Rotterdam School of Management
Erasmus University

Entrepreneurship through acquisition (ETA): Searchers, search funds & buying firms / Electives / 2026

CONTENTS

FACULTY INFORMATION

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FACULTY BIO

Alexander Schuil is the CEO of Novidam, an entrepreneurial investment firm focused on search funds and private equity buyouts. Alexander started his career as a Management Consultant at McKinsey & Co., working in their Amsterdam, Houston and New York offices. Through the search fund model, Alexander founded Novidam in NYC in 2014 and acquired Briscoe Protective (a security and alarm services company) in 2016, becoming its CEO. After six years of leadership, Alexander sold the business, continuing as an investor. Novidam is currently the only search fund investing vehicle not limited by geography. The firm today has investments in >40 search funds (searchers actively looking for companies to acquire) and in >30 acquired companies, globally. In 2023 Alexander started sharing 'Entrepreneurship Through Acquisition', as a guest lecturer, at multiple global MBA programs - teaching the new 'ETA' course at RSM. Alexander holds a BSc and an MSc in Finance from EUR/RSM and an MBA from INSEAD.

Willem Hulsink is associate professor strategic management and entrepreneurship at Rotterdam School of Management-Erasmus University (The Netherlands). Previously, he was a Special Professor Innovative entrepreneurship at Wageningen UR. His research interests include new venture creation, entrepreneurial support systems, entrepreneurship development in different contexts and cluster formation/emergence. He also regularly acts as an advisor to business founders/owners, start-up organizations, scale-up firm, investors and government agencies dealing with entrepreneurial support programs. He has published in among others in the *Journal of Technology Transfer, Entrepreneurship Theory & Practice*, *Organization Studies*, and *Venture Capital*. His book publications include among others: *Pathways to Research Triangles and High-Tech Valleys* (with Hans Dons, 2008, Kluwer).

ABSTRACT

As an alternative to becoming a founder/owner of an entrepreneurial start-up, one can also search for a business to acquire, run it for some years and make it grow, as an equity-owning CEO. In the case of an entrepreneurial 'searcher', the company to acquire has not yet been identified and a good deal of effort is devoted to the search for the ideal company to acquire with the help of a newly created search fund. Such a search fund is a pool of capital supporting the efforts of an entrepreneur in locating a private-held company for the purpose of acquiring, operating and subsequently selling it. Through the sale, the searcher and the investors will have a healthy IRR of around 30 per cent. The entrepreneur puts together the search fund and runs the search process. In putting together an amount of money somewhere between 500k and a million euros). The entrepreneur normally brings 10-20 investors are brought on board who all commit about 25-30k each to fund the search. The search fund is a specialist vehicle

in which investors back a promising individual rather than an existing start-up team. In the first stage, money is raised to pay the individual a nominal salary and expenses, sometimes for several years, while they hunt for an acquisition target in which they believe they can add value. Further funds are used to manage and grow the company.

Here are the key takeaways from this course:

- There is a small but easily identifiable and growing number of investors interested in backing searchers in the search for and acquisition of a business
- Entrepreneurship through acquisition is an interesting path to becoming an equity—owning CEO and entrepreneur
- Buying and improving an existing business is a less risky route to entrepreneurship than starting a startup
- Searching for potential acquisition targets is a lengthy, time-consuming process that takes time to learn, mostly through trial and error, but it works
- Searches can successfully find and acquire a good business, typically from a retiring owner, at a reasonable price
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EDUCATIONAL GOALS

Learning objectives / Intended learning outcomes

- Understand the various routes to entrepreneurship through acquisition
- Prepare for the search process
- Understand search strategies
- Identify potentially good businesses and contact company owners
- Select good acquisition prospects and engage with business owners
- Make an offer to buy a business

Learning areas	Educational goals and learning outcomes
I. Content- related	Understand the distinctive route and career path to become an entrepreneur/business owners through Entrepreneurship Through Acquisition (ETA) and the Search fund approach. Learn how to raise a search fund, find the right business, and acquire it
	Learn about the principles of a successful leveraged buyout, including finding the right asset, proper use of leverage, growth of the business through organic and M&A initiatives, successful outcomes
	Understand the process of finding the right business and what attributes of the process makes for a 'good' or a 'bad' private equity investment and outcome.
II. Skills-related	Assess the self; the skills needed for industry research and self-presentation, running the search fund itself, presenting, negotiating and closing a deal, operating the company, working with Boards and preparing/executing the exit.
	Acquire industry research and presentation skills, including assessing good and bad in industries, creating a Private Placement Memorandum and exploring how to create Indicative Offers or Letters of Intent, assessing business writing skills
	Construct valuations and explore the inputs and outcomes of a successful leveraged buyouts, working through modeling for a search fund acquisition.
III. Attitude-related	Create an entrepreneurial mind-set in assessing companies and taking them from good to great, from EUR 10m in revenue to EUR 100m in revenue.
	Learning this can't be done alone and the importance of good stakeholders; investors, advisors, lenders, sellers, Board of Directors
	Achieve the right attitude to find investors, partners, and to be able to negotiate and close deals with sellers

TEACHING METHODS AND WORKLOAD

The course includes a combination of teaching, interactive discussions and lessons learned from founding Operators and Investors. Lectures will introduce the students to 'Entrepreneurship Through Acquisition' (ETA), an alternative path to entrepreneurship. The educators will share practical examples whether buy-in entrepreneurship and search fund investing as a new asset class, hereby laying the floor for a practical perspective around 'is ETA something I am interested in' and 'whether ETA is something for me.' In addition to classical lecturing, some classes have practitioners as guest speakers and one class is dedicated to participant-centered learning through case teaching. In order to make that work, students are requested to be read the case beforehand, prepare for the class discussion of it, and answer the questions associated with it. In the subsequent class the case is thoroughly examined and the answers provided are shared and evaluated. Besides formal lectures based on experience, the students will be asked to participate by asking questions and engaging in dialogue, as well as working on certain documents relevant to embarking on 'a search'. This work or documentation preparation is about finding and describing the right industry and where to find possible sellers, relating to the searcher background. The output is a 'PPM', or Private Placement Memorandum'. Other examples of documents to create are a deal overview to present to investors and the offer to a seller ('Letter of Intent'). And finally there is the 'model', which is the description of the 'Leveraged Buy-Out' itself. Summarizing, the teachings in this course are practical and as much as possible, face-to-face, with best outcomes achieved if students participate. In addition, a number of core skills relevant to the Private Equity world will be introduced (e.g. carrying out company and industry searches, self-assessing, constructing financial valuations, presenting/pitching, etc.) On the basis of the literature to be prepared for the course, there are a number of business cases made available to prepare as feed for the lectures. Also, a number of high-profile guest speakers will share their insights from the practice of Entrepreneurship Through Acquisition and Search Funds. Finally, theory and practice will be combined through two assignments (an individual- and a group assignment). Important in preparing these deliverables are applying generic concepts, tools and skills to cases, and practice, but also allowing for personal preferences for prioritizing particular industries, business, entrepreneurs, and partners. The course concludes with the final Roundtable presentation session, where the group assignments are presented informally to each other before being submitted to the lecturers. These Roundtable sessions are made up of several small groups of 2-4 students (duos are preferred) who all present and discuss each other's work in parallel. The key principle underpinning a roundtable is that all participants are on equal footing and have the same time slot (e.g. 10 or 15 minutes) for their presentation and subsequent Q&A block.

GRADING AND ASSESSMENT

Course: Entrepreneurship Through Acquisition	**Assessment Formats**		
Educational goals	**Individual Assignment: Case questions**	**Group assignment**	**Individual Assignment: Personal note**
• Understand the distinctive route and career path to become an entrepreneur/business owners through Entrepreneurship Through Acquisition (ETA) and the Search fund approach. Learn how to raise a search fund, find the right business, and acquire it		X	X
• Learn about the principles of a successful leveraged buyout, including finding the right asset, proper use of leverage, growth of the business through organic and M&A initiatives, successful outcomes	X	X	X

• Understand the process of finding the right business and what attributes of the process makes for a 'good' or a 'bad' private equity investment and outcome.		X	
• Assess the self; the skills needed for industry research and self-presentation, running the search fund itself, presenting, negotiating and closing a deal, operating the company, working with Boards and preparing/executing the exit.		X	
• Acquire industry research and presentation skills, including assessing good and bad in industries, creating a Private Placement Memorandum and exploring how to create Indicative Offers or Letters of Intent, assessing business writing skills		X	
• Construct valuations and explore the inputs and outcomes of a successful leveraged buyouts, working through modeling for a search fund acquisition.	X		X
• Create an entrepreneurial mind-set in assessing companies and taking them from good to great, from EUR 10m in revenue to EUR 100m in revenue.		X	X
• Learning this can't be done alone and the importance of good stakeholders; investors, advisors, lenders, sellers, Board of Directors	X	X	X
• Achieve the right attitude to find investors, partners, and to be able to negotiate and close deals with sellers		X	X
Weighting factor	30%	50%	20%
Minimum grade required	5.5	5.5	5.5
When failed, resit option within the current academic year (Yes/No)	No	Yes	Yes
Form of examination (e.g. MC, Open-book, etc.)	Answering case-based questions before class	Producing a PPM + pitch deck	Individual Assignment: Personal note
Group / Individual assessment (Group/Individual)	Individual	Team	Individual

In order to pass the course, each assessment or deliverable (component grade) with a resit option, needs to be at least 5.5. Components with no resit option bear no minimum grade required, but to pass the overall course, the final grade needs to be at least 5.5. Grades are rounded according to the rounding provisions included in the Teaching and Examination Regulations (TER) of the programme, and are expressed with 1 decimal point. Not meeting the minimum grade required for either a component grade or the overall course grade determines a fail for the course. Participants can resit a failed component only once. There is no capping of the grade for a resit examination, unless determined by the faculty. The only exception is when the nature of the failed assignment allows for an improvement effort of the same assignment (capped at 5.5 for that component).

For this particular course, the faculty has decided that all students **improve their failed assignment** to bring it to a passing grade.

Grade penalties for unauthorized late submissions will be automatically imposed. Penalties for unauthorised late submissions range from 10% to 20% deduction from the examination component depending on the hours/days late. Unauthorised late submissions 4 days or longer after the deadline without prior notification and a reasonable explanation for the late submission, will not be accepted.

Attendance is mandatory and a requirement to pass the course. Missing classes and arriving late may result in grading penalties and even a fail for the course.

Fraud, Plagiarism / Self-plagiarism (Appendix B on Code of Conduct, Teaching and Examination Regulations -TER-)
The Examination Board defines fraud as "*the action or negligence of a student because of which it is impossible, entirely, or partially, to form a correct judgment about the knowledge, insight, and skills of them or another student*" (TER). Examples of fraud are cheating, cribbing, plagiarism, freeriding in a team assignment, availability of unauthorized (study) material during a test such as mobile phones, contract cheating, outsourcing, ghost-writing, unauthorized use of generative AI, identity fraud, theft. Confirmed cases of fraud/plagiarism will lead to (appropriate and proportional) sanctions as defined by the Examination Board in the Rules and Guidelines. Repetitive cases of fraud/plagiarism lead to expulsion from the programme.

Plagiarism is presenting another person's work as one's own. Plagiarism includes any paraphrasing or summarising of the work of another person or group without acknowledgment, including submission of another student's work as one's own. Plagiarism frequently involves a failure to acknowledge the quotation of paragraphs, sentences, or even a few phrases written or spoken by someone else. Using ideas from your own prior work (assignment) without referencing the work in your assignment is considered self-plagiarism. Participants are required to adhere to the 6 principles outlined in the RSM AI guidelines with regard to the use of Artificial Intelligence Platforms such as ChatGPT and related software/tools. The unauthorised use constitutes violation of plagiarism/ fraud policy.

For this particular course, the lecturers have decided on a differentiated use of AI on the basis of the two assignments that are scheduled in the course: **restrained use for the individual assignment and embraced use for the group assignment**.

Assignments and deliverables:	**Individual or group:**	**Due date**	**% of final grade:**
Individual assignment: Preparing answers to the teaching case	Individual	Before class 21 November, 9am	30%
Individual assignment Preparing a Personal note whether ETA/searching-search funding is something for you (700-800 words)	Individual	November 28, 2026	20 %
Team-based assignment aimed at producing a Private Placement Memorandum and a pitch desk presentation to be shared at the final class with the Roundtable presentations	Team (2-4 persons)	November 28, 2026	50%

REQUIRED TEXTBOOK(S) AND READINGS

The following hands-on textbook on searching and search funds will be used and discussed in class:

- Simon, J. (2021*), Search funds & entrepreneurial acquisitions. The roadmap for buying a business and leading it to the next level*. Tellwell..

Further required course readings (e.g. articles, case materials, formal documents) will be provided via Canvas.

As an introduction to or refreshment of the Entrepreneurship Through Acquisition (ETA) theme, the following text can be used (it was also part of the reading materials of last year's preparatory class on ETA):

- Stanford GSB (2020), A primer on search funds. A practical guide for entrepreneurs embarking on a search fund. Stanford Graduate School of Business.

SUGGESTED EXTRA READINGS, JOURNALS AND WEBSITES

Given closer to the start of the course.

DETAILED COURSE SCHEDULE

Session 1, Raising your cap table **Friday, November 6, 18-30 - 21:30hrs**	
Lecturer(s)	Alexander Schuil
Topics:	How does the Search Fund model work? Why search/buy-in entrepreneurship for me and how to find investors and mobilise them for your search fund? What is the current ecosystem of search funds, location, and market size and what are the recent developments in this ecosystem?
Readings:	TBD

Session 2, Starting the search: Identifying industries and selecting targets **Saturday, November 7, 9:30 - 12:30hrs**	
Lecturer(s)	Alexander Schuil
Topics:	Raising and operating a search fund is not easy, acquitting and running a company is even more difficult. Do I want to do this? Why (not)? What does my search team look like? How do I search? What tools do I use? How to keep speed? What are my resources? What is a good company?
Readings:	TBD

Session 3, Matching searchers and sellers: Selecting sellers, working with/without brokers, finding common grounds and managing expectations **Saturday, November 7: 13:30 - 16:30hrs**	
Lecturer(s)	Wim Hulsink
Topics:	What drives searchers and sellers? Are you ready for it (career planning, life crafting, legacy building)? How do you convince sellers? Who are the main stakeholders in the negotiation process? To what extent can I rely upon brokers and what can I expect from them?
Readings:	TBD

Session 4, Signing the Letter Of Intent, doing the due diligence and closing the transaction **Friday, November 20, 18:30 - 21:30hrs**	
Lecturer(s)	Alexander Schuil
Topics:	After signing the LOI, what's next? Doing the due diligence and closing the transacton obviously. What processes do I need to manage? Who's paying the stakeholders? How do I act vs the different stakeholders? How to keep my pipeline going? When can we close?
Readings	TBD

Session 5, The first 100 days in the acquired company: Becoming the CEO, changing leadership, & managing the (new) board **Saturday, November 21, 9:30 - 21:30hrs**	
Lecturer(s)	Wim Hulsink
Topics:	Being/becoming the CEO, leadership transition and organizational change, setting for growth, the importance of fiduciary duty, the role of a board and board basics, building & managing a board
Readings:	TBD

Session 6, Operating the acquired company: Setting for mid-term growth, professionalizing management and exit preparations **Saturday, November 21, 13:30 - 16:30hrs**	
Lecturer	Alexander Schuil
Topics:	Early operating issues, keeping exit in mind, team building, growth, divesting and what not to focus on, (re)financing), organic growth, possible M&A, exit types, managing valuation, Briscoe exit example
Readings:	TBD

ASSIGNMENTS DESCRIPTION

More information about the assignments and grading rubrics will be made available on Canvas before the start of the course.