

THE
POWER
TO PROSPER

2013
ANNUAL
HIGHLIGHTS

THE INSTITUTE FOR
ENTREPRENEURIAL
EXCELLENCE



University of Pittsburgh



20+

YEARS OF

EMPOWERING ENTREPRENEURS



THE INSTITUTE FOR **ENTREPRENEURIAL** EXCELLENCE

A Message from our Founder



It is with deep reflection that we publish my last annual report as Institute founder and leader. I reflect on all of the amazing years of service our committed personnel provided to the entrepreneurial community. It has been my privilege and honor to work alongside so many hardworking, passionate people and the entrepreneurs and families we have proudly served over the last 20-plus years. Together, we've accomplished remarkable things and I look forward to sharing the stories of our regional impact with my grandchildren.

In 2013, with generous support from the foundation community and our caring and generous sponsors, our committed staff helped 900 entrepreneurs prosper. As you'll read in this annual report, the assistance we provided to budding businesses like Bike the GAP, growing businesses like Sabika Jewelry, or long-standing businesses like Wholey's and Weavertown Environmental Group, have helped regional entrepreneurs reach unforeseen heights. Whether it's helping to start, grow, or transition a business – we approach our work with the same fire in our belly our members and clients have. We believe that our regional economy is only successful if our business owners have strong support and open doors from start to finish.

In 1993, the wisdom displayed by University of Pittsburgh leaders to allow me to start the Institute has resulted in 20-plus years of proven performance power, benefitting the community and the University, as we strengthened the regional entrepreneurial ecosystem. As I enter this new chapter of my life,

I plan to spend my time championing the Institute model to be replicated in other University of Pittsburgh campuses and in university systems throughout the nation.

As bright as every day has been, from our humbling beginnings as an idea that we could change the world, to our impactful position today, I believe our best days are ahead. The new home of the Institute within the Provost Office and Innovation Institute provides improved access in our ability to leverage the resources, research, faculty and students from throughout the Oakland campus towards achieving our focused goal of regional economic development. Together, the impact we have provided businesses whether its through start-up, growth, or transition support, will benefit generations to come. As I pass the baton to my successor, I am proud to have worked with so many incredible colleagues who have helped us build an amazingly strong foundation.

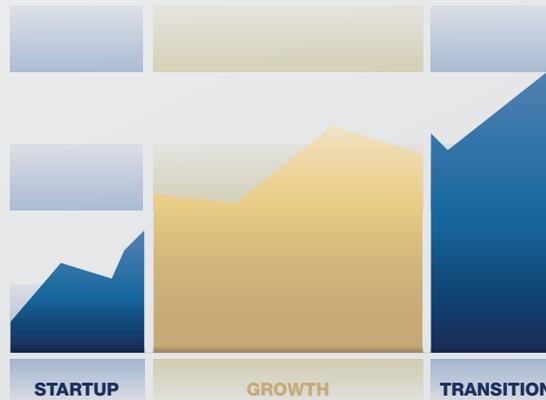
A handwritten signature in black ink that reads "Ann Dugan". The signature is fluid and cursive.

Ann Dugan

Founder and Executive Director, *Institute for Entrepreneurial Excellence*
Assistant Dean, *Joseph M. Katz Graduate School of Business*

About The Institute for Entrepreneurial Excellence

We are Western Pennsylvania's premier resource for entrepreneurs who are **starting, growing, or transitioning** a business. Through a customized approach of one-on-one consulting, exclusive educational series, and deep connections to the region's largest association of entrepreneurs, the Institute helps the business leaders of today and tomorrow prosper.

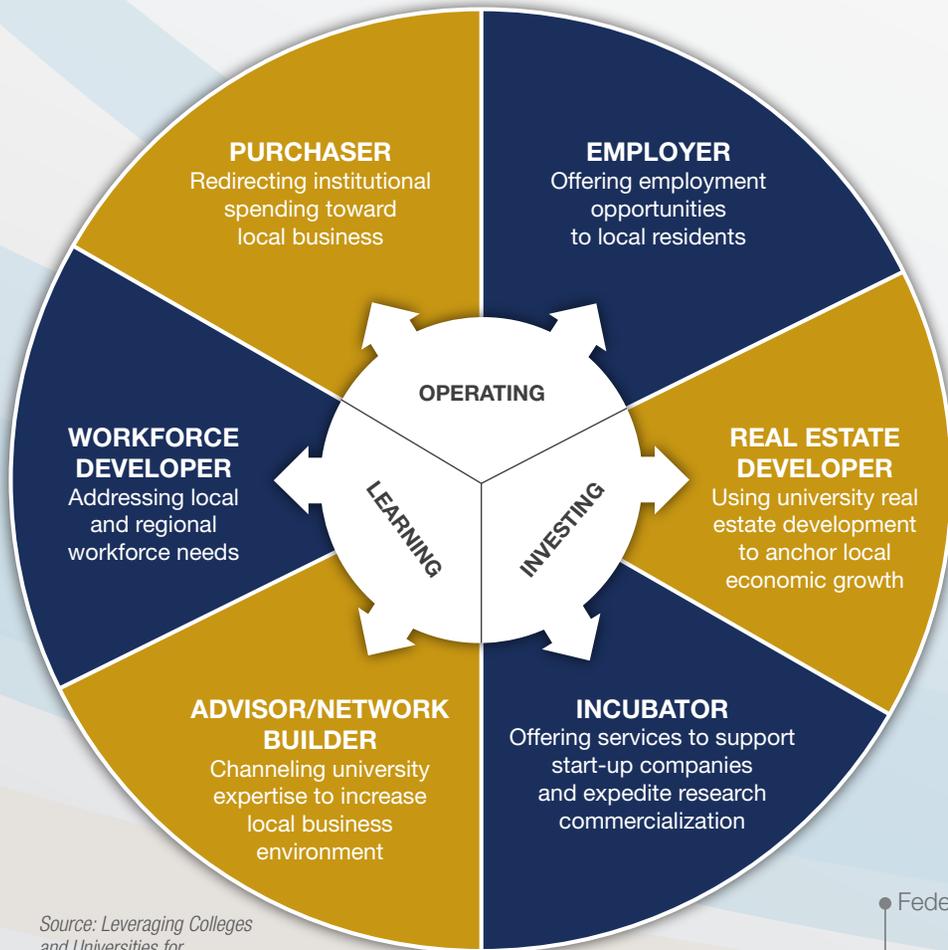


Mission Statement

To be the innovative leader of economic renewal and growth serving enterprising people and businesses in the region.

Model for University & Entrepreneurial Collaboration

The University of Pittsburgh's Institute for Entrepreneurial Excellence is an example of how a university works with regional entrepreneurs to help them harness the power of knowledge, innovation and collaboration to increase profit margins and create jobs.



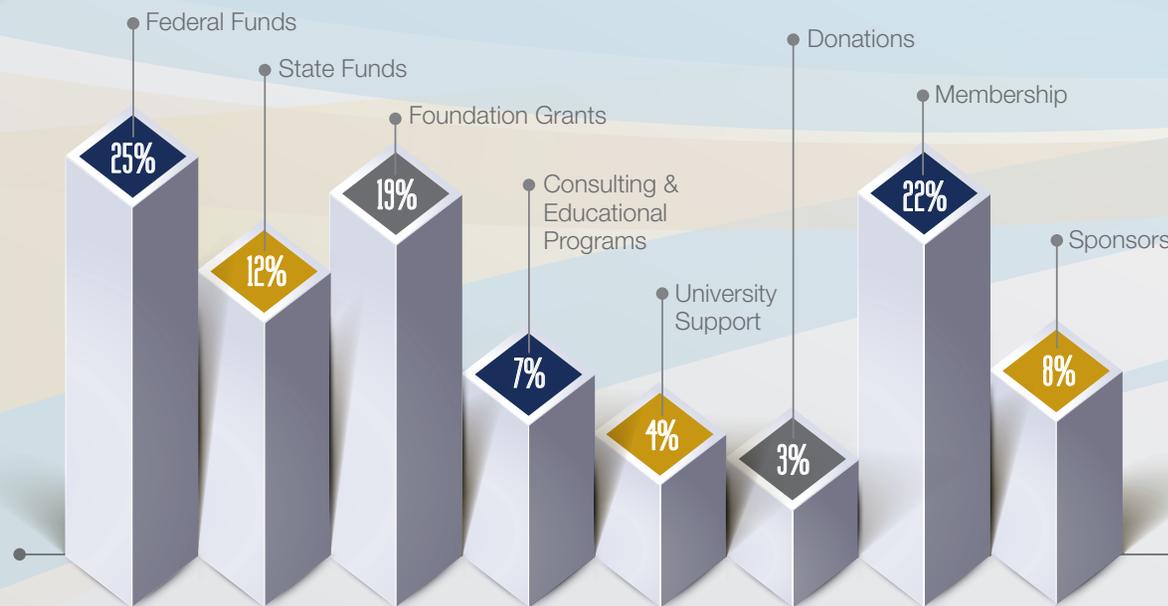
The Synergy Between Universities, Entrepreneurs and Communities

In a recent *Huffington Post Blog*, founder Ann Dugan explains how universities can better engage with entrepreneurs to improve the regional economy.

"I maintain that local universities are best positioned to offer the innovative thinking, resources, and access necessary to help entrepreneurs succeed and grow. And by doing this, universities can also help strengthen the economies of the regions in which they exist as well as serve as anchor institutions for future economic development." – Ann Dugan

Source: *Leveraging Colleges and Universities for Urban Economic Revitalization*

2013 FUNDING SOURCES



2013 Marked

20 Years of Powering Prosperity in Western Pennsylvania

Institute 20-Year Accomplishments –

- **1,400** educational programs attended by **40,000** business owners
- Supported the creation of over **800** start-up companies
- **\$300 million** in new funding for client companies
- **\$245 million** increased revenue reported by client companies
- Impacted **7,000** jobs in the region

5

Pathways of Institute Growth





Then and Now

Little Earth Productions

Ava DeMarco and Rob Brandege had a simple, yet revolutionary idea – design and manufacture trendsetting purses and belts using recycled materials. Rob was an undergrad student in an Honors College Entrepreneurship class taught by Ann Dugan. Rob wrote the business plan for Little Earth as his class project in 1993 and the rest is history. Not only were they first in the market with “ecofashion”, but with the holistic approach to business start-up and expansion deployed by the Institute, they went from designing, making and distributing the products from their home, to building a multi-building complex. **Now, Little Earth has distributors and customers in seven countries, including Japan and Germany.**

The Institute continues to be a steady hand of support for the growing company and has recently helped them obtain additional business growth funding.

“From our beginning in the basement of our house 20 years ago to today, the people at the Institute have been there to provide help and advice when we needed it.” – Ava DeMarco, Co-Founder

IN 2013,
WE HELPED
47
NEW BUSINESSES
OPEN DOORS
FOR THE FIRST TIME



Pedaling Toward Success

Bike The GAP

An avid cyclist, Sara Petyk launched Bike-the-GAP.com in an effort to connect more people to the thrill of biking the Great Allegheny Passage – a recently completed bike trail stretching over 300 miles from Pittsburgh to Washington, D.C. With much excitement about the Passage and increased popularity in biking, Sara hit the pavement at the right time. However, as a one-woman operation, she needed to find ways to capitalize on the opportunity.

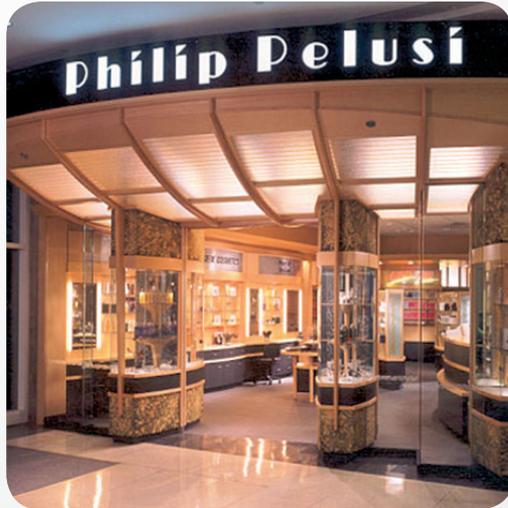
The Institute worked with Sara on business expansion and marketing through the development of a strategic business plan that included identifying funding opportunities. As a result, Sara was able to receive the growth capital she needed from various financial sources. **Thanks to the Institute, 2013 was a year of acceleration for Bike the GAP.**

“The Institute continues to serve as a sounding board to help me focus my strategy for marketing, pricing, and customer services. As a single member LLC, the Institute has been critically important in assisting me with working through ideas and deciding how to move forward.”

– Sara Petyk, Founder

IN 2013, WE RAISED OVER
\$13 MILLION
IN CAPITAL

GROWTH



Then and Now Philip Pelusi Salons - Studio of Elegance, Inc.

As one of the first salon owners to develop and distribute their own line of hair product, Philip and Henry Pelusi have a track record of being innovative risk takers in their industry. With nearly 10 years of support and collaboration from the Institute, this entrepreneurial team has grown from a single salon to a national leader in hair styling products with 12 salons in the Pittsburgh area. In 2013, the Institute provided consulting on the launch of a new website and helped the company modernize their IT systems with innovative 21st-Century platforms. **Now, Philip Pelusi has improved IT platforms that have reduced technology costs, increased online sales and strengthened the Pelusi brand.**

"The Institute's assistance helped us replace our outdated IT systems which tremendously reduced costs and improved efficiency for our business"
— Henry Pelusi, Co-Owner



Named *Persons of the Week*
by ABC News In 2013

Using Big Data to see Big Growth The Motherhood

Cooper Munroe and Emily McKhann, co-founders of The Motherhood, a leading website that connects influential "social moms" with brands, turned to the Institute in 2013 for help in developing a proprietary IT system to predict customer interactions and increase revenue. The deep connections provided by the Institute proved priceless for the innovative company. Another Institute member, Benchmark IT Solutions, was introduced to the owners and went on to develop the "big data" system. **Now, the system is up and running and accelerating the company's next generation use of social media and fueling their growth.** Cooper and her team remain active members of the Institute and count the consulting and educational programs offered critical to their ongoing management development.

"The Institute for Entrepreneurial Excellence has been The Motherhood's go-to resource almost since day one. Our partnership has helped our company in so many ways - from technology to research to strategic insight and planning. When we're working on a technology update or building a new web application, the Institute is always at the table - and we are a better organization for it."
— Cooper Munroe, Co-Founder



2013 Ernst & Young
Entrepreneur of the Year Award winner

We are there from Start to Finish Sabika Jewelry

The Institute has partnered with Sabika Jewelry, a family and woman-owned business, since its start in 2001, working with founder Karin Mayr on her original business plan and start-up funding. As the business grew rapidly, the Institute provided Sabika with consulting and educational services that improved family governance and decision processes, protected the brand from copycat infringements, and modernized IT platforms and financial systems.

With the Institute by its side, Sabika expanded into a new facility in 2013. Four Mayr family members have graduated from the Institute's Entrepreneurial Fellows Program, an annual business management certificate course, and the family continues as active Institute members.

"The Institute has been with us every step of the way—from the beginning through the company's incredible growth spurts. It continues to provide importance guidance in a number of areas so we can anticipate ongoing growth and profitability for many years to come. My gratitude towards Ann Dugan and her team is deep. Thank you for having been there for us and helping us secure and maintain our success!" — Karin Mayr, Founder



Then and Now

Weavertown Environmental Group

Founded in 1981 by Donald Fuchs, Weavertown Environmental Group specializes in the transportation of hazardous and non-hazardous wastes and emergency response in hazardous conditions. The Institute for Entrepreneurial Excellence has played a significant role in the company's continued growth and development. Attending the family business series offered by the Institute in 1997, Mr. Fuchs learned the importance of early succession planning and immediately reached out for assistance. His vision was to keep the business in the family, but he wanted to make sure he made the right choices for both the future success of his family and business. As the process unfolded it became clear that his daughter, Dawn, was the best choice to be his successor. Through careful planning and continued interaction with the Institute, it is clear that Don's entrepreneurial spirit continues on with Dawn leading the company and taking it to the next level. **Now, Weavertown is the Mid-Atlantic region's premier provider of environmental hauling and remediation.**

"The Institute has helped to put our company on a growth path for all Weavertown business lines throughout the United States, while retaining our focus on the core values of remaining closely-held and headquartered in western Pennsylvania." – Dawn Fuchs, President



Planning the Next 100 Years

Wholey's

Perhaps one of Pittsburgh's most valued and recognized businesses, the original Robert Wholey & Co., Inc. continues its 100 year tradition of serving customers with the finest and freshest fish, seafood, meat, and poultry available anywhere. Several years ago, co-owner Jim Wholey came to the Institute for Entrepreneurial Excellence for guidance on business operations, governance, succession planning and business mentoring. An Advisory Board of Directors was formed that assisted the family as they sold production and wholesale operations and moved their focus to their retail location in the Strip District. As of 2013, the Wholey family has been deeply involved in the consulting and educational programs offered by the Institute. The mentoring, coaching and governance assistance they receive helps them to ensure that the business and "Wholey's Experience" thrives for the next 100 years.

"The counseling on succession planning and mentoring provided by the Institute was invaluable and has helped my family continue to prosper while our business legacy remains as strong. While the process wasn't always easy, the Institute's encouragement and advice were important in enabling me to address succession planning in a way that will continue to benefit the Wholey family and our business for years to come." – Jim Wholey, Co-Owner

IN 2013, WE HELPED
BUSINESSES INCREASE
THEIR BOTTOM LINE BY
\$9 MILLION

We Provide Deep Connections

Entrepreneurial Fellows Center

Most entrepreneurs are successful because they saw a market opportunity and seized it by starting and growing a small business. As the business grows, it gets to a size that requires the owner to deploy more sophisticated management skills – skills that most CEO's don't have time to acquire through a traditional MBA program. This is what drove the Institute to develop the Entrepreneurial Fellows Center (EFC). The applied MBA-type program provides custom business education with a custom matched mentor selected from the successful regional business community. Students receive leading edge business advice and knowledge while at the same time focus on business growth.



The 2013 class included 36 entrepreneurs whose businesses represented a combined \$373 million in revenue.

In 2013, the Entrepreneurial Fellows Center program was a finalist for the University Economic Development Association Award of Excellence for Innovation and Entrepreneurship.

IN 2013,
102
MEMBERS
PARTICIPATED
IN PEER FORUMS

Our 21 years of experience working with entrepreneurs at all stages of their business lifecycle has taught us this important point: It becomes lonely at the top. As a result, leaders can become isolated and stop growing unless they have a trusted resource for brainstorming, growth ideas or just troubleshooting. The Institute provides this steady hand for hundreds of business leaders and owners. In addition to our consulting, we also provide invaluable educational programs. – Ann Dugan

WE NURTURE
CLOSELY-HELD
BUSINESSES

IN 2013, NEARLY

40
PROGRAMS AND SEMINARS EDUCATED
1,440 BUSINESS LEADERS
ON EVERYTHING FROM SUCCESSION PLANNING
TO FINANCIAL MANAGEMENT AND LEADER DEVELOPMENT

Mentoring Yields Real Growth for Young Entrepreneur



For many entrepreneurs, participating in a program to improve management skills requires time they can't afford to spare. Yet as real estate developer Emeka Onwugbenu attests, the Institute's Entrepreneurial Fellows program is an investment in yourself and your business that will pay dividends for years.

A native of Nigeria, Onwugbenu started E Properties and Development in 2009, which focuses on rehabilitating and developing residential properties in Pittsburgh. E Properties recently closed on a deal to redevelop the iconic McCleary School in Lawrenceville. This is only the second school that the Pittsburgh Board

of Education has approved to be sold to a development company, and this happened due to tremendous support E Properties Development received from the City of Pittsburgh and Lawrenceville community.

Once enrolled in the EFC, Onwugbenu quickly recognized that the program was more than worth his time, "The EFC has helped me in a couple of ways. The program forces you to step back and look at your business and to be honest with yourself. You ask "What are we doing right and wrong?" "

Onwugbenu's highest praise is for the mentor he has been custom-matched with, highly successful entrepreneur Jack Mascaro, owner of Mascaro Construction Company. Jack has provided him with invaluable guidance and deep industry connections as he grows his company.

"Throughout the year Emeka learned what to do and what not to do. This learning experience empowered him to consider options that he may not have considered if he was not exposed to the mentorship program. All entrepreneurs need support if they are going to grow. Just like the foundations we build, the Institute provides strong fundamental principles every successful business leader needs in order to develop and grow successfully."

— Jack Mascaro, President, Mascaro Construction Company

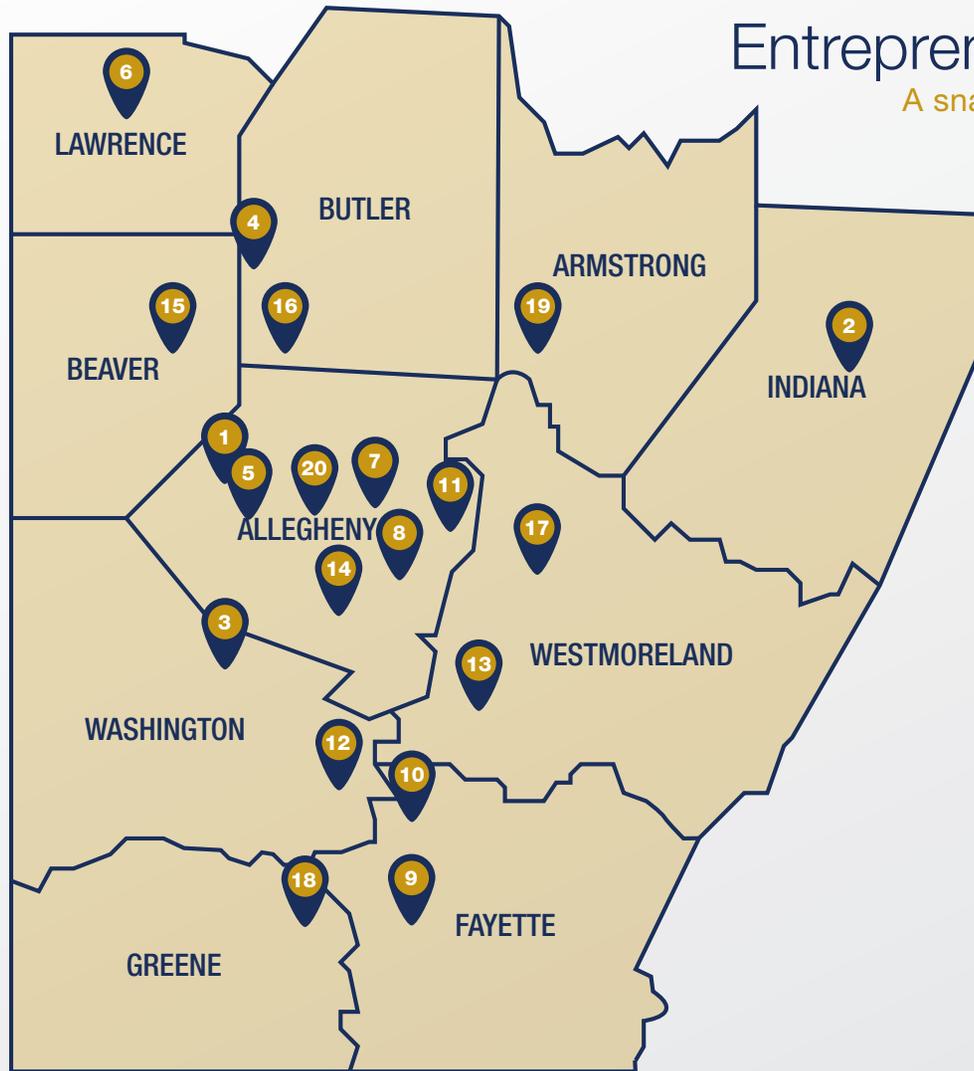


*The contribution from my
mentor is priceless.
You can't pay for that.*

IN 2013,
32
SUCCESSFUL
BUSINESS
LEADERS
SERVED AS MENTORS
TO GROWING BUSINESSES

Entrepreneurs are in Every Community

A snapshot of the 900 businesses that were helped in 2013



1. Aero Tech Designs Cyclewear – Coraopolis
2. Ardeim Medical, Inc. – Indiana
3. Bella Sera – Canonsburg
4. Berner International Corporation – Zelienople
5. Butler Gas Products Co. – McKees Rocks
6. Bruce & Merrilees Electric Co. – New Castle
7. Cuccaro Plumbing – Homewood
8. Eat 'n Park Hospitality Group – Homestead
9. Gerome Manufacturing Company – Uniontown
10. Guttman Oil Company – Belle Vernon
11. Kenyon Jewelers – Wilkinsburg
12. LaCarte Enterprises, Inc – Charleroi
13. Logix Guru – Murrysville
14. McGinnis Sisters Special Food Stores –Brentwood
15. PGT Trucking – Monaca
16. Primrose Homes, Inc – Cranberry Twp
17. Scholastica Travel, Inc. – Greensburg
18. Skyview Drive-In – Carmichaels
19. Sloan Brothers Company – Freeport
20. Zulama – North Side

IN 2013,
WE GREW &
IMPACTED JOBS
443

The Institute provides services for every business sector in Western Pennsylvania

- Manufacturing and Engineering
- Industrial Equipment
- Real Estate and Construction
- Professional Services
- Innovation and Technology
- Marketing and Design
- Food Service and Hospitality
- Printing and Packaging
- Transportation and Logistics
- Retail and Apparel
- Energy
- Architecture and Design
- Sports
- Human Resources

2013 Advisory Board of Directors

Western Pennsylvania entrepreneurs and family-held/closely-held businesses have a resource they can depend upon today and tomorrow. We gratefully acknowledge those who make it all possible...

Lee Baierl
President, Baierl Automotive

John Bitzer III
President and CEO, ABARTA

Anita Brattina
CEO, AllFacilities Energy Group

Dwayne J. Bucko
Serial Entrepreneur

Arnie E. Burchianti II
President and CEO, Celtic Healthcare

Ava DeMarco
President, Little Earth Productions

John Earnest
CEO, Team Laminates

Dawn Fuchs
President, Weavertown Environmental Group

Richard M. Guttman
President, The Guttman Group

Gene Harris
Principal, Harris Consulting

Charles Lenzner
President, Lenzner Tour and Travel

David Martin
President, Foster Holdings, Inc.

F. James McCarl
President, The McCarl Group

Joseph C. Ott
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President, Sauereisen

John H. Tippins
Managing Director and Partner, Stonewood Capital Management, Inc.

Walter W. Turner
President and CEO, Koppers, Inc.

Ex Officio

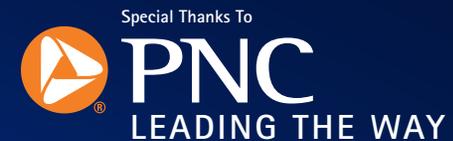
Dr. John Delaney – Dean, Joseph M. Katz Graduate School of Business

Dr. Dennis Patrick Slevin – Tom W. Olofson Chair in Entrepreneurial Studies, Joseph M. Katz Graduate School of Business

Ann Dugan – Founder, The Institute for Entrepreneurial Excellence

Our Sponsors

We thank our dedicated sponsors whose generosity makes our work to empower entrepreneurs and impact communities possible.



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