specializing in the healthcare and financial services industries. The team is excited about the Company's prospects since the changing landscape in both healthcare and financial services remain prominent on the national agenda.

» [Click here](#) to read the full article.



### Kellogg Alumni: Want to get involved?

- **Participate in Kellogg's new pre-matriculation internship.** With this new program, incoming Kellogg students have the opportunity to get first-hand PEVC experience. Support the program by hosting a student the summer before they begin classes. Please contact **Beth Rahn '13**.
- **Host an investment thesis challenge.** Sterling Partners is currently hosting an investment thesis challenge, in which students propose their original investment theses and recommend execution strategies. Please contact **Beth Rahn '13** if you'd like to get involved in hosting an investment thesis challenge or similar competition.
- **Host a student breakfast.** Invite students to your local office and present your firm's investment strategy, recent deal case study, or discuss current industry trends. Please contact **Beth Rahn '13** about hosting a breakfast.
- **Give a Presentation.** The PEVC Club seeks to host industry speakers on topics such as investment case studies or industry trends. Please contact **Brian James '14**.
- **Host a Buyout or Venture Lab student.** The increase in **PE & VC experiential learning lab** opportunities has been a strong

## Private Capital Makes a Difference

Over the last several months, the PE industry has faced widespread political opposition. [Growtheconomy.org](#), a project launched by ACG, IEGC, and PitchBook, reveals how private capital-backed companies fuel corporate growth and new job creation. Take a look at these statistics to see how drastic a difference private capital can make.

From 1995 – 2009, **private capital-backed companies grew jobs by 81.5%**, while all other companies in the US economy grew jobs by 11.7%.

From 1995 - 2009, **private capital-backed companies grew sales by 132.8%**, while the United States grew sales by 28.0%.



» [Click here](#) to read the rest of this article

## Growth & Innovation – Positioning Kellogg to be the New Thought Leader

Since returning to Kellogg in 2012, Linda Darragh has sought to develop curriculum opportunities to position Kellogg as a leader in developing students capable of driving growth in middle market businesses. Linda is focused on the sweet spot overlooked by many other business schools by developing student expertise for the space that falls between start-ups, and leadership at mature businesses. Growth in the middle market is one of the largest opportunities that no business school is focused on.

» [Click here](#) to read more about Kellogg's new tract

## Kellogg Team Wins Regional Venture Capital Investment Competition and Goes on to International Competition

On February 8th, a team of five Kellogg students competed in the regional VCIC in Boulder, CO (vcic.org). The team of: Robbie Salter, David Fischer, Adam Hopson, Rushi Sheth, and Viren Tellis earned first place besting teams from five MBA programs. The team previously won the internal Kellogg VCIC on January 30th. The PE/VC club congratulates the team on their well-earned victories and wishes them luck at the international finals in April.

contributor to Kellogg's growth in the PEVC community. If you are interested in hosting an unpaid / for-credit student for one to two days a week, contact Professor [David Stowell](#).

- **Host a PEVC trek or student event.** Want to host students at an upcoming PE or VC trek in your city? Would you like to help organize a joint Kellogg alumni and student event? Contact [Brian James '14](#).
- **Mentor a current student.** Help a current student navigate the PEVC industry. Contact [Brian James '14](#).
- **Be a guest lecturer.** Visit one of Kellogg's PEVC courses. Contact [Brian James '14](#). Courses for the spring quarter are:
  - The Human Element in Private Equity - ENTR 926 (Spring Quarter)
  - Private Equity and Venture Capital - FINC 445 (Winter & Spring Quarters)
  - Case Studies in Venture Investment - FINC 471 (Spring Quarter)
  - Wall Street, Hedge Funds and Private Equity - FINC 931 (Spring Quarter)
- **Join the [KAPE Chapter](#) in your city.** If there isn't one, look into starting one. Interested alumni should contact their local chapter or [Michael Teplitsky](#) for details.
- **Reach out to an admitted student.** Improve the admissions yield and expand your network. Contact [Ryan Bunn '13](#).

## Find PEVC alumni in your city

Please [click here](#) to see a complete listing of Kellogg students from the classes of 2002-



*Pictured from left to right: Robbie Salter '13, David Fischer '13, Adam Hopson '13, Entrepreneur Christopher Bonn, Rushi Sheth '13, and Viren Tellis '13*

2012 working in PEVC jobs by city. Please send any additions or updates to [Deborah Brauer](#).

#### **PEVC Club Leadership**

Ryan Bunn, Co-Chair  
Will Dobbs, Co-Chair  
Dave Briedis, PE Director  
Anup Goel, PE Director  
Greg LeMay, VC Director  
Patrick Merfert, VC Director  
Matt Monson, Alumni Director  
Prashant Iyer, Heizer Fellow  
Brett Tremain, Career Director  
Ken Cheung, Career Director

*Questions, comments, or suggestions for future newsletter content? Please contact Kellogg PEVC Club Alumni Chair, [Matt Monson '13](#)*

NORTHWESTERN UNIVERSITY



KELLOGG PRIVATE EQUITY  
AND VENTURE CAPITAL  
CONFERENCE

### **PEVC Conference – Evolution: The ever-changing landscape of Private Equity and Venture Capital investment**

The Kellogg PEVC Club is hosting the 2013 Private Equity and Venture Capital Conference, which will take place February 20, 2013 at the University Club of Chicago. The theme for the conference this year is “Evolution: The ever-changing landscape of Private Equity and Venture Capital investment.” The conference committee has secured a number of very exciting speakers this year, including keynotes Dick Kramlich, Chairman of NEA Management Company, and Bruce Rauner, Chairman of R8 Capital Partners. Click [here](#) for more information on the confirmed panels and panelists and to register for the event.

### **Alumni are Driving the Student PEVC Experience**

This past December Doug Potters '11, CIVC Partners, and Brett Mitchell '12, McNally Capital co-hosted a panel on campus. Students walked away with important lessons about what it takes to land a post-MBA position in addition to key insights regarding the state of the markets and how best to position themselves in the current environment. We offer a big thank you to our young alumni for presenting at this annual event.

### **‘One Kellogg’ Encourages Networking between PEVC-focused full time, part time, and executive MBA students**

While Kellogg's full time program has gained strong momentum in the PEVC space, a group of students has worked to harness the potential of Kellogg's PEVC network to an even greater extent, by collaborating with the part time and executive MBA programs and their PEVC students.

» [Click here](#) for the full article.

## Buyout and Venture Lab Continue to Gain Traction

In an effort to provide students with tangible work experience in the Private Equity and Venture Capital field, Kellogg's Buyout and Venture Labs continue to grow their reach. This school year the program boasted the addition of a number of new firms. [Click here](#) for the full update on our labs. Please contact **Professor Stowell** to participate – both in-state and out-of-state funds are welcome.

» [Click here](#) for the full article.

## PEVC Alumni Tracker: 2002-2012 by Metro Area

Please [click here](#) to see a complete listing of Kellogg students from the classes of 2002-2012 working in PEVC jobs by city. Please send any additions or updates to **Deborah Brauer**.

## Resume book for full time and internships

If you would like to receive a resume book of current Kellogg students seeking PE/VC full-time positions or internships, please reach out to **Ken Cheung** and **Barrett Willich**.