

**THIS MONTH'S MEETING**

**TUESDAY,  
 MAY 9, 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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## Can You Lead? Will They Follow?

**E**ntrepreneurial organizations need leadership to succeed. Discussions about leadership often center on start-ups and small, growing companies, but leadership is essential to all organizations. Without leadership, enterprises flounder, unable to identify their goals and thus failing to achieve them. With demonstrated leadership, organizations can flourish.

Yet the fundamentals of leadership are difficult to identify as a discipline. In fact, leadership is often defined most clearly in hindsight. It's hard to appreciate what qualities make successful leaders until after a leader has been tested and proven worthy of the title.

The May 9 WPI Venture Forum speaker, David K. Stone, MBA, will select and dissect examples of leadership and leaders in the entrepreneurial world to demonstrate how business owners can be better prepared to recognize and value this success-driving activity.

Stone is the Founder and Managing Director of Liberty Tree Advisors, LLC, a consulting firm that helps emerging life sciences companies grow. He is also a Partner of Flagship Ventures, an early-stage venture capital firm focused on creating, financing, and building innovative companies in the life science and technology



**DAVID K. STONE, Founder,  
 Managing Director, Liberty  
 Tree Advisors, LLC**

sectors. In addition, he is an independent director and Chairman of Oscient Pharmaceuticals, a commercial-stage biopharmaceutical company.

A veteran of Wall Street, Stone followed the biotechnology sector for nearly ten years at Cowen & Company, where he built a highly regarded research and investment banking practice. He began his career in biotechnology in 1983 as a Project Manager and later Communications Director at Genetics Institute (now part of Wyeth Pharmaceuticals). He earned a B.S. in Microbiology from Colorado State University and an MBA from Harvard Business School.

### Case Presentation

**CHI Scientific, Inc.**

Dr. Alfred L. Chi, Ph.D., MBA, is the founder and Interim Chief Executive Officer of CHI Scientific, Inc., which develops and commercializes midrange to high-end proprietary research products that accelerate research and discovery in life sciences.

To date, Dr. Chi has invested approximately \$180,000 on infrastructure and initial business

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# Behind the Scenes



During 2005, the WPI Venture Forum Executive Board established nine strategic priorities for the WPI Venture Forum and developed a plan for the 2005 -2006 season. It is now time to review our progress.

**Priority One** – We reviewed and evaluated all WPI Venture Forum programs, seeking to satisfy membership needs and bring greater exposure. It has been a banner year with exciting meetings, rewarding networking events, stimulating radio programs and a new online *Vantage* newsletter.

**Two** – We are establishing a plan for soliciting new WPI Venture Forum sponsors and supporters. A committee is revamping the entire sponsorship and advertising program to assist with its future growth.

**Three** – We established close working relationships with WPI, the Collaborative for Entrepreneurship & Innovation (CEI), and the Alumni Association, and formed alliances with like-minded organizations within the community. The Institute for Management Consultants, MedDev Group and the 128 Innovation Capital Group are among our new alliances.

**Four** – We are actively recruiting new members. All committees are working on plans for promoting member benefits and growing the organization.

**Five** – “Market the WPI Venture Forum.” The online *Vantage* newsletter, expanded program promotion, alumni mailings and website enhancement are but a few examples of our new face.

**Six** – To better plan and evaluate financial success, we are designing a budgeting and auditing process for all events.

**Seven** – We are currently reviewing the by-laws, mission statements, policies and procedures and other directives guiding the organization.

**Eight** – Staffing positions required to assist the WPI Venture Forum are being reviewed with the CEI.

**Nine** – We are examining competing organizations for advice, ideas and information.

This is a brief summary of the direction the WPI Venture Forum is taking. These accomplishments are only possible thanks to the time and effort that dozens of ambitious and diligent volunteers so generously contribute.

Thank you,

Richard Prince

Chair, WPI Venture Forum Nominating

Committee

Past Chair, WPI Venture Forum

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and click on Newsletter

# Protect Intellectual Property in Early Stages

by

ROGER ZIMMERMAN, ESQ.  
*Mirick, O'Connell, DeMallie & Lougee, LLP*

The early stages of a project can be exciting, bringing proof of concept and exploration of different applications of the invention. During these early stages your intellectual property rights in your innovations rely primarily on the effective use of trade secret protections and provisional patent applications.

Trade secrets are protected by your efforts to maintain confidentiality and are maintained through non-disclosure agreements, material transfer agreements and employment agreements. Non-disclosure agreements should be clear about what is covered, what obligations continue beyond the time period covered by the agreement and how the agreement will be enforced.

Material transfer agreements should be clear about any limitations on the use and further distribution of the material and may include provisions on right to improvements or innovations made with the material. Employment contracts should provide a clear explanation of confidentiality obligations and the ownership of intellectual property developed by the employee. However, while these agreements can support your efforts to maintain confidentiality, trade secrets are vulnerable to independent discovery and exploitation by others.

The patent system provides inventors with exclusive rights to make, use, offer for sale and sell a protected new, useful and non-obvious invention in return for an enabling written description of the invention in full, clear concise and exact terms. Provisional patent applications are not examined for patentability, but can provide a foundation for later patent rights if they provide the

required enabling written description when they are filed. A provisional patent application is temporary, lasting only a year, but the filing date can be used to establish priority of invention and distinguish the invention from the existing state of the art.

To preserve the benefit of the filing date, a regular U.S. or international patent application must be filed by the end of that year. Several provisional patent applications can and should be filed during that year to protect a developing and evolving project. If a later patent application does not claim priority to a provisional application, the contents disclosed only in that provisional application remain confidential, and can be maintained as trade secrets.

*Roger P. Zimmerman, Esq., is a patent attorney with the firm Mirick, O'Connell, DeMallie & Lougee, LLP in Worcester. He can be reached at 508-929-1658 or [rpzimmerman@modl.com](mailto:rpzimmerman@modl.com).* ✓



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## A LOOK AT APRIL'S MEETING

# Stay Small Until It's Time

by

DARLEEN FLAIG,  
*Product Solutions International, Inc.*



*Keynote speaker Greg Erman makes a point about staying flexible in managing a company.*



*Richard Resnick '98 listens to the panel's feedback on Harmony Line's case presentation.*

“Stay small until it's time to step on the gas!” These and other words of wisdom were shared with us by Greg Erman, CEO and co-founder of Renal Medical Corporation, the most recent of his many entrepreneurial ventures. Erman summarized lessons he has learned over the past decade, comparing and contrasting elements of the various companies he has contributed to and/or founded. Among the many conclusions he presented, he noted:

- “There is an inverse correlation between the size of a company and its ability to change.” The larger the number of employees and managers, the more difficult it is for a company to change directions or modify its path.
- “The opportunity you offer should be based on your customer's unmet needs.” Discover these unmet needs through interviews with potential customers, remembering to check and recheck your data, as “what the customer *says* he needs or will pay to have those needs met is not always what will actually happen.”
- “Timing *is* everything, even if your idea is clever and compelling.” Big changes occur about every five years. Rising tides do lift all boats, and hurricanes flood *all* ships.”
- “Smart people are not automatically savvy and successful, and those who are successful are not always the most savvy or the smartest.”
- “Maintain a flexible marketing plan.”
- “One of the most important things in growing a company is the need to recognize change and adapt to the new needs of the market and timely emerging



*Panelist Bob Wesley looks at the h-lounge.com website display.*

trends. Alignment to these needs and trends is critical.”

- “Don't confuse customer value with liquidity. Frequently companies who offer enormous customer value have lower profitability.”
- “Finding a good new venture is like finding a needle in the haystack. Look at the process, the opportunities, the challenges, and make certain you have several liquidity options.”

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### Case Presenter

After an informed introduction by moderator Vic Marcus Muschiano, Richard Resnick '98 presented the case study of his newest company, Harmony Line, which enables clients to create their own cellphone ring tones. His well-researched business is part of

# to Step on the Gas!



*Panelist Alain Hanover suggests Harmony Line start a viral marketing campaign.*

the \$5.5 billion market appealing to the 15-25 year old market segment.

The clever niche Resnick has used to penetrate the market is **h-lounge.com**, where visitors meet, chat, and critique the ring tones created by others. Resnick said that early in this venture, he recognized the market need he was fulfilling was not only his clients' need to create their own ring tones, but their need to express themselves, influence others, increase their self worth, and share and discuss their love of music with peers. He reinforced Erman's advice to maintain a flexible marketing plan and adapt to emerging trends.

Resnick related that "many of Harmony's managers kept asking 'are we in the ring tone business or are we trying to build a community for (young) creative music lovers?'" His answer: "To me it was obvious, we're in *both* markets!"

In response to the case presentation, the panelists all applauded the creative environment developed in the h-lounge community. They offered several ways to



*WPI Venture Forum board member Jim Fee '65 asks the speaker how he discovered unmet customer needs as moderator Vic Marcus Muschiano listens to the answer.*

spread the word and also generate revenue from this new community.

Bob Wesley suggested looking for co-branding opportunities and ways to leverage "OPM" (other people's money). Alain Hanover thought that viral marketing would help far more than simply getting parents to buy their kids' ringtones. A 10 to 1 or 100 to 1 multiplication factor would have an impact. Resnick might also consider creating and marketing a CD of "greatest hits" among the ring tones created on the site. And Greg Erman wanted Resnick to answer the question more definitively whether people actually want to create their own ring tones, recommending broader market research.

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# Can You Lead?

CONTINUED FROM FRONT PAGE

and product development. With this seed funding, the company has developed a series of Primacell™ systems, including 22 types of mouse Primacell™, 21 types of rat Primacell™ and 27 types of human Primacell™. In addition, the company has established strategic alliances with a biotechnology company based in Israel. The company has three scientific collaborative partners with laboratories at Harvard Medical School, University of Massachusetts Medical School, Tufts University and Brown University to develop products for micro-RNA research, botulinum toxins and magnetic beads.

Prior to founding CHI Scientific, Dr. Chi held junior faculty positions at Harvard



*Alfred L. Chi, founder,  
CHI Scientific, Inc.*

Medical School, Massachusetts General Hospital, Brigham and Women's Hospital, and University of Massachusetts Medical School, and from 1997 to 2004, supervised and managed scientific research laboratories. Dr. Chi has extensive training and experience in molecular biology, cell biology, biochemistry and clinical research.

Dr. Chi holds a Ph.D. degree in biochemistry and molecular biology. He received his post-doctoral training from Harvard Medical School, and also earned an MBA degree from University of Massachusetts-Lowell. √

## WPI Hosts Third US-Africa Business Conference

### *Building Partnerships for Economic Opportunities in Africa: The Way Forward*

To strengthen trade and investment ties between the northeastern United States and Africa, conference speakers will identify potential African investment opportunities in specific core sectors of the economy in sub-Saharan countries. Companies that have been successfully investing in and importing from or exporting to Africa will share their experiences with participants.

Plenary sessions and workshops will be held in agriculture, mining, water management, higher education, alternative energy, health management, information and communications technology, and microfinance development.

Hosted by WPI in collaboration with the Corporate Council on Africa and with support from the U.S. Department of Education, Business and International Education office, through a grant obtained by WPI Professor Arthur Gerstenfeld.

**When:** May 22, evening welcome reception  
May 23, plenary sessions and breakout workshops

**Registration fee:** \$150 (includes meals), \$125 before May 1

For more details, see [www.wpi.edu/News/Conf/NEABC](http://www.wpi.edu/News/Conf/NEABC) or email Ruth McKeogh at [rmckeogh@wpi.edu](mailto:rmckeogh@wpi.edu), call 508.831.6699, or fax 508.831.5485.

## Member News

### FIRST PUBLICATION FOR CRESCENT INNOVATIONS

Crescent Innovations presented a poster of its first peer-reviewed publication at the American Association of Dental Research on Thursday, March 9, "Pilot Study of a Hydrogel in Pig TMJ Degeneration." Crescent Innovations Inc., a biomedical company based in Worcester, MA, is developing technologies to treat temporomandibular joint (TMJ) disorders, degenerative joint disease, bone disease and fractures, and more.

"Crescent Innovations is committed to developing non-surgical therapies for the 10 million U.S. patients who suffer TMJ disorders," said Al Prescott, President, Crescent Innovations. "This is a very large and underserved market that deserves more treatment options."

The results of the study showed that all three placebo-treated TMJs displayed degeneration — erosion of the temporal bone, through the meniscal disk, and into the mandibular condyle. In contrast, two of the three hydrogel-treated TMJs showed little evidence of degradation.

"We believe that this is the first step to developing a scientifically based, non-surgical treatment for people who suffer TMJ disorders," Prescott noted. "A treatment like this could easily be administered in any doctor's office."

The study was funded by a grant from the National Institute of Dental and Craniofacial Research. For more information, visit [www.crescentinnovations.com](http://www.crescentinnovations.com).

*Members: If your company has news to share, please email your press releases to [ventureforum@wpi.edu](mailto:ventureforum@wpi.edu). Releases may be edited and included on a space available basis. √*

# Heart Pump Hits the Road

Since becoming co-winner of last spring's Business Plan Contest, Design Medical, Inc. of Pelham, NH has presented its heart pump technology to several investor conferences.

"It was a very big deal for us to win," said Doug Vincent, President & CEO of Design Medical in a recent telephone interview. "That shot of confidence and the clear feedback from the judges' panel really made a difference." As did the check, he added.

Design Medical's heart pump mimics the human heart's pulse rate. Conventional heart pumps only replicate heart's blood flow, about 4-6 liters per minute, but not the pulse (about 60cc to 80cc per beat), which opens capillaries to move red blood cells into tissues throughout the body. The innovative pump is expected to provide greatly improved clinical outcomes in heart surgery patients by reducing post-surgical complications such as kidney failure.

The Business Plan judges commented that last spring's presentation was "outstanding," applauding the team's experience and credibility in the field. Vincent noted that putting the time into preparing his business plan for the contest also helped him develop his pitch. He's refined it a few times since, particularly for presentations to investor conferences in California and Massachusetts.

While funding remains scarce, Vincent remains hopeful that a try at a Small Business Innovation Research (SBIR) grant will come through later this year. That will fund further animal studies, critical to moving the process forward to clinical trials.

"We are addressing the grant funders' concerns and have improved our ability to tell the story," Vincent said. "It's an art. All this feedback is an important part of the process. We look forward to advancing this technology and one day improving outcome of heart surgery patients worldwide." ♡

## Renew for Next Year!

Annual membership in the WPI Venture Forum expires in June. Take a moment now to renew so you can stay up to date on upcoming events and continue to receive all member benefits as the new program year gets underway next September. Please join through our secure online payment option or by downloading a membership form and mailing it with payment to WPI Venture Forum, 100 Institute Road, Worcester, MA 01609-2280.

Renew today! Visit [www.wpiventureforum.org/Membership/application.html](http://www.wpiventureforum.org/Membership/application.html) and you'll be set through June 2007. ♡

## 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>.

## Upcoming Events

**June 13, 2006**

**Business Plan Contest**

Entries accepted until May 1 – information and application available at [www.wpiventureforum.org/Contest/instructions.html](http://www.wpiventureforum.org/Contest/instructions.html)

## ELEVATOR PITCHES

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