

This guide is designed for you, the entrepreneur.

First, you'll notice the usual stuff: an agenda and a table of contents.

Next, you'll notice the contributions of local service providers. These are members of the community that care deeply about the success of the Waterloo region. These professional service providers and our Chapter 2 speakers are here to share their insights – so get up, say hello, build your network, and maybe even thank them for their generous support.

Now, long after the event is done, you'll have the speakers' presentations and this guide as a reminder of Chapter 2. Use it to connect with individuals who can be of great assistance – don't hesitate to call or email the individuals listed in the respective 'biographies' sections to gain a better understanding of their expertise and how they can help you on issues and challenges you either already do, or will, face.

Scattered throughout the guide are articles on various topics. Many of the headings may sound familiar – others might be foreign, maybe even threatening. Never fear. They are supposed to provide a high level introduction to complex issues that you will inevitably face. No time like the present to learn the issues' basic variables and begin to think about who can help you solve them. But don't rush into worrying about every topic written about...the entrepreneurial path will weave through the issues in due time. In the meantime: learn, develop your network, and enjoy the journey.

Finally, you'll notice a list of events for Entrepreneur Week near the back of the guide. Most events are free and packed with useful information and opportunities to further build your network. We look forward to seeing you at these great events during the remainder of the week.

Have a great time and see you at the next Chapter event.

The Communittech team, on behalf of all its partners.

Chapter 2 Agenda – Tuesday, October 5, 2004

2:30 p.m.	to	3:00 p.m.	Registration
3:00 p.m.	to	3:05 p.m.	Welcome from Iain Klugman and introduction of partners
3:05 p.m.	to	3:55 p.m.	John Seminerio, CEO, Cray Canada Inc.
3:55 p.m.	to	4:00 p.m.	Gary Will, introduction of WatStart
4:00 p.m.	to	4:30 p.m.	Break
4:30 p.m.	to	5:15 p.m.	David Ossip, CEO, Workbrain, Inc.
5:15 p.m.	to	5:20 p.m.	Launch Pad \$50K Venture Creation Competition
5:20 p.m.	to	5:50 p.m.	Dinner Break
5:50 p.m.	to	6:45 p.m.	Ken Morse, Managing Director, MIT Entrepreneurship Center
6:40 p.m.	to	7:00 p.m.	Door Prize Draw of two tickets to Boston, plus accommodations. Compliments of Northwest Airlines and Hilton Hotels.

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Section I: Speaker Biographies and Interviews

Kenneth P. Morse

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The mission of the MIT Entrepreneurship Center is to train and develop the leaders who will make high tech ventures successful. The Center provides educational programs to inspire, train, and coach new generations of entrepreneurs from all parts of MIT. Ken teaches the Entrepreneurship Laboratory Course in which science, engineering, and MBA students work in teams on important projects in start-up ventures. Together with Howard Anderson and Tim Kraskey, Ken recently launched a new course on high tech sales and sales management. It may be the first of its kind at any leading business school.

Ken played a key role in launching several MIT related high-tech start-ups, including 3Com Corporation, Aspen Technology, Inc. (an expert systems company) and a biotech firm. He has a particular interest in the international sales and marketing challenges faced by fast-growing high-tech firms. He has a core belief, supported by extensive research of hundreds of start up companies: effective sales and sales management – driven by a CEO who is passionate about delivering value to customers – is a critical success factor in almost all new ventures.

Ken's track record? Five of his start-ups went public or were successfully merged; one was a complete disaster.

Ken's career is internationally diverse. During the Cultural Revolution, he worked in China as Founder and President of a trading and consulting firm. In the early 1990s, he spent five years in Brussels as Managing Director for Europe, Middle East and Africa of an enterprise software company.

When Ken joined the MIT Entrepreneurship Center in 1996, there were only a few professors teaching 2-3 entrepreneurship courses. Today, there are 30+ faculty teaching 20+ courses. The number of students taking entrepreneurship courses has grown from about 250 to 1500.

Selected Slides from Ken Morse's Presentation: "What does it take to get a customer?"




High-Tech Sales and Close

"What does it take to get a customer?"
 Presented by Kenneth P. Morse
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The Key Role of Sales in Start-up Companies

- ▶ **Caveat** : This presentation focuses on business-to-business selling processes, which are:
 - High tech,
 - High value,
 - Highly rational,
 - ROI-driven decisions,
 - **Not** consumer selling, **not** impulse purchase, **not** B2CBS etc.

"When you can measure what you are speaking about and express it in numbers, you know something about it; When you can not measure it... your knowledge is meager and unsatisfactory."
 -Lord Kelvin


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Client Needs Processing

- ▶ Relate to business drivers and pain
 - ▶ What are your objectives this year?
 - ▶ How will you be measured this year?
 - ▶ After the New Year's holidays, when you look back on this year, how will you know if you have been successful?
 - ▶ What keeps you awake at night?
- ▶ These questions are best asked by a peer who understands their business.
- ▶ "I want to buy from someone like me"
 - ▶ German to German
 - ▶ GOB to GOB, or MIT to MIT
- ▶ Bonding often means meals together
 - ▶ Table manners
 - ▶ Wine list
- ▶ Credible Commitment
 - ▶ All nighters and other heroics
 - ▶ Urge them to call you at home (# on your business card)
 - ▶ The pig and the chicken

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Building and Managing the Sales Force

- ▶ It starts at the top: the CEO must be committed to selling, and to supporting the sales team internally. What happens if your CEO is not passionate about customer value?
- ▶ Best selling builds ten (10+) year relationships; never an ONS.
- ▶ Missionary selling -- changing the clients' business processes -- is far more difficult than selling into a well-defined need (Facilitated order taking/3D salesman).
- ▶ Average sales guys abound; Missionary Sales Persons and superb relationship managers are worth their weight in gold. They typically get paid more cash compensation than the CEO.
- ▶ Incentive Compensation:
 - 60% base, 40% bonus for sales account managers (SAMs)
 - 90% base, 10% bonus for technical account managers (TAMs)
 - Some Q-to-Q linkage
 - Quota ranges: \$750K-\$2.0M
 - OTE ranges: \$90K-\$250K+ varies (quota)
 - Some stock options, 4-5 year vesting
- ▶ Keep SAM and TAM linked together when possible.
- ▶ Avoid changing territory: encourages higher investment + long-term orientation.
- ▶ The best CEOs are thrilled when a SAM makes more money than they do....

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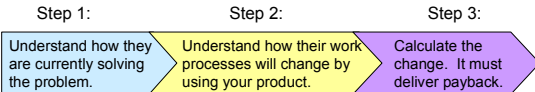
Selected Slides from Ken Morse's Presentation: "What does it take to get a customer?"



Marketing for High Tech Startups

"When you can measure what you are speaking about and express it in numbers, you know something about it; When you can not measure it... your knowledge is meager and unsatisfactory."
-Lord Kelvin

- ▶ **Quantify the benefits:** to understand customers' economic benefit, you need to get in their heads ("needs processing") and model the effect on their business of using your product.



- ▶ Bear in mind that the forces of evil which fight against innovation are rampant, devious, and well-organized.
- ▶ To justify the risk of change, and of being a small company, you must be at least 2X faster, 2X better, and 2X cheaper than the known alternatives.

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Four Important Marketing Concepts for Start-ups:

- ▶ **Crossing The Chasm:** Making the shift from selling, initially, to "lead users" and "early adoptors" to capturing the mass market.

- ▶ **Moore's Law:** Performance for a certain cost doubles every 18-24 months.

"the only thing that matters is if the exponential growth of your market is faster than the exponential decline in your prices."

-George M.C. Fisher, CEO of Kodak

- ▶ **Metcalfe's Law:** The value of a product goes up exponentially with the number interconnections.

- ▶ **Dominant Design:** The set of features in a product that, after a period of experimentation, becomes the "way it is done."

eg: QWERTY typewriters, PC user-friendly GUI

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Preparing Your Elevator Pitch

- ▶ Consider NIH. Set a trap for in-house competition.
- ▶ Calculate "Make vs. buy". To understand the customers' economic benefit, you also need to quantify how much it would cost for customers to try to build the solutions themselves.
- ▶ **Examples of Customer Cost Components**
 - Hardware, software
 - economic amortization
 - scale efficiencies, etc.
 - On-going maintenance (people costs)
 - people required to manage new product
 - synergies with other businesses
 - Replacement cost when new versions are needed

* What is the cost of a missed opportunity?

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Delivering Elevator Pitches Effectively

1. Convinces the "target person" to schedule a longer meeting with you, and be receptive to doing business with you and your company.
2. Empowers and enables the "target person" to convince other appropriate people to become interested in your company.
3. Demonstrates sincerity.
4. Communicates a sense of value, empathy, and urgency. Quantifies the value proposition clearly.
5. Combines thorough Sales and Market Research.
6. Requires no more than 1-2 minutes (55 seconds).

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Selected Slides from Ken Morse's Presentation: "What does it take to get a customer?"

Closing: the "Approach"

- ❑ "Approach" ...when you believe your prospect agrees that you and your company are a/the credible solution.
- ❑ Avoid superlatives and unquantified claims:
 - Wrong: We are the best logistics people in the transportation business.
 - Wrong: (read your mission statement)
 - Wrong: (emphasize technology)
 - Correct: We were able to cut one of our client's (name) inventory carrying costs by 20-22%. From what you have told me today, I believe we can accomplish a similar level of savings for you...within 3-4 months....



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Preparing: Proposal and the Process

- The Jury:
 - "Who are the 4-6 people who will make this decision?"
 - "Who reports to whom? Who REALLY decides?"
 - "What are their concerns"
 - that are on paper
 - that are not articulated"
- How would you like me to write up the proposal?
- With whom should I meet to discuss the details of our licensing terms (avoid the word "contract")?
- What is the regular schedule of the meetings where our proposal needs to be discussed? What is/are the name/s of the people on the committee who will decide?



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When They Hesitate: The Close

- ❑ FUD
- ❑ Restate Benefits
- ❑ Link money and value to time (urgency)
- ❑ Appeal to higher values
- ❑ Prove you are the low risk option
- ❑ Gently nudge (not a cultural thing)

In Japan, China, Italy, Brazil, Germany, the UK, Canada, and Louisiana...

...It is absolute hogwash that your clients do not want to be politely and professionally pushed.

Whenever a salesman says the client does not want to be pushed, you should suspect that he/she is the problem, not the customer.



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John Seminerio**John Seminerio**

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John Seminerio is a serial entrepreneur and is currently the president and chief executive officer of Cray Canada Inc., which was formed after the acquisition of OctigaBay Systems Corporation in April 2004.

John was previously the chairman, president & CEO of OctigaBay which was a development stage company he co-founded in December 2001 which pioneered a new High Performance Computer platform. OctigaBay closed the largest seed financing in Canadian history of over \$24 million CDN in December 2002. Only 14 months after financing, OctigaBay was acquired for over \$155 million CDN by Cray Inc., the world leader in Supercomputer systems.

Previous to OctigaBay John was the president & CEO of Abatis Systems Corporation, a two and half year old Vancouver High Technology telecommunications vendor that was acquired in September 2000 by Redback Networks of San Jose, California for \$1.3 billion CDN. This represents the largest sale price of any private Canadian High Technology company to date. Following the acquisition, John was the vice president of business development for Redback Networks until his departure in 2001.

John has over 20 years of experience in the telecommunications, networking, and high-performance computing industries and has held leadership roles in the sales, marketing and business development aspects of several early phase companies. He has also held senior positions in large industry leaders, such as DSC Communications Corporation, and Nortel Networks.

John is a founding partner of Magellan Angel Partners, an angel investing arm focused on high technology opportunities across North America. He is a co-founding limited partner of Yaletown Venture Partners an early stage venture capital group focused on high technology companies in Western Canada. He is also a former Entrepreneur in Residence with Ventures West of Vancouver, Canada.

John's depth of professional experience is supplemented by a master's degree in business administration from the University of Southern Mississippi and a bachelor of applied science degree in systems design engineering from the University of Waterloo.

John Seminerio Interview – September 16, 2004**Have you noticed a difference in the pre- and post-bubble technology industry?**

There's definitely a difference. In the pre-bubble times, it was easier to raise money, and easier to create a company pitch and a company vision – you could even sell a half-baked idea, and get someone to test out a beta version of your product.

Now, your idea needs to be much more compelling. It needs to show immediate payback – a fairly quick ROI or they don't want to do business with you. There's no tolerance now for "profits 4-5 years down the road". There has to be a short-term revenue increase that comes from using your product. You can't sell by saying that "my product is cheaper than my competitor's product." You CAN sell by saying that "my product will increase your revenue by X%."

How did you decide what market to focus on?

Adam and Paul thought of building a company around this idea. We met in the hotel lobby and talked about it. The ideas at that time (this was pre-bubble) were that the industry was moving more and more to IP technology. With the explosion of the Internet, IP was becoming the winning protocol – the dominant protocol and technology. I remember sitting around and thinking that IP is going to be pretty damn important, and asking "What can we do about it?" We saw a new technology going into a new industry, and we took advantage of that to create a new product.

So knowledge of the industry was important?

Knowing the industry is huge – I don't think you can graduate from college and go into a start-up. When you graduate from school, you think you are a jack-of-all-trades, but really you're a jack-of-none. Learn the process of developing a product, because until you've experienced that, and until you've got a deep knowledge of a particular industry, you can't get a product that a customer is prepared to buy.

When you think of start-up – what are the top priorities?

To start a company, you need the right team with the right skill sets that FIT the particular technology or product that you want to bring to market. If you want kick-ass technology, then you need kick-ass technology hardware designers who really know what you're doing. To survive long-term, you have to talk to customers.

For Abatis, we had a huge idea, and a great value proposition – but it was a tough sell. It was a radical education process, with a steep learning curve. This was during the bubble, when everyone was listening. Of course that meant there was a lot of noise to get around, because there were so many other companies. So we developed a simple value proposition, which was based on our understanding of customer needs.

For OctigaBay, we spoke to the customers FIRST and asked them: "If we build this product, would you buy it? For how much? What would you compare it to? What are the metrics you would be looking for in a product like this?" Then we went back, changed the idea, and then tested it with the customer again – all on paper. There was a lot of evolutionary thinking at that time. We figured exactly what money we would be able to get to turn a profit.

How did you get your customers?

We would call up customers from contacts that we had. We would say that we had an idea – just an idea – that it wouldn't be real for a couple of years. We'd say that we'd like to sit down and get their feedback into how the product would take shape. We were pretty open, and that made it easier. People naturally want to help at the concept stage, that's just the nature of human beings. That route was easier for us because of our recent sale of Abatis – but in order to get there, you need a close connection to the customer base, and you can only get in there by knowing exactly which department and exactly which organization it is that you need to talk to.

I mean, if a headhunter can find out the names of all your employees then what's the problem with you finding out whom you need to talk to?

You have to go in with a concrete idea, then?

Well, there's a lot of early work to do. OctigaBay was one year of hard planning, thinking and research. It took us a YEAR to nail down OctigaBay. And when we started, it was with a blank piece of paper with the question: "What industry do we want to be in?"

The ideas that made the short list had to meet a few essential criteria. First, they had a simple value proposition. Second, they addressed a big pain point for the customer. Third, they had a huge market opportunity. A big IPO sometime in the future was what we were working for. Fourth, the company leveraged the skill sets of people we knew we could get. Finally, we wanted to be able to have an idea where we could sell to VCs EASILY. We wanted something where we could walk in and it would be so compelling that they'd immediately write us a big check. And they did. It was a huge round of seed financing – 25 million. We didn't want to put our own money in – and none of us had to.

So it wasn't chance, but careful planning.

You could do ALL of your planning prior to getting funded. Prior to that, we developed a three-year operating budget – capital expense, operating expense, a high-level marketing plan for launching the company and the product, a sales plan and a business plan. Once we got funded, we went straight into execution mode.

Within thirty days, we hired sixteen employees – we already knew all of these guys, talked to all of them in advance, told them as soon as we'd gotten the funding we'd come back to them. For the first few months, every Monday we'd have new employees showing up. We needed that in the first three months, because we knew we'd have to ramp up very fast. We needed good quality people and needed hard cash.

Your past success helped you get the best talent. What about those without that kind of financial horsepower? How do you assemble the right talent for the founding team?

You find the best folks out there, and pay them above market. Don't forget that you've got assets in the form of stock options. You tell your team: "We're going to give you something exciting to work on, where you form an integral part of the whole team, and the whole vision." That's the big selling point for start-ups. The team gets to work on a product that will change the entire industry.

You have to create an environment of excitement. You've got to build a roller coaster ride – there are a lot of ups and downs, but that's the fun. Everything that you have to sell to your customers, you've got to sell it to your employees too. As a CEO, you have to be the best salesperson – you've got to sell to your VCs, to your employees, to your vendors. You've got to be able to convince Intel to give your company the same level of support that they give to HP.

Doing business with the big fish...How do you manage that process?

Big companies are always looking for more opportunities – they've got the big relationships –but they're always looking to grow their market. Use the latest and greatest technology – they way to develop these relationships is to sell them on the vision of your technology – show them that you are going to be hugely successful and it's to their benefit that they're going to be involved with you..

The CEO has to have FAITH – whenever they talk to anyone, they have to BELIEVE that this thing is not only going to succeed, it's going to fly.

Any final advice?

Have a grand vision. Spend the time picking through that vision and finding its value. Don't be afraid of communicating that to your customers and don't be afraid of the competition. You could be standing at the door of IBM with a bullhorn for 3 months straight and the message won't go through – so don't worry about talking to customers...The idea is not going to get back to the competition. Big companies are fantastic at commercialization, but are inept at innovation. They excel in packaging the idea and delivering it – you need to focus on execution. And don't be afraid of going head-to-head with the big players – that's all part of the excitement.

David Ossip



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A visionary in the field of labour optimization, Mr. Ossip founded Workbrain in 1999, and serves as the company's president and chief executive officer.

Under his leadership, Workbrain was selected as a 2003 winner of Canada's 50 Best Managed Companies and recognized by Profit Magazine as the second fastest growing company in Canada. In December 2003, Workbrain became the first Canadian technology company to complete an initial public offering in over three years. In April 2004, Mr. Ossip was selected to Canada's Top 40 Under 40TM - a program that honors the country's business and academic elite. He is a member of the Young President's Organization and holds an MBA from Harvard Business School.

In just four short years, David Ossip and his team grew Workbrain into a USD \$40 million-a-year, 365 employee software business that also secured the honour of being the first tech company to go public in Canada since the collapse of the dot-com market. A visionary in the field of labour management, Mr. Ossip has served as Workbrain's chief executive officer since 1999.

David Ossip Interview – September 16, 2004

You have now had a couple of successful start-ups to your name. When you were thinking about a new company, how did you decide where to focus?

At the top of the priority list? The first question you need to answer is: “What is my product?” The second question: “Who is my customer?” The third question is: “Who is my team, and how are we going to deliver the product to the market?”

Where do the product ideas come from?

They come from knowing the market, and understanding the problems the industry is facing. If you don’t know the market, then you’re just wishing.

Of the hundreds of things that you need to think about in a start-up, how much emphasis should be placed on finding that first customer? How do you go about getting those customers – and how did you get the customer when you’re a relative “nobody” in the industry?

That all comes down to understanding the industry, and having a solid reputation. Most start-ups come about as a result of some kind of consulting agreement, where you know the industry and you know the need.

What do you need to prepare before approaching your customers?

You put together what I call a “demo book” – you go in explaining what their problem is, what the product looks like, what it does. It should be a very polished presentation. Another option is to get a very friendly customer, who may become a partner, and who will test out the product. That friendly customer could then act as a reference for your product and your company.

When I say “friendly customer,” I don’t mean a customer that will do you any special favours to start out with. If you aren’t going to increase your potential customer’s revenue, then there’s no reason for them to become interested in a relationship.

In our case, we just didn’t have the budget to brand ourselves. Instead, we spent our time and money on educating a few select partners about our value proposition. Those partners then took that value proposition to the buying organizations, and that helped us break into the large enterprise market.

Is there value in having customers involved in product development or design? If so, how do you initiate that?

You need their help in some of the areas for what the product does, but the customers are generally not helpful with product design. You have to understand what they are saying about what’s going to solve their problem – you have to really listen.

Do you subscribe to the theory that says you have to give away your product at first? If yes, why? If not, how do you get the customer to appreciate value?

I don’t subscribe to that theory at all. If you give your products away for free, then there’s no perception of value.

When do you hire the first sales guy?

I would say right up front.

One really good sales guy is way more valuable than a raft of the mediocre. The same can be said for just about any person in the organization. It is tough to attract that top-drawer talent to a start-up. Any tips?

Provide him with equity! First, you need a very high-powered salesperson that is connected, and is going to get you into the market. Second you need an architect kind of guy, who’s a manager with a tech background, to talk to the tech types. Last is a communications person, who’s going to manage the sales account, as well as the sales presentations and what goes into them.

The initial guys who joined Workbrain all made significant amounts of money. That’s a specific kind of

demographic – someone who can absorb the financial risk and put in the long hours. If you have a family, it's much more difficult to put in the time commitment, and live on a low amount of income. You also have to find someone who actually functions well, when you leave them alone at the rudder?

What about funding?

If you're looking for qualities in an angel investor, you want someone who has got the experience, and can keep you grounded. Someone who can finance the sales trips, which are very expensive. And you are going to need some capital, to provide your guys with something to eat.

Your capital is going to need to be focused on scaling the company – the downside of this is that someone who's going to be able to get in early, is going to have to be compensated with equity.

Remember that it always takes longer to start something than you think. If you think it's going to take 18 months to launch your product, it's certainly not going to take less than that. You need someone to explain that to your group.

Any general advice?

Occasionally young guys and grads approach me –many of the times I can't understand what they're actually talking about. The pages with long words – the first thing you need to do when you're explaining yourself is to be clear about what you're delivering.

You need someone on your team that really understands the technology. Without that, it's an exercise in futility. The message that you present to the outside world had better be incredibly polished. That means clear, concise slides without spelling mistakes, which are focused and rational.

Section II - Expert Articles

Bootstrapping Top 10 List , or “How to Create a Business without Taking Money from VC’s”

1. **Figure out how much cash you really have:** When someone says to me, "I'm thinking about starting a company" I typically ask them "how much cash do you have?" They usually answer something like "none", not realizing I am asking them about their personal resources, not the business resources (or investor dollars). I clarify and explain that they are likely going to have to go a period of time with no salary, pay for expenses out of their own pocket, and invest in various things for their new business. I'm not being nosy (and in fact don't care what their answer is) - I'm trying to make the point that they need to make sure they are cognizant of the potential personal economic toll that starting a business entails. Obviously, some of this is mitigated by an angel or venture investment, but there's almost always a period of time prior to this investment (and could be forever in the case where no money is ever raised) where the entrepreneur is essentially funding the business, whether it's through their own lost opportunity cost of not having a job or - more likely - through writing checks or loading up on personal credit card debt to get the business started. It's critical for a bootstrapper to understand how much financial capacity they actually have.
2. **Figure out how much time you really have:** The cliché "time is money" applies to starting a company. The amount of time one has to get a business going is often directly linked to the answer of how much cash one has to get a business going. Often, entrepreneurs overestimate how much time they really have, either by only partly dedicating themselves to their new business (e.g. working a full time job and trying to start the business on the side) or setting expectations that the business will be up, running, and generating enough revenue and income to pay full salaries within an unrealistic period of time. In almost all cases, an entrepreneur is going to have to invest substantial time in a startup to get it off the ground. Understanding how much time you have before you run out of cash, energy, spousal patience, or market opportunity is important to think about going into the startup phase.
3. **Pick a domain and go deep:** If your answer to "What kind of company are you going to start?" is something like "Well, I have a few different ideas..." stop immediately. You should pick one idea in one domain and go extremely deep on this idea. Optimally, it'd be something you already know a lot about so that you'll be leveraging your personal experience and presumably one of your passions. Hedging your bets by thinking about and playing around with a variety of different ideas is a huge waste of energy - you need all of your focus on the one thing you are going to do. Early in my life as a VC, I was in a meeting where an experienced VC asserted that one of the most important questions for a venture-backed company to answer is "What do you want to be the best in the world at?" I think this question broadly applies to all entrepreneurial endeavors.
4. **Surround yourself with experienced people:** This is often easier said than done. When I started my first company, I had a very small network which consisted mostly of my father and several of his business friends. Fortunately, I had the advantage of age (or lack thereof) on my side and several of my early clients took me under their wing and acted as mentors for me and my partner. After I sold my first company and shifted my role to be an angel investor in startups, I helped start several companies with young, first time entrepreneurs. I saw first hand how impactful having experienced folks around the first time, inexperienced entrepreneur can be...as my new first time entrepreneur friends were perfectly willing to make exactly the same mistakes I had made eight years earlier when I was starting out (hopefully I was able to help them avoid most of them while we made new and exciting mistakes together.)
5. **Find angels:** This is a corollary to surrounding yourself with experienced people. While angels are typically associated with "angel investors", they can also be part time advisors that will work for equity to help you get your business off the ground. I've found that finding people that are willing to help for equity (and no cash) are surprisingly easy to find. The trick is finding "angels" (vs. devils) - folks that can really help you and are on your team, rather than people who have an agenda other than helping you succeed and are willing to make a buck in the future if you are successful.

6. **Figure out who you want to look like in 5 years:** In 1990, I was sitting in an [Inc. Magazine / YEO Birthing of Giants retreat](#) which, at the time - was by far the best professional development experience I'd ever had. I got to spend four days with 59 other entrepreneurs who were running companies from my size (10 people, \$1m in annual revenue) to much larger (\$250m in annual revenue). We sat together all day, listening to lectures from MIT and Harvard business school professors, other entrepreneurs, and each other. We partied at night and got to know each other well. One of the recurring themes that came up over the long weekend was to look out into the future. I took away an idea that I continually use - I pretend that it's five years later and I define what my world / business / life looks like. I then look backward and write the story that got me to this point. When you are starting your new company, use this tool. Figure out where you want to get to. I can guarantee with almost 100% certainty that it won't play out the way you initially envision, but at least you'll have a vision for where you want to get to that you can start with and adjust over time.
7. **Get customers:** Customers can help address almost all the issues that a start-up faces. Most importantly, customers generate revenue and cash. But customers also help shape the product, business parameters, validate the ideas, and provide "honest work" for you to do. In the [MouseDriver Chronicles](#), the authors state that business consists of only two things - [making and selling](#). Getting and having customers helps you focus on this. Successful customers will also typically help generate new customers as well as confidence that your business is doing something useful.
8. **Learn everything you can about what you are about to do:** This is the corollary to "pick a domain and go deep." Great start-up entrepreneurs are intellectually insatiable about the thing they are trying to create. Learn everything you can about your product, market, competitors, and customers. If you are starting your first business, make sure you spend time learning about yourself and your motivation; figure out what is important to you and why. Be relentless about learning how other entrepreneurs do things, especially those that have had both great success and great failures. If you can figure out how to build continuous learning into what you are doing - without it being a rationalization for not succeeding (e.g. I can't stand the phrase "We had a lot of 'learning' from that experience" - it's both poor English and shallow thinking - don't "have a lot of learning" - dig down deep and get to the essence of what is going on a talk about that) - you'll both have a better chance of succeeding while having a lot more fun.
9. **Figure out your fallback plan:** You might fail. It happens. A lot. Your initial idea might be stupid. Potential customers might not care. Competition might be more significant than you thought. You might do a lousy job of delivering your product or service. Failure can be terminal to a business, or it can merely be a setback. If you've thought about a fallback plan, especially if you have limited financial resources, you'll have a different mode you can shift into planned in advance. Time is always working against you when you start a company - the more you've thought through the different scenarios - the greater your chance of ultimately being successful.
10. **Figure out what to do if you fail (face your fears before you start):** One of my favourite quotes is from [Dune](#) - "Fear is the mind killer." I've always believed that fear is one of the most completely useless emotions. "What if I fail" is one of the biggest fears of a start-up entrepreneur. Face it - play with it - figure out what happens if you fail. In most cases, failure is not going to be death (although it could be very uncomfortable). Understanding what your fears are and trying to stare them down in advance of actually encountering them will help you enormously in the process of trying to create a new company.

Reprinted with permission from Brad Feld, 2004: <http://www.feld.com/blog>.

Executive Summary: 10 Tips for Party Survival

1. Eat before you go so you can focus on the people, not the food, and avoid spillages.
2. Pack a "cocktail party survival kit" -- a marking pen to go over your name card to make it easier to read, two cases for business cards (one for yours, one for theirs), a pen, and breath mints.
3. Decide what you hope to gain from the cocktail party before you go. That will help keep you from walking aimlessly around the room.
4. Stand in good light near the food table, not by the bar.
5. Drink water, juice or soda. Alcohol may add to your fun, but could lead to embarrassment if you drink too much.
6. Ask the host to introduce you to people you'd like to meet.
7. Ask questions -- avoid making declarative statements. Go to a party armed with three innocuous questions such as, "Are you traveling during the holidays?"
8. Always think of ways you can be of help to your new acquaintance.
9. Keep each encounter between three and eight minutes. Longer than that, and you'll overstay your welcome.
10. Send thank you notes to the people you have met within three or four hours of meeting.

Sources: Esther Ma; Ken Morse, MIT; Diane Darling, Effective Networking.

Cocktail Party Savvy Gives High-Tech Entrepreneurs an Edge

Launching a successful high-tech business takes more than cash and a good idea. A class at the MIT Sloan School of Management teaches that knowing how to navigate a cocktail party can provide entrepreneurs with an edge in ensuring success.

The class is one sales lesson -- and a very important one -- in the Entrepreneurship Lab (E-Lab) course #15.399 offered at the MIT Sloan School for prospective entrepreneurs. The strategy session develops the social savvy to impress venture capitalists, court customers and make deals at crowded social functions. Nearly 130 MIT students take the course each semester to work on mission critical issues with successful, high-tech startups across United States and in Northern Germany.

“You stand here,” says Senior Lecturer Ken Morse, as he marks an “X” near the food on a diagram of a cocktail party layout, much like a football coach going over a game plan. The food table has a clear site line to the door to see who’s coming and going. “This is a great place to have serious conversations people remember, because their endorphin levels will be higher.”

“Success requires thorough preparation, teamwork and a clear strategy to make the most of an interaction which could only be a minute. If you are ready, and if your venture is ready,” Morse says, “a minute with the CEO of a major company can be the most valuable minute of the year.” Morse, Managing Director of the MIT Entrepreneurship Center and six-time entrepreneur, teaches the class with fellow entrepreneur John Preston, Senior Lecturer and President and CEO of Atomic Ordered Materials, LLC. The two teach what they have been practicing for years.

Preston and Morse explain a dozen ways to target prospects and garner invitations to cocktail parties, particularly at trade shows -- hot arenas for deal making where the CEOs and big names in the high-tech world briefly congregate.

Stand near the food, not the bar

“There is no better place to have a meaningful conversation with somebody than where you can also eat dinner,” Morse says. “You get a bad name real fast if you clog up the bar. People want to get their drink and move on.”

Arrive at parties early

You can peruse the name badges to see who’s coming. Offer to give the nametag to the person you want to meet or leave a note, indicating, “I’m really looking forward to meeting you this evening.” Standing outside waiting for the key person to arrive is also a good strategy.

Put yourself under the lights

Be sure people can see you. Stand under the lights. Avoid the low light areas, what Morse calls the “dark zone. It’s for losers.” However, if you’ve engaged a prospect in an enticing deal conversation, keeping him or her with their back to the door in low light can work to your advantage.

Because your startup is run on a shoestring, you can’t afford a booth, a luxury guest suite, or to host your own party. You can still stand out at a trade show, Preston and Morse say, and “never spend your own money.”

Find the bar everyone goes to after the trade show and be there

Scout the bar for the best table and invite specific people to meet you there. Sticking to his “never spend your own money” rule, Morse suggests, “Tell the waiter, ‘We are going to be meeting some really important people, and I understand they’re big tippers.’”

Get invited to the big parties

Chances are the major speakers will be attending them, although only for a short time, usually 20 to 30 minutes before they head to dinner with their biggest customers. Once you’ve landed an invitation, you’ll be able to say to prospects, “Are you going to the Intel party (for example)? I’ll meet you next to the shrimp,” Morse says. “That serves three purposes: it enhances your stature, it improves your network, and it reduces your food budget.”

Be selective about who you meet

Avoid the people who travel trade shows carrying bags and gathering literature. “People who are interested in paper, rather than people, don’t buy,” Morse says. “One significant meeting with someone who has money and power is far more important than a hundred meetings with literature collectors.”

Know your prospects; do research

Identify and target the people you want to meet at a show. The best way to do that, Morse suggests, is to “read the program cover to cover.” If you’ve got your sight on a CEO, use your alumni network to find someone who works at the company for more background. A CEO’s assistant, someone who usually travels with the person, is also a valuable source.

Talk to speakers before their speeches

The best time to get the attention of a top name speaker is *before*, not after, the speech when audience members swarm the stage. How much ahead of time do speakers arrive? Morse offers one of his laws: “Ten minutes for every thousand miles that they fly. If they’ve come a long way, they are early, already set up and they’ve got nothing to do. A perfect time to speak with them.”

Get someone to introduce you

The CEO and the moment have arrived. Teamwork comes in handy here. Have a colleague introduce you, providing several interesting notes the speaker might be interested in. For example, Morse suggests saying, “You should meet John Preston, he is the leading expert on this topic.” This improves your stature, because you’re being introduced by someone else as an expert.” Don’t march up and introduce yourself. “The last thing you want to do is accost him or her and say, ‘Hello, my name is Morse. How are you doing?’ How long do you suppose that conversation will last?” asks Morse.

Keep what you say brief and tantalizing

The E-Lab class spends time on what is known in the entrepreneurial world as the “elevator speech” -- how to sum up the value of your business idea in the time it takes to go from floor to floor on an elevator. “The reason we spend so much time on elevator speeches is because you want to keep your part of the conversation brief but tantalizing so they want to come back to you,” Preston says. Try to present yourselves in the context of their needs.

Morse offers the approach, “‘Would you be willing to speak with me for one minute if I could cut your time to market by six months and improve your bottom line by \$10 million?’ Who doesn’t have a minute? It works, but you have to look sharp and be credible.”

Focus on what people tell you, not on what you’re telling them

You’ll be most successful if you ask questions to get people talking about what’s important to them, not you. “People are much more interested in their life story than yours. So save your breath and draw them out,” Morse says. Start with “What did you like best about this conference today?” or “What was your greatest accomplishment?”

Be genuinely interested, and smile

You can’t fake sincerity. The “best way to think about meetings is if you are genuinely interested. There is a lot of research that says that things go better if you smile,” according to Morse.

Practicing these cocktail strategies might not always guarantee success and plush deals, Morse cautions. They can, however, increase the likelihood of your being remembered, he says, citing some research he conducted a few years ago at a two-day conference. At the opening reception, Morse “planted” five MIT Sloan students in the crowd with instructions to only ask questions, avoiding all declarative sentences.

The next day at the luncheon, Morse asked 120 people what they remembered the most at the party. “Those five Sloan students were well-remembered by everyone who attended.” Morse said. Many asked how they could meet more Sloan students so they could recruit them.

“What we are talking about is influencing the probabilities,” he says. Remember to smile, do your homework, practice teamwork, be sincerely interested, enjoy the shrimp, and be well prepared when you make your move.

<http://mitsloan.mit.edu/>, <http://entrepreneurship.mit.edu/>

Section III: Professional Service Firm Biographies and Articles

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Company Overview

BCE Capital is a leading Canadian VC firm with a North American focus that invests in early stage innovative companies in both communications and information technology. Since 1987, BCE Capital has had a successful track record in backing and assisting over 40 emerging growth companies and their entrepreneurs, many of which have gone on to be leaders in their respective industries. BCE Capital is currently investing in its fourth fund, with a mandate over the next five years to manage an investment pool of \$250 million in venture related investments. BCE Capital, with offices in Toronto and Ottawa, is an affiliate of Bell Canada, Canada's largest communications company. Additional information on BCE Capital can be found at www.bcecapital.com.

BCE Capital Inc.**Venture Capital's Expectations when Analyzing a Prospective Deal**

Focus on taking a disciplined, structured approach to articulating the opportunity, and reflecting a credible amount of investigative effort to substantiate your claims. Accuracy is important. The following structured approach effectively articulates the business opportunity for when approaching venture capital firms.

VC Expectations – “The Pitch” Company Overview

- What does the company do?
- What are they selling? - product definition
- Why are they doing it?
- What's "special" about what the company does?

Articulate the Market Opportunity

- Who the customers are/might be - what is the value proposition is to them?
- What are the market pain points being addressed?
- How large is the opportunity?
- How have you been able to confirm/validate your market assumptions?

Evaluate the Competitive Landscape

- Who should we be looking out for and why?

Identify a Clear Go-to-Market Strategy

- What is the path to market?
- Who is going to help us? (i.e. partnership/alliance plan, corporate partners, BoD, advisory committee)
- Who are the potential customers? (identify a clear, well funded target customer)

Detail the Business Model

- What is the business model (helpful to see how the competitive matrix and the partnership/alliance etc. mapped on top of the business model)?
- What are the key revenue and cost drivers?

The Right Team

- Who is going to do it (management profiles - should demonstrate track record of success, ability to scale, ability to attract and retain key people and background with respect to this particular market space)?

The Deal

- Who owns the company now - what is the proposed post-money structure – ESOP?
- A summary financial "view" of where the company might be going - sources/uses of funds

Structure = “The Deal” (Other things to consider)

- Diversification of funding sources, providing different types of value
- Plan for multiple rounds of equity - dilution - getting a smaller piece of a bigger pie
- Co-investors who have worked together

Financial Projections

- Expenses are predictable; Revenues are not – convince us your business model makes sense
- Look to finance burn at least 6 months beyond next “financeable” event
- Develop a 24-month “view” with a supporting business model, showing clear path to profitability.

Why bring on a VC: Network building

- Experience in building a company – consultant with a financial and emotional stake
- Patient Capital – Sets up the next funding round
- Think of them as a partner for your business (if you don't want a partner, don't look for VC money)

What to expect post-funding: VC as “active” board member/advisor/co-owner

- Introduction of Process/Support - Introduction of Professional Management - Strategic thinking

Why BCE Capital - Pre-money

- Customer validation; technology validation
- We have significant expertise in a number of areas of communications
- We have the resources to “test” services, products and ideas – BCE relations
- We have a view as to how the world of communications will unfold

Professional Service Firms

Bereskin & Parr

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Services Provided

Bereskin & Parr is Canada's leading intellectual property law firm and serves clients in over 100 countries worldwide. With its 200 people, including more than 50 lawyers, patent and trademark agents, and technical consultants, Bereskin & Parr is consistently rated in Canada as the market benchmark for intellectual property law. The firm's hallmarks of delivering the highest levels of excellence, integrity and professionalism provide clients with customized solutions for the use, licensing, protection and enforcement of patents, trade marks, copyright, industrial designs, and trade secrets, as well as issues including transactions, portfolio management, packaging requirements, promotional and advertising claims. With depth of experience and diverse technical backgrounds, Bereskin & Parr offers focused, timely advice and practical, cost-effective results.

One Piece of Advice

Entrepreneurs in the high tech industry have unique issues to consider when starting up a new company. Although their initial focus is primarily funding and business-related matters, protecting their intellectual property also needs to be addressed. Patent and trademark rights serve to protect inventive ideas and concepts and are valuable for generating interest and investment in new and growing businesses.

Bereskin & Parr**Employee/Employer: Ownership and Transfer of Intellectual Property**

The term intellectual property refers to various creations of the mind (*i.e.* patents, trademarks, industrial designs, copyright). The rules governing ownership of intellectual property in the employment context vary depending on the type of intellectual property and the details of the employment relationship. As patents and copyright are some of the more common types of intellectual property rights that are dealt with in the employment context, the general rules governing their ownership and transfer will be set out here.

Copyright

In Canada, the owner of copyright in a work is provided the sole right to produce or reproduce the copyrighted work in any material form, and in general the owner of copyright in a work is the creator of the work. An exception to this general rule is provided for in the *Copyright Act*, where if the author of the work is under a contract of service with their employer, and the work was made in the course of their employment, copyright in the work will belong to the employer. However, the presumption of an employer's ownership of copyright can be set aside by agreement, and therefore an agreement between an employer and employee can assign the ownership of copyright to either party. For example, a common clause found in agreements between academic staff and their respective universities will explicitly state that the academic staff member will own the copyright in the works they create, regardless of whether or not the work is created in the course of their employment.

Patents

In contrast with copyright law, when dealing with the ownership of an invention there is no statutory presumption of employer ownership with respect to inventions created by an employee. However, when an employee creates an invention "in the course of his or her employment", a general rule applies whereby the employer will own the rights to the invention. The analysis of whether an employee has invented something "in the course of his or her employment" is based on various factors, including whether the employee used the employer's time and material to bring his or her invention to completion, whether the employee's job responsibilities include developing and inventing new products (*i.e.* "hired to invent"), and who bore the risk associated with developing the invention.

This general rule is only a starting point for determining ownership of inventions in an employment context, and can be set aside based on agreements between an employee and employer. For example, many companies involved in innovative research and product development will require some or all of their employees (including even those who are not employed specifically to invent) to sign an employment agreement that grants the employer all rights in anything he or she invents during the period of employment, regardless of whether the invention is made on company time, or whether the invention is related to their field of employment.

Please contact a member of Bereskin & Parr's Waterloo office at 519-783-3210, or visit www.bereskinparr.com for more information on intellectual property matters.

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Company Overview

BMO Bank of Montreal, Canada's first bank, was established in 1817. Today, it is a leading Canada-U.S. financial services organization, aggressively pursuing selective expansion in the U.S. while continuing to invest in its Canadian franchise. The Bank is a highly diversified financial services institution with offices in eleven countries in Latin America, Europe and the Asia Pacific region, and correspondent banking relationships in 120 countries worldwide. Bank of Montreal has a stated objective of being the top small business bank in Canada as part of its overall growth strategy.

BMO Bank of Montreal was among the first banks to establish specialized lending units called Innovation and Technology Centres to primarily serve the unique and challenging demands of Knowledge-Based Industries and high-tech communities. Account Managers at BMO are well equipped to offer financial assistance to high-tech companies in the absence of “brick and mortar” assets. For more information, log on to www.bmo.com/business or give us a call.

One Piece of Advice

Bankers can best help you if they know your situation in time. Keeping your banker in the picture and avoiding surprises is the best way to maintain their ongoing support, and allow them the opportunity to look for ways to provide solutions for your business challenges.

BMO - Bank of Montreal**A Bank's Role in Business Start-up**

As an emerging technology company, you will likely reach a point where you need access to more money. In general, Canadian banks may be able to provide some assistance if your financing requirements are well defined and understood, sources of repayment have been identified, the bank is able to develop a reasonable comfort level that these sources are reliable and shareholder commitment to the company is evident. It's important for technology entrepreneurs to understand that a banker's first duty is to protect the deposit base and bank shareholders' investments by making safe and sound loans. Hence, banks typically will not take equity risks when loaning money. Keep in mind that as your company matures and your assets and cash flow build, the possible sources of financing expand.

The following two forms of bank financing are only a sample of the types of financing available, but are particularly relevant to promising earlier stage technology companies that may be somewhat undercapitalized:

Financing for Research and Development Tax Credits

Many earlier stage technology companies are highly reliant on R&D tax credits to sustain their operations. Some Canadian banks will loan a percentage of the claimed and/or approved amounts as a form of bridge financing to provide additional working capital to meet day-to-day obligations pending receipt of the claim. Banks will typically want to see that the company has had some experience in having their claims accepted and approved as submitted.

Contract Specific Financing

Earlier stage technology companies may be awarded contracts that have very tight payment terms. Due to a lack of cash, companies may find it difficult to finance the direct costs of fulfilling the requirements of the contract prior to receipt of payment. Some Canadian banks may consider providing loans to finance the direct labour and materials costs pending receipt of progress payments and or final payment. Companies will typically need to demonstrate that they have a track record of delivering on contractual promises, failing which, the bank may require that shareholders pledge additional collateral to secure the loan.

In summary, your bank may be able to help you survive building your tech company. Don't discount the bank; your banker can be your best ally in business success. Make sure that you take the time to discuss your business with your banker, so that they develop a better understanding of what you are trying to accomplish and also allow them the opportunity to be creative in structuring solutions for your financing challenges. Your success is their success.

Please contact Ethan Goldberg to learn how BMO can assist you in your business start-up: ethan.goldberg@bmo.com or 519-581-0698.

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Company Overview

Borden Ladner Gervais LLP (BLG) is an integrated national law firm that provides a broad range of legal solutions to our clients. We have more than 650 lawyers, intellectual property agents and other professionals in Vancouver, Calgary, Toronto, Waterloo Region, Ottawa and Montreal, with some of the best and most experienced legal minds in Canada.

Our Waterloo Region office was opened in 2001 to deal with the growing demand of intellectual property issues in the area. It expanded to include business law and franchising. The office also acts as a portal to the full range of business law services available on a national level. Our clients are always assured that they will have access to the best legal services possible.

BLG represents a wide variety of regional, national and multi-national corporations within a wide range of business sectors. The firm also represents public institutions such as hospitals and other health care facilities, colleges, universities, educational authorities, governments and government agencies, business and trade organizations, not-for-profit and charitable groups.

BLG clients value our dynamic proactive partnerships based upon strong personal relationships and our national and international scope. More than 20 languages are spoken conversantly at our firm, and our experience is global in nature. BLG has acted in the resolution of international litigation and trade disputes; in international banking transactions, in international insolvencies, liquidations and restructurings; in international joint ventures, reorganizations and acquisitions; and in international communications networks and contracts of many kinds.

Support and Services Provided

At BLG, we offer all clients choice and service options - an approach that matches specific skills and experience with specific client needs and requirements. Clients can engage a particular lawyer offering particular expertise or, for more complex transactions requiring a number of BLG experts crossing several practice areas, clients can opt to engage a team of lawyers.

BLG is known for extensive seminar opportunities offered to clients. Information is available on the website www.blgcanada.com. To be added to the mailing list for Waterloo Region seminars send an email to mvansanten@blgcanada.com.

One Piece of Advice

In selecting a law firm, choose one with people you can relate to and who can understand your business issues. At BLG, It Begins With Service™.

Borden Ladner Gervais LLP**Intellectual Property Management - a Checklist****Patents**

- Do we have anything potentially patentable?*
- Does the market size warrant patent protection?
- Would a patent assist in raising financing?
- Would a patent or "patent pending" deter competition?
- Can we make any other use of the patent system?*
- To find ideas for new products or improvements...
 - From expired patents
 - Under license, from patents currently in force
- Is our IP ownership situation clear?*
- Who financed the research?
- Have we ensured that employees' inventions will belong to us?
- Would a patent enhance prestige and improve marketability?
- Could we patent and then license others?
- As a source of general technical background information?
- To avoid re-inventing the wheel in our research?
- As a source of information about competitors' technology?
- Who is/are the inventor(s)?
- Do we have procedures for recording and reporting inventions?

Trademarks

- Should we register our trade-mark(s)?*
- Would registration add prestige and improve sales?
- Where are our markets?
- Other trademark questions:*
- Do we use the "TM" designator in association with our unregistered trademarks, and an "R-in-a-circle" with registered marks?
- Does our packaging and labelling make it clear who owns the trademark?
- Does everyone in our company and advertising agency know to always couple our trade-marks with a generic term so that the trade-mark does not itself become a generic term (and thus available for use by anyone)?
- Do we display and use our trademarks in a consistent style?
- Do we use our trademarks in the same style and with the same products or services shown in our trademark registrations?
- Do we have complete control of the use of our trademarks by others?
- Do we have a system for detecting infringement of our trademarks?
- When we select new trademarks, do we check adequately for non-infringement of others' trademarks and for registrability of the new trademark
- Are others to be permitted to use our trademarks (e.g. franchisees, distributors)?
- Is geographical market expansion foreseen?

Copyright

- Does all our published sales literature bear a copyright notice?
- Where material was produced by independent contractors, did we obtain an assignment of ownership of copyright?

Trade Secrets, Confidential Information, Know-How

- Is access to confidential information restricted?
- Are our employees and contractors bound to preserve confidentiality?
- Have employees agreed in writing not to make use of trade secrets and confidential information after termination of their employment?

Goodwill

- Have our key employees signed non-competition clauses?

Packaging and Labelling

- Are all mandatory or desirable intellectual property markings present?
- Do we comply with all packaging and labelling laws generally – e.g. Food and Drug Act, Weights & Measures, Competition Act (misleading advertising), etc.

Licensing

- Are there opportunities for generating royalty income through licensing others, especially in markets where we don't presently have a sales capability?
- Does our technology have other applications that we don't have any interest in exploiting ourselves?
- Instead of embarking on our own expensive research and development program, could we acquire rights to proven technology or products at lower cost and risk through licensing from others?

CFO 2 GO Inc.

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Company Organization Overview

CFO 2 GO Inc. provides the functionality of senior financial management to early growth-stage companies. Al Foerster has worked with many Ontario based companies assisting in developing governance strategies, working capital management, debt and equity financing and general business strategy. Whether the need is liaison with external investors, bankers, external accountant, lawyers or other members of the senior management team, CFO 2 GO is uniquely equipped to provide value to companies not requiring senior financial counsel on a full-time basis.

Services Provided

- Fund raising (both debt and equity)
- Monthly financial reporting
- Liaison with external advisors
- Statutory reporting

One Piece of Advice

Never let your memories exceed your dreams.

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Company Overview**CIBC Support for Small Business**

For the first time in more than 20 years, Canadian independent business activity outpaced all other areas of the economy during a time of economic slowdown. In 2001, small business activity exceeded all other sectors in the Canadian economy, and the small firms were the first to capitalize on a better than expected performance of the economy in the following year.

Canada's small business sector is also in the midst of a structural expansion due to longer-term changes taking place in the economy. By the end of this decade, it's expected that one in five Canadians will be small business owners, running their own enterprises.

In Canada's changing financial services industry, CIBC continues to strive to be the bank for small business. At year-end 2003, CIBC and its listed affiliates had just under 470,000 small business customers. In addition, CIBC extended more credit to Canadian business owners than ever before; in excess of 24.9 billion in total authorizations. Of that 24.9 billion, more than 4.8 billion in authorizations in this category were made to agricultural businesses across Canada.

Beyond our valued banking relationship with Canada's small business owners, CIBC also has a proud history of encouraging growth of entrepreneurial culture across the country. We are committed to the development of the small business sector through our support of national and regional programs that promote entrepreneurship.

Small business customers are defined by CIBC as self-employed owners who depend upon their business for their personal livelihood, who may or may not employ others, and whose personal and business affairs are interconnected. Typically, the bank's small business customers have less than \$5 million in sales and less than \$1 million in credit requirements. CIBC takes a fully integrated approach to providing financial services to these customers, offering a suite of products that fully addresses both the personal and business needs.

CIBC is committed to Canada's small business sector, with over 1300 small business advisors across the country who are dedicated professionals, working alongside entrepreneurs to help them address the financial priorities of their businesses. As today's ranks of entrepreneurs grow, we will be there to support them, providing expertise and easy access to credit financing opportunities, as well as other innovative financial services to meet their requirements and help drive small business in Canada forward.

CIBC Corporate Contributions

In 2003, CIBC Small Business continued its support of a cross-section of national and regional programs that foster the growth of small business through funding, as well as the efforts of employee volunteers, to further the development of entrepreneurship in Canada.

Here are some examples of CIBC's support:

- Advancing Canadian Entrepreneurship (ACE) - CIBC is a founding corporate sponsor and has been an ongoing supporter of this organization since 1995. In 2003, the bank renewed its commitment with sponsorship of Student Business Owners, ACE's newest program to address the needs of university and college students across Canada who are operating their own business while attending school. Through the program, ACE students share their business insights with student entrepreneurs, offering both groups a unique opportunity to network with their peers and to learn from each other.
- As a long-term sponsor, CIBC is helping to build an entrepreneurial culture in Canada where innovation and creativity are valued, enabling ACE students to practise as entrepreneurs, teach others what they have learned, and compete for various ACE awards in celebration of entrepreneurship. The CIBC Student Entrepreneur of The Year Award is open to full-time students at Canadian universities or colleges who are currently running their own business.

CIBC Student Entrepreneur of the Year Award 2003

Encouraging the entrepreneurs of tomorrow is an important way of ensuring the future of Canada's small business sector and that our economy continues to grow. CIBC is committed to helping them succeed by supporting initiatives that foster entrepreneurial, community-minded youth.

That's the idea behind the CIBC Student Entrepreneur of the Year Award, which celebrates the achievements of full-time Canadian university and college students running their own businesses. This year's award went to Oliver Towstiak-Davis, owner of Green Meadows Lawn services, a full service landscaping and gardening business in Stittsville, Ontario

Towstiak-Davis, a student of Wilfrid Laurier University, showed a firm grasp of his understanding of the customer and his dedication to service. And, with a 100 percent customer retention rate, he's the envy of every business, big or small.

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Support and Services Provided

Deloitte is one of Canada's leading professional services firms, providing a full range of assurance and advisory, financial advisory, tax, consulting and enterprise risk services through more than 6,600 people in more than 46 locations across the country. We are dedicated to helping our clients and our people excel. Deloitte is a global leader in professional services with more than 119,000 people in over 140 countries.

When it comes to high growth companies, Deloitte's research and experience indicates that there are ten common, but critical challenges that need to be addressed and managed. They can be summarized under three categories: Strategy, Capability and Commitment. Deloitte has created a website that provides valuable insights into these challenges. Please visit <http://www.growth-insights.com> for articles, best practices and CXO level views on growth challenges.

Your local Deloitte team is uniquely prepared to guide growth organizations through the challenges and opportunities they face, having assisted numerous companies as trusted business advisors.

One Piece of Advice

The entrepreneurial dream is fraught with a multitude of challenges and opportunities on the road to success. It is critical to attract the employees, board members and service providers that compliment your talents and entrepreneurial drive.

Top Ten Strategies for Growth

For technology companies, the past five years have been an exercise in "survival of the fittest" on a Serengeti of declining IT budgets, increasing customer demands, new cost-based competitors, and shrinking venture capital pools. **Deloitte** interviewed the management teams of the 2004 Fast 50 (www.fast50.com) winners to find their secrets of success. The Deloitte Technology Fast 50 is a prestigious annual award honoring the 50 fastest growing Canadian technology companies, based on percentage revenue growth over a five-year period. This is the only award specifically for technology companies in Canada.

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|---|--|
| 1. Demonstrate value | 6. Stay close to the consumer |
| 2. Get the right people on the bus | 7. Go for the "marquee customer" early |
| 3. Ensure your "driver" knows where to go | 8. Service your "marquee" obsessively |
| 4. Access a fat Rolodex | 9. Shed excess baggage |
| 5. Build things that are marketable | 10. Damn the torpedoes |
-
- Demonstrate value:** The "anything goes" mentality disappeared with the tech wreck, to be replaced by a wiser, more circumspect business model that focuses on old-fashioned value. Investors want to ensure that when a young company comes out of the R&D stage, it has a strong value proposition.
 - Get the right people on the bus:** Having capable, committed people throughout the organization is critical. While the tech sector may have been built on ideas from scientists and engineers in the lab or research center, running a business takes a wider breadth of skills. Good marketers, financial people, and sales and distribution experts are equally important when the company moves from the incubator to the market.
 - Make sure your bus driver knows where to go:** The future belongs to those who continue to make wise choices about strategy, partnerships, markets, and products.
 - Access a fat Rolodex:** One of the wise choices a young company's management makes is taking advantage of all sources of good advice. Being a nimble start-up doesn't mean you can't benefit from advisory services – in fact, advisory services are more critical to ensure you protect your intellectual capital.
 - Build things that are marketable:** It's tempting to refine and "improve" products because you can – but does anyone care? Successful high-tech organizations are in touch with reality as well as technology. They enhance their products and cull poor performers based on market response, not wishful thinking.
 - Stay close to the consumer:** Closely linked to "building things that are marketable" is a deep understanding of the end user. Companies who succeed are able to see the forest for the trees: to understand that success depends on prompt consumer adoption. Accordingly, they seek out consumer feedback, and they take it seriously. They elevate the importance of end-user research, and they reward employees who innovate and contribute to consumer insights as much as to product development.
 - Go for the "marquee customer" early:** Successful companies have important customers. And ones that achieve early success do so with the support of a high-profile customer – an organization with buying power and a wide distribution network.
 - Service it obsessively:** Once you get a marquee customer, focus on keeping it. Communicate, be responsive, demonstrate flexibility, and act like a partner.
 - Shed excess baggage:** The last year has been a period of refocusing, shedding of products that didn't contribute value, and building strength in traditional business areas outside of R&D that will be needed to support long-term stability.
 - Damn the torpedoes:** Success begins from an internal commitment and confidence in your offering – stick to your vision and plan for success.

For more information on these strategies visit www.fast50.com or contact **Steve Lawrenson** (Partner, Deloitte & Touche LLP 519-650-7729) to find out how Deloitte can help your venture.

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Company/Organization Overview

Ernst & Young is a global leader providing professional services. Its 106,000 people in more than 140 countries around the world pursue the highest levels of integrity, quality, and professionalism to provide clients with solutions based on financial, transactional, and risk-management knowledge in Ernst & Young's core services of audit, tax, and corporate finance.

Support and Services Provided

From its Kitchener office, Ernst & Young provides a full range of tax, accounting and transaction services to technology clients throughout the Waterloo Region. Further information about Ernst & Young and its approach to a variety of business issues can be found at www.ey.com/perspectives.

One Piece of Advice

Most business success flows from a clear understanding of the value that you offer. Focus on the needs of your customers and identify very specifically how you can add value to them. This value proposition should be central to all of your business planning, fund raising and communication.

Ernst & Young LLP

Employee Stock Options

Stock option plans are seen by many as a popular way to attract and motivate employees. One can point to several examples in Canada and the US, in fact in our own community, where stock option plans have been wildly successful for both the company and the employee. A well-designed and implemented plan can improve a company's ability to attract, retain and motivate a skilled workforce. It can increase employee involvement and commitment in the company. It can reduce the cash flow required for employee compensation and in some cases, can provide additional funds for business expansion. Unfortunately, a poorly conceived and implemented stock option plan can sometimes do more harm than good. As a private company looking to implement a stock option plan, it is important to give proper consideration to the HR, legal, tax and accounting issues at the initial stage of designing the plan, rather than dealing with "fallout" resulting from unexpected consequences originating from your plan.

When setting up a plan it is important to have input from legal advisors so that you properly consider appropriate provisions in the plan to satisfy legal and regulatory bodies in Canada and foreign jurisdictions (if necessary). It is also important to get proper tax advice and include your accountants in the discussions, as even though a stock option plan does not involve cash payments, it can affect your company's income.

Accounting bodies in both Canada and the US are currently reconsidering the accounting and reporting treatment of stock option benefits in financial statements. The proposed accounting treatment can often be influenced by the specific provisions of the stock option plan. While these new rules may ultimately impact only public companies, consider what the impact might be if they do extend to private companies and your company must expense the value of its stock options. Will this impact the users of your financial statements? Also, if going public is the goal of your company how will the existence of your plan impact future earnings per share (EPS) calculations? For those companies reporting under Canadian or US Generally Accepted Accounting Principles (GAAP) there could be differences in accounting or disclosure based on the terms of the plan.

The option benefit is calculated as the difference between the amount paid for the share and the fair value of the share at the date of exercise. Employees receive favourable personal tax treatment of stock option benefits (at a rate equal to one-half of the regular tax rate for employment income) as long as certain conditions are met. Employees of private companies also get a deferral of the benefit inclusion in their income until such time as they sell the shares. These rules are also "grand fathered" for options issued in private companies that have since gone public. As beneficial as these rules are, there are certain instances where employees can experience unforeseen tax consequences as a result of their actions. It is important that all members of the plan be made familiar with tax rules relating to their exercise or the options and subsequent sale of the shares. If a company currently has (or expects to have) foreign employees that will be members of the plan it will be important to understand how their stock option benefit will be treated in the foreign tax jurisdiction.

It is important to note that the special tax treatment of stock options is only available to employees. The value of the options granted to independent contractors is taxed as income to the contractor at the time of receipt of the option. Determining whether workers are employees or independent contractors prior to the implementation of a stock option plan can be critical phase for some companies. Companies do not receive a tax deduction in Canada for the value of option shares granted to employees. The company does, however, have to manage its various reporting obligations (such as annual T4 reporting), and reported amounts can sometimes influence taxes other than income tax owed by a company.

For private companies that are not traded on a public exchange, determining fair value of shares at a particular time can be challenging, especially if employees exercise options at various times during the year. A private company needs to have a methodology in place to calculate the value of its shares in order to support the tax treatment, T4 reporting and possibly any potential accounting expense. Also, the issue of share liquidity can be an issue for non-public companies, and you should consider how you might allow employees to benefit from options before an IPO gives them liquidity.

A stock option plan can be of great benefit to a company and its employees provided you are committed to careful planning and obtain the appropriate advice. We would be happy to share our experiences with you if you believe an option plan would support your company's business objectives.

Ernst & Young is one of Canada's leading professional services firms. From our Waterloo Region office, we offer a full range of accounting, tax and corporate finance advice to help you get your business started, or to make an existing business better.

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Company/Organization Overview

With a long history of advising technology companies and technology users in Canada's Technology Triangle, our Waterloo Region Technology Law Group is well positioned to provide sophisticated, practical and timely advice. Gowlings is the second largest law firm in the country with over 700 professionals and Canada's largest intellectual property practice.

Support and Services Provided

Drawing on the strengths of our corporate, commercial, intellectual property, securities, litigation and government relations practice groups, we advise clients on mergers and acquisitions, debt and equity financing, licensing, distribution and strategic alliance arrangements, intellectual property protection, taxation and regulatory matters. Our clients range from start-ups to established international companies and are involved in all types of technology including software, advanced manufacturing, biotech, Internet, wireless, semi-conductors and networking.

One Piece of Advice

Investment in legal and professional advice during the early stage of a corporation's existence and on an ongoing basis is money well spent and will result in savings of time, money and resources for the corporation as its business expands.

Gowling Lefleur Henderson LLP**Key Provisions for Shareholders' Agreements**

There are many reasons for entering into shareholders' agreements, including: (i) to regulate and provide procedures for the transfer of shares; (ii) to set out responsibility for the management and on-going financial needs of the corporation; and (iii) to establish a mechanism for resolving disputes between the various shareholders. The following provisions are commonly found in shareholders' agreements:

1) Conduct of Affairs and Management of the Corporation:

- a) Board Representation – provisions to set out composition of the board of directors and to address situations where the board may be deadlocked (in the case of an evenly divided board); and
- b) Special Approvals – provisions that set out the thresholds for approval for certain matters that have a material or fundamental effect on the corporation. The special approval may relate to board level or shareholder level decisions, provided the minimum approval thresholds set out in the *Business Corporations Act* (Ontario) are complied with.

2) Transfer of Shares of the Corporation:

- a) Right of First Refusal – a provision granting existing shareholders the first opportunity to buy shares of a shareholder before such shareholder can sell their shares to a third party. If the existing shareholders are unable or unwilling to purchase the shares then the third party is permitted to acquire the shares (provided the third party is willing to be bound by the terms of the shareholders' agreement);
- b) Shotgun – a provision invoked by one shareholder (or group of shareholders) upon the happening of a specified event. After a shareholder makes an offer to purchase, the remaining shareholder(s) must choose to either sell their shares to the offering shareholder(s) or buy the offering shareholder(s)' shares, in either event, at the price named in the offering shareholder's offer;
- c) Mandatory Sale – a provision invoking an obligation to sell shares on the happening of certain events, such as death, disability, bankruptcy, divorce or termination of employment;
- d) Piggy Back or Tag-Along – a provision that affords shareholders (usually minority shareholders) the opportunity to sell their shares on the same terms as other shareholders (usually majority shareholders). Consideration should be given regarding the inter-relationship between this right and any applicable right of first refusal; and
- e) Valuation and Funding mechanisms – a provision indicating how to determine the purchase price or value of shares whether a fixed price; a price established by formula; a price established by an accountant or auditor; or a price established by arbitration. Provisions regarding life insurance for shareholders' or to provide for the payment of the purchase price for shares in installments to ensure sufficient funds are available for the parties to carry out their obligations.

3) Other Provisions:

- a) Pre-emptive or Anti-Dilutive Provisions – a provision providing existing shareholders with the right to purchase additional shares of the corporation in proportion to their existing shareholdings to avoid dilution of their ownership if the corporation proposes to issue additional shares;
- b) Non-Competition/Non-Solicitation and Confidentiality Provisions - a provision to govern the conduct of the shareholders during and after the termination of the shareholders' agreement; and
- c) Dispute Mechanism Provisions – a provision such as mediation, negotiation and/or arbitration to address disputes among shareholders.

The above is provided to highlight some of the key provisions for inclusion in a shareholders' agreement and is not intended to be an exhaustive or comprehensive list. Please contact Thomas K. Hunter at 519-575-7503 or tom.hunter@gowlings.com to learn how Gowlings can assist you.

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Company Overview

MGRBT's unique understanding and depth of experience in the high-tech sector has prompted many technology businesses to seek out our advice and assistance.

We provide our clients with a first-hand familiarity with the demands of managing an emerging company in this fast moving, high-growth area, as well as the expertise that only comes with daily exposure to the challenges of a high-tech enterprise.

Support and Services Provided

We can assist you in drafting and negotiating such agreements as:

- Confidentiality and Non Disclosure Agreement
- Technology licensing and transfer arrangements
- Software development contracts
- Distribution agreements (including Reseller and OEM Agreements)
- End-User agreements

As well as other complex arrangements, our experience includes negotiating and concluding international agreements in Canada, United States, Asia, Europe and South America.

In addition to technology-specific issues such as these, we provide clients with advice and direction on financing (including private placements, public offerings, venture capital, government funding, loans), acquisitions, joint ventures, shareholder agreements, tax matters and other aspects of corporate law.

We also work with a network of highly skilled patent and trademark lawyers and litigation lawyers specializing in intellectual property and other technology-based issues should the need arise for those services.

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Company/Organization Overview

Miller Thomson LLP enjoys a reputation as one of Canada’s most respected national business law firms. Our consistent ability to provide practical and creative advice, combined with an unyielding full-service commitment to our clients and a strong dedication to our lawyers, staff and the communities in which we practice, gives us a unique position in the Canadian legal industry.

Miller Thomson’s Information Technology Group and Intellectual Property Group advises on the rapidly changing areas of Information Technology (IT) Law, including Internet, e-commerce and related matters, and Intellectual Property (IP) Law, including patent, trade-mark, copyright, industrial design and confidentiality matters, covering all areas of intellectual property registration and licensing; validity and infringement; protection and enforcement.

Our clients comprise a range of Canadian and international developers, suppliers and consumers of proprietary software and other forms of intellectual property including e-commerce enterprises, telecommunications companies, public and private research and teaching institutions, hospitals, biotechnology companies, hardware manufacturers and franchisors. Our clients range in size from large multi-national corporations and institutions to small emerging entrepreneurial companies.

Services Provided

Our IT Group and IP Group have experience and expertise in the following technology-related areas:

- e-commerce
- Intellectual Property
- Internet Licensing
- Outsourcing
 - Protection/Litigation
 - Purchasing/Selling Technology Businesses
 - Software Development
 - Technology Transfers
 - Facilities Management
 - Website Development
 - Agreements
- Tax Issues for High-Tech Businesses
- Venture Capital Financing
 - IPOs and other Securities issues

One Piece of Advice

Intellectual property rights are important to every business. You need to understand these rights and how they affect your business, but equally important is your need to ensure that your strategy regarding intellectual property rights is integral to your business plan to ensure your company’s future financial and business success.

Miller Thomson LLP**Protecting your Trademark in Canada - *Mina Chana*, Miller Thomson LLP**

Almost every business uses a trademark of some sort to distinguish its products or services from others in the marketplace, and further to establish goodwill with the consumer. One's trade-mark becomes its brand identity by which the quality of its goods and services become recognized by the public. The trademarks "Pepsi", "IBM", "Fido", and McDonald's "Golden Arches" are everyday examples of very successful trade-marks at work. As can be seen by these examples, a trademark is often one of the most valuable assets of a business. A trademark may consist of a word, a slogan, a name, colour, design, or shape, or a combination of these features. The selection of a trade-mark is a very important step to any business or organization, and a trade-mark should be carefully selected and used to ensure that the trade-mark is protected. The following points should be considered when choosing and using trade-marks.

How to "CHOOSE" your trademark:

- Select a trademark that is "distinctive", such as a coined phrase or word that otherwise has no dictionary meaning related to the services or goods that it is used in association with. Distinctive trademarks are easier to enforce and are entitled to the widest scope of protection.
- Consider how the trademark translates into other languages to avoid choosing a trademark that may be considered to be offensive or inappropriate in another language. This is particularly important in today's global marketplace.
- Clearance searches should be conducted to ensure that the trademark is available for use and registration and to identify any potentially confusing trademarks or tradenames.
- Register your trademark for all of the goods and services with which it is to be associated. While trademark rights can exist even if a trademark is not registered, registered trademarks are much easier to enforce, and provide competitors with notice of prior rights. Furthermore, registered trademarks are protected throughout Canada, whereas unregistered trademarks are limited in the scope of protection to the geographical region where distinctiveness of the trademark is shown.
- Do not select a trademark that is merely descriptive of the character or the quality of the goods and services that are going to be associated with the trademark, or that is descriptive of the geographic origin of your goods and services. Do not select a trademark that is the name in any language of the goods or services in connection with which the trademark is used or is proposed to be used.
- Do not select a trademark that is confusing with a registered trademark.
- The coat of arms of the Royal Family, crests of the Royal Canadian Mounted Police, the Canadian Armed Forces, or the Red Cross, or any national symbol may not be registered.

How to "USE" your trademark effectively:

- Use your trademark as it appears in your registration or your application. Use of any form that is different from your registered mark or trademark application may weaken your rights to the trademark and may result in the loss of the distinctiveness and exclusivity of the trademark.
- Use your trademark in such a way that it stands out. For example, use capital letters, bold print, different fonts or sizes.
- While it is not required by law in Canada to denote the registration or use of a trademark, use the ™ symbol for unregistered trademarks and the ® symbol for registered trademarks. Use of these symbols advises the public of a trademark claim to the particular word (s) and/or design that you are using as your trademark.
- Actively police your trademark. If you become aware of another party using your trademark or a similar trademark, you should consider taking legal action to protect your rights to the trademark, as you may have a cause of action for trademark infringement. If you do not take action against these users, your rights to the exclusive use the trademark could be diminished or lost altogether.
- Do not allow others, including related companies, to use your trade-mark without having a proper licensing agreement in place, which gives you, as the owner of the trade-mark, the right to control the use of the trade-mark, as well as the character and the quality of the goods or services associated with the trade-mark.
- Ensure that your licensees use proper notices to indicate that the trademark is being used under license. For example, the following notice may be used with the trademark: ® Registered Trade-mark of ABC Ltd., used under licence by 123 Inc.
- Avoid generic use of your trade-mark, because once a trademark becomes generic it loses its distinctiveness as a trademark. Accordingly, do not use the trademark as the name of a product or its function. An example of a trademark that has lost its distinctiveness is "Xerox". The use of this trademark has become generic as it is commonly used to refer to copying by a photocopier. Using the proper trademark notices can decrease the likelihood of the trademark becoming generic.

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Company Overview

With a dedicated team of accountants, tax and business advisors licensed in both Canada and the United States, the Kitchener-Waterloo practice of PricewaterhouseCoopers is knowledgeable and experienced in helping start-up companies get established and experienced in helping established companies flourish. Vision-to-Reality is our unique program designed for CWEPs (Companies with Exceptional Potential) trying to win their first big break. The program combines relevant service offerings with entrepreneurial pricing to help turn your company's vision into reality. Our team is ready, willing and able to help your young company succeed.

Services Provided

Our team of professionals provides a variety of services each tailored to our client's specific stage in their lifecycle. Early in our client's life cycle, our products and services are aimed at helping the Company conserve cash resources, increase cash resources and maximize the effectiveness of the Company's investment in research and development. Specific activities include assistance with strategic planning, forecasting, business plans, SRED claims, human capital and compensation plans and general business advice. As the Company moves into later stages of its lifecycle our products and services are geared to ensuring the Company is ready to make the transition from small start-up to multi-national organization. We assist the Company with tax planning, financial statement preparation with an eye to maximizing investment opportunities, seeking qualified investors, entering new markets with our Pathfinder service and helping the Company with corporate governance issues. With each and every service offering, you will notice our competitive advantage – a service model which delivers superior services with dedicate, passionate, globally experienced professionals.

One Piece of Advice

Fly alone – Die alone.

PricewaterhouseCoopers LLP**Structuring your Start-up Business – A Tax Perspective**

When starting a new business, one of your first decisions is which business structure best suits your needs both now and in the future. Your basic choices are to carry on your business in an unincorporated form, either as a sole proprietor or in partnership with someone else, or to incorporate.

There are a number of non-tax considerations that should be addressed prior to the review of the tax consequences as these issues may often outweigh any tax considerations, not the least of these is legal liability. The owner of an unincorporated business is generally liable for any debts of the business. Should the business be unsuccessful or be subject to litigation, the personal assets of the owner may be at risk. In contrast, incorporation provides some legal separation between the business and the business owner.

Another important non-tax issue for a new business relates to the simplicity and initial cost of the structure. An unincorporated business is generally more simple and inexpensive to set up, often with little or no initial legal costs. The incorporation of a new company involves the payment of fees to government agencies and legal fees to obtain assistance in the preparation of the required legal documentation. In addition, corporations must make annual income tax and other filings that increases the complexity and annual costs to operate the business.

Determining which initial business structure is best for tax purposes is largely dependent upon the short-term outlook for your business. Often a start-up business may not be highly profitable or will lose money in the first several years of operation. In this case, a sole proprietorship or partnership may be a preferable structure as this allows the losses to be utilized by the business owner to offset other forms of income.

Incorporation may be preferred where the current and future financing of the business will be from reinvestment of profits and/or investment by friends, family and third parties, or if the business carries on significant research and development activities. Canadian corporations controlled by Canadians residents have the advantage of a preferential tax rate of approximately 19% in Ontario on the first \$250,000 of income per year. These corporations are generally also able to claim additional refundable tax credits on eligible research and development costs. This extra cash flow is often a critical source of financing for the start-up business that is not available to the same extent to an unincorporated business. Also, it is generally easier for an incorporated business to attract and facilitate additional outside investors.

It is not uncommon for a business to start in an unincorporated form and to later incorporate when the need arises. This can allow the entrepreneur to keep things simple and inexpensive in the beginning when cash flow and attention to the business is critical. Often keeping things simple in the start up phase is a key to enhancing the chance of success. There is plenty of opportunity to set up a more complex structure for tax planning later, including using family trusts or off-shore structures to hold intellectual property for example, when the needs and benefits are clear and the business or new investors have the resources to bear the cost to put the structure in place and maintain it.

Please contact the author, Martin Kern, to learn how PricewaterhouseCoopers can assist you with your start-up and tax needs: martin.kern@ca.pwc.com or 519-570-5711.

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Investment Focus

Stage of Investment:

- Seed/Start-up**
- Early Stage
- Expansion
- Turnaround/Consolidation
- Acquisition/Buyout

Typical Amount of Investment: \$1MM - \$3MM

Sectors Focus: Materials, manufacturing, photonics, telecom, wireless, biotech

Company Overview

Primaxis is an early stage venture capital fund that invests in leading-edge opportunities in the information technology sector.

The Primaxis team includes entrepreneurs, scientists and engineers, and business executives, who bring sector expertise, broad operational experience and vision to our partner companies. The team works in close partnership with technology inventors and entrepreneurs to build high growth companies, and to build value in fundamental and strategic areas such as technology development, intellectual property management, business development, human resources and corporate governance.

Primaxis Technology Ventures Inc.**Technology Valuations***HOW MUCH IS YOUR MILLION DOLLAR IDEA REALLY WORTH?*

Often one of the earliest subjects to come up when discussing commercialization of a university invention is valuation – how much is my great idea really worth? When contemplating a start-up, founders are universally concerned that they receive a fair stake in the company as compared to the stake received by financial investors, by the university, etc. Considerable time, effort and emotion can be invested attempting to address the issue of valuation. In reality, it is not really answerable in any meaningful, quantitative fashion and the energy used to debate valuation would often be far better put to more useful purposes like developing the technology or building the business.

Because valuing operating companies is done on a routine basis when companies are sold or merged, it is somehow assumed that the same processes can be used to place a value on start-up companies, or even worse, technology concepts or inventions. Standard valuation practices rely on a track record of revenues and profits over a period of time, on comparisons to known valuations of similar companies, by expected return on investment, or by market driven multiples of known or expected (forward 12 month) revenues. Therefore, with well-defined and relatively predictable revenue streams, a reasonable estimate of fair market value can be attained. When tasked with valuing a start-up with no revenues, there is often the temptation to project what the revenues may be over the next (say) five year period, to perform a future valuation based on those projected numbers, and to then discount that value back to the present day. This marriage of standard valuation formulae with purely speculative projections inevitably leads to results that are questionable and often unrealistic. More importantly, it is an exercise that draws attention away from the truly significant issues that will ultimately affect the valuation a start-up can attain and often creates avoidable friction amongst the parties involved.

The creation of a start-up venture is an intrinsically risky business – inventors risk their intellectual capital and the time they spend developing the technology, while investors risk their financial capital and the time they invest developing the business. Each party needs an appropriate stake in the venture to reward them for the personal and financial risk they have taken, and ownership incentive to work towards minimizing the risk associated with the venture. Risk is often characterized as technology risk, market risk and execution risk. On day one, faced with a high degree of all of these risks, a start-up has no real value. However, if the company has a strong technology starting point, a good capital base and, most importantly, a partnership of inventors, investors and later on, managers, mentors and advisors, all committed to overcoming the risks and to creating value in the company, the company's value will increase.

A healthy partnership must recognize the value of different contributions to the business and simply agree on a fair distribution of the equity in the company to provide appropriate levels of incentive. Discussions that take place along those lines will go a long way to establishing the mutual respect needed amongst the partners, and will properly incent everyone to create real, tangible value in the company. This is, without a doubt, an exercise in comparing apples and oranges as the different partners bring quite different contributions to the table. Nonetheless, it is a more productive approach than trying to project the future size of the apple tree, likely yields and the market price of apples five years from now.

Please contact Andrew Harrison to learn how Primaxis Technology Ventures can assist you in valuations: andrew.harrison@primaxis.com or 416-313-5977.

RBC Royal Bank – Knowledge Based Industries

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Company Overview

Royal Bank of Canada is Canada's largest bank as measured by market capitalization and assets, and is one of North America's leading diversified financial services companies. It provides personal and commercial banking, wealth management services, insurance, corporate and investment banking, and transaction processing services on a global basis. The company employs 60,000 people who serve more than 12 million personal, business and public sector clients through offices in North America and some 30 countries around the world.

Royal Bank specializes in helping Knowledge-Based Industries (KBIs). In fact, with our experts in [Information Technology](#), [Life Sciences & Health Care](#) and [Media & Entertainment](#), we're Canada's leading provider of financial services and support for knowledge-based companies.

As the premier financial institution in Canada for the KBI community, Royal Bank has helped more KBI companies succeed than any other with our unique four-step approach: [Specialize](#), [Customize](#), [Innovate](#), and [Collaboration Through Networks](#).

One Piece of Advice

Surround your company with professionals in the banking, accounting, and legal professions that have strategic business units established for Knowledge-Based Industries, and have them articulate their offerings. Choosing the right partner in each discipline, will allow you to benefit from the knowledge and experience they have gained from dealing with technology companies just like your new venture!

RBC Royal Bank - Knowledge Based Industries**To Infinity and Beyond – What you Need to Know to Finance & Operate your Tech Company!**

We are often asked by tech start-ups: “What can a bank do for us?” The notion being that they have raised \$X through friends/family, or VC’s, and therefore have no need for a bank.

The truth of the matter is: there is a need for a bank, even if the company has raised equity capital to pay for their R&D, marketing, sales and other operating costs. More importantly, and while the scale of the needs may increase as the company grows even early stage company’s have the following needs beyond simply having a deposit/current account:

- Foreign Exchange – to manage currency risk related to foreign currency purchases or revenues.
- Cash Management – building efficiencies in your business, reducing costs
- Investing treasury funds
- Referrals to qualified professionals – i.e. VC, lawyers, accountants etc
- Open doors to sell into the bank
- Employee benefits – to provide a suite of products as a special offer by the bank for your employee’s as part of your employee benefit program.

Going beyond the early stages of formation of your start-up and raising of capital, here are two brief scenarios we see as opportunities for you to help you grow your business.

The first scenario is one where you can create assets and cash flow simply by continuing to execute on your research and development strategy. Specifically, an important program you may qualify for is the Scientific Research and Experimental Development (“SR&ED”) tax credit program. While this program has become well known in the technology space as a great tool to be used to bootstrap your company, what some entrepreneurs don’t realize is that once a claim has been made, you can take that “to the bank” so to speak. The claims themselves, if you are in position to receive a cash refund under the SR&ED program, offer a specific cash flow stream, that we often establish a “Bridge Loan” against, pending the receipt of payment from the Federal and Provincial agencies. Essentially, you can accelerate the cash “in-flow”, by arranging such a loan, normally established in the 50 – 75% at the claim stage, while you are awaiting approval of the claims, with the leverage against the claims increasing to the 90% range once the claim is approved. This is a great way to raise cash while you wait for your claim to be processed.

The second scenario we also see frequently, is where an early stage company receive a relatively large order once their products have been commercialized. Their costs to fill the order may exceed available cash, and the company isn’t able to negotiate trade terms so the contract can self finance. It may also be that timing is not right for the company to seek raising capital through the private equity markets – so what can they do as it would be a shame to walk away from the order that would take them to the next level? A potential solution is to seek out pre-shipment financing from us. Typically this type of financing is used to finance your work in progress at rates of up to 90% of your estimated hard and soft costs, in a project financing methodology. Clearly, you will have to demonstrate your ability to execute under the contract, and the financial strength of the buyer will also be key points of consideration, however, when the situation is right this type of financing also really helps you to “boot-strap” finance while you grow the company, and take it to the next level.

To take your company to infinity and beyond requires that you carefully select partners that will help you get there. You should select the professional’s that can articulate their offering, and have a track record of working within the technology segment helping other firms like yours. The Royal Bank Knowledge Based Industries team is a strategic line of business for the Bank. Specializing in dealing with technology companies within the entire lifecycle, our professionals offer the depth of experience you should access. For further information of how we can help you, please contact Jerry Tsao, Account Manager, jerry.tsao@rbc.com 519-575-2224, or Michael Moore, Senior Manager, mike.d.moore@rbc.com 519-575-2236.

Research in Motion (RIM)

Company or product inquiries - For more information about RIM and its products, email webinfo@rim.com.

Website inquiries - For comments or inquiries regarding RIM's website, or to report any difficulties accessing information on this site, email webmaster@rim.com.

Career inquiries - For more information about career opportunities at RIM, or to apply online, see our Careers section. Any questions regarding career opportunities should be directed to yourfuture@rim.com.

295 Phillip Street
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Phone: 519-888-7465 Fax: 519-888-7884

Company Overview

Research In Motion Limited is a leading designer, manufacturer and marketer of innovative wireless solutions for the worldwide mobile communications market. Through the development of integrated hardware, software and services that support multiple wireless network standards, RIM provides platforms and solutions for seamless access to time-sensitive information including email, phone, SMS messaging, Internet and intranet-based applications. RIM technology also enables a broad array of third party developers and manufacturers to enhance their products and services with wireless connectivity to data.

RIM's portfolio of award-winning products, services and embedded technologies are used by thousands of organizations around the world and include the BlackBerry® wireless platform, the RIM Wireless Handheld™ product line, software development tools, radio-modems and software/hardware licensing agreements. Founded in 1984 and based in Waterloo, Ontario, RIM operates offices in North America, Europe and Asia Pacific. RIM is listed on the Nasdaq Stock Market (Nasdaq: RIMM) and the Toronto Stock Exchange (TSX: RIM). For more information, visit www.rim.com or www.blackberry.com.

Products and Services

Through the development of integrated hardware, software and services that support multiple wireless network standards, RIM provides platforms and solutions for seamless access to time-sensitive information including email, phone, SMS messaging, Internet and intranet-based applications. RIM technology also enables a broad array of third party developers and manufacturers to enhance their products and services with wireless connectivity. RIM's portfolio of award-winning products, services and embedded technologies are used by thousands of organizations around the world and include the BlackBerry® wireless platform, the wireless handheld product line, software development tools, radio-modems and software/hardware licensing agreements.

BlackBerry® is a leading wireless connectivity solution, providing access to a wide range of applications on a variety of devices around the world. It combines award winning handhelds, software and services to keep mobile professionals connected to the people, data and resources that drive their day. BlackBerry keeps you 'in-the-loop' while you're on the go with push-based technology that automatically delivers email and other data to your wireless handheld. And with the integrated phone*, SMS*, browser and organizer applications, you can easily manage all your information and communications from a single, integrated handheld.

One Piece of Advice

Read the book *The Art of War*, by Sun Tzu, a 2500-year-old compendium of strategy and tactics, which can give insight into the world of modern business.

Research In Motion (RIM)**Budget-Friendly Market Intelligence***Maximizing Value on a Shoestring***Common-sense rules to budget-friendly market intelligence**

1. Keep the market intelligence components connected. These include competitor intelligence, primary research, analyst relations and internal market data and analysis services.
2. Use your available resources and make market intelligence part of everyone's job.
3. Assign one person to collect, filter, archive and disseminate market intelligence as appropriate. The size of the requirement will naturally scale with the size of your company.
4. Foster inbound intelligence through great outbound support and push out insight often i.e. because you helped keep us in the know, I was able to complete the puzzle and keep you informed.
5. Start relationships with industry analysts early.

Specific things you can do*Competitor Intelligence*

- Set up a dedicated email address for submitting competitor intelligence.
- You have to pan for gold – don't try to restrict submissions to only nuggets. Encourage people to submit news stories, tradeshow glossies, and press releases in addition to the field intelligence gems.
- Make outbound competitive intelligence updates a routine component of a recurring meeting.

Primary Research

- Email contacts for conducting research can be an extremely valuable asset. Provide numerous collection points to allow people to opt into your research programs on websites, newsletters, at tradeshows, and with every product that ships.
- Organize your contacts into panels of distinct groups by running them through a filter survey that separates clients from non-clients and any other distinct categories that make sense.
- Train a team member or outsource to a contractor to write and program the surveys. There are several very good web-survey companies that you can hire quite inexpensively as an ASP to use their systems and software.

Industry Analyst Insight

- Most industry analyst firms organize their products into silos. This allows you to subscribe to a limited service to provide insight on specific topics without breaking the bank. Most importantly it gets you familiar with the analysts to start forming a relationship for all forms of market intelligence.
- Centralize any subscription(s) with one client representative that believes in the value of your long-term business.

Market Data and Analysis Services

- Treat your market intelligence as a service bureau.
- Push information out in relation to its immediacy. Send out flashes for key information while also aggregating and sending the information periodically. Stay informal but maintain consistency in communications formats.
- Be as responsive as possible to inbound requests for information.

Please contact Robert Crow to learn how RIM has succeeded in their business ventures:

rcrow@rim.net or 519-888-7465 ext. 5233.

SpencerStuart

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Company/Organization Overview

Spencer Stuart is the foremost privately held, global executive search firm, spanning over 50 offices in 25 countries worldwide. Since 1956, Spencer Stuart has been providing select clients with a range of human capital solutions, including senior level search, board director appointments, and strategic leadership services. The firm conducts nearly 4,000 assignments each year, partnering effectively with clients ranging from the Fortune 500, to mid-cap, to emerging growth companies across a broad range of industries and sectors.

One Piece of Advice

Know what you are good at and what you are not good at. The best leaders surround themselves with the right talent at every stage in the evolution of the business in order to achieve the next level of success.

Tabrizi Law Office

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Company Overview

At TLO, we do not believe that exceptional legal services should come at exceptionally high cost. Our practice is focused on technology. Our experience comes from the heart of the industry in Silicon Valley. We represent some of the world's leading technology businesses such as Logitech. We have acted for emerging companies backed by pre-eminent venture firms such as Mayfield Fund and Sequoia Capital. We have negotiated and structured deals for our clients with the likes of Cisco Systems. We understand the unique needs of start-up technology companies. We advise companies and investors on both Canadian and cross-border transactions. TLO is a value-added proposition.

Support and Services Provided

As a boutique technology practice, TLO is not all things to all people. We focus on the practice areas unique to the needs of emerging technology companies where we can offer expert and value-added services.

- Corporate Organization (incorporation, shareholder agreements, employment matters)
- Venture Capital (term sheets, financing structures, share subscription agreements)
- Technology Transactions (licensing, distribution, development, strategic alliances)
- Intellectual Property (copyright, patents, trade secrets and confidentiality, trademarks)

For practical information on technology law issues, sign up for our BITlaw™ newsletter by emailing us at bitlaw@tabrizilaw.com.

One Piece of Advice

Do not avoid professional advice because of cost. Instead, retain value-added advisors early on in your venture to avoid expensive problems and improve your chance of success in the long run.

Tabrizi Law Office – Licensing Basics

Once your new venture has developed its technology to a marketable stage, every founder, employee, executive and investor will be excited about the prospect of customers and revenue. Having spent long hours and many months perfecting your technology now is the time to sell it. The only catch is that you will not really sell it; you will instead “license” it. Why?

A company owns a technology because the law affords it certain rights in that technology. These rights are referred to as intellectual property rights and include patents, copyright, trade secrets and trademarks. Without getting into legalese, suffice it to say that no company would want to transfer all its rights in a technology to its first customer! Therefore, a license allows the owner of technology to grant permission to another party to do certain things with that technology without the owner giving up all of its rights.

Whether you purchase technology as an OEM, sell your technology to a customer, enter into a strategic partnership, or appoint a distributor for your product, you will have to deal with licensing. For the sake of simplicity, let us assume you have completed Version 1 of your software product and need to put together a Software License Agreement. Here are some issues to keep in mind:

- **Licensed rights:** What rights do you want to grant to your customers? We have all seen (perhaps not read!) the standard shrink-wrap or click-wrap End User License Agreement that comes with commercial software. For example, these licenses usually provide that you can only install a single copy on one machine for your personal use. Of course, if you were selling through a VAR or distributor, you would want them to have the right to distribute and market the software. If a party is OEM’ing your software, they may even require rights to copy and modify your code.
- **Exclusivity:** Obviously, you would not want one customer to have exclusive use of your technology. However, distributors may ask for exclusivity over a territory and/or product line. Remember that exclusivity is not an all or nothing scenario. For example, exclusivity for a distributor could be tied to performance milestones and be limited in term. Another option is to tie exclusivity to a specific market segment rather than a territory.
- **Term:** Will you be licensing your software on an annual basis, for X years or perpetually? Customers who depend heavily on your application would seek longer terms and automatic renewals. If that’s the case, how will renewal fees be determined? As licensor, you would want the ability to renegotiate or set higher fees.
- **Fees:** What is your licensing model? Is it per user/site/licensee? Will you charge an upfront fee and/or royalties? Customers may want to acceptance test your software before making any payments. Also, you must ensure that your fees work properly with the term of the agreement.
- **Warranty:** Will you provide your customers with a product warranty? If so, what remedy will you provide? For example, some customers will demand a refund remedy if your product does not comply with its specifications. If you are not able to negotiate out of such a provision, it could complicate revenue recognition in your financials. Therefore, it is important that you speak to your lawyer and accountant about the impact of a warranty provision with a refund remedy on your financial reports.

Of course, there are other very important business and legal terms in every technology transaction that act to mitigate your risk such as intellectual property ownership clauses, disclaimers, limitations of liability and indemnities. Therefore, you should seek proper professional advice. Hopefully, however, this article will help you through this process!

Please contact Arousha Gilanpour to learn how Tabrizi Law Office can assist you in your corporate and technology law needs: arousha@tabrizilaw.com, 416-444-9300, Ext. 45.

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Company Overview

Tech Capital Partners is looking to fund seed and early-stage companies that have developed, or are developing, a technology that addresses a significantly difficult existing market problem, or creates an entirely new market.

We've got operational and transactional expertise, and are interested in taking an active role in building your company. We don't expect a complete management team – but your company must have the basis for a compelling management team.

Investment Focus**Stage of Investment:**

Seed/Start-up

Early Stage

Typical Amount of Investment:

\$1MM - \$3MM

Sectors Focus:

All technology sectors

Recent Investments:

Handshake VR

<http://www.handkshakeVR.com>

Sandvine

<http://www.sandvine.com>

Covarity

<http://www.covarity.com>

Sirific Wireless

<http://www.sirific.com>

VideoLocus

(acquired by LSI Logic)

One Piece of Advice

Look at your market, find its biggest pain, and solve it.

Find a knowledgeable customer that's willing to provide you with input into your product development, and go where that customer pulls you.

Section IV - Government, Education and Associations

Canada's Technology Triangle Inc

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Company/Organization Overview

Canada's Technology Triangle Inc is the non-profit, private-public economic development partnership marketing Waterloo Region and the cities of Cambridge, Kitchener and Waterloo to the world. Canada's Technology Triangle Inc works outside Waterloo Region to attract investment, talent and capital. Locally, the organization engages in partnerships to identify and respond to impediments to the growth of the area.

Services Provided

Confidential site location services, demographic and economic data, business market access, geographic and lifestyle profiles and general support to investors or decision makers looking to locate in Waterloo Region.

One Piece of Advice

When developing your business plan, consider the wealth of information available through Canada's Technology Triangle. Known for comprehensive research and global market development, the organization's resources will add value to your planning process. Keep your company on our radar. Check out www.techtriangle.com

Canadian Consulate in Boston

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Company/Organization Overview

The Trade Commissioner Service of the Department of International Trade works to foster the world's largest trading relationship between Canada and the United States through the U.S. Business Development Program, delivered by a network of fifteen Canadian offices in the U.S. The Canadian Consulate General in Boston is responsible for the New England states of Maine, Massachusetts, New Hampshire, Rhode Island and Vermont.

Trade Support and Services Provided

The Canadian Consulate General in Boston works closely with Canadian and U.S. firms in the information and communication technologies and in the life sciences industries to facilitate research and financial partnerships, technology transfer, and institutional relationships.

The Canadian Consulate General in Boston also provides support to Canadian-based companies looking to do business in the New England region or U.S.-based enterprises interested in purchasing from Canadian manufacturers or establishing a presence in Canada themselves.

The six core services we are committed to providing our Canadian clients include: 1) Market Prospect, 2) Key Contacts Search, 3) Visit Information, 4) Local Company Information, 5) Face-to-Face Briefing, and 6) Troubleshooting. For more information on these services, please visit the website addresses mentioned above.

We encourage you to register your company as a client of the Canadian Trade Commissioner Service, at www.infoexport.gc.ca. By doing so, you will receive your **Virtual Trade Commissioner**, a personalized password-protected Web page containing market information and business leads that match your international business interests. You will also be able to request our services online, and make information about your company available to Trade Commissioners abroad.

One Piece of Advice:

Canada is at the forefront of the technology revolution. U.S. investors are increasingly aware of the value-add available in Canada and continue to commit to Canadian companies.

Canadian Innovation Centre (CIC)

Warren Gray

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Phone: 1-800-265-4559

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www.innovationcentre.ca

Organization Overview

The Canadian Innovation Centre (CIC) has been around since 1975. What started as a way to commercialize inventions originating on university campuses quickly grew into Canada's leader in pre-commercialization decision support. The CIC is one of longest running market research organizations in Canada and has the greatest experience and recognition guiding innovation to be market-ready. CIC is not a government agency; we are a private, not-for-profit corporation.

Products and Services

The Canadian Innovation Centre provides a pre-commercialization service. CIC's focus is working with companies to identify, as early as possible, what must be done to take an innovation through to commercial success, or when to stop.

CIC helps innovators and SME's guide their innovations to be market-ready. Research services can quantify the opportunity, validate its marketability, align the product with market requirements and market expectations. Fees vary from \$600 - \$20,000 based on the SME's needs.

Sales Development Plan	Market Dynamics	Competitive Position	Channel Options	Market Demands
Business Development Plan	Multiple Market Impact	Business Resources	Licensing Opportunities	Capitalization Demands
Technology Development Plan	Market Opportunity & Impact	Customer-Driven Features	IP Segmenting	First Customer Demands
	Validate	Align	Maximize	Prepare

One Piece of Advice

Don't underestimate the value of preparing your plan. Anticipate future events and validate all assumptions.

Canadian Technology Network - CTN

Pam Banks

Business Development Officer
905-319-7492

pambanks@cogeco.ca Or 1-888-CTN-0001 or visit the website at <http://ctn.nrc.gc.ca>

CTN provides a pathway to information and services to help small and medium-sized businesses grow. This non-profit organization offers both technology and business assistance. CTN provides direct services to SME's through member organizations services and support to community development events and projects.

Services are available through the following member organizations:

IRAP – Industrial Research Assistance Program

IRAP provides non-repayable contributions to Canadian SMEs on a cost-shared basis for research and pre-competitive development technical projects, upon assessment of a project and firm by a team of ITAs.

Eligibility: Canadian small and medium-sized enterprises (SME's) with under 500 employees and industrial associations desiring to enhance their technological capability are eligible for support.

Contact: For more information phone 416-973-4484

Toronto Venture Group

TVG Bridges the Gap between entrepreneurs and capital through education, communication and networking events. TVG provides investment read-entrepreneurs with presentation opportunities to qualified investors.

Eligibility: Breakfast meetings are open to all entrepreneurs. Businesses must complete an application

Contact: Frances Fast email: frances.fast@tv.org or Ph: 416-938-0676

Canadian Association of Management Consultants – CAMC

CAMC offers small and medium-sized businesses an introduction to the field of management consulting by providing business advisory services. Types of services include marketing, strategic planning, financing and international trade advice. The 3-day program is available to business for a fee of \$150.

Eligibility: Available to established businesses that are incorporated.

Contact: Gus Gillespie email: gusgillespie@rogers.com or Ph: 416-699-8786 or Rick Booth email: fpb@en-techassociates.com or Ph: 905-338-8651.

Canadian Innovation Centre - CIC

The Canadian Innovation Centre provides a pre-commercialization service. CIC's focus is working with companies to identify, as early as possible, what must be done to take an innovation through to commercial success, or when to stop.

CIC helps innovators and innovating organizations guide their innovations to be market-ready. Research services can quantify the opportunity, validate the marketability, align the product with market requirements and market expectations. Fees vary from \$600 - \$20,000 based on the amount of customization.

Eligibility: Available to SME's.

Contact: Warren Gray email wgray@innovationcentre.ca or Ph: 1-800-265-4559.

Consulting Engineer of Ontario - CEO

CEO provides access to engineering firms throughout Ontario through a business referral service. Clients receive advice on a tailored, industry-specific list of engineering firms based on the client's own requirements. Clients have access to engineering publications, quality assurance documents, fee structures and advise on a range of engineering-related activities.

Eligibility: Available to all SME's.

Contact: **Bruce Thompson** email bthompson@ceo.on.ca or Ph: 416-620-1400

Centre for Business, Entrepreneurship & Technology (CBET)

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Company/Organization Overview

The Centre for Business, Entrepreneurship and Technology (CBET) was established in 2001 to provide a focal point for the development and coordination of the University of Waterloo's business entrepreneurship activities. Specifically, CBET is responsible for developing and/or liaising with different groups on campus to support the education, research and development dimensions relating to entrepreneurship at the University of Waterloo. Our mission is to be recognized throughout North America as the Centre that leads the development of entrepreneurial teaching and research.

Support and Services Provided

CBET offers a unique Masters program—the Master of Business, Entrepreneurship and Technology (MBET). Specifically designed to address Canada's pressing need for more successful innovators, MBET provides the critical business skills needed by enterprising individuals to guide innovative ideas to commercial success. MBET is a full-time, on-campus program that runs for 12 consecutive months. A distance, part-time version of MBET and an undergraduate program are under development.

CBET offers outreach programs to the community in the form of professional development workshops and a monthly Speaker Series. The professional development workshops are intended to provide professionals in small and medium size enterprises the tools they need to resolve a variety of technology and management-related issues encountered in the workplace. The Speaker Series brings experts from a variety of industries to speak to members of the entrepreneurship community on various topics of interest.

We also work closely with Innovate Inc., EAUW and the Institute for Innovation Research to support the entrepreneurial community at the University of Waterloo.

Innovation at University of Waterloo: The Case for MBET

Howard M. Armitage, Ph.D, FCMA, Director, Centre for Business, Entrepreneurship and Technology

In September, 2003, the University of Waterloo admitted its first students into the Master of Business, Entrepreneurship and Technology program (MBET). MBET is a graduate program that has been carefully designed to (1) respond to Canada's pressing need for more innovation, (2) build on the University of Waterloo's distinctive energies in technology and entrepreneurship, and (3) attract entrepreneurially-oriented individuals who are interested in changing Canada's business landscape.

Moving Innovation Forward – The Need for a Different Business Education Model

Despite the existence of numerous excellent business programs, Canada's record is weak on managing and mobilizing entrepreneurial and technological opportunities into commercially viable products and businesses. This is evident from reports such as *Canadian Manufacturers and Exporters Association* (2001), the *Conference Board of Canada* (2001/2), Porter/Martin (2001), and the white papers released by the *Federal Government* stressing the need for an "Innovation Strategy" (2002). Recently, the Ottawa-based *Centre for Living Standards* (May 2003) noted that Canada's GDP in terms of hours worked last year fell to 81 percent of US productivity and, the *World Economic Forum's* (2002/03) most recent results indicate that Canada dropped from 3rd to 8th place in terms of innovative capability. A common theme in these reports is that our business leaders and managers have not adequately shifted their thinking toward entrepreneurial activities and, when they do, lack the managerial, marketing and financing skills to bring innovations to commercial success. Gordon Nixon of RBC (2002) bluntly argues that "Canadian business leaders – in small, medium and large companies - lack the culture of innovation to take their companies to the next level".

A recent survey by *Financial Post/Compass* (2001) of leaders of small, medium and large corporations indicated dissatisfaction with many business programs and the skills of their graduates. Similar articles, including a recent *Globe & Mail* (2003) feature by Larry Tapp, Dean, Ivey School of Business, questioned the need for 39 MBA programs in this country and argued (1) the high number of MBA programs in Canada explains the trend toward mediocrity and replication in our business education, and (2) the need to rely less on the traditional MBA model and more on niche training.

MBET is a response to these well-documented problems. Our best hope for improving Canada's competitiveness lies in improving the quality of our future business leaders through focused programs that attract more innovative students, improve training and develop the managerial skills that assist in converting opportunities into viable commercial businesses.

Building on the Distinctive Energies of the University of Waterloo

The success of a program designed to enhance innovation and entrepreneurial achievement is dependent on the reputation, resources and competitive advantages of the host university. In this respect, MBET's focus fits well with Waterloo's distinctive strengths. Waterloo has built, and continues to develop, a reputation for innovation and for producing the leaders of tomorrow. High quality students, cooperative education, technology transfer, research partnerships at local, national and international levels and an innovation model where property rights to new ideas remain with the individual, are all part of the Waterloo brand. UW possesses a unique culture that successfully signals to students and employers that Waterloo is connected to the world, is future oriented and is highly innovative and entrepreneurial.

Over 100 companies (22%) of all commercial spin-offs from Canadian universities in the past decade have come from UW. With over \$6 billion in revenue, the high tech sector in Canada's Technology Triangle is a major component of the local economy – much of it emanating from, and encouraged by, UW's existence. UW's Innovate Inc. pre-incubation activities encourage student entrepreneurs and faculty and link them to potential investors. The Entrepreneurship Association of UW (EAUW) brings together many of UW's young entrepreneurs. The Eyton Chair in Entrepreneurship is guiding the development of an impressive research agenda through the Institute for Innovation Research (IIR) and a second Entrepreneurship Chair holder is being sought. The University has announced its first two Research Technology Park tenants with more technology-based firms expected to follow. With the planned move of locating IIR, Innovate, Inc, EAUW, and Enterprise Co-op under one roof, the various innovative and entrepreneurial features will be even more tightly integrated.

MBET is surrounded by, and draws from, a rich innovative culture. Waterloo's defining traits – connectivity to the outside world, research on advanced technologies, focus on innovation and entrepreneurship, exceptional student inputs and the reputation for producing leaders of tomorrow - are powerful magnets that will draw students and employers to this new program. Moving innovation forward is a strategic initiative for UW that MBET is designed to foster... **MBET - A Distinctly Different and Innovative Program**

City of Cambridge – Economic Development Division, Office of the CAO

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Services Offered

The Economic Development Division of the City of Cambridge provides services to support three major objectives designed to encourage and promote a stable, diverse and strong business community in Cambridge.

These are:

- Encouraging new investment in Cambridge
- Supporting existing business with their expansion needs
- Assisting small business and new entrepreneurs to establish in Cambridge

Staff of the Economic Development Division are ready to assist you with your business requirements. Please contact us:

- If you are considering expansion, relocation or establishment of a new business in Cambridge
- For assistance in searching for available land or buildings for your business
- For economic, statistical and market information
- For assistance dealing with government agencies
- Or if you require general business information or any of our publications

The following publications are available through our office:

- Cambridge Community Profile
- Cambridge Business and Industrial Directory
- Cambridge Sites and Buildings
- Cambridge Small Business and Retail Data Book
- Cambridge Industrial Developers' Handbook
- Cambridge Industrial Design Guidelines
- Cambridge Business Update Newsletter
- Canada's Technology Triangle Literature

City of Kitchener – Economic Development

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www.city.kitchener.on.ca

Department Overview

Economic Development is charged with assisting in the attraction of new businesses to Kitchener as well as encouraging the expansion and retention of existing businesses within the community.

The office represents the city in a variety of economic development initiatives and is available to work closely with businesses in order to bring together the right talent or teams necessary to best suit your needs before, during, and after establishing an operation in Kitchener.

So whether you need information on Kitchener's economic and business climate, or details on locations, zoning, industrial land development, export information, downtown re-development opportunities, export programs, or just the ins and outs of starting a small business, we are here to help.

One Piece of Advice

Be sure to conduct market research on your product or service to ensure market viability.

City of Kitchener - Economic Development

Building your Business

In 10 Easy Steps: *courtesy of Eric Gilboord, President of SOHO Marketing.*

1. **Compile Prospects** - Gather existing contact information for prospects, current and lapsed customers and assorted potential opportunities.
2. **Source Lists** - Purchase or otherwise acquire additional prospect information.
3. **Qualify Prospect Contact Information** - Utilize an in-house or outside resource to contact and verify prospect, customer and opportunity information.
4. **Update or Install a New CRM* Program** - Review the current system as it relates to the implementation of your new plan. (*Customer Relationship Management software such as ACT, Goldmine, Maximizer etc.)
5. **Fill the CRM Pipe** - Transfer qualified prospect information to a CRM database.
6. **Design Business Development Program** - Program could take on different forms like print or electronic and include many types of advertising from direct marketing and media advertising to Internet and other new media.
7. **Create Sales and Marketing Materials** - Utilize my services, as well as in-house or outside resources to create sales presentation and other marketing tools.
8. **Prepare Staff** - Identify (from within or hire) and train all participants in business development program.
9. **Ongoing Activities** - Monitor success of all stages, strategies, personnel and sales/marketing tools for constant improvement to business development process.
10. **Test, Test and Test** - Business development is a constantly changing challenge. We are chasing a moving target. Everything we do can and will improve with experience.

Remember, always consult a qualified Business Coach.

Please contact Kathy Weiss to learn how the City of Kitchener can assist you in Building your Business 519-741-2294 or kathy.weiss@city.kitchener.on.ca.

City of Waterloo

Patricia Rutter

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Company Overview

City of Waterloo – Economic Development and Marketing

Products and Services

The Economic Development & Marketing Team works with a number of partners to help create and foster a vibrant, positive atmosphere for business growth. We are responsible for a broad range of activities including: Providing economic and community information, liaising with Canada's Technology Triangle, Communitech and other key partners, facilitating key City projects such as Uptown Redevelopment, UW Research Park and Employment Lands.

Staff are available to help:

- Assistance with statistical and market information
- Locating available sites and buildings with the City of Waterloo
- Assistance with expansion, relocation and new business needs

The following publications are available:

- Waterloo Community Profile
- Waterloo Business Directory
- Waterloo Sites and Buildings Inventory
- Waterloo Developer's Handbook
- Waterloo Business Newsletter
- Canada's Technology Triangle Lure Brochure and Community Profile

Communitech Technology Association Inc.

435 King Street N., Suite 100
 Waterloo, ON N2J 2Z5
 Phone: 519-888-9944
 Fax: 519-888-7007
 www.communitech.ca

Company/Organization Overview

Located in Waterloo, Communitech is a not-for-profit, member supported technology association that is recognized as the voice of the technology industry for the Waterloo region. Communitech brings together the initiatives and people needed for continued development of critical mass for the technology industry and the creation of a superior quality of life in the area.

Support and Services Provided

Networking and learning opportunities are offered monthly through Business and Technology Forum Luncheons and TechWorking Breakfasts, usually featuring a well-known subject matter expert. Annual events, such as the “Surpass Yourself” series, also bring local talent together to network and learn.

Peer 2 Peer Groups are designed for employees of member companies. Groups meet on a regular basis to share knowledge and expertise, deal with issues of common concern for the group, and the technology community. There are currently more than twenty Peer 2 Peer groups running. Take a look at the list on our website and sign up for your group today.

The Business Accelerator Program is committed to Waterloo region’s technology entrepreneurs and strives to help start-ups grow to profitability. The Accelerator offers entrepreneurs a safe haven to discuss key concerns, leverage their networks, and utilize the Accelerator’s products and services to build their business and their own expertise.

Contact Information

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Judy Geraghty (judy@communitech.ca) Manager, Events and Office Operations	519-888-9944 ext. 24
Cheryl Bentley (cheryl@communitech.ca) Membership/Administration Coordinator	519-888-9944 ext. 21

Industry Canada - Technology Partnerships Canada

Cindy Weeks

Innovation Officer
Technology Partnerships Canada
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905-639-5694

Great ideas are the currency for success. Technology Partnerships Canada (TPC) is a special operating agency of Industry Canada with a mandate to provide funding support for strategic research and development, and demonstration projects that will produce economic, social and environmental benefits to Canadians.

Since 1996, TPC's activity has been rooted in helping Canadian companies perform R&D that takes new technologies closer to the marketplace. These R&D projects have the potential to improve the efficiency of production processes in traditional sectors as well as support innovation in emerging technologies, enabling Canadian companies to become world-class.

Canadian industries take the lead in bringing innovation forward to the marketplace. TPC acts as a catalyst, investing strategically to accelerate the successful development of key technologies that will benefit Canadians in their everyday lives.

Support and Services Provided

TPC offers two main programs as part of our ongoing mandate.

The TPC R&D program is geared to pre-competitive projects across a wide spectrum of technological development, including environmental technologies, life sciences, information and communications technologies and advanced manufacturing. Repayable support for projects valued over \$3 million can be considered. Support for small to medium-sized companies with projects valued under \$3 million is provided through the [TPC-IRAP initiative](#).

[TPC's h2 Early Adopters \(h2EA\) program](#) is designed to foster the development and early adoption of hydrogen and hydrogen compatible technologies into the marketplace. Working in partnership with industry, the h2EA program supports demonstration projects that illustrate the potential benefits of hydrogen and the infrastructure components required to produce, store and distribute hydrogen as a fuel source.

Key Drivers for TPC Investment:

- The potential to strengthen Canadian Capabilities in critical strategic sectors, such as aerospace and defence, where companies developing innovations in Canada are already considered, or are becoming, world class.
- The potential to meet key goals that affect quality of life in areas such as climate change, sustainable development and health.
- The potential to attract investments in areas that can lead to productivity improvements and innovation in other sectors of the economy – for example, boosting agricultural productions through biotechnology, and improving production and distribution processes through the rapid exchange of large amounts of data via broadband wireless communication technologies.

Cindy Weeks to learn how Technology Partnerships Canada can assist you in your business start-up:
weeks.cindy@ic.gc.ca or 905-639-5694

International Trade Canada

Trade Commissioner Service - Our Offices in Canada

Sue Rauth

Trade Commissioner
International Trade Canada
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Today's global economy is enticing more Canadian businesses to think of exporting their products and services to international markets. You may be thinking of exporting but with so much available information you don't know where to begin. Am I ready to export? Is my export plan and marketing strategy sound? What services are available in my chosen market that will help me establish strong, reliable business relationships? These are questions your local International Trade Centre (ITC) can help answer.

With a team of Trade Commissioners covering every province and territory in Canada and our links with colleagues in more than 140 cities around the world, the Canadian Trade Commissioner Service is here to help. Through our offices in Canada, you can obtain export support services, market intelligence, advice on funding opportunities and business contacts to smooth your path to the global market.

An unprecedented effort to streamline export services to the Canadian business community has been initiated. Clients achieve maximum benefit by receiving the right kinds of services, quickly and efficiently.

ITCs can provide a full range of trade development services and assistance to Canadian companies, including:

- Export counselling and market entry support;
- Information on international markets;
- Path finding for export programs and services;
- Recruitment of participants for trade fairs and missions abroad;
- Recommendations for trade-related conferences and seminars; and;
- Trade publications produced by Team Canada Inc. and others.

Export Counselling and Market Entry Support

Export Counselling service provides you with timely information on trade opportunities and market intelligence from Canada's embassies, high commissions and consulates in cities around the world. Working with trade commissioners abroad, ITC staff can help you to identify potential markets, develop export marketing plans for the market you wish to pursue and devise a market-entry strategy.

Market Entry Support services are primarily intended for companies that have demonstrated they are committed and capable of succeeding in an export market. They should have an export plan, a short list of target markets and should be ready to invest the time and effort required to cultivate the market.

- Participate in trade fairs
- Join trade missions
- Find partners and joint-ventures

National Research Council of Canada (NRC)

Industrial Research Assistance Program (IRAP)

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Phone: 519-747-5910 Fax: 519-747-7698
www.irap-pari.nrc-cnrc.gc.ca

Ben Wagner, P.Eng, MBA
Industrial Technology Advisor
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www.irap-pari.nrc-cnrc.gc.ca

Company/Organization Overview

The National Research Council Industrial Research Assistance Program (NRC-IRAP) is a Canada-wide program that works to stimulate wealth creation for Canada through technological innovation.

More than 260 Industrial Technology Advisors (ITA) deliver NRC-IRAP services and expertise at 190 sites in 90 communities across 5 time zones. Assistance is customized to each client and leads to strong one-on-one relationships.

NRC-IRAP support has been proven to deliver return on investment, to help create new jobs and to lead to world firsts by innovative Canadian SMEs.

Support and Services Provided

NRC-IRAP gives SMEs direct access to the tools they need to succeed:

- technical advice and financial assistance
- access to resources and research expertise
- links to more than 800 federal, provincial and industrial R&D organizations
- referrals to business, marketing and management services.

The result? An increase in the capacity of SMEs to perform R&D and to commercialize new technology products and processes.

One Piece of Advice

From NRC-IRAP client, Robert Orr, President of Ocean Nutrition Canada: “IRAP has been an invaluable support organization for our company. Our partnership with them on new compound discovery, development and commercialization has allowed us to move forward on innovative new products much more rapidly than we ever could have done on our own. Furthermore, their support on developing work plans for our projects added needed discipline and process for an emerging company like ours. But, perhaps the most valuable contribution has been the intellectual capital that IRAP has been able to bring to the table - knowledge that was resident within IRAP and its personnel and third party experts that they were able to introduce.”

**National Research Council of Canada (NRC)
Industrial Research Assistance Program (IRAP)**

NRC-IRAP Assistance relevant to early stage and start-up firms

Start-up technology firms require certain fundamentals before they can access funding. NRC-IRAP can assist these.

General Business Advice

NRC-IRAP has worked with local start-up and early stage firms to assist them with the following:

- Organizational Development
- Business plan review and validation
- Product and process development to help turn new technology into commercializable products and services

NRC-IRAP has agreements in place to support third party market research and management consulting. Local startup and early stage firms have used these services to help refine their business strategies and attract investment. The costs of these services are shared between NRC-IRAP and the client firm.

Financial Assistance

- Several local early stage companies have made use of NRC-IRAP's Youth Internship Program, which provides \$12,000 over the first 6-12 months for creating a new full time position for a recent graduate. This is delivered on behalf of Human Resources and Skills Development Canada (HRSDC).
- Early stage firms who have built stable revenues or received external financing have also used NRC-IRAP financial assistance to contribute to a portion of their R&D projects.

Identifying Collaboration Opportunities

- NRC-IRAP has provided referrals to sources of expertise to complement internal technical skills, including universities, government and private labs. Startup and early stage firms gain the benefit of collaboration opportunities that may otherwise be unavailable.
- NRC-IRAP acts as a contact point between start-ups and early stage firms, other community sources of innovation assistance, and more established firms. Local firms have used NRC-IRAP to help identify and deal with new customers, suppliers and collaborators.
- **For information on NRC-IRAP Regional Offices or to contact an Industrial Technology Advisor (ITA), call our toll-free number at 1-877-994-4727 or visit us online at www.irap-pari.nrc-cnrc.gc.ca**

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Ontario Centres of Excellence - CITO

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Company/Organization Overview

CITO is a not-for-profit organization funded primarily through the Ontario Ministry of Economic Development and Trade's Centres of Excellence Program. There are four Ontario Centres of Excellence, each dedicated to building key areas of the province's economy.

CITO builds connections between researchers at the province's universities/colleges and companies within the vibrant communications and IT sectors in Ontario. The resulting partnerships with these groups help us identify and support industrially relevant academic research and move the results into the marketplace – through existing companies or new spin-offs.

Support and Services Provided

- The CITO Network creates connections between people involved in the creation and commercialization of new technologies
- CITO Research Investment makes strategic investments in researchers working on industrially relevant projects. In particular, it emphasizes the creation of opportunities for student researchers to gain experience and connections with industry
- CITO Innovation Support makes strategic investments in people and technologies designed to move innovations into the marketplace

One Piece of Advice

There are many programs and services available in every level of government that are designed to address a variety of needs of start-up businesses. You can make the most of the limited resources that an entrepreneur has by taking advantage of them.

Ontario Centres of Excellence - Materials and Manufacturing Ontario**(MMO)****George Wright**

Network Liaison Manager

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Company/Organization Overview

Materials and Manufacturing Ontario (MMO) is an Ontario Centre of Excellence that supports post-secondary research in materials and manufacturing, develops partnerships, trains qualified graduate students with an industrial orientation, and transfers knowledge and technology to industry. MMO's overriding objective is to maximize its impact on the sustained economic growth and well being of the province of Ontario.

Support and Services Provided

MMO supports more than 100 research projects in a wide variety of areas including: biomedical, ceramics and concrete, chemical processing, design, electronic and optoelectronic materials, intelligent controls, management systems, metals and metal processing, new materials, polymers and plastics, and surfaces and coatings. MMO has developed a group of core programs aimed at encouraging relationships and connections at both the organization and individual level between Ontario universities and companies.

MMO is strongly committed to the commercialization of intellectual property resulting from its research projects as a means to stimulate job and wealth creation in the province of Ontario. MMO dedicates over \$1 million annually towards the successful commercialization of research projects. This support includes a Market Readiness program aimed at developing intellectual property from a bench scale to the commercialization stage, and fellowship grants to transfer technology and knowledge directly to an existing business or start-up company.

MMO offers an interactive network of industry and academic participants, with value-added services for network members. These services include a broad portfolio of workshops and lectures in areas such as research and development, education and training, and early stage commercialization.

MMO is continually building and expanding its network through relationships with key partners in Ontario's R&D community. The materials and manufacturing community benefits from such strategic partnerships as they provide experience and expertise that enables the rapid delivery of information and opportunities. Building partnerships is key to the Centre's mission of bringing together industry and academia to foster Ontario's economic growth.

One Piece of Advice

At MMO, we see many technologies developed by leading researchers who sense they have a potential business opportunity. But oftentimes, spin-off companies are created prior to gaining a thorough understanding of the market or the needs satisfied by the technology. Our advice: ensure that you understand the marketplace served by the technology, and develop a vision and plan to access and penetrate this market. You must also consider the resources required to succeed and the likelihood that a share of the market can be successfully obtained.

Ontario Exports Inc.

Mauricio Ospina

International Marketing Consultant
ICT sector – United States
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www.ontarioexportsinc.com

Company/Organization Overview

Ontario Exports Inc. is the export development agency of the Ontario Government. OEI's mandate is to assist the province's small and medium-sized enterprises (SMEs) to enter new markets and expand their export sales.

The OEI team of international marketing consultants brings extensive first-hand knowledge of the export opportunities for Ontario suppliers in both developed and emerging markets. Ontario companies are able to benefit from the value-added consulting services and trade programs organized by OEI throughout the year.

OEI is registered to the ISO 9001:2000 standard.

Programs and Services Provided

- New Exporters to Border States (NEBS)
- IT Exporters to the U.S. (ITEXus) missions
- Market seminars and information
- Sector and country profiles
- Trade missions and exhibitions
- One-on-one export consulting
- Advocacy and introductions to potential customers
- In-market consultants (Brazil, Chile, Mexico)
- Incoming buyer delegations
- Public/private strategic alliances
- Virtual Trade Missions

One Piece of Advice

Please contact Ontario Exports Inc. to discuss your interest in accessing export markets.

Ontario Exports Inc.

Export Programs for Ontario ICT Companies*

North America

Photonics North 2004 ! September 27-29, 2004 ! Ottawa, Ontario

Contact: H. Laura Vasarais, Phone: 416-326-1075, laura.vasarais@edt.gov.on.ca

ITEXus ! November 3-4, 2004 ! Rochester, NY

Contact: Mauricio Ospina, Phone: 416-325-6151, mauricio.ospina@edt.gov.on.ca

Who is Who in IT in Ontario ! December 2, 2004 ! Toronto, Ontario

Contact: Mauricio Ospina, Phone: 416-325-6151, mauricio.ospina@edt.gov.on.ca

Virtual Trade Mission ! IFI Opportunities ! January 2005 ! Toronto, Ontario

Contact: Rowena Dias, Phone: 416-314-8242, rowena.dias@edt.gov.on.ca

Health Information Management Systems Society (HIMSS) ! Feb. 13-17, 2004 ! Dallas, TX

Contact: Patricia Cosgrove, Phone: 416-212-1030, patricia.cosgrove@edt.gov.on.ca

Advanced Security Mission to the U.S. ! March 28-April 1, 2005 ! Orlando, Florida

Contact: Mauricio Ospina, Phone: 416-325-6151, mauricio.ospina@edt.gov.on.ca

International

Asia

ITU Telecom Asia 2004 ! September 7-11, 2004 ! Busan, Korea

Contact: Sabrina Chan, Phone: 416-325-6782, sabrina.chan@edt.gov.on.ca

Europe

SMAU 2004 ! October 21-24, 2004 ! Milan, Italy

Contact: Laurie D'Souza, Phone: 416-314-2602, laurie.dsouza@edt.gov.on.ca

Electronica 2004 ! November 9-12, 2004 ! Munich, Germany

Contact: H. Laura Vasarais, Phone: 416-326-1075, laura.vasarais@edt.gov.on.ca

Canadian IT Healthcare Pavilion ! MEDICA ! Nov. 24-27, 2004 ! Duesseldorf, Germany

Contact: H. Laura Vasarais, Phone: 416-326-1075, laura.vasarais@edt.gov.on.ca

CeBIT 2005 ! March 10-16, 2005 ! Hanover, Germany

Middle East

GITEX 2004 ! October 3-7, 2004 ! Dubai, United Arab Emirates

Contact: Al Hinton, Phone: 416-325-6792, al.hinton@edt.gov.on.ca

* Programs subject to change

Schlegel Centre for Entrepreneurship - School of Business & Economics

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**LaunchPad \$50K Venture
 Creation Competition**
 Ext. 2765
 Office: SBE 2218
 www.launchpad50k.ca

Organization Overview

The Schlegel Centre for Entrepreneurship is inspired by the vital role small and medium-sized businesses play in the Canadian economy, and is driven by a desire to educate and create opportunities for students in the area of entrepreneurship

Made possible by significant financial support from Robert and Myrna Schlegel and The John Dobson Foundation, the Centre represents a first of its kind, serving the shared interests of the School of Business & Economics, faculty, students, alumni, entrepreneurs and the private sector through a commitment to entrepreneurial education, innovation, and leadership. The Centre has four key functions:

- To support the academic programs and courses taught within the School of Business & Economics;
- To support the entrepreneurial community;
- To provide opportunities for Laurier students to work with the entrepreneurial community; *and*
- To facilitate the incubation of student business ideas.

Schlegel Centre for Entrepreneurship - School of Business & Economics Wilfrid Laurier University

Key Services Offered

The strategic framework of the Centre focuses on increasing the management competencies of business graduates, enhancing academic research in entrepreneurship, and supporting the entrepreneurial marketplace. The academic component is provided by the School of Business & Economics' undergraduate and graduate courses in entrepreneurship, and is linked with the Centre's applied and practical activities. New academic programs are being developed in three specific areas: general entrepreneurship, family business and management of early stage technology companies.

Given the School of Business & Economics' academic quality, breadth of knowledge, and practitioner orientation, in addition to its location in Waterloo Region where there is vibrant entrepreneurial activity, the Schlegel Centre for Entrepreneurship is well positioned to fulfill its key functions and achieve its goal of national leadership in the field of entrepreneurship.

Support & Services Provided (Community):

Student Connections

Hosted by the Schlegel Centre for Entrepreneurship, Student Connections is an Industry Canada Initiative dedicated to promoting the use of information technology to SMEs. Our instructional staff of experienced post-secondary students is ready to assist you in utilizing and integrating technology into your work and everyday life.

LaunchPad \$50K Venture Creation Competition

LaunchPad \$50K is a new and exciting process for students, researchers, and community members to join together in teams, develop business plans, and start successful businesses. Organized by Wilfrid Laurier University and University of Waterloo, the competition is modeled on the MIT \$50K competition, and provides a network of resources for teambuilding, mentorship, and networking. Cash prizes and in-kind services totalling \$50,000 in value will be divided among the three winning teams.

Tech Entrepreneur 201 Sales Training

Sales and financing are the two most common concerns for management. The Schlegel Centre for Entrepreneurship, The Laurier Institute, Communitech's Business Accelerator, and Market Access Corporation have partnered to offer an intensive, 8-week program that focuses exclusively on selling technology solutions.

Participants engage in highly interactive sessions that deliver lessons that can be immediately implemented in their organizations. The program incorporates breakout sessions and group practice drills to enable participants to internalize the sales methodologies.

Program Summary:

Session 1:	Tech Sales Program Preparation and Your Selling Style
Session 2:	Solution Selling and Who's Really Buying?
Session 3:	Making the Calls and Leveraging Face Time
Session 4:	Getting the Prospect to Support Your Sales Process
Session 5:	Completing the Needs Analysis and Creating Effective Proposals
Session 6:	Presenting the Solution
Session 7:	Handling Objections and Closing the Sale
Session 8:	Program Review and Wrap-Up

University of Waterloo Entrepreneur Association

Entrepreneur Association Organizational Co-Chairs

Kunal Gupta

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Entrepreneurs' Association, c/o CBET
200 University Avenue W.
Waterloo, ON N2L 3G1
www.eauw.ca

Organization Overview

The Entrepreneurs' Association (EA) of the University of Waterloo is a non-profit organization dedicated to providing UW students, alumni, faculty, and staff with the contacts, resources, and education they will need to be successful. Our purpose is to cultivate an environment of entrepreneurship from within our membership. We seek to be a conduit between the entrepreneurial world and the entrepreneurial campus.

Since its inception in 2000, the EA has grown to over 500 members on campus! Visit EA online at www.eauw.ca.

Services

A few of the initiatives that the EA organizes include: monthly speaker series, conferences, workshops, a newsletter, an online forum and membership packages. There are opportunities available for organizations to co-sponsor EA events on campus. Impact, a national conference dedicated to promoting entrepreneurship at a student level, is EA's largest event this term.

Impact 2004 will offer you with a unique opportunity to network with tomorrow's leaders and decision makers. If you are a student and are passionate about the idea of entrepreneurship, then Impact 2004 is for you! If you would like the chance to meet with these motivated and exceptional students, then attending our banquet is a must for your organization! Meet with over 150 students from across Canada and listen to our evening keynote: Frank O'Dea, founder of The Second Cup.

Date: Saturday, November 13th, 2004

Venue: Four Points Sheraton Kitchener

Register online today: www.impact2004.ca

University of Waterloo - UW Research + Technology Park

Carol A. Stewart

Business Development Manager

University of Waterloo
200 University Avenue West, GSC 228
Waterloo, ON N2L 3G1
519-888-4567, ext 6339
castewar@uwaterloo.ca
www.rtpark.uwaterloo.ca

Company Overview

- Situated north of Columbia Street, the University of Waterloo Research + Technology Park will consist of approximately 1.2 million square feet of floor space in several buildings spread across nearly 120-acres of land owned by the University of Waterloo.
- The UW Research + Technology Park is a world-class centre of innovation which is characterized by leadership in education, technology, research, government and business.
- The University of Waterloo is committed to creating a unique community-based Research + Technology Park, whose mandate is to foster radical innovation.

Products and Services

- The Research + Technology Park provides a powerfully supportive base for radical, high impact research. Located on-campus, the tenants are never more than a few minutes from tapping into Canada's top university minds.
- The Accelerator Centre, a key component of the Research Park, will provide the support services to commercialize the innovative work done in universities and colleges, hospitals and laboratories, and in private sector research facilities. Services will include Intellectual Property Management consultation, mentoring, access to professional service providers, community networking events and investor matchmaking with innovators.

One Piece of Advice

"The Research + Technology Park is the best possible environment for us. It represents the opportunity to build a virtual team – with members from both industry and academics - that will strengthen our leadership in driving the mobile and wireless revolution." **Terry Stepien, President, iAnywhere Solutions**

"It takes just one person to have an idea, but the ideas come faster and more frequently when talented people come together to sharpen each other's insights and pool their expertise. This is what the Research + Technology Park provides – a community for innovation." **David Johnston, President, University of Waterloo**

"This Accelerator Centre is an example of the kind of innovative community partnership which will help strengthen our region's competitive advantage. Waterloo Region's participation in this major initiative is an ongoing reflection of our belief that fostering a strong economy is essential to maintaining and enhancing the quality of life in our community." **Ken Seiling, Regional Chair, Region of Waterloo.**

Waterloo Angel Group

bizplans@waterlooangelgroup.com
www.waterlooangelgroup.ca

Investment Focus pre-revenue pre-funded companies with advice and guidance to develop their business to a point where they will become eligible for future funding.

Stage of Investment:

- Seed/Start-up
- Early Stage
- Expansion
- Turnaround/Consolidation
- Acquisition/Buyout

Typical Amount of Investment: \$50,000 to \$2.0MM

Sectors Focus: All technology sectors

List Most Recent Investment(s): N/A

Notable Company Features

WAG is composed of a group of successful local entrepreneurs who have, and continue to invest in high-growth companies. WAG provides entrepreneurs (based in and around the Region of Waterloo) the opportunity to approach a group of experienced local active investors for angel round financing. If you are actively looking for money for your new venture and have an exciting high-growth opportunity, we invite you to contact us (bizplans@waterlooangelgroup.com).

One Piece of Advice

Building a real business takes time and patience. Stick to fundamentals, maintain your integrity at all times, and strive for wealth creation not wealth accumulation. And remember, never confuse your self worth with your net worth.

Waterloo Region Business Enterprise Centre**Peter Kerr**

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519-741-2984
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Rob Clement

Small Business Advisor
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Kitchener, ON N2G 4G7
www.bizenterprisecentre.com

Company Overview

The Business Enterprise Centre's (BEC) mandate is to encourage and contribute to the enterprising spirit and economic development of our community by assisting entrepreneurs with the development of new or existing businesses. The BEC provides a variety of resources to individuals preparing to start a new business venture in the Waterloo region. These resources include access to business software, the Internet, commercial electronic databases, library reference materials, research assistance, publications for sale, fee-based office services and an opportunity to register a business name.

The BEC's small business officers (or business consultants) are available to meet with you to discuss your business idea. This meeting can be used to help you through any roadblocks in the planning process, to develop specific areas of your plan, or as a review prior to talking to lenders or investors.

The Waterloo Region BEC is also a Canada-Ontario Business Service Centre ([COBSC](#)) regional access site. This joint federal-provincial initiative provides useful information to new and established entrepreneurs about government programs, services and regulations on starting and operating a business in Ontario.

One Piece of Advice

Starting your own business can be very rewarding but requires a great deal of research and hard work; but our recommended 9-step approach should help you find your way. Just follow the nine steps below; and remember, as you prepare to embark on this journey, the Business Enterprise Centre will be there for you.

- | | |
|--|--|
| Step #1 Are you an Entrepreneur | Step #6 Business/Trade Name Registration |
| Step #2 Explore New Business Opportunities | Step #7 Business Considerations |
| Step #3 Conduct a Feasibility Study | Step #8 Arrange Financing |
| Step #4 Protect Your Business Idea | Step #9 Community Links |
| Step #5 Prepare a Business Plan | |

WatStart

Forum Administrators: Gary Will, Jacqui Murphy, Alanna Sinclair
 Address: <http://www.watstart.com>
 Website Inquiries: admin@watstart.com

Company Profile

WatStart—the Waterloo Technology Start-up Network—is a community initiative designed for prospective entrepreneurs and very-early-stage technology companies in the Waterloo area to come together, learn from each other's experiences, and receive guidance and support from service providers who understand the needs of start-up entrepreneurs.

Ask questions and share advice with fellow entrepreneurs

The website, <http://www.watstart.com>, is free to use for all entrepreneurs. Once you register, you will be kept informed about events and get-togethers organized by WatStart and will be able to participate on the forums. You can post questions, share your thoughts, and receive information from leading service providers, on forums covering various issues that are relevant to start-up companies.

You can remain anonymous, if you wish

Some people don't want it known that they're thinking about starting their own company. Waterloo is a small enough community that word can quickly get around. On the WatStart website, you can register under a username of your choice, keep your email address private, and still be able to receive private messages.

Products and Services

WatStart was launched by Tech Capital Partners and Gary Will, with technical assistance from Rob Carey (website development) and The Waterloo Networking Company (hosting).

The founding sponsors of WatStart include leading venture capital firms, accounting firms, law firms, facilities providers, IT specialists, and a PR agency. Each has committed to participating on the forums to provide information targeted to the needs of startup entrepreneurs.

Offline, WatStart will organize private, informal meetings through the year where prospective and early-stage entrepreneurs can get together to learn from each other and to receive ongoing guidance, support and encouragement.

One Piece of Advice

Don't go it alone! There's a whole community of entrepreneurs in the area and an experienced knowledge base that you can draw upon to get your company off the ground and pointed in the right direction.

Section V: Entrepreneur Week

Entrepreneur Week

October 1st-8th 2004

Brought to you by:



Sponsored by:

MILLER THOMSON LLP
Barristers & Solicitors, Patent & Trade Mark Agents



Entrepreneur Week Agenda

Date	Activity	Location
October 1	Launch of Entrepreneur Week	Private
	Perimeter Institute Launch (Private)	Private
October 2	Perimeter Institute Open House	Perimeter Institute
October 4	“Spurring Growth” session hosted by the Business Enterprise Centre (BEC) and Canadian Technology Network (CTN)	The Brick Brewery
October 5	20/20: Building on Our Vision for the Future, hosted by the Canadian Manufacturers and Exporters (CME) and Canada’s Technology Triangle Inc (CTT)	Conestoga College Doon Campus Kitchener
	Chapter 2: Right on the Market, Communitech, with Tech Capital, CFO2Go & Canadian Consulate in Boston present an event for aspiring Entrepreneurs. Featuring three keynote presenters and the WLU/UW 50K LaunchPad	Federation Hall University of Waterloo
October 6	Bridges to Better Business Conference, Business Enterprise Centre	City Hall Rotunda, City of Kitchener
	CBET Speaker Series, Centre for Business and Entrepreneurship, University of Waterloo Keynote presenter: Jim Estill, CEO of SYNEX Canada	Davis Centre Room 1302 University of Waterloo
October 7	TechWorking Breakfast, Communitech Technology Association, Keynote Presenter: Jim Cooper, President, MapleSoft and Fred Kern, Vice President, Commercial Sales	The Regent Room Waterloo Inn
	Reception, Schlegel Centre Open House – WLU/UW LaunchPad \$50K Kick-Off Networking Event	Schlegel Centre for Entrepreneurship Wilfrid Laurier University
October 8	Greater KW Chamber of Commerce Breakfast Event - Leveraging your Research Dollars	Holiday Inn (Kitchener) Michigan Room
	Cambridge Chamber Breakfast Event – Improving your ROI	Cambridge

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