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U-M has a satellite uplink TV studio and an ISDN radio line for interviews.

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U-M student seed fund makes first investment

ANN ARBOR—Finding funding at the tender seed stage can challenge the best startups, but a new student-led \$10 million seed fund at the University of Michigan's Zell Lurie Institute helps make entrepreneurial dreams come true.

The Zell Founders Fund, created last year by a donation from Sam and Helen Zell, invests in startups by recent U-M graduates. It has chosen its first company to support: Sneakers by Jordana, started by recent alumnus Jordana Schrager. The \$100,000 investment will be used to start mass production on a new footwear and fashion line that features Jordana's unique and signature artistic style.

"She was one of the first deals we looked at. She has just the coolest product," said Ashka Dave, a member of the student board that chooses the companies to support. "With three women leading the fund, we were thinking, 'How do we get a pair of these shoes?' So we were instantly captivated."

Dave and the two other inaugural Zell Founders Fund members—Florence Noel, a dual MBA and School of Information student, and Christine Priori, an MBA and master's of public health student—serve on the board. They were picked by fund manager Stewart Thornhill, executive director of the Zell Lurie Institute.

"Many women do not think they're cut out for investing," Noel said. "It is an honor for me to be an example to others, and show women that we have a place here, too. We have the expertise. We have the capacity. We have the input. If we're not here, it is a problem because that means businesses are not getting the full scope of support they need to be successful in this world."

These students have a history of leading investments within the Zell Lurie portfolio of funds—a unique opportunity in a world where women make up only 7 percent of the partners at the top 100 global venture capital firms. Noel came from the Zell Lurie Commercialization Fund, Dave from the Wolverine Venture Fund and Priori from the Social Venture Fund.

"Jordana's was the first deal we considered for the Zell Founders Fund. It was an instructive process for both sides," Thornhill said. "It's been a nice relationship where we're able to continue to help our alumni. We all win if she succeeds. We're all partners in her business. It's not a grant. It is an investment."

Dave, Noel and Priori put Schrager through her paces after their first meeting. The students began the due diligence process, which included competitive research. The team offered Schrager \$50,000 in seed funding upfront and created milestones she needs to reach before she receives the second \$50,000. This includes selling at least 50 percent of her first product run, establishing relationships and partnerships with other businesses, and increasing her social media following by 50 percent by March 2017.

The fund is designed for students who are graduating or are in their final year of the BBA or MBA program and who are seeking funding to support a startup they wish to continue after graduation. The investment amount depends on the need and stage of the business. Students can apply up to a year after graduation.

Schrager, who graduated from U-M in May with a bachelor's in art and design and with a business minor, started designing the sneakers in high school. She's made custom shoes for celebrities such as Miley Cyrus, Ariana Grande, P!NK and Selena Gomez. The custom sneakers sell for \$250 to \$400.

"As a female entrepreneur, it has been an amazing experience to work so closely with a talented women- and student-led investment team," Schrager said. "Not only have I received the financial resources I need to move my business forward, the team has also provided me with valuable guidance and advice that will continue to have a huge impact on me and the business decisions I make for years to come."

The fund expects to soon announce the second investment as a fourth member joins the team from the Zell Early Stage Fund, the undergraduate fund at the Ross School of Business. They'll focus on growing companies that have a business plan and have figured out where they fit in the marketplace.

"This is definitely the last push up the hill. It's not like they're coming to us with only a pitch," Priori said.

[Zell Founders Fund](#)
[Zell Lurie Institute for Entrepreneurial Studies](#)

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