

TUESDAY,
JANUARY 13, 2004

WPI, WORCESTER
Campus Center Odeum

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

\$10.00 members
\$20.00 non-members

Defining leadership in today's technology driven world

JANUARY MEETING
Sponsored by...



contents

<i>The 2003 Tax Act</i>	2
<i>A look at November's meeting</i>	4
<i>Why Goliath needs David</i>	7
<i>Choosing a business entity</i>	8
<i>Elevator pitches</i>	9
<i>Websites of interest</i>	11
<i>Sponsor Highlight</i>	12

At the WPI Venture Forum's January meeting, Roy Hirshland, president, CEO, and co-founder of high-technology focused T3 Realty Advisors, will address the vital role of leadership as it relates to customers in technology industries as well as to associates in a company's particular business sector. Hirshland believes leadership is a key ingredient to the success of all high technology businesses today.



ROY HIRSHLAND, *president, CEO and co-founder, T3 Realty*

An entrepreneur's entrepreneur, Hirshland formed and managed a high-tech real estate practice in top-tier Boston commercial real estate organizations for more than a decade. He was also a partner, board member and senior vice president at Meredith & Grew. In 2001, Hirshland recruited two of his key fellow employees as co-founders and formed T3 Realty. His carefully selected and recruited board of advisors includes a prominent high-tech CEO, three well known venture capitalists with technology experience and a technology transfer executive from a major academic institution.

Hirshland has helped increase T3 Realty business revenues through the development of relationships with more than 60 new customers – all New England technology driven companies, including RSA Security, Macromedia and Avici Systems. He then built an employee-oriented personnel plan to entice new staff to join this growth company and be rewarded for their achievements.

As president and CEO, Hirshland is T3 Realty's visionary —setting strategic direction, developing its growing portfolio of services and establishing key relationships with service providers. He has helped build T3 Realty into the region's leading real estate firm focused on advising technology companies and venture capital firms.

Mass HighTech named Hirshland one of the "10 Business Leaders to Watch in 2001," and in 2002 the Boston Business Journal deemed him one of the top "40 under 40" executives in

WPI VENTURE FORUM

SPONSORS

Bowditch & Dewey LLP

CORPORATE, INTELLECTUAL PROPERTY,
AND BUSINESS LITIGATION

Michael A. Refolo 508.926.3425

Monica Grewal 508.879.5700

www.bowditch.com

Edwards & Angell LLP

VENTURE CAPITAL & INTELLECTUAL PROPERTY

Imelda Kenny 617.439.4444 x2251

www.EdwardsAngell.com

Goloboy Gallant & Associates PC

CERTIFIED PUBLIC ACCOUNTANTS,
TAX AND BUSINESS ADVISORS

Andrew Goloboy 781.449.3700 x321

Jason Goloboy 781.449.3700 x301

www.golcpa.com

Hamilton Brook Smith & Reynolds, P.C.

PATENTS, TRADEMARKS, COPYRIGHTS AND LITIGATION

David J. Thibodeau, Jr., Esq. 978.341.0036 x3304

Timothy J. Meagher, Esq. 978.341.0036 x3285

www.hbsr.com

Lucash Gesmer & Updegrove, LLP

THE TECHNOLOGY LAW FIRM

Patrick R. Jones 617.350.6800

www.lgu.com

MTDC

VENTURE CAPITAL

Robert J. Crowley 617.723.4920

www.mtdc.com

Mirick O'Connell, CORPORATE, BUSINESS AND

INTELLECTUAL PROPERTY LAW

Brian Dingman, Esquire 508.791.8500

Jeffrey L. Donaldson, Esquire 508.791.8500

www.modl.com

Sovereign Bank

John F. Merrill 508.890.6818

www.sovereignbank.com

Sullivan Group & Risk Management

INSURANCE FOR EMERGING VENTURES

John M. Briscois, CPCU, LIA 508.471.9007

1.800.649.1553, ext 3007

www.sullivangroup.com

Sullivan & Worcester

Audrey Roth 617.338.2800

www.sandw.com

Weingarten Schurgin Gagnebin & Lebovici LLP

PATENTS, COPYRIGHTS, AND INTELLECTUAL PROPERTY LAW

Charles L. Gagnebin, III 617.542.2290

www.wsgllp.com

EXECUTIVE BOARD

Paul F. McGrath, CHAIR

Amar Kapur, VICE CHAIR

John Merrill, TREASURER

Richard Prince, PAST CHAIR

McRae C. Banks, Ph.D.

Norman T. Brust

Mark J. Conoby '83

Will Cowen

Brian Dingman, Esq.

Mark Freitas

Phyllis M. Hanlon

Robert E. Hokanson

Julie Jacobson

Alex McLachlan

Kevin O'Sullivan

Mark Parish

Marcia Priestley

Gail Radcliffe

Michael Refolo

Stephen E. Rubin '74

Pamela Sager

Tom Wharton

Shari Worthington

COMMITTEES

NEWSLETTER CO-EDITORS:

Marcia Priestley 508.869.2280

Phyllis Hanlon 508.248.5161

BREAKFAST WITH SERIES

Amar Kapur 508.832.6542

BUSINESS PLAN:

Brian Dingman 508.898.1501

CEO ROUNDTABLE

Thomas W. Wharton 508.799.7749

MARKETING: Shari Worthington 508.755.5242

MONTHLY PROGRAMS: Gail Radcliffe 508.835.1688

RADIO PROGRAM: Bob Hokanson 508.869.2984

SPONSORSHIP & ADVERTISING:

Mac Banks 508.831.5075

SPOTLIGHT ON ENTREPRENEURS:

Norman T. Brust 508.697.7200

OFFICE

telephone: 508.831.5075

e-mail: ventureforum@wpi.edu

www.wpiventureforum.org

WPI VENTURE FORUM ©2004

A monthly publication of The WPI Venture Forum

100 INSTITUTE ROAD, WORCESTER, MA 01609

VOLUME 13, NO. 5, JANUARY 2004

The 2003 Act: tax relief for individuals and businesses



by

PAUL F. McGRATH

EXTENSION OF BONUS FIRST YEAR DEPRECIATION

Business depreciable assets are written off over a period of time through annual depreciation deductions subject to Internal Revenue Service (IRS) guidelines. This Act allows a taxpayer the election of an additional first year depreciation of 50% for the qualified property. The basis of the property is then reduced in computing regular depreciation. However, there are some caveats. The property must be:

- Subject to MACRS (modified accelerated cost recovery system), according to IRS guidelines, and have a recovery period of 20 years or less
- Water utility property
- Eligible computer software
- Qualified leasehold improvement property
- Acquired and put into use after May 5, 2003 and before January 1, 2005

CONTINUED ON NEXT PAGE

As we embark upon the New Year, let's look at some "gifts" that were given to us by our legislators in Washington. I am, of course, referring to the Jobs and Growth Tax Relief Reconciliation Act of 2003 — or more simply put, the 2003 Act.

This Act was passed with the intention of providing federal income tax relief to nearly every individual and business taxpayer. Since most early stage companies are formed as a type of pass-through entity, i.e. taxes and/or benefits are paid or received at the individual level, the tax law changes can have quite an impact.

First of all, let's look at the business incentives.

Please visit the website at
www.wpiventureforum.org
for directions to the meeting

SECTION 179 EXPENSING INCREASED TO \$100,000

Section 179 of the IRS Code has been around for many years. This particular section allows a taxpayer to expense the cost of depreciable assets in the year of acquisition, subject to tax law limits. It has been a great tax advantage for small businesses. The new law increases the deduction from \$25,000 to \$100,000. There are some limitations, however:

- The amount that can be expensed each year cannot exceed the taxpayer's taxable income derived from the active conduct of a trade or business for the tax year.
- The dollar amount is phased out dollar for dollar as the taxpayer's cost of qualifying property for the year exceeds \$400,000.

- Property qualifying for the election must generally be tangible personal property. However, off-the-shelf computer software does now qualify.

INDIVIDUAL RATE REDUCTIONS

The changes at the individual level are as follows:

Individual incomes taxes are computed on a graduated tax scale. The rates for 2003 have been reduced. The following table summarizes a comparison of the old and new rates:

Old Law	New Law
10%	10%
15%	15%
27%	25%
30%	28%
35%	33%
38.6%	35%

For most tax brackets, there is a 2% differential.

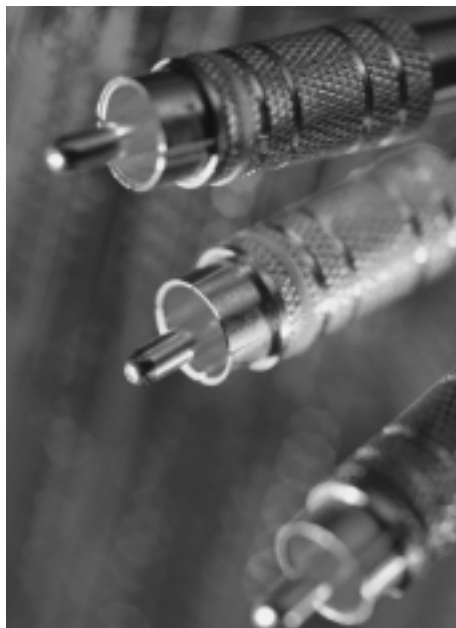
DIVIDENDS AND CAPITAL GAINS

Dividends are now taxed at 5% for taxpayers in the 10% and 15% bracket, and at 15% for all other taxpayers. There is a holding period and other special rules that also apply. The tax on capital gains for 2003 will mirror those on dividends. However, the new capital gain rate applies to transactions after May 5, 2003. A transitional rule applies for capital gains realized before May 6, 2003.

In general, there should be tax savings that will provide start-up companies with some additional capital. As always, there are limitations and proposed elimination dates for various changes. Check with your tax advisor to ensure the best tax savings for you.

Paul F. McGrath, C.P.A. is the president of Mottle McGrath Braney & Flynn, P.C., a full service public accounting firm. He can be reached at 508-753-6500, email: paulmcgrath@mmbfcpa.com, www.mmbfcpa.com.. ✓

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.

Entrepreneurs supply idea, energy, vision, and drive. We supply capital — and a whole lot more — to help transform strong business models into superior companies.

ZERO STAGE CAPITAL

www.ZeroStage.com

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



A LOOK AT NOVEMBER'S MEETING

biotech 2003

by

RICHARD O'BRIEN

James Little, president of Cetek Corporation, drew on his extensive participation in laboratory instruments and life sciences businesses to frame a clear understanding of the challenges facing biotechnology companies for the WPI Venture Forum audience. Here's what he learned:

- Biotech represents the highest research and development risk in the world.



A packed house listens as James Little relates his lessons on biotechnology.

- During recent decades, pharmaceutical/biotech companies' drug development has increased from an average of 8 years to 15 years, while the number of clinical trials has increased from an average of 30 to 68 per drug.
- These life sciences enterprises require exceptional funding to achieve their goals.
- Several funding sources exist, the most significant being partnering with big-pharmaceutical companies.

According to Little, pharmaceuticals do not want to assume the entire risk of discovering new drugs. With the capital to support outsourcing and acquisitions, these companies would prefer to provide support

resources and to seed-fund biotech companies. He notes that a pharmaceutical company may review 500 – 1000 proposals each year and then select 20-40 companies with whom to work. When these investments mature, pharmaceutical companies will be ready to introduce promising new products through their existing supplier pipelines to the marketplace.

Little emphasized the importance of the life sciences industry to Massachusetts and to the New England region. He suggests that this geographic area may be the next major economic foundation for jobs and growth. Billions in revenues are already attributed to the life sciences businesses in the region. He pointed out that because of the intellectual workforce and the academic collaboration found in the Massachusetts workplace, biotech is well suited to the region. International life sciences companies, e.g., Novartis, are joining pioneering biotech companies, e.g., Biogen, to bring a concentration of resources to the start-up and emerging biotech capabilities.

CASE PRESENTER

Paul Wengender, president and director of new business development at Blue Sky Biotech, presented his start-up enterprise to the Forum. Blue Sky intends to be an outsourcing laboratory resource for life science companies, "synonymous with productivity in the early discovery biology processes (genetic cloning, recombinant protein expression, and laboratory safe fermentation)." The firm's mission is to relieve scientists of the onerous and labor-intensive early stage tasks that take them



Forum attendees mingle during the networking break.

away from key experimentation, novel theory exploration and other optimal uses of their time.

PANEL REVIEW

In addition to speaker Jim Little, the panelists included Lia Spiliotes, principal at Norbridge, Inc., a management consulting company that specializes in business strategy, market development and sales management for the pharmaceutical, biotechnology and managed market sectors of the healthcare industry, and Joe Straight, CEO of Verax Biomedical, a blood safety company he co-founded in May 1999.

After reviewing the business plan, these experts pointed out BlueSky's need for highly secure and separate operations for each customer – for whom preservation of intellectual property is critical. They expressed concern that the suite of services Blue Sky offers could become a commodity and recommended that the company try to add some proprietary know-how, which would differentiate them from competitors. Also, the panel referred to the model of contract manufacturing outsourcing in other high-tech fields to help BlueSky in its strategic planning.

The panel emphasized the importance of “scaling up” as well as addressing an exit strategy — a key consideration for institutional capital investment. Wengender is a young, active executive with a “personable gift and the experience required” to find and, hopefully, secure new business accounts. However, the investors will want to know how he can expand the business beyond himself to yield the growth and financial return that would justify the venture investment.

PRODUCT MARKETING VS. CORE SERVICES

Wengender believes he will discover new laboratory materials/compounds that could subsequently be marketed as products. The panelists and comments from the audience advised him *not* to attempt to market them as part of his services business. Product marketing, particularly of commodity supplies, is a different business than the core services menu he plans. Rather, he was advised to license these new products either through another focused start-up company or to an existing supplies organization with a strong distribution channel. The panel proposed that this strategy will provide his service business with an additional revenue stream.

Wengender's enthusiastic presentation of BlueSky Biotech as a “buy, don't build” alternative to large pharmaceutical firms and biotechnology firms was well received. As this outsourcing practice grows, economies of scale will help provide a strong incentive for customers to continue to buy from BlueSky. Wengender's vision is that while services and



Brian Dingman (l), Norm Brust and Julie Jacobson discuss plans for an upcoming meeting.



Paul McGrath (l), Forum chair; Amar Kapur and Dick Prince address the Forum meeting agenda.

resources he offers will become increasingly commoditized, BlueSky will provide them at lower cost to the customers than they could provide on their own. BlueSky believes this “lower cost producer approach” can be accomplished without compromising quality and speed. It may provide some barrier to entry, or, at a minimum, contribute to preservation of customer relationships for the future. ✓

Creative Growth Financing

- Venture Financing
- Working Capital
- Equipment Leasing
- Vendor Leasing
- Asset Based Lending
- P.O. Financing
- Receivable Financing
- Factoring
- Debt Restructuring
- Int. Trade
- Real Estate
- Lines of Credit

Sage Capital Group, LLC
www.sagecapital.net
 508-366-2260

Leadership in today's technology world

CONTINUED FROM FRONT PAGE



DAN DIOTTE, CEO, VenMill Industries, Inc., displays a prototype of his new VMI 3500 appliance.

Boston. Hirshland exemplifies this life strategy and is ready to share his understanding and ideas with the members of the Forum.

Case presentation

VenMill Industries, Inc.

Dan Diotte, CEO
11 Stephen Drive, Unit 2
Webster, MA 01570
508-640-0090
Webster, MA 01570

Dan Diotte left his technical position with a small manufacturing company and came to the United States just two years ago to follow his high tech dreams. As part of that dream, he founded VenMill Industries, Inc. to address and create technology that allows various vendors to offer DVD/CD repair services to their customers and the general public. VenMill also maintains its own DVD/CD rental collections.

VenMill has more than two dozen VMI 3500 appliances operating in local video stores. These stores prepaid for production units that will replace their test units when deliveries begin. VenMill has a growing backlog of orders, i.e., many multiple orders with deposits and is seeking a financial partner or partners to support the manufacturing ramp-up and promotion of its VMI 3500 and for the development of follow-on products.

Diotte envisions a large business opportunity and comes to the Forum searching for assistance for his business in a number of ways:

- **Intellectual Property**
Diotte seeks help to clearly define ownership to the intellectual property he is developing. Since he has been involved in invention in this industry and has signed non-compete agreements with his previous employer, he wants to insure he

is free to practice continued development of his technology, unencumbered by his previous experience. What must he do?

- **Management**

Diotte has a technical background with very limited business organization or operations exposure. He believes his new business may be on the verge of exploding as he approaches "big box" retail customers and large video stores.

How will he deal with this influx of customers, orders, revenues, and commitments, in a short time frame?

- **Management Team**

Who does he need to build the foundation of his new business? Who should he trust to help him develop a strong organization? How can he insure he has the right counsel and support to grow this new enterprise?

- **Finance**

Diotte has not yet dealt with the vagaries of deposits, inventory, discounts, and service commitments – all the obvious, and not so obvious, challenges he will face in operating this business. Should he hire, should he source, should he partner?

VenMill has embarked on a campaign to form a new international service industry. The target for the next two years is to penetrate a significant portion of the more than 50,000 worldwide video rental stores and vendors, a strategy that should generate more than \$40M in sales.

A panel of experts will evaluate Diotte's written business plan and offer a critique of his presentation. The audience will be encouraged to ask the speaker and/or case presenter topic-related questions.

Richard O'Brien serves as moderator for January's meeting. ✓

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.

Why Goliath needs David's alliance in this economy

by

DAVID G. LUFF

Today large companies – or Goliaths — are struggling. They are experiencing mounting pressure from their shareholders and the competition, and they need new ideas to find the next “big thing.”

Goliaths need scale and processes to ensure order within the organization, which often slows them from reacting quickly to customer needs or a changing marketplace. Additionally, the economy has taken a toll on their top line and many of these large enterprises have been forced to cut back on research and development (R&D), staff and marketing.

In the midst of all this turmoil, along comes this nimble, responsive, smaller, David, who is outmaneuvering Goliath in traditional markets, often with the latest solution or technology. Many Goliaths try to ignore this dissonance, but others have gotten the point. They have formed internal teams to scan the horizon and make sure they pay full attention to protecting their home turf and maintaining as much market share as possible.

REASONS TO PARTNER

Assuming Goliath is somewhat “enlightened,” let's explore why Goliath needs David's alliance:

- David can supply that last missing “link” to what Goliath can offer.
- David allows Goliath to execute its larger, yet-to-be disclosed strategy.
- David's alliance will give Goliath a speed-to-market advantage.

- David gives Goliath access to a team that has a different set of skills.
- David's alliance will cost Goliath less than if they tried to make it themselves.
- Finally, David is viewed as a viable competitive threat and it's always better to keep a close eye on your competition.

But what about David? The first thing for David to consider is...do you need a Goliath to get to the next level? If the answer is yes, how can Goliath help David?

- Goliath provides access to additional resources in the form of funding, talent, R&D lab time, distribution channels, analysts, etc.
- Goliath serves as a test bed or “sand box” to run David's service or product offering through its paces.
- Goliath validates that David's service or product is enterprise-ready.
- Goliath's added “muscle” gets David into the market that much sooner.
- Goliath offers an exit strategy in the form of a joint venture, acquisition or merger.

The good news is there is usually a team within Goliath whose job is to define alliance opportunities. David's best entry points are usually these:

- Internal investment team
- Business development team
- Advanced engineering team (the guys looking out 12-36 months)
- Strategic alliance team

David should try to form a relationship with a team high within the organization's management structure. Although the CEO is an obvious target, David should keep in

mind he has probably appointed a go-to person for these types of alliances and would prefer to be brought in once the terms have been finalized. The key is to be persistent, get on Goliath's radar and make sure your deal is getting sign-off from a senior person. David needs to obtain buy-in early from this individual and make sure both sides stay informed along the way.

CONTINUED ON PAGE 10

Save the date!

WPI Venture Forum networking event

Massachusetts Biomedical Initiatives (MBI)

25 Winthrop Street (West entrance off Providence Street)

Worcester, MA 01604

Tuesday, March 30, 2004

6 – 8 pm

Admission is free

Join your colleagues at the Massachusetts Biomedical Initiatives (MBI) for an evening of networking and information.

Peter F Moesta, PhD, vice president of operations for Abbott Bioresearch Center, will discuss current issues that Abbott and the industry are facing. He'll also present a short term growth forecast for Abbott and the industry.

Gary L. Segal, PhD, Abbott's human resources director, will address recruiting the right people and will describe appropriate skill sets and background for prospective employees to meet the needs in today's biotech world.

A tour of MBI facilities will follow the presentation and Abbott will provide refreshments.

Choosing a business entity: the ABCs of business formation

by

ANDREW S. GOLOBOY, CPA
GOLOBOY GALLANT &
ASSOCIATES PC

In this first in a three-part series of articles, Andrew S. Goloboy, CPA of Goloboy Gallant & Associates PC, examines several key questions that entrepreneurs should ask when starting a business.

What types of entities may be created when forming a new business?

The choice of business form involves selecting from among five options:

1. Sole proprietorship;
2. Partnership (general, limited, or limited liability partnership);
3. S corporation;
4. C corporation, and
5. Limited liability company (LLC).

When a separate legal entity is created, the partnership and the LLC afford the most favorable tax consequences to most business organizers. If taxes were the only concern, almost all businesses would be operated in these forms.

*“Change is inevitable
— except from a
vending machine.”*

ROBERT C. GALLAGHER

What factors should I consider when forming a new business entity?

Entrepreneurs should consider the trade-offs between legal relationships and tax consequences. For example:

- General or limited partnership versus a C corporation affects both legal and tax consequences.
- S corporation versus C corporation affects only taxes.
- General partnership versus a limited partnership or an LLC affects only the legal and business relationships among partners and between the partnership and third parties.

Should I consider a C corporation to operate my business?

The C corporation usually should be selected only if there are significant advantages that cannot be achieved through a pass-through entity (S corporation, partnership, or LLC treated as a partnership), such as positioning a company for future rounds of venture financing. Additionally, the C corporation allows a business to build working capital at minimum tax rates, preserving cash necessary for business growth.

However, in most cases, the tax burden of operating a business through a C corporation is significantly greater than if a pass-through entity is used. The income from a C corporation faces double taxation because the corporation's after-tax income, passed on to its shareholders in the form of dividends, is taxed again to the shareholders. However, in most cases, dividends are now taxed similarly to capital gains at rates lower than ordinary income tax rates. Income from an S corporation does not encounter double taxation because the corporate income is passed

through and taxed solely at the individual level.

What factors impact the choice between forming an S corporation or a partnership?

Compared with an S corporation, partnerships (and LLCs that are taxed as partnerships) have the advantage of providing significant flexibility in the economic and tax allocations of financial interests. Moreover, the ability to pass through tax losses and distribute proceeds of refinancings without immediate tax consequences is enhanced for partnerships, largely because of the rules regarding debt. In addition, a corporation may encounter formidable hurdles regarding qualification as an S corporation and maintaining that status. Although there are cases in which an S corporation or a C corporation might provide tax advantages over a partnership, these circumstances are relatively rare.

How does my choice of entity relate to liability protection?

Avoiding personal liability is a major concern for most entrepreneurs. Although no business structure provides absolute immunity from enterprise-related liabilities, investor liability in a corporation or LLC is generally limited to the amount invested. Personal liability is governed by state law and the scope of liability shields varies greatly, particularly in the case of limited partnerships and limited liability partnerships (LLPs).

Traditionally, personal service businesses and real estate operations are conducted as partnerships because the potential tax advantages outweigh most personal liability concerns. Manufacturers, and other businesses where insulation from personal

CONTINUED ON NEXT PAGE

liability is important, have opted to organize as an S corporation where available, or as a C corporation.

In recent years, LLCs, although relatively new, have become the vehicle of choice for closely held businesses. The liability shield of the LLC is considered to be as strong as that of a corporation. Limited liability and partnership taxation give the LLC an irresistible combination of advantages for most small businesses.

What other factors are important to consider in selecting the business entity?

In most instances, the best entity choice is the one that provides optimal cash flow and the greatest overall amount of long-term, after-tax income. In a family business, it is appropriate to look beyond the first generation and consider the creation of an estate and the management transition to the next generation. In a high-growth company, the entrepreneur should look to create a favorable tax and business foundation for future rounds of financing.

Next month, in part two of the series, I will discuss concerns that are common to all business plans: risk, finances, control and continuity, and how these factors impact corporate entity choice. Finally, in part three, I will discuss the impact of choice of entity on compensation and benefits for entrepreneur founders and owners of businesses.

Andrew Goloboy, CPA, is a partner with Goloboy Gallant & Associates PC. Goloboy received his CPA while working as a financial consultant and auditor in the high-growth companies' practice at Price Waterhouse (now PricewaterhouseCoopers) and Ernst & Young. His clients included early stage, venture-backed, and public companies. Goloboy Gallant & Associates PC specializes in assisting high growth businesses and entrepreneurial owners and founders of companies with business formation, tax planning and financial strategies. ✓

Elevator pitches

At each Venture Forum meeting, entrepreneurs are offered the chance to present a one-minute elevator pitch to the audience in which they provide basic information about their ventures. The following individuals recently took advantage of that opportunity.

September 2003

Daniel Diotte

VenMill Industries

Product: Manufacture CD repair equipment, maintain CD collections for a non-problematic retail industry, and offer CD repair to the public.

Seeking: \$150,000 for cash flow, manufacturing inventory, overhead, research and development.

Phone: 508-640-0090

Email: Dan.Diotte@venmill.com

Charlie Fortin

Y2Marketing

Product: Manufacture heat recovery systems for domestic hot water production, a consumer product, which helps save energy and money.

Seeking: \$90 billion for eventual government mandates to use systems patent and \$3 million for staff facility

Phone: 413-562-7759

Email: cfortin@y2marketing.com

October 2003

Darrell Furlong

Galleon Networks

Products: Universal broadband access that will significantly reduce deployment cost (40-70%) and greatly enhance voice/data product services

Seeking: \$7 million for technology buyout and shipping product, anticipate profitability within a year at \$8 million run rate, five-year outlook to be running at \$40 million.

Phone: 603-321-9705

Email: Darrell.Furlong@earthlink.net

Robert Waite Jr.

Waite, Inc.

Product: "Ox-Max" oxygen use monitor for athletes. Have proven feasibility of prototype simulator.

Seeking: \$600,000 for product refinement, alpha + beta prototypes and field trials on humans

Phone: 978-368-4300

Email: waiteking@aol.com

November 2003

James G. Dobson, Jr., Ph.D

J-Que Biologics, Inc.

Product: Antibody Production, Biomedical Supply Houses, Biomedical Researchers

Seeking: 10-100 Million

Phone: 508-797-3447

Email: james.dobson@iqbson.com

Hugh McLaughlin Ph.D.

Hugh McLaughlin, P.E.

Product: CARBOxLT (Car Box Lite)

Seeking: \$2 to \$3 million to site an operating commercial facility

Phone: 978-448-6066

Email: wastemin@net1plus.com

Mei Xu

Children's Hospital

Product: GGEPSI - Gene expression profiling Service

Seeking: \$1 million for lab equipment rental, labor and software license

Phone: 508-791-1241

Email: mmmxxuuu@Yahoo.com

Spotlight on Entrepreneurs

Each month the WPI Venture Forum invites entrepreneurs* to present a one-minute elevator practice pitch for funding. They may display one overhead slide and no questions are allowed. The main objective 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, including pre-start-ups.

*Calendar of upcoming meetings**

January 13

Leadership teams

February 10

Negotiating

March 9

Marketing

April 13

Raising money

May 11

Valuation

June 8

Business Plan Contest

**Topics subject to change*

Forum welcomes new sponsor

The WPI Venture Forum is pleased to welcome Sovereign Bank to its growing list of sponsors. From savings and checking accounts to investments, insurance and online banking, Sovereign offers a full range of services to its customers.

Sovereign's goal is to provide customized solutions to help individuals, businesses, corporations and institutions reach their financial goals. Whether it's a home equity loan to finance an education, or a line of credit to meet your business's cash flow

needs, Sovereign can make it happen.

Sovereign Bank is currently the third largest financial institution headquartered in Pennsylvania, and the third largest bank serving New England. Sovereign Bank has approximately 530 community banking offices, more than 1,000 ATMs, and about 7,500 team members in Pennsylvania, New Jersey, Connecticut, New Hampshire, Rhode Island and Massachusetts.

For more information, please contact John F. Merrill at 508-890-6818 or visit the website, www.sovereignbank.com. ✓

Alliance in this economy

CONTINUED FROM PAGE 7

DO YOUR HOMEWORK

David should keep a few additional points in mind.

- Don't get too focused on the tactics until you clearly define roles and responsibilities and understand the role your service or product will play and the key reason Goliath needs it. The more valued you are the better your odds of getting the right attention and resources.
- The success of the relationship is contingent on the planning and execution.
- Leverage your flexibility and maneuverability.
- Strike while the iron is hot!

But remember, pursuing a Goliath can expend a lot of time and resources, so David must choose wisely whether to proactively approach Goliath or stay focused on building a better slingshot and let Goliath find him.

If you do your homework, there's a Goliath out there that needs a David a lot more than you may realize. Remember, always be prepared since David's presence poses a new set of challenges and threats for Goliath and there is no way to predict how Goliath will react. Will Goliath crush David? (always Goliath's first instinct), buy David? (take David out of the market), or partner with David? (can we get the synergies by combining forces?). Be prudent and anticipate each potential reaction before approaching your Goliath. And remember, always keep the slingshot ready!

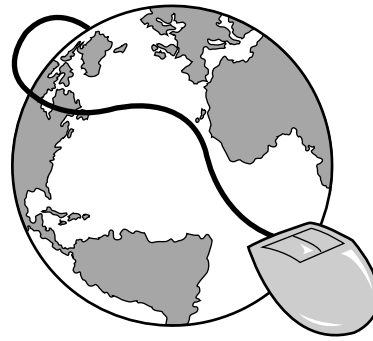
David G. Luff is Strategic Alliance Business Development Advisor, responsible for developing co-branded partnerships for Juniper Bank and can be reached at David@Luff.com.

Reprinted with permission. First published at The Rhythm of Business, Inc., info@rhythmofbusiness.com ✓

Websites of interest

WWW.INVESTORWORDS.COM

This website features more than 6,000 definitions of financial and investor-related terms as well as 20,000 links between related terms. You can search the site by subject – through categories from accounting, banking and bonds to technical analysis, trading, venture capital and everything in between – or by letter. The site's glossaries provide an in-depth look at terminology associated with a specific investing or financial topic. InvestorWords Term of the Day is an investing newsletter, which focuses on investor education and helping you become a smarter investor. Every morning you'll receive the definition of an important financial term, plus links to related information and a humorous or insightful quote about investing. Additionally, you can subscribe to a free daily or weekly investor guide newsletter which presents market activity, news, commentary, earnings, downgrades/upgrades, information on technology and online investing and educational stories.



WWW.EXECUTIVEEVOLUTION.COM

Filled with articles on leadership based on CEO interviews, this website also covers strategic thinking/planning, team development and assessment, employee selection, retention and development, change management, relationship improvement and organizational assessment. You can also access tele-classes on leadership to enhance business practices. One of the most popular and useful features at this site is a downloadable Entrepreneur's Reality Test tool, which prompts self-examination and assessment. The site's free executive email newsletter delivers key points and tips on a different subject each month and is geared toward the executive attempting to create and run a successful business.

WWW.COMMERCE.GOV

This government-sponsored website offers a wide range of news from a financial perspective. Different sections include Innovation, Economic Growth, Free Trade, Stewardship and International Outreach. In addition to top news articles, you'll read inspiring success stories and the latest economic indicators. The site also provides information on grants relating to economy, ecology, the environment, community development and science/technology. The jobs page provides numerous opportunities for employment in various governmental sectors. √

“Desire is the key to motivation, but it's determination and commitment to an unrelenting pursuit of your goal — a commitment to excellence — that will enable you to attain the success you seek.”

MARIO ANDRETTI



Priestley
Communications,
Inc.

Marketing communications
consulting

Brochures

Web sites

Product/data sheets

Newsletters
(*electronic and hard copy*)

Electronic presentations

Technical writing, editing
and documentation

Please visit us at

www.priestleycom.net

Priestley Communications, Inc.
Boylston, MA 01505
Phone: 508.869.2280
Fax: 508.869.0185
Email: marcia@priestleycom.net



COLLABORATIVE FOR
ENTREPRENEURSHIP & INNOVATION

DEPARTMENT OF MANAGEMENT

100 INSTITUTE ROAD
WORCESTER, MA 01609-2280

PRSRT STD
U.S. POSTAGE
PAID
WORCESTER, MA
PERMIT #1654

SPONSOR HIGHLIGHT



A reputation for service you can count on!

Goloboy Gallant & Associates PC, is a 35 year CPA firm with a reputation for achieving the kind of results and providing service that makes a real difference for our clients.

We are currently working with a number of growing technology companies of many types:

- Software developers,
- Application Service Providers,
- Medical device inventors,
- Consulting and analyst firms,
- Precision equipment repair and maintenance,
- High tolerance fabrication, and
- Biotechnology research

In addition to our technology practice, we also assist a number of real estate entities and family businesses with tax and business planning. We round out our CPA practice with a strong focus on tax planning for individual investors and

business owners, in addition to insurance, lifetime gifting and estate, and Eldercare planning.

Some examples of recent project areas where we added significant value include:

- Preparing financial statements for a loan closing,
- Tax planning to reduce year end tax burdens,
- Consulting to provide cash flow support for an acquisition, divestiture, and new market entry,
- Analyzing the many risks encountered as a small start-up or high-growth business

Our personalized focus allows us to respond quickly to your needs. In each client situation, we strive to quickly reach a common understanding of accounting, tax, and business advisory needs and establish a path to reach your business and individual financial goals.

Goloboy Gallant & Associates PC serves clients with local, regional, national, and international business interest. We are proud of our reputation for personalized service, professional expertise, and active involvement. We will work hard to provide service at a reasonable cost. Please feel free to call if you have any questions.

For more information, please call Andrew S. Goloboy, CPA at (781) 449-3700 x321, or visit www.golcpa.com