



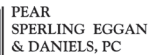
The New Enterprise Forum

The Entrepreneur's Link to Resources

Vol. XXIV, No. 10 • November 2009

www.newenterpriseforum.org

NEF Stakeholder Members



In the news NEF Presenters Beating the Odds

Two former Showcase Presenters recently in the news are expanding, hiring, and bringing new products to market despite the current shrinkage in Michigan's economy.

Integrated Sensing Systems (ISSYS), which first presented to NEF in April 2003, landed an \$18.5M investment and plans to use it to expand Ann Arbor production facilities, product development, and to add 40-50 workers to its present staff of 30 by 2012. ISSYS makes micro-electromechanical sensors used in fuel cells, biomedical applications, airplanes, and other devices. Growth in the sector is partially driven by increasingly sophisticated technologies and consumer expectations in the health care industry. The investors are Swiss-based Endress+Hauser Flowtec AG, a "supplier of liquid and solid level measurement and limit detection sensors for the food, chemical, and other industries"; and Greatbatch Inc. of Clarence, NY, which "designs and manufactures technologies that improve the reliability and performance of medical devices and procedures".

Adaptive Materials, Inc. (Showcase Presenter in May 2002 and Best Presentation Award
See Entrepreneurs, Page 2

GLEQ News Upcoming Events

Ticket to the FastTrac
Monday, November 16, 3-6 p.m.,
TechTown, 440 Burroughs, Detroit
The third Monday of every month.

Opportunity for entrepreneurs to meet with advisors who help them select and enroll in programs best suited for their business goals.
www.techtownwsu.org

See GLEQ, Page 2

November Program: **Sales and Marketing: Do You Know The Difference?**

The November program will clarify the distinct functions of these two development tools, which ultimately drive a company's profitability.

Panel of Experts



Jen Baird

With an MBA from Kellogg Graduate School of Management and 19 years of banking, management consulting, and technology start-up experience, Ms. Baird is currently leading venture-backed Accuri Cytometers through dramatic commercial growth. She co-founded the company in 2005, completed development of their first product in less than three years, and has raised \$27M in equity capital.

The second panelist was unconfirmed at press time.

Moderator



Deb Lewis

Deb Lewis is an experienced marketing professional who has developed a deep expertise in the computer software marketplace. At Infor, www.infor.com, an enterprise software company, Deb is responsible for global marketing programs and related services that drive awareness, consideration, and purchase of the company's software and services.

See Nov. Program, Page 2



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Ray Waters, Detroit Community Loan Fund

313/886-2163, ray_waters@sbk.com

Nov. Program, Cont. from Page 1

Showcase Presenter

Also on the program are presentations by two entrepreneurial firms:

DEEN is a start-up social network that serves as a one-stop location for minority individuals, colleges, and companies, interactively providing assistance with work or education-related issues. Services include job and candidate searches, as well as total career development. Members post resumes, companies post job opportunities and conduct online seminars. For more information, visit www.DEENinaction.com.

Algal Scientific Corporation is developing proprietary technology which removes and recovers nutrients from municipal and industrial wastewater and produces raw materials for bioenergy production. The Company designs and sells treatment systems, then operates the systems for fees based on pollutant reduction, thus allowing customers to retain title to carbon credits and the biomass produced. Target markets are breweries, wineries, food processors, and ethanol refineries. Arbor Brewing in Ann Arbor will be a beta-test site. For more information, visit www.algalscientific.com.

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.

Entrepreneurs, Cont. from Page 1

Winner for that year), has recently brought its 250-watt fuel cell to market. The solid-oxide fuel cell provides lightweight power for portable electronic devices and for recharging batteries. It will find broad application in the commercial and military markets. The fuel cell has a 1500-hour life expectancy and capacity to power electronics, radios, computers, and battery chargers. At 20 pounds, it is significantly lighter than the military's lightest generator, a 3-kw model weighing 364 pounds. The fuel cell is also ideal "for people who enjoy going off the grid for camping, boating, hiking or other recreational activities." The Company is presently focusing on expanding applications for existing units, rather than developing addition fuel cell products.

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 **Tuesday, Dec. 1****
** Due to Thanksgiving Holiday

GLEQ, Cont. from Page 1

Moving Ideas to Market: Michigan's Investment in Entrepreneurship (MI2M)

C.S. Mott Foundation-funded Initiative
Tues., November 17, 9:30 a.m.-3:30 p.m.,
Lexington Hotel, 925 South Creyts Rd., Lansing.
Keynote presentation by Jim Herbert, CEO, Neogen Corporation. Participants and stakeholders will meet, network, and report on action group work and future plans.
E-mail a.evans@primacivitas.org to register.

Boot Camp Celebration with Executive Summary Presentations and Announcement of the Best of Boot Camp Award.

Wednesday, November 18, 5-8 p.m.,
SPARK Central, 330 East Liberty,
Lower Level, Ann Arbor
Register at www.annarborusa.org

Boost Mid-Michigan

Tuesday, December 1, 4-7 p.m.,
Holiday Inn, 5353 Gateway Centre, Flint.
Preparing area entrepreneurs by connecting university- and business community-based ventures with support resources and capital. Highly recommended for GLEQ participants.
Register at www.gleq.org

Last Month Meeting Highlights

Showcase Presentation

Edward Shaffer, Advanced Battery Concepts (ABC)

The Midland, MI-based Company is developing GreenSeal™ Bipolar Technology to enable low cost, large-format, rechargeable batteries that are longer-lasting, more powerful, and safer than current leaders in the battery market. Improved battery performance and weight reduction of almost 50% enable the feasibility of new applications in the lead-acid battery market, including electrification of vehicles and on-grid, peak-power management for alternative energy sources (e.g., wind, solar, etc.). The Company is initially targeting the \$20B annual revenue lead-acid battery market due to its size and global manufacturing presence. Future product development will focus on lithium-ion and nickel battery chemistries. Learn more at advancedbatteryconcepts.com.

Chuck Cole, CEO Bio Logic Engineering (BLE)

The Company was founded to develop precision equipment for training, measuring, and assessing human biomechanical performance. Using nearly \$900K of NIH SBIR funding, BLE developed the BLAST!™ System, a motor-driven strength training machine with a video game-like biofeedback display that has capabilities far exceeding traditional weights and other exercise machines. The Company is seeking a \$1.6M investment to commercialize the first two BLAST!™ machines, the leg press training and rehabilitation machine already in testing by the Michigan State University football program, and a shoulder training system that targets the rotator cuff and general shoulder stabilization, which will be introduced within a year. For more information, visit www.biologicengineering.com or contact Cole at 248/719-3150.

Open Forum

Entrepreneurs

Meadowlark Energy Efficiency; Scott Phillipi (734/787-7509)

Company provides residential energy efficient retrofit. Seeking capital, personnel, and advice.

If you would like to have information about your company's present resource needs published in the NEF newsletter, please fill out the Business Introduction Form available at meetings on the literature table and return it to any Board member (red ribbon). Or mail completed form to:

New Enterprise Forum
115 W. Huron St., 3rd Floor
Ann Arbor, MI 48104

Featured Speakers

"The Devil's in the Details Part 2: Valuation -- and What Counts?"

Panel:

**Timothy Damschroder, Bodman
Chris Rizik, Renaissance Venture Capital
Eric Sieczka, Pixel Velocity**

Moderator: Skip Simms

Ann Arbor SPARK and MI Pre-Seed Capital Fund

The panel's experience was earned on both sides of the deal-negotiation table, yet they had similar advice for entrepreneurs on a number of issues:

- The organizational form of a company *does* matter for tax reasons. Investors, especially VCs, like to see C-corps, rather than LLCs.
- Warranties and options do essentially the same thing; they "make up for something else." Options are a promise of some unknown future value, while warranties promise some future action or state, to be assured via future milestones.
- Valuation is based on realistic projections, not hopes. What happens to debt is key. Because debt is paid before stock (and investors want their money first), a deal is typically structured to convert debt to equity in the form of stock (options).

Some pearls:

Chris: The deal should assure that "all boats rise together."

East coast investors are the toughest; West coast, the easiest.

Eric: Your "worst enemy is overestimating valuation."

Tim: Be realistic. There are penalties for not performing, so don't align valuation with things outside your control. "Pick milestones carefully."

See slides of the panel discussion on the NEF website

www.newenterpriseforum.org

THANK YOU!

To NEF stakeholder members
Bodman and Ann Arbor SPARK
for sponsoring the October meeting.

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[http://mitechnews.mediarica.com/
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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., November 19, 2009

"Sales and Marketing: Do You Know the Difference?"

Showcase Presentation

Diversity Education and Employment Network (DEEN) Tekisha Lee

The Company is a social networking site that provides work and education-related services for minority individuals, colleges, and companies.

Algal Scientific Corporation Paul Horst

The Company is developing a modular algae-based wastewater treatment system that removes nutrients from industrial and municipal waste water and produces the raw materials for bioenergy production.

Featured Speakers

Panel Jen Baird, Accuri Cytometers

Second Panelist TBA

Moderator Deb Lewis, Marketing Specialist, Infor

Learning the difference from our panel can help your company improve awareness, market penetration, and, ultimately, profitability. Join us to find out how!

Open Forum

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

Meeting Sponsor

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Holiday Inn - North Campus • Plymouth Road at U.S. 23, Ann Arbor
Registration & networking begin at 5:00 p.m.
\$20 for non-members • Students \$5



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November 2009

Inside:

- ✓ "Sales and Marketing: Do You know the Difference?"
- ✓ Entrepreneur Updates: ISSYS Advanced Materials
- ✓ GLEQ News
- ✓ Last Meeting Highlights
- ✓ Get Involved in NEF!

Thank You to Our Program Partners...



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