

# connect

THE WEEKLY NEWSLETTER OF UCSD CONNECT

## Springboard Graduates Continue to Foster San Diego's Economic Growth

by Catherine L. Smith

There are no guarantees. Companies that withstand the rigor of CONNECT's Springboard program emerge polished and energized and ready to tackle the challenges of pushing their fledgling company to the next stage of establishment. Not every graduate meets immediate or even eventual success. But many do.

Over 150 companies have enrolled in the Springboard program in the seven years since its inception. Entrepreneurs accepted into the program spend four to eight weeks in coaching sessions with experienced business people to help them develop their business plan. Upon completion of the program the entrepreneur is invited to make a presentation of their idea to a select group of CONNECT sponsors and members. This group will usually include a venture capitalist, accountant, corporate and patent attorneys, marketing professional and an executive from a successful company in the same industry. Experts will also be drawn from insurance, real estate, human resources and other areas as appropriate. The goals of the 1 1/2 hour Springboard meeting are to provide the entrepreneur with candid recommendations for the development of their business plan or concept and to help define the desired outcome of their efforts.

Two successful Springboard graduates were featured in recent Union Tribune editions with front page stories in the Business Section. March 7<sup>th</sup>'s story on "The Entrepreneurs" featured John French's Carttonics and its shopping cart anti-theft device, which will have sales approaching \$10 million this year. Bruce Bigelow's March 8 story on venture capital investments in energy related companies featured Jeff Colburn's company, Metallic Power, which is developing portable power sources using zinc fuel cells.

To amplify the impact of Springboard participation, here are the profiles of several Springboard graduates.

Prisa Networks Inc., a developer of network management software, participated in Springboard about six years ago. Still pre-IPO, the company is on a fast growth track, having received an investment of \$11.9 million from Compaq, GE and Intel last year. According to Marc Friedmann, company CEO, president and co-founder, Prisa currently has about 50 employees and is growing at a rate of one person a week. The company's product line, VisualSAN, recently demonstrated its capabilities by supporting Intel's InfiniBand architecture products at the Intel Developer Forum Conference in San Jose in February.

Gray Scale Technologies, a February 2000 Springboard participant, develops technologies that extend the life of optical lithography used in integrated circuit manufacturing. "When we presented at a Springboard gathering, we expected to receive some helpful constructive criticism. We did receive that,

but we also received much more - an excellent group of advisors and investors" said Gray Scale's president, Duncan MacVicar. The company received three term sheets from investors present at the Springboard sessions, and just last week closed its Series A round of funding at \$1.4 million.

NeuWorld Financial, a company that performs stock analysis using artificial intelligence, was founded over nine years ago. Company founders Barry Hippensteel and Cdr. Tom Berghage are still the only employees, and the company has yet to generate revenue. The big news, however, is that they are set to launch the capabilities of their web site (<http://www.ai-stocks.com>) in two weeks. According to Hippensteel, the technology they have developed is much like IBM's Deep Blue, a computer that has been programmed to teach itself. By entering information about actual stock investments into NeuWorld's investment program, patterns are recognized and forecasts can be made about future financial performance. The amount of information that can be generated and retained is staggering, and extends far beyond human capabilities.

Cargo Technologies has recently initiated the production of its AirLiner product, an alternative solution for shipping perishable cargo. AirLiner is an inflatable, insulating bag that converts an ordinary corrugated box into a cooler that is designed to keep perishables fresh and cold for at least 48 hours. The company expects to launch in late spring of this year. In April of 2000 Cargotech received equity investments from Hamilton Technology Ventures, LP, a relationship that was established through CONNECT's Springboard program and UPS Strategic Enterprise Fund, the private equity investment arm of United Parcel Service, Inc.

Elitra Pharmaceuticals has recently enjoyed a windfall of successes: in May of 2000 the company signed a collaboration agreement with LG Chemical; one month later Elitra announced its acquisition of PathoSeq business from Incyte Genomics. In August the company completed a \$22 million Series E financing round. Two months later Elitra acquired Mycota Biosciences in an all-equity transaction. Elitra, a developer of antimicrobial functional genomics, participated in Springboard in June of 1997.

While each of these companies is currently enjoying respective successes, the route to date has been bumpy. Elitra, for example, reported a net loss of \$5.8 million on no revenue in 1999. After nine years NeuWorld Financial has yet to turn a profit. Yet persistence and a good business plan are finally paying off. Springboard was there to give them the initial push and practical know-how, showing entrepreneurs how to succeed by teaching them the fundamentals of estab-

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lishing a business. These entrepreneurs succeed because they develop the pragmatic sensibilities necessary to do so.

## **HIGH TECH NEWS**

**Polexis Inc.**, a software company that creates business intelligence integration solutions for businesses and government agencies, has been contracted by the U.S. **Joint Forces Command** for the use of its Extensible Information Systems (XIS) to provide the visualization component to display live data feeds to be plotted on a map for upcoming Unified Vision 2001 (UV01) combat training war game exercises. The Command plans to enlist Polexis' help to train 150 Civil Servants and Military Personnel to use XIS by May 2001. Developed by Polexis, the XIS platform is a technology that provides advanced information integration, management, and visualization services, enabling organizations to pull together information from disparate sources into a consolidated information environment where users can view and manipulate disparate data without being hampered by protocols and platform-specific limitations. The training exercise effort is a smaller component of a major field experiment integrating Service and Special Operating Forces capabilities called Millennium Challenge 2002. UV01 will examine rapid decisive operation concepts by establishing a simulation-supported war game environment that will demonstrate the U.S. Joint Force Command headquarters' ability to plan, coordinate, and execute critical aspects of a rapid decisive operation. The overall focus of UV01 is to define the organization, internal processes, command and control construct, and the technology framework systems (such as XIS) required to execute an optimal rapid decisive operation.

San Diego-based **ideaEDGE Ventures**, a corporation developing global businesses in the mobile Internet space, and **Startupfactory**, a venture capital firm focusing on enabling technologies and applications for the mobile Internet industry, have formed an international partnership. The partnership will support the mutual goal of launching mobile Internet businesses that span the globe. Under this agreement, ideaEDGE and Startupfactory will work together to enable the deployment of mobile Internet technologies by sharing business and technology resources, and market intelligence research. This partnership will also provide both companies with a source of wireless and telecommunications knowledge and industry expertise to help identify, potentially co-invest, and develop new wireless technologies for future ventures. For Startupfactory, the partnership will also create strong-ties to San Diego.

**Silicon Space** has introduced a new practice area – Partner Relationship Management (PRM). PRM is a business strategy that streamlines vendor/reseller communication to increase channel revenue, communication, and collaboration and decrease direct administrative costs and product time to market. Silicon Space defines, develops, and deploys Web-based PRM systems that help companies make the most of partner relationships.

## **HEALTH CARE BUSINESS**

**Syngenta AG**, formed in November by the merger of Novartis Agribusiness and Zeneca Agrochemicals, has signed agreements on the sale of its global flutriafol fungicide business. **Cheminova A/S** will pay an initial \$15 million for the product, which is marketed in Europe, Latin America and Australasia under the brand names Impact and Vincit. Cheminova will also buy the stocks of the business at cost. Syngenta is making this divestment in order

to satisfy conditions imposed by the European Commission in connection with the recent merger of Novartis and Zeneca. Flutriafol protects both crops and seeds from fungal diseases. Farmers use the compound in a wide range of settings, primarily for cereals and arable crops. When applied as a seed treatment, flutriafol offers systemic protection against soil- and seed-borne diseases. Flutriafol is a former Zeneca product first marketed in 1984.

The U.S. Patent and Trademark Office has issued **Idun Pharmaceuticals, Inc.** patent number 6,200,969 covering methods for the inhibition of apoptosis, (programmed cell death). This patent covers the use of technologies that target the inhibition of members of the ICE/CED-3 family including caspases, a family of important proteins known to be central to the apoptosis process.

**Ligand Pharmaceuticals Incorporated** has initiated its non-small cell lung cancer (NSCLC) registration program with Targretin capsules after a productive meeting with the FDA in December 2000. The program is designed to support a supplemental indication for Targretin capsules in first-line treatment of patients with advanced NSCLC. In the next few weeks, the first study in this program is expected to be ready for patient enrollment. Ligand plans to conduct two randomized Phase III trials of approximately 600 patients each. One of these trials will compare the combination of cisplatin and vinorelbine with the same combination plus Targretin capsules. The second trial of similar design will study Targretin capsules in combination with carboplatin and paclitaxel. Prior to starting this trial, Ligand will be conducting a tolerability study of 15 to 30 patients of the three-drug combination of carboplatin, paclitaxel and Targretin capsules to further define safety parameters for the Phase III trial. A fourth trial is designed to study in approximately 30 patients the pharmacokinetics and potential drug interactions of the two combinations used in the Phase III program. The results of this final study, scheduled to start in mid-2001, will be needed at the time of the supplemental NDA submission.

**Chromagen, Inc.**, a leader and innovator in the field of assay development and detection technologies for pharmacogenomics and drug discovery, has closed a \$15 million round of financing. To date, the company has raised over \$30 million. Dain Rauscher Wessels acted as the Exclusive Placement Agent and advisor to the company. The investors in this round include Zesiger Capital Group, Essex Capital, S.A.C. Capital Associates, DRW Venture Partners, United Capital, JAFCO, and Nippon Venture Capital. Chromagen is a leading developer of sensitive gene expression technologies that enhance new drug discovery. The company's products offer the benefits of simultaneous multi-target detection, direct analysis of gene expression, high sensitivity and broad dynamic range, and ease of use in high throughput testing operations.

## **THE "BITS"**

**Dr. John Reed** will succeed **Dr. Erkki Ruoslahti** as President and CEO of the **Burnham Institute** effective January 1, 2002. The Board also elected Dr. Reed as Trustee effective immediately. Dr. Reed's election concluded two months of due diligence conducted by the Board following Dr. Ruoslahti's announcement in January of that he planned to resign his adminis-

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## The "Bits" continued

trative duties at the end of 2001. Reed joined the Institute in 1992 to start and direct the Institute's program on Cell Death and Apoptosis Research. In 1994 he was named Deputy Director of the Institute's NCI Cancer Center. His leadership at the Institute was broadened in 1995 with his appointment as Scientific Director. As Scientific Director, Dr. Reed has worked together with Dr. Erkki Ruoslahti to grow the Institute to 500 employees operating on a \$41 M budget. He has also helped to develop new directions in the Institute's Cancer Center, and broadened the Institute's research base into neurosciences and aging research through strategic faculty appointments.

Public Relations firm **Porter Novelli** has acquired **Tsantes & Associates**, a public relations firm serving advanced technology companies. Tsantes & Associates will continue to operate under its own name until has integrated its programs and operations into the broader Porter Novelli Convergence Group later this year.

**Aurora Biosciences Corporation** has announced the appointment of **Williams S. Ettouati, D.Pharm.**, as vice president, Business Development. Aurora also announced the promotions of **Christopher W. Krueger, J.D., M.B.A.** from vice president, Strategic Alliances and Legal Affairs to general counsel and vice president, Strategic Alliances; **Pamela J. Fritz** from senior director, Human Resources to vice president, Human Resources; and **Brian A. Pollok, Ph.D.**, from senior director, Discovery Biology to vice president, Discovery Biology.

**Axiom Biotechnologies Inc.** has appointed three new members to its senior management team. **Michael R. Kozlowski, Ph.D.**, has joined as chief operating officer; **Damien Dunnington, Ph.D.**, is now vice president of Discovery Research and **Steven J. Brown, Ph.D.**, has been appointed director of Molecular Pharmacology. Kozlowski has nearly 20 years of drug discovery experience in both large pharmaceutical companies and biotechnology companies. Before coming to Axiom he was vice president of Biology Research at Telik. Dunnington has over 16 years of pharmaceutical drug discovery experience, including 14 years at SmithKline Beecham and two years at Aventis. Prior to coming to Axiom he was the group head of Profiling, Screening and Laboratory Automation at Aventis. Brown has more than eight years of drug discovery experience at Chugai Biopharmaceuticals where, prior to joining Axiom, he was a senior scientist and project leader.

**Mentus**, a southern California business-to-business marketing/PR agency, has announced that **Audrey Fagan-Miranda**, executive vice-president/CFO/general manager was named one of BtoB magazine's 25 "e-Champions." The nominees were chosen by BtoB's editors and reporters and awarded to senior managers in a wide range of industries who are movers and shakers, innovators, and pioneers rewriting the rules of business on the Internet, according to BtoB magazine. Fagan-Miranda was named an "e-Champion" for leading Mentus to a 48% increase in billings in 2000, despite the industry's shaky economic conditions.

**Eric J. Feldman, M.D., Russell Glass and Walter Moos, Ph.D.**, have joined the board of directors at **Axiom Biotechnologies**. Dr. Feldman is the director of the leukemia service in the division of hematology/oncology at New York Presbyterian Hospital. Russell Glass is the president of Icahn Associates Corp., and

president and CEO of Cadus Pharmaceutical Corporation. Dr. Moos is the chairman and CEO of MitoKor.

## WHO'S DOING WHAT

### At CONNECT

"Opportunities in Web Based Technologies" is being featured at the Temecula CONNECT Links meeting, April 6, 11:30 — 1:00 pm at the Temecula City Council Chambers, 43200 Business Park Drive, Temecula. This session, presented by Scott Gradert, Director of Business Development, ProSoft Corporation, will cover in detail how new web based technology can work for you. This discussion will lead to an exploration of potential solutions for legacy systems through to DotComs. RSVP, 909-699-3560 or mailto:lgonzales@swensonadvisors.com by April 4. Cost is \$8 for Temecula CONNECT members, \$10 for nonmembers.

**Human Resources CONNECT Presents Sharon Jordan-Evans: "Love 'Em or Lose 'Em: Getting Good People to Stay" - Wednesday April 11, from 11:30 am - 1:30 pm** at The La Jolla Marriott, 4240 La Jolla Village Drive. How can we retain our very best employees? Ask them what they want! Please join us at this special HR CONNECT luncheon as best-selling author Sharon Jordan-Evans discusses how we often overlook some of the easiest, most obvious, cost-effective tools to retaining the employees whom we most want to keep. Cost: \$55 for employees of CONNECT Member & Sponsor Companies, \$65 for non-member HR Professionals. To register, fax your registration and payment to 858-552-0649. For questions call 858-534-6114.

**3rd Annual ATHENA Pinnacle Awards - Thursday, April 12** from 11:30 am — 2 pm at the Hilton La Jolla Torrey Pines. A celebration recognizing both men and women executives, educators and companies in San Diego's technology community committed to fostering the growth of women in their organizations. Cost: \$75 per person; \$750 for a table of 10; and \$1,000 to be a table sponsor. To register call, fax or email CONNECT at 858-534-6114 (phone), 858-552-0649 (fax) and connectinfo@ucsd.edu.

"Help for High Tech Startup Companies" is being featured at the Temecula CONNECT Links meeting, April 25, 11:30 — 1:00 pm at the UCR Extension, 27919 Jefferson Ave., Temecula. This session, presented by Dave Smith, Core 21; Ed Setzer, Tech Coast Angels; and Brian Underhill, Inland Empire Economic Partnership Foundation, is designed to inform how Inland Empire universities and colleges help convert ideas into jobs and sales for the region. Learn how the TCA operates and what type investments gain traction with its members. Hear about the current resources of the Inland Empire region and the initiatives that are being implemented to nurture the needs of today's entrepreneur. RSVP, 909-699-3560 or write to lgonzales@swensonadvisors.com by April 23. Cost is \$8 for Temecula CONNECT members, \$10 for nonmembers.

### At UCSD

**UCSD Extension Information Technologies Free Information Seminar — Thursday, March 29** from 6 — 8 pm at UCSD Extension's Sorrento Mesa Center, 6925 Lusk Blvd. Learn about how the University's continuing education high-tech programs

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## Who's Doing What continued

can help you meet your career goals. This seminar is designed to provide attendees with in-depth information about UCSD's high-tech courses and certificate programs. Topics include, Microsoft Certification, Communications & Networking, Databases (Oracle, SQL, Relational Database Engineering), CISCO (CCNA, CCNP), Computer Languages (Java, C/C++, Visual Basic, Visual C++), Embedded Systems, UNIX (Linux and Solaris), Web Publishing, Multimedia Development, E-Commerce Technologies, XML, PDA Application Development, and High-Tech Career Development. To reserve a seat call 858-622-5740 or send an e-mail to [infotech@ucsd.edu](mailto:infotech@ucsd.edu). More information is available at <http://www.extension.ucsd.edu/IT>. Admission, refreshments and parking are all free.

### AROUND TOWN

**BIOCOM Monthly Breakfast: "From Dolly to China's Giant Panda: The Challenges in Animal Cloning" — Wednesday, March 28** beginning at 7 am at the Marriott La Jolla, 4240 La Jolla Village Drive. Featured speaker: Kurt Benirschke, M.D. Dr. Benirschke will explore the ethical challenges and issues facing the Zoological Society and discuss the potential opportunities in species conservation and reproduction using animal cloning. Cost: \$35 for BIOCOM members, \$55 for non-members. Register on the web at <http://www.biocom.org> or by calling 858-455-0300.

**4<sup>th</sup> Annual CORE21 Symposium — Wednesday, March 28** beginning at 7:30 am at California State University, San Bernardino. Designed for anyone considering starting a business or commercializing a technology, the symposium focuses on key tasks, such as business plan preparation, raising capital and product development, an entrepreneur must accomplish to build a successful business. We will hear about these business building steps from both subject matter experts and entrepreneurs who have taken their business through these crucial steps. For more information call 909-880-5977. Cost: \$145 (\$95 before March 16) and \$50 for students.

**A Woman's View Luncheon - Wednesday, March 28** from 11 am — 1:30 pm at the Doubletree Hotel, 7450 Hazard Center Drive in Mission Valley. Event Emcee: Karen Sadler of Star Horizons Featured Speakers: Dr. Marjorie Blanchard of Ken Blanchard Co. and Mary May, Founder of Harvest for the Hungry. Themed "San Diego's Inspiring Women" the luncheon will focus on empowering the individual woman's journey through career, home life, and life passions. Sponsored by SAIC, The San Diego Union-Tribune; and Presented by The Emerging Business Center of the San Diego Regional Chamber of Commerce. Cost: \$35 Chamber members, \$45 nonmembers, \$10 additionally, after Monday, March 26<sup>th</sup>. For registration: <mailto:akeller@sdchamber.org> or 619-544-1365 or for more information visit <http://www.sdchamber.org>.

**STARCOM 2001 — Thursday, March 29** at the San Diego Convention Center. This annual awards program salutes San Diego County's top industries including: top 25 high tech firms; top 25 biotech firms; top 25 largest private companies; top 25 largest public companies; and top 25 emerging growth companies. Key-note speaker: Gary Mirkin, publisher of Inc. Magazine. For more information contact Craig Johansen at the San Diego Business Journal at 858-277-6359 or [cjohansen@sdbj.com](mailto:cjohansen@sdbj.com); [www.sdbj.com](http://www.sdbj.com).

**High-Tech Night @ The Opera — Friday, March 30.** Join the leaders of San Diego's High-Tech community for the West Coast

Premiere of the new American opera Cold Sassy Tree. Your ticket to the performance will include an exclusive behind the scenes tour and a pre-opera reception hosted by Bill Stensrud, Partner, Enterprise Partners Venture Capital, and a committee of San Diego's foremost High-Tech executives including Fred Cutler, Executive Director of UCSD CONNECT. For more information and tickets visit <http://www.sdopera.com/hightech.html>.

**iWireless World — April 2 — 4** at the Beverly Hilton Hotel in Beverly Hills. This is an international forum and showcase on mobile content, commerce and technology. Keynote speakers: Rob Tercek, president, applications and services at PacketVideo; Tapio Anttila, director of business development, 3G Media Ericsson; Naveen Jain, chairman and CEO, Infospace; Dr. Paul Jacobs, executive vice president, QUALCOMM; and Felix Lin, chairman and co-founder, Avantgo. Full conference pass cost: \$1195; day use pass: \$450 per day; exhibit hall pass: \$25. For more information visit <http://www.iwirelessworld.com> or call 310-815-3884.

**Digital Vikings - The Network for Scandinavian Professionals in Southern California Meeting- Wednesday, April 4** at 5 pm, 6455 Lusk Boulevard (Ericsson). This month's program is a social event with rounds of networking, dinner, dessert and ending with the showing of a Swedish movie with English subtitles. The cost to attend is \$20, which is payable in cash on location. This includes one drink, and Swedish pea-soup dinner followed by dessert of 'semlor' (almond paste and whipped cream stuffed buns) and genuine Swedish coffee. Registration is required! For more information or to register, visit <http://www.digitalvikings.com> or call Tony P. Krvaric, Executive Director at 858-382-1797.

**Ernst & Young Entrepreneur of the Year Awards Nomination Deadline — April 6.** Nominations are being sought for San Diego's annual Ernst & Young Entrepreneur of the Year Awards. This award is given in various categories and is for entrepreneurs who have created and sustained growing business ventures. The Gala Banquet will be held June 13th at 5:30 pm at the Hilton La Jolla Torrey Pines. For a nomination form or additional information, please contact Irene Veca at (619) 235-5061 or [irene.veca@ey.com](mailto:irene.veca@ey.com), or obtain a nomination form directly from <http://www.ey.com/us/coy>.

**Life Science Industry Council (LINC) CEO Quarterly Breakfast — Wednesday, April 18** at 7:30 am at Cortex Pharmaceuticals, 15231 Barranca Parkway, Irvine. For more information call 949-475-0485.

**American Corporate Council Association (ACCA) — San Diego: "Employment Law Update" — Thursday, April 19** from 11:30 am — 1 pm at the Radisson La Jolla. Featuring Mr. Greg Sindici, Esq. Of Littler Mendelson. Cost: \$35 for ACCA members, \$45 for guests and non-members. To RSVP call 619-260-2022 or [sandiego@exclusivelylegal.com](mailto:sandiego@exclusivelylegal.com).

For more announcements see the CONNECT website at [www.connect.org](http://www.connect.org)