

THIS MONTH'S MEETING

**TUESDAY,
NOVEMBER 10, 2009**

WPI, WORCESTER
Campus Center Odeum

NETWORKING: 5:30 – 6:30 P.M.

MEETING: 6:30 – 8:30 P.M.

*\$15.00 for \$50 members
Free for \$125 members
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*The WPI Venture Forum is a
program of the Collaborative for
Entrepreneurship & Innovation*



Business Plans Battle November 10

Dreams collide with reality during the WPI Venture Forum's 16th annual Business Plan Contest. Inventors and innovators with a new product or process test their business ideas with seasoned professionals, and the judges seek new and fundable ideas. The contest itself has found new ways to improve, this year with an expanded judging process. Entrants underwent two separate rounds to become finalists, presenting at the Tuesday, November 10, 2009 meeting.

The competition for the \$19,500 prize will be fast and fierce that evening, with networking before the meeting and during the break. Come vote for your favorite presentation on November 10 and celebrate the winning new idea.

First-round presentations were held at WPI on October 17, and six teams selected went on to a second round conducted through a web-based application on October 29. Volunteer judges with a broad range of industry experience critiqued the presentations and offered mentoring support.

Typically, three finalist teams present to the attendees and judges at the November WPI Venture Forum meeting. This year's final-round judges are Frederic H. Morris of Brook Venture



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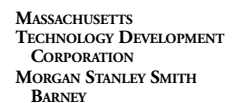
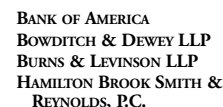
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A LETTER FROM A CHAIR

Sponsorships Inspire



Richard H. Prince

Since 1990, sponsors have enabled the WPI Venture Forum to educate, support, and inspire many technology-oriented entrepreneurs. As a volunteer organization of business professionals and educators, we depend primarily on sponsors to fund our programs with donations of time and money. This special combination of volunteers and sponsors has guided us through almost twenty years of successfully assisting start-up companies and fulfilling our mission to inspire and facilitate entrepreneurship.

In return for their generous contributions, the WPI Venture Forum offers our sponsors an exclusive opportunity to present themselves to a broad new market of potential clients. Attendees at events include entrepreneurs, investors, manufacturers, service providers, researchers, faculty members, inventors, students and alumni from many universities.

We want to continue to grow our membership, strengthen our impact and reach, develop new programs, and further serve the economic needs of the region. To

meet these goals, we have increased the depth and scope of our sponsorship outreach. In conjunction with the WPI Collaborative for Entrepreneurship and Innovation, the Sponsorship Committee is campaigning for additional sponsors to raise funds to support new programs, events and publications.

Our sponsorship levels include Premier for \$4,000 per year and Bronze for \$500 per year, with opportunities varying at each level. Sponsors may also contribute to the Annual Business Plan Contest, the Five-Minute Pitch Contest, Networking and Breakfast Events, and Focus Workshops.

If you or your company would like more information regarding sponsorship, please call, visit our website or stop by the Help Desk at the next Second Tuesday Monthly Program.

Sincerely,
Richard H. Prince
Chairman, Sponsorship Committee

Networking at Wright Line!

Thursday, November 19, 5:30-7:30 p.m.

160 Gold Star Boulevard, Worcester, MA

Gather at Wright Line, a cutting-edge manufacturer of modular workspace solutions for technology-intensive environments, and see how design considerations for green, ergonomics, airflow management, and sustainability play into their global success!
Pre-registration required at wpiventureforum.org/Programs/Registration/index.html.

Massachusetts Trade Secret and Non-Compete Bills Pending

There are two bills pending before the Massachusetts Legislature that could have a significant impact on an employer's ability to safeguard confidential business information. The first covers an employer's right to protect its trade secrets; the second would place important limitations on an employer's ability to use non-compete agreements.

House Bill No. 1586 seeks to have Massachusetts join forty other states in adopting the Uniform Trade Secrets Act (proposed M.G.L., c. 93J). The House Joint Committee on Economic Development and Emerging Technologies held public hearings in June 2009, where the Massachusetts Commission on Uniform State Laws, as well as AIM and other industry groups, testified in favor of the proposed bill. Among other things, the bill seeks to promote greater predictability by allowing parties to refer to a single statute, instead of the current amalgam of Massachusetts statutes and cases. It would also make Massachusetts a more predictable venue for foreign business partners. Importantly, trade secrets would only include "specified or specifiable information" such that the protected property is capable of being identified with a reasonable degree of precision.

House Bill No. 1700, filed in January 2009, seeks to limit the use of non-compete agreements in Massachusetts. The bill grew out of earlier lobbying efforts by The Alliance for Open Competition and others arguing that Massachusetts was losing investment dollars to jurisdictions (like California) that refuse to enforce non-competes. As originally filed, the bill would have barred non-compete clauses for employees making less than \$50,000 per year, while those making

between \$50,000 and \$100,000 could only be restricted if the non-compete was designed to protect trade secrets and/or confidential information.

However, as of this writing, a compromise bill is being circulated that would bar non-compete clauses for all employees making less than \$75,000 per year, and be enforceable against employees earning above that amount (plus \$1,500 per year of service) only if reasonably needed to protect trade secrets, confidentiality or goodwill. Among other important changes, the bill also makes an automatic award of attorney's fees to the employee if the court declines to enforce, or elects to reform, a material contract restriction. Attorney's fees to the employer for successfully enforcing an agreement are a matter of discretion for the court. Forfeiture agreements would not be enforceable unless the harm threatened by the employee's departure threatens the continued viability of the employer. The *inevitable disclosure doctrine* is expressly rejected as a ground for enforcement. The bill would cover all agreements entered into after January 1, 2010.

The bill was scheduled for hearing before the Joint Committee on Labor and Workforce Development on October 7th. While the earlier versions are still up for discussion, both House and Senate sponsors are focusing their attention on the new compromise bill.

These bills bear careful watching, as their adoption will mean that Massachusetts employers will need to review their form employee agreements to make sure they pass muster under the new law. For those companies with employees in other states, the same is true. Oregon, for example, recently adopted Senate Bill 248, which looks similar

by

DANIEL LYNE
Bowditch & Dewey, LLP

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to Massachusetts House Bill 1700, while Georgia's governor has (subject to a statewide referendum vote scheduled for 2010) signed House Bill 173, substantially strengthening employer non-compete rights.

Daniel Lyne is a partner at Bowditch & Dewey, LLP with more than 25 years of combined business litigation and general counsel experience. He can be reached at [dlyne\(at\)bowditch.com](mailto:dlyne@bowditch.com) or by phone at 617.757.6500. √

A LOOK AT THE OCTOBER 2009 MEETING

Making the Most

by

DAVID J. THIBODEAU JR. '78

Leaders are often measured by their performance during the first 100 days. In his first 100 days, Franklin Delano Roosevelt brought the country from a Great Depression to a New Deal. For Napoleon, however, 100 days was the span from his triumphant return to Paris to stunning defeat at Waterloo.

At October's WPI Venture Forum meeting, Eric Giler, CEO of WiTricity Corp., gave the Forum his reasoned perspective on how to best avoid a "Waterloo" when starting a new venture. WiTricity, based in Watertown, Massachusetts, is developing technology to deliver electric power wirelessly over distances ranging from several inches to across a room. But Giler is also well known for his involvement with highly successful Massachusetts companies, including telecom hardware and software provider Brooktrout, Inc. He shared his short list of things to worry about (or not) in the first 100 days of a start up.

1. *Have a plan.* It might be better not to have a formal, written business plan if it's just a bunch of projections. More important is to succinctly and clearly communicate to potential investors and customers what the company is all about. The process is much like the preparation for a one-minute elevator pitch.
2. *Find a good lawyer and accountant.* Don't think your start-up company can't afford the best professional advice. Early bad



Keynote speaker Eric Giler

advice may kill you. Even the most prestigious professional services firms will often structure their fees to accommodate an early stage start-up when they see a growth opportunity in the long run.

3. *Have a team and keep it a team.* Starting a technology venture with a small group of founders is much like getting married. You will spend far more time with your partners than with your actual spouse. The team should have compatible personalities and be able to reach consensus quickly. At Brooktrout, Giler insisted on equally dividing the equity among the founders — even through subsequent investment rounds. Team-level fairness reaps untold rewards.
4. *Don't be afraid to talk about your great idea.* The value of keeping your secrets locked up is overrated. Instead, use every opportunity to solicit feedback from others. You'll almost always receive advice worth far more than the slight risk you run. This is how Brooktrout found its very first investor.
5. *Build a prototype.* There is no substitute for having a working prototype. Early customers and investors are taking a huge



Case presenter Drew Hession-Kunz

risk doing business with your start-up. Working prototypes create confidence. Brooktrout had its prototype working in the first 30 days.

6. *Sell something.* A sale covers almost every sin in the world, and references from satisfied customers are invaluable when attracting follow-on capital.
7. *Have a contingency plan.* What if you are unable to deliver the product on time? What if a key employee leaves? Since things never go as planned, back-up planning is as important as the overall vision.
8. *Use capital efficiently.* This hallmark of the greatest entrepreneurs is essential in today's climate, and likely to be the "new normal" in a post-recession recovery. Making sure every dollar counts can help convince later-stage investors that your commitment is long-term.
9. *Right-size the IP strategy.* If you have something unique, it's wise to seek a patent. But the appropriate level of IP protection depends on the type of business. WiTricity, having developed a

of the First 100 Days



Founder of *i-Nalysis*, Drew Hession-Kunz (left) responds to questions from panelists Brian Musselman, Jeff Zonderman and Eric Giler.



Each meeting allows ample time for networking.

paradigm shifting technology, falls into the “IP at all costs” category. But not all businesses are truly IP-centric.

10. *Have fun.* Most important of all, what you’re planning must be fun. No one wants to both work hard and have a bad time.

Case Presentation

The founder of Concord, Mass.-based *i-Nalysis*, Drew Hession-Kunz described how his company is addressing the \$800 million X-ray Fluorescence market with a lower cost handheld device for toxin testing. At half the cost of currently available units, their tool can easily spot toxins in products as they come off the production floor, on a loading dock, or even in a retail store.

Many toxins are finding their way into products at unknown points in the supply chain. Indeed, even manufacturers cannot pinpoint the origin of component parts that originate from all over the world, from many different suppliers and their unknown factories. A few years ago, Barbie™ doll accessories were found to have traces of lead – a mistake

causing Mattel’s stock to tumble overnight.

i-Nalysis’ device gives a visual confirmation of whether a product is safe or not, which can be as simple as a green or red light. Most purchasing managers who must decide whether to accept delivery from a vendor just want to know if dangerous materials are present — and to instantaneously feed that information into their databases. They rarely need a detailed spectroscopic analysis. The *i-Nalysis* instrument incorporates three key technologies: data networking, inexpensive pyroelectric crystals to generate the X-rays, and simple user interfaces.

The program’s expert panel included Brian Musselman, Chief Operating Officer of IonSense, Inc.; Jeff Zonderman, Director of Business Development for Thermo Fisher Scientific; and Eric Giler of WiTricity. Their questions covered a wide range of business concerns.

One expert wondered if *i-Nalysis*’ marketing emphasis should be existing markets or new ones. *i-Nalysis* seeks to open entirely new markets and initially leave existing markets alone, as they are already well served by high resolution spectrum analyzers. Their

new markets are where customers don’t need a lab instrument, but want an industrial tool.

Discussion also revolved around an appropriate sales strategy. Should it include telesales or direct marketing? Fortune 500 companies justify dedicated salespeople even for an inexpensive product, but telesales or web transactions should serve smaller organizations well.

Government compliance poses unique problems for *i-Nalysis*, to ensure its end users are trained on the safe use of an X-ray emitter. Online web training videos provide a convenient solution, Hession-Kunz said.

He also has learned small software projects often don’t outsource well. For *i-Nalysis*, their Application Programming Interface (API) worked best in-house, but the database back-end processing was appropriate for development offshore.

David J. Thibodeau, Jr. '78 is a principal and shareholder of Hamilton Brook Smith & Reynolds and holds an Electrical Engineering degree from WPI. He focuses his law practice on intellectual property strategies for startups and due diligence matters and can be reached at david.thibodeau@hbsr.com. ✓

**Second Tuesday
Monthly Programs**

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

- NOVEMBER 10** Business Plan Contest
- DECEMBER 8** Marketing – Creating that Buzz
- JANUARY 12** Ins and Outs of Licensing
- FEBRUARY 9** Survival and Revival: Innovation
- MARCH 9** Sales and Selling is a Team Sport
- APRIL 13** Non-equity Financing in 2010
- MAY 11** New Opportunities in Robotics
- JUNE 8** Five-Minute Elevator Pitch Contest

**Radio Programs
WTAG 580 AM/94.9 FM**
Saturdays, 5-7 p.m.

Streamed live at www.wtag.com
Call in number: 508.755.0058

Networking Events
Pre-registration required

- NOVEMBER 3** Harvard Medical School Modell Immunology Ctr. 200 Longwood Ave. Boston, MA
- NOVEMBER 19** Wright Line, 160 Gold Star Boulevard, Worcester, 5:30-7:30 p.m.

Focus Workshops

Check the wpiventureforum.org Home Page Announcement Box for more program listings throughout the year.

Business Plans Battle November 10

CONTINUED FROM PAGE 1

Funds, David Verrill of Hub Angel Investment Group, and Todd Hixon of New Atlantic Ventures.

Frederic Morris is a founder and partner of Brook Venture Funds I and II. The firm's strategy focuses on investments of less than \$5 million into expansion-stage medical and information technology companies. Prior to forming Brook, Morris founded and led the specialized lending division of State Street Bank in Boston where he was a senior vice president and member of the management committee.

David Verrill is founder and managing director of Hub Angel Investment Group in Cambridge, Mass. He began his professional career as a research scientist at the Center for Blood Research in Boston, received his master's degree from the MIT Sloan School of Management and joined MIT's Office of Corporate Relations. In 1996 he joined Xerox, and in 1998, third party marketing firm Winchester International Group. In 2000, Winchester helped found the Hub Angels. Verrill sits on several boards, including the Angel Capital Association.

Rounding out the judges' panel is Todd Hixon, founder and managing partner of New Atlantic Ventures. He has more than a quarter-century of experience as a high-tech investor, consultant and board member. Prior to joining NAV, he was a co-founder and

Managing Director of the DFJ New England Fund, an early stage venture capital fund that actively seeks technology investment opportunities among the residents and prospective residents of the Cambridge Innovation Center. He was previously a Senior Vice President of the Boston Consulting Group, where he founded the Technology and Communications Practice and managed it for 12 years. ✓

Special thanks to our first round judges:

- | | |
|----------------|------------------|
| Will Cowen | Kevin O'Sullivan |
| Jim Fee | Otto Prohaska |
| Barb Finer | Prakash Puohit |
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Spotlight on Entrepreneurs

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The WPI Venture Forum invites entrepreneurs to make a one-minute practice elevator pitch at monthly programs. Content is limited to seeking investors or potential partners, but not customers. Overhead slide allowed and one pitch per season, per business idea. For a helpful template and submission criteria, please visit: www.wpiventureforum.org/Programs/spotlight.html

Networking and Fundraising Together



The October 22 networking event at Sherry's House netted \$365 for Why Me, which provides free housing and support services for families whose children are undergoing cancer treatment. Event sponsors were John Ayers of Morgan Stanley Smith Barney (back row, right) and John Duquette of Commonwealth Electric (front row, right).

Member News

October Keynoter *MHT* All Star

October's keynote speaker, Eric Giler, CEO of WiTricity Corporation, was named to the *Mass High Tech* All-Stars. The 2009 class also includes previous WPI Venture Forum speakers David Beisel of Venrock and Patrick Larkin of the John Adams Innovation Institute.



WPI Venture Forum founders (from left) Bill Gasko, Jim Fee and Jim Dunn.

Founders Honored

During a special 20th anniversary awards dinner at WPI's Higgins House on October 1, the WPI Venture Forum formally recognized Founding Members Jim Fee '65, Jim Dunn '65 and Bill Gasko, PhD '67, emeritus board members Janet Britcher, Mac Banks, Bob Hokanson, Peter McDermott, Esq., Bob Creeden and Norm Brust, and honored Founding Sponsors Bowditch & Dewey LLP, Mirick O'Connell LLP, and Massachusetts Technology Development Corporation. In an emotional ceremony, Gina Betti presented plaques of recognition in appreciation for their dedication to the success of the WPI Venture Forum's 20 years of programming growth. √



Representing the Founding Sponsors are (back row, from left) Brian Dingman and Todd Jewett from Mirick O'Connell LLP; Nicholas Pappas from MTDC; (front row, from left) Jeff Donaldson from Mirick O'Connell LLP; Richard Foote, Michelle Young and Louis Ciavarra from Bowditch & Dewey LLP; Gina Betti from WPI.



Emeritus board members (from left) Bob Hokanson, Bob Creeden, Norm Brust, Janet Britcher, Peter McDermott and Mac Banks.

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