

WPI Venture Forum

Collaborative for Entrepreneurship & Innovation
Department of Management
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WPI Venture Forum Calendar of Events

Nov 16, 1999 – Building a Team; Hiring and
Compensating Employees

Dec 14, 1999 – Internet Commerce

Directions to WPI Campus, Salisbury Labs, Kinnicutt Hall, Room 115

From The East:

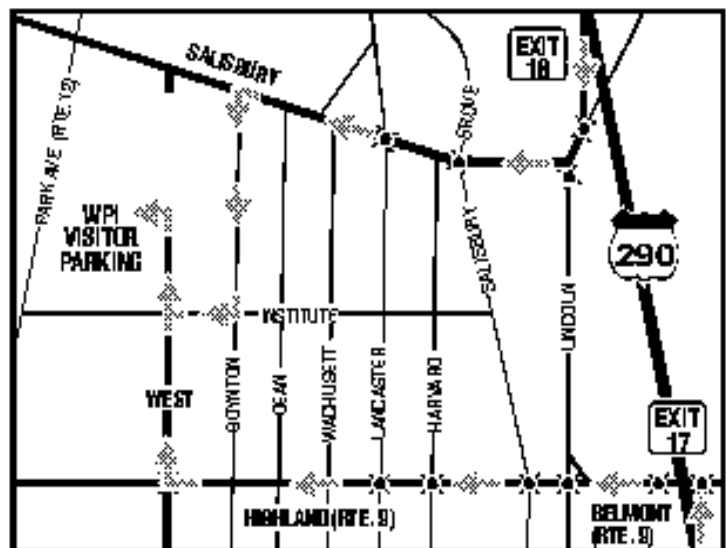
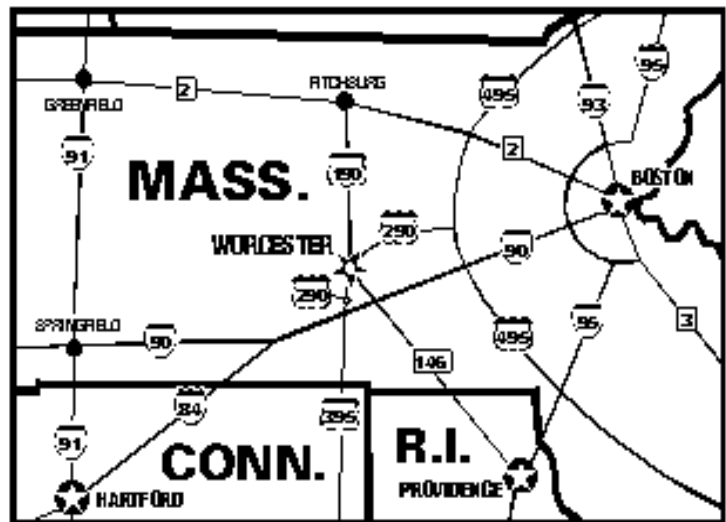
Take Mass. Turnpike (I-90) to Exit 11A (I-495). Proceed north to I-290, then west into Worcester. Take Exit 18, turn right at end of ramp, then an immediate right before next traffic light. At next light, proceed straight through, bearing to the right on Salisbury St., At the WPI sign, turn left onto Boynton St. There is parking in the large lot on the right behind Gordon Library or continue on Boynton St. then right onto Institute Rd., then right onto West St. Visitor parking is on the left after footbridge.

From The North:

Take I-495 south to I-290. Follow directions as from east.

From The South And West:

Take Mass. Turnpike I-90 to Exit 10 - Auburn. Proceed east on I-209 into Worcester, Take Exit 17, turn left at end of ramp, follow Route 9 west through Lincoln Square, straight onto Highland St. then right at light onto West St. Through first intersection of West and Institute Rd. Visitor parking is on the left after footbridge. Additional parking on Boynton St. behind Gordon Library.





Venture

VENTURE FORUM NEWS

A look at the upcoming meeting

Building the Team: Hiring and Compensating Employees

Tuesday, November
WPI Campus, Salisbury Labs
Registration: 6:00 PM
Meeting Begins: 6:30 PM
Members \$5.00
Non-members \$10.00

The realization has come that the concept for the company has commercial potential, the dream is becoming a reality. The market research suggests the product is viable and in demand. Now, the time has come to implement the concept and build the product. Comparison of the task



Thomas Vogel, Investor and Director of Mosaic Technologies, Inc.

schedules and assignments being carried by the current personnel suggest that if the work load distribution remains as scheduled, the expectation is that the product will be in testing in ten years. But wait! The window of opportunity appears to be within the next two to five years. Examination of the possible solutions suggests that the only reasonable thing to do is to expand the work force.

How do you go about doing this? Do you add your wife, your son, a friend, and/or a neighbor to the team? Do you run an advertisement in the

newspaper or on the internet? Do you contact an employment agency or a recruiter? Do you get staff through a temporary employment agency or hire part-time staff through a local University? While any or all of these solutions are possible, what long term consequences for your company and its progress can be expected based upon your choice(s)?

Ideally, hiring personnel and bringing them into the company results in building a

team of qualified people whose skills complement each other's skills. A balanced, cooperative team can help speed a product to market.

Each member can add value to the whole. If we use the analogy of a puzzle, choosing the correct pieces and placing them in the proper order adds to the company's "big picture", to its credibility and thus, value when the company seeks financing. How can a team be achieved? Can this be planned?

Currently, the United States is experiencing a period of low unemployment, especially among trained professionals. Even college seniors in fields related to electronic commerce, software, and biotechnology hear rumors of signing bonuses and/or high starting salaries. How do you set compensation? Will the way you set compensation affect who you can hire? These and other intriguing questions will be addressed by

Thomas Vogel, Investor and Director of Mosaic Technologies, Inc. Mosaic Technologies is a Boston based biotechnology company founded in 1994 that provides

Acrydite™ matrix based products for development of innovative applications in the clinical, diagnostic, research and healthcare fields. Product development areas include formation of arrays, devices for detection of bacteria and of DNA point mutations. Thomas Vogel has been instrumental in building the team at Mosaic.

Case Presentation

Joseph Straight, Founder and CEO of Verax Biomedical Company, North

Reading, will be our business case presenter. Verax Biomedical is developing a medical device to detect bacterial contamination of platelets immediately prior to the use of those platelets. A sensitive, rapid, reliable, and easy to use device is needed. Verax Biomedical is currently seeking financing. Our panel members will include Marc Goldberg of BioVentures Investments, LLC; Brian Kim of NaviMedix; and Natalie Rudolph, Ph.D. of Rudolph Consulting. **VF**

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The November meeting is sponsored by:

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WPI VENTURE FORUM

The mission of the WPI Venture Forum is to promote and serve technology-based entrepreneurial activity and economic growth in the region by increasing the business and financial knowledge of the participants through sharing experiences with entrepreneurs as well as area business, financial and educational leaders.

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Letter From the Chair

Employees First

By Shari Worthington

An associate recently recommended an interesting book to me, "The Lexus and the Olive Tree" by Thomas L. Friedman. In it, Friedman comments, "A commodity is any good, service, or process that can be produced by any number of firms, and the only distinguishing feature between these firms is who can do it cheapest. Having your product or service turned into a commodity is no fun, because it means your profit margins will become razor thin, you will have dozens of competitors, and all you can do is every day make that product or service cheaper and sell more of it than the next guy, or die."

Did I get your attention yet? Isn't this exactly the reality that many of us face every day? The upcoming November 16th Venture Forum meeting, "Building a Team: Recruiting talent in competitive times and compensating employees" will help differentiate our company from the next through our people. And even though many of us think it's more interesting to play with technology, the reality is that we wouldn't be able to offer the products and services we have without the knowledge and effort of the people behind them.

The Downside of the Economic Boom

This is an especially timely topic given the current economic boom. In high tech, most of us experience the effects on a daily basis, as we try to hire competent employees from an ever-diminishing talent pool. The frustrations have led a friend of mine to frequently joke, "I don't have to know how to hire well, I just have to know how to fire well." Our upcoming meeting will help you to hone both your hiring (and firing) skills.

Employees First

On a related topic, I recently read, "The Spirit to Serve," by J.W. Marriott, Jr., and Kathi Ann Brown. The book focuses on creating logical corporate processes that keep business flowing and employees happy. We all know that happy employees usually turn out to be productive, loyal, hard-working employees, something we all need when good employees are so hard to find.

A few key concepts emerge from the book:

- Be a hands-on manager
- Success is in the details...and the details are in the systems

- Give to your employees and they'll give back to you
- Listen well to learn well
- Preserve order amid change
- Preserve change amid order
- Never believe your own hype...or what the press says about you
- Value the organization more than individuals, aka watch out for non-team players
- Success is a team sport
- Listen to your heart and don't look back
- Decide to decide

None of these are earth-shattering concepts we've never heard before, but they make perfect sense and are a testimony to the importance of the basics.

J.W. Marriott, Sr. held to his priorities. According to his son, "Dad particularly enjoyed talking to his employees. Marriott's corporate legend is full of stories of my father perched comfortably on a hotel lobby sofa, listening to the family problems of one of our associates while senior managers cooled their heels waiting for him to return to the office. Dad felt very strongly that the concerns and problems of the people who worked for him were always worth listening to. In his eyes, a successful company puts its employees first."

The bottom line for Marriott International, "Take care of your employees and they'll take care of your customers." — sage advice in these turbulent times.

See you at the November 16th meeting. As always, may all your ventures be successful!



Shari Worthington is the President of Cirrus Technology, a 12-year old marketing, Web development, and e-commerce firm specializing in the high-tech markets. She can be reached at 508-755-5242, e-mail: sharilee@aol.com, Web: www.CirrusMarketing.com. **VF**



Principles of Advertising

By Norm Brust, NTB Associates

The first thing to remember in most advertising programs is—we are trying to create interest in our business, attract prospects in a consumer market or pave the way for an appointment in a business market.

Let's take a look at the factors to consider before we decide on an advertising campaign.

Set an Objective: Get a handle on what the campaign should accomplish. Be specific - \$1000 more sales a week, one new client a month, generate an increase of 10% more prospects. Set a time frame. Do we want results tomorrow, next week, over the next month or a longer period? The answers to these questions help formulate what has to be done to accomplish the objective and measure how effective the program was.

Target the Audience or Market: Who are the customers? Where do they come from? Do we build on this customer base (get more of the same type of people or businesses) or do we try to penetrate a different market segment (find new types of people or businesses)?

Define Pluses and Refine Message: Imagine we are located right between our two toughest competitors. Now list the reasons why people will come to us rather than them. Pare this list down to the one or two prime reasons why customers would buy from us. Be totally honest because the one or two advantages become the focal point for our advertising campaign.

Identify and Minimize Weaknesses: Eventually we try to correct weaknesses. However, while they exist, own up to them and try to compensate for them in some other area. For example, if our competitor is able to offer a better price, we better stress individual attention and service and then deliver as advertised.

Select the Best Promotional Media: There are a lot of ways to get the message out. Depending on the market, the message and the budget, one or two will be most effective. Identify them and use them.

Set a Budget: Based on the objective, establish how much it is worth. Determine what amount is needed to do a good job. If we can't afford to spend this amount, we may want to cut back on the objectives or defer the program until we can afford the costs. The worst thing we can do is economize and only do half the job. The results will be considerably less than half the objective.

Develop a Strategy: Have an overall "game plan" and try to create a flow throughout the year. In a consumer market, develop a consistent theme.

Carry Out the Strategy: Whatever the plan is - execute it! Be sure to follow through on a good plan.

Don't Give Up: Keep after those prospects until they either become customers or tell you to go away. Presume they want to hear from us until they tell us differently.

Evaluate Our Efforts: Periodically check the results of the program against our objectives. Are we on target, a little off, way off or what?

Review and Modify: If the results aren't what we wanted, see what can be changed to bring the program results back into focus.

Repeat It: "If it ain't broke - don't fix it". If the program is working well, stick with it. If it's a seasonal program, plan to repeat it until the results drop off.

Marketing programs are fraught with unknowns. There are a lot of risks taken when a company embarks on a promotion and advertising campaign. By paying attention to all of the

factors we've covered so far, we can reduce the risks and the danger of failure. We'll never eliminate them entirely but we can minimize them through good planning and an understanding of what we're doing and control.

Norman Brust, President of NTB Associates, specializes in helping industrial and technology based businesses increase profitable sales. He may be reached at 781 826-6110 or ntbrust@ultranet.com. VF

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Networking at the WPI Venture Forum!

Twelve Characteristics of Effective Organizations; How is Your Organization Doing?

By William P. Densmore, Senior Vice President, Norton Company, retired

How often have you felt that an organization that you were involved in had some serious problems that were not being addressed? Here is a way to find out what's behind the problems. Management experience, literature review, teaching and consulting led to the definition of twelve characteristics of high-performing organizations. And it follows that all or some of these characteristics are missing in low-performing organizations.

An assessment process based on these characteristics has been used with over thirty organizations, large and small, in business, educational, cultural, social services and healthcare. The characteristics were the basis for a course, The General Manager, in the MBA program in Clark University's Graduate School of Management.

Students, almost all professionals or middle managers from area companies prepared papers and discussed the presence or absence of these characteristics at their company. These consulting and teaching experiences confirmed that styles, personalities, and the degree of formality and structure may vary, but the twelve characteristics of effective organizations, summarized below, are present in strong units and lacking in weak units. See if you agree.

Avoiding the Magic Bullet Fallacy

A look at the last five decades shows that American management often falls into the trap of the latest fad—overemphasis on a currently popular concept as the “magic bullet” solution. This is encouraged by academia, consultants and journalists. A concept that is a current fad is usually valuable—but to succeed in today's turbulent times requires balanced emphasis on all the characteristics of effective organizations. This helps to avoid the pretense of a quick fix based on the latest management fad.

Every executive needs multiple ways to monitor, analyze, and criticize organizational performance. Big gaps often exist between the leadership's intentions and what actually happens down the line. You are invited to reflect on an organization that you are familiar with in relation to these characteristics.

The Twelve Characteristics —How are you Doing?

The short descriptions below are excerpts from more complete descriptions and are copyrighted 1984 by William P. Densmore, all rights reserved. The twelve characteristics may appear obvious to experienced managers. It's easy to say, “Oh, yes—we know, we're doing all those things.” But only a few organizations have them all in place. As John Gardner has stated:

The organization needs provisions for self criticism. The individuals who hold the reins of power cannot trust themselves to be adequately self-critical. The danger of self-deception is very great; the danger of failing to see problems or refusing to see them is ever present.

As you review each of the descriptions, ask yourself two questions:

- How is the organization doing?
Give it an A if it's exemplary—so good that others should use it as a benchmark.
Give it a B if it's in good shape but no perfection.
Give it a C if it's fair, with real need for improvement.
Give it a D if it's a disaster area.
- Is it important to the success of the organization to do a good job on this characteristic?
Mark the priority 1, 2 or 3.

Continues 

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1.) Shared Aims, Values and Beliefs:

The unit's broad aims and its guiding values and beliefs are clear to all. These understandings are a source of pride, and they generate teamwork and a sense of common purpose.

2.) Short-Term/Long-Term Balance:

In management emphasis and in reward systems, there is an appropriate balance between short-term results and long-term investments.

3.) Superior Customer Satisfaction:

Superior customer satisfaction is recognized as a winning strategy, and is achieved through unit wide commitment and attention to customer satisfying products, service, and attitudes. Quality is viewed as contributing to productivity.

4.) Focus on Profits:

Be aware that profits (or financial viability for not-for-profit organizations) are a requirement for long-term success. People relate this to their own security and opportunity. Productivity improvement is accepted as everybody's job.

5.) Integrated Strategic Management:

A strategic management process defines the unit's mission and values, and creatively analyzes the business and its environment to arrive at winning strategies, results expected, and resource allocations. The process is integrated with operations and understood and accepted at all managerial and professional levels.

6.) Focus on Results:

Focus on results provides the key to unit effectiveness and to job satisfaction, encourages getting things done, and discourages bureaucratic "busyness," procrastination, and perfectionism. Goals and measures of progress provide "how am I doing" feedback at all levels.

7.) Human Resource Practices:

People are valued and respected resources. This is demonstrated by the behavior of managers, and reinforced by modern practices for selecting people, defining expectations, reviewing performance, helping with personal growth, handling salaries and promotions, and sharing information.

8.) Freedom within Bounds:

Managers provide as much freedom as each person's experience and capabilities permit, within broad bounds that they work out together. Performance objectives leave room for innovation. The authority of knowledge is more important than the authority of position.

9.) High Expectations; Focus on Competence:

There is an atmosphere and an expectation of competence and high performance. People who are not performing move to a more appropriate assignment in or out of the organization.

10.) Business Teams and Teamwork:

Cross-functional business teams are common, with team members committed to common business objectives. All have a clear understanding of goals, roles and procedures. Collaboration and teamwork is the norm between functions and between line and staff. ►

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More Networking!

Twelve Characteristics of Effective Organizations

Continued from page 5

11.) Informal Networks and Relationships:

Managers and professionals recognize the importance of informal relationships. They get things done with little formal structure by using such networks within and outside the organization.

12.) Climate for Change:

At all levels and in all units, a climate for change prevails. Innovation is highly valued, risk taking is encouraged and defending the status quo is questioned. Technology is up to date.

How does your organization come out on each of these characteristics? Do you agree with the

twelve statements as a description of the ideal? Future issues of VENTURE will provide more details on some of these characteristics. Which ones would you like to hear more about? Please send comments to wpdensmore@aol.com; or phone or fax (508) 753-2500.

William P. Densmore, WPI '45, held a series of division general manager positions at Norton Company, where he was a senior vice president and executive officer. The characteristics of effective organizations described in this article evolved from a set of Style of Management Principles which he developed for Norton Company. They have been the basis for consulting services to businesses and not-for-profit organizations and for a course in the MBA program at Clark University's Graduate School of Management. VF

SPONSOR'S BUSINESS HIGHLIGHT

We at Weingarten, Schurgin, Gagnebin & Hayes LLP grew up in the climate of technology and were educated and worked in technical capacities in the climate. For over 40 years, we have conducted an active and skilled intellectual property practice in this realm, and remain enthusiastic and accomplished devotees of technology and the arts. In the legal arena we assist our clients in seeking, enforcing and promoting their intellectual property, such as inventions, creations, writings, trademarks, and trade secrets, which are often crucial to building and maintaining a successful business.

Our attorneys provide counsel in all phases of intellectual property law. We are accomplished in the full range of technical disciplines and are available to help our clients identify, acquire, preserve, utilize, and enforce

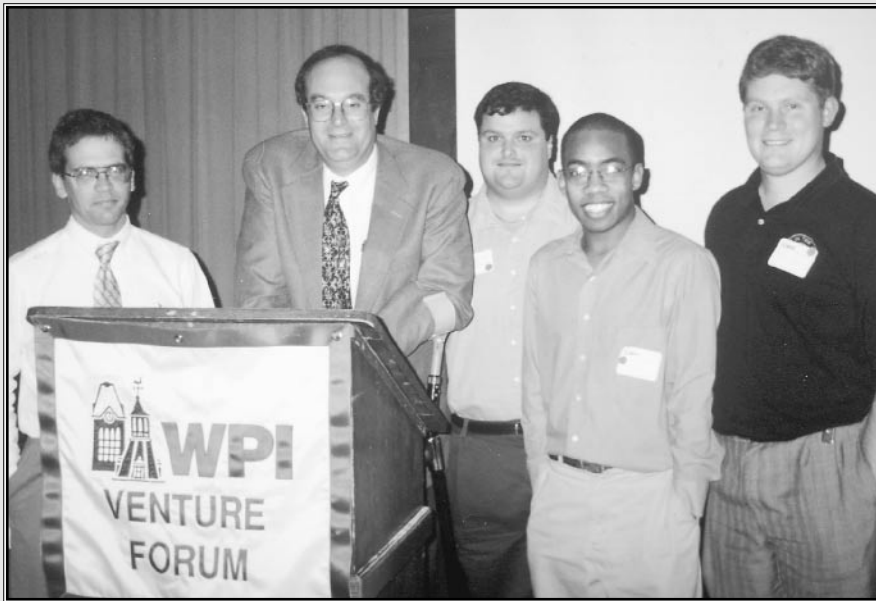
all forms of intellectual property. We specialize in promoting and protecting our client's interests - whether at the negotiating table, in the courts, or at the Patent and Trademark Office.

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For more detailed information, please contact our web site: www.wsgh.com, or Paul Cronin directly at pcronin@wsgh.com <[mail-to:pcronin @wsgh.com](mailto:pcronin@wsgh.com)> or (617) 542 2290

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With his wonderful sense of humor, Bill Warner, an Academy Award winning engineer and founder of Avid Technology, conducted an interesting coaching exercise with four attendees at the October 19th meeting. He had them describe their "passion" in one minute and again in 30 seconds.

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Material is due the 1st day of the month preceding publication, e.g. October 1 for the November issue. For more information, contact the WPI Venture Forum, 508-831-5075.

MONTHLY MEETINGS:

WPI Campus - Salisbury Labs - Kinnicutt Hall

Registration 6 PM - Meeting 6:30 PM

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CALENDAR OF PROGRAMS FOR 1999-2000

November 16, 1999

Building a Team; Hiring and
Compensating Employees

December 14, 1999

Internet Commerce

January 18, 2000

Doing Business in the New Millennium

February 15, 2000

Guerilla Marketing

March 21, 2000

Directors and Advisors

April 18, 2000

Finding the Funds

May 16, 2000

Strategic Alliances; Ask the Experts

June 13, 2000

Business Plan Contest

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And more networking!