March 12, 2012

NBER ERBC application

Dan Marom

PhD Candidate, HUJI's Business School

Dear Sir/Madam,

I would like to apply for the upcoming NBER's Entrepreneurship Research Boot Camp.

Attached the application documents:

1. CV
2. Courses list
3. A short Essay

Recommendation letter will be sent separately by my advisor - Prof. Yishay Yafeh (HUJI).

My contact details:

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Email: me@danmarom.com

Thanks in advance,

Dan Marom.

האוניברסיטה העברית בירושלים
The Hebrew University of Jerusalem

March 13, 2012

Admissions Committee
NBER Entrepreneurship Research Boot Camp
1050 Massachusetts Avenue
Cambridge, MA 02138, US

Dear Members of the Committee,

פרופ' ישי יפה
בית הספר למנהל עסקים
האוניברסיטה העברית

Prof. Yishay Yafeh
The Hebrew University
School of Business
Administration

This is a letter of recommendation for Mr. Dan Marom, a Ph.D. candidate at the School of Business Administration of the Hebrew University, who is applying for the NBER Entrepreneurship Research Boot Camp. As his main Ph.D. advisor, I know Dan very well, and it gives me great pleasure to recommend him for the NBER "Boot Camp" which, I have no doubt, will be a fantastic opportunity for him.

Dan is both a promising Ph.D. candidate, and an entrepreneur with experience in the exciting world of high tech startups in Israel. He therefore combines a very good background in finance and econometrics with a working knowledge of how things are "really" done. Accordingly, he has been working on several interesting research projects which I find very promising – the first is an attempt to re-examine the Kaplan-Sensoy-Stromberg "Horse vs. Jockey" idea using a hand collected sample of Israeli startup firms, and experimenting with different definitions of changes in either the "horse" (business plan) or the "jockey" (management team), and applying more sophisticated econometric methods than those used in the original paper. Given the rarity of data sets comparable to the one used by Kaplan et al., Dan's work is likely to be an interesting attempt to validate or refute Kaplan et al.'s results. Dan's other projects are also, in my opinion, very original, focusing on "crowd funding," an internet-based means of raising capital from a large number of small investors for very early stage projects. Dan has written a popular book on crowd funding which seems to be very popular on Amazon, he has written a more academic, albeit descriptive, book chapter on this topic which will appear in an edited volume, and is currently collecting interesting data in order to investigate more thoroughly the determinants of the probability of raising finance through crowd financing as well as the factors which affect the cost of capital raised using this method. He has been using both financial and demographic variables in what seems like a very promising project.

Dan is a person of unusual intellectual curiosity and a great potential to become an original researcher in the field of entrepreneurship. He is well versed in the VC and entrepreneurship literature and is always enthusiastic to discuss research, data, and real world phenomena related to these fields. I have no doubt he will be a great student at the "camp" and also a very interesting colleague for his peers. Given the small size of the academic community working on entrepreneurial finance in Israel, the "boot camp" is an especially important opportunity for Dan to interact with other scholars working on related issues, and I have no doubt he will make the most of it. I would like to add also that he is now academically very well prepared for the "camp," far more so than when he first applied two years ago. I strongly and warmly recommend him.

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האוניברסיטה העברית בירושלים
The Hebrew University of Jerusalem

Yours sincerely,

Yishay Yafeh

Prof. YISHAY YAFEH
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פרופ' ישי יפה
בית הספר למנהל עסקים
האוניברסיטה העברית

Prof. Yishay Yafeh
The Hebrew University
School of Business Administration

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Dan Marom – Curriculum Vita

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EDUCATION

The Hebrew University of Jerusalem (HUJI)

School of Business Administration

PHD Candidate in Finance — **Nov. 2008 - Today**

Advisor: Prof. Yishay Yafeh

Open University, Raanana

M.B.A (Graduating **Cum Laude**) — **2002 - 2005**

Majors: Marketing & Management

Ben-Gurion University, Beer-Sheva

B.Sc in Electrical Engineering — **1997 - 2001**

Majors: Communication & Electro-Optics

RESEARCH INTERESTS

Entrepreneurial Finance, especially interested in CrowdFunding related issues.

PUBLICATIONS

"The CrowdFunding Revolution" - With Kevin Lawton, 2nd edition forthcoming late 2012 by McGraw-Hill. Book's website – http://www.TheCrowdFundingRevolution.com

"Crowd Empowered MicroFinance" - chapter at the book "MicroFinance in Developing and Developed Countries: Issues, Policies and Performance Evaluation" by Gueyie, Manos and Yaron, Forthcoming Summer 2012 by Palgrave Macmillan.

"Evolution of Firms – Evidence from Israeli Start-ups" - working paper, analyzing the main success factors of early stage companies.

REASERCH GRANTS

Hebrew university's business school

Julian Simon Grant ($4000) — **January 2010**

TEACHING EXPERIENCE

Hebrew university's business school

Instructor: Entrepreneurship yearly seminar (for undergraduates) **2010-2012**

Hebrew University (EMBA) and Tel Aviv University (Kellogg-Recanati EMBA)

Teaching Assistant: Private Equity & Venture capital Strategy (Sharon Belenzon), **2009**
Operation Management (Eitan Zemel).

PROFESSIONAL EXPERIENCE

Dan Marom & Co. - Privately Owned Consultancy Company

Various Technology and Business development projects **2008 – Today**

Brayer Group, Tel-Aviv

CEO **2007 - 2008**

Co-Founding and managing a unique start-up in the education field, organizational consulting and training services. Gaining significant experience in Fund Raising, Boot-Strapping, Intensive Sales & Marketing processes and multidisciplinary employees management.

Israel Defense Force, Elite Technological Unit

Technology Management Positions **2001 - 2007**

Heading several technological teams – from maintenance team leader, to R&D team leader and project manager. Leading highly risked projects and highly talented teams towards ambitious goals.

CentExchange, Beer-Sheva

Marketing Manager **1999 - 2000**

Leading the marketing of an internet related start-up.

LANGUAGES

- Hebrew – Mother tongue.
- English – speak fluently and read/write with high proficiency.
- French – speak with basic competence.

HOBBIES

- Sport, Diving, Reading.

Dan Marom - PhD courses list

Hebrew University (2009-2011)

Course number	Course Name	Credits	Year
55709	Options and Contingent Claims	3	Fall 2009
57819	Advanced Micro-Economics	4	Fall 2009
57824	Advances Econometrics A	4	Fall 2009
57871	Financial Economics of the Firm	3	Spring 2009
57905	Topics in Empirical Microeconomics	2	Spring 2009
55810	Entrepreneurial Finance: Financing Innovation and Venture Capital	3	Fall 2010

My Road to the ERBC

Dan Marom (PhD Candidate - HUJI Business School)

Dear Sir/Madam,

My name is Dan Marom and I am a PhD candidate in Finance at the Business School of the Hebrew University (Israel). I was very excited two years ago when I first came across the call for participation in ERBC Boot Camp. It seems to me to be a wonderful opportunity to learn from the brightest scholars, meet interesting participants and hopefully contribute with my own perspective and personal experience. Nowadays, submitting this request for the 2nd time, I believe that I can contribute and benefit much more.

My Academic background is rooted in technology – I studied Electrical Engineering and was engaged in managing R&D for several years. During my army service I was involved in unique and fascinating processes of innovation. I also have practical experience as an entrepreneur, founding and managing a unique start-up in the field of education. In the last couple of years, I finished my mandatory courses for the PhD – mainly covering advanced topics in microeconomics and econometrics. I also have the wonderful opportunity to teach entrepreneurship to undergraduates, which mentors young pupils, building Israel's future entrepreneurs. Finally, I dedicate a considerable portion of my time to initiate research in fascinating fields. I believe that the combination of my background in management, entrepreneurship and innovation, which has shaped my economic views and thinking, could make unique contribution to the boot camp. The topics I would be interested in sharing are those that occupy me in my current research – evolution of start-up firms and crowd-funding.

Crowd Funding – A Promising Model for Entrepreneurial Finance

In the last three years I explore an emerging model for entrepreneurial finance, which has yet to be researched in the context of start-up formation. Inspired by the concept of crowd sourcing, crowd funding describes the collective financial cooperation of people by means of a network. Via the highly accessible platform of the Internet, they pool together funds, which are separately insignificant, in support of efforts initiated by private people or organizations – for the most part, anonymous and generally without support of mainstream investors. This issue addressed above, is both fascinating and extremely relevant, and being used frequently in fund raising (e.g. the success of micro-payments), but recently is also being used by entrepreneurs in other areas – arts (film makers and musicians), journalism, fashion, sports (football clubs) and most recently – technology (trampoline systems as a pioneer). Another successful example is President Obama's unique fundraising strategy, which totaled 3 million donors (significantly more than his rivals), and which without a doubt contributed to reaching the presidency. These issues extend beyond the existing body of research on "traditional" forms of funding (VC's, CVC's, angles, etc.), and may very well hold the key to replicating & exporting acknowledged successful methods of fundraising to a wide spectrum of entrepreneurs.

During this fascinating intellectual journey I've been very lucky to research and write about various aspects of this mechanism - I Co-authored "The CrowdFunding Revolution" (with Kevin Lawton), which is the 1st book about this subject. The books' first edition was published in late 2010, and a second edition will be published by McGraw-Hill in the coming months. I also conduct empirical research about the leading global crowdfunding platforms, based upon

unique data. In these working papers I analyze the success factors, different mechanism and theoretical issues regarding to platforms' investors and entrepreneurs. Finally, as a true believer of the positive impact of crowdfunding worldwide, I wrote a paper about the potential of harnessing the crowd to microfinance aims and initiatives. This paper, "Crowd Empowered MicroFinance" will be published as a chapter in a forthcoming book about MicroFinance (Gueyie, Manos and Yaron, 2012).

"Horse vs. Jockey" - Evolution of Firms, Evidence from Israeli Start-ups (Julian Simon Grant)

In the last 80 years, economists and sociologists have been trying to identify and single out the main mechanisms of successfully developing firms. The study of "firm boundaries" originated with a famous paper by Coase (1937) and turned into an issue addressed by a large number of scholars – e.g. Gibbons (2005), who highlighted the major theories of the firm (rent-seeking, property-rights, incentive-system and adaption). Yet, in spite of the interest mentioned above, there is still very little empirical evidence regarding the evolution of firms - from "birth" (seed stages of venture formation) to "maturity" (established companies).

Clearly, we are witnessing a substantial growth in formation of start-ups backed by wealthy private investors ("Angels", Wong 2002) and Venture Capital funds (VCs, Gompers Lerner 2005). This "trend" of accelerated ventures formation is interesting in a multitude of ways, and has been researched accordingly. I claim in my research that the rapid evolution of hi-tech firms can also be used for empirical examination of the theory of the firm and may as well be the key to understanding current success stories and their methods.

Kaplan, Sensoy and Stromberg (2009) examined the evolution of firms through a novel approach, by methodologically analyzing fifty venture capital-financed US companies, from business plans to initial public offering (IPO). I intend to implement their econometric approach on a unique database of 150 business plans of Israeli hi-tech start-ups, that I hand-picked in the last year. My database will be supplemented by up-to-date statistical data regarding the status of those start-ups (taken from IVC Israeli database of start-ups, Media archives, Firms websites, etc.). In addition to using KSS's (2009) methodologies on uniquely Israeli data, while validating their conclusions in light of the highly developed Israeli hi-tech industry, I intend to explore a few additional subjects: a) a comparison of different industries and life-cycle stages of firms, while using external information regarding the evolution of specific industries during relevant years and eliminating potential biases; b) a comparison of business plans submitted to a range of investors; c) employing a more precise definition of core business lines by examining a combination of business models, clients and marketing/sales strategies; d) further exploration of the importance of Human/Non-Human Assets (Hart Moore 1990) to the evolution of firms.

Future research - I intend to continue conducting research at both vectors mentioned, while also trying to find synergy between both.

I look forward to meet you at the upcoming ERBC and thank you in advance for the opportunity to apply for this fascinating conference.

Sincerely Yours,
Dan Marom