

Interdisciplinary Center (IDC) Herzliya

The Zell Entrepreneurship Program at IDC

IDC (www.idc.ac.il) is the first private institution of higher education in Israel. Modeled on distinguished small colleges in the United States, IDC Herzliya is dedicated to the pursuit of excellence in education and research. Its mission is to promote a culture where personal achievement goes hand in hand with social responsibility.



The Zell Entrepreneurship Program at IDC (www.idc.ac.il/Zell) is open to outstanding students who have the ambition and ability to launch an entrepreneurial venture. The program – established through a generous contribution from world-renowned entrepreneur Sam Zell of Chicago – is taught in English and aims to provide a practical platform from which participants can launch businesses over the course of an academic year.

Interdisciplinary Center (IDC) Herzliya

Educating the Future Leadership of Israel



Professor Uriel Reichman

PROFESSOR URIEL REICHMAN WAS A DEAN OF the Law School at Tel Aviv University (TAU) in 1994 when he announced his plans to create the Interdisciplinary Center (IDC) Herzliya in Israel. His vision was to establish a unique, world-class university – the country’s first higher education institution independent of government funding and influence – that combined exceptionally high academic standards with practical application and social consciousness.

At the time, the academic landscape in Israel was (and to a large extent still is) controlled by the Council for Higher Education, which comprised representatives of seven universities. All higher education institutions were state-subsidized and had little interest in seeing the country add more universities, since each new facility would diminish their share of available state resources. This barrier prevented the natural advancements that occur through competition and limited students’ options, consequently presenting a challenge for the progressive mobility of the younger generation.

**"Israel's future depends on the next generation."
-Prof. Uriel Reichman**

Reichman believed the time had come for another type of academia, and as a former lieutenant in the paratroopers of the Israel Defense Forces in the early 1960s, he was not averse to taking risks. With minimal capital on hand, he purchased an abandoned military camp and opened IDC. Friends and colleagues were worried, but Reichman held to his conviction.

"Many felt that I would be open to lawsuits from students who would attend but not be able to graduate or from professors who I recruited but then might have to fire," he remembers.

But the students came and enrollment steadily grew. IDC was a refreshing change from the alternative highly subsidized, established institutions. IDC quickly distinguished itself as a university that put its students at the heart of its culture.

"During my tenure at TAU and other institutions, I had too often heard professors casually remarking that the university would be a wonderful place without the students. That was an attitude I simply could not accept," commented Reichman. "Since IDC is not subsidized by the government, our professors know from day one that their salaries depend on student tuitions and this puts students at the center of everything we do."

IDC's independence from Israel's Council of Higher Education also freed Reichman from government limits on professor salaries. As a result, the university has succeeded in attracting highly respected professors from American universities back to Israel.

Reichman's bold entrepreneurial spirit is embodied in the culture and programming of IDC, which in 2001 attracted the attention of billionaire investor Sam Zell and led to the creation of the Zell Entrepreneurship Program at the university.

"An important focus in securing the future of Israel is our economic independence. Our internal market is small, we cannot trade with our immediate neighbors, and we have no natural resources. So it is the creativity and entrepreneurship of our people that must sustain our economy," said Reichman. "Further, this approach encourages our students to be independent thinkers. They should not wait for the government to solve their problems," Reichman added. "Nor should they allow fear of failure to deter them."

At the same time, Reichman believes IDC has a responsibility to foster a social consciousness in students, in general, and specifically in serving Israel and the Jewish people. The university offers more than 40 social projects that enable students to contribute their time to worthwhile endeavors, such as helping out in poor communities, teaching the Internet to the elderly or assisting handicapped people.

IDC also builds its emphasis on social responsibility into its tuition structure. The university offers a special admission policy for those who serve five years in the military and features special policies for people who have demonstrated leadership in their respective communities.

The university's facility and staff ascribe to the belief that the contribution their students will make after getting the right education will continue to support the values and advancement of Israel as well. IDC is the only university in the world with this mission.

**"IDC exemplifies how entrepreneurs can make a difference on a macro level"
-Sam Zell**

"Our goal is to educate the next generation of the nation's leaders. If we see and respect students as leaders-in-training, we create lasting relationships; we nurture the future of Israel. These are the dividends of our not-for-profit institution," said Reichman.

Today, there are 1,400 students from 86 different countries studying at IDC and the vast majority of them are Jewish. Twenty-five percent of the student body is from abroad and half of all the Jewish students from abroad who study in Israel attend IDC. The implications for the country are substantial because those foreign students take their interest and interconnection with Israel home. They are more likely to take a leadership role among the Jewish community abroad and remain in touch with Israel. To further this end, IDC created the Raphael Recanati International School that established full degree programs in English, again, the first in the country.

Currently, IDC is conducting a university-wide effort to evolve the university's curricula. The goal is to remain fresh and relevant.

"That is the beauty of being independent and entrepreneurial," concludes Reichman. "You are always striving to improve. I see IDC as a new definition of the pioneering spirit of the founding fathers of Israel." ●



Liat Aaronson

The Zell Entrepreneurship Program at IDC

The Multiplier Effect of the Entrepreneurial Mindset

“TAKE EVERYTHING YOU NEED TO KNOW about being an entrepreneur, mix it with mentorship, add steroids, and you’ve got the IDC Zell Entrepreneurship Program,” says Eyal Gura, a program graduate who founded the online image sites PicScout and PicApp, and then sold them for a collective \$30 million.

Since its inception in 2001, the IDC Zell Program has evolved into an acclaimed venture-creating incubator, providing students with an opportunity to apply advanced entrepreneurial studies to launch real world business ventures. To date, more than 30 companies have been founded as a result of the Entrepreneurship Program.

The six-month application process for the Zell Program is so stringent it self-selectively narrows the number of finalists. Aside from minimal grade requirements, students must have previous entrepreneurial activity or business experience, and often leadership and volunteer experience, as well as a demonstrated strong work ethic. After initial screening by a committee, only about 100 serious applicants make it to the interview round, where they

businesses. In fact, many of the new companies started as a result of the Zell Program are in the technology industry.

“Because of the Internet, the world today is flat,” she adds. “Israelis can create business models and technical innovations and expand into markets they wouldn’t have been able to enter as easily in the past. Zell entrepreneurs often go into Internet ventures because it’s relatively easy to gain domain expertise as an undergraduate.”

Aaronson says that the Zell Program itself evolved like a start up. When Professor Reichman created the program, the core idea was to instill the entrepreneurial mindset in students, but there wasn’t a clear idea of how to execute that vision. Initially, the program tried a purely consulting approach that teamed professors and students. Then it tried applying a business plan writing approach. Finally, the program hit on the successful formula of balancing academic rigor and practical learning through team projects that try to germinate ideas into real business ventures before the end of the academic year.

Often, students try out their business ideas and fail, and that experience of rebounding afterward is a critical lesson.

“Being able to handle rejection and to bounce back after something doesn’t work is a building block of the entrepreneurial spirit,” Aaronson says. “That is as valuable a lesson as any other they learn in the classroom.”

The Zell program enlists the Israeli and American business communities to provide students with the opportunity to present their ventures and to get practical feedback from professionals in various fields. Students travel to the U.S. where they present their business ideas to other entrepreneurs and visit companies such as Estée Lauder and Goldman Sachs in New York. Their final presentations are delivered to Sam Zell in Chicago. To further our students’ ability to compete in the global marketplace, the program is taught in English.

Many of these meetings are facilitated by alumni who are critical to the program. They are involved in recruiting students, participating in the application process, conducting guest lectures, and serving as mentors. Further, the students learn the high value of continued networking among program graduates. Every two months, about 20 alumni meet at one of their places of employment and two of them pitch

a venture they want to launch or that they’re already working on, or present a business issue for discussion.

True to the IDC mission of fostering social consciousness, the Zell Program places heavy emphasis on community. All new students are assigned to social entrepreneurship projects focused on giving back — from fruit-picking to

**“I would never have believed a one-year program could have such an amazing impact on my life.”
-Shirley Schwartz
(Zell Class of 2008-9)**

**“The Zell Program is an eco system that goes beyond venture creation. It’s a People Accelerator.”
-Yonatan Raz-Fridman
(Zell Class of 2008-9)**

spend time with faculty and two alumni. From there, 36 finalists attend a summer curriculum and only 20 of them are selected for the full Zell Entrepreneurship Program.

“We try to find students who will be able to take this unique opportunity and exploit it to the fullest,” says Liat Aaronson, the program’s executive director.

Aaronson believes IDC is particularly relevant today as technology and globalization have leveled the playing field for new

visiting elderly Holocaust survivors to conducting workshops. Additionally, there is an alumni initiative called Zell Gives Back, which involves a group of alumni who are working with a local Israeli school to build a high-tech education center; they’re currently raising funds and developing a business model to make it sustainable.

“IDC offers more than just an entrepreneurship program; it offers a school for life, a school for business, and an extended family,” says Dror Ceder, a graduate who created Wibiya for online publishers that recently sold for \$45 million.

About 30 percent of Zell Program graduates pursue entrepreneurial ventures either started during the program or shortly thereafter. Others conclude that they’re not cut out for entrepreneurship, but through the program have learned critical independent thinking and project management skills.

“Entrepreneurship is really just a vessel,” Aaronson concludes. “We’re looking to build the future business leaders of Israel. This is essentially a leadership program with a strong vein of social awareness to give outstanding students the tools they need to thrive in exceptionally successful, productive, and meaningful careers. Though the program is small in scope, graduates leave their mark and there is a huge multiplier effect from it.” ●

Examples of Successful Zell Entrepreneur Ventures

A number of the 30 start-up companies that have been founded through IDC's Zell Entrepreneurship Program have been sold to larger players. A handful of these were valued in the tens of millions of dollars.



GOGOBOT The site was founded by former chief architect for Yahoo! BOSS Ori Zaltsman (Zell 1 - 2002) and ex-MySpace exec Travis Katz. The start-up is backed by Battery Ventures, Google CEO Eric Schmidt's Innovation Endeavors, MySpace founder Chris DeWolfe, Square GM Keith Rabois, and angel investor Oren Ze'ev. Called by Michael Arrington "one of my favorite new startups for 2010", Gogobot connects friends in their

travel planning and sharing. Based in Silicon Valley, Gogobot launched its private beta in November 2010. The site has since been covered by TechCrunch, *The Wall Street Journal*, *USA Today*, AllThingsD, Trendslate, the nationally syndicated *The Nate Berkus Show*, WGN-TV Chicago, and was mentioned in Trendwatching's 11 Crucial Consumer Trends for 2011.

www.gogobot.com

PICSCOUT & PICAPP Founded in 2003 by Eyal Gura and Offir Gutelzon (Zell 2 - 2003), PicScout established itself as the market leader in monitoring the use of images on the Web. PicApp, a spin-off of the mother company in

2008, introduced online publishers and bloggers to a single source for millions of free premium quality pictures. Both were sold in 2011 to Getty Images and Ybrandt respectively. www.picscout.com and www.picapp.com



FUNKKIT The idea for stickers for sneakers was developed in the program by Moran Nir, Omer Faragi, Gilad Ronen, and Yonatan Raz-Fridman (Zell 8 - 2009). FunkKit Stickers-for-Sneakers, led today by Moran Nir and Omer Faragi, combines technology, community, and art to footwear with a range of exciting

and trendy stick-on designs to customize shoes. Sold in retail stores, mall stands, and as promotional campaigns in Japan, Korea, Brazil, and Paraguay, FunkKit has recently launched a new blog and plans to keep expanding globally.

www.funkkit.com

JOONGEL & WIBIYA Joongel, founded by Dror Ceder and Daniel Tal (Zell 7 - 2008), is a new search method on the Internet based on the "long tail" theory. By the end of 2008, the team founded Wibiya, a company that enables Web publishers

to integrate multiple services, applications, and widgets into their environment through customized Web-based toolbars. Wibiya was recently sold to Conduit for \$45 million. www.joongel.com and www.wibiya.com



WIBBITZ Created in the program by Zohar Dayan and Yotam Cohen with teammates Adi Retman and Shmuel Rubashkin (Zell 9 - 2010), Wibbitz is a "play button" for Web sites that automatically converts static Web content into engaging videos, so instead of reading an article you can watch it. The company

was launched by Zohar Dayan and Yotam Cohen immediately after the program wrapped and has just completed its first round of financing by Avichay Nissenbaum and Yaniv Golan's Lool Ventures and Elad Cohen and Roi Carthy's Initial Capital. www.wibbitz.com

THE GIFTS PROJECT The company was founded in 2009 by Ron Gura (Zell 9 - 2010), Matan Bar, Erez Dickman, and Maya Gura. The Gifts Project is a social commerce platform that enables users to give and receive group gifts on social networks and

e-commerce Web sites. The company formed a strategic partnership with eBay during the program and was sold to eBay in September 2011 marking the fourth exit for a Zell venture for 2011. www.giftsproject.com



BIZZABO Developed in the Zell Program by Eran Ben Shushan, Alon Alroy, Boaz Katz, and Nir Blumberger (Zell 9 - 2010), Bizzabo enables users to discover, interact, and connect with business professionals around them. The company is led today by Eran Ben

Shushan, Alon Alroy, and Boaz Katz who have secured their first round of financing. They recently participated in TechCrunch Disrupt and won the Peer Award for "most promising venture". www.bizzabo.com

LABPIXIES The company was founded in 2006 by Oded Poncz (Zell 2 - 2003), Ran Ben Yair, Ehud (Udi) Graf, and Nir Tsemah. LabPixies became a leading provider of personalized Web content and technology through

quality interactive components ("Gadgets") for the personalized environment. LabPixies was the first Israeli company acquired by Google in 2010. www.labpixies.com

