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technology-based entrepreneurship

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The WPI Venture Forum is a program
of the Collaborative for Entrepreneurship &
Innovation at Worcester Polytechnic Institute

Opportunities in Healthcare IT

The healthcare industry is undergoing a technology revolution as it struggles to process, manage and share information with patients, doctors and other healthcare providers, researchers, institutions, insurers, and government policy makers. Keynote speaker Robert Havasy will address today's new and emerging opportunities and challenges facing entrepreneurs in healthcare IT at the October 12 WPI Venture Forum meeting.



ROBERT HAVASY, *Partners HealthCare System*

Havasy is responsible for charting the mobile healthcare (mHealth) strategy for Boston's Center for Connected Health, a division of Partners HealthCare System that is working to develop quality patient care outside traditional medical settings. He also oversees operations for Partners DiabetesConnect and Partners BloodPressureConnect, two of Partners' patient monitoring programs launched in 2008. Prior to joining the Center in 2008, Havasy spent nine years with Enterasys Networks/Siemens Enterprise Communications, most recently as the manager of global service operations. He began his career as an atomic spectroscopist with Teledyne-Leeman Labs.

Case Presentation:

MedMinders Systems, Inc.

MedMinders Systems' flagship product, known as Maya, addresses the need for patient compliance in taking their prescribed medications by leasing a pill container to them consisting of 28 monitored wells.

Patient reminders are provided via flashing lights and beeps from the device if medications are not taken at the scheduled time. The system is also remotely monitored via a central database that can generate phone, email or text message reminders to the patient or alerts to family members and caregivers to help maintain compliance. Medication trays can be filled manually, or pre-filled trays can be provided by a pharmacist to ensure the accuracy of complicated medication regimens.

The case will be presented by Founder and CEO Eran Shavelsky. He has held leadership roles at Iscar, Sheer Networks and CentrePath, each of which were ultimately acquired. √

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WPI VENTURE FORUM ©2010

A monthly publication of The WPI Venture Forum

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A LETTER FROM THE CO-CHAIRS

Catalysts for Growth

The September WPIVF meeting was a great start to our 20th season. Our three featured speakers,

Massachusetts Secretary of Economic Development Greg Bialecki, WPI President Dennis Berkey and Worcester Mayor Joe O'Brien all recognized how organizations like the WPI Venture Forum are catalysts for regional economic development by bringing together companies, entrepreneurs, and state and local government to create new industries and jobs in central Massachusetts.

The second half of the evening showcased three companies which were truly representative of the more than 200 companies and hundreds of panelists that have presented at the WPI Venture Forum over the last 20 years. The entrepreneurs shared their stories of triumphs and challenges. They clearly demonstrated what it means to be a resourceful entrepreneur in this region. We thank Bob Creeden, Kevin O'Sullivan, Gail Radcliffe, and Steve Rubin for artfully moderating the discussions.

This month's program promises to be just as lively, tackling one of the hottest topics today — Healthcare IT. We will hear about new opportunities for entrepreneurs from Rob Havasy of the Partners HealthCare System's Center for Connected Health. Our case will be the Newton-based company MedMinder Systems, which uses wireless technology and sensors for remote monitoring, to send alerts when patients



Jim Fee '65



Deirdre Sanders

don't take their medicine on time. Expert panelists will provide useful insights regarding marketing strategies as well as identifying the best customers, users and partners for this company.

We are also looking forward to one of our most exciting events — the Business Plan Contest! Don't forget to submit your application and executive summary by 5 p.m., Friday, October 8. For more information, please visit wpiventureforum.org/busplan.html.

See you at October's meeting!

Deirdre Sanders, Co-Chair
Principal and Shareholder,
Hamilton Brook Smith Reynolds

Jim Fee '65, Co-Chair
Principal,
Saxna

Is Your Business a Blight?

by

PAUL DANIS
Eastwoods Consulting

There is a blight on my land, and it just killed my favorite chestnut tree. The so-called chestnut blight, introduced a century ago, wiped out four billion American chestnut trees and is still a potent exterminator of all the new trees sprouting from the old roots. I had great hope that our 30-footer would have some genetic variation to ward off the fungus, but that was not to be. After putting out a few leaves this year, it is finally done, soon to become boards and firewood.

The success of this blight is quite remarkable and reminds me (in a dark sort of way) of successful businesses and products. The blight's attributes are truly something to aspire to, although hopefully with more positive applications.

- **Very clear target** – The fungus only kills the American chestnut, not the Chinese, European*, horse or any other. Your products need to be well aimed into the target market segment. The more specifically the customer can be defined, the better your chance for success.
- **No competition** – Nothing short of forest fires and chainsaws affects the American chestnut. They are served up for the blight to attack at will. Everyone would like a market like this — customers just waiting for your product with open arms. The proverbial white space.
- **Very effective** – A full 100 percent of the trees succumb to this fungus. Wouldn't you like to see all your offerings leave customers completely satisfied and happy?
- **Well established** – After 100 years of successfully keeping American chestnuts from reclaiming their position as a dominant forest tree, the blight continues unabated. This is nirvana for a company — entrenched products that are adopted by all comers.

However, even something as successful as chestnut blight won't dominate forever. The American Chestnut Foundation has been breeding resistant varieties that may ultimately leave the blight without willing hosts.

Though this *cryphonectria parasitica* is indeed devastating, it does give us some lessons for success. And while you strive to achieve the success on the scale of this blight, just keep an eye on the horizon. Market leadership is not forever, though a century is a pretty good run.

*For inquiring minds: Technically, the European chestnut is susceptible to this blight. However, due to infection of the fungus by a hypoviridae virus, the fungus is less virulent and the European chestnut trees survive.

Paul Danis is the Founder and Principal of Eastwoods Consulting, a strategy and advisory firm that helps life science companies grow their businesses. He has more than 20 years' experience in the field, in business strategy and operations, as well as scientific research. A member of the WPI Venture Forum's Executive Board, he also heads the Program Committee. √

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A LOOK AT THE SEPTEMBER 2010 MEETING

A Case for Optimism

by

STEPHEN MARINI



Witnessing an historic moment are (from left) Jim Miller '79, Cheryl Zimmerman, Greg Bialecki, Bruce Ginsberg and Jim Fee '65.

In the beginning, explained WPI Venture Forum Co-chair and Co-founder Jim Fee '65, the WPI Venture Forum began as many entrepreneurial ventures do, when two like-minded people meet and identify an unmet need. He and fellow classmate Jim Dunn '65 met by chance at an MIT Enterprise Forum event in 1990. They quickly asked each other how they might start something similar at WPI. A few months later (at Homecoming) they discussed the idea with electrical engineering professor Bill Grogan, and he identified as an additional resource Bill Gasko, an adjunct professor in entrepreneurship.

They began meeting in Gasko's office. Each time they met it seemed there were more and more people. They moved to the conference room down the hall, and then to Higgins House. Everyone agreed that they wanted to do something; the only question became what business model to use — providing an annual seminar or monthly programs. The two camps debated until Gasko pounded his fist on the desk and said "let's do them both." WPI Venture Forum programming began in 1991, and with the

support of WPI and the founding sponsors, soon settled into its current format of creating and delivering ten programs a year.

Fee laid the groundwork for the next speakers, addressing several factors that bode well for the Massachusetts economy:

- Our education system is gaining ground in math and sciences
- Our municipalities are able to provide needed services
- Massachusetts is better positioned than most other states for expanded growth and economic development.

Worcester's Mayor Joseph C. O'Brien thanked the WPI Venture Forum for the remarkable work that has been accomplished over the past 20 years. He also thanked Housing and Economic Development Secretary Greg Bialecki for his support and the support of the state for the recently delivered \$25 million funding to help kick off the city's downtown development at City Square. He is optimistic about economic growth as it will come from not only the big projects like City Square but also from new venture start-ups.

"The future of our region depends heavily on the next generation of entrepreneur," he said, as well as the emerging small companies in the life sciences and biotech, precision manufacturing and energy fields. He then proclaimed September 14th as "Entrepreneur Day" in honor of the WPI Venture Forum's 20th Anniversary.

WPI President Dennis Berkey then spoke, expressing pride at the longstanding affiliation and collaboration between the WPI Venture Forum and WPI through the Collaborative for Entrepreneurship & Innovation. Berkey noted the school's recent decision to elevate the Department of Management to a full business school. This business school will build powerfully on the collaboration of science, technology, business and management in the spirit of innovation and entrepreneurship, he said, founding and growing businesses in important ways.

Introducing the next speaker, Secretary of Economic Development Greg Bialecki, Berkey expressed his appreciation for the role the secretary and the Patrick/Murray administration played in creating the Growth Districts Initiative, with Worcester's Gateway

in Massachusetts



Moderators Bob Creeden and Steve Rubin join past presenter Bruce Ginsberg.

Park as the first project, and Bialecki's promotion of the expansion of the life sciences in the region.

Bialecki acknowledged up front that he and the Patrick/Murray administration are keenly aware that it is not fashionable to be optimistic about the state's future. However, he said, they remain stubbornly confident about the future of the Massachusetts economy. By developing a strategy to reverse the economic difficulties inherited from the previous administration, Governor Deval Patrick has embarked on a multi-pronged strategy to:

- Focus on existing businesses
- Build on existing excellence in education, healthcare, life sciences, technology and manufacturing
- Make long term investments in education, infrastructure and innovation
- Demonstrate fiscal discipline and maintain the state's strong credit rating
- Create a predictable regulatory environment where government permits and approvals are issued at "the speed of business"

- Support the creation of economic opportunities in every region of the state.

Although there has been strong progress on all these fronts, it is no surprise that these efforts were not enough to prevent job losses during this great global recession. What should give us confidence today, however, is that Massachusetts has retained its economic resilience. Through July, Massachusetts had added 60,000 net new jobs this year, ranking it third in the nation. The administration is confident this trend will continue, and should replace all the jobs lost during the recession within two years. If there is a silver lining to the challenges facing the state, he concluded, these economic trials will cause us to reexamine what got us into trouble and how to prevent these problems from recurring in the future.

After a networking break, the meeting divided into three separate sessions to hear past case presenters describe their companies' stories. The audience returned to hear summaries of each case, and some concluding remarks.

CONTINUED ON PAGE 6



Greg Bialecki (left) with Paul Kennedy, John Prosser and Jack Healy



Robert Thomas and Greg Bialecki



Mike Manning and Worcester Mayor Joe O'Brien

A Case for Optimism in Massachusetts

CONTINUED FROM PAGE 5

ECI Biotech

The ECI Biotech session was a spirited interaction among CEO and founder Mitch Sanders, moderators Kevin O'Sullivan and Gail Radcliffe, and the audience.

There was significant discussion around how to bring the right product to market. The keys to success for ECI were:

- Don't wait to be ready and let perfection get in the way of success. If you have a product that can secure FDA approval, begin discussions with potential partners and customers.
- Keep trying – talk with lots of different people even if you get both positive and negative responses. No one customer or partner is the answer, it takes breadth to create a company.
- If the first product ideas don't make sense to prospects, either change the way you talk about them or change the product. If their eyes glaze over, take that as a sure sign that you are not on track.
- Don't let your technical expertise completely drive product development; focus on the value proposition and business case. For example, their food quality monitor idea was not well received, as “they were geeks” who did not think about how food companies would use the product (or not want to).
- When talking about your product, keep it simple. Even though the potential partners and funders are smart, they may not be familiar with your offering and its market.
- Find people who understand marketability and listen to their advice.
- It's important to make money so you can repay your (patient) investors.

Sanders shared that protecting his role as CEO was not as important as the company's growth. However, ECI did bring in a more experienced CEO at one point who was not

familiar with the technology and he did not work out. Surround yourself with people who will support you and the company, but not pander to your ideas, he advised.

In closing, Sanders answered questions about funding and long-term growth. To win grant funding, it is important to apply for a diverse set of grants and engage the help of expert consultants. Experts are also needed in the area of legal and other business advice. Patents are expensive, but their legal advisors have been very patient because they are a start-up. A business plan is necessary but becomes outdated quickly – and frequently is overkill for many prospective partners and funding sources. Develop targeted, short documents that answer their specific needs.

Long-term, the company may diversify its marketing and sales strategy beyond partners to include a direct distribution channel and expand beyond its current base of the US and Europe. At the moment, much of their revenue is from royalties, which will change over time.

FarSounder

FarSounder, Inc. is a Providence, Rhode Island-based technology company that develops, manufactures and markets advanced sonar systems used in vessel navigation, underwater surveying and security applications.

CEO Cheryl Zimmerman and co-founder Jim Miller '79, a University of Rhode Island professor, explained that FarSounder technology provides a complete 3D picture of what is ahead of a vessel. Unlike other forward-looking sonars, FarSounder provides all three navigationally significant components: range, bearing, and depth. The user is able to determine where the vessel can safely travel, avoiding such uncharted obstacles as submerged shipping containers, whales and rocks.

FarSounder's technology is based on research begun at the University of Rhode

Island's Department of Ocean Engineering and Ocean Technology Center with assistance from the Naval Undersea Warfare Center and Rhode Island's Slater Technology Fund. FarSounder's systems now make it possible to see real-time, 3D computer images of the sea floor and in-water obstacles in front of a vessel in both shallow as well as deep water.

Moderated by Steve Rubin, the group found both presenters very enthusiastic about the current team and their collaborative approach to managing the company.

MooBella

Bruce Ginsberg, CEO of MooBella returned to the WPI Venture Forum with an update on where they are now since he first presented his company in September 2007. MooBella has invented an innovative business model for the distribution of fresh, hard-serve ice cream on demand, that uses less energy and produces “premium grade” products with less fat.

There were plenty of audience questions, moderated by Bob Creeden, as all those who asked a great question received a toy cow. Questions concerned the introduction of such a radically different way to deliver ice cream. Ginsberg explained how people adapt to new technology, comparing the paradigm change of ATM use, when just 20 years ago, it was an alien experience to deposit checks and transfer funds with a machine rather than a teller.

Handling intellectual property and the need for patent protection was another topic of discussion, as was distribution of the machines. MooBella is taking the smart approach of starting with limited runs of machines and placing them in locations like airports, hospitals and universities, in a food court environment, so they can closely evaluate the adoption process. From there, MooBella can expand into other markets and distribution channels, or into other partnership opportunities. ✓

Community News

MTDC Collaboration

Founding sponsor Massachusetts Technology Development Corporation (MTDC) and the Massachusetts Technology Transfer Center (MTTC) have announced a new collaboration to provide additional support to very early-stage companies in the Commonwealth.

"MTDC has a strong track record of investing in early-stage Massachusetts companies," said MTDC President, Robert Crowley. "However, we meet a lot of company founders who are too early in their development for us to invest but, with additional coaching, could become attractive investments for MTDC and other regional investors. Through our new partnership with the MTTC, we can now offer these companies more support to get to the next stage." MTDC will contract with the MTTC to provide support services to coach early-stage company founders that MTDC believes have viable ideas but need help to articulate a compelling business proposition and to develop a strategic plan.

In addition, MTTC will help MTDC's existing portfolio companies find resources within the universities and research labs in the Commonwealth. Technology-based companies in all industrial sectors will be supported through the program.

"The Patrick-Murray Administration has, from day one, recognized the vital role small businesses and start ups play in our economy," said Secretary of Housing and Economic Development, Gregory Bialecki. "Providing access to capital and advice for small businesses is a key component of Governor Patrick's strategy for growth - it can make the difference between having the next big company start in Massachusetts or start elsewhere."

ECI Biotech to Open Factory

Bronze sponsor ECI Biotech has entered into licensing and manufacturing agreements with

medical device company Systagenix of Quincy, Mass. that will permit Worcester production of the company's protein-based diagnostic sensors for wound infection. The new facility will employ 12 when operational.

Flying Cars Made in Mass.

Flying cars may be in production as early as next year in Woburn, Mass., reports the Worcester *Telegram & Gazette*. Terrafugia, whose CFO was a speaker at the February 2009 WPI Venture Forum meeting, announced their "roadable aircraft" will have a low-volume initial production.

Sleep Better Locally with Zeo

Jordan's Furniture has announced it will carry the Zeo Personal Sleep Coach, the sleep tracking product discussed in December 2009 in the Zeo, Inc. case presentation. √



2010 CALENDAR OF EVENTS

Second Tuesday Monthly Programs

WPI Campus Center Odeum
5:30-8:30 p.m.

- OCT. 12** Opportunities in Healthcare IT
- NOV. 9** Annual Business Plan Contest
- DEC. 14** Innovation in Social Entrepreneurship
- JAN. 11** Top Line Sales Grow the Bottom Line
- FEB. 8** Going Global, Where to Start
- MARCH 8** Gaming Industry Opportunities
- APRIL 12** Clean Energy Partnerships
- MAY 10** Smart Moves for Funding
- JUNE 14** Five-Minute Pitch Contest

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NEXT PROGRAM
Tuesday, October 12, 2010

WPI, WORCESTER
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NETWORKING: 5:30 – 6:00 P.M.

MEETING: 6:30 – 8:30 P.M.

Members and students – Free
General public – \$30
WPI alumni – \$15

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Call for entries

2010 Business Plan Contest

Executive Summaries due by 5pm on October 8

Qualified applicants will be invited to make a
15-minute presentation in the First Round on the
Worcester Polytechnic Institute campus, Saturday, October 16, 2010.

Final presentations will be made on November 9, 2010 at WPI.

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