

Amy Zhang

March 19th, 2017

Independent Study and Mentorship

Evidence of Learning Assessment #5

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Subject: Shark Tank in Real Life

Source(s):

Mentor Visit with Dr. Gerlacher

March 19th, 2017

3:00 pm

Analysis:

The purpose of pursuing a mentorship in ISM is to learn from the past experiences, advice, and expertise of a professional in your field. Sometimes, conversations during mentor visits can drift off into tangents about topics beyond the scope of just ISM or the final product. These discussions about global issues or the business world as a whole are eye-opening and expand the horizons of students, who have previously only learned from a textbook or from reading online articles.

Personally, Dr. Gerlacher and I often find ourselves speaking about subjects not directly pertaining to pediatrics or my final product development, but about topics in

entrepreneurship and the healthcare industry on a national scale. In our last meeting, we discussed the topic of business valuation and the show "Shark Tank". The topic of how to determine the valuation of a company came up, and I was curious about how individuals come up with a certain number based upon current facts and figures in an existing business.

Through our conversation, I learned that there are actually multiple methods in determining the value of a company. Dr. Gerlacher remarked that investors, like the "sharks" in "Shark Tank", regard different aspects of each company, such as market growth rates and yearly revenue and cost, to ultimately come to an estimated valuation. One of the most important factors in determining how much a company is worth is the comparable businesses in a competitive market. How similar companies within an industry fare in the economy is an extremely accurate indicator of the potential success or failure of a targeted business.

On "Shark Tank", another consideration that the investors use is the percentage of equity that they will own in a certain startup. Sometimes, the entrepreneurs that pitch their businesses on the show will turn down a valuable offer because the investor wants a high percentage of equity, thereby taking away parts of the business and placing them under ownership of the investor. One thing that the entrepreneurs sometimes overlook is that the value of having an experienced and business-savvy "shark" as part of their business is something that cannot have a valuation attached to it. A brain wired to create success in a company could increase profits in a startup exponentially, and those looking to become entrepreneurs should take that idea in stride.

Ultimately, the discussion Dr. Gerlacher and I had regarding entrepreneurship and the thought process behind the show "Shark Tank" was, while not directly related to my ISM final product, definitely beneficial to my understanding of the business world.