

THIS MONTH'S MEETING

TUESDAY,
 NOVEMBER 8, 2005

WPI, WORCESTER
 Campus Center Odeum

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

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So You Want to Start a Biotech Company?

Learn from the twists and turns of a career spent building up a biotech company, selling it and starting all over again. Richard T. Schumacher, CEO, President, and Founder of Pressure BioSciences, Inc., will share his wisdom at the November 8 WPI Venture Forum meeting.

Described as the "quintessential entrepreneur," Schumacher spent 13 years in a research lab, then took his idea into his garage and grew that into a company of 300 employees, Boston Biomedica, Inc. The company developed and manufactured quality control products to ensure the accuracy of test results for infectious diseases.

Ten years after he founded it, Schumacher took it public. Last year, he sold most of the company to SeraCare Life Sciences, Inc., retaining possession of one technology. With that and three employees, he started all over again, renaming Boston Biomedica, Inc. as Pressure BioSciences, Inc. (PBI).

PBI is a publicly traded, early-stage company focused on the development of a novel technology called Pressure Cycling Technology (PCT), which offers a way to test samples without destroying them, using alternating high



RICHARD T. SCHUMACHER,
 CEO, President, and Founder
 of Pressure BioSciences, Inc.

and low pressure to extract molecules from cells and tissues that can be difficult to break down. PBI currently holds 13 US and 4 foreign patents covering multiple applications of PCT in the life sciences field, including in genomic and proteomic sample preparation, pathogen inactivation, control of enzymes, immunodiagnostics, and protein purification.

Schumacher served as the Director of Infectious Disease Services for Clinical Sciences

Laboratory, a New England-based medical reference laboratory, from 1986 to 1988. From

CONTINUED ON PAGE 6

Case Presenter

WesaGen Inc.

WesaGen is a privately held biopharmaceutical company based in Worcester, Massachusetts. Its mission is to utilize its technology to discover and develop novel therapeutic drugs and devices to combat thrombocytopenia and cancer.

WesaGen is engaged in the near-term development of novel technologies to diagnose type 2 heparin-induced thrombocytopenia (HIT), a

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An Investment with High Returns



As the saying goes, the more you put into something, the more you get out of it. That definitely applies to the WPI Venture Forum.

Like most of you, my schedule can get pretty hectic, and there are a lot of competing demands for my time. As an attorney, a husband and a father to two young boys, I can find plenty of other things to occupy my evenings. Yet, for the last several years, I have done my best to make sure that my second Tuesday of the month is available to attend the WPI Venture Forum meetings.

As a Worcester resident who commutes daily to Boston, I first became involved in the WPI Venture Forum as an effort to stay connected to what was going on in the Central Massachusetts entrepreneurial community. Since that time, I have increased my presence and my role at the WPI Venture Forum, currently serving on the Executive Board as its Vice Chair and assisting with the annual Business Plan Contest.

The WPI Venture Forum offers its participants an excellent resource for tracking trends in technology, exploring topics of interest to entrepreneurs and those who work

with them, and building a network for success. I encourage you to attend the monthly meetings to learn from the wealth of knowledge being shared by our speakers and discover cutting-edge companies examined in the case studies. Use the networking breaks during the monthly meetings

and the special networking events held throughout the year to connect with fellow entrepreneurs, service providers and funding sources. For those of you with a new technology venture, consider submitting your business plan to this spring's annual business plan contest and take advantage of the mentoring made available as part of the competition to hone your pitch.

For a small investment of your time and resources, the WPI Venture Forum can offer you high returns for years to come. I hope you will consider making the WPI Venture Forum part of your plans.

Sincerely,

Patrick R. Jones, Esq.,
Gesmer Updegrove, LLP
Vice Chair, WPI Venture Forum
Executive Board

“No Go” Zones for Web Marketing

by

SHARI WORTHINGTON

Life is full of bumps in the road, some more devastating than others. Your web marketing program is no different. Beware of these “no go” zones as they can wreak havoc with your lead generation program and decimate the returns on your marketing investment.

1. A dead-end web site

Your corporate web site should be the focal point of your entire marketing program. Today’s business buyers usually start, and sometimes even complete, their decision-making process online. This means you need a web site that can handle input from all your marketing efforts: search engine marketing, direct mail, trade shows, public relations, even telemarketing. You need a web site rich in content that engages your prospects and actively pulls them along the buying cycle.

2. Ignoring the search engines

The majority of today’s business buyers start the information gathering process on one of the web’s major search engines. Business purchases typically have a longer sales cycle. With competition as fierce as it is, you need to be where your prospects are, as early in the process as possible.

3. Not targeting your PPC dollars

Pay-per-click (PPC) advertising on search engines is a dream come true for most marketers. It’s pay-for-performance, meaning you only pay when someone clicks to your web site. It’s also focused on specific phrases related to customer needs. That’s target marketing at its best, and it tends to generate an incredibly attractive return on investment (ROI). But PPC is not the place to try to pump up your numbers to impress the higher ups. Too broad a message will artificially inflate your results with irrelevant people and explode your cost per lead.

4. Wasting your PPC efforts

One of the reasons people advertise on selected search engines is their partnerships with even bigger search engines. Make sure you keep your ads in one of the top three positions as anything lower is usually not cross-promoted on partner sites. Also, click-throughs significantly drop off after the number three, and sometimes the number two spot.

5. Getting caught in spam filters and firewalls

Irresponsible e-mail advertising means we all have to deal with the challenges of anti-spam software and firewall filters. So be careful how you e-interact with your prospects and customers. Avoid attachments, don’t use spam words, and resist the urge to overload your e-mails with HTML.

6. Forgetting lead generation basics

Remember that the list and the message count for virtually all the success of any promotional program, whether online or off. An attractive, creative presentation is lovely, but it should never interfere with the message.

7. Forgetting the back end

What’s the point of a great web marketing program if you forget to capture leads as you go? Make sure you’ve set up all your reply vehicles so there’s an incentive for your prospects to provide their contact information.

Shari Worthington is a member of the WPI Venture Forum Board and President of Telesian Technology, a marketing and web development firm focused on the technology and manufacturing markets. She can be reached at sharilee@telesian.com. ✓

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A LOOK AT OCTOBER'S MEETING

Ten Rules for Entrep

by

RICKY BERGER, ESQ.



Norm Brust indicates to Lou Masi that his time's up during his elevator pitch.

ELEVATOR PITCH

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Andrew Updegrove, founding partner at leading Boston law firm of Gesmer Updegrove LLP, was the keynote speaker at the WPI Venture Forum's October 11, 2005 meeting. Tapping his vast experience representing startup and emerging companies, Updegrove presented the "Entrepreneurs' 10 Deadly Sins." After helping some 1,700 companies move from pre-business plan stage forward since 1987, he called himself "somewhat of an actuary for emerging company success and failure."

Updegrove's presentation was very informative and well-received by the meeting's more than 100 attendees. As he noted, his advice was very simple, but when entrepreneurs fail to follow these rules (and commit these deadly sins), disputes erupt and they end up paying lawyer bills instead of investing in their companies. For example, Updegrove's sixth deadly sin was failing to pay employees, followed by number seven — violating the securities laws. He presented each "sin" as a rule to live by, discussed it at length and offered real-life examples. The presentation was an excellent road map of the common things to avoid and the steps to take when beginning and growing a business.

Following the presentation, the audience engaged Updegrove in a Q&A session addressing specific concerns, including the difficulty in obtaining director and officer insurance with the Sarbanes-Oxley regulations, and more importantly for non-public companies, errors and omissions insurance.



Keynote speaker Andrew Updegrove

FERRATE SOLUTIONS, INC.

CEO Rezwan Sharif presented the case for Ferrate Solutions, Inc. (FSI) extremely well. FSI is an early-stage technology company developing a new water purification technology using potassium ferrate (ferrate). The company addresses the growing challenges faced by water and wastewater treatment facilities everywhere: expensive treatment upgrades, new regulations, difficult-to-treat contaminants, and toxic byproducts resulting from conventional chlorine treatment. FSI is developing the ferrate technology in strategic partnership with Battelle Memorial Institute, a world-renowned technology innovator conducting \$3 billion in annual research and development.

FSI is seeking financing, but additional capital for product rollout may not be

Entrepreneurial Success



Panelists respond to FSI's case presentation. From left, moderator Joe Thomas, FSI's Marketing Director Trey Kellett, CEO Rezwan Sharif, and panelists Christopher J. Simmons, Andrew Updegrave and Jeffrey L. Powell.

required if full-scale manufacturing is outsourced.

Case Review

Keynote speaker Updegrave served as a panelist reviewing the case with Christopher J. Simmons, Ph.D., founder and president of PolyGenyx, Inc., a Worcester-based biotechnology company and the principal in Simmons International Associates, a management consulting company; and Jeffrey L. Powell, President and CEO of CASTion Corporation, a Worcester-based wastewater treatment technology company.

FSI asked the panelists for guidance on several questions.

What followed was an in-depth review of FSI, its perceived plan strengths and weaknesses, and each of the panelist's responses to FSI's questions. The discussion – with Sharif's reactions – was vibrant and robust, covering target markets, sales approach, why strategic partners make sense and increasing FSI's financing goals.

Ricky Berger is Chairman of the WPI Venture Forum Program Committee and President of Berkent Legal Services, P.C. He represents investment-grade and near-investment grade technology companies as a business and legal advisor. He can be reached at www.berkent.com. ♡



WPI students attended the Venture Forum meeting with visiting professor Jerry Schaufeld.



Moderator Joe Thomas



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Case Presenter

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life-threatening condition; the development of a proprietary line of innovative and potent anti-angiogenic therapeutic drugs (thrombospondin-1 type 1 repeats: TSP-1 TSRs) to treat cancer; and research and development based on a new innovative nanoscale drug delivery platform technology.

They project future growth through strategic alliances and collaboration with major pharmaceutical and biotechnology companies as well as with university medical departments that will use WesaGen's nanoscale drug delivery platform technology. This patented structural scaffold technology uses coiled-coil protein motifs as model systems for the self-assembly of rope-like biopharmaceutical(s) with well-defined structure and interaction features.

Led by Dr. Mustapha Abdelouahed, Ph.D., an expert in immunology, hemostasis, coagulation, cell and molecular biology of vessels, and Jack Lawler, Ph.D., Professor at Harvard Medical School, and considered to be one of the world's top authorities on the thrombospondin gene family, WesaGen is seeking private financing of \$16 million in order to complete its product development agenda over the next five years.

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WPI Alums Create Remote Reboot Co.

A product launched by WPI alum, Cory Wallenstein '05, WebReboot can reduce expensive server maintenance costs by reducing server downtime. According to Robert Chipman '02, recently hired Vice President of Business Development for Servprise International, Inc., Gartner research estimates that a single hour of downtime costs a company \$42,000 on average through lost sales and a tarnished company image. Their patent-pending WebReboot remote reboot technology allows administrators to log into the WebReboot through a web interface and remotely reset a frozen or non-responsive server, minimizing server downtime.

Wallenstein, President of Servprise, developed the technology in 2001 after having a server crash over a long weekend. "The cost of that server crash forced me to realize that I needed a method of remotely rebooting my servers," he said. "I estimate that the companies hosted on that server lost at least \$100,000 that weekend, not to mention the hassle and travel expenses I incurred trying to solve the problem." He launched WebReboot in January 2002 with another WPI student — Kevin Menard '04.

Prior to the introduction of the WebReboot, IT administrators had to rely on technologies that reset servers by cycling the power: removing the power supply to the server and then reapplying it. Studies have shown that power cycling, which is equivalent to pulling a computer's power plug, can cause damage to computer hardware, and most commonly damages the computer's hard disk drives.

WebReboot can integrate with a server regardless of its operating system or size, and requires no software installation. Designed for use by IT professionals, hosting providers, and ISPs, the WebReboot remote reboot



Servprise International, Inc.'s leadership team, from left, Robert Chipman '02, Cory Wallenstein '05, and Kevin Menard '04.

technology is used by Lucent Technologies within their Local Area Network (LAN).

Headquartered in Leicester, Massachusetts, Servprise International, Inc. was founded in May 2004 to further develop and market the WebReboot technology. For more information on Servprise International, Inc. and WebReboot, visit www.servprise.com.

Biotech Company

CONTINUED FROM FRONT PAGE

1972 to 1985, he was employed by the Center for Blood Research, a nonprofit medical research institute associated with Harvard Medical School. Schumacher was a founder and first Board Chairman of Panacos Pharmaceuticals, was the 1987 recipient of the senior research award from the World Federation of Contraception and Health, and has published and presented widely in the area of human infectious diseases. He received a B.S. in Zoology from the University of New Hampshire.

Tech Companies Seek Start-Up Relationships

Companies need new models for innovation when forced to grow revenues and profitability while also streamlining operations and focusing on core competencies. Vertically integrated companies like IBM, AT&T and GE used to have the cost structures to support basic research, developing much of their corporate innovation internally.

That's no longer the case. Today, corporations prefer investments, partnerships or acquisitions of emerging technology companies.

"A key element of corporate R&D labs is the external start-up community," said Tom O'Donnell '85, Manager, Business Development within Cisco Systems' Technology Center organization.

"It's all about innovation," he said. Companies need to refresh themselves by doing new things and creating new growth opportunities. More and more often, they buy into that growth through acquisitions or strategic alliances.

"Within Cisco, the corporate innovation model can be summed up in three words: build, partner or buy," O'Donnell continued. "Internal development, the preferred option, accounts for roughly 60 to 70 percent of Cisco's overall innovation," he said. Cisco also partners with "best of breed" external organizations to jointly develop new technologies. But the option that "gets most of the attention" he said, "is external investments and acquisitions." In many cases, a specific innovation initiative may have elements of all three strategies. "This blended, portfolio approach to innovation has been a key contributor to Cisco's success over the years."

While building a new area internally offers better control and tighter integration, buying into a market opportunity through investment or acquisition usually decreases overall technology and market risk while increasing

chances for success. Venture firms fund the higher risk opportunities, allowing a start-up's idea to incubate externally and achieve certain milestones. At that point, the risks are reduced to manageable levels, and a larger company may consider an acquisition.

As an example of this trend, IBM recently announced the creation of an advisory panel of venture capitalists to help the company tap start-up companies as potential suppliers, customers, or acquisitions.

O'Donnell's area, the "Technology Center," is an internal advanced technology incubator. Acting like advance scouts, people in O'Donnell's department constantly search for emerging technology and business opportunities for Cisco. The team identifies and develops emerging trends and future markets in the three- to five-year horizon. Partnering with early-stage, emerging technology companies in those areas of interest can take many forms, including joint development and seed investments. As these companies mature and reach "critical mass," they also may become acquisition targets, eventually

ending up as Cisco business units.

"Working externally to bring innovation back into the company is difficult," O'Donnell said. But he noted that Cisco's third-largest development center is in Boxborough, Massachusetts, where more than 1,800 people work. The core of the Boxborough team formed through the aggregation of Cisco's 13 New England acquisitions over the last 10 years.

He welcomes discussions with entrepreneurs that understand what Cisco does, how it operates and in which markets and want to explore partnering with Cisco. While he acknowledges that many hurdles exist in developing relationships, O'Donnell encourages start-up companies to contact him if they see value in working with Cisco and possibly developing a longer-term partnership.

"We're extremely interested in expanded relationships with local start-ups and the broader Boston/Worcester-area emerging technology community," he said. Tom can be reached at todonnell@cisco.com. ❖

DEAN KAMEN TO VISIT WPI

Prolific and well-known inventor and entrepreneur Dean Kamen will present the first annual WPI University Lecture on Thursday, November 3, 2005 at 5:00 p.m. in Alden Memorial. The University Lecture brings to WPI speakers of national and international importance to enhance scholarly and scientific learning and to stimulate intellectual exchange within the university and the Worcester community.

As an inventor and physicist, Dean Kamen has dedicated his life to developing technologies that help people lead better lives. As an inventor, he holds more than 200 US and foreign patents. While still an undergraduate at WPI, he invented

the first wearable infusion pump. His latest creation is the Segway™ Human Transporter. He is also the founder of FIRST (For Inspiration and Recognition of Science and Technology) to motivate the next generation to understand, use, and enjoy science and technology.

Dean Kamen has received numerous awards and accolades for his innovative inventions, including the National Medal of Technology in 2000 and the Lemelson-MIT Prize in 2002 for Invention and Innovation. He was inducted into The National Inventors Hall of Fame in May 2005.

This lecture is free and open to the public. ❖

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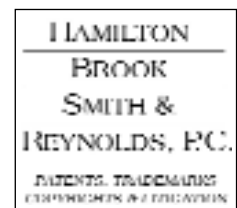
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