Heritage Oyelade
Department of Finance, College of Business, University of Texas at San Antonio
·(210) 488-0069 ·heritage.oyelade@utsa.edu

March 24, 2021

The NBER Entrepreneurship Research Boot Camp Team
National Bureau of Economic Research
Cambridge, MA 02138

Dear Coordinator,

I am writing to apply for the NBER Entrepreneurship Research Boot Camp 2021. I learned about this workshop through a Twitter post by Michael Ewens. I am a second year PhD Finance student at University of Texas at San Antonio and look forward to a chance to broaden my knowledge in the area of Entrepreneurial Finance. Based on my background in Economics and now in Finance, I think I would be a great fit for this workshop.

From my early college years in Nigeria, I have been interested in Microeconomics and now more specifically in Entrepreneurial Finance, given the impact I saw entrepreneurs make. In pursuit of my career in research, I have been intentional about acquiring as much knowledge as possible and keeping abreast of research in my area of interest and honing my analytical and data collection skills to enhance my research. I am proficient in Python programming language alongside other statistical analysis packages. I have taken a couple of doctoral seminars one of which was on Entrepreneurial Finance and Market Microstructure. Presently, my research work is on the determinants of the acquisition discount paid for private firms.

My exposure to various economic and finance theories, my quest for knowledge and my interest in Entrepreneurial Finance will provide a steady foundation for my success in the area of entrepreneurship. I am specifically interested in this boot camp due to its unique array of seasoned researchers in the area of entrepreneurship and possible collaboration with fellow PhD students. I look forward to hearing back from you about the opportunity to participate in the 2021 boot camp. Thank you for your time and consideration.

Sincerely,

Heritage Oyelade

Reference:
Onur Bayar, Ph.D.
Professor of Finance and Ph.D. Advisor
University of Texas at San Antonio
Onur.bayar@utsa.edu

Curriculum Vitae

Heritage Oyelade
Department of Finance, College of Business,
University of Texas, San Antonio
One UTSA Circle, San Antonio, TX 78249

March 2021
Heritage.oyelade@utsa.edu

AREAS OF INTEREST

Empirical Corporate Finance, Entrepreneurial Finance, Venture Capital.

EDUCATION

University of Texas at San Antonio — **San Antonio, TX**
Ph.D. student in Finance. GPA: 4.00/4.00 — Expected May 2024

University of Texas at San Antonio — **San Antonio, TX**
M.A. in Economics (General Economics). GPA: 3.97/4.00 — Dec 2018

Redeemer's University — **Osun State, Nigeria**
B.Sc. in Economics. GPA: 3.41/4.00 — May 2016

RESEARCH EXPERIENCE

University of Texas at San Antonio — **San Antonio, TX**
Graduate Research Assistant — 2019-Present

- Provide assistance to faculty on research on reasons for CEO turnover
- Assist in formulating research question on the effect of industry concentration on the efficiency of the stock market
- Assist with data collection

University of Texas at San Antonio — **San Antonio, TX**
Graduate Research Assistant — Jan 2018-Dec 2018

- Participated on the cost-benefit analysis arm of the City of San Antonio's Climate Action and Adaptation Plan (CAAP) project which received a $500,000 CPS Energy research grant
- Provided research assistance to UTSA's department of Economics on financial system's systemic risk informed by 2008/2009's Financial Crisis
- Reviewed financial articles, collected data and conducted analysis via Stata.

Nigerian Institute of Social and Economic Research(NISER) — **Oyo State, Nigeria**
Research Assistant — Dec 2016- July 2017

- Created seminar reports, collaborated with erudite professors and team of NISER economic researchers on Economic studies

- Conducted various forms of socio-economic research, edited research works and performed mathematical modeling and data analysis

PH.D. COURSES

Doctoral Seminar on Corporate Finance	A
Applied Econometrics	A
Doctoral Seminar on Valuation	A
Research Methods II	A
Doctoral Teaching Seminar	A
Archival Methods in Accounting Research	A
Doctoral Seminar on Entrepreneurial Finance and Market Microstructure	A
Advanced Topics in Financial Markets	Current

SKILLS

Computer: Python, R, Stata, Eviews, Microsoft Office.

WORK IN PROGRESS

Innovation and Acquisition Discount of Private Targets (with Onur Bayar (UTSA))

ESSAY

My undergraduate and master's background in Economics and currently being a PhD student in Finance has exposed me to various areas of Finance and Economics. During my undergraduate studies, I picked up a keen interest in Microeconomics –the Economics of firms and individuals. I really wanted to explore how the micro components of the economy make decisions, allocate resources and of course, how they interact with the economy at large. This initial spur has gravitated toward my interest in Entrepreneurial Finance. I am currently examining the determinants of exit success and prices for private firms. Specifically, the role of innovation on the acquisition discount paid for private targets in mergers and acquisitions. My future research directions are in the line of Venture Capital (VC), Mutual Funds and the effect of industrial organization on access to financing for private firms or entrants into competitive markets. Though I have been engaged in reading up and reviewing literature in the area of Entrepreneurial Finance and sharpening my analytical and data collection skills to better investigate issues in this field, I believe this boot camp will accelerate my acquisition of knowledge and exposure to this area. It will help sharpen my mind and broaden my horizons on emerging questions and techniques in the field of entrepreneurship and enable me better fit my research into the paradigm.

For my undergraduate thesis, I worked on a micro-econometric analysis of the determinants of energy choices using a multinomial logit model. At the time, I had to self-learn the implementation and interpretation of the model, as my undergraduate Econometrics courses had not covered that. It was a fun and successful experience for me and pointed me in the direction of applied and empirical Economics. I further honed my Econometrics and data analytics skills during my master's in Economics, and even to a larger degree now in the PhD Finance program, in which I am in my second year. I have had to learn the Python programming language alongside other statistical analysis packages I use to help better my data management competence. All these point to the fact that I am very intentional about research, gaining the necessary knowledge and skills along the way in pursuit of outstanding results.

Starting off my career in research, I have always had the mindset that research should be directed toward meeting a need. Being from a developing country, Nigeria, growing up, I saw firsthand how impactful entrepreneurship can be in stimulating economic growth, innovation and competitiveness to the extent of alleviating poverty. On the other hand, I also saw how tough it was for entrepreneurs to make such impact. U.S. statistics show that over 50 percent of small enterprises fail in their first year, and over 95 percent of small startups fail within the first five years. Some reasons for this are lack of finance, lack of product demand and industry competition. This shows that only successful entrepreneurs can make the impact of increasing productivity, motivating innovation and generating jobs. We have had successful entrepreneurs who are at the heart of what Joseph Schumpeter called "creative destruction". Innovations like airplanes, computer, air conditioning, to mention a few, were brought about by entrepreneurs. So, it is possible to attain successful entrepreneurship at an even grander scale than those, if the subject of entrepreneurship is fully understood. Research is key in achieving this. Given that this

phenomenon is pivotal to the growth of the economy –that of the U.S. and other countries– research directed toward this area will undoubtedly spur economic growth.

In line with this, one of the ways of judging the success of entrepreneurial firms is through their eventual exit, mostly through IPOs or acquisitions. Currently, I am working on acquisitions of private targets. Research shows that private targets sell at a discount to comparable public targets in acquisitions. I examine the effect of targets' innovation on acquisition discount of private targets and the effect of innovation and acquisition discount on acquirers' post-merger performance. I measure innovation in form of R&D expense and patent count and citation and also take into account the role of technological overlap between the acquiror and target. I measure acquisition discount following the methodology in Officer (2007) and as expected, I find that private targets sell at a discount of 15% on average relative to control-related trades of public firms. Preliminary results show that innovation is associated with higher acquisition discount. A possible justification for this is that innovation proxies for firm riskiness or uncertainty, however, this is a rather skeptical reasoning, except uncertainty and innovation are clearly isolated. I also find evidence that VC backing for private targets serve as a certification effect and lowers the acquisition discount even with high levels of 'uncertainty'. With regards to technological overlap, my expectation is that it would serve as a moderating effect. For instance, what would happen if the target itself is not so innovative but overlaps technologically with the acquiror?

Further to my consideration of the certification effect of VCs, moving forward, I would like to study the certification effect of mutual funds investing in private firms and eventual exit decisions of such firms. It is documented in literature and most recently in Kwon et al (2020) that there has been an increase in the number of mutual funds investing in private markets and the dollar value of these investments. Also, literature shows that mutual funds are less involved in corporate governance when compared to VCs. It would be interesting to explore VCs vs mutual funds in terms of corporate governance and the effects thereof.

I would also like to investigate the broader role of entrepreneurship and innovation in productivity growth and in turn economic growth. Perhaps, a comparative study of the U.S. and other countries with the aim to unearthing the roadblocks to successful entrepreneurship. Industry competition and entrepreneurship is another direction I would like to research on. How do entrepreneurs who are trying to penetrate a rather concentrated industry fare in the short and long run?

I believe that with my current research efforts and future prospects, I can gain a lot from this bootcamp with researchers in the frontiers of the field of entrepreneurship and interaction and network with other PhD students with aligned interests. This would not only help boost my research in entrepreneurship but also enrich the quality of my dissertation.

UTSA The University of Texas at San Antonio™
College of Business | Department of Finance

March 25, 2021

Dear NBER Entrepreneurship Research Boot Camp 2021 Organizers,

I would like to inform you that Heritage Oyelade is a second-year Finance Ph.D. student at the Carlos Alvarez College of Business at the University of Texas at San Antonio. She remains in very good standing in our Ph.D. in Finance program. Her research interests are in Entrepreneurial Finance, Corporate Innovation, and Mergers & Acquisitions. She has completed her first-year summer research paper on entrepreneurial finance under my supervision. Heritage is a curious and capable researcher, and she is very eager about deepening her research interests in the above topics. She has excellent analytical and empirical research skills. Her communication skills are also very good. I believe that she will greatly benefit from attending your entrepreneurship research boot camp. Please do not hesitate to contact me if you need any further information.

Sincerely,

Onur Bayar
Professor of Finance
Graduate Advisor of Record of the Finance Ph.D. Program
Email: onur.bayar@utsa.edu