

**THIS MONTH'S MEETING**

**TUESDAY,  
 MAY 8, 2007**

**WPI, WORCESTER**

*Campus Center Odeum*

**REGISTRATION: 6:00 PM**

**MEETING: 6:30 – 9:00 PM**

*\$15.00 members*

*\$25.00 non-members*

**JOIN THE WPI VENTURE  
 FORUM TODAY!**

**Register Online at**

**[www.wpiventureforum.org/](http://www.wpiventureforum.org/)  
 Membership/**

**contents**

*Program Committee  
 Sharpens Focus.....2*

*Forecast Markets for New and  
 Disruptive Technologies .....3*

*A Look at April's Meeting .....4*

*Spotlight on Entrepreneurs.....7*

*Business Plan Finalist  
 Update: Apredica.....7*



## Sell the Solution, Not the Technology

**T**echnology entrepreneurs often get caught up in the details of their technology and miss translating “speeds and feeds” into market opportunities. They ask, “Why don’t customers recognize the power of this device? Why aren’t these specs selling?” Selling the solution and not the technology will be the topic for the WPI Venture Forum meeting on May 8, 2007.



**JEFF GLASS, Bain  
 Capital Ventures**

Presenting at May’s meeting will be technology marketing expert Jeff Glass, Venture Partner at Bain Capital Ventures and former CEO and co-founder of m-Qube. Glass will share the lessons learned from his experiences developing and marketing m-Qube’s mobile content platform technology. Under Glass’ leadership, m-Qube changed its go to market strategy, repackaged its solutions for a different target market, and within months was on a trajectory to be the fastest growing company in New England. Glass will discuss the trials and tribulations of his careful review of the market and the technology’s value proposition, and his subsequent adjustment of the company’s marketing strategy to create the most value.

Glass will recount the company’s crazy journey and how his determination to “sell the solution, not the technology” led to a nearly \$300 million-plus sale of m-Qube to VeriSign last year. From

2001 to 2003, m-Qube built a technology that allowed content to be delivered over carrier networks. Revenues for the first 3.5 years were close to zero. Glass led the company from start-up to leader in the North American marketplace for the management, delivery and billing of mobile content and applications. In 2005, the *Boston Business Journal* named m-Qube by as the fastest growing business in New England in 2005.

CONTINUED ON PAGE 6

### Case Presenter

**Hemetrics Development Corporation**

Hemetrics Development Corporation is an innovator in diagnostic medical devices, formed to commercialize its breakthrough discoveries in rapidly diagnosing dehydration and hyponatremia through properties in blood. Its fundamental science was developed at MIT’s Institute for Soldier Nanotechnologies. The company of six began as a result of a collaborative student and professional team formed through the MIT’s 2005 Soldier Design Competition.

Hemetrics tapped President David L. Kaufman, a 10-year veteran of MIT’s Entrepreneurs Club, to lead its marketing, research, and business development efforts. The company has moved

CONTINUED ON PAGE 6

## WPI VENTURE FORUM

### SPONSORS

#### Bank of America

David Graves-Witherell .....508.770.7082  
www.bankofamerica.com

#### Bowditch & Dewey LLP

CORPORATE, INTELLECTUAL PROPERTY,  
LITIGATION

Michele Young, Esq. ....508.926.3456  
www.bowditch.com

#### Edwards Angell Palmer & Dodge LLP

PRIVATE EQUITY & VENTURE CAPITAL  
& INTELLECTUAL PROPERTY

Imelda Kenny ..... 617.439.4444 x2251  
www.eapdlaw.com

#### Gesmer Updegrave LLP

THE TECHNOLOGY LAW FIRM

Patrick R. Jones, Esq. .... 617.350.6800  
www.gesmer.com

#### Goloboy CPA LLC

CERTIFIED PUBLIC ACCOUNTANTS,  
TAX AND BUSINESS ADVISORS

Andrew Goloboy, CPA .....781.793.5891  
www.g-cpa.com

#### Greenberg, Rosenblatt, Kull & Bitsoli, P.C.

CERTIFIED PUBLIC ACCOUNTANTS

Richard F. Powell, CPA .....508.791.0901  
David J. Mayotte, CPA/ABV, CVA, CFE .....508.791.0901  
www.grkb.com

#### Hamilton Brook Smith & Reynolds P.C.

PATENTS, TRADEMARKS, COPYRIGHTS AND LITIGATION

David J. Thibodeau, Jr., Esq. .... 978.341.0036 x3304  
Darrell L. Wong, Esq. .... 978.341.0036 x3296  
www.hbsr.com

#### Massachusetts Technology Development Corporation

VENTURE CAPITAL

Robert J. Crowley, President ..... 617.723.4920  
www.mtdc.com

#### Mirick O'Connell LLP, CORPORATE, BUSINESS AND

INTELLECTUAL PROPERTY LAW

Brian M. Dingman, Esq. .... 508.898.1501  
Jeffrey L. Donaldson, Esq. .... 508.791.8500  
Jeffrey E. Swaim, Esq. .... 508.791.8500  
www.modl.com

#### Optimum Technologies, Inc.

OPTICS FOR LIFE™

Randal Chimock, President ..... 508.765.8100 x204  
www.optimum-tech.com

#### Weingarten Schurgin Gagnebin & Lebovici LLP

PATENTS, COPYRIGHTS, AND INTELLECTUAL PROPERTY LAW

Charles L. Gagnebin, III ..... 617.542.2290  
www.wsglp.com

INKIND: WTAG, MOTTLE McGRATH BRANEY &

FLYNN, P.C., TELESIAN TECHNOLOGY, SAGER & SCHAFFER LLP

### EXECUTIVE BOARD

Patrick R. Jones, Chair	Robert H. Hokanson
Mitch Sanders, PhD '92, Vice Chair	Richard B. Kennedy '65
Amar V. Kapur '65, Past Chair	Richard O'Brien
Paul F. McGrath, CPA, Treasurer	Kevin O'Sullivan
McRae C. Banks, PhD	Mark Parish
Richard K. Berger, Esq.	Richard H. Prince
Norman T. Brust	Stephen Pytko '68
Mark J. Conoby '83	Gail E. Radcliffe, PhD
William R. Cowen	John E. Rainey, CMA
Robert J. Creeden	Jerome J. Schaufeld
Brian M. Dingman, Esq.	Shari L.S. Worthington
James F. Fee '65	

### COMMITTEES

#### NEWSLETTER

Allison Chisolm, Editor .....508.853.5339  
Adshead Graphics .....508.829.7748  
IBA Printshop .....508.865.2507

MARKETING: Jim Fee .....781.862.4342

PR: Shari L.S. Worthington .....508.755.5242

MONTHLY PROGRAMS: Ricky Berger .....508.341.8505

RADIO SHOW: Bob Hokanson .....508.869.2984

SPONSORSHIP: Dick Prince .....508.869.2385

#### BUSINESS PLAN CONTEST:

Brian Dingman .....508.898.1501

Will Cowen .....617.438.7714

ELEVATOR PITCH: Norm Brust .....508.697.7200

BREAKFAST SERIES: Amar Kapur .....508.832.6542

### OFFICE

Gina M. Betti, Administrative Director

telephone: 508.831.5075

e-mail: [ventureforum@wpi.edu](mailto:ventureforum@wpi.edu)

[www.wpiventureforum.org](http://www.wpiventureforum.org)

WPI VENTURE FORUM ©2007

A monthly publication of The WPI Venture Forum

100 INSTITUTE ROAD, WORCESTER, MA 01609

VOLUME 16, NO. 9, MAY 2007

# Program Committee Sharpens Focus

I have had the honor of serving as Chair of the WPI Venture Forum Program Committee for my two-year term. In that time, it has been my vision to: (a) create innovative programs to be more useful to our members; (b) increase attendance at our monthly meetings; (c) be more "old school" in the preparation of the case presentations as a return to our roots of "making companies stronger" through our unique process; (d) see an angel group associated with the Forum; and (e) better understand our financial goals to plan our continued growth.

I report that all of these goals have been met. My gratitude is extended to Program Committee members who have worked tremendously with exceptional insight and creativity, and to everyone else involved at all levels of the WPI Venture Forum.

One of my goals, however, has not been fully met. I had sought to clearly understand the needs of the Forum's actual and prospective members in order to build "laser-focused" programming to meet those needs. This past year, WPI students undertook a marketing project in this area. My thanks go

out to the students for their efforts, but our work in this area is not yet complete and must continue.

As I prepare to leave office, I outline four primary goals that I believe the WPI Venture Forum must concentrate on in the next two years: (1) increase meeting attendance; (2) continue marketing research to understand our actual and prospective members; (3) build best of class programs which are "laser-focused" to our members' needs; and (4) have, meet and exceed financial goals that will keep the organization growing and evolving with continuing improvements.

May's meeting will focus on solutions, much like the Program Committee's focus has been this past year. I look forward to seeing you on May 8.

Sincerely,

Ricky Berger

Chair, WPI Venture Forum Program  
Committee

CEO, Right Hook Solutions, Inc. and  
President, Right Hook Legal Services, P.C.

Read this newsletter online  
and forward it to your network of business associates.

New subscribers welcome.

Visit [www.wpiventureforum.org](http://www.wpiventureforum.org)  
and click on Newsletter

# Forecast Markets for New and Disruptive Technologies

Technological entrepreneurs can struggle for months or years to turn their breakthrough technology into a demonstrable product. Yet at their first meeting with a potential investor, discussions go nowhere when the entrepreneur answers the investor's questions about market size with broad statements that the potential market is huge and everybody can use the product. Simple top-down market projections for new technologies are not only always wrong but a red flag for investors.

Here's an example of what not to do: the US new car market is approximately 15 million vehicles per year. This data leads an entrepreneur with a new automobile product to make a market projection of 150,000 units because they are sure that their product will be purchased by one percent of the market.

The key to understanding the markets for new and disruptive technologies is to work closely with your initial customers so you know exactly how they are really using your product, what its strengths and weaknesses are, and what the payback (ROI) is for the customer.

The best way to do this is to create a detailed bottoms-up spreadsheet model of your target market. Include competitive and complementary products. The more detailed the model the better understanding you will develop of your target market. For example, if you have a new product that would be used by orthopedic surgeons, then the model would include the names of the chief of orthopedic surgery for the top 50 US research hospitals.

Other elements of the model would include the annual number of surgical procedures that would use your new product. What are the costs for the procedures? What other types of products are used in the same procedure? If you do not have a cost or a number, then estimate the value.

Your customers and potential customers are a primary information source for your model. When you are on a sales call, present your product and ask lots of questions. Learn as much as you can about how they budget and purchase products like yours. In this early stage, you need to constantly test your assumptions of how customers view and use your product and feed this data back into your model. Checking in with initial customers typically leads to product improvement ideas. Sometimes it can lead to entirely new applications.

Once you have your market model, not only will you be able to make realistic forecasts for your business plan, you also will be able to demonstrate to potential investors that you understand and can defend your venture's potential.

*Jim Fee is a technical entrepreneur and consultant with a track record for identifying new business opportunities, creating new products and managing the development of leading-edge products. A board member and co-founder of the WPI Venture Forum, he can be reached at [jimfee@adhva.com](mailto:jimfee@adhva.com). ✓*

*by*  
JIM FEE  
Principal, Adhva



## SPOTLIGHT ON ANGELS

### Boynton Angels

Mitch Sanders, *co-founder*

SEEKING: investment opportunities in  
Central Massachusetts and investors –  
click on "Entrepreneurs" at  
[www.boyntonangels.com](http://www.boyntonangels.com)

## A LOOK AT APRIL'S MEETING

# Supercharge Your Company

by

RICHARD O'BRIEN  
Founder, Nagog Hill Partners



Keynote speaker Lisa Lorimer



Case presenter Michael Gondek



Moderator Phil Cyr '86

When Lisa Lorimer was president and majority owner of Vermont Bread Company, she found success brought new challenges. Her company had tripled in size in just 18 months and she needed help. The advisory board she hired surprised and amazed her. They suggested she focus on a critical future exit goal: position the company for sale in three years. She took their advice, continued to grow the business and met that target.

Why did she hire an advisory board in the first place? As she explained to the April WPI Venture Forum meeting audience, Lorimer realized after the departure of her co-founding business partner that she needed guidance and experience to help her make sound decisions for the future of her company. The advisory board interacted, supported, and questioned her leadership, inspiring her to succeed.

Because an advisory board is not a board of directors, there are no Sarbanes-Oxley regulations or directors and officers' insurance requirements. True to her entrepreneurial roots, Lorimer offered up a "Baker's Dozen" of considerations for working with an advisory board, including:

- Used sensibly, the advisory board is a great place to get help.
- Pay these advisors modestly and pay attention to them by asking for their opinions – collectively and as individuals.
- Be prepared and meet with them regularly, keep the meetings interesting and conduct the sessions with purpose.
- Pick people who know more than you do.
- Look for honest feedback and a willingness to stand up to you.
- Don't be afraid to fire them if your needs change.

- Let the board know you want the best ideas for the company, not your career.

Lorimer said she put her resignation on the table at the beginning of each meeting, if that was what the company needed.

In answer to questions from WPI Forum attendees, Lisa recommended a diverse group of five to seven advisory board members, with special expertise to draw upon. Make your expectations clear up front, prepare with background information and a clear agenda, and have board members sign confidentiality agreements.

---

## Case Presentation

### Subito Technologies, Inc.

Michael Gondek, President and CEO, shared his company's history with a taste of reality. He started with a personal guarantee to buy rights to software he believed could be improved and would allow him to create a new business. Building his enterprise the old-fashioned way, he has boot strapped, attracted initial seed investment from Beechtree Capital, and is selling profitably to customers today.

So why was Gondek presenting at the WPI Venture Forum? He explained he would like to scale up the business prudently and ensure its business progress through adding to his team. He will need to attract a full Series A venture capital investment to reach the next significant goal: a liquidity event. He wants to understand what is required to develop his sales and marketing resources and help him focus on his market targets: casinos, hospitality, manufacturing, and transportation companies.

Subito currently has a market model developed through Gondek's initial revenue generation. The company sells its products



# with an Advisory Board



Case presenter Michael Gondek (left) with the panelists who examined his case, Jim Baum '86 of Netezza, Carol Bergeron of Bergeron Associates, and Jay Corscadden of AH Ventures.

and services to 100 customers in South Africa, New Zealand, and most of North America, targeting industries with complex labor problems. His software and support systems deliver dramatically improved margins and significant savings in time, labor and scheduling of staff to client companies.

While there are key drivers for each target market, the Subito business model needs little customization and adjusts to bring meaningful benefits to each customer and each market addressed. For example, Subito can reduce overtime for casinos or improve staff utilization for transportation. Gondek focuses his company on markets where Subito brings the maximum value. Customers return to buy more software and services, a validation of the business proposition.

Subito enjoys a focused niche in competing with an array of several larger human resources software purveyors – who are likely suitors as potential acquirers for a future business exit – and smaller direct competitors. Large competitors are generally offering prospects a broad range of services and not specific solutions to the complex labor problems that Subito addresses.

The expert case panel included Jay Corscadden, General Partner, AH Ventures,

who addressed structural business issues; Carol Bergeron, Founder, Bergeron Associates, commenting on creating increased depth in the Subito management team; and Jim Baum '86, President & COO, Netezza, who delved into fundamental sales and marketing questions critical to the future of the business.

All panelists were complimentary on the presentation of the business and the Subito business plan. Corscadden noted that the business knows how to make money, uses its modest capital well, and surmised this business is scalable – a good sign for a venture investor. He suggested companies like Subito should avoid reaching too large a percentage of services vs. software sales.

Baum felt domain expertise was critical to future success for the company. He emphasized the fundamentals of the business: ask yourself what you are really selling – the technology, the team, the execution. He stressed concentrating on the market areas and situations where you can create the most value.

Bergeron wanted Gondek to build on his core team strengths and to consider additional diversification, particularly in marketing. As the organization's leader, Gondek currently covers a broad range of

functions and needs, as does his father and brother. Family member participation has been successful thus far for Subito – as it has been or several competitors in the industry.

In response to audience questions, Gondek explained he currently devotes approximately 20 to 30 percent of his time to sales. Going forward, his plan depends on developing a sales vision on how to approach the targeted markets. Gondek has confidence that competitors like the giant Kronos, Inc., which has bought several industry competitors in the last couple of years, continues to remain focused on the retail industry, which requires far different applications than his company's casino clients.

[Ed. note: Subito Technologies changed its name to Strategic Labor, Inc. on April 16.]

*Richard O'Brien, Founder, Nagog Hill Partners, works with emerging and growth companies to develop new business. He can be reached via email at [Nagoghill@aol.com](mailto:Nagoghill@aol.com).* ✓

Thank you to our  
April Program Sponsor,  
Phillips DiPisa!

**phillipsdipisa**  
leaders in recruiting leaders

Executive Recruitment for  
Healthcare Providers and  
Managed Care Organizations

Kevin Carroll, Life Sciences Division  
62 Derby Street  
Hingham, MA 02043

781-740-9699/ fax: 781-740-9064  
[kcarroll@phillipsdipisa.com](mailto:kcarroll@phillipsdipisa.com)  
<http://www.phillipsdipisa.com/>

# Sell the Solution, Not the Technology

CONTINUED FROM FRONT PAGE

## ABOUT THE SPEAKER

As a Venture Partner at Bain Capital Ventures, Jeffrey Glass focuses on wireless, digital media and entertainment, and consumer marketing technologies. He serves as a board member of a number of companies including Loc-Aid, an early stage technology firm at the forefront of using location information to enhance wireless applications; MITX, the Massachusetts Innovation Technology Exchange; and Bzz Agent, the leader in community-oriented

word-of-mouth marketing serving the needs of agencies and their brands. Glass was voted Ernst & Young Entrepreneur of the Year in New England.

Glass has been active in fundraising for a number of non-profit organizations, including the Brain Tumor Society and the American Cancer Society. *The Boston Business Journal* recognized his business success and contributions to non-profits last year by naming him to its "40 under 40" list.

Prior to m-Qube, Glass held positions as Founder and President of Transactive Solutions, Chief Operating Officer of Travelers/NETPlus, and strategy consultant with the Boston Consulting Group, where he focused on multimedia and convergence technologies. Glass received an MBA with first year honors from Harvard Business School and a BA in Economics and Political Science from Amherst College. √

## Case Presenter

CONTINUED FROM FRONT PAGE



through its planning and seed stage and is now seeking both government and private investor financing to expedite its commercial development efforts.

Photo by Sandie Allen, MassHighTech  
**David L. Kaufman**

The US Army guided Hemetrics in its initial design specifications though to the commercial market for its rapid hydration-testing device, targeting the elderly and athletic marketplaces.

Hemetrics has received financial awards and recognition from the WPI Venture Forum and MIT 100K business plan competitions, the Johnson & Johnson Award for Excellence in Biomedical Engineering, as well as the NASA Tech Briefs Nano 50.

Kaufman received his BS from the University of Wisconsin-Madison in research psychology and spent 25 years in market research, consulting, sales, and business development with companies now owned by IBM, Forrester Research, and Verizon. During his tenure at Xerox Corporation, he launched landmark technology products including Ethernet. √

## 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](http://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.



## WPI Hosts Fourth US-Africa Business Conference

June 11-15

### *Keeping Competitive: US and Africa Business Exchange*

The US-Africa Business Conference is an attempt to bridge the needs of US and African businesses and help build and strengthen relationships between them. Plenary sessions and workshops will be held in water management, alternative energy, health management, information and communications technology, and tourism. The final two days will include company tours.

Hosted by WPI in collaboration with the US Department of Education, Business and International Education office, and the Worcester Regional Chamber of Commerce.

For more details, see [www.wpi.edu/+NEABC](http://www.wpi.edu/+NEABC).

## Business Plan Finalist Update

# Apredica Nets Positive Cash Flow, Clients

“We are working flat out, and we have maxed out our equipment,” reports Katya Tsaion, PhD of Apredica, a WPI Venture Forum Business Plan Contest finalist last June. Since their presentation, the contract research organization has moved from Cambridge to a bigger facility in Watertown, sharing 6,500 square feet with Biomodels, an *in vivo* testing organization that does pharmacokinetic and other *in vivo* studies together with Apredica.

Along with the facility, the staff has grown to six, including three full-time PhDs. Apredica’s first employee, biochemist Robert Annand, PhD started part-time last June but moved to full-time in March. They hired a molecular cell biologist to head up their new cell-based assay development work. A summer intern has continued part-time, while a full-time analytical chemist has also joined the team. A search is on for another research associate, says Tsaion.

The company currently has 20 active clients, mostly within driving distance, but some, acquired through word-of-mouth marketing, are as far as Texas and Australia. Getting compounds for testing from that customer down under means “three days in transit and a lot of forms to fill out,” says Tsaion.

“We’ve also managed to establish a few very beneficial collaborations with other more established companies,” she continues, noting one partnership begun with ChanTest last December. ChanTest is an expert in ion channels testing including cardiac toxicity assessment. Together they have combined assays that look into drug-drug interaction and cardiac toxicity.

In terms of their business plan, “we’re very much on track, even doing a little better than the model,” Tsaion says. They have nearly completed the transition from business development to operational stage, as they increase staffing and analytic capabilities. Now running at 90 percent capacity on their current equipment, they plan to buy a second mass spectrometer shortly.

Financially, she notes, “we are cash flow positive and have remained in operation for a year. It’s still challenging, but there is a lot of buzz about us, and people sometimes recognize our name more often than our competitors who have been in business much longer.” Their first round of friends and family funding kept them solvent for the first three months, and client revenues have continued to support the business. “Our bank account is growing,” Tsaion says with pleasure.

As they come to their June 1 anniversary, Apredica is looking to expand again, with plans to move to their own space. It will be 4,400 square feet just across the hall, and the company will initially sublease some space to a medical device company. “Our space in Watertown seemed enormous last November, but we’ll probably need all the new space in six months,” she says.

Since last year, Apredica has grown 200 percent, with new customers, revenues and partner companies that enable them to offer a broader range of services. “Our focus remains on growth while keeping expenses low,” says Tsaion. “We are very mindful of our finances.” ☺

## Spotlight on Entrepreneurs

### SAFETY TECHNOLOGIES

#### Thomas Connerton '81

**Product:** Stick-proof disposable glove, ideal for work with Hepatitis C and HIV patients. 38 billion disposable gloves sold every year.

**Seeking:** \$800,000 for final development

**Phone:** 203-245-0026

**Email:** TJC@TJCINVENTS.COM

### PROCASEO, INC.

#### Robert M. Strong, PhD

**Product:** Services linking patients with nursing home, home care providers to reduce unpaid days in hospital, improving operational efficiency. Hospitals alone lose \$4 billion a year. Shifts model from word of mouth to searchable database that matches needs. Initial product development completed. Market of at least \$400 million.

**Seeking:** \$1.25 million in angel money for sales, marketing and operations.

**Phone:** 508-612-3363

**Email:** Bob.Strong@ProCaseo.com

**Web:** www.ProCaseo.com

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:

[www.wpiventureforum.org/Programs/spotlight.html](http://www.wpiventureforum.org/Programs/spotlight.html)



COLLABORATIVE FOR  
ENTREPRENEURSHIP & INNOVATION

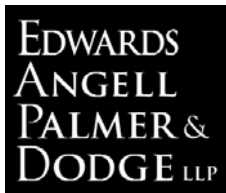
DEPARTMENT OF MANAGEMENT

100 INSTITUTE ROAD  
WORCESTER, MA 01609-2280

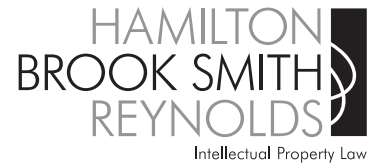
**WPI Venture Forum would like to thank this year's sponsors:**



Attorneys At Law



WEINGARTEN, SCHURGIN,  
GAGNEBIN & LEOVICI LLP



Taxes • Accounting • Business Consulting



Using light to sense, measure, image, and treat



**INKIND SPONSORS:**

