Application to the 11th Entrepreneurship Research Boot Camp

Enclosure: Bio, List of Finished PhD Courses, Curriculum Vitae (CV), and Statement of Purpose

Name of Applicant:
Hongyu (Derek) Shan
PhD Candidate in Finance (2014-2019 (expected))
Department of Finance, University of Florida
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Unit 803
Gainesville, FL 32608

Name of Recommendation Letter Writer:
Dr. Jay R. Ritter
Joe B. Cordell Eminent Scholar Chair Eminent Scholar
Department of Finance, University of Florida
Jay.ritter@warrington.ufl.edu

Bio
Hongyu (Derek) Shan
Derek is a fourth-year doctoral student in Finance at the University of Florida. Prior to joining the Ph.D. program, Derek earned his bachelor degree in Economics from the University of Michigan-Ann Arbor, where he graduated with Distinction. He has also worked in the valuation service group at KPMG's San Francisco office and the investment banking division at Angle Advisors' Detroit office. His current research interests include venture capital, corporate governance, and equity issuances.

PhD Courses Finished as of March 2018
Macroeconomics, Microeconomics, Game Theory, Econometric Methods
Corporate Finance Seminar (two Semesters, by Jay Ritter)
Financial Intermediation Seminar (by Mark Flannery)
Banking Seminar (by Chris James)
Market Microstructure Seminar (by Mahendrarajah Nimalendran)

Hongyu (Derek) Shan

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Education

University of Florida, Gainesville, FL
Ph.D. in Finance, Warrington College of Business — 2014-2019 (expected)

University of Michigan, Ann Arbor, MI
B.A. in Economics (with Distinctions), College of Literature, Science and Arts — 2011-2014
B.B.A in Finance, Ross School of Business (dropped out in 2014) — 2012-2014

Working Papers (* Presentation by co-author)

- *"**Corporate Venture Capital and the Boundaries of the Firm: A Machine Learning Approach" (2018)***
  2018 FMA Asia (scheduled), U of Florida Department Brown Bag Seminar

- ***"Shades of Gray: Director Classification Revisited" (2017)***
  (with Joel Houston and Jongsub Lee, University of Florida)
  New York University Stern School of Business*, Fordham, 2017 FIRS Conference in Hong Kong, 2017 China International Finance Conference (CICF), 2017 Midwest Finance Association Annual Meeting
  2016 Best Paper Award, Winner, the 11th CAFM*
  Featured in the Columbia Law School's Blog on Corporate and the Capital Markets, "Shades of Gray in Board Independence"
  Invited at the Harvard Law School Forum on Corporate Governance and Financial Regulation

- ***"Enforcing IPO Underpricing: Evidence from High Bargaining Power Underwriters and Round-Number Offer Prices" (2017)***
  (with Tse-Chun Lin, University of Hong Kong)
  2017 FMA Asia Pacific Conference*, Semi-Finalist for Best Paper Award, 2017 FMA Asia Pacific

Work Near Completion (* Presentation by co-author)

- ***"Are Corporate Veterans Good Advisors on the Board? Evidence from Former Employee Directors" (2017)***
  (with Joel Houston and Jongsub Lee, University of Florida)
  2017 Drexel University Corporate Governance Conference – Early Idea Session

Honors

- **Outstanding PhD Student Paper Award**
  2017 PhD Colloquium jointly held by Fordham, NYU Stern, HK Poly, NUS, Oxford, EPFL and the University of Sydney

Teaching Experience

- **Lecturer**, University of Florida (Evaluation: 4.7 out of 5.0)
  FIN 4414 Financial Management (Undergraduate, 4 credits)
  Case-based capstone course for seniors. Enrollment: 25 students.

Other Professional Experiences and Certifications

SoftBank Asia Infrastructure Funds (SAIF Partners) Beijing, China
Private Equity Summer Analyst

KPMG, LLC San Francisco, CA
Valuation Service Summer Associate (reviewed top of the intern cohort, with return offer)

Angle Advisors Detroit, MI
Investment Banking Summer Analyst

CFA Level III Candidate

Programming/Databases

Programming: SAS, Stata, C++
Database: CRSP, COMPUSTAT, Capital IQ, SDC, BoardEx, PitchBook, RepRisk

Personal Information

Affiliations: Financial Management Association, American Finance Association
Language: Chinese (native); English (fluent)

Academic and Research Supervisors

Dr. Jay R. Ritter (Co-Chair)
Joseph B. Cordell Eminent Scholar in Finance, University of Florida
Office Tel: (352)846-2837
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Dr. Joel F. Houston (Co-Chair)
John B. Hall Chair Professor, University of Florida
Office Tel: (352)392-7546
joel.houston@warrington.ufl.edu

Dr. David Robinson
Fuqua School of Business
Duke University
100 Fuqua Drive
Durham, NC
davidr@duke.edu

Dear Dr. Robinson,

I learned about the NBER Entrepreneurship Research Boot Camp 2018 from NBER's website. As a fourth-year Finance Ph.D. candidate at the University of Florida, I am excited with this opportunity to expand my knowledge in Entrepreneurial Finance, and connect with fellow doctoral students with similar research interests.

I developed my Job Market Paper in the intersection of corporate growth strategy and venture capital. The project explores the strategic overlap between Corporate Venture Capital (CVC) investor and portfolio startups in the space of product, market, and technology. This machine-learning based approach examines the relationship between strategic overlap and the investor's ex post investment outcomes from both the stock and product markets.

The project is still in the early stage, and I look forward to the opportunity to sharpen the empirical results through the training at the Research Boot Camp. University of Florida Finance Group generally focuses on Banking, Equity Issuances, Capital Structure, and Mutual fund etc. Unfortunately, none of the current faculty members specializes in Entrepreneurial Finance or Venture Capital. Throughout the few months working on the paper, I felt stretched in my understanding of the research line on CVC and innovation. It will be great to spend the upcoming summer to learn more about this area of finance.

In addition, I am excited in the prospects to connect with fellow doctoral students with similar interests. The most exciting part of being in academia is the intellectually stimulating conversations with young scholars from all kinds of backgrounds. The valuable experience at NBER will promote the cooperation on data, techniques and research ideas not only during the summer, but throughout the years during and beyond our doctoral programs.

I would really appreciate the opportunity to discuss my qualifications with you. Should you need more information, please feel free to contact me through email at hongyu.shan@warrington.ufl.edu or via phone at 734-747-0229. Thank you for your consideration.

Sincerely,
Hongyu (Derek) Shan

UF WARRINGTON COLLEGE of BUSINESS

Department of
Finance, Insurance and Real Estate

March 12, 2018

NBER Entrepreneurship program
2018 meetings Boot Camp

This is a letter of recommendation for **Hongyu ("Derek") Shan**, who is writing his PhD dissertation under my joint supervision with Joel Houston. Derek has also worked for me as a research assistant, so I know him well. He plans to be on the job market this coming autumn.

Derek's dissertation paper, "Corporate Venture Capital and the Boundaries of the Firm: A Machine Learning Approach," is on corporate venture capital (CVC). Although relatively minor in comparison to traditional venture capital, in which independent venture capital firms raise money from limited partners and invest in young companies, CVC has been growing in importance. CVC differs from traditional venture capital because, in addition to financial returns, a corporation may be interested in investing in a startup in order to gain knowledge about a new technology or to gain insight about the startup before making an acquisition. Thus, CVC is related to the long literature on the boundaries of the firm started by Coase (1937). There has been related work for many decades on franchising versus direct ownership, joint ventures, and mergers & acquisitions (M&A), as well as a few papers on CVC.

Derek's paper has both a theoretical framework and empirical work. In the empirical work, he uses machine learning to identify words that can be used to classify the sector that a firm operates in, such as sports, music, or fashion. Using business profiles, he is then able to identify linkages between investing firms and startups to quantify strategic overlaps.

Although his work is still in progress, an attractive feature of his research is that it is in an important area that has not been overstudied, partly due to the lack of an easily accessible database.

To summarize, I strongly recommend Hongyu (Derek) Shan for inclusion in the NBER Entrepreneurship Boot Camp.

Sincerely,

Jay R. Ritter

Jay R. Ritter
Cordell Eminent Scholar

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UNIVERSITY OF FLORIDA

JAY R. RITTER

Since 1996, Jay R. Ritter has served as the Joseph Cordell Eminent Scholar in the Department of Finance at the University of Florida. He has previously taught at the University of Pennsylvania's Wharton School, the University of Michigan, the University of Illinois at Urbana-Champaign, and the Massachusetts Institute of Technology's Sloan School of Management. Prof. Ritter is best known for his articles concerning equity issuance. His articles have won best paper awards at the *Journal of Finance* (1991), *Journal of Financial Research* (1996), *Journal of Financial and Quantitative Analysis* (2009 and 2013), *Journal of Financial Economics* (2010), *European Financial Management* (2012), and *The Financial Review* (2015). He has served as a Director of the American Finance Association, and was President of the Financial Management Association for 2014-15. Prof. Ritter is an Associate Editor of numerous academic journals and has over 39,000 citations on Google Scholar. He has also consulted on valuation and market manipulation cases, as well as securities issuance, and is frequently quoted in the financial press. He is a frequent visitor to Asia, Australia, Canada, and Europe, and has taught short-course PhD classes in Switzerland, Hong Kong, Germany, Denmark, Belgium, and Australia; and masters classes in Hong Kong, Italy, and Portugal. Prof. Ritter received his BA, MA, and PhD (1981) degrees in economics and finance from the University of Chicago.