



THE WPI

# VENTURE FORUM

Promoting and serving technology-based entrepreneurial activity

Volume 5, No. 10

June 1996

## Business plans: The path to success

*A look at the upcoming meeting*

Tuesday, June 11, 1996

[Note: this is the 2nd Tuesday of the month]

WPI Campus, Salisbury Labs, Room 115

Registration: 6:00pm

Meeting Begins: 6:30pm

Admission Fee: \$7.00

**E**ntrepreneurs, early stage companies, and emerging companies all must develop and write a business plan. The business plan is the single document which succinctly describes the key elements of your business to the management team of the company, as well as to critical outside advisors and investors. While most people start out to write a business plan to raise money, the business plan process is important in defining

other elements of the company's plan to success.

Come to the June meeting of the WPI Venture Forum to find out what our panel of experts looks for in a business plan. In addition, you will hear the winner of the WPI Business Plan Contest explain the development of the business plan. We'll also find out how the company intends to use the \$10,000 first place prize!

Because the business plan is critical to the success of a venture, we will devote the entire evening to the topic of how to write a business plan.

### Panelists

Our speaker for the evening will be Mr. John Hession of Testa, Hurwitz and Thibeault, a law firm in Boston, Mass. The firm specializes in corporate legal representation, including venture financing. Mr. Hession will be joined by a panel of experts, the judges of the Third Annual WPI Venture Forum Business Plan Contest.

Our esteemed panel will address the major elements of a winning business plan. The panel will discuss what they look for in a good business plan and will illustrate the traditional

organization of and approach to the document. The presentation will address:

- Executive Summary
- Product Plan
- Sales and Marketing Plan
- Management Team
- Financial Statements and Projections
- Appendixes

An entertaining discussion will cover the good, the bad, and the ugly parts of the business plans they read (or discard) every day. After the panelists make their presentation, we will open the meeting to a roundtable discussion of the common issues and problems facing entrepreneurs who are developing business plans. Be prepared

### CONTENTS

Business plans .....	1
Letter from the Chair .....	2
Presentations to investors .....	3
Financial statements .....	4
Barter: The truth .....	5
Attracting key employees .....	6
Patent protection .....	8
Web sites for entrepreneurs .....	10
Calendar of Events, Directions .....	12

June Meeting Sponsor—

**Testa, Hurwitz &  
Thibeault**

## VENTURE

The mission of the WPI Venture Forum is to promote and serve technology-based entrepreneurial activity through education, networking, and recognition.

EDITOR—Shari Worthington (508) 755-5242

ADVERTISING—Richard Gaudette (508) 752-5691

### SPONSORS

**BANNER & ALLEGRETTI, LTD.**, patent law  
**BOWDITCH & DEWEY**, general law  
**COMMONWEALTH BIOVENTURES**, venture capital  
**COOPERS & LYBRAND**, accounting  
**ERNST & YOUNG**, accounting  
**FLEET BANK**, banking  
**IANDIORIO & TESKA**, patent law  
**MASSACHUSETTS TECHNOLOGY DEVELOPMENT CORP.**,  
venture capital  
**MIRICK O'CONNELL DEMALLIE & LOUGEE**,  
general law  
**MOTTLE MCGRATH BRANEY & FLYNN, PC**, accounting  
**PIXELVISION**, flat panel technology  
**ZERO STAGE CAPITAL**, seed & early stage financing

### EXECUTIVE BOARD

Pamela Sager, Chair  
Roger Glovsky, Vice Chair  
Robert Valletta, Treasurer  
Jack Spanos, Clerk  
Peter D. McDermott '73, Past Chair

Norman T. Brust  
Mark J. Conoby '83  
Robert DeN. Cope  
Robert Creeden  
Sharon C. Davis  
Brian Dingman  
Robert Fogel  
Robert P. Hokanson  
Linda Rammer  
Shari L. S. Worthington  
Jack Zimmanck  
(Year indicates WPI graduation date)

### WPI VENTURE FORUM COMMITTEES

1995 Entrepreneur's Workshop:  
Jack Zimmanck (508) 485-9280  
Business Plan Contest: Mark Conoby (508) 263-  
8530, Robert Creeden (617) 723-4920  
Marketing Committee:  
Norm Brust, (617) 826-6110  
Monthly Programs:  
Brian Dingman (508) 879-6411  
Online Services: Roger Glovsky (617) 239-9700  
Radio Program:  
Robert Hokanson (508) 869-2984  
Sponsorship: Robert Creeden (617) 723-4920

WPI Venture Forum, ©1996, A monthly publication of The  
WPI Venture Forum and the WPI Alumni Association, 100  
Institute Rd., Worcester, MA 01609, (508) 831-5821.  
Volume 5, No. 10, June 1996.

Letter from the Chair

# Time flies

It seems hard to believe that here I am writing my final column for the 1995-1996 Venture Forum year and for my tenure as Chair of the Forum. Not long ago, I remember writing my first column and thinking that ten columns seemed like a lot. Well, I guess in keeping with the old adage that lawyers are long-winded, I've reached my final column and still have plenty of wind in my sails.

I'd like to take this opportunity to say my heartfelt thanks to so many people who have, over the years, supported me, supported the Venture Forum, and supported the spirit of entrepreneurialism.

First, for me personally, as well as on behalf of the Executive Committee of the Venture Forum, I thank Sharon Davis, Director of Alumni Programs for WPI, for her constant watchful eye, busy hands and tireless feet over the entire life of the Venture Forum. When the Venture Forum was just beginning, Sharon willingly took us on as an Alumni Program of WPI and provided us with space, office support, and advocacy that we still rely on five years later! For her dedication and devotion (not to mention her knowledge), we will always be grateful. Thank you, Sharon.

My special thanks, too, to Bob Creeden of Massachusetts Technology Development Corporation who, in his role as one of the past Chairs of the Venture Forum, provided lead-

ership opportunity and constant support for me. Those of us who have a supporter and sounding board like Bob are truly blessed.

Thanks, too, to the Executive Committee, the Committee chairpersons, and all of the volunteers who dedicate many hours (all of which are precious!) to the mission and purpose of the Venture Forum, and who do it because they believe entrepreneurialism is not only the backbone of our past, but our hope for the future as well.

Finally, I'd like to thank all of you who attend the Forum events. It's through you that this organization has life and because of you that we come together monthly to learn, share, and grow.

I am most happy to send my best wishes to Norm Brust who will be succeeding me as Chair and Brian Dingman who will fill the position of Vice Chair. Norm and Brian have been involved in the organization for many years and have devoted an unbelievable amount of time to its growth. I know their suc-

## ADVERTISING RATES

1/8 Page .....	\$ 40
1/4 Page .....	\$ 80
1/2 Page .....	\$160
Full Page .....	\$320

Call for information on multi-issue discounts. Material is due the 1st day of the month preceding publication, e.g. October 1 for the November issue. For more information, contact Richard Gaudette at (508) 752-5691.

## Making presentations to attract investors

By Kathleen Birmingham, Associate, Massachusetts Technology Development Corp.

You may be able to live on love...but you can't develop and commercialize a high-tech product on it. Development and commercialization of high-tech products require rather large sums of money which usually necessitate the resources of an angel or professional investor. Statistics show that very few business ideas/concepts attract the attention of the venture capitalist. While a well-written business plan will increase your chances of meeting with potential investors, a well-presented business plan will increase your chances of attracting investment.

### Making the connection

The key to making a winning presentation is to know your audience (in this case, potential investors) and to craft a presentation that makes the connection for the listener. That connection is made when the listener can quickly develop a mental picture of your business, i.e. what does the product look like, how do people use it, in what environment does it sit, how is it sold? In creating the picture, the potential investor is answering the following key questions about your business: what problem do you solve or address (product), why can you beat your competition, why are you better (market); why are you the ones to do it (management team)? If that connection is not made within the first 30 seconds, most listeners stop

listening. The following guidelines will assist you, the entrepreneur, in making that key connection.

### Focus

In the typical 15-20 minute presentation, the entrepreneur must focus on a limited number of key points, usually not more than 4 or 5. The aim should be to leave the audience with a distinct and clear impression of your business (products, market niches, sales/marketing strategy, competitive advantage). If too many topics are presented, the most compelling points may be diluted by the less compelling ones.

In one or two sentences, you should be able to describe your business and give potential investor(s) a compelling reason to continue to listen—these one or two sentences are known as the "bumper sticker" or "elevator speech." The trick is to describe something that is quite complex in a very simple way. If your description is too complex (i.e. too technical), you risk not making the vital connection with potential investors. It is usually safe to assume that the investor has very little (if any) technical knowledge in your area of expertise.

Avoid beginning your presentation with history. Entrepreneurs often begin with a history of the industry in an effort to position their product within the market. Presenting the industry segment before

you have described the business/product can be distracting for the audience. And when presenting the industry/market segment, be sure to focus on your company's competitive advantage(s). This will give the investor a compelling reason to look further. Save the full industry description for the business plan.

### Avoid suspense

State your key point first and then follow with supporting data. Technical entrepreneurs tend to present the supporting data first, then deliver the key point like a punch line. This style appears to be a by-product of their university training in technical report writing. Technical reports follow the standard format: step 1, step 2, step 3...step N; results; conclusions. To remedy the tendency to present in a report format, simply write out your presentation. If you find that your key points come at the end of your paragraphs, simply move them to the beginning and adjust your supporting sentences accordingly.

A useful tool for conveying complex concepts in a simple, easy to understand way, is to use analogies. An analogy creates for the audience a mental picture of your product or business by comparing it to something with which your audience is familiar. Analogies can be useful in describing a complex technology, a distribution system, or an industry/business environment.

### Don't skip steps

Entrepreneurs who know their material extremely well tend to jump over key points, assuming they are implicitly understood

# Financial statements as an operating tool

By Kathleen Birmingham, 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 in this area comes from his professional 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, of Fibromed, Inc., a development-stage pharmaceutical company. Robert O'Connor of O'Connor, Wright Wyman, Inc. moderated the meeting.

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 who effectively uses financial data to run a business on a daily, weekly, and/or monthly basis will be better able to manage the growth of the business.

## Projecting future conditions

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 times-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. 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 package.

## 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. Fibrosis is a medical condition that results in the deposition of exorbitant amounts of collagen; this 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 straightforward, with

the lowest probability of adverse side effects. The Company is seeking funding of \$3-4 million. Fibromed has identified eight (8) potential products with a broad range of therapeutic applications, representing a potential market of \$2.8 billion. The Company was seeking 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 three panel guests included George Vaughn of Hurley, Vaughn & Associates, Inc., Amy Porter of Healthcare Business Development, and Fred Reinhart of NE 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 Bernstine and Oram recognized that licensing was a viable option, however, they stated that this technology might be difficult to sell the pharmaceuticals. In addition, they indicated that smaller firms like theirs tend to be much more efficient at product development.

The next issue addressed was which class of applications to give priority development—internal applications (heart disease, liver disease, etc.) or external (topical) applications (keloids, severe burns, etc.).

### Business Basics

## Barter: The truth and why you should be interested

By Peter Welch, President, Consulting & Educational Services, Inc.

Let's start with the theory. Barter has been around for centuries. In its basic form, bartering is trading or swapping something you have for something you want. The crucial point is determining the point at which the "value" of what you want is equal to the "value" of what you have or are "giving up."

Basic economic activity started with exactly these kinds of transactions. Let us use an example where you are excellent at baking bread and I am an expert at chopping wood. Both you and I have to agree that a certain amount or usage of my time chopping wood is equal to a certain number of loaves of bread so you and I can make a trade. We are basing our agreement, however, on the concept of relative value, as I have had to calculate what my wood chopping skills are worth first, then determine what those loaves are really worth to me. Remember, it is important for us to apply the same measurement approach to both my wood chopping and to your baking skills. The outcome we reach is an agreement in which one loaf of your bread is equal to so many minutes of my time. Therefore, if I am going to sell you an hour of my wood chopping skills, I want you to pay me with so many loaves of your bread. Both you and I have to agree with the valuation applied to each of your loaves of bread as well as the

worth of my wood chopping expertise.

### Cash vs bartering

Given the basic economics of bartering, as we have just discussed, why then should the words "trade" or "barter" conjure up negative emotions in a good number of people. When most people buy and sell for cash, they probably apply the "buyer beware" concept. Ironically enough, when we, as an alternative to using cash, actually trade goods or services, a sudden blindness to economic reality seems to set in. Why? There shouldn't be one shred of valuation difference between direct bartering, or using a trade exchange for buying and selling, than using cash. When the prudent buyer carefully decides how much cash to pay for goods or services, the natural consideration is, "was it worth the price relative to the hour(s) worked to earn the money?" The exact same considerations should apply to bartering and WHY ► NOT?!

### War stories

Like any system, there are those who abuse and those who do not. Not uncommon are stories arising from bartering veterans who have experienced either low quality, shoddy goods received in an exchange, or a disagreement on value received. I have heard other complaints about prices being

dishonestly inflated—the rationale being, “After all, it was a barter trade not cash!” Regardless of whether it is a trade or cash transaction, the buyer-beware concept applies. If you would not have paid that much cash, then do not pay that much in trade either.

### **Accounting & taxation**

For accounting and taxation purposes, there are two parts to each bartering transaction, whether the goods or services are traded directly or indirectly. The first transaction involves an implicit exchange for cash. It is as though we received the sale proceeds in cash which is why the IRS considers barter income for taxation. The second part of the transaction assumes that we took the same cash received and immediately exchanged it for goods or services. We may be able to treat this expenditure as a business expense.

With regulations, controls, and tight policing, it might surprise some people to hear that bartering is flourishing today in the US. Those who appreciate the immense leverage derived from bartering, as well as the new customer base and reduced cashflow, are doing very well. Article after article espouse the importance of controlling and managing cash flow.

### *Past Meeting Summary*

## **Attracting key employees**

*By Kathleen Birmingham, Massachusetts Technology Development Corp.*

Those who attended the WPI Venture Forum’s March meeting were treated to a step-by-step outline for attracting key employees from James M. Welch, Senior Vice President of Engineering and Support at Intellution, Inc. Mr. Welch’s expertise in this area comes from his many years of recruiting and hiring at Intellution, Inc., a company founded in 1980 and now the market leader in PC-based packaged software for industrial automation. His talk was followed by a presentation by Judith C. Larocque of Market Perspectives, Inc., a company that uses decision support software to provide real-time market intelligence to the trade show market. John W. Powell of Iandiorio & Teska moderated the meeting.

Mr. Welch provided practical advice on recruiting, as well as retaining, key employees. He outlined the steps needed for successful recruiting and provided “mini cases” from his experience at Intellution. The following highlights his multi-step plan for successful recruiting. As for retaining key employees, Mr. Welch gave a simple formula: be successful! Business success, however, comes through successful recruiting.

### **Key steps to successful recruiting**

1. Prepare: Start by reviewing the business plan to determine the

company’s specific employment needs. This is also a good excuse to update the plan!

2. Look in the mirror: First, conduct a simple self-evaluation. What are your strengths and weaknesses? To compensate for your weaknesses, what should you look for in an employee? How will your role change when the new person joins the venture?
3. Develop a job description: List the duties of the position—be specific! Is the job doable? Do the requirements of the job conflict? Keep in mind, you want to set this person up for success, not failure.
4. Define the ideal candidate: Define what the ideal candidate would look like in terms of their abilities and motivations. To further refine, compare this image against the critical job requirements as noted in the job description.
5. Finalize the job description: Remember to also consider the negatives of the job. And what are the opportunities for advancement in this position?
6. Develop a comprehensive compensation package: Pay for performance! Structure the package to incent the person to perform and reward based on achievement milestones. It is also important to consider how this person’s compensation will affect other employees,

particularly if others are compensated differently. If you do not have the cash to incent the person adequately, be prepared to give that person a part of the company (equity).

7. Recruiting-Where to look:

Some options include: executive search firms, advertising in trade journals, good old fashion networking and recruiting in-house. To get the word out through informal networking, use your board members, professional organizations and your customers. When recruiting in-house, be sensitive to how employees will handle rejection.

8. Interviewing:

Get the entire senior management of the company involved. This will give the team an opportunity to get a sense of the candidate, while giving the candidate an opportunity to share in the vision, energy, and passion of the team.

9. Selection-What to look for:

For early-stage companies, it is important to look for someone who is generally profit-oriented and has a strong record of achievement and stability.

10. Selection-The process:

Be sure to get input from the management team. Do not clone yourself-look for someone who can compensate for your weaknesses or the team's weaknesses. Above all, get the best people you can get.

11. Closing:

Understand what the candidate is looking for and cater to those needs. In doing this, get input and assistance from the management team. As we all know, the devil is in the

details, so make sure to negotiate the fine points.

Mr. Welch closed with the warning that a couple of key hires can make or break a venture.

### Case presentation

Market Perspectives, Inc., Framingham, MA

Founded in June 1993 by Judith Larocque, Market Perspectives, Inc. provides survey design and data analysis services to its target market, the high technology trade show/conference market. Trade show managers and conference organizers use the surveys to gather market intelligence to help them position their show to prospective exhibitors. Exhibiting marketing professionals use the surveys to gather data from trade show attendees to better understand how to position, develop, and price products.

While the typical market study can take weeks or months to produce, Market Perspectives provides real-time market intelligence in a matter of hours. As demand expanded, the Company developed a "Disk-By-Mail" survey service, targeted at high-technology user groups. Currently, the Company is developing an Internet-based survey product in hopes of capitalizing on opportunities related to the rapid growth of the Internet.

The Company was seeking advice from the panel on three issues: (1) how to balance the difficult and time-consuming task of raising money with the day-to-day requirements of running a business, (2) how to

attract and keep key employees, and (3) how to entice people to complete the online, Internet-based surveys.

### Panel comments

The three panel guests included James M. Welch, Senior Vice President of Engineering and Support, Intellution, Inc.; Kenneth C. Jeffers, Sales Productivity International; and Paul Kelley, Managing Partner, Zero Stage Capital, Inc. Mr. Kelly began by suggesting that the Company avoid using the professional venture capital route. He acknowledged that raising capital can take 6-9 months, be very distracting and interrupt the smooth running of a company. Instead, he recommended that the Company use "guerrilla capital" tactics, such as obtaining informal capital through angle investors or through strategic partners.

Mr. Jeffers commented that the Company needs to be more focused. With four employees, ten products, and fifteen market segments, they are spread too thin. He advised them to identify their value proposition and focus on being recognized as the best provider of that value. In his opinion, their value is providing high-quality sales support services. In this case, the value has very little to do

# Consider all the angles in patent protection

By Kirk Teska, Partner, landiorio & Teska

Recently, a company almost lost its trade secret protection for a valuable chemical formula, but was saved thanks to a facsimile cover sheet!

Patents and trade secrets differ in their scope of protection: the government awards a patent to a company based on a full, public disclosure of the proprietary technology. Trade secret protection requires no government intervention and the only legal requirement is that the technology be kept secret.

Both avenues of protection have advantages and disadvantages: patents protect inventions even if a competitor independently "discovers" the same thing, but they are limited in time and scope and involve a substantial cost. Protecting something under the trade secret laws often involves less of an expense. Protection is afforded as long as the technology is kept secret but competi-

tors are free to reverse engineer the technology, if they can.

## Not so slick

Slick 50, Inc., of Houston, decided to keep the formula for its "Slick 50" engine treatment product secret rather than apply for a patent. The company has only one printed copy of the formula (locked in a vault) and the computerized version is protected by multiple passwords. All employees swore to secrecy in a notarized "oath of silence." Since the company enjoyed sales of nearly \$80 million, the value of the secret formula was substantial.

A person identified only as "Tommy" thought the secret was valuable, too. In August 1995, he demanded \$2.5 million by facsimile or he would reveal the formula to Slick

50's competitors. "Tommy," however, was not quite as smart as he thought—he sent a cover sheet along with the extortion request!

Arrested with a written document which contained the formula, one person has been arrested by the FBI and is currently try to raise a \$50,000 bond to get out of jail, pending trial. Slick 50, Inc. still worries about other unauthorized copies of the formula, however, which "Tommy" may have made and distributed.

## ET phone home

How does a company determine if a competitor has copies of its computer software in contravention of the copyright laws?

One old technique is to include lines of code or even a

*Increase your chances of winning awards*

*Lessen your chances of having payments to you suspended or delayed*





whole routine which is not required to make the program operate. Similar to phoney names in telephone directories and mailing lists, this technique makes it self-evident when copying has occurred, since the infringer will have a difficult time explaining why useless code was incorporated into his/her "own" code. It can be difficult, however, to obtain a copy of an infringer's code before a lawsuit is filed in order to determine liability.

Another technique includes a careful licensing management system that accounts for all copies of the program distributed. This "registration" technique does not work very well, however, for computer software sold at the retail level.

Another, newer technique is to embed code in the program which automatically sends an e-mail message to the program owner whenever unauthorized people attempt to install the program or examine its source code. Performix, Inc. of McLean, VA, used this technique to catch a potential infringer who was apparently attempting to improperly copy Performix's proprietary software. Apparently, even Microsoft Corp's Windows '95 software contains a routine which informs Microsoft of uses of its products. Consumers may feel such a tactic is spying; Microsoft claims it assists customers and that the routine only works if the customer gives approval.

It is probably best to use a combination of these techniques, since no one strategem is fail-proof. Also, it is worthwhile to register the copyright in the program, since damages under the law may be levied against an infringer even if no

actual monetary damages are recoverable—often the case when only one or a few unauthorized copies of the program are made.

### **Supreme Court shows interest in intellectual property cases**

The Supreme Court seems to have taken a renewed interest in intellectual property matters. Recently, it heard a copyright case involving Lotus' popular 1-2-3 spreadsheet program, but reached a split decision. This leaves holding of the Court of Appeals for the First Circuit (Boston, Mass) in place: the commands of the 1-2-3 program are not copyrightable.

Now, the Supreme Court has indicated that this fall it will hear a case involving a challenge to an old patent law called the "doctrine of equivalents." Anyone who makes, uses, or sells a patented product or process without permission of the patent owner is an infringer under federal law.

But what about a product which is only slightly modified from that claimed in the patent? The doctrine of equivalents rule states that if the product works the same way and accomplishes the same result as the patented product or process, there is still infringement.

Hence, when Hilton Davis' patent claimed a pH level of 6-9 in a patented process, and Warner Jenkinson's process operated at a pH level of 5, Hilton Davis sued and won a judgment of \$3.6 million under the doctrine of equivalents. Without this doctrine, Hilton Davis would have lost, since the patent claim does not cover a

### **HELP WANTED**

**V**olunteer photographer to cover Venture Forum events for the newsletter. Please contact Norm Brust for more infor-

pH level of 5.

## Web sites for entrepreneurs

By Norman Brust, President, NTB Associates

**T**he hurrier I go, the behinder I get! It's hard to believe, but this is the last issue of the newsletter for the 1995/1996 season. My file on unexplored Web sites is still three inches thick so I'll try to pass along as many as possible in this issue.

### Learn the Net: The essential Internet guide

(<http://www.paradesa.com/tei/online/home/home.html>)

A delightful online handbook of information for Internet newbies and not so newbies. Major sections include Getting Started, a straightforward overview of the Net; The Internet, with subsections on Internet 101 and the Web; Basic Training, which includes Getting Connected, Netiquette, Safe Surfing, and Kids Online; Communicating, which covers e-mail, news-groups, and conferencing; What's New, information on making money on the Net; Digging for Data, with subsections on directory assistance, searching databases, and exchanging files; and Web Publishing, which covers creating a Website and posting your page. All in all, this is an easy to understand site that contains useful information on using the Net.

### The Net: User guidelines and netiquette

(<http://www.fau.edu/rinaldi/net/index.htm>)

A comprehensive guide to the

do's and don'ts of the Internet by Arlene Rinaldi at Florida Atlantic University. Arlene's home page (<http://www.fau.edu/rinaldi/netiquette.html>) explicitly states, "I'm NOT Miss Manners of the Internet." Maybe not, but she'll sure do until the real one comes along.

### Industry.Net

(<http://www.industry.net>)

Industry.Net bills itself as the emerging leader in business-to-business commerce on the Internet. The goal is to bring together a large network of buyers and sellers in an interactive environment to improve the speed, ease, and productivity of doing business.

Major segments of the Industry.Net site are Online Marketplace, a collection of 4,000 company Business Centers, information on 250,000 suppliers and the latest news on new products in industry; Online Services, a collection of online services dedicated to specific industrial specialties such as motion control, manufacturing processes, etc.; Trade Associations and Societies, home pages of a variety of industrial trade associations and societies designed to help their members make the most of the World Wide Web; Industry.Net Report Online, a daily net 'zine covering regional and national news on business & industry, manufacturing & automation, and computers & information technology; Industry.Net Linker, a link to

over 6,000 Web sites classified by 27 engineering disciplines or 35 industry sectors; and Industry.Net Professional, a miscellaneous collection of stock picks, downloadable software, job opportunities, and discussion groups.

I've used Industry.Net on several occasions and found it to be very helpful. As a side note, Jim Manzi, former President, Chairman, and CEO of Lotus Development Corporation recently joined Industry.Net as President and CEO.

### Harris InfoSource International

(<http://www1.harrispub.com/harris/index.html>)

Harris InfoSource International was previously known as Harris Publishing Company. They compile and publish a wide variety of information about manufacturing companies which is available in diskette, CD-ROM, print directory, and mailing label formats. Prices for these products run from a low of \$29 for a directory of Delaware to \$795 for a database of California. Descriptions of their products appear to be comprehensive and database demos can be downloaded for evaluation. Standard products can be ordered right from this Web site. They also provide a toll free voice line for custom data services.

In addition to the products they are selling, Harris offers several other interesting features at this site. Media Alert provides current industry statistics, press releases, and graphs. Related Sites And Contacts offers links to state agencies, trade associations, job hunting, etc. Sales and Marketing Corner

offers helpful how-to articles for sales managers and direct marketers, as well as links to other helpful sites.

### Considered risk

Virtually every workshop, seminar, and text on entrepreneurialism emphasizes that successful entrepreneurs must take risks, but they should be considered risks. Insurance, not a favorite topic for most of us, is a very important element of risk management. With that in mind, the following sampling of insurance company sites may provide some useful information or trigger an idea for your business. I have no vested interest or connection with any of these companies and I'm sure that there are many other such companies that could be equally helpful.

- ITT Hartford Group  
(<http://www.itthartford.com>)
- Mass Mutual  
(<http://www.massmutual.com>)
- Prudential (<http://www.prudential.com>)
- Signature Group  
(<http://www.spectra.net:80/mall/signature>)
- Travelers/Aetna  
(<http://www2.pcy.mci.net/market>

</travelers/index.html>)

### Reference sites

As a final note for this year's Web Sites for Entrepreneurs column, I have found the following reference sites quite useful.

- Area Code Look-Up  
(<http://www.1212.com/aclookup.html>) - Telephone area codes
- National Address Server  
(<http://www.buffalo.edu/adserv.html>) - ZIP codes and street addresses
- I N T E L L I C A S T  
(<http://www.intellicast.com>) - National and worldwide weather
- Mass Registry of Motor Vehicles  
(<http://state.ma.us/rmv>) - Mass Registry of Motor Vehicles

### Web site contributions

Please send me your favorite Web site contributions, Web experiences, or comments on sites we have suggested.

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](mailto:ntbrust@ultranet.com)

Hope you all have an enjoyable and prosperous summer!

*Norman Brust, President of NTB Associates, specializes in helping technology-based companies develop and implement sales & marketing plans to increase profitable sales.*

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

Non-Profit Org.  
U.S. POSTAGE  
PAID  
Permit No. 1654  
Worcester, MA

ADDRESS CORRECTION REQUESTED

## **WPI VENTURE FORUM CALENDAR OF EVENTS**

*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 9W) and turn left off ramp. Continue  
through Lincoln Square to Highland St. following Rt  
9. Turn right onto West St., past the first intersection.  
Visitor parking on left after footbridge.