

**TUESDAY,
APRIL 13, 2004**

WPI, WORCESTER
Campus Center Odeum

REGISTRATION: 6:00 PM
MEETING: 6:30 – 9:00 PM

\$10.00 members
\$20.00 non-members

Raising money: experts tell you how

If your company is looking to raise capital from angel investors or venture capitalists, then you won't want to miss the WPI Venture Forum's April 13 program. Instead of the usual program format of a keynote speaker followed by a case presentation, the April program will feature presentations by three of the key players in an equity financing transaction - an entrepreneur who recently went through the money raising process, an angel investor and a venture capitalist.



CARLOS BIELICKI,
*president and
CEO TimeLab
Corporation*

Carlos Bielicki, president and CEO of TimeLab Corporation, will give us his perspectives as a "rookie" entrepreneur on the process of raising capital. After more than a year of discussions and negotiations with numerous angel investors and venture capitalists, Bielicki's company recently closed on a \$6 million venture capital financing. Bielicki will describe his company's quest to attract outside investment and will share many of the lessons he learned throughout the investment process.

Although a newly minted entrepreneur, Bielicki is a semiconductor industry veteran with 17 years of business development, sales and product management experience at leading companies

including IBM, Oak Technology, Chips and Technologies, and National Semiconductor. At IBM, Bielicki transformed a captive graphics chip product line from \$5 million in annual revenue to more than \$40 million in annual revenue. At Oak Technology, Bielicki grew Japan chip revenues for the Imaging Division from \$0 to more than \$16 million. Prior to joining TimeLab, Bielicki was director of North American sales at MicroTouch Systems (a subsidiary of 3M) where he

managed \$85 million in annual revenues and a team of 23 focused on OEM (original equipment manufacturer) and channel sales. Bielicki holds B.S. and M.Eng. degrees in electrical engineering from Cornell University.

The April program features two other panelists who are investors that fund start-up companies. Ilan Carmi, a partner at Kodiak Venture Partners, and Hambleton (Ham) Lord, managing director of Launchpad Venture Group, will describe the distinctions between angel investors and venture capitalists; attributes of a company that make the company a viable candidate for angel or venture investment; the investment process from the

APRIL MEETING
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VOLUME 13, NO. 8, APRIL 2004

Venture forum author guidelines

The WPI Venture Forum's monthly newsletter, *Vantage*, includes a variety of articles on the following topics of interest to entrepreneurs involved in technology-based businesses:

- Financial planning, accounting
- Raising money
- Sales, marketing
- Management practices
- Manufacturing operations
- Legal issues
- Human resources
- Internet, electronic commerce
- And more...

Articles can be tutorial in nature, technology or news briefs, or guest editorials. Each article should be between 500 and 800 words. Letters to the editor are also accepted, but should be no longer than 350 words. All articles are subject to editing. There is no guarantee, implied or stated, that submitted articles will be published by the WPI Venture Forum.

WRITING GUIDELINES

Please write your article in an inverted pyramid style, i.e. the main topic of the piece is summarized in the first one or two paragraphs. From there, expand on the topic in an interesting, logical and informative manner. Make sure that you cover the core concepts in sufficient detail so they may be readily understandable to the lowest common denominator audience. Ten tips for writing clearly*:

1. Keep sentences short—around 20 words.
2. Prefer the simple to the complex.
3. Develop your vocabulary, but this does not mean you should use a "big" word when a little one will do.
4. Avoid unnecessary words.

5. Put action in your verbs. Ex. "We aim to write clearly" rather than, "Clarity in composition is our intention."
6. Use terms your reader can picture.
7. Tie in with your reader's experience. Readers will accept your idea more readily if you make it plain how it links with his life and purposes.
8. Write the way you talk. A conversational tone is one of the best avenues to readable writing.
9. Make full use of variety.
10. Write to express not impress. Don't show off with complexity. Make your ideas clear and simple with direct writing.

*These notes are excerpted from copyrighted material in *The Technique of Clear Writing* by Robert Gunning, (McGraw-Hill).

NOTE: All articles must be unbiased and non-promotional in nature. The WPI Venture Forum reserves the right to reject any manuscript that does not meet established standards.

FORMAT FOR SUBMISSIONS:

- Text should be in Microsoft Word or ASCII text files.
- Each article should include at least 1 TIFF, PICT, or BMP graphics file, appropriately labeled with caption (optional).
- Please provide us with a brief (10-20 word) biography and method for readers to contact you, e.g. e-mail, fax, phone, or snail mail. You may submit your articles via e-mail (preferred method) to: polishpen@mac.com

Venture is published by the WPI Venture Forum on a monthly basis. If you have any questions, please contact Phyllis Hanlon at 508-248-5161, e-mail: polishpen@mac.com or Marcia Priestley at 508-869-2280, e-mail: Marcia@priestley.com ✓

Business Plan Contest

The WPI Venture Forum's 11th annual Business Plan Contest is open to all New England-based ventures at any stage — from pre-start through growth stage — that seek to raise money. To enter the contest, you must submit an executive summary. The entry fee is \$50. Entry deadline is 5/3/04.

In order to assist those who might desire to enter but need assistance with their business plan, professional support is available. All qualified ventures will have the opportunity for a complimentary one-on-one mentoring session with mentors from the Venture Forum. In these sessions, mentors will address questions relating to the business plan and/or to the presentation of the plan to investors. This mentoring event will take place in April.

Those who intend to enter the contest and desire mentoring help will need to submit a pre-entry application by April 5th.

Entrants will be screened by Venture Forum board members, and those that pass the first round will have an opportunity to present their plan to a panel of judges in mid-May. The finalists will be selected from these presentations. Finalists will present their full plans to the Forum membership and a panel of judges at the June 8 meeting. The winner is expected to receive a prize worth \$20,000.

As a further benefit to entrants, the finalists will each win a private pitch meeting with a venture capitalist, to take place in June/July.

Additional information and entry forms can be found at www.wpiventureforum.org, click on Business Plan Contest. ✓

How do you define *strong business model*?



To us, it's a concept that can attract paying customers. It describes a company that offers a proprietary solution to a large problem — better, faster, and/or cheaper than anything in the market today.

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*Venture capital for information technology, communications,
life sciences, and energy technology companies*



A LOOK AT FEBRUARY'S MEETING:

top techniques to

by

GAIL RADCLIFFE

February's Forum speaker William Contente, a managing partner at Lucash Gesmer & Updegrove LLP, provided a thorough overview of negotiating as well as some important caveats. He emphasized that the purpose of the negotiation should be the primary consideration. Each party should examine why they want the deal, what they think the other side wants and where they feel the middle ground might be. He suggested that looking at mutual interests, standards of fairness, facts and assumptions as well as viable alternatives will expedite the negotiation process, build trust and lead to a better working relationship.



RICHARD K. BERGER serves as moderator for the February meeting

and/or offer before setting expectations. Although many issues may arise, he advised both parties to prioritize goals. "You can't go to the mat for everything," he said. Most important, Contente emphasized the importance of ethical action.

Case presentation

Due to a scheduling conflict, VehicleSense, Inc., the case presenter originally on the program, was forced to cancel. Paricon Technologies Corporation, an innovative electrical connector manufacturer whose product helps to speed up processing times



A rapt audience hears expert advice on negotiation skills

through better connections between computer components, was featured instead. Roger Weiss of Paricon stated that the firm's product has quality, scalability, configuration,

Networking & Facility Tour

Date: May 27, 2004

Time: 6-8pm

Location: Spirol International
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AZAD ARM (l) AND JEFF STUTZMAN await the start of the February program.

Contente added that there are two types of deals: those that are designed to develop lasting relationships and those that are a one-time event. If the parties are negotiating a deal that will lead to a lasting relationship, it is important to be fair and equitable at all times, Contente noted. Otherwise, you may get the best deal, but it can lead to dissension down the road.

Additionally, Contente cautioned the audience to assess every proposal, suggestion

successfully negotiate any deal



Students from an ethics class learn effective negotiating techniques.

and cost advantages over the competition. He foresees a robust future for the company with projected market potential of \$1.2 billion in 2003, rising to \$12 billion in 2007.

According to Weiss, the company should be profitable this year and needs \$2 million in additional funding to expand the product into the marketplace and bring more personnel on board.



KUMAR CHITTIPEDDI questions the keynote speaker.

Panel comments

The panelists included speaker Contente as well as Peter Bannigan, senior vice president at Schwartz Heslin Group, and Robert Creeden, general partner at Egan Managed Capital, L.P. They commented that if Paricon

were to seek strategic partnerships, they should ensure that any potential partners' views are compatible with the company's vision. Additionally, the panel pointed out that angel investors are desirable as long as



The panel gives ROGER WEISS (l) advice after his case presentation.

they remain at a distance. The panel also indicated that sales, cash flow and an increasing customer base are the best ways to develop a company. Venture capitalists are important resources if the company needs a large amount of cash, but the panelists emphasized that a company must ask for investment when they don't really need the cash. They caution that if a company waited too long, the VCs will walk off with most of the company for the money invested.

February elevator pitch

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Formulas for entrepreneurial success

by
KEN GAEBLER

Is there a formula for entrepreneurial success? No. Well, kind of. Everyone has an opinion on what you need to do to grow your business but the reality is that there often is no single right answer.

Here's an example. Should you promote your product before it's done or wait until it's complete? Some have been successful promoting early and often; others have used the same strategy and have fallen flat on their face. Similarly, some have been successful waiting to promote until their product was rock solid; others have used this same approach and have failed miserably.

There are many similar questions where there are no right answers and one can succeed by taking either of two mutually exclusive paths. Should you bootstrap the company or should you bring in investors? Should you do extensive market research prior to starting product development or

should you prototype rapidly and adjust to customer feedback? Many consultants say they know the right way to achieve entrepreneurial success stories, but the reality is that there is no right way.

EFFECTIVE ENTREPRENEURIAL TECHNIQUES

Having said that, there is some empirical evidence that certain entrepreneurial techniques are effective. For example, it's widely accepted that a business started by multiple partners will be more successful than a business started by a single individual. Some smart person did their doctorate on the subject, collected all the data, and showed that this was the case. There was a strong correlation between having multiple partners and being successful.

But, as we all learned in Statistics 101, correlation does not equal causation. There are tons of multiple-founding-partner examples where the companies have failed. Similarly, there are tons of companies founded by a lone individual that have gone on to become household-name success stories.

What's funny is that these formula-for-success myths, which are often based on loose correlation, do tend to self-perpetuate into truisms. Humans have a herd mentality and

we buy into the popular wisdom (despite some smart guy's having said that what everybody knows isn't worth knowing). So, based on that study concerning having multiple partners in a startup, guess what has happened? Venture capitalists frequently won't fund a company that has a single founder because they think it is more likely to fail. So, in that case, correlation has transformed itself into causation and perhaps it's true that not having partners may hurt you in the market.

These truisms should not be placed up high on the altar of entrepreneurial wisdom. What works today, may not work tomorrow. Times change. You can do exactly what Successful Company X did that allowed them to get to their grand-slam IPO months ago but if the economy tanks or market dynamics shift dramatically, that formula won't work anymore.

Ultimately, all of this boils down to good common sense. Formulas are not going to help you. You need to have a "sixth sense" as to what the right thing to do is in any given situation. You need to have a breadth of experience and great peripheral vision to pick up on what's happening out there, what the patterns are, and how you can turn it all to your advantage.

That sixth sense is maybe partly genetic in nature, but certainly from age zero on, you hone that ability through the process of learning from your mistakes and, more important, learning from other people's mistakes, or by gathering a knowledge base from all of the lessons learned that are documented in the "open source" — articles in publications, speakers at conferences, etc.

So, to be sure, if you don't have that basic ability, that sixth sense, you are handicapped. But then there's also the ability to execute after you make a decision. It has nothing to do with formulas or with intuitive decision-making. This is basically good old operational excellence that's required. For example, if you decide to pre-promote your products before

Business Plan Workshop

The WPI Venture Forum is proud to announce its upcoming Business Plan Workshop, sponsored by Hamilton Brook Smith & Reynolds, P.C. and Goloboy Gallant & Associates P.C.

Date: April 28, 2004

Time: 6 – 9 p.m.

Location: WPI, Salisbury Labs,
Room 115, (Kinnicutt Hall)

Cost: \$25

To register, visit the website: www.wpiventureforum.org

Click on Business Plan Contest or call 508-831-5075

Registration deadline: Friday, April 23, 2004

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Raising money: experts tell you how

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investor's perspective; the current investment climate; the typical structure and terms of an angel or venture capital investment; ways that an entrepreneur can make his or her company more attractive to a professional investor; common mistakes made by companies before and during the investment process, and the relationship between a company and its professional investors after the financing transaction has closed.

Carmi focuses on communications and semiconductor investment opportunities. He is chairman of the board of CipherOptics and Trebia Networks and is a member of the board of Application Security, Azimuth Networks, BTI Photonics and Tiaris. Carmi's career includes extensive entrepreneurial, engineering leadership, and general management in the chip, data, and communications markets. Prior to Kodiak, Carmi spent several years with Nortel Networks (as part of the Bay Networks acquisition), where he was vice president and general manager responsible for Bay Networks' router business, including multiple products, markets and acquisitions. Carmi also served at 3Com Corporation as vice president and business unit manager, responsible for 3Com's enterprise gigabit switching business. Before 3Com, he joined a start-up, Chipcom Corporation, where as vice president of research and development (R&D) he built a world-class organization, and delivered two major platforms to the enterprise market. In addition, Carmi worked for Fibronics Ltd., in Haifa, Israel, where he was the director for R&D and delivered the first Fiber Distributed Data Interface product to the market. Carmi has a B.S.E.E. and an



**ILAN CARMİ, partner
at Kodiak Venture
Partners**

M.S.E.E. from the Technion (IIT – Israel Institute of Technology), and was a captain in the Israeli Air Force for five years. He is a private pilot and member of the U.S. Civil Air Patrol.

Lord has more than 20 years experience in the software industry, where he co-founded three software companies and is currently with Launchpad, a

Boston-based angel group that focuses on seed stage technology companies. He manages the group's deal flow, due diligence and investing activities. An active angel investor and advisor to early stage technology companies, Lord serves on the boards of three startup companies - Building Engines, JAM Technologies and Mok3.

Lord has senior management experience in the software industry, most recently as co-founder and vice president of marketing for Advanced Visual Systems (AVS). AVS develops software for scientists and engineers involved in applications such as Medical Imaging, Geographic Information Systems (GIS), Engineering Analysis and

Oil & Gas Exploration.

Prior to joining AVS, Lord was co-founder of two bio-informatics companies: MicroChem Technologies and Polygen. Both of these companies were pioneers in the development of software for drug discovery, and were part of an industry wide acquisition roll-up that resulted in the Accelrys division of Pharmacoepia.

Lord is a trustee of the Cape Cod Conservatory and received his degree in computer science from Brown University.

Jeffrey E. Swaim serves as moderator for the April meeting. ✓



**HAMILTON LORD,
managing director
Launchpad Group**

Spotlight on Entrepreneurs

The WPI Venture Forum invites entrepreneurs* to participate in a one-minute practice pitch for funding. Each entrepreneur is allowed to display one overhead slide, which they can bring or prepare on site with materials provided by the Forum. The one-minute rule is strictly enforced and no questions are allowed.

Each entrepreneur is allowed only one opportunity to present a one-minute elevator pitch per each new business venture. The main objective of this feature is to generate investments and/or advice, rather than sales.

**An entrepreneur is defined as someone who organizes, manages and assumes the risk of a business or enterprise. This can include pre-startups.*

Borrowing money: business loans vs. equity investors

Here's the lowdown on whether to borrow money or sell part of your business to an equity investor.

To raise money for your new business, you must decide whether you want to borrow money or sell ownership interests to equity investors. Often, you may not have many options — the person with money to lend or invest will obviously have a lot to say about it. But you should understand the pros and cons of choosing one over the other.

BUSINESS LOANS

Borrowing money to fund your business has many advantages. Usually, you'll borrow this money from a commercial lender or (if you're lucky) a friend or family member.

ADVANTAGES OF BORROWING MONEY

The main advantage of borrowing money is that, while the lender will charge you interest for using the money, he or she won't have any say in how you run or manage your business. More importantly, a lender won't be entitled to any of the profits you make; all you have to do is to repay the loan on time. In addition, you can typically deduct the interest payments (not principal payments) as a business expense.

If you're lucky enough to borrow money from a friend or family member, you'll typically pay a lower rate of interest than if you borrow the money from a commercial lender, and you can avoid paying the loan fees commercial lenders tend to charge. As an added bonus, you may be able to negotiate more flexible repayment terms than a commercial lender would permit.

DISADVANTAGES OF BORROWING MONEY

If you borrow money, you are committing your business to a fairly large business expense. You may have to make loan

payments when your need for cash is greatest (usually during your business's start-up or expansion). A commercial lender may require you to pledge property as security for the loan. A security interest simply means that if you don't repay the loan, the lender can take the property and sell it to recoup the money. And the IRS may be very interested in a friendly loan that is way below market rate.

If you pledge business property as security for the loan, and your business slows down or doesn't take off and you can't make loan payments, you may lose these valuable assets just when you need them most. Worse, if you pledge personal assets, such as your house or stock portfolio, you risk losing them to pay a business debt. You can ruin your relationship with family or friends if you can't pay them back — and maybe they can't afford to lose the money.

Finally, even if you organize your business as a corporation or a limited liability company (each of which provide owners with limited liability for business debts), almost all commercial lenders require owners of a new business to personally guarantee and/or pledge personal assets to cover the loan, wiping out this limited liability.

EQUITY INVESTORS

If you have friends, family or other people who want to invest in your business outright instead of simply lending you money, you can raise money for your small business this way, too. Allowing people to own part of your business comes with its own set of advantages and disadvantages, however.

ADVANTAGES OF EQUITY INVESTORS

Raising money through equity investors allows you to use the cash you raise to pay business start-up expenses rather than large loan payments. Further, investors often have

business experience and can offer you valuable advice, moral support and assistance. Unlike a loan, if your business loses money or goes broke, you probably won't have to repay your investors their initial investment. As long as you've thoroughly disclosed the risks involved in your business, your investors should understand and accept that they are not guaranteed to get their money back.

DISADVANTAGES OF EQUITY INVESTORS

On the downside, equity investors require a larger share of your business's profits than a bank or other lender. Since an investor is at a greater risk of losing his or her investment, you have to compensate the investor for this risk with a bigger payoff. In addition, no matter what business structure you choose, your co-owners have a legal right to be informed about all significant business events, as well as a right to ethical management. Your co-owners can (and probably will) sue you if they feel you are compromising their rights. This means you always have a responsibility to take your investors' interests into account when you make business decisions, even if it's not what's best for you.

In some circumstances where you have passive investors, the investment interests become "securities." This creates a lot of paperwork, starting with registration, and brings a host of other legal requirements down on your head. However, not all offerings of securities must be registered with the federal and state securities exchange commissions. The following are exempted:

- private offerings to a limited number of persons or institutions,
- offerings of limited size, and
- intrastate offerings.

For a quick summary of these exemptions, see the SEC website at www.sec.gov.

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Formulas for entrepreneurial success

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they are finished, you can do that very well or you can do that very poorly. To be successful, obviously, you need to do things well.

FINAL THOUGHTS AND KEY SUCCESS FACTORS

Recognize that life is a random walk. If a billion people flip a coin thirty times, one of them is going to get heads thirty times in a row. It will seem amazing to them, but a statistician will tell you that it was likely to happen to at least one of the billion people.

I remember some number of years ago a woman won a big state lottery jackpot twice. This was incredible and became front-page news. What were the odds of that happening? As it turned out, a statistician showed that the odds of it happening to someone were actually pretty high. The odds of it happening to you or me specifically? Extremely small. But there was a reasonable chance that across all 50 states over many years, given the number of jackpots per year and the number of people who seriously play the lottery, it would eventually happen to someone.

The same phenomenon happens in business. Should we bow down to Bill Gates because he is the be-all end-all of business and technological acumen? Or is he just lucky? Are there others who might have become Bill Gates had they not had the misfortune of failing at one or two tasks along the critical path that it takes to become a Bill Gates? Without a doubt.

I, for one, don't hold celebrities in nearly as much esteem as most do. Bill Gates is largely a phenomenon of luck. Having said that, I acknowledge that the guy is extremely talented and that most celebrities gain their status through a right-side-of-the-bell-curve level of determination and talent that mere mortals can't even understand. Perhaps, more important, they are in the game in the first place.

Could the woman who won the lottery twice have won the lottery even once if she didn't buy a lottery ticket? Obviously not. In

the same sense, Bill Gates could not have become BILL GATES if he didn't play the entrepreneurial game and if he didn't have the intuitive sixth sense and a ton of business, technical, managerial, and operational smarts.

Sure, you can increase your odds in the probability game of life. Being smart helps. Working hard helps. Growing your personal network helps. Having good role models helps.

Rather, your ability to succeed is based on your ability to transform countless "lessons learned" that you are exposed to over the course of your lifetime into the ability to make good decisions that increase your chances of success in a world where failure is always possible.

Having wealthy relatives helps. So there are many things that affect your "luck" and, family wealth aside, many of them are in your control.

A professional golfer said it best — "The more I practice, the luckier I get." To be successful as an entrepreneur, you first and foremost need to be willing to get in the game, to take the risk of being a failure (which, by the way, is what the odds say you will likely be). Then through hard work, some smarts, and determination, you can

minimize your risk of entrepreneurial failure.

But, despite acknowledging that the odds can be altered slightly in your favor through your own effort, my point is basically this. If you fail, you shouldn't necessarily take it personally. There are many things that are outside of your control and sometimes you just don't get the breaks. You should only take it personally if you failed because you were dumb (lacking the aforementioned sixth sense) or executed poorly. If that's the case, then by all means pile on the shame and guilt.

Outside observers who are tracking your progress — the smart ones anyway — view your failure the same way. Indeed, in this terrible economy, many companies are failing and in many cases it has little to do with managerial capabilities.

I met with a local venture capitalist and asked him if he holds it against entrepreneurs when they fail. He explained that as long as they execute their agreed-upon plan and hit their milestones, he never holds it against them. It's when they deviate from the plan or fail to execute that he harbors a grudge against them.

For those who do fail, there's some good news. Failure isn't so bad. It's actually a good thing in some respects. The beauty of failure is that you learn a lot of lessons along the way. The good entrepreneurs bank those lessons deep within their consciousness and intuitively, as if by reflex, use those lessons in the future to avoid making the same mistake twice.

So I don't believe in magic formulas for success but I do believe that one thing is very important to being successful. I learned it when I once had the pleasure of meeting with Leon Hirsch, founder and CEO of U.S. Surgical. Looking for formulas, I asked him what was the most important attribute for success. He told me "Son, make sure you have a good memory."

I must confess that initially I just thought he meant that he was growing old and that, to

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Borrowing money: business loans vs. equity investors

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WHICH SHOULD YOU CHOOSE?

Loans are better for businesses with cash flow that allows for realistic repayment schedules and businesses that can obtain the loan without jeopardizing personal assets. On the other hand, it's better to seek equity investments to finance a start-up venture, because you generally only have to repay investors if the business turns a profit.

Deciding whether to borrow money or take on co-owners can be tricky. If you don't

already know a tax advisor who specializes in small business issues, you will be wise to find one. Your personal tax situation, the tax situation of the people who may invest, the terms of the loan and the tax status of the type of business you plan to open are all likely to influence your choice.

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*Calendar of upcoming meetings**

May 11

Valuation

June 8

Business Plan Contest

**Topics subject to change*

Forum Radio Show explores Six Sigma

WPI Venture Forum

RADIO SHOW

Are you looking for an entertaining, educational and interesting way to spend a couple of hours on a Saturday evening? Join Bob Hokanson, executive producer of the Forum radio show, every Saturday* from 5 to 7 pm on WTAG AM 580 to hear interviews with area business professionals from a variety of industries. Call 508-755-0058 to participate in the discussions and ask your questions about entrepreneurship and managing technology-based companies.

*Sports events or late-breaking news stories may occasionally pre-empt the regularly scheduled program.

On January 24, the WPI Venture Forum featured Dan Burnham, former CEO of Raytheon, and Bill McInnis, a Six Sigma expert from Raytheon IDS. Worcester estate planning and elder law attorney Mark Worthington hosted the program that evening.

During the program, Burnham and McInnis explained the origins of Six Sigma and examined how Raytheon has contributed to advancing this business practice. Additionally, they offered advice to executives on how to incorporate Six Sigma in their businesses.

Six Sigma derives its name from "six standard deviations;" the concept is rooted in the quest for near zero defect manufacturing. However, Six Sigma has evolved far beyond its roots. The core of the method is to improve processes — any process, from administrative functions to service businesses. Comprising a set of tools for discovering and "curing" non-value added process elements, the driving force behind Six Sigma is a

positive attitude towards both customer and employee. While Six Sigma is appropriate for any business, it is not cost effective to hire a consultant if a company's gross annual revenues are less than \$1 million.

The Raytheon executives assert that Six Sigma is not simply another ineffective management fad. McInnis points out that the Dilbert cartoon strip has not parodied the practice — proof that Six Sigma is an effective business strategy. Burnham and McInnis concluded their remarks by recounting how Raytheon Six Sigma had provided the company with transformational change throughout its operations and how the benefits continue to be realized. During the call-in portion of the show several listeners commented that they now understood why Six Sigma was so valuable.

Worthington suggested that, in the public interest, Raytheon should offer Six Sigma consulting services to local firms to help revitalize the Massachusetts economy. ✓

Formulas for entrepreneurial success

CONTINUED FROM PAGE 9

his dismay, his memory was failing him, but later I've come to realize what he meant. He was trying to tell me first and foremost that there are no easy formulas for success. Rather, your ability to succeed is based on your ability to transform countless "lessons learned" that you are exposed to over the course of your lifetime into the ability to make good decisions that increase your chances of success in a world where failure is always possible. To do this, you have to have a good memory.

So, now, I would agree that while there are no magic formulas for success, a key success factor for would-be entrepreneurs is to have a good memory. I'd also add one other thing: don't forget to buy a lottery ticket.

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Ken Gaebler is founder and CEO of Gaebler Ventures, a Chicago-based business incubator and private equity firm. For more information on Gaebler Ventures, visit www.gaebler.com ✓

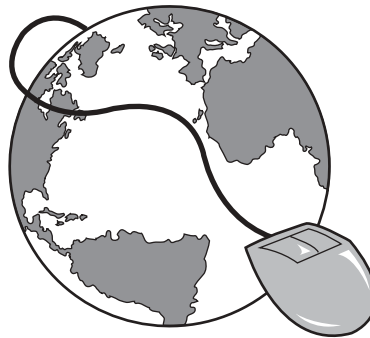
Websites of interest

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This website boasts an editorial staff of 80 editors and researchers who provide in-depth business information and knowledge. With a database of 12 million companies and extensive coverage of 40,000 internationally acclaimed business enterprises, Hoover's offers key information from stock market updates and business headlines to a small business center and book reviews. Check on the latest IPOs and national job openings and read the most up-to-date information to help you grow your business. The site offers a free newsletter as well as a range of subscription options that allow access to different levels of information.

WWW.VCAONLINE.COM

Billed as "a leading Internet-based marketplace for the venture capital and private equity industry," this site offers entrepreneurs, investors and advisors/service providers online services and tools to help launch a business. Extensive directories contain listings for hundreds of investors and advisors. Although the site promotes its flagship product, VCPro Database, there is still plenty of free information available. The News section brings the latest reports on



deals, funds, industry and transitions. A free business plan template will help you create your own personalized blueprint for success. The site offers a free newsletter as well to keep you abreast of all the latest business-related information.

WWW.TRAINERSLINK.COM

This website serves as a resource for producers and participants of webcasts, webinars, e-seminars, teleseminars, online workshops, distance education and training as well as industry conferences, symposiums and other IT-related events. The site provides information on events from a variety of sources including Price WaterhouseCoopers, Microsoft, National Institutes of Health, Ernst and Young, Industry Week, IT World, IBM, Manhattan Research. ✓



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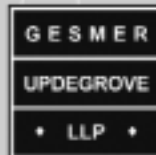
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