

TUESDAY,  
JUNE 10, 2003

WPI, WORCESTER  
Campus Center Odeum

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

\$10.00 members  
\$20.00 non-members

# Hire, partner, outsource: lean business models that work

**E**merging business models of the 21st century call for hiring only the staff needed to conduct the company's core business. Partners, contractors, consultants and other service providers are used to perform non-core functions. Depending on the business, these functions may include finance, professional employee organizations (PEOs), information technology, sales & marketing, product development, manufacturing, distribution, fulfillment and customer service centers. Yet other functions may be achieved by forming partnering agreements or strategic alliances with suppliers, customers or distributors.

The goal of the June program — the last before the summer break — is to help the entrepreneur assemble the optimum organizational structure, and to adjust it as the company grows. To compete successfully, business leaders must understand which of the organization's functions should remain internal and which should be performed externally. Potential benefits of this lean organizational structure include faster ramp up, lower overhead, more experience onboard per dollar expended, enhanced organizational flexibility and an overall greater chance of commercial



MARJORIE KAMP

success. Potential challenges include communications; accountability; turnover/continuity, and control of costs, schedules and priorities.

At the June meeting, Marjorie Kamp will deliver the keynote address titled "Outsourcing for Start-ups." She'll talk about the steps the big companies use and the transferable principles and practices for start-ups. She will address implementa-

tion steps, emphasizing what is likely to work; continual management of performance; what to do if things go wrong, and how to leverage as you grow. The presentation will be peppered with real life examples drawn from her 20 years in operations. Her experience includes managing a \$300 million external resource budget at Digital Equipment Company (DEC), running a \$200 million contract manufacturing business at Bay Networks and serving as the director of productivity and director of strategic alliances at Raytheon. She brings a wealth of knowledge from both sides of the outsourcing equation.

The one-minute elevator pitch segment and then the 30-minute, mid-program networking break will follow Kamp's presentation.

JUNE MEETING  
Sponsored by...



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## A LETTER FROM THE CHAIR...

# The year in review



PAUL F. MCGRATH

“Business of Nanotechnology,” which is certainly on the cutting edge of technology.

The Forum continued its “networking only” programs with great attendance and, even more important, great networking. November’s program took place in Fitchburg at the Massachusetts Innovation Center; February brought us to Worcester and the Massachusetts Biomedical Initiatives, and AstraZeneca in Westborough was the site of our May event. Informative tours of each facility added to the quality of these programs.

We continued with our business plan writing workshop and business plan contest.

In April, our two business plan finalists made their presentation at the monthly meeting, and, after consultation, judges awarded the \$15,000 prize (comprising cash and in-kind services) to Mouse Specifics, Inc. of Boston, Massachusetts. Our congratulations to them and our thanks to all who participated in the contest.

Our programming reached a higher level during the year, not only because of the time donated by our members, but also because of the financial support of our sponsors, which helps offset the expenses involved with these programs. We owe them a debt of gratitude. (We are looking to increase our sponsorship. Hopefully, you can help.)

My final thanks go to all the members who submitted feedback. Without these comments, we would not be able to bring timely, informative topics to our membership.

Have an enjoyable summer and return with renewed enthusiasm in September!

As the WPI Venture Forum year comes to a close, I hope that our programs and speakers resulted in a rewarding experience for all. Having served as chair, I now have a greater appreciation of what the Forum has to offer and what improvements are intended for the future.

The lifeline of the Forum is our executive board, committee members, and our general membership. To all of these individuals, I extend heartfelt thanks. At each monthly meeting our board gives us the proper direction for the organization: our committee members work diligently behind-the-scenes to put our programs together, and our members who participate in our programs and add insightful comments and advice at our meetings.

Our monthly meetings — all geared toward start-up and pre-start-up companies — remain the core of our organization. We appropriately began the season with a look at the technology industry. Throughout the year, we adapted our programs, which drew positive feedback from our membership. Our January meeting was dedicated solely to marketing strategies without the usual case presentation. In May we introduced the

# We have a winner!

After careful consideration, a panel of judges narrowed the field to two finalists in the WPI Venture Forum's 10th annual Business Plan Contest.

**Beadwindow!™** and **Mouse Specifics, Inc. (MSI)** presented their business plans to the audience at the April meeting. Top honors went to **Mouse Specifics, Inc.** who received \$15,000 in cash and in-kind services. Biographies of both companies are below.

## **Mouse Specifics, Inc. (MSI)**

Thomas G. Hampton, Ph.D., *President*  
28 State Street, Boston, MA 02109  
phone: 617-573-5020  
mobile: 617-821-MOUSE (6687)  
fax: 617-573-5208  
Hampton@mousespecifics.com



**DR. THOMAS G. HAMPTON and CHUCK BROWN of MOUSE SPECIFICS, INC., winners of the business plan contest**

Approximately \$7 billion in research and development expenditures are spent annually on preclinical drug development, with annual growth of 25 percent expected during the next seven to ten years. The tremendous time and expense associated with conducting animal-based pre-clinical studies create huge demand for high value, high throughput biomedical diagnostic products that accelerate the process while providing the highest quality data.

**Mouse Specifics, Inc. (MSI)** develops and markets novel non-invasive instruments to pharmaceutical companies and academic laboratories using mice and rats in drug

research and development. The company's products include high throughput, non-invasive systems biology devices designed to monitor rodent physiology. These products provide investigators with cutting edge technology to streamline and accelerate the preclinical phase of drug development. MSI creates value for its customers by providing high quality, accurate data, thereby eliminating bottlenecks and significantly reducing development costs and timelines.

MSI is selling two products that measure cardiac and central nervous system function. Current customers include GlaxoSmithKline, Novartis, Millennium Pharmaceuticals and the University of Michigan. MSI plans to leverage its technology to expand into other disease areas, including oncology and respiratory disorders. Launched in 1998, Boston-based MSI estimates its current offerings at between \$500 and \$700 million.

MSI's founder and CEO, Thomas Hampton, Ph.D., is a leading authority in the characterization of mammalian physiology with more than 12 years experience in physiological characterization of humans and animals at Duke University and Harvard University. He is an assistant professor in Medicine at Harvard Medical School. Other management team members include: Peter Mueller, part of the business development team, with an MBA from Babson's Olin School of Management and a Masters in Healthcare Administration from UNC-Chapel Hill's School of Public Health; Chuck Brown, also in business development, with ten years experience in life science/health care corporate finance and an MBA from UVA's Darden School of Business; and Ajit Kale, Director of Technology and Software Development, with more than ten years software development experience in imaging and physiological monitoring.

MSI is seeking investment capital to continue product development, to address additional disease markets and to build out its sales and marketing effort.

## **Beadwindow!™**

Jeffery L. Stutzman, CISSP  
20 Cameron Lane  
Wilton, NH 03086  
phone: 603-930-1696  
jstutzman@bigfoot.com



**JEFFREY L. STUTZMAN (far right) of BEADWINDOW, runner-up in the business plan contest**

**Beadwindow!™** is a high-speed, reduced ruleset Intrusion Prevention System designed to mitigate the effects of risks posed by hackers, system errors, inexperienced users and other issues that might cause the loss of confidentiality, integrity or availability in information systems and/or other assets in the enterprise environment. Unlike other existing solutions, **Beadwindow!** is a proactive approach to stopping hackers before the hacker gains entry into a network or computer system. Existing tools – intrusion detection

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## A LOOK AT APRIL'S MEETING:

# *a night of business*

**B**usiness plans were the sole topic of the April meeting of the WPI Venture Forum. Charles Collier, senior partner at Mount Vernon Strategies in Boston, spoke from his wealth of experience in writing and implementing plans. Mount Vernon Strategies, a strategic management consulting firm, helps businesses grow and prosper by working closely with senior management to address new opportunities and challenges and to improve their organizations. Mount Vernon has worked with



**CHARLES COLLIER** of MOUNT VERNON STRATEGIES *emphasizes the importance of an executive summary.*



*The audience pays close attention as the finalists present their cases in the business plan contest.*

A plan that can be used to raise funds must describe the vision, the management team and the path to profitability. The plan must also address market entry and building brand equity. Every legitimate plan needs to identify and differentiate the competition; if you truly have no competition, investors will likely conclude that there is not an appropriate market for your goods or services.



**RAMIN ABRISHAMIAN**, the third business plan contest judge, *listens attentively to the speaker.*

### *WPI Venture Forum*

## **RADIO SHOW**

When was the last time you curled up with a good radio program? Join Bob Hokanson, executive producer of the show, every Saturday\* from 5 to 7 pm on WTAG AM 580 to hear some interesting interviews with a variety of business professionals. 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.

clients such as Merrill Lynch, Green Mountain Coffee, Open Solutions, SRC and Nantucket Nectars.

Collier told the audience that a business plan must clearly define the business model, validate the concept with real-world data and present the strategy in a visually appealing, investor-friendly manner. He emphasized that the executive summary must present these issues in a compelling fashion and that the rest of the plan should provide the details.

# planning



*Business plan contest judges JOHN MERRILL (left) and PHIL HOLBERTON discuss the two finalists.*

## *Business Plan Contest*

After the networking break, the two finalists in the WPI Venture Forum's 10th Annual Business Plan Contest presented their plans to the audience and a panel of experts who had read the plan in advance. The panelists were John Merrill of Worcester Capital Partners, Long River Ventures, and



*BRIAN DINGMAN announces the business plan contest winner.*

Sovereign Bank, Phillip Holberton of the Holberton Group, and Ramin Abrishamian, general manager of Windsor Capital LLC.

Jeffrey Stutzman, the founder and CEO of Beadwindow, presented the company's plan to implement and distribute intrusion protection system security software products. With years of critical military experience and an expert in network threats, Stutzman provided alarming details on the ineffectiveness of current firewall and security software that exposes enterprise systems to 80 percent or more of electronic intrusions. He also described his funding requirements and the company's planned use of proceeds.

The second presenter was Dr. Thomas Hampton, founder and CEO of Mouse Specifics, Boston, Massachusetts. Mouse Specifics has developed, implemented, patented and is selling two products for non-invasive testing of mouse models used in pharmaceutical and other biotechnology research applications. One product is a simple mouse ECG device, and the other measures the gait of mice. Hampton specifically described the products and the opportunity. Mouse Specifics also seeks equity funding.

The panelists provided brief comments on the companies, the plans and the presentations. They then convened privately and selected Mouse Specifics as the winner of the business plan contest and the winning prize worth \$15,000.00. √

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# Protecting intellectual property

by  
JOEL E. LEHRER  
ROBERT J. TOSTI

Often a technology company's most valuable asset and the product of many hours of research and development, intellectual property represents the "crown jewel" of an organization. Consequently, a company must take precautions to protect its intellectual property. By implementing a number of simple business practices, the company will be able to identify and protect newly developed intellectual property and to evaluate and maintain existing intellectual property assets. Further, it is critical that a company fully understand the implications of including intellectual property as part of any contract or other arrangement with another entity.

## BUSINESS PRACTICES

Certain business practices will enable a company to secure rights to its confidential information and inventions, as well as to ensure that the financial resources it allocates to the protection of any intellectual property are aligned with the business goals of the company.

OBTAIN WRITTEN AGREEMENTS WITH CAREFULLY DRAFTED NONDISCLOSURE, ASSIGNMENT OF INVENTION, AND OTHER APPROPRIATE PROVISIONS

A company should firmly establish from the outset its ownership of work produced by its employees, partners, and contractors, as well as ownership of all intellectual property rights associated with that work product. Signed agreements are very helpful in establishing that ownership. The lack of such agreements can create uncertainty regarding ownership, which in turn makes it difficult for a company to raise capital from outside investors. A company also should obtain in writing from its employees, partners, and contractors an agreement to maintain confidentiality regarding company information.

IMPLEMENT AN INVENTION DISCLOSURE AND PATENTING PROGRAM

Elements of such a program can include a procedure for engineers and scientists to follow to document inventions as they

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The WPI Alumni Association and the WPI Venture Forum invite you to an evening of

## Cocktails and Conversation

Friday, June 6, 2003  
6:00 to 8:00 p.m.  
WPI Campus Center

Connect with WPI alumni, Venture Forum members, sponsors, committee members and their guests for a wine tasting with Jeff Brooks of the Kobrand Corporation, cocktails and hors d'oeuvres, and music by classical guitarist Carl Kamp. Sponsor: ECI Biotech.

Please reply by May 30. Cost is \$20.

Register at [www.wpi.edu/+Alumni](http://www.wpi.edu/+Alumni)

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**WPI** Venture Forum Alumni Association

develop and evolve; a form for inventors to provide all pertinent information about each invention; a description of the roles and responsibilities of management and other employees, and incentives that reward participation. Establishing and adhering to such a program ensures that proper records are kept. Maintaining such information in an organized manner can make the patent application process easier and is invaluable if disputes arise regarding an invention.

#### **CONDUCT REGULAR REVIEWS OF INTELLECTUAL PROPERTY ISSUES**

An intellectual property review team, committee, or board, consisting of the company's management team and/or employees, can ensure that the intellectual property rights being developed and protected by the company are aligned with the company's business goals. Board responsibilities might include the following:

- review invention disclosures;
- communicate with outside counsel;
- prioritize and control patent applications;
- monitor and control company publications and other disclosures that could jeopardize patent rights, and
- generally assess the company's intellectual property rights, as well as those of its competitors.

#### **BUSINESS RELATIONSHIPS**

While it is important for a company to develop and protect its own products and technology and related intellectual property rights, it also can be important and beneficial for a technology company to enter into strategic relationships with other companies that offer complementary products and/or services. Because the agreements that govern these relationships are often negotiated under extreme time and budgetary constraints, provisions relating to the protection, use, and ownership of intellectual property rights sometimes are overlooked or given short shrift, and the consequences of doing so can

be severe. Examples of common business relationships that may have significant impact on the parties' rights to intellectual property include joint development partnerships, manufacturing relationships with original equipment manufacturers, distributorships, outsourcing agreements, and licensee/licensor arrangements.

Proper attention must be paid to the terms of business agreements in order to provide appropriate protection for a company's intellectual property rights and to preserve future business and financial opportunities for the company. This is particularly true when intellectual property is the company's sole or principal asset. Neglecting these issues can make it difficult — perhaps impossible — for a company to secure financing or to provide liquidity to its investors either through the public offering process or a sale of the company.

#### **SOFTWARE COMPANY ISSUES**

Software companies face three industry-specific issues when offering access to or use of their source code as part of a business arrangement.

##### **PROTECTION OF SOURCE CODE**

When source code must be provided to another other party, companies generally choose to license the source code for a particular purpose, duration, and scope. Nonetheless, issues such as protection of trade secrets codified in the source code, assurances against distribution and sublicense provisions remain critical. Both disclosure of trade secrets and distribution of source code to third parties can significantly decrease the value of the intellectual property to the company, and thus decrease the value of the company to outside investors and potential acquirers.

##### **OWNERSHIP RIGHTS TO JOINTLY DEVELOPED PROPERTY**

Although the choice of ownership of jointly developed intellectual property may seem straightforward (it is either owned exclusively

by Company A or Company B, or it is jointly owned by Company A and Company B), the ramifications of such choice are considerable. For example, a company that allows a partner to obtain exclusive ownership in derivative software that was jointly developed, and which includes the company's source code, cannot prevent that partner from distributing the original source code as part of the newly developed derivative work. In another example, a company may enter into a relationship pursuant to which the parties retain joint ownership in a derivative work that is based on the company's source code. In this case, the company can no longer offer exclusive licensing rights to its own source code because its partner now has rights to that code as part of the jointly owned derivative work. In both examples, the company effectively has lost control of its valuable intellectual property assets and may have made itself a less attractive investment or acquisition candidate.

##### **THE USE OF "OPEN-SOURCE" IN THEIR WORKS OR DERIVATIVE WORKS**

Perhaps most detrimental to a company's ability to realize value from its intellectual property is the use of "open source" code as part of its technology. Although there is no industry standard definition of what constitutes "open source" software, the term generally refers to software that can be distributed, modified, and copied royalty-free. Additionally, while there is no single license agreement that governs the use of open source software, open source license agreements typically require that any derivative works be themselves open source and hence must be distributed royalty-free. Therefore, it is likely that software developed using open source code will become open source software itself, thereby possibly significantly reducing, or even eliminating, its value to the company.

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# Positioning your company for sale

by

BRADLEY FELD

Owners of growing companies typically have two paths to liquidity - either offering shares to the public through an IPO (initial public offering) or a sale of the company. Since an IPO is highly unlikely in today's business environment, entrepreneurs should begin positioning their companies for sale early in the life of their businesses and should continue to take steps toward that strategy throughout their businesses' life. What's at stake, after all, is more than just the sale itself, but also acquiring enough money to enable the serially inclined among this entrepreneurial group to continue building companies.

There are many clichés about preparing your business for sale, such as "paint the house" (e.g. dress up your business for sale to make it appear as attractive as possible for the buyer). While an unsophisticated buyer may be impressed by shallow efforts, most buyers - especially in today's environment - will focus on substance over form. As a result, it's in your best interest as an owner to make deep, permanent efforts to improve the positioning of your company for a sale. Following are eight suggestions for how to do this.

- *Build a great company:* Above all else, put all your efforts behind building a great company, one with an industry-leading product or service. There is no better way to extract the maximum value from a seller for your business than to have a superb company. Don't ever lose sight of this - it's a simple idea that is overlooked surprisingly often.
- *Recruit experience:* Most acquirers have much more experience buying businesses than owners have selling businesses. Don't

be a rookie - surround yourself with experienced people who can help. Start with a strong lawyer who has plenty of transactional experience. Bring on board members or advisors who know your industry, know the potential acquirers, and understand how to do transactions. Hunt down people who have sold businesses in your industry in the past and ask them for advice. However, be thoughtful about the kind of help you recruit - make sure it's actually additive to your efforts. For example, hiring "a broker" may not actually be the type of help and experience you need, as many buyers will be uninterested in negotiating with a broker and the broker's only incentive will be to complete a transaction, not necessarily maximize the value to you for your business.

- *Put yourself in the buyer's shoes:* This is especially important if you are selling a business for the first time. Think about what your potential buyer wants from your business. If you were that buyer, what would you be looking for?
- *Know your buyers:* Every business has multiple potential buyers. However, it's often the case that a business owner falls in love with the first buyer that makes a pass. If you know the potential buyers for your business, you'll be able to quickly react when you are approached. Optimally, you'll have a personal relationship with the owners and management of your potential buyers and will be able to reach out to them to see if they have any interest in discussing an acquisition when other buyers approach you.
- *Continually position your business in its current competitive context:* If none of your competitors know about you, it's difficult to create a competitive situation if you are approached about an acquisition. In contrast, if you are well known as a leader in your industry, once it is known that a buyer has approached you, you will be in a good position to generate additional interest in your company.

- *Know what you want to do:* When you find yourself in a position in which you can potentially sell your business, know what you want. Most business owners haven't put a lot of time into thinking what they want to get out of a sale. The financial aspects of a deal are merely a small part of the overall transaction - don't overlook the emotional, organizational, and functional aspects. When approached by a seller, don't vacillate - be clear about what you want and negotiate hard for it. If you don't know what you want, it's likely that a sophisticated seller will be able to sense this and take advantage of the situation.
- *Be clear and honest with your team:* You need to carefully choose the right time to tell your team about the potential sale. However, once you tell them, make sure you are honest, clear, and consistent with your message. Assume everyone will know everything about the deal - even small "falsehoods" or "omissions" can come back to haunt you. This doesn't mean you have to tell every person in the company every detail - decide what you are going to share and then be consistent.
- *Don't be a seller, but always be prepared to sell your company:* Always be ready to be approached. If you can't answer the question, "What do you want for your company?" spend some time thinking about it.

As a business owner, you will find that the question, "What do you want for your company?" segues seamlessly into, "What you want for yourself?" with the latter being the critical question. When it comes to pursuing the sale of a company you founded and spent years building, you're talking about more than growing a business. You're talking about growing a life.

*Bradley Feld is a co-founder and managing director of Mobius Venture Capital based in Boulder, Colorado, and is actively involved in the Young Entrepreneurs' Organization (YEO).*

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# Hire, partner, outsource: lean business models that work

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## Case presentation

### Aspect Medical Systems Inc.

141 Needham Street  
Newton, MA 02464

www.aspectms.com

John Coolidge, *vice president,  
manufacturing operations*

phone: 617-559-7152

jcoolidge@aspectms.com

Marc Davidson, *vice president, engineering*

phone: 617-559-7063

fax: 617-559-7400

mdavidson@aspectms.com

Founded in 1987, Aspect Medical Systems' mission was to develop technology that could measure a then unknown element of patient status - the direct effect of drugs on the brain. The company went public in 2000 (NASDAQ: ASPM) and has continued to thrive. Today, Aspect is recognized as a pioneer and global market leader in brain monitoring, having led the way to develop



**JOHN COOLIDGE, VP of Manufacturing**

proprietary technologies that directly measure these effects and ultimately improve the quality and cost effectiveness of patient care. John Coolidge, VP of Manufacturing, and Marc Davidson, VP of Engineering, will co-present the company's changing organizational strategies as they evolved from a three-person start-up with \$0 sales to an established company with more than 200 employees and \$40 million in annual sales.

John Coolidge, vice president of manufacturing operations, will discuss two areas in which Aspect uses outsourcing: manufacturing and research and development (R&D). In the early stages, Aspect outsourced all of its disposable sensor manufacturing and raw materials, i.e., PCBAs, for its electronic hardware, according to Coolidge. "Basically, we followed a strategy of keeping manufacturing in-house for only unique processes, that is processes that no other company offered as a standard service," he says. "However, our sensor design evolved, offering key customer advantages over standard 'electrodes.' This evolution caused a shift to a unique sensor for Aspect and meant that outsourcing no longer offered us the strategic advantages. As a result, a major strategic decision was made to invest in and develop our own vertically integrated operation. This allowed us to control cost, quality and technology."

Through R&D, Aspect has built a strong foundation around unique technologies in its core competencies and outsources any and all functions that are more readily available. Coolidge's remarks will be applicable to entrepreneurs, would-be entrepreneurs, investors and service providers.

Coolidge has 20 years experience in operations management and is currently responsible for management of production; materials; shipping and receiving, and quality and service at Aspect. He has also managed R&D for the \$60 million division of Medtronic, Inc. and all manufacturing for the \$50 million business unit of Johnson and Johnson Medical, Inc., where he received the Shingo Prize for manufacturing excellence. Coolidge holds a BS in mechanical engineering technology from Wentworth Institute of Technology and an MS in engineering management from Rensselaer Polytechnic Institute.

Marc Davidson, vice president of engineering, will join Coolidge during his presentation. With 18 years experience in real-time embedded system engineering and management, Davidson has spent almost four years with Aspect, initially managing original equipment manufacturers (OEM) business



**MARC DAVIDSON, VP of Engineering**

where he was responsible for the integration of bi-spectral index" (BIS) technology into 3rd party patient monitoring equipment. Currently, he oversees all engineering functions, including hardware, software, mechanical and disposables.

Previously, Davidson spent 15 years at Hewlett-Packard (HP) in various positions within R&D management at HP medical, engineering and consulting within its test and measurement division and field organization as well as product marketing within the telecommunications sector. He received a BS in computer engineering from Case Western Reserve University.

The audience will have an opportunity to ask the case presenters questions at the end of the program.

*Randal Chinook serves as moderator for the June meeting.* ✓

# We have a winner!

CONTINUED FROM PAGE 3

systems, virus scanners and personal firewalls – all rely on rules developed *after* someone is the first victim. The time delay between the first reported incident and promulgation of the rule set to existing tools is typically somewhere



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between several hours and a day. Beadwindow! makes predictive assumptions based on approximately 21 simple predefined rules and makes yes/no decisions to allow the connection for every access attempt.

Key Beadwindow! technologies have been tested successfully in the Honeynet Project for nearly two years on unpatched systems around the world. As a result of these tests and further development, Beadwindow! will be positioned as replacement for standard perimeter and host-based defenses (firewalls, intrusion detections systems, fragment routers, virus scanners and person firewalls). In this role, any company using Beadwindow! will be able to minimize risks to unpatched web servers, databases, and information infrastructures.

In addition to founding Beadwindow!, Jeffery L. Stutzman, CISSP, also founded and

is the CEO of ZNQ3, Inc. ZNQ3 is an information security company that created the Dynamic Key Architecture (DKA) – a zero administration alternative to public key infrastructure for mobile and enterprise infrastructure security needs. Stutzman has more than 18 years of information security experience including Cisco Systems, US Navy Intelligence (Information Warfare) and the US Coast Guard. He also spent two years as a visiting scientist with Carnegie Mellon Universities Software Engineering Institute (CERT-CC), and is an active member in the Honeynet Project. Stutzman holds a BS from the University of New York and an MBA from Worcester Polytechnic Institute. Published works include “Know Your Enemy: The Honeynet Project” and several technical papers in the field of information security. √

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## Protecting Intellectual Property

CONTINUED FROM PAGE 7

### OTHER AREAS OF CONCERN

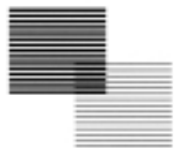
Additional areas of concern include grants of exclusivity, whether geographically or in a particular market segment; maintenance and support obligations; warranties against infringement of third party intellectual property rights, and confidentiality and non-compete provisions. Each of these issues should be identified and negotiated prior to entering into any agreement, especially when the valuation of the company is based on its intellectual property.

In summary, any company that has invested significant resources in the development of its intellectual property should take appropriate measures to protect its rights in that intellectual property. By creating and supporting a corporate culture that encourages employees

to recognize the importance of intellectual property rights, a company should be better able to capture, maintain, and profit from these valuable assets as the company grows and develops. A company must understand fully the impact of business relationships where intellectual property is exchanged or developed before entering into such relationships. By doing so, the company will be able to preserve its ability to maximize the value of its intellectual property, while the failure to do so may severely impair the company's value and its ability to achieve its business and financial goals.

*Joel E. Lehrer is an associate in the Patent and Intellectual Property Practice Group of Testa, Hurwitz, & Thibault, LLP, and Robert J. Tosti is a partner in that Group. √*

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Chestnut Place, Worcester, MA 01608 or 72 River Park, Needham Heights, MA 02194 or call 1-800-649-1553. You will also find more information at their website: [www.sullivangroup.com](http://www.sullivangroup.com). ✓

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**FROM THE EAST:** Take Mass. Turnpike (I-90) 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 the right on Salisbury St. At the WPI sign, turn left onto Boynton St. There is parking in the large lot on the right behind Gordon Library or continue on Boynton St. then right onto Institute Rd., then right onto West St. Visitor parking is on the left after footbridge.

**FROM THE NORTH:** Take I-495 south to I-290. Follow directions as from east.

**FROM THE SOUTH AND WEST:** Take Mass. Turnpike I-90 to Exit 10-Auburn. Proceed east on I-290 into Worcester. Take Exit 17, turn left at end of ramp, follow Route 9 west through Lincoln Square, straight onto Highland St. then right at light onto West St., through first intersection of West and Institute Rd. Visitor parking is on the left after footbridge. Additional parking on Boynton St. behind Gordon Library.

