

TUESDAY,
JUNE 8, 2004

WPI, WORCESTER
Campus Center Odeum

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

\$10.00 members
\$20.00 non-members

Business Plan Contest

At the June WPI Venture Forum meeting, you will learn how to write a successful business plan and hear presentations by the finalists of the Venture Forum's 11th annual business plan contest.

Carrie J. McIndoe, founder and president of Strategic Capital Resources, Inc. (SCR), will give an abbreviated version of her well known "bootcamp" titled, "How to Prepare an Investment Grade Business Plan." McIndoe will speak from experience in venture financing.

As an expert in venture financing, McIndoe focuses primarily on business plan analysis, due diligence and private placement of syndicated investment products. She has ten years of experience at NYSE/NASD firms such as Kidder, Peabody & Co., Inc. and Beacon Hill Capital. McIndoe began focusing her efforts on raising capital for emerging growth companies, which led to her successful assistance in the early funding of companies including Blockbuster Video franchises, Boston Chicken (Boston Market), Marathon Technologies and Boston Duck Tours.

A graduate of Boston University with a BS in Business Administration, McIndoe has also received a Certificate of Special Studies in Administration and Management from Harvard University Extension School. She was awarded the Boston University Metropolitan College *Alumni Award for Distinguished Service* to the Profession and the *Henry Morgan Award* for outstanding contribution to the Entrepreneurial Management Institute Program. McIndoe is the head of the BU Metropolitan College Alumni Association Scholarship Fund and is on the Business Advisory Board of Skidmore College.

Currently, McIndoe is on the start-up team and operating an amphibious tour business in Manhattan.

SCR is a strategic planning and consulting firm that assists in private equity financing of entrepreneurial emerging growth and early stage companies. SCR provides access to capital by assisting in the preparation of investment grade business plans and presentations in order to obtain funds from high net worth individuals, through a broker-dealer network or strategic alliances. SCR invests resources in unique businesses with exceptional management teams that are well positioned for growth in their respective markets. SCR provides the professionalism that early stage companies need to be successful in today's competitive environment.

BUSINESS PLAN CONTEST WINNER TO BE SELECTED

The winner of the 11th annual Business Plan Contest will be selected after the presentation. All contest finalists will present their plans to the audience and a panel of three judges – Carrie McIndoe, Will Cowen, managing partner of Worcester Capital Partners/Long River Ventures, and Matt Kelley, managing director and COO of Zero Stage Capital. Following the presentations, the judges will select the winner, who will be awarded the prize worth \$20,000. We invite you to come learn how to write a plan, and see how others present and critique plans.

Brian Dingman serves as moderator for the June meeting. He is chair of the Intellectual Property Practice Group at Mirick O'Connell, a law firm with offices in Westborough, Worcester and Boston. ✓

JUNE MEETING

Sponsored by...



WEINGARTEN, SCHURGIN,
GAGNEBIN & LEBOVICI LLP

contents

<i>Letter from the chair</i>	2
<i>Forum sponsor urges FTC</i>	3
<i>A look at April's meeting</i>	4
<i>Forget beginner's luck</i>	6
<i>Financing Basics</i>	7
<i>Choosing a unique – and legal – corporate identity</i>	8
<i>Yes, you do need a strategic plan</i>	10
<i>Don't leave home without it</i>	12
<i>Websites of interest</i>	14
<i>Sponsor Highlight's</i>	15

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

Gesmer Updegrave LLP

THE TECHNOLOGY LAW FIRM

Patrick R. Jones 617.350.6800

www.lgu.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

MTDC

VENTURE CAPITAL

Robert J. Crowley 617.723.4920

www.mtdc.com

Mirick O'Connell LLP, 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

INSURANCE FOR EMERGING VENTURES

John M. Brisbois, 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.wsglp.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. 10, JUNE 2004

A LETTER FROM THE CHAIR...

Passing the torch



PAUL F. MCGRATH

For the past two years, I have had the honor and privilege of serving as chair of the WPI Venture

Forum. The strength of this organization is due to the dedicated commitment of the board and committees, the members of the Forum, and to WPI. I truly appreciate the patience, assistance and understanding I received during my tenure.

I extend special thanks to all the committee members. Our committee members find that their involvement provides a powerful networking and learning opportunity. Consider becoming more involved in Forum activities through committee membership; there are many options from which to choose.

The program committee continues to be the core of our organization. Obtaining interesting and informative speakers, as well as business case presenters and related panelists, are its main objectives. The program committee has also introduced the "Spotlight on Entrepreneurs" section of our meetings, which has been very popular and successful.

This year the Forum has been promoted to new heights through the outstanding work of the marketing committee. In addition to vigorously spreading the word via print media and personal contact, this committee continues to find new venues for our "networking only" functions. These events have been a key ingredient this past year, and, together with visits to various area businesses, have proved to be extremely successful.

The newsletter is published by an unheralded team whose dedication to delivering a quality newsletter within monthly deadlines is immeasurable. I know

many members who keep back issues as reference tools. We have all found something informative and useful in the newsletter.

The Forum year culminates with the business plan contest. The committee responsible for this contest has raised the event to new levels by increasing the prize, adding a mentoring component, and most impressively, including a one-on-one meeting with a venture capital firm for each plan finalist.

The radio show is ongoing every Saturday evening from 5 to 7 p.m. on WTAG 580 AM. The show provides weekly business information through interviews with diverse business people. We hope you take the time to listen, or, better yet, call in and join the discussion.

I would be remiss if I did not give a special thanks to Venture Forum sponsors. Without their moral and financial support, the Forum could not present its high caliber programs.

Finally, my deep gratitude for the continuing support we receive from WPI. The cooperation and collaboration of everyone at the university serves as the motivation behind the success of the Venture Forum.

As this year draws to a close, I'd like to welcome our new chair, Amar Kapur. Under his leadership and with the continued backing of all involved, this fine organization will continue to fulfill its mission of promoting the entrepreneurial spirit and serving those who engage in technology-based entrepreneurial enterprises by providing direction, advice, support, education, and networking.

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.

Forum sponsor urges FTC to uphold standard setting process

In October 2003, The Vantage reported on actions taken by Forum sponsor Gesmer Updegrave LLP regarding Federal Trade Commission (FTC) sanctions against Rambus Inc. Rambus, a high-flying silicon design company, participated in the standard setting process of the Joint Electron Devices Engineering Council (JEDEC) in the early 90's, but did not disclose that it held patents and patent applications on some of those designs. Subsequently, Rambus sued companies, including Infineon, for patent infringement when the standards were implemented.

The FTC investigation, and the related private suits, have been one of the most

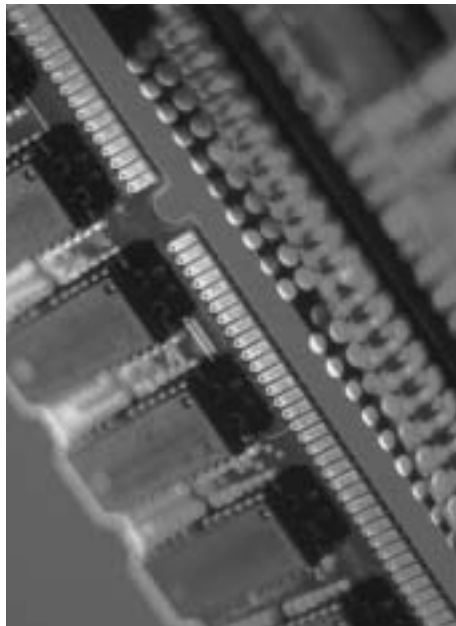
closely watched, high-stakes court battles in the high tech industry in years. Eleven major standard setting bodies, as well as a standard setting joint venture, are parties to the brief. The combined membership of the standard setting bodies exceeds 8,600, including most major U.S. technology companies, as well as many government agencies, universities, and other entities.

RAMBUS HAS ALREADY DEFEATED INFINEON IN THE PRIVATE LITIGATION.

In April 2004, Boston-based law firm Gesmer Updegrave LLP filed a "friend of the court" brief with the FTC urging the

CONTINUED ON PAGE 9

How do you define *superior business idea*?



To us, it's the basis of a company that solves a big problem — better, faster, and/or cheaper than anything in the market today. And it beats other solutions by at least an order of magnitude.

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

ZERO STAGE CAPITAL

www.ZeroStage.com

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



A LOOK AT APRIL'S MEETING:

It's all about the

by

VIC MARCUS



The Forum audience enjoys the informal seating arrangements at the April meeting.

What do an entrepreneur, a venture capitalist, and an angel investor have in common? They all agree on one thing: raising money is a “nerve-wracking” and “debilitating” experience. These were some of the often-mentioned descriptions by our expert speakers at April’s Venture Forum.

Carlos Bielicki, president and CEO of TimeLab Corporation, opened the program with a candid presentation of his experiences in the money raising “wringer.” He was successful in closing on a \$6 million venture capital financing, but not after going through some trying times filled with stressful challenges, he explains. The wisdom that Bielicki offers is vital and basic to the formula for success, and although we may have heard it many times, he notes that it can often go unheeded by entrepreneurs.

THE FUNDAMENTALS

The Forum’s remaining two speakers, Ilan Carmi of Kodiak Ventures VC, and Hambleton Lord, a Launchpad Angel investor, joined Bielicki in dispensing the sound advice of the evening:

1. Stop worrying about company control; it’s a major delay and distraction to progress. Accept loss of control in return for much greater odds of success.



GINA BETTI, JOSEPH THOMAS (center) and MAC BANKS show their approval for the April Forum meeting.



RAY RITTER (center) and JOSEPH THOMAS (r) explain one of the panelists’ comments to a guest at the April Forum meeting.

2. Not getting a CFO involved early in the search process will undoubtedly lead to failure in acquiring capital.
3. In 15 minutes, present a crisp, attractive investment that excites the investor. Do your homework. What’s in it for your investor, not what’s in it for you? If you can’t make this work, you may not want to be in this ballgame. Forget the voluminous business plan; package-up your excitement and showmanship along with a six to eight-page executive summary.
4. Target the right VCs – those that understand your business.
5. Get inside the VC circles; learn how VCs think; develop relationships. Introductions open many doors. The investment community relies almost exclusively on word-of-mouth referrals.
6. Your biggest asset - your team - must have been successful as well as “stressful” together – sell it up.
7. Although chemistry between the parties is essential, the entrepreneur who creates competition within the investor community will ultimately have more options when it comes time to accept term sheets.



CARLOS BIELICKI,
April panelist



ILAN CARMİ,
April panelist



HAMBLETON LORD,
April panelist

SURE FORMULA FOR SUCCESS

All of the panelists agree that one sure way to nail down financing is to develop a product or service that has an “unfair advantage” and one the competition can’t touch. Customer endorsement in both numbers and quality is vital to getting the attention of the money community.



DAVIS ECKBERG (l) and BRIAN DINGMAN
share thoughts during a Forum networking break.

Both Carmi and Lord further articulated what they look for in a well-managed operation is people they can trust who have exceptional business contacts, and who can bootstrap an operation to build initial value. Having passion, paranoia and a sense of urgency will add to credibility in executing, they pointed out.

At the end of the day, the “bottom line” that every VC looks for is:

1. **Team** – can they execute?
2. **Market** – is it really out there?
3. **Technology** – new, crisp and exciting, not a rehash of old “stuff”?
4. **Value proposition** – how will this make everyone’s life better, from the people who make it to the people who buy it and use it?

The WPI Venture audience heard the same message played over and over with these three experts on finding investment capital. “Great people make great companies” and “It’s all about the people” is the strongest essence of the message that can be sold to the investment community.

Elevator pitch

TotalETL, Inc.

Sangita Shastry

Product: TotalETL designs and markets a suite of data integration/ETL (extraction, transformation and load) products that help business individuals at every technical skill level to quickly access, integrate and analyze all forms of data for optimal business performance.

Seeking: \$2 million in seed funding

Phone: 978-996-9323

Email: sangita.shastry@totalatl.com

www.Totalatl.com ✓

Creative Growth Financing

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

Sage Capital Group, LLC

www.sagecapital.net

508-366-2260

Forget beginner's luck: six things to know before starting your business

by

SHARI BIEDIGER

Nearly seven out of 10 young people want to control their own destinies by becoming entrepreneurs. Yet, when the Kauffman Center for Entrepreneurial Leadership surveyed teens about "making a job" versus "taking a job," it found that most of them feel they lack the know-how to go out on their own. And having no personal connection with a small business owner - a role model - makes it tough for even the most motivated entrepreneur to know where to start.

Here are some been-there-done-that tips from three young entrepreneurs who are making a job for themselves and others.

START SMALL

Don't go into it thinking you are going to make millions, says Monique Moizel, 27,

designer of Topsy Turvy handbags and an emerging clothing line, called Pretty Punk. Though her designs were carried in Nordstrom stores and worn by Hollywood celebrities, Moizel has seen hard times. "The more you save in the beginning, the more you make in the end," she says. "Try not to have too much overhead. Have friends help. Work out of your house in the beginning."

ACT LIKE YOU MEAN BUSINESS

And learn as much as you can about the financial side of running a business. Moizel says she wishes she had gained more education and experience before she got started. Take business classes, advises the design-school dropout, "even if you're just selling something like nail polish."

CONTINUED ON PAGE 10

networking

June 11, 2004 6-8pm

A **networking** opportunity
hosted by

WPI Venture Forum
Alumni Association

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

Cocktails and Conversation

**Friday, June 11, 2004
6:00 to 8:00 p.m.**

WPI Alden Hall

Seize this opportunity to make new connections and exchange business cards with fellow WPI alumni, WPI Venture Forum members and sponsors. Gather in Alden Hall where conversation, cocktails and light fare will be enhanced by the music of classical guitarist Carl Kamp.

Please reply by June 1. Cost is \$20.

Register at www.wpi.edu/+Alumni

Questions? Call 508-831-5600
or e-mail reunion@wpi.edu

Sponsored by Endeca
and ECI Biotech

Financing Basics

While poor management is cited most frequently as the reason businesses fail, inadequate or ill-timed financing is a close second. Whether you're starting a business or expanding one, sufficient ready capital is essential. But it is not enough to simply have sufficient financing; knowledge and planning are required to manage it well. These qualities ensure that entrepreneurs avoid common mistakes like securing the wrong type of financing, miscalculating the amount required, or underestimating the cost of borrowing money.

Before inquiring about financing, ask yourself the following:

- Do you need more capital or can you manage existing cash flow more effectively?
- How do you define your need? Do you need money to expand or as a cushion against risk?
- How urgent is your need? You can obtain the best terms when you anticipate your needs rather than looking for money under pressure.
- How great are your risks? All businesses carry risks, and the degree of risk will affect cost and available financing alternatives.
- In what state of development is the business? Needs are most critical during transitional stages.
- For what purposes will the capital be used? Any lender will require that capital be requested for very specific needs.
- What is the state of your industry? Depressed, stable, or growth conditions require different approaches to money needs and sources. Businesses that prosper while others are in decline will often receive better funding terms.
- Is your business seasonal or cyclical? Seasonal needs for financing generally are short term. Loans advanced for cyclical industries, such as construction, are designed to support a business through depressed periods.

- How strong is your management team? Management is the most important element assessed by money sources.
- Perhaps, most importantly, how does your need for financing mesh with your business plan? If you don't have a business plan, make writing one your first priority. All capital sources will want to see your plan for the start-up and growth of your business.

NOT ALL MONEY IS THE SAME

There are two types of financing: equity and debt financing. When looking for money, you must consider your company's debt-to-equity ratio - the relation between dollars you've borrowed and dollars you've invested in your business. The more money owners have invested in their business, the easier it is to attract financing.

If your firm has a high ratio of equity to debt, you should probably seek debt financing. However, if your company has a high proportion of debt to equity, experts advise that you should increase your ownership capital (equity investment) for additional funds. That way you won't be over-leveraged to the point of jeopardizing your company's survival.

EQUITY FINANCING

Most small or growth-stage businesses use limited equity financing. As with debt financing, additional equity often comes from non-professional investors such as friends, relatives, employees, customers, or industry colleagues. However, the most common source of professional equity funding comes from venture capitalists. These are institutional risk takers and may be groups of wealthy individuals, government-assisted sources, or major financial institutions. Most specialize in one or a few closely related industries. The high-tech industry of California's Silicon Valley is a well-known example of capitalist investing.

Venture capitalists are often seen as deep-pocketed financial gurus looking for start-ups

CONTINUED ON PAGE 11

⟨ Coming soon ⟩

online discussion forum

Watch the WPI Venture Forum web site for our new online discussion forums. Consult with experts, network with peers and interact with fellow WPI Venture Forum members. Topics will include:

- ▶ Financing & raising money
- ▶ Technology
- ▶ Marketing & sales
- ▶ Management & team building
- ▶ Developing a business plan
- ▶ Legal issues
- ▶ Employment & career building

Choosing a unique – and legal – corporate identity

by

WILLIAM O'BRIEN

Before creating a marketing plan, every company establishes a “brand” for its products or services, which includes a trade name, trademark or service mark. However, surprisingly few companies consider the consequences of selecting and using an identifier for themselves and their products before actually adopting the name and embarking on a marketing campaign. At the risk of having to remove its marketing materials from the public eye, redoing its image and marketing strategy, and/or paying damages, companies and individuals should conduct a trademark search before building its marketing campaign.

TRADE NAMES/TRADEMARKS/ SERVICE MARKS

Trade names are those that identify corporations. Examples of well known corporate names are Proctor and Gamble Company, Microsoft, Inc., and Coca Cola, Inc. Although these names may be used to identify products, they are also the terms by which the company distinguishes themselves in the market place.

Trademarks are the names and/or symbols that individuals or corporations use to distinguish their goods from those of others in the market place. Some famous trademarks include Coca Cola®, Pepsi Cola®, Windows®. Similarly, service marks are names and/or symbols that individuals use to differentiate their services from those of other services in the marketplace. Examples of famous service marks are Bank One®, Citibank® or American®.

SEARCHING A TERM

When you believe you have found the perfect identity for your company or product, your first step should be — before spending money on developing marketing — determining if anyone else has already adopted the same or a similar mark. One relatively easy way to check is to type the words in an internet search engine. You can also conduct a search through the office of the secretary of the Commonwealth and by visiting the website of the Patent and Trademark Office (www.uspto.gov).

The trick in searching a mark is to not only locate trademarks that are identical to one's own, but to find those that are similar and where a claim of “likelihood of confusion” could arise. If another person or company has adopted and is using a trademark closely resembling your mark and is applying it to related goods and services, you may be prevented from using your mark due to the possibility that consumers will become confused. If your trade name or trademark causes a “likelihood of confusion” with an already existing trademark, the owner of the trade name or trademark may seek to bar your use of your mark.

Of course, to assure that you will continue to have the right to use the trade name or trademark you have selected, you should seek registration of that mark with state or federal agencies before utilizing the name or symbol.

William O'Brien is an attorney specializing in trademark and general corporate law. He can be reached at (508) 829-5185 or by email at william@masstechlawyer.com ✓

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.

Forum sponsor urges FTC to uphold standard setting process

CONTINUED FROM PAGE 3

Commissioners to reverse the decision of an Administrative Law Judge (ALJ) earlier this year in favor of Rambus. Gesmer Updegrove filed the brief on behalf of the parties on a “pro bono” or fee-free basis. “The conduct that Rambus is alleged to have engaged in goes to the very heart of the integrity of the standard setting process,” said Andrew Updegrove, a partner at Gesmer Updegrove and the author of the brief. “As we are a national leader in forming and representing the organizations that set standards, we felt that it was our duty to stress the importance of this case to the FTC. Although we believe that the ALJ made other mistaken rulings, those failings will be addressed by the FTC’s own Complaint Counsel. The urgent message that we sought to deliver is that admitted efforts to game the system must be punished. Without an enforceable duty to act in good faith, the standard setting process will collapse.”

The FTC action coincides with the ongoing battles between Rambus and various chip manufacturers. In *Rambus v. Infineon*, the case that has proceeded the farthest to date, first one side, and then the other, gained the advantage, with Rambus ultimately coming out the winner. Moreover, estimates of the industry-wide royalties at stake run as high as a billion dollars. But the impact of the case goes far beyond just the memory industry. If the FTC does not reverse the ruling of the ALJ, the process that sets the more than 100,000 standards that affect nearly every aspect of daily life in this country will be undermined.

As noted in the brief:

- Voluntary standards, especially technology standards, are vital to the national interest, affecting almost all areas of modern life, safety and commerce.
- The federal government is dependent on such standards: Congress has mandated the use of voluntary consensus standards by the Federal agencies whenever possible.
- The failure by the courts to protect the standard setting process would undercut the American economy and impair our international competitiveness.
- Without an enforceable duty of good faith, standards process participants would have more to gain by cheating than playing by the rules, and the standard setting process would collapse.

Rambus will now have six weeks to respond to Complaint Counsel’s brief and the briefs of the Friends of the Court. Brief oral arguments before the FTC by counsel to Rambus and the FTC Complaint Counsel are expected to be scheduled for late summer. According to Updegrove, if the FTC’s decision is not reversed, everyone who sets standards, builds to standards, or uses technology — will come out a loser.

*Gesmer Updegrove LLP, a Boston, Massachusetts-based technology law firm, is the leading US law firm representing standard setting consortia, and hosts www.consortiuminfo.org, the most detailed and comprehensive site on the Internet on the topics of standard setting and consortia, and publishes a monthly eJournal on the same topics: the *Consortium Standards Bulletin* (<http://www.consortiuminfo.org/bulletins/>)* ✓

Spotlight on Entrepreneurs

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

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

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

www.wpiventureforum.org/Programs/spotlight.html

Yes, you do need a strategic plan

by

JOHN A. HAAS, PH.D.

Clients often say, “We can’t take the time to develop a strategic plan,” or “Everyone already knows our plans,” or “Why bother – it’s just an exercise.” All these statements may appear to be true, but you still need to plan. Here’s why.

DECIDE WHERE YOU’RE GOING...

In the current economy and with today’s accessible technology, you’re probably facing many new and compelling opportunities. Yet, stories abound about companies that lose focus and try to do too many things too fast. The result can be disastrous — for customers, burned-out employees, and your bottom line. If nothing else, a logical, realistic statement of

vision and strategic direction serves as a framework for considering new initiatives. It should define your product/service niche, target market and customers, competitive posture, corporate values, uniqueness, etc.

...OR YOU’LL NEVER KNOW THE BEST WAY TO GET THERE

This 30,000-foot view serves as a general guideline. The essential steps include:

- Assuring that all major stakeholders understand and buy into your guiding principles
- Converting the vision into specific, achievable short-term business goals
- Stepping back at the top management level to critically analyze the existing organization

Forget beginner’s luck: six things to know before starting your business

CONTINUED FROM PAGE 6

KNOW THY CUSTOMER

Chris Pienkowski, 28, is preparing to graduate from The Wharton School at the University of Pennsylvania. But he’s not talking to recruiters. Pienkowski has a habit of creating his own jobs by starting businesses (four under his belt already). Pienkowski’s current venture, CoolSource Technologies, Inc. develops and markets groundbreaking educational software. The first product rolls out this fall and is already surpassing projected sales goals. How have they achieved success so quickly?

“The key is talking to potential customers; find out what’s not being offered and what they want to see,” says Pienkowski.

TRUST YOUR GUT

“When people tell me I’m crazy is when I know I’m on to something,” he adds. Don’t skip the important step of seeking sound and credible sources for advice. “But at the end of

the day, it’s you who makes the decision. No matter what advice you get, ultimately, the decisions are up to you. Leaders are not necessarily entrepreneurs, but entrepreneurs have to be leaders.”

STAY FOCUSED

Jason Volk, a 20-year-old accounting major in his third year at the University of Maryland (UM), says that in order to grow a business, you must have the right level of energy and focus. Volk is president and CEO of Alertus Technologies, a wireless communications company that provides emergency warning information to closed communities (university campuses, industrial campuses, government buildings, skyscrapers, etc.). It took him more than a year to take his revolutionary concept to production, assembling a team of technology engineers, securing grant money, and developing the first phase of the system.

“When you come upon an obstacle, define your focus and get past it, adjust your strategy and figure out if you’re pursuing the wrong customer or what,” says Volk, who credits the Hinman CEO program at UM for giving him the support and resources he’s needed to get Alertus going.

SURROUND YOURSELF WITH EXPERTS

Volk says it makes no sense to try to do everything yourself. “This is one of the largest challenges,” admits Volk. “But if your concept is good, then everything should flow from there.” Determining the need for your product first is a good idea, and isn’t that where it all starts?

Copyright © 2004. YOUNG MONEY®
Reprinted with permission. ✓

structure, key staff responsibility areas, current action initiatives and reward systems in light of the defined business goals

When employees are well positioned and focused, they are much more likely to achieve the plan.

THE LANDSCAPE IS ALWAYS CHANGING

This kind of strategic look at your business should be reviewed periodically. But when? Triggering events include major changes in your management team and the competitive environment, as well as shifting technology and customer demands. Whenever such situations dictate a strategic update, pay

particular attention to all the organization components listed above. Otherwise, you will risk falling into ruts and losing focus.

Within reason, some shifting of responsibility areas, team assignments and leadership can be healthy. New ideas and energy often result, which will keep employees interested, challenged, fresh and on their toes. It's certainly easier if everyone shares the vision and is familiar with the path to achieve it.

John Haas, Ph.D. is president of Management Strategies Group, consultants to organizations in transition, 23 Auburndale Avenue, West Newton, MA, phone: 617-964-1020, email: jahaas@gis.net. ✓

Financing Basics

CONTINUED FROM PAGE 7

in which to invest their money, but they most often prefer three-to-five-year old companies with the potential to become major regional or national concerns and return higher-than-average profits to their shareholders. Venture capitalists may scrutinize thousands of potential investments annually, but only invest in a handful. The possibility of a public stock offering is critical to venture capitalists. Quality management, a competitive or innovative advantage, and industry growth are also major concerns.

Different venture capitalists have different approaches to management of the business in which they invest. They generally prefer to influence a business passively, but will react when a business does not perform as expected and may insist on changes in management or strategy. Relinquishing some of the decision-making and some of the potential for profits are the main disadvantages of equity financing.

You may contact these investors directly, although they typically make their investments through referrals. The SBA also licenses Small Business Investment Companies (SBICs) and Minority Enterprise Small Business Investment companies (MSBIs), which offer equity financing. Apple Computer, Federal Express and Nike Shoes received financing from SBICs at critical stages of their growth.

DEBT FINANCING

There are many sources for debt financing: banks, savings and loans, commercial finance companies, and the U.S. Small Business Administration (SBA) are the most common. State and local governments have developed many programs in recent years to encourage the growth of small businesses in recognition of their positive effects on the economy. Family members, friends, and former associates are all potential sources, especially when capital requirements are smaller.

Traditionally, banks have been the major source of small business funding. Their principal role has been as a short-term lender offering demand loans, seasonal lines of credit, and single-purpose loans for machinery and equipment. Banks generally have been reluctant to offer long-term loans to small firms. The SBA guaranteed lending program encourages banks and non-bank lenders to make long-term loans to small firms by reducing their risk and leveraging the funds they have available. The SBA's programs have been an integral part of the success stories of thousands of firms nationally.

In addition to equity considerations, lenders commonly require the borrower's personal guarantees in case of default. This ensures that the borrower has a sufficient personal interest at stake to give paramount attention to the business. For most borrowers this is a burden, but also a necessity.

Reprinted from www.sba.gov. ✓

Don't leave home without it

by

PHYLLIS HANLON

As a businessperson, you should make sure you never leave home without it. No, not your American Express card — your business card. Your future depends on this little piece of paper. It can be the key to new clients, new relationships and new assignments. As a marketing tool, this mini-advertisement is crucial in promoting you and your business. Before designing a new business card, or revamping an existing one, there are a few points to keep in mind.

First of all, you need to look at your business and ask yourself some questions. What type of service or product do you supply or provide? Into which category does your business fall — financial, manufacturing, artistic, academic, medical, insurance, public relations, automotive, etc.? Your answers provide a starting point for your final design. A sedate, simple, elegant color and style would most likely reflect a serious business, e.g., financial consultant, while a more flashy, attention-getting color with an unusual font might indicate a fun, lively company, e.g., a disk jockey service.

Before making any decisions, you should study other business cards. What do you like or dislike about them? Is the font easy to read? Is there too much or too little text on the card? Is the message clear? Is the card neat or do cross-outs and hand-inked information detract from its appearance? By examining a variety of business cards, you'll be able to formulate a successful design for yours.

Your logo, which represents your brand name or trademark, should be part of your business card. This identifying symbol brings your company immediately to the minds of those who see it, much like the golden arches epitomize hamburger giant McDonald's. What message do you want your logo to communicate? Capability, dependability, accuracy, outstanding knowledge in a particular field? By exploring different symbols, you will find the one most appropriate to convey your message to the world.

Next, you need to decide on a color scheme. Is a monotone card more appealing than a colored one? A black and white business card represents simplicity and sophistication, but it can also be boring and uninteresting and land in the wastebasket soon after being handed to a prospective client. If you add a smattering of color, whether in your logo or your text, the results can be dramatic. Again, if you decide to use color, choose one that represents your message. Green is an obvious choice for financial companies. But what about blue for strength or gray for dignity? If you choose a color or color scheme that is connected to your business, you maintain consistency in your message.

What and how much information should you put on your business card? Obviously, you'll want to provide the basic demographic details — your name, company, address, phone, fax, email and website. If

Advertise here!

Are you in search of office space, staff, contractors, vendors, etc.? Do you have services to offer, a space to rent, products to sell? You can reach a professional, interested audience by advertising in this space.

For more information, contact Gina Betti at gbetti@wpi.edu or call 508-831-5761.

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

you have a tagline, be sure to include it. Is it necessary to list your products or services? If the name of your company does not clearly spell out the type of business you are running, you'll need to mention, at least in a general way, what your business is all about. After all, if you have a catchy name, eye appeal and a fabulous font, your card will mean nothing if other business associates don't know what you do.

The grade of paper you choose for your business card also tells a story about you and your company. Skimping on this piece of advertising could jeopardize potential business. If the card is printed on poor-quality paper with substandard ink, clients may assume that your work will reflect this same inferiority. Such a message will not win clients and future business.

Some experts recommend unusual or odd shapes for your business card. This deviation from the norm may create a stir initially, but remember that most rolodexes are made to accommodate standard stock. If your business card is round, extra long or wide, it may end up with the pile of junk mail at the bottom of the trashcan.

What about using both sides of your business card? Sue Colton, owner of All Phase Publishing, strongly recommends taking advantage of the often-neglected flip side of a business card. She suggests utilizing this space for your mission statement, hours of operation, testimonials, a map or directions to your location, achievements,

awards or other interesting facts. The possibilities are endless, she says. By adding information to both sides of your business card, Colton emphasizes that you can double your opportunity to communicate with potential clients.

Once the business card design is complete, be sure to have an ample supply printed. Not only will you distribute them at meetings, conferences and other work-related activities, but you may find them handy while shopping at the office supply store or the supermarket. In the course of a day, you'll have multiple opportunities to pass out this important marketing tool. Every piece of correspondence that leaves your office should contain a business card. Many restaurants conduct drawings on a regular basis from a fishbowl filled with business cards. Professional meetings often collect business cards for future reference and mailing lists. During networking sessions, the business card is as valuable as a chip at the gambling table.

Whether you decide to enlist the services of a top-notch designer and printer or do the job yourself with special software and card stock from your local office supply store, your business card should contain the clearest, most concise information in a pleasing format that will win clients and advertise your business.

This article was previously published in the Worcester Employment Journal. ✓

FALL NETWORKING EVENTS

- Worcester Airport -

- Saint Gobain -

Check out the WPI Venture Forum web page for more details: www.wpiventureforum.org



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

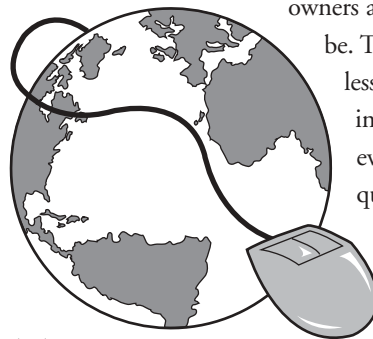
Websites of interest

BUSINESSOWNERSIDEACAFE.COM

This website promises a “fun approach to serious business.” On its “Cyberschmooz” page, you’ll have the opportunity to exchange information with other small business owners. A quick search through the “Coffee Talk With Experts” section will bring you answers to dozens of questions pertaining to starting and running a business to marketing, customer relations and many topics in between. The site offers more than 450 sample business plans to help those in the start-up stage. For those looking to learn more about a particular industry or field, check out a link that offers free trade publications to those who qualify. The site also acts as a gateway to grants for small businesses.

CMRLS.ORG

When you were in high school and had to find information for a term paper, most likely you headed for the library. In these days of information exchange at the speed of sound, or faster, the library is still the place to go. But this time, you can access all those resources from your computer. In the greater Worcester area, the Central Massachusetts Regional Library System (CMRLS) website provides links to hundreds of periodicals that contain the information you need to start, run and grow your business. Just type in your library card number – you do still have a library card, right? – and you’ll gain access to several online databases. For those in the Eastern part of the state, check out the Boston Public Library website at www.bpl.org.

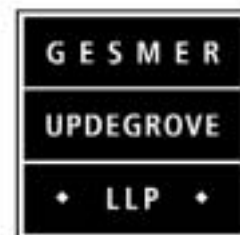
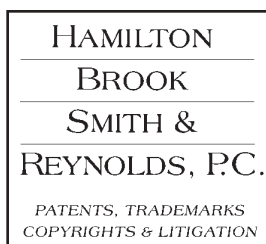


MYOWNBUSINESS.ORG

In conjunction with the Small Business Administration (SBA), this site offers a free online entrepreneur course for small business owners and those aspiring to be. Twelve separate online lessons provide detailed information useful for every entrepreneur. A quiz at the end of every session allows you to see how well you’ve absorbed the material. Audio clips of each lesson are also available. In the Business Forums section, you’ll have the opportunity to share your thoughts with other budding entrepreneurs. The newsletter offers updated business information as well as supplemental data for the online course. ✓

The WPI Venture Forum extends a hearty **THANK YOU** to the sponsors of its annual Business Plan Contest.

GOLD SPONSORS:



Attorneys At Law

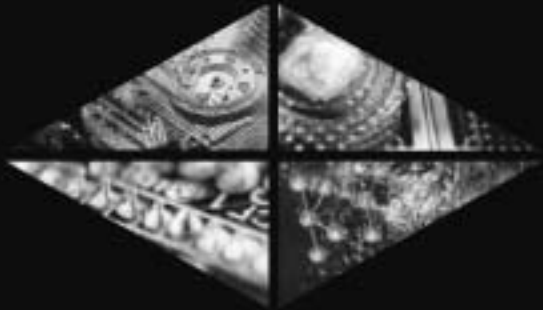
BRONZE SPONSORS:

Bowditch & Dewey LLP, Edwards & Angell LLP, Goloboy Gallant & Associates PC, Massachusetts Technology Development Corporation, Sovereign Bank, Sullivan Group, Sullivan & Worcester, Weingarten Schurgin Gagnebin & Lebovici LLP, Worcester Capital Partners.

MEDIA SPONSOR:



WEINGARTEN, SCHURGIN, GAGNEBIN & LEOVICI LLP
INTELLECTUAL PROPERTY LAW



Patents ◊ Trademarks ◊ Copyrights

THE POST OFFICE SQUARE • BOSTON, MA 02109
617-542-2290 • WWW.WSGL.COM

Weingarten, Schurgin, Gagnebin & Lebovici (WSGL) is an intellectual property law firm based in Boston, and specializing in all phases of intellectual property law including patent, trademarks, copyrights, transactions and licensing. All of the attorneys have Engineering or other technology degrees and most have practical engineering experience. Major activities of the firm relate to the technical fields of computers, networking, software, instrumentation and medical technology.

SPONSOR HIGHLIGHTS

MASSACHUSETTS TECHNOLOGY DEVELOPMENT CORPORATION

was established in 1978 to address the “capital gap” for start-up and expansion of early-stage technology companies.

Through each phase of its existence, MTDC has pursued the following four basic objectives:

- to help create primary employment in Massachusetts;
- to attract and leverage private investment in Massachusetts companies;
- to foster the application of technological innovations where Massachusetts companies are, or can be, market leaders, and
- to nurture entrepreneurship among Massachusetts citizens, planting the seeds for long-term economic development in the Commonwealth.

From 1980 through June 30, 2002, MTDC’s total cumulative investments from all of its investment programs were more than \$62 million in 114 companies. The size of MTDC’s initial funding to an applicant is determined by the capital needs of the firm and the investment of the co-investors. Though initial investments can range up to a maximum of \$500,000, most are typically in the \$250,000 to \$500,000 range.

MTDC has invested in many of the State’s most promising new technology-based companies, which provide incalculable economic benefits that spread through the entire Massachusetts economy.



MASSACHUSETTS TECHNOLOGY DEVELOPMENT CORPORATION



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

INTELLECTUAL PROPERTY

Mirick O'Connell Committed to Protecting Your Inspirations



We advise and assist clients in all aspects of intellectual property, from counseling and planning, to implementation of protection and commercialization strategies, through enforcement and defense.

Mirick O'Connell offers the full range of legal services, including intellectual property services, worldwide patent and trademark procurement, copyright, trade secret, licensing, and related litigation in all state and federal courts.

For more information, contact Brian M. Dingman, Esq. or Jeffrey E. Swaim, Esq. at (508) 791-8500.

MIRICK O'CONNELL

ATTORNEYS AT LAW

INTELLECTUAL PROPERTY GROUP

WORCESTER • WESTBOROUGH • BOSTON

www.MirickOConnell.com