

Case Western Reserve University, Weatherhead School of Management

COURSE TITLE: ETA Funding and Credibility – ETA Funding Models + Credible Buyer Strategies

GRADUATE COURSE NUMBER: DESN 419

UNDERGRADUATE COURSE NUMBER: DESN 319

SEMESTER: Spring 2027

LOCATION: PBL # (TBD)

CREDITS: 1.5 Credit Hours

PREREQUISITES: None. ETA courses DESN 419/319, 420/318, and 421/317 can be taken in any order

SCHEDULING:

- Spring 2027
- 1.5 credit in-person course
- Tuesday 6 - 8:30 p.m., March 2 - April 20, 2027 (no class on March 9, 2027)

INSTRUCTOR: Scot Lowry, csl@cwru.edu

OFFICE HOURS: By appointment (email to schedule)

COURSE SUMMARY:

Entrepreneurship through Acquisition (ETA) offers a proven path to ownership by acquiring and scaling established small businesses. As one of three installments in our ETA series, ETA Funding and Credibility – ETA Funding Models + Credible Buyer Strategies (ETA Funding and Credibility) deconstructs the transition from employee to owner, focusing on the development of a "highly credible buyer" profile essential for a full-time acquisition search.

The curriculum prioritizes experiential learning, bridging theory with reality through:

- Direct Engagement: Interactive sessions with ETA entrepreneurs, investors, bankers, and advisors.
- Case Studies: Analysis of 44 Weatherhead alumni and other leaders who successfully navigated the ETA journey.
- Accelerator Insights: Introduction to the Promise Partners ETA Accelerator, a Cleveland-based non-profit that has guided over 77 individuals in acquiring 115 companies.

A central theme of the course is the funding architecture. Students will evaluate various models—from investor-backed "sponsored searches" to self-funded paths supported by SBA-backed lending—and understand how these choices dictate long-term autonomy and wealth creation. There is a focus on the Single Sponsor Entrepreneur-in-Residence (SSE) including the "Captive" and "Flexible" SSE models. Students will also be exposed to navigating the "Equity Toolkit" to engineer autonomy through smart-money partnerships and holding company/investment partner structures.

While the journey is challenging, ETA strategies often present a lower risk profile than traditional "startups" built on unproven concepts. Whether you aim to launch an independent search or apply "intrapreneurial" leadership within a larger organization, this course provides the practical tools to evaluate your fit for the entrepreneurial lifestyle.

COURSE SCHEDULE:

The following is an overview of typical class topics. Depending on the guests, the order of topics may vary.

Class	Class Topic
1	Class Overview: Funding Models & Highly Credible Buyer Strategy Fundamental
2	ETA Journey, Market Landscape, Peer Networks and Mentorship
3	Acquisition Criteria & Search Strategies
4	Lead Evaluation, Valuation, Financing, Cash Flow Modeling
5	Transaction Process, Seller Relationships, Banking Relationship Management
6	Day 1 to Exit vs. Long Term Hold Perspectives

DISTINGUISHED GUEST SPEAKERS: PRACTITIONERS & ADVISORS

Throughout the semester, we will be joined by a curated group of entrepreneurs and professionals who represent the full spectrum of the ETA lifecycle. Examples of previous guest speakers:

The Institutional & Search Fund Experts

- **GJ K. – Search Fund Pioneer:** Acquired a firm in 2011 and grew enterprise value 70x before a 2021 exit. An investor in 80+ search funds, he guest-teaches at top national MBA programs.
- **Kevin S. – Serial Acquisition Entrepreneur:** Has acquired over 60 companies and led a successful IPO. He serves as an ETA investor and mentor to dozens of entrepreneurs.

Sponsored & High-Growth Searchers

- **Dan F. (WSOM Alum) – From GM to Owner:** Led a firm's growth from **\$5M to \$25M+** before acquiring his own company via a Sponsored Search strategy.
- **Sean W. (WSOM Alum) – Sales Leader to CEO:** Transitioned from a top sales role at a Fortune 500 company to a GM position, ultimately acquiring his own firm via a Sponsored Search.
- **Denise S. (WSOM Alum) – Executive Pivot:** A banking executive with a 20-year career who recently launched a full-time acquisition search using a sponsored strategy.

Self-Funded & Independent Operators

- **Barbara L. (WSOM Alum) – Healthcare CEO:** Transitioned from CEO of a middle-market firm to a self-funded search and acquisition of her own company.
- **Larry F. – Banking to Ownership:** Leveraged a background in banking to launch a self-funded ETA search; currently an owner of multiple companies.

Strategic & "Right Hand" Paths

- **Steve K. (WSOM Alum) – The "Right Hand" Strategy:** CEO and co-owner of a middle-market firm and real estate investor, achieving ownership through a strategic "Right Hand Person" ETA path.
- **Pat M. – M&A Veteran:** Transitioned from a corporate M&A lawyer to a multi-business owner; co-founder of a 30-year-old ETA mentoring group.
- **Kadecia B. – The Tech Intrapreneur:** Scaled a tech startup from 100 to 5,000 employees before preparing for her own full-time acquisition search.
- **Ian T. (WSOM Alum) – Large Firm to Small Biz:** Moved from a large-firm management role to GM of a small company while preparing for a full-time search.

The Seller & Lender Perspectives

- **Karen K. – The Founder's View:** Co-founder who grew and sold a **\$10M company**; shares critical insights on seller motivations and buyer selection.
- **Ryan K. & Megan M. – The Lending Authority:** Vice Presidents at a National Bank who detail exactly what commercial lenders require when financing small business acquisitions.

WORKLOAD:

- DESN 319, Undergraduate workload is 4.5 - 6 total hours of work per week in and out of class.
- DESN 419, Graduate workload is 6 - 7.5 total hours of work per week in and out of class.

- The difference in workload is reflected in the scope of the final project between 319 and 419. Graduate students only will be required to meet with at least (2) ETA subject matter experts to present and get feedback on their final project and do Credible Buyer Plan revisions incorporating the feedback.

LEARNING OBJECTIVES:

By the conclusion of this course, students will be able to:

1. Analyze Funding Architecture: Evaluate various ETA funding and credible buyer strategies, with a specific focus on funded models for acquiring scalable platforms generating \$5M–\$15M+ in revenue and \$750K–\$2M+ in earnings.
2. Assess Risk and Opportunity: Identify and navigate the primary opportunities, strategic hurdles, and inherent risks within the ETA landscape.
3. Adopt the Entrepreneurial Lens: Master how an ETA entrepreneur evaluates investments—including valuation, financing, and non-financial terms—and distinguish this mindset from traditional professional management.
4. Navigate the ETA Life Cycle: Map the journey from initial self-assessment ("Is ETA a fit for me?") through the full entrepreneurship life cycle.
5. Leverage ETA Resources: Identify and utilize the specialized resources and peer / mentor networks available to support a successful acquisition journey.
6. Deconstruct Success and Failure: Diagnose the critical factors that lead to success or failure in ETA endeavors.
7. Perform Talent Benchmarking: Evaluate personal talents and leadership styles against the competencies of successful acquisition entrepreneurs.
8. Execute Small-Market Transactions: Differentiate between large-scale M&A and the fragmented small-business market, specifically regarding advisor relations and seller psychology.
9. Engage In High-Stakes Communication: Demonstrate proficiency in role-playing real-world interactions with business brokers, sellers, bankers, and investors.

This curriculum utilizes an active learning framework. We believe the most enduring knowledge is gained through a progression of real-world insights rather than static lectures on policy.

We bridge the gap between theory and practice by integrating:

- Direct Access: Students engage in interactive sessions with active entrepreneurs and professionals who live the ETA journey daily.
- Intrapreneurial Value: The mindset, wealth-creation, and fulfillment strategies taught here are equally vital for "intrapreneurs" looking to drive high-value innovation within larger organizations.
- Proven Pedigree: Lessons are grounded in actual case studies from 44 Weatherhead Alumni and the Promise Partners ETA Accelerator, a Cleveland-based powerhouse that has facilitated the acquisition of over 115 businesses.

This course is designed to be modular and can be taken in any order alongside other WSOM ETA offerings. It is highly recommended for anyone committed to mastering the strategies of modern entrepreneurial leaders.

COURSE MATERIALS:

- There is no textbook or CWRU notes.
- Relevant materials will be posted in Canvas throughout the semester.

STUDENT CONDUCT:

Given the interactive nature of the course, attendance and participation is fundamental to the learning experience. Students are welcome to use laptops for note-taking during lectures.

During guest interviews and role plays, electronics should be put away as a courtesy to the guest. Students can take manual notes during these sessions. The top 2-3 insights will be shared at the conclusion of guest sessions and curated into the “top 10 crowdsourced learnings” for each guest.

GRADING:

- Class / Guest Participation and Weekly Assignments 75%
- Credible Buyer & Strategy Plan 25%

The "Default A" Philosophy

In this course, every student begins with an A. This grade is yours to keep by fulfilling three professional requirements:

1. Punctuality: Submit all assignments on time. Note that late submissions incur an automatic 20% reduction in their grade contribution.
2. Presence: Attend every class session.
3. Engagement: Ask insightful, high-value questions of our guest speakers.

While securing an A is straightforward, it is contingent on professional commitment .

An absence is only considered excused if you contact the instructor prior to the start of class and provide a legitimate reason. Two unexcused absences result in full letter grade reduction.

The Difference Between Grading and Learning

There is a fundamental distinction between achieving a grade and achieving mastery. My grading evaluates your professionalism (showing up, engaging, and meeting deadlines); however, the quality and depth of your work are entirely your responsibility.

I define true learning as a transformative cycle: New Ideas → Improved Thoughts → New Behaviors → Significant Value Creation. If you achieve an "A" but your behavior and impact remain unchanged, we have both wasted our most precious resources: time and energy.

Our Partnership

My commitment to you is fueled by a personal mission: "To lift the entrepreneurs who are lifting the world". As an entrepreneur, I only invest my time in activities that generate value. I am here to learn with you and from you, and I will give you my full effort.

Whether you reciprocate that effort is a choice only you can make. I encourage you to "play all out" to enhance the experience for yourself and your peers. In short, my suggestions are:

"Take the A and maximize the learning."

ACADEMIC INTEGRITY:

The class approach does not lend itself to plagiarism/cheating (due to the lack of typical “exams” and “quizzes” or structured assignments with “right answers”). Most of the learning is real-time through the exploration of case studies and guest interactions. Students at Case Western Reserve University are expected to uphold the highest ethical standards of academic conduct. Academic integrity addresses all forms of academic dishonesty, including cheating, plagiarism, misrepresentation, obstruction, and submitting without permission work to one course that was completed for another course. Please review the complete academic integrity policy. Any violation of the policy will be reported to the Office of Student Conduct & Community Standards.

DISABILITY RESOURCES:

We will work with the school to accommodate the needs of students with disabilities. In accordance with federal law, if you have a documented disability, you may be eligible to request accommodations from Disability Resources. In order to be considered for accommodations, you must first register with the Disability Resources

office. Please contact their office to register at 216.368.5230 or get more information on how to begin the process. Please keep in mind that accommodations are not retroactive.

MODALITY STATEMENT:

Students are expected to participate in person. The class can support hybrid remote participation via Zoom under special circumstances (to be requested of the instructor in advance).

PROFESSOR BIO:

Scot Lowry is the Managing Partner and Co-founder of **PromiseONE (P1)**, a long-term holding company specializing in the acquisition and scaling of small businesses through ETA strategies. Since founding P1 in 2005, Scot and his partner, Kevin Shaw, have invested in and supported ten ETA entrepreneurs. Under his leadership, P1 empowers business owners to leverage their impact through innovative, strength-based approaches to culture-shaping, strategic planning, and team engagement to maximize organizational outcomes. In 2023, he was named the inaugural **Richard L. Osborne Professor of Entrepreneurship** at the Weatherhead School of Management, where he also earned his MBA. He is a board member of the **Promise Partners ETA Accelerator** in Cleveland—an organization he joined in 2001—which has helped over 77 individuals become owners of 115 companies. He serves on the board of **Owners In Honor**, a national non-profit that equips Veterans and Gold Star families to acquire and lead established small businesses through long-term mentorship and operational support. He serves on the board of the **David Cooperrider Center for Appreciative Inquiry** at Champlain College, furthering his commitment to strength-based leadership.

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