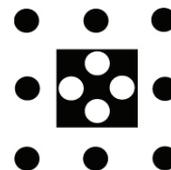


The New Enterprise Forum



The Entrepreneur's Link to Resources

Vol. XXIV, No. 8 • September 2009

www.newenterpriseforum.org

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In the News... Presenter Updates

While we were gone for Summer vacation, several NEF entrepreneurs were making news:

Integrated Sensing Systems (ISSYS) (NEF Presenter April 2003) announced a partnership with Swiss firm Endress+Hauser. ISSYS is a U-M spin-off that makes sensors for a variety of applications in the medical, food, fuel, and paper industries. The Ypsilanti-based firm presently employs 32 people. The partnership includes several million dollars of new funding for ISSYS, and will bring several Endress engineers to Michigan to work with the ISSYS product line.

Accuri Cytometers (NEF Presenter Oct. 2005) secured another \$4 million investment, this round including A2-based Arboretum Ventures and Invest-MI Growth Capital program. Arboretum was part of a previous round that totaled \$13 million in venture capital in 2008. The new funding will help Accuri ramp up delivery of its flow cytometry system, which has found an enthusiastic market with biomedical researchers.

Pixel Velocity (NEF Presenter Nov. 2002) which is developing a wide-area video surveillance system for public safety and

See Updates, Page 2

GLEQ News GLEQ Business Plan Competition Registration August 24 to October 26

Participate in this statewide business plan competition and win cash prizes up to \$25,000! Interested entrepreneurs are encouraged to register early to begin working with a GLEQ business coach. Executive Summaries due

See GLEQ, Page 2

Sept./Oct. Duet: The Devil's in the Details Part 1: Term Sheets

Our next two programs, September and October, are Joint Meetings with Ann Arbor SPARK, and will explore the rocky shoals of deal-making. September's focus will be on term sheets and investor rights.

Panel of Experts

On hand to explain the many details of a funding deal will be:



Uzma Ahmad, Corporate Finance Attorney with Dykema, where she focuses primarily on business planning, general corporate, and securities, including mergers and acquisitions, financing transactions such as private and public offerings, and public company securities compliance. Previously, Ahmad was a corporate and securities associate with Dechert LLP. She has also been an Adjunct Professor at the U-M Law School.

Tony Grover, Co-Founder and Managing Director of RPM Ventures, has more than 15 years of private equity, manufacturing, and technical experience. At RPM, Grover is involved with the boards of Arbor Photonics, Eden Park Illumination, Performix, and Mobius Microsystems. Previously, he was VP at White Pines Ventures, a \$100 million early-stage, technology-focused venture capital firm. Grover also serves on the advisory boards of the U-M Frankel Commercialization Fund and the Michigan Universities Commercialization Initiative (MUCI) Challenge Fund.



See Sept. Program, Page 2

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Ray Waters, Detroit Community Loan Fund
313/886-2163, ray_waters@sbk.com

Sept. Program, Cont. from Page 1



Mike Klein, President & COO of Online Technologies and a serial entrepreneur, has more than 25 years of high tech business leadership, technology, and startup experience, including positions

as CEO of Interlink Networks, Managing Partner of CompanyCrafters, and CEO/Founder of Steeplechase Software. Before becoming an entrepreneur, Klein worked in sales, strategic marketing, product development, and management roles at Motorola Semiconductor and Rockwell International.

Moderator

Keeping the program moving and on-topic will be **Skip Simms**, Executive Director at Ann Arbor SPARK and Administrator of the Michigan Pre-Seed Capital Fund.

Showcase Presenter

Also on the program is a 10-minute presentation from **Audiallo**, which is designing a biologically-inspired, analog-based processor that provides more natural sound and cancels background noise for use in hearing aids and consumer electronics.

As always at our monthly meetings, we will have great networking, hors d'oeuvres, and the Open Forum, during which we pass the mic for audience introductions. Please plan to join us for this informative program at **SPARK Central, 330 E. Liberty A2 on Sept. 17.**

Updates, Cont. from Page 1

emergency response agencies, was named a winner in *Business Review's* Innovation Michigan competition. The Company's "smart camera" technology and system architecture, called Video Fusion, allows the monitoring of very large areas, tracking threats across multiple cameras, and pushing information out to first responders.

Velcura Therapeutics (NEF Presenter June 2001 as Osteomics) is licensing its rheumatoid arthritis drug technology to FreeStride Therapeutics, a startup that will explore development of the drug for veterinary use, particularly for horses in the track racing industry. Drug development for veterinary applications is much quicker and less expensive than for human therapies, and therefore offers both continued funding and expanded utility for the Velcura drug. FreeStride's CEO is former Accuri Cytometers CSO, David Olson. Velcura was founded and continues to be led by Dr. Michael Long.



Become a Member

- Stakeholder \$500
- Corporate \$275
- Individual \$100
- Student \$25

For details of category benefits and payment of membership fees, visit www.newenterpriseforum.org

Join Our Program Committee All are welcome!

8 a.m., Ann Arbor Area Chamber of Commerce, 115 W. Huron at Main, 3rd Floor, Ann Arbor, MI 48104
734/665-4433 • FAX: 734/665-4191

Address questions about Program Committee or becoming a Showcase Presenter to Committee Chair, Diane Durance, at diane@gleq.org.

*Our next Program Committee meeting is Thursday, Sept. 24.

GLEQ, Cont. from Page 1

December 11. Venture investors evaluate submissions and provide written feedback and suggestions. Winners announced at ACE'10 on January 21, 2010.
Visit <http://www.gleq.org>

Ann Arbor SPARK Boot Camp November 5-6

One of Michigan's best learning opportunities for tech and life science ventures. An intense two-day program in which you will perfect your elevator pitch, executive summary, and executive overview presentation, as well as meet one-on-one with mentors who will support and encourage your success.

Apply at <http://www.annarborspark.org/bootcamp> by October 1

Mark Your Calendar and Attend These Major Entrepreneurial Networking Events...

Entrepalooza
Friday, September 18
www.epalooza.bus.umich.edu

E2Detroit Conference
Wednesday, October 15
<http://www.events.wayne.edu/>

Last Month Meeting Highlights

Showcase Presentations

Bandals International Tom Sesti, Presenter

The Company manufactures and markets a high quality sandal that allows the consumer to create their own personal footwear look via 20 interchangeable uppers or bands which can be applied to a single shoe base offered in four colors. The shoe base's comfort and design features include a sponge EVA footbed and midsole for long-lasting comfort, rubber outsole for traction and durability, molded contoured foot bed for improved fit, comfort arch for support, and cradled heel cup for added stability. Not your average flip-flops! To learn more, visit www.bandals.com or call 248/252-1687.

GradeCheck Sheila McBride, Founder/CEO

The Company offers web-based software-as-a-service enabling students, parents, coaches, and high schools to monitor student academic performance against NCAA eligibility requirements. The software allows tracking of an individual's high school completion of approved core courses, grade point average, standardized test scores, and other components that figure into NCAA eligibility. With this on-going score, students have sufficient time to correct performance before college application. For more information, contact McBride at www.gradecheck.net or 313/879-5255.

Open Forum

Entrepreneurs

GreenDog LLC; Curt Fournier (810/735-4972)

Company is developing and commercializing an outdoor, flushable pet waste management system. Visit www.powerloo.com.

Talent Available

Nimar Kanodia (734/657-3626 or nkanodia@umich.edu)

Recent graduate seeking position with entrepreneurial healthcare firm, i.e., medical devices/ services, biotech.



Featured Speakers

"Sixth Annual: Unusual Entrepreneurs Share Their Wild Success Stories"

Panel:

John Antone, Founder, Axis Music Academy
Curt Fournier, Founder, GreenDog LLC
Chris Lin, Creator/CEO, Mandy and Pandy Co.

Moderator:

Jesse Bernstein, Former President/CEO,
Ann Arbor Area Chamber of Commerce

The Moderator pitched the following questions that resulted in a brisk and comprehensive pass-the-mic discussion:

What motivated you to start the company?

All were motivated by personal experiences or the realization of a market niche through family activities.

How do you/will you define your success?

All, not surprisingly, define success in both monetary and marketing terms, i.e., expanding to numerous locations, being a household name or nationally known brand, selling the company for major money.

How were you initially funded?

All cited those traditional sources of funding for new ventures: self, principals, family, and friends.

Other than your investors, who are your biggest supporters? And your biggest detractors?

Again, family and friends scored well, as did advisors, mentors, product partners, and even media. As to the detractors, none reported any significant criticism, although one entrepreneur said he deleted more than 400 names from his contact list, presumably to concentrate on those who really would support him.

Who is your competition?

All saw their product or process as unique in the marketplace, despite similarities to others in the music, education, and pet products industries. For example, the doggie toilet is admittedly unique, but the clean-up task itself has already inspired the founding of several scooper services.

Overall, the panel members reflected as many similarities as they did differences. All share the entrepreneurial fervor, willingness to take risks, and belief in themselves to shape a successful business. Bottom line: they aren't so "unusual" after all! We surely wish them all much success.

To follow the companies' on-going growth, contact info is:
John Antone, Axis Music (www.axismusic.com or 866/464-2947)
Curt Fournier, GreenDog (www.powerloo.com or 810-735-4972)
Chris Lin, Mandy & Pandy (mandyandpandy.com or 734/929-5318)

The New Enterprise Forum reviews business plans to determine the readiness of entrepreneurial ventures for presentation to the group. No independent investigation of claims or representation is made. Applicable securities laws place certain limitations on the manner in which an offer to sell securities may be made and on solicitations and advertisements to sell securities. Failure to comply could result in the loss of the private offering exemption. The New Enterprise Forum can assume no responsibility for the form or content thereof.

Next Meeting: Thurs., Sept. 17, 2009 *

Please note
special location

"THE DEVIL IS IN THE DETAILS, PART 1: TERM SHEETS AND INVESTOR RIGHTS"

Showcase Presentation

Audiallo
Aaron Nelson, CEO

The Company is designing a biologically-inspired, analog-based processor that provides more natural sound and cancels background noise for use in hearing aids and consumer electronics.

Featured Speakers Panel

Uzma Ahmad, Dykema
Tony Grover, RPM Ventures
Mike Klein, Online Tech.

Moderator

Skip Simms, Ann Arbor SPARK
and Michigan Pre-Seed Capital Fund

Entrepreneurs and investors alike will learn much in this two-part program on inking a deal that won't come back to haunt them!

SAVE THE DATE NOW FOR "PART II:
VALUATION" ON THURS., OCTOBER 15.

Open Forum

Brief turn at the mic to introduce your business, marketing strategy, and present resource needs.

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***Special Location: SPARK Central, 330 East Liberty Street, Ann Arbor**
Registration & networking begin at 5:00 p.m.
\$20 for non-members • Students \$5

 **New Enterprise Forum**
115 W. Huron at Main, 3rd Floor
Ann Arbor, MI 48104
September 2009

Inside:

- ✓ "The Devil Is in the Details, Part 1: Term Sheets and Investor Rights"
- ✓ Presenter Updates
- ✓ GLEQ News
- ✓ Last Meeting Highlights
- ✓ Get Involved in NEF!

Thank You to Our Program Partners...



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