

THIS MONTH'S MEETING

**TUESDAY,
MARCH 14, 2006**

WPI, WORCESTER
Campus Center Odeum

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

\$10.00 members
\$20.00 non-members

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Crafting Your Elevator Pitch

Making a pitch: it's your foot in the door for obtaining clients, customers, financing sources and other valuable resources in pursuit of your vision. The WPI Venture Forum's March 14 meeting will be a special interactive workshop to assist you in developing your pitch, whether you call it your elevator speech, cocktail commercial, personal commercial or networking spiel.

The elevator pitch is your way of engaging another person to become interested in you and your pursuit. After giving your well-crafted, well-practiced pitch, you should get a feeling of whether the other person has an interest in you and your business. Each attendee will have the opportunity to develop, hone and practice their pitch in front of participants that may have valuable input to your venture.

Our presenter for the evening is Norman Brust, a recognized authority on consultative, business-to-business sales and marketing, with more than thirty years of successful management, marketing, engineering and manufacturing experience with such technology-based companies as General Dynamics, RCA, EG&G, Racal-Dana, Datel-Intersil and Amistar.



NORMAN BRUST,
NTB Associates

In 1988, Brust founded NTB Associates, a sales and marketing management consulting firm, to help manufacturing and technology-based businesses increase profitable sales. He accomplishes this goal through one-on-one client consulting, writing on sales and marketing, and conducting workshops and seminars.

A familiar face at the WPI Venture Forum, Brust is a current Director and Past Chair of the Executive Board. He is a Rhode Island Small Business Development Center Certified Consultant and is a past member of the Board of Directors of a software development company specializing in inspection management software.

In addition to his consulting practice, Brust has taught Management Science courses at Wentworth Institute of Technology as an Adjunct Instructor. He has conducted workshops and seminars for the Rhode Island Manufacturing Extension Partnership, the Rhode Island Small Business Development Center, the Massachusetts Small Business Development Center, the Association of Small Business Development Centers, the Southeastern Massachusetts Manufacturing Partnership, Roger Williams University and the Massachusetts

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LETTER FROM THE CHAIR

Making Connections on Many Levels

There are so many ways to connect and learn at the WPI Venture Forum. We continue to deliver dynamic presentations to our members. Our outstanding presenter on negotiations, Tom Finneran, raised the bar for 2006. This next meeting's session on crafting the elevator pitch should prove equally instructive. We will close out the season with highly anticipated meetings focused on marketing and leadership. At every meeting, I am pleased to see a talented and astute panel of experts assembled to evaluate business plan cases, followed by active audience participation.

People also come to meetings to learn from others. Our diverse audience of entrepreneurs, CEOs, experienced management consultants, venture capitalists, angel investors and academic representatives gives an exciting dimension to the WPI Venture Forum networking break sessions. The free flow of ideas and trading stories from the entrepreneurial trenches is the hallmark of our sessions.

We anticipate a surge in participants for this year's Business Plan Contest. Now is the time to begin to prepare your business plan entry. Expect to face some very good competition. The prize should make your efforts worthwhile.

Another learning opportunity will be at an April breakfast event featuring a prominent



local CEO. Stay tuned for more information on what is likely to draw a full house.

If you are interested in sponsoring a

WPI Venture Forum event, contact Gina Betti for the details. She can be reached at 508.831.5761 or by email at gbetti@wpi.edu.

Don't keep membership in the WPI Venture Forum to yourself. I urge our members to spread the word and invite your friends to become members of the WPI Venture Forum, so they too can benefit from our events and networking. Fill out the questionnaire forms provided at each meeting and make suggestions. Your ideas enable our program and marketing committee and board members to keep bringing you programs that you want.

Six months into our program year, we've made great progress. Together, let's make 2006 a banner year. √

Sincerely,

Amar V. Kapur '65, M.S. '69
Chairman, WPI Venture Forum
President, Aimtek

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

Perils and Pitfalls of Product Development

by

ROBERT K. WAITE '79,
*Waitek Electronic Product
Development*

New products rarely spring fully formed from the mind of the inventor. On average, most products go through six designs before they are ready for the real world. Why is this so and what can be done to reduce the financial and schedule impacts of multiple redesigns?

There are several reasons for multiple redesigns:

No longer novel: The inventor is usually so closely involved with the product, its application to solve a problem, and the specifics of its use that he/she is unable to approach the product as a novice user.

Confusing applications: Operations and applications that are second nature to the inventor are bewildering to the new owner without specific instructions. Even the ergonomics that are appropriate to an experienced user of similar devices may be confusing and uncomfortable to the inexperienced user.

Wrong words, wrong colors: Terminology common to the inventor may be unknown to the user. Color choices for important operating controls must be considered in

light of a user's background instead of the inventor's.

Too pricey: Initial prototypes are always expensive, leading to redesigns for cost reduction.

To mitigate such problems, there are several time-proven approaches. Make the first prototypes out of cardboard and color them with crayon. To simply mock-up a product out of available, common materials and talk naïve users through its operations is one of the best ways to learn early what works and what does not. Making changes to a cardboard prototype takes a few minutes and costs nothing. Making changes to circuit boards, software, and sheet metal (or plastic molds) is expensive and time-consuming. For computer-based products, Visual Basic or paper screen shots can be used to demonstrate screens that can be finalized in another language later.

Finally, hardly any product comes to market as it was originally conceived, so work with an experienced designer and accept the need for iterative improvements.

Bob Waitek specializes in product design and prototyping of products using electronics. He can be reached at WaiteInc@aol.com. √

Coming Soon: Business Plan Contest

The annual WPI Venture Forum Business Plan Contest gets underway later this month, so get out your pen and paper and start outlining your business plan. Your entry could mean access to valuable advice and insight from our experts and the opportunity to develop a mentor relationship. For more information visit www.ventureforum.org/contest.

Important dates to remember:

- March 31** Deadline to submit request for mentoring
- April 24** Executive summary due
- May 1** Invitations to compete announced
- TBA** First round presentations
- May 23** Finalists announced and asked to submit full business plan
- June 13** Final presentations and award announced



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A LOOK AT FEBRUARY'S MEETING

Showing Some Spine

Negotiation a

by

RICHARD O'BRIEN,
Nagog Hill Partners



Bruce Horwitz of Tech Roadmap, Inc. won a dozen roses at the Valentine's Day meeting.

Genuine excitement filled the WPI Odeum meeting room as members welcomed an impressive cast of presenters. President of the Massachusetts Biotechnology Council and former House speaker Thomas M. Finneran first shared his very practical, lively and lucid thoughts about the essential process of leadership and negotiations – applicable to all phases of business and life.

A practiced and devoted leader and negotiator, Finneran eloquently accepted his introduction from his old friend and confidant Kevin O'Sullivan, President, Mass Biotech Council (MBC). Finneran proceeded to offer the audience a "lessons learned" dialogue excerpted from the multitude of his life's experiences in both public and business leadership roles.

In an articulate and energetic delivery, Finneran announced, "Everything in the end is a negotiation." Weaving his practiced understanding of leaders, their conduct and makeup with the salient message of work and preparation, he left these important points:

- Exude curiosity, take intelligent risks, and be prepared because you will make mistakes
- Guts and confidence work hand in hand.
- Choices can be lousy, but go for it even if it is risky.

The responsibility for all leaders, he said, "is to leave a company in an improved condition."

To illustrate his concept of how leaders grow, Finneran suggested they read, read, read – conversations are not enough – to acquire the breadth and awareness to lead. Surround yourself with smart people, ask for



WPI students listen to Tom Finneran's advice on leadership and negotiation.

help and respect others' opinions, he advised. Remember to keep your word, keep your sense of humor, and honor your family. He advocated using your imagination and being yourself.

Always the accomplished negotiator, Finneran certainly recognized the principle of understanding the balance of power in any situation. He suggested:

- Use parables as an easy way to convey an understanding of your points
- Keep it simple, let the opposition "direct you," stay focused, and know more (get the knowledge yourself or from advisors, or, if you do not know – say so!)

Try to transform competitive situations with perceived common ground and be alert for verbal and other clues from your opponent. Brainstorm, lead discussion, but stop talking and listen intently. Finneran pointed out you learn very little when speaking. Rather, look for a personal bond and find the interests of your opposition. Remember, every negotiation is unique.

In answering questions from WPI Venture Forum attendees after his presentation,

and Regrowing It

1 and a Case of Unique Regeneration



Keynote speaker Tom Finneran gives a lively presentation to a full house with Program Committee Chair Ricky Berger moderating from the podium.

Finneran suggested stalemates may require taking a break, and coming back with what might work. Come back with a “downstream item” from your list of issues to find some common ground to return to the table. Final advice: Be prepared to walk away.

Case Presenter

Moderator Ricky Berger kept the evening’s content in perspective as he ably connected the keynote speaker with the case presenter, who seemed to have already taken much of Finneran’s leadership advice to heart. Jan-Eric Ahlfors ’02, MS/MBA ’04, Founder and CEO, Total ReCord, Inc. continued the dramatic evening of presentations by presenting his company and its progress with a moving video of animal and human research confirmation of his initial Regeneration Matrix (RM) products to regenerate nerves.

Initially focused on the neurogeneration of the central nervous system (CNS), the company has a potential market of a staggering size — almost \$500 billion. He

asked the expert panel, selected by moderator and WPI Forum Program Chairman, Ricky Berger, to answer three questions.

Brian Dingman, Patent Attorney/Partner, Intellectual Property Practice Group, Mirick O’Connell, addressed the question of IP strategy. He defined it, and offered a range of U.S. and global patent law considerations and alternatives to educate the audience. He then pointed out the company might want to add value by aggressively patenting its discoveries to bring potential cash into the company from royalties, perhaps prevent encroachment, and to present a stronger venture investment incentive.

Pamela Hochman Norton, Principal, Product & Portfolio Development at IMS, a well regarded biotech industry investment advisor, offered a range of approaches to funding promising enterprises – and Total ReCord, Inc., in particular. She suggested the entrepreneur should ask, “What do I have?” using as a litmus test the question, “If I were hit by a bus, what would be left?” IP is critical to an investor. She also asked, “Is it a drug or a device?” This question permits

judgments regarding critical issues of validation of the time line and pricing. She pointed out all investors ask for “skin in the game”—personal investment — to assess entrepreneur commitment.

State Senator Ed Augustus offered a sense of how an entrepreneur might engage public advocacy groups to support the growth of his solution. He pointed out that there are two very important issues for advocacy groups and public support: cost savings for healthcare (insurance companies, disease organizations, in particular), a difficult and important public discussion critical to the future of all healthcare; and hope for the public debate, particularly in Massachusetts, where research and development to harvest embryonic versus adult stem cells poses many questions for future solutions in life sciences.

Richard O’Brien, Nagog Hill Partners, works with emerging and growth companies to develop new business. He can be reached via email: nagoghill@aol.com. ✓

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ELEVATOR PITCHES

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Phone: 508.969.2877

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Bird of a Different Color Flies

Among the lifesaving medical technology companies competing in last June's Business Plan Contest, Nimbit's web-based tools for independent musicians seemed like "a bird of a different color," according to President and Founder Patrick Faucher. But the judges named Nimbit a co-winner, and the company received \$5,000 plus an equivalent amount of professional services offered by WPI Venture Forum members.

Vantage checked back with Faucher to see how his business has fared since the contest. Two words: growth spurt.

Located in Framingham, Mass., Nimbit had captured the judges' attention with its traction in the marketplace, and the possibilities of expanding its products and services to a broader potential client base. The company has thousands of subscription-based customers for its comprehensive suite of web-based tools that allow musicians to produce, manage, promote and sell their music and merchandise.

Nimbit continues to "make the world safer for independent musicians," says Faucher with a smile. Back in June, the judges commented that Nimbit was a spectacular company with a proven revenue-generation model going after an underserved niche.


Since then, Faucher has doubled the number of artists that use the Nimbit platform to sell more effectively to their audiences. He took to heart the advice panelists gave him during the contest, retooled his business plan and presentation, and took a more scientific approach to his marketing strategy. He pitched angel groups in August. By the end of September, he had a term sheet. He closed on a series A round of financing in November.

With the infusion of funds, Faucher has hired a marketing team, so he can focus on running the business. Nimbit also launched

DIY Radio, a "very cool and powerful tool" that helps artists get their music out to independent radio stations nationwide and track their airplay time, Faucher notes. The company continues to expand the site's retail portal, cdfreedom.com.

All this is leading up to a "new face" for Nimbit, a relaunch of its products and its website planned for April. Faucher encourages Venture Forum members to visit www.nimbit.com to see the changes.

So did winning the Business Plan Contest make a difference?

"Absolutely," affirms Faucher. "We enjoyed the process. Even though we were in a completely different market segment [than the other entrants], the same principles apply." 

Spotlight on Entrepreneurs

The WPI Venture Forum invites entrepreneurs to make a one-minute practice elevator pitch at monthly programs. Content is limited to seeking investors or potential partners, but not customers. Overhead slide allowed and one pitch per season, per business idea.

For a helpful template and submission criteria, please visit <http://www.wpiventureforum.org/Programs/spotlight.html>.

Corporate Forum

Monday, March 20, 2006, 8 a.m. - 4:30 p.m.
Worcester Polytechnic Institute
Campus Center, Odeum

Presented by the WPI Bioengineering Institute, the Corporate Forum will provide wide-ranging perspectives on the current state of the industry, its future, and how companies, universities, and government can better work together to meet upcoming research and development needs. These themes will be addressed by government and industry association officials during keynote and plenary comments.

Keynote Speaker: James P. McGovern, Congressman, Mass. 3rd District

Plenary Speakers: Laura Allen, Director, Policy and Program Development, Mass-MEDIC; Thomas M. Finneran, President, Massachusetts Biotechnology Council

In addition, research and development executives will explore these themes during several lively roundtable discussions and panel presentations. Leaders from more than a half dozen life science and biotechnology companies, including Charles River Labs, ECI Biotech, Nomir Medical Technologies, and Genzyme Genetics, will each address three questions from his/her company's perspective:

- What are the biggest challenges and opportunities facing your organization in the next five years?
- What type of university research capability/expertise would be most sought after/valued for potential R&D collaboration?
- What kinds of human capital and skills does your organization need to meet its future goals?

Networking opportunities are built into the program, allowing attendees to interact during the catered lunch, breaks, and post-event reception. Registration closes March 15. There will be no cost to attend.

Questions? Please contact Mary Centrella at bioevent@wpi.edu, or 508.831.6024. ✓

Member News

ECI BIOTECH STARTS WPI FELLOWSHIP

ECI Biotech Inc. has established a graduate fellowship at Worcester Polytechnic Institute, named for the protein sensor company. A graduate student in WPI's department of biology and biotechnology will receive, as the ECI Biotech Fellow, tuition support and a stipend over two years. Brett R. Ericson of Holbrook, a 2003 WPI graduate, is the first recipient. ECI Biotech President and WPI Venture Forum board and marketing committee member Mitchell Sanders Ph.D. '92 is an adjunct professor teaching advanced molecular biology.

Members: If your company has news to share, please email your press releases to ventureforum@wpi.edu. Releases may be edited and included on a space available basis. ✓

Upcoming Events

April 11, 2006

Marketing

May 9, 2006

Leadership

June 13, 2006

Business Plan Contest

Crafting Your Elevator Pitch

CONTINUED FROM FRONT PAGE

Center for Applied Technology. He has also presented technical papers at NEPCON, SMT/Con and Assembly Tech Expo.

He holds a Bachelor of Science degree in Engineering from Brown University and a Master of Science degree in Electronic Engineering from Northeastern University.

There will be no case presentation for this meeting. Instead, the program leaves time for the audience to practice their elevator pitches. ✓

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.

Want to be a guest entrepreneur? Visit www.wpiventureforum.org/Programs/radio.html and click on the Guest Form link at the bottom of the page.

*Sports events or late-breaking news stories may occasionally pre-empt the regularly scheduled program.

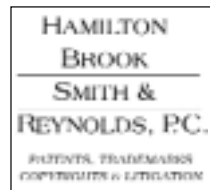


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