Cover letter

Dear application committee,

I am a fourth year PhD from the department of finance in NHH, Norway. I am writing to express my enthusiasm in applying this entrepreneurship research boot camp.

I am passionate on entrepreneurship, in particular entrepreneurial finance. I have two working papers on entrepreneurs and their corporates behaviors using the unique Norwegian administrative data. I am highly motivated to participate your entrepreneurship boot camp.

Moreover, this boot camp provides a great platform to enhance my knowledge on entrepreneurship literature, expose me to the most cutting-edge researches, and establish my network with top scholars as well as fellow students in the same field of interest. Therefore, my supervisor, Prof. Aksel Mjøs, strongly advised me to apply.

Please review my attached application for additional details with regarding to experience and expertise.
The list of documents includes:

- my resume
- a list of PhD courses I have completed within my program
- a two-page essay explaining my motivation in applying this boot camp with more detailed description on my research projects and future direction.

Please do not hesitate to contact me if you have any further questions for clarification. I would like to take this opportunity to thank you for your time and consideration on my application.
Looking forward to hearing from you!

Sincerely yours,
Jing

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Jing Lan

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I am a passionate young research scholar in empirical corporate finance. My research interest lies in entrepreneurial finance and SME finance. Before starting my PhD, I also had some industry experience.

Education

2017.08 – Now. **PhD in Finance, NHH** **Bergen, Norway**

- Research Interests: SME finance, entrepreneurial finance

2012.08 – 2014.09 **ERIM, Erasmus University Rotterdam** **Rotterdam, the Netherlands**
Master in Finance (Mphil)

- Master thesis "cross-country analysis on IPO waves"

2009.08 – 2012.08 **University of Groningen** **Groningen, the Netherlands**
Bachelor in International Economics and Business

- 2011 Sep to 2011 Dec: Hong Kong Polytechnic University exchange, financial services minor

Research Projects

- Home equity-based borrowing and Norwegian private firms' corporate financing. With Aksel Mjøs (NHH) and Xunhua Su (NHH)
- M&A and return anomalies. With Walt Pohl (NHH)
- Divorced shareholders and Norwegian private firms' corporate performance. (Job market paper)
- IPO and cornerstone investors. With Michael Axenrod (NHH), Carsten Bienz (NHH) and Francesca Cornelli (Northwestern)

Research Assistantship

2020.04 – 2020.10 Norwegian corporate accounts SNF and NHH database. (Aksel Mjøs)
2020.04 – 2020.08 The returns to early-stage investment. (Katja Kisseleva, Aksel Mjøs and David Robinson)
2013.09 – 2014.03 Antitrust merger review costs and acquirer lobbying. (Jana Fidrmuc, Peter Roosenboom and Eden Zhang)

Work Experience

2015.12 – 2017.06 **Tongbanjie Internet Financial Service ltd.** **Zhejiang, China**
Data Analyst (full time)

- Handle daily data requests, write analytical reports on portfolio holdings, forecast financials, promote automation project and refine database structure

2015.03 – 2015.11 **Amanda Tastes** **Zhejiang, China**
Co-founder

- Daily operation and financial budgeting, complete Pre-A round financing

2014.03 – 2014.07 **ING Bank headquarter** **Amsterdam, the Netherlands**
Intern, Static Data Management team (full time)

- Process static data requests, control and safeguard data quality, coordinate workflow projects

2013.01 – 2013.02 **China Construction Bank** **Zhejiang, China**

Intern, International Service Department (full time)

- Document corporate loan information, contact foreign banks for due diligence

Teaching Experience

2018.01 – 2018.06 TA Fintech / Merger & Acquisition

2018.08 – 2018.12 TA big data with applications in finance

2019.01 – 2019.06 TA Merger & Acquisition / Corporate finance

2019.08 – 2019.12 TA Corporate finance / big data with applications in finance

2020.08 – 2019.12 TA big data with applications in finance

Additional

- Proficiency in MS Office
- Proficiency in R for data analysis and programming, Stata, SPSS, Eviews;
- Strong problem solving skills; excellent numerical skills and critical reasoning
- Passed CFA level I examination
- Proficiency in English; Native in Mandarin; Fluent in Cantonese; Beginner in Dutch/Norwegian

List of PhD Courses

Code	Name	Credit	Status
FIN540	Empirical Corporate Finance II	4	Completed
FIN512	Empirical Asset Pricing II	4	Completed
FIN536	Scientific Methods in Finance	7.5	Completed
FIN511	Empirical Asset Pricing I	4	Completed
FIN521	Topics in Empirical Corporate Finance	7.5	Completed
ESC503	Advanced Econometrics	7.5	Completed
FIN501	Asset Pricing Theory I	7.5	Completed
FIN502	Corporate Finance Theory	7.5	Completed

Motivation Letter

Dear application committee,

Thank you for giving me this opportunity to state my enthusiasm on entrepreneurship, more specifically on entrepreneurial finance.

It is widely acknowledged that entrepreneurship is crucial in bringing innovation, sustainability and growth to the local economy (The European Commission, 2003). Entrepreneurship is therefore of central interest to policy makers as well as to researchers.

My interest in entrepreneurship originated long before my starting of academic career, from my industry experience. I was an entrepreneur myself. Six years ago, I started a business with a group of friends and the company focused on producing food tutorials. The firm went well until at a certain point when we had to scale up so as to meet the daily demand of operation. One of the important lesson we learned was that we have to obtain adequate external financing to achieve sustainable growth. We actively contacted venture capitalists to invest in our company, gone through many rounds of negotiations and received our first round of investment.

This experience lit up my passion on entrepreneurship and inspired me to do research on entrepreneurial finance. I wanted to take a step forward and to understand the decision making process of entrepreneurs with both theoretical frameworks and empirical methodologies.

However, it is well-known that small and medium enterprises (SMEs) are usually small and private and they suffer severely from information opaqueness problem. Although entrepreneurs exhibit high demand of funding, their firms are mostly rationed by the fund suppliers. This information disadvantage also applies to the field of empirical research in entrepreneurship. Lacking of sufficient data compared with their public counterparties, these firms' corporate behaviors are also less well understood.

Thanks to the development of digitalization technology, Scandinavia countries nowadays are known for their high quality administrative data which makes a deeper investigation on SMEs possible. For instance, the Norwegian tax authority makes it mandatory for every firm and taxpayer residing in the country to report tax annually to the government, with detailed accounting information recorded from both firm and individual balance sheets. The longitudinal and comprehensive administrative data facilitates the empirical study on firms and owners' decision-making process.

I was fascinated by the good quality of Norwegian administrative data and conducted my first research project on home equity-based borrowing and Norwegian private firms corporate financing behavior. It is a co-authored project with professor Aksel Mjøs and professor Xunhua Su. In this paper, we select a group if entrepreneurs and their closely-holding firms to investigate the relationship between financial constraints and corporate investment via the collateral channel. The findings suggest that entrepreneurs' home equity withdrawal is positively associated with new equity injections to their closely-held private firms. This result holds across different firm life stages. We also show a disproportional spatial distribution of home equity-related capital injections and wealthier entrepreneurs are less likely to exploit this channel of firm financing. With the new equity injections, these entrepreneurs expand their firms, hire more employees and are able to borrow more from banks. In terms of new entry, these

entrepreneurs also show a tendency to duplicate their business in a familiar sector rather than a completely new industry.

My second project on entrepreneurship belongs to the topic of entrepreneurs' risk preference, more specifically, on how entrepreneurs' personal lives affect their holding firms' performance. Entrepreneurs are suggested by theory to have a different risk tolerance compared with ordinary people in population. Empirical studies have proved that entrepreneurs are less risk averse and that their management style attributes to poor firm performance(Hvide and Panos, 2014). Entrepreneurs' risk attitude so far has been treated by default as a stable trait in the existing literature. However, we know that people' risk preference can change over their lifetime.

In this paper, I use an entrepreneur's marital status change, in particular divorce, as a traumatic experience that shocks to his or her risk attitude and investigate how this event affects their firm performance. Previous studies have employed divorce as a unique setting to examine how it affects professional performance among CEOs (Neyland, 2013), employees (Wheatley et al., 1991), and fund managers (Lu et al., 2016) etc. but not to an entrepreneurial context. I again use a sizeable sample of Norwegian private firms' controlling owners, who not only have concentrated ownership stakes but also take important management roles inside their firms. I adopt two different instruments for divorce and show that divorce reduces an entrepreneurs' risk tolerance and is associated with improvements in their firm performance.

This project is still in working progress and I will use this project for my job market paper. At this stage, any feedbacks are more than welcome to help me to improve my paper. For my future research direction, I will continue to work in entrepreneurial finance with a focus on how entrepreneurs' personal characteristics interact with their firm performance.

That is the reason why this entrepreneurship boot camp is such a great opportunity to me. I will very much appreciate to be granted a chance in participating this event. I would love to meet people with the same interest, brainstorm with each other, discuss the trending research in the field and receive valuable feedbacks from the discussions.

Looking forward to hearing from you!

Sincerely yours,
Jing Lan

Reference

European Commission. (2003). *Green paper entrepreneurship in Europe*. Luxembourg: Office for Official Publications of the European Communities.

Hvide, H. K., & Panos, G. A. (2014). Risk tolerance and entrepreneurship. *Journal of Financial Economics*, *111*(1), 200-223.

Lu, Y., Ray, S., & Teo, M. (2016). Limited attention, marital events and hedge funds. *Journal of Financial Economics*, *122*(3), 607-624.

Neyland, J. (2020). Love or money: The effect of CEO divorce on firm risk and compensation. *Journal of Corporate Finance*, *60*, 101507.

Wheatley, W. J., Vogl, J. F., & Murrell, K. L. (1991). The concern of divorce in organizations: a survey of human resource managers. *Journal of divorce & remarriage*, *15*(3-4), 193-204.

NHH

The Workshop on Entrepreneurial Finance and Innovation

Bergen, 26 March 2021

Letter of Recommendation for Jing Lan to join the WEFI Fellows program

I am the supervisor of Jing Lan who is a 4th year PhD-student at the Department of Finance at The Norwegian School of Economics. I would like to recommend her for the WEFI Fellows program entrepreneurship, entrepreneurial finance, and innovation.

Jing is a diligent, creative and very capable student, and her research is focused on entrepreneurship and SME finance. Her research is in the intersection between household finance and SME Finance, utilizing the unique Norwegian datasets for private firms, their owners and financiers. Her first paper analyses the direct relationship between increased houseprices, owners' increased mortgages, and their subsequent injection of new equity capital into their companies. Given the identified register data, she is able to directly track the cash flows from the new mortgages to the firms. The paper both analyses initiation of new companies as well as additional capital injected into more mature firms. The main finding is that these injections are supporting value creating development of the firms, including facilitating more bank financing, rather than an attempt to salvage the firm.

Her second paper in this field addresses how the divorce of a shareholder in a closely held firm impacts risk taking also in the firm afterwards. This paper is at an early stage.

We are a finance department with limited capacity and research into entrepreneurship and SME finance. Your initiative is thus particularly relevant. Jing has completed solid training and have access to excellent data sets, but I am convinced that she would benefit strongly from joining your program, both from the interaction with faculty and fellow students. She is a positive, outgoing and social person who cooperates well in every environment.

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I very much appreciate your important initiative, in particular during the pandemic, and do hope that Jing Lan will be accepted into the WEFI Fellows program.

Yours sincerely



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