

THIS MONTH'S MEETING

**TUESDAY,
 SEPTEMBER 13, 2005**

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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Hot Growth Segments of Massachusetts Economy September Meeting Topic

Wireless, Internet and medical device industries are the important growth segments of the New England economy, according to Michael Olivieri, the publisher of *Mass High Tech* magazine and *Boston Business Journal*. He will be the featured speaker for the September 13th meeting of the WPI Venture Forum. Olivieri will address the growth sectors in the New England high technology economy identified by *Mass High Tech* research.



MICHAEL OLIVIERI, *the publisher of Mass High Tech magazine and Boston Business Journal.*

Mass High Tech and the *Boston Business Journal* are publications of American City Business Journals, which owns and operates local business journals in 42 cities in the United States. Olivieri has been with American City Business Journals for 11 years.

Mass High Tech specializes in covering the region's incubation of next generation technologies and the people and companies behind our innovation economy. The *Boston Business Journal* specializes in reporting on the area's growth companies and the people who are leading them, with close attention to the intersection of business and civic life and the philan-

thropic activities of the business community. Together, they are the region's leading source of business and technology news, reaching more than 150,000 business and technology executives each week.

Olivieri has been a resident of the Merrimack Valley for 24 years and is a graduate of University of Massachusetts, Lowell, where he recently joined the Board of the College of Science. He serves on several local non-profit boards, including Junior Achievement of Northern New England, The

Catalogue for Philanthropy, AccesSport America, the Board of Visitors for the College of Business Administration at Northeastern University and Greater Boston Chamber of Commerce. He is currently the Chair of the Mayor's Cup Regatta.

When Olivieri is not working, he can be found running along the Charles River or in Andover preparing for his next marathon. He completed the Marine Corps Marathon in 2003, the New York Marathon in 2004 and his first Boston Marathon in April 2005.

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A LETTER FROM THE CHAIR...

Supporting Success
in Our 15th Year

BY AMAR V. KAPUR '65
WPI Venture Forum Chair

The WPI Venture Forum continues to support entrepreneurial success stories as we enter our 15th year.

Our programs are designed to help technology entrepreneurs start and run successful companies. Our speakers include economists, investors, and CEOs of large, medium, and small corporations who share their vision and the secrets of their company's growth and success. We bring case presenters from high technology companies to share the challenges they face and the solutions their companies find to keep on growing.

During the "Spotlight on Entrepreneurs," members of our audience can take advantage of practicing their one-minute elevator pitch to summarize their high technology business plan. Our website contains suggestions on how to structure the pitch. The WPI Venture Forum is here to help technology entrepreneurs refine and define their ideas, learn how to build a successful team, and where to look for appropriate funding. And we have a cadre of seasoned venture funding managers and service providers to give entrepreneurs the competitive edge for presenting a sound business plan.

This season we will continue our networking sessions at several company sites to acquaint you with our region's latest technology and innovations. Another great offering of the WPI Venture Forum is the well-received weekly radio talk show on Saturday evenings. Listen in and take an opportunity to tell your story and field

questions from a wider audience of listeners. And now, past shows can be downloaded through our podcasts (see story on page seven).

It's a good economic environment for start-ups and growing businesses. The current acquisition and mergers climate has been a bonanza for the venture firms to exit their holdings at a much higher valuation coupled with a high number of deals.

This year, the WPI Venture Forum will offer even more ingredients to make and execute successful ventures. But don't keep this secret to yourself. Bring a guest! Spread the word to your friends and colleagues of the exciting WPI Venture Forum programs, speakers, and networking events that start again this fall.

I am looking forward to welcoming you and your guests at our September meeting. ✓

Amar V. Kapur

Chairman, The WPI Venture Forum
President, Aimtek, Inc.
www.aimtek.com



Newsflash: Newsletter Goes Online

Our monthly newsletter has stood as one of the pillars of the WPI Venture Forum for 15 years. Although its look has been updated over the years, the mission and content have remained constant since the first publication in 1990. With this issue, we are moving into the age of immediate communication, launching an electronic version of WPI Venture Forum

by
JIM FEE, CHAIR,
Marketing Committee

Vantage. We will continue to mail the printed version of the newsletter to sponsors and others who request it, but with the ease of electronic publishing we will now be able to significantly grow the reach and impact of this key publication.

Over the years the WPI Venture Forum's monthly meetings, networking events, and workshops have been an invaluable resource to technology entrepreneurs, service providers and professionals seeking career change. Forum programs have helped fledgling companies find financing and partners, sponsors and service providers have met clients, and professionals have found new careers at our meetings. But all too often, those of us involved in creating and organizing Forum events meet people a few days after a meeting who say, "I wish I had known about it."

With the help of our electronic newsletter, the Forum's Marketing Committee will launch a number of direct and cross-promotional initiatives. In addition to helping educate and inform the central New England entrepreneurial community about the WPI Venture Forum and other events, the e-newsletter will feature original content articles from members and sponsors and regional resource listings targeted to help facilitate regional growth in the technology economy.

We would also like to acknowledge the technical and operational support that 3000K Inc. and its president, WPI alumnus Eric Tapley have contributed toward our electronic newsletter and to introduce our new editor Allison Chisolm. We would appreciate your feedback. Please forward your thoughts, ideas or content for future newsletters to ventureforum@wpi.edu. ✓

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

**Visit www.wpiventureforum.org
and click on Newsletter**

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.

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



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A LOOK AT JUNE'S MEETING:

12th Annual Business Plan

DESIGN MEDICAL AND NIMBIT SERVICES SPLIT

by

BRIAN DINGMAN, ESQ.,
Program Committee Member



Semi-finalist judges screen entrants (from left) Vic Marcus and Susan Black.



On a break, semi-finalist judges (from left) Jim Fee '65, Brian Dingman and Michael Gondek.

Visitors at the June meeting witnessed the final stage of the 12th Annual Business Plan Contest, developed to spotlight and reward New England-based established and start-up technology companies that provide innovative products and services. After much discussion and deliberation, the companies behind a new heart pump and an online suite of tools for musicians split this year's \$20,000 prize.

Through earlier rounds of judging, four finalist companies had been selected to compete for the prize worth \$20,000, half in cash and half in services from the contest sponsors. Each of the finalists presented a 15-minute overview of their plan to the meeting attendees and the three finalist judges. The judges were Will Cowen, Managing Partner of Worcester Capital Partners/Long River Ventures; Elliot Katzman, General Partner of Kodiak Venture Partners; and Steve Wardell of CPP Advisors and the Z-Cube Fund. The judges considered both the written business plans, which they had read earlier, and the presentations made at the meeting.

The contest finalists were:

- Advanced Radiation Therapy Corp., which has developed a novel treatment device for breast cancer;
- Design Medical, Inc., which has developed a blood pump that mimics the heart, used in bypass surgery;
- Enginivity, Inc., which has developed an intravenous fluid warming technology;
- Nimbit Services, which has developed a vertically-integrated web-based series of tools that assists independent musicians in conducting business.



Bill Gasko looks through business plan contest entries.

After each presentation, the judging panel critiqued each of the four presenting teams, including the positive aspects and challenges with the plans, the presentations, and the investment opportunity presented by the company. The judges offered helpful comments on steps the companies might take to make themselves more attractive investment candidates.

The overarching message from these investor judges: professional investors seek companies with seasoned management teams with a record of success in the same market space in the past, and a readiness to succeed again. Investors also look at the opportunity presented by the company and the product/technology/intellectual property issues, to decide whether or not to take the next step in considering a possible investment in a company.

After deliberation, the judges announced a tie between Design Medical and Nimbit Services, designating the two companies as co-winners of the contest. The judges were excited about the opportunity presented by both of these companies and felt that they both deserved the recognition and reward of winning the business plan contest.

Contest Produces Two Winners

\$20,000 PRIZE



Winners and judges from the 12th annual Business Plan Contest gather (top row, from left) Will Cowen, Elliot Katzman, Steve Wardell; (bottom row, from left) Nimbit Services Team: Scott Cohen, Philip Antoniadis, Patrick Faucher; Brian Dingman (holding check) and Design Medical Team: Brian Key and Doug Vincent.



Semi-finalist judges at work (from left) Jay Agrawal, Jenifer Haeckl and Carl Stutz.

DESIGN MEDICAL MIMICS HUMAN HEART

Design Medical of Pelham, NH, has developed and is patenting a heart pump technology that mimics the human heart. The product is expected to provide greatly improved clinical outcomes in heart surgery patients. The natural heart-like blood waveform as produced by the Design Medical product has been determined by leading scientists to provide superior blood flow to vital organs as compared to that of today's state-of-the-art heart pumps. The company expects that clinical trials will confirm that its product will result in fewer post-operative complications, thus resulting in an average per patient savings of over \$2,700. With the product cost set at \$1,600, the company believes that there is a compelling economic justification for the product, above and beyond the obvious patient benefits.

The judges commented that the presentation was "outstanding." The team had both experience and credibility in the field. The company could have done a better job presenting its plan for proprietary protection of its technology, and the manner in which it will best the competition in the marketplace, the judges said.

NIMBIT GETS MUSICIANS ONLINE

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

The judges commented that Nimbit was a spectacular company with a proven revenue-generation model going after an underserved niche. The presentation was "great." Some concerns were expressed on barriers to entry. Overall, the judges found Nimbit an exciting opportunity and saw some synergy with complementary service providers, leading to a solid acquisition one day.

Congratulations to both winners, and a hearty "thank you!" from the WPI Venture Forum to all of the contest participants, the early round and final round judges, and the contest sponsors!

Brian Dingman, WPI Venture Forum Board Member, is chair of the Intellectual Property Practice Group at Mirick O'Connell, a law firm with offices in Westborough, Worcester and Boston. ♡

September Meeting

CONTINUED FROM FRONT PAGE

Case presenter

Medtrak

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Many of the most important advancements in medical science in the last decade have been in the field of minimally invasive procedures, enabled by the rapid evolution of medical imaging technologies. A host of instruments have been designed to cut, extract, join, see, inject and replace parts of the body through tiny incisions. The linchpin between imaging and intervention is the precise tracking of these instruments' positions during procedures to ensure they are acting on the correct anatomical structures, while minimizing collateral damage.

Medtrak's system will keep track of these instruments more effectively. Medtrak has created technology for three-dimensional positioning of instruments used in computer-aided medical procedures. For the first time, surgeons can have both sub-millimeter position accuracy and line-of-sight independence using radio frequency (RF) waves.

Medtrak will sell positioning subsystems as OEM kits to suppliers of image guided systems (IGS) workstations. Materials will include a control board, transmitter assemblies for attachment to instruments and a receiver assembly, at a BOM cost of about \$1,500. Northern Digital Incorporated (NDI), the current dominant supplier of positioning subsystems, sells camera-based systems. The list price for a comparable NDI positioning subsystem is around \$20,000. Even if NDI offered their customers a 50% OEM discount, and if Medtrak's product were priced to match (despite its advantages), Medtrak would still achieve 80% margins.

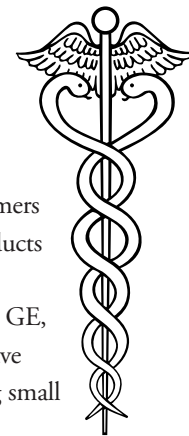
Medtrak is a start-up company with a proven technology. Created by a seasoned executive team with a 25-year track record of establishing, building and selling successful technology companies, the company also has a medical advisory board with experts in emerging surgical procedures. The proof-of-concept, seed stage was completed using capital from individual investors and development funding from one of the leading IGS manufacturers. The company is offering \$1.5 million in equity at a post-money valuation of \$6.5 million. It will use the money to complete prototype hardware and software and launch product sales.

Medtrak's near-term customers are the suppliers of surgical navigation or IGS solutions. These include GE, Medtronic, Brainlab, Johnson and Johnson (Depuy), Stryker, Smith and Nephew, Biomet, Z-kat, Praxim, and Zimmer. As Medtrak evolves and miniaturizes its technology, future customers will also include makers of systems for endovascular and catheter-delivered therapies. Sales of imaging workstations used for image guided surgery are expected to exceed \$1 billion by 2008.

Medtrak's primary revenues will be derived from volume sales of OEM positioning kits

to IGS providers.

Additional revenue will come from development funding from these customers to optimize Medtrak products for their specific systems. Several IGS providers like GE, Medtronic and Stryker have long histories of acquiring small innovative companies as a strategy for technology renewal and growth. √



COLLABORATIVE FOR ENTREPRENEURSHIP & INNOVATION RANKS TOP TEN

WPI's entrepreneurship program has been ranked in the top 10 by Entrepreneur.com among schools that have a program emphasis in entrepreneurship, announced McRae C. Banks, Ph.D., head of WPI's business school and director of the Collaborative for Entrepreneurship & Innovation. According to Gina Betti, associate director of the center, WPI's great ranking is attributable to the breadth and depth of its outreach programs for those interested in entrepreneurship and confirmation of that value by its benefactors. The Third Annual Top 100 Entrepreneurial Colleges ranking was performed by TechKnowledge Point Corp, the world's first and only 24/7 online entrepreneurship research and referral exchange. Please see entrepreneur.com/topcolleges for more information. And visit www.wpi.edu/+CEI to learn more about WPI's entrepreneurship center. √

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Radio Podcasting Comes to WPI Venture Forum

BY WILLIAM E. O'BRIEN, LL.M.,
ATTORNEY AT LAW

Where are you on Saturday nights between 5 and 7 pm? Chances are you may not be tuned to WTAG 580AM radio (unless there's a Red Sox game on), but more than 8,000 other listeners are. If you just can't tune in for the WPI Venture Forum live talk radio program, now you can download a podcast of the broadcast.

Thanks to modern technology and the efforts of WPI Venture Forum Executive Board members Bob Hokanson and Bill O'Brien, you can benefit from the advice of the many experts appearing on the show at your leisure, any time, day or night. While you won't be able to ask these experts questions, you will hear their counsel and answers to other listener's questions.

It works like this: Bob Hokanson records the radio shows that air weekly. These shows are then converted to MP3 format and posted to Bill O'Brien's website at www.masstechlawyer.com.

Bob Hokanson has hosted the WPI Venture Forum radio show for more than 10 years. Hokanson provides the show in conjunction with WTAG Radio 580AM, which donates this time each week as a public service.

The shows feature interviews and discussions with entrepreneurs, business leaders, trade representatives and academicians on a wide range of business topics. Hokanson may interview an expert on taxation on recent changes in the tax code, a web developer, or an attorney. The show offers a wonderful, free resource for anyone who needs advice and counsel on how to establish, operate and grow a business.



Listeners are always encouraged to call in.

Anyone may download as many of the shows as they wish. The files may be forwarded and used by others. Users should be aware that in order to easily manage the MP3 files, the files do not have the same audio quality as the original show.

If podcast listeners have any concerns, comments or feedback on the shows, please contact Bill O'Brien at William@masstech-lawyer.com or by telephone at (508) 829-5185. And this Saturday, don't forget to tune in to 580AM WTAG – we'll be there!

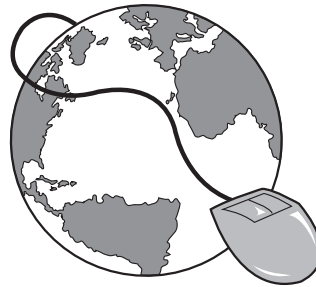
(NOTE: Some shows are pre-empted by sports broadcasts.) ♡

Websites of interest

VC EXPERTS

<http://vcexperts.com>

Provided by VC Experts, the site offers private equity and venture capital data, education and legal best practices. Links on the site include the Encyclopedia of Private Equity and Venture Capital, articles on venture capital and investing topics, and resources for business owners. Every week offers a new "Buzz of the Week" topic with commentary on VC core issues.



INVENTION TO VENTURE

<http://www.invention2venture.org/>

Invention to Venture (I2V) is a nationwide series of conferences and workshops in technology entrepreneurship for science and technology students and faculty, in addition to resources from the university and business communities. This website offers other resources, including reading lists and agendas from previous seminars. An I2V conference will be held at WPI on Saturday, October 15.

Spotlight on Entrepreneurs

The WPI Venture Forum invites entrepreneurs* to participate in a one-minute practice pitch for funding. Each entrepreneur is allowed to display one overhead slide, which they can bring or prepare on site with materials provided by the Forum. The one-minute rule is strictly enforced and no questions are allowed.

Each entrepreneur is allowed only one opportunity to present a one-minute elevator pitch per each new business venture. The main objective of this feature is to generate investments and/or advice, rather than sales.

**An entrepreneur is defined as someone who organizes, manages and assumes the risk of a business or enterprise. This can include pre-startups.*



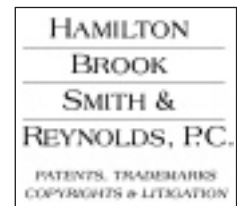
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