THE WPI VENTURE FORUM

Promoting and serving technology-based entrepreneurial activity *February 1996*

Fundamentals of Partnerships and Alliances

A look at the upcoming meeting

Tuesday, February 20, 1996
WPI Campus, Salisbury Labs, Room 115
Registration: 6:00pm
Meeting Begins: 6:30pm
Admission Fee: $7.00

At some point, most entrepreneurs will consider doing business with another entity, such as a company already in the marketplace for the product, suppliers, customers, or even competitors. Such partnerships or alliances may be the most viable way to get a product to market or to provide funding to meet required business goals. Both large and small companies are often interested in forming partnerships and alliances.

The February meeting of the WPI Venture Forum will address the formation of partnerships and alliances and look specifically at the issues that lead to the success or failure of such relationships.

Our featured speaker will be Clyde Rettig, President of Rettig Technology Alliances, South Natick, MA. Clyde consults to high-technology companies seeking to partner with other enterprises for the purpose of leveraging their own resources. Clients include start-ups, later-stage organizations backed by venture capital, newly public companies, and larger corporations, both domestic and foreign. His services include development of strategic partnering objectives, candidate identification and approach, as well as deal negotiation and closure. He is a past Vice President of Raytheon Ventures, founder of Softnet, Incorporated, and has held senior management positions at Bendix Corporation, American Can Company, Bain and Company, and Technology Management, Inc. He holds Bachelors degrees in both Management and Economics from MIT and an MBA, with distinction, from Harvard.

Case Presentation

Christopher B. Cobb, President and CEO
Edward E. Dann, Jr., COO
Kinetic Rehabilitation Instruments, Inc.
155-J Webster Street, Hanover MA 02339

Kinetic Rehabilitation Instruments (KRI) was founded in January 1993 by Chris Cobb and Ed Dann. KRI's goal is to provide the physically challenged community with a more functional living environment through assistive technology. KRI's initial product is a wheelchair mounted electro-mechanical arm called the "Helping Hand." The "Helping Hand" permits persons with severe physical disabilities, primarily quadriplegia, to establish a greater measure of independence by ▶

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Letter from the Chair

Finding the Resources You Need

One of the most difficult things about starting your own business (aside from finding the money), is finding FREE or CHEAP resources. It seems that there are always plenty of people around who would gladly help you out...for a price: either hefty dollars or a piece of the action. Most entrepreneurs neither have the dollars nor want to give away part of their dream. Those that are fortunate, however, and diligent, often find that there are resources, both planning and financial, that offer FREE or CHEAP assistance to entrepreneurs.

I'd like to briefly outline a few of those services that may be of help. Look for additional information in upcoming newsletters. Don't discount these services before you call and/or meet with them. They may help you a little or a lot. You don't know until you try.

First, of course, is the WPI Venture Forum. Our ten monthly meetings can provide education by way of exploration and by way of example (I learn something every time I listen to those case presenters)! In addition, the many sessions at the Annual Workshop, the Business Plan Workshop, and the Business Plan Contest all provide an opportunity to gather information (not to mention the Contest prize of cash AND free services).

Second, also among our ranks, is the Massachusetts Small Business Development Center (SBDC). Nancy McKenna, who is a volunteer on the Forum's Monthly Committee and our Marketing Committee, works for the SBDC at Clark University. The SBDC is a partnership of the state, the Small Business Administration, and a consortium of universities. It provides FREE confidential counseling to new businesses, expanding businesses, and troubled businesses. The SBDC maintains a full-time staff of counselors to provide one-on-one help in the areas of business plan preparation, loan proposals, capital formation, finance, marketing, accounting, international trade, and operations. In addition to the Clark University location, there is also a center at Boston College. To make it even more convenient to meet with her, Nancy spends a good deal of time meeting with clients at local Chambers of Commerce. To get further information, you can call the Clark University SBDC at (508) 793-7615.

The Small Business Administration's (federally funded) mission is to help people get into business and stay in business. The SBA provides counseling to small businesses and helps small businesses obtain loans by loan guarantees or direct funding. The SBA's office in Boston contains a resource center for small business owners. The SBA offers a Small Business Answer Desk which can be reached at 1 800 527-5722. Callers can get on the spot information on starting, managing, and/or expanding a business, obtaining financing, and operating a business.

The SBA also operates the Service Corps of Retired

Sponsor's Corner

For Richer or Poorer? How to Hold a Business Together When a Marriage Falls Apart

By Paul T. Hempel, Esq., and Carol Lynn May, Esq., Bowditch & Dewey

Reprinted from Worcester Business Journal, October 2, 1995

With $800 million in annual sales, Esprit de Corps of San Francisco was a highly successful clothing company, but almost failed in 1990 because of a business problem its owners didn't anticipate—their divorce. Because Doug and Susie Tompkins failed to develop an agreement stating how shares of the company would be divided if they divorced, their marital breakup almost caused a company breakup.

The Esprit de Corps case is not unusual. The National Family Business Council estimates that there are 1.8 million entrepreneurial couples in the United States. With more than half of all marriages ending in divorce, business assets are being divvied up in divorce court every day.

More than 90 percent of all US businesses are family owned, according to Small Business Reports, and a divorce's impact often cuts across more than one generation in a family business. A business owner who promotes a son-in-law or daughter-in-law to a key position, for example, may be faced with an uncomfortable business decision if there is a divorce.

Divorce also has an impact on a business even when a spouse is not directly involved. Anytime a shareholder divorces, the business can be faced with either buying out the spouse's interest or having an unwanted new shareholder.

Marital Assets

When a business owner divorces, the business is considered a marital asset to be included in determining a settlement. Most businesses do not have the cash flow to support such a settlement, so the business often has to take on a dangerous amount of debt to pay it. Other options, such as splitting the stock or forcing the sale of the business are even less palatable. Even if one spouse is given a minority share, the spouse could cause trouble for the business, since minority shareholders vote for board directors and can have an impact on management decisions. They also have limited access to company financial statements.

A business doesn't have to break up when a marriage does. In fact, it is usually in everyone's best interest to keep the business alive and prospering, since it is typically the major source of income for both spouses, and is the source of livelihood for others as well.

During a divorce, it is important to remember that probate court is not business court, so the judge may not have the business savvy of, for example, a bankruptcy court judge. It is the responsibility of the business owner's attorney to prove to the judge that the business should continue, and if a quick cash payment is ordered, that it could cripple the business.

Tax Tips

The attorney should also make the judge aware of the tax consequences of selling or liquidating a business. Failure to make that point in trial court proved costly in the case of Lois Fechtor v. Sheldon M. Fechtor, Appeals Court of Massachusetts, Middlesex (1989). The appeals court upheld the trial court's order for Fechtor to pay his wife $250,000, which Fechtor argued would force him to liquidate his stock in his brokerage business or sell other assets with adverse tax consequences. Noting that Fechtor had failed to raise the tax issue in the trial court, the appeals court upheld the trial court's decision.

In most states, including Massachusetts, the judge must seek an "equitable distribution" of marital assets. Massachusetts may have the broadest interpretation of equitable distribution of any state. Virtually all assets can be considered marital assets subject to division.

Prior to equitable distribution, divorce settlements and judgments were determined based on ownership of assets. If all of the assets were in the husband's name, the wife received little. Recognizing the unfairness of such a settlement, divorce law changed to provide a more equitable division of assets. With the ▶

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evolution of "equitable distribution," assets are not necessarily split equally. Instead, courts have discretion in how assets are divided, based on Massachusetts General Laws (M.G.L.) Chapter 208, section 34.

M.G.L. Chapter 208, section 34 says, "the court may assign to either husband or wife all or any part of the estate of the other." The law also says that, in determining a settlement, "the court shall consider the length of the marriage, the conduct of the parties during the marriage, the age, health, station, occupation, amount and sources of income, vocational skills, employability, estate, liabilities and needs of each of the parties and the opportunity of each for future acquisition of capital assets and income. The court may also consider the contribution of each of the parties in the acquisition, preservation or appreciation in value of their respective estates and the contribution of each of the parties as a homemaker to the family unit."

Spouse's Contribution

The contribution of the spouse can be particularly important when business ownership is involved. In the case of Jean M. deCastro v. Edson D. deCastro, Supreme Judicial Court of Massachusetts, Worcester (1993), Mrs. deCastro was awarded 50% of her husband's stock in Data General Corp., the computer company he founded. While deCastro's attorney argued that deCastro's "genius" was alone responsible for the success of Data General, the judge found that his wife "made an equal contribution to the marriage" by being a homemaker and contributing $15,000 from a joint savings account with her husband to start the business. The length of their marriage, 30 years, also played a role in the decision.

Equitable distribution is now widely accepted and often is fairer than an equal split of assets, but one spouse's concept of fairness frequently differs from the other's—especially when a stake in a business is involved.

When a business is involved, negotiating an agreement that is acceptable to both parties can take a year or more. The time involved usually is even longer if litigation is necessary. During that period, there is a risk that the business can become incapacitated, because the owner's interest, time, and attention are diverted by the litigation. This neglect alone may be enough to cause serious, and perhaps irreparable, damage to the business, so it is usually best to appoint an interim manager.

The damage of neglect can be compounded by the cost of litigation. Whatever liquid assets the couple may own are often depleted during the litigation process, which can leave both parties with less than they might otherwise have had.

Preventing the Breakup

Avoiding a lengthy battle can benefit both parties financially and emotionally. There is no way to ensure a reasonable settlement in a divorce case, but the probability of a quick settlement that is acceptable and fair to both spouses is greatly increased by planning ahead.

Happily married couples may feel uncomfortable about entering into an agreement that will prepare them for divorce, but all business owners should be prepared for the three Ds—death, disability, and divorce. To some extent, the same planning applies to all three. No one solution works for every case. If both spouses own the business, it is best for one spouse to be the majority owner—whichever spouse has invested more financial or sweat equity into the business—and to have a funding mechanism for buying out the minority owner.

Unless they are extremely compatible, entrepreneurial couples are often best off bringing in a general manager who can help them run the company objectively. When couples disagree about the direction of the company, decisions are sometimes based more on emotion than on sound business practice. Couples in business together also must learn to separate their professional relationship from their personal relationship. Marital squabbles threaten to destroy a business, especially if they are played out in front of employees or customers.

In appropriate cases, a prenuptial agreement should be considered and a funding mechanism should be in place to provide cash in case of a divorce. If there are multiple owners, a buy-sell agreement should set the terms for selling the divorcing spouse's shares. If a new son-in-law or daughter-in-law is coming into the business, a prenuptial agreement may provide the best protection for the family business.

Funding Cash Settlements

When a cash settlement is needed to avoid the sale of the business, which is most often the case, the settlement can be funded through a cash-value insurance product, a retirement

plan, or liquid assets. These assets, however, may be subject to division as marital assets.

Split-dollar life insurance in many cases can be a useful funding mechanism. Premiums on a split-dollar policy are split (not always equally) between the policyholder and the corporation, and the corporation is later repaid from the owner's death benefits. Split-dollar plans accumulate cash value over time and the cash reserves can be used to fund a divorce settlement. The executive can also avoid paying taxes on most of the income. As long as the life insurance is in force, taxes must be paid only on the economic benefit executives receive by not buying the insurance themselves.

A profit-sharing plan or pension plan can also be used as a funding mechanism, although current funding limits may not allow sufficient contributions to fund a settlement. In addition, plan assets are marital assets and are subject to division. Contributions to qualified retirement plans, such as Keogh plans and 401(k) plans, are tax deductible and returns from investment of funds are tax deferred. Tax penalties for early withdrawal are a significant disadvantage to using retirement funds for a divorce settlement. Unless liquid assets, such as cash and securities, are used up during lengthy negotiations they should also be available to fund part of the settlement.

If a corporation owns more than one line of business, another option is to sell one of the lines or to form a separate company and to give the stock to the spouse.

Buy-Sell Agreements

In the case of a multi-owner company, it is crucial to have a mechanism in place to purchase the shares of an owner who is divorcing. A buy-sell agreement is used to set the terms for the sale of company stock, and determines when a shareholder must sell and at what price. Buy-sell agreements typically are funded for death by purchasing insurance on the life of each owner. Cost-effective options are available. First-to-die policies, for example, allow more than one owner to be covered by a single policy.

There are several ways to set up a buy-sell agreement, but typically it should stipulate that a shareholder may not transfer shares to another party without first offering to sell the shares to the company and the other shareholders. The agreement may even stipulate that shares cannot be transferred except to one of the other shareholders.

Be forewarned, however, that the buy-sell agreement is unlikely to be the only factor in valuing the business, even if a spouse is an original party to the agreement.

To help ensure that the agreement is binding, it should contain language acknowledging that the spouse had full access to the corporation's financial records, has been represented by independent counsel or has waived that right, and intends to be bound by the terms of the agreement.

Multi-Generational Settlements

When a son-in-law, daughter-in-law, or other nonfamily member is brought into the business through marriage, it is often worthwhile to have a spouse sign a prenuptial agreement before getting married. To be enforceable, the provisions must be fair and reasonable. An agreement may, for example, keep a spouse from jointly owning company stock, but the agreement must make suitable provisions for the spouse in the future if a divorce occurs, especially if the marriage lasts for many years. If assets, income, and liabilities are not fully disclosed, or if the division is not considered fair and reasonable at the time of enforcement, the agreement may be invalidated.

Parents can prevent unwanted changes in company stock by setting up irrevocable trusts for their children. Irrevocable trusts provide the best protection, because terms of ownership cannot be changed. However, when a trust is irrevocable, parents also lose control over the shares. Interest in a trust can still be subject to valuation as a marital asset.

Valuing the Business

When business ownership is involved in a divorce settlement, the business should be appraised. Factors used in valuing a business, according to IRS regulation 59-60, should include the nature and history of the business, its economic outlook and the outlook of its industry, the book value of the stock and financial condition of the company, the company's earnings and capacity to pay dividends, goodwill and other intangible assets, other sales of the corporation's stock, and the market price for stock of comparable companies.

Divorce valuations include all business assets. Cash, marketable securities, and non-operating assets, such as art, are usually not included in the

Past Meeting Summary

Financial Statements as an Operating Tool

By Kathleen F. Birmingham, Research Analyst, Massachusetts Technology Development Corp.

The WPI Venture Forum's December meeting was well attended by a group of hearty entrepreneurs who braved the freezing temperatures to listen to George Vaughn's presentation on using financial statements as operating tools. George's expertise comes from his background as CFO of XRL, Inc. a manufacturer of semiconductor equipment, as a CPA, and currently as a principal at Hurley, Vaughn & Associates, PC. His talk was followed by a presentation by Edward Bernstine, Chief Scientist, and George Oram, CEO, Fibromed, Inc., a development-stage pharmaceutical company. Robert O'Connor of O'Conor, Wright Wyman, Inc. moderated.

No Nonsense Approach

Mr. Vaughn provided a clear, no-nonsense approach to using financial statements in the running of a business by focusing on three points: (1) What are they?, (2) Why are they important? and (3) Why use them? Mr. Vaughn illustrated the three standard financial statements (balance sheet, income statement, statement of cash flows) and described how they relate. He also advised entrepreneurs to carefully consider the notes to the financial statements, since details not readily apparent in the financials are often included in the notes. As to the question of why financials are important, Mr. Vaughn stated that they are required by banks, venture capitalists, insurance companies, and regulatory agencies. While these year-end financial statements are required for reporting purposes, Mr. Vaughn indicated that the entrepreneur that effectively uses financial data to run a business on a daily, weekly, and/or monthly basis will find that he/she is better able to manage the growth of the business.

Mr. Vaughn's advice to entrepreneurs is to utilize financial data to project the future financial condition of the business, not simply to discover what happened yesterday or last week. Most entrepreneurs keep careful watch over their daily cash position to ensure that they have enough money to pay today's bills. By using historical data, line-by-line cash flow projections can easily be constructed. Some simple assumptions (purchase of capital equipment, tax payments due, etc.) can be incorporated into the projections to provide the entrepreneur with an accurate picture of what the business will look like several weeks or months out. If a cash shortage is evident in the projections, the entrepreneur can make adjustments several weeks or months before the event to ensure that cash is available and liquidity is maintained.

Mr. Vaughn concluded by describing several financial and operational ratios, many of which are used by banks and venture capitalists in assessing the condition of a business. Some common financial ratios include net working capital, the current ratio, and time-interest-earned; common operating ratios include receivables collection period, receivables turnover, inventory turnover, and days sales in inventory.

There were several questions from the audience regarding accounting software packages, specifically, which ones to use. Mr. Vaughn recommended Quick Books and One Write Plus for their simplicity and ease of use. For more advanced accounting, he recommended Solomon's software.

Case Presentation

Fibromed, Inc., Boston, MA

Fibromed, Inc., is a development-stage pharmaceutical company engaged in the commercialization of products for the prevention and treatment of fibrosis, a medical condition resulting in the deposition of exorbitant amounts of collagen which causes excessive scarring and hardening of human tissues. Approximately 4.5 million

patients are currently seeking care for fibrotic conditions.

The Company has developed a proprietary technology whereby the production of a collagen-building enzyme is inhibited. Fibromed is focusing on expediting the completion of pre-clinical studies required by the FDA for continued progress. While other technologies are currently being developed to treat fibrosis, the Company's founders believe that their technology is the least invasive and most straight-forward with the lowest probability of adverse side effects. The Company is seeking funding of $3-$4 million. Fibromed has identified eight potential products with a broad range of therapeutic applications, representing a potential market of $2.8 billion. The Company sought advice from the panel on three issues: (1) How should Fibromed package the technology in approaching strategic partners? (2) What should be the basis for deciding which products should be given priority development? and (3) How should they approach the financial community?

Panel Comments

The panel included George Vaughn of Hurley, Vaughn & Associates, Inc., Amy Porter of Healthcare Business Development, and Fred Reinhart of N.E. Medical Center, Technology Administration. Ms. Porter began by questioning why the founders chose to start a company instead of licensing the technology to an established pharmaceutical company that would have the resources to conduct the necessary carcinogenicity studies and fully develop the product. Both Messrs. Bernstine and

Monthly Meeting continued from page 1

being able to manipulate daily-use objects and control common devices in the home, community, and work environment. The "Helping Hand" can be operated with a variety of switches: sip'n'puff, chin/head controls, and joysticks.

KRI has submitted preproduction units of the "Helping Hand" to the Veterans Administration for evaluation. Feedback from the VA indicates that the "Helping Hand" is enthusiastically received. KRI expects to receive formal notification of VA endorsement in the near future.

To date, funding of the company has been through 25 separate investors. Once VA endorsement is obtained, KRI feels that they will be ready to proceed with FDA approval and develop the financing, marketing, manufacturing, and management necessary to establish KRI as a leader in assistive technology.

KRI would like the panel to provide comments and guidance on the following issues:

1. The founders feel that they need experienced leadership to be successful. Should they hire a CEO; can the founders provide this leadership with assistance from outside advisors or is there some other method that would work?
2. Should KRI continue to rely on incremental investment by a large number of small investors, thus preventing any one investor from taking control or should they attempt to attract a single large investment to take them to profitability?
3. What are the pros and cons of a strategic alliance and how would they go about attracting a suitable partner?

Panelists for the evening are:

- Mr. Michael DuCros, a Partner of Atlas Ventures, a venture capital firm specializing in medical startups. He was previously a General Partner of Aspen Ventures and a Vice President of 3i Ventures. He has 25 years experience in the medical instrumentation industry and sits on the boards of eight companies.
- Mr. Albert T. Kelley, President and CEO of Applied Fiberoptics, a manufacturer of fiber optics-based laparoscopic vision devices. Prior to joining Applied Fiberoptics, he held several senior sales and marketing positions at Zoll Medical, helping expand the company from $5 to $48 million in annual sales. He has held senior sales and marketing positions at Baron Technologies, Catheter Technology, Becton Dickinson, and Johnson & Johnson.
- Mr. Clyde Rettig, President of Rettig Technology Alliances, is also our speaker for the evening. **VF**

Past Meeting Summary

Choosing Advisors & Directors

By Mark V. Parish, PhD, CeraNova Corp.

The very interesting and informative November meeting of the WPI Venture Forum opened with a presentation on the evening's topic by Mr. Howard Jacobson. Mr. Jacobson is a senior advisor to Bankers Trust, and is also a director for several companies, including Stoneyfield Farm, Inc. The case presentation in the second portion of the meeting was presented by Dr. Hugh McLaughlin, Vice President, and Lawrence Grumer of Waste Min Incorporated. The moderator for the meeting was Paul McGrath, CPA, a partner at Mottle McGrath Braney & Flynn, P.C., of Worcester.

Advisors and Directors

Mr. Jacobson provided general advice and many examples on forming and dealing with a Board of Advisors and a Board of Directors. He started out by covering some of the general responsibilities he experienced as a director. A board fulfills a legal requirement of incorporation, provides advice and counsel to the CEO, legitimatizes the company, and determines policies. The board also hires and fires the CEO. The directors are elected by the stockholders, and though they represent the stockholders, their decisions are based on the what is the best path for the company. Advisors on the other hand could be selected by the executives and offer advice on the decisions facing that group.

Mr. Jacobson shared his personal experiences as a board member of a number of companies, each of which needed different attention for different problems. His first exposure was with a bank where he added much-needed direction and policy to the growing concern. His second experience was one of his most difficult; he took control of the board of a family owned business and had to split the company up. In a third case, Mr. Jacobson was on a board that merged one company with another. In this case, he found himself representing the "under-represented" stockholders. He pointed out the seriousness and legality of being on the board. One of the remaining cases that carries special significance to the entrepreneurial audience at the Forum was one where a science-oriented founder realized he needed a non-scientific board member to add good, practical business advise, rounding out his board of directors.

Choose the Right People

Mr. Jacobson stressed the importance of choosing the right people for your board. Your accountant or lawyer, head hunters, and search firms are all possible starting places to look for referrals for directors. It helps if your directors are highly visible in areas where it will help you (e.g. in your field). Also, insist on an outside director that could head an audit committee to separate this important function from your company's internal activities.

The board is legally responsible for the company's health and well-being . The duties are accomplished by dividing the board into committees responsible for specific areas. For example, a compensation committee approves the compensation of the employees. For

small companies and boards, the whole board acts as a committee. The meetings are run by the chair, with an agenda set by the chair and the CEO. Key management and the CFO should be present.

Mr. Jacobson ended his discussion with suggested ways to compensate the Board. He has seen boards that pay from $3,000 to $100,000 per year per member, with a fee paid for each meeting attended. A small company or a start-up may have to compensate in more unique ways. To find out more, read books available at your library, or contact the National Association of Corporate Directors.

Case Presentation

Waste Min Incorporated

Waste Min was formed three years ago to develop a proprietary method to regenerate used activated carbon for less than half the cost of current carbon replacement and regeneration options. Dr. McLaughlin presented the history of the field, the technical methods used in the field today, the current market conditions, and how Waste Min's process works. Mr. Grumer followed with a presentation on marketing and production plans.

Waste Min's business plan provided for a $2 million capitalization of a commercial facility based on its technology. The facility will regenerate up to 10 million pounds of activated carbon per year. The total market for activated carbon is 310 million pounds annually in the US alone. Sales will reach an annual level of $2 million at a profit of 40 to 60 percent. Under this plan, the company expects to be profitable after nine months.

Panel Comments

The three guest panelists included: John E. Wolfe, President of Holometrix, Inc. and Tytronics, Inc., Chairman of the Board of Trustees of Bryant College, and a member of the Executive Board of the MIT Enterprise Forum; Stephen Ricci, general partner from One Liberty Ventures with an institutional investor's point of view; and Skip Irving, Vice President, Commercial Development of the Massachusetts Biotechnology

WPI Venture Forum Radio

Radio Show Highlights

Tune in to the WPI Venture Forum Radio Show, Saturdays on AM 580 WTAG, 5-7pm.

FEBRUARY 3, 1996
Don Birth, WPI Entrepreneur's Collaborative

FEBRUARY 10, 1996
Shari Worthington & Marianne Rogers, CPCU, Home-based Businesses & Insurance

FEBRUARY 17, 1996
Brian Dingman & Norm Brust, Partnership Alliances

FEBRUARY 24, 1996
Bob Creeden & Peter McDermott, Hiring Employees for Your Business

MARCH 2, 1996
Mitch Mitchner, Health Insurance Regulations

MARCH 9, 1996
Professor Al Saco & Steve

Cyberspace

Web Sites for Entrepreneurs

By Norman Brust, President, NTB Associates

February's sites are an eclectic collection of Web sites that may be of interest to entrepreneurs. Published sporadically as my schedule and your suggestions allow.

My Virtual Reference Desk

(http://www.refdesk.com/main.html)
This site closely approximates the reference section of a library. It has a newspaper, an encyclopedia, a quick search of the Internet, quick references such as what an abbreviation or acronym stands for, an area code lookup, zip code lookup (forward and backward), and Roget's Thesaurus. This site should definitely be on your bookmark list.

Yahoo Business Listings

(http://www.yahoo.com/business/corporations)
This site lists several dozen business categories. Below each category there are dozens to hundreds of companies listed. Each company is linked to their home page. An excellent reference source for finding a company that specializes in a given field or for seeing what your competitors are up to.

CommerceNet

(http://www.commerce.net)
A consortium of over 130 companies that bill themselves as the first large scale market trial of electronic commerce on the Internet. They operate an Internet-based World Wide Web server with directories and information that facilitate an open electronic marketplace for business-to-business transactions.

Better Business Bureau

(http://www.cbbb.org/cbbb)
Home page for the Better Business Bureau. The BBB provides reports on business firms and information on charity groups and organizations. They also help resolve consumer disputes and promote ethical business standards.

Year 2000 Home Page

(http://www.year2000.com)
Most computers are programmed to recognize the year 96 as 1996. Unfortunately, the upcoming year 00 will be recognized as 1900 rather than 2000—not a trivial problem for thousands and thousands of applications! This site provides a forum for information on this problem and discussion of possible solutions. This site also provides access to information made available by vendors and service providers. Hot links are provided to Year 2000 reference data.

Web Site Contributions

Please send me your favorite Web site contributions for publication. Your input is one more way we can help each other through the Venture Forum.

Surface Mail: Norman Brust, NTB Associates, 323 Water Street, Pembroke MA 02359
Voice: 617 826-6110
Fax: 617 826-8826
E-mail: ntbrust@ultranet.com

VF

Annual Workshop

Rainville & Giler to Speak

By John D. Turbessi, 1996 Workshop Committee

On Saturday March 30, 1996, the WPI Venture Forum proudly presents its 6th annual Entrepreneur's Workshop, Vision to Reality: Lessons from Successful Entrepreneurs. This one-day seminar provides entrepreneurs with a terrific opportunity to learn more about starting and managing a business. Two of the many successful entrepreneurs who will be featured are this year's keynote speakers are William A. Rainville, President and CEO of Thermo Fibertek, Inc. and Eric R. Giler, Founder, President, and a Director of Brooktrout Technology.

The workshop will begin with a keynote address by William Rainville. Thermo Fibertek is a public subsidiary of Thermo Electron which makes equipment and accessory products for the paper and paper recycling industries. Mr. Rainville joined Thermo Electron in 1972 as a sales engineer for Lodding, a division of Thermo Electron. By 1986, Mr. Rainville had grown through several positions and was named vice president and group executive of Thermo Electron. Since the spinout of Thermo Fibertek in 1992, Mr. Rainville has guided the firm to successive years of impressive growth. In addition, Mr. Rainville was named senior vice president of Thermo Electron and sector executive of its industrial businesses in 1993.

The luncheon will feature Eric R. Giler, founder, President,

WPI Venture Forum Presents...

Business Plan Workshop

Seminar Series

Keys to Developing a Successful Business Plan: A Hands-On Series

Beginning Thursday, February 8, 1995, the WPI Venture Forum will conduct a five night workshop on "Developing Your Business Plan." This hands-on, interactive session will be facilitated by Robert Creeden. Mr. Creeden is a Vice President with the Massachusetts Technology Development Corporation, an early stage venture capital firm focusing on technology-based companies in Massachusetts.

The program will be offered over five consecutive weeks for two hours and will be held on the campus of WPI. Participants will work with Mr. Creeden and other facilitators on the development of their business plan. The sessions will be both tutorial and interactive in nature, discussing the objectives, components, and format of a good business plan, with time for individual attention given to participants.

Due to the interactive format of the workshop, only ten companies will be allowed to participate. The fee for all four nights, including workshop workbook and other materials is $95.00.

Workshop sessions will be held on Thursdays, beginning in February: February 8, February 15, February 29, March 7, and March 14, 1996.

This is the perfect training ground if you plan on entering the WPI Venture Forum

Business Plan Workshop Registration

Name _____

Company _____

Address _____

City, State, Zip _____

Phone (____) _____

$10,000

4th Annual Business Plan Contest

$10,000

The WPI Venture Forum is pleased to announce its 4th Annual Business Plan Contest, this year sponsored by Testa, Hurwitz, & Thibeault. As in past years, the Forum will award a contest prize of $10,000 total value to the company with the best business plan for a technology-based venture. The award will be given this spring and will consist of $5,000 cash and $5,000 in business-related services.

Eligibility

The competition is open to all participants in the WPI Venture Forum and all other New England area entrepreneurs. To be eligible, applicants must submit a business plan meeting the following criteria:

- The plan must involve a technology based venture
- The plan must describe the development of a product, application, or process in an existing business, or the start-up of a new business.

Business Plan Entry

Each entrant must submit one(1) copy of the business plan with an entry application. The applications will be available in February 1996. The business plan should be no longer than twenty (20) pages in length, excluding exhibits. It is not necessary to disclose any proprietary information or technical details. The plan should, however, describe the critical factors in starting, operating, and growing the planned new product or business. The plan should include, but not be limited to, a description of the following:

- Product, Service, or Process
- Market Size and Growth
- Financial Statements and Projections
- Competitive Analysis
- Potential for Protecting Proprietary

WPI Venture Forum
Worcester Polytechnic Institute
Alumni Association
100 Institute Road
Worcester, MA 01609
(508) 831-5821

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WPI Venture Forum Calendar of Events

February 20, 1996
Partnerships/Alliances

March 19, 1996
Attracting Key Employees

March 30, 1996
1996 Annual Workshop

April 16, 1996
Effective Networking

May 21, 1996
Raising Money

June 11, 1996
Business Plan Contest
(note that this is the 2nd week of the month, not our usual 3rd week meeting)

For a recorded announcement of the next program or to receive future mailings, call (508) 831-5821.

Directions to WPI Campus, Salisbury Labs, Room 115

From the East—Take Mass Pike (I-90) West to Exit 11A (I-495). Proceed north to I-290, then West into Worcester. Take Exit 18, turn right at end of ramp, then an immediate right before next traffic light. At next light, proceed straight through, bearing to right on Salisbury St. At the WPI sign, turn left onto Boynton St., then right onto Institute Rd., then right onto West St. Visitor parking is on left after foot-bridge.

From the West—Take Exit 10 off the Mass Pike to I-290 into Worcester. Get off at Exit 17 (Lincoln Sq. Belmont St., Rt 9) and turn left off ramp. Continue through Lincoln Square to Highland St. following Rt 9. Turn right onto West St., past the first intersection, then go to third building on the right. Parking on left.

WPI Venture Forum Presents—

February 1996

A Special Seminar Series:

Business Plan Workshop

(See Page 11)