

Venture victors Two startups share prize in WPI business plan contest

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WORCESTER— A company that makes a pump used in heart surgeries and a Web-based business that helps independent musicians produce and sell their work were named co-winners last night of the 2005 WPI Venture Forum Business Plan contest.

Design Medical Inc. of New Hampshire and Nimbit Services of Framingham will split \$10,000 in cash and \$10,000 in professional services from lawyers and marketing experts as the first ever co-winners of the prize, given annually by the WPI Venture Forum.

Design Medical has developed a pump used during heart surgery to keep blood flowing through the body's organs, even as a heart is stopped for surgery.

Such a pump will help prevent kidney failure, which happens in 10 percent to 20 percent of all heart surgery patients, said Douglas E. Vincent, chief executive officer of the Pelham, N.H.-based company.

The company's other co-founder, Brian Key, previously worked at DEKA of New Hampshire, and was one of the co-inventors of the IBOT Transporter and the Segway personal transporter. Design Medical's advisers include Drs. Adam Saltman and Glenn Gaudette of the University of Massachusetts Medical School.

If the company can secure \$1.5 million in financing, it plans to conduct animal studies at the medical school, Mr. Vincent said.

"I thought it was a good presentation and a good business plan," said judge Will Cohen, a venture capitalist at Long River Ventures and Worcester Capital Partners. "You made a compelling case for a pulsating pump."

The judges made comments about each of four finalists last night after each company made brief presentations — in kind of an "American Idol" for startup businesses. The finalists were chosen from 15 entries in all.

Nimbit Services has created an online portal where independent musicians can produce CDs, manage the distribution of their music, create a Web site and interact with radio stations that play independent music.

More than 4 million people in the United States consider themselves musicians, but only 1 percent land contracts with major record distributors, said Nimbit CEO Patrick Faucher, a Berklee College of Music graduate who previously worked in e-commerce for Stumpworld Systems, Navisite Inc. and Polo Ralph Lauren.

With little to no marketing, the site has already attracted more than 2,500 users and has been adding users at a rate of 100 per month. The typical user generates about \$1,150 in sales for Nimbit.

Within three years, the company hopes to top \$31 million in revenue.

"I like very much what you're doing," said judge Elliot Katzman, an investor with Kodiak Venture Partners. "Music's a very hot space, and you're going after a niche that is underserved. And it's not just an idea — you've got traction."

The company is attracting new customers at a tremendous rate for such a new business, said judge Steven Wardell, an investor with CPP Advisors.

"Incredibly, you have a product that works, is on the market and is adding 100 new clients per month with no marketing," he said. "That's remarkable."

This year's list of finalists had a decidedly medical-device flavor. The two remaining finalists also make medical devices.

Enginivity LLC of Lexington makes a fluid delivery system that can be used to warm intravenous fluids on the battlefield or in a hospital. The company has already secured \$5 million in orders from the U.S. military.

Advanced Radiation Therapy Corp. of Lincoln created a new way to deliver radiation to women recovering from breast cancer.

The device is worn like a bra, and reduces the time needed for radiation to four to five days. Current treatments require five to seven weeks of radiation every day in a hospital setting.

The WPI Venture Forum Business Plan contest is held annually to connect entrepreneurs with investors and other professionals that can help them build their companies. The event is sponsored by several local law firms, marketing companies and technology advisers.

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