



## BizStarts Milwaukee Catalyst

July, 2010

*Last month BizStarts Milwaukee announced the receipt of a \$458,000 grant from the U.S. Dept. of Commerce Economic Development Agency to fund several BizStarts' initiatives, including the Venture Track program. This month we will do a short Q & A with Chelsea Krause, Director of Venture Track, to learn more about this growing BizStarts program.*

### **Q: What is Venture Track?**



Chelsea Krause, Director,  
Venture Track

**Chelsea:** Venture Track provides strategic connections and information for fast-growth companies to help them start, grow and prepare to raise capital or other sources of funding. There is no other resource in the region that specifically targets high-growth ventures in sectors such as IT, water technology, medical devices, life sciences, advanced manufacturing and other technologies. These are sometimes referred to as non-lifestyle start-ups as they usually export goods and services outside the immediate region.

The Venture Track program consists of a suite of hands-on mentoring and training programs. It includes events that assist entrepreneurs at different stages of their company development, from the idea stage through early stages of funding. The programs provide entrepreneurs with tools to evaluate their ideas, refine their business concepts, develop business plans, make strategic connections, and preparation for raising capital.

### **Q. How is the EDA grant going to impact the Venture Track program?**

**Chelsea:** The goal is to establish BizStarts Milwaukee as the regional resource for entrepreneurs, with a special emphasis on fast-growth companies. This year we are going to focus more of our efforts on outreach to organizations within the SE Wisconsin region that serve entrepreneurs. Since much of the infrastructure has been developed for the program, the new funds allow us to dig a little deeper into some of these companies by providing some additional focused efforts. We want all entrepreneurs in the region to find the BizStarts website

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([www.bizstartsmilwaukee.com](http://www.bizstartsmilwaukee.com)), locate the resources they need to become successful and move their innovative, high-growth companies into the Venture Track Program.

**Q. What is a Venture Track company?**

**Chelsea:**

The ideal company characteristics include entrepreneurs with a vision to grow their company to annual revenues of at least \$20 million, potential customers outside of the immediate region, a sustainable competitive advantage such as a patent or other unique process, a product or service in a growing market and a potential significant return on investment. Equally important is entrepreneurs who have the desire and willingness to take direction and put in the time and effort it takes to become successful.

**Q. Does Venture Track invest in companies?**

**Chelsea:** No. Not at this time. What we can and have done is facilitate relationships that may lead to financing, but we do not provide funding. We get entrepreneurs investor-ready.

**Q. Tell me about the Venture Track Ugly Baby panels. What is an Ugly Baby?**

**Chelsea:**

The idea for the Ugly Baby Panel comes from the notion that people love their new business ideas so much that they may not be able to see the faults in them. Like a baby that has a face only a mother can love, the same goes for an entrepreneur and a new idea. They can become blinded. We wanted to give our entrepreneurs an opportunity to get some feedback on their ideas and polish their investor pitches. It's a chance for entrepreneurs to connect with a team of potential mentors and coaches, which is a critical part of starting a new business. Strategic connections and good advice--you can never have enough of either. They are like vitamins for a new venture.

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## Ugly Baby Panel

A panel of Venture Track advisers and coaches vetted two more start-ups at the Ugly Baby panel last month at BizStarts offices at the Milwaukee County Research Park.



Ugly Baby Advisors At Work

**Ictect, Racine, WI.**

**Founder: Pradeep Jain**

Ictect specializes in intelligent content architectures, software that offers businesses a new way to manage and publish large amounts of content. Recently, Ictect signed a sizeable contract with the U.S. Air Force, which will utilize Ictect's proprietary software to process its public directives, policy documents, manuals and other materials. For more information, visit [ictect.com](http://ictect.com)

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## **Federal Sleep Institute, Milwaukee, WI.**

### **Principal: Brad Czernejewski**

The Federal Sleep Institute developed an at-home testing and treatment system for those affected with obstructive sleep apnea. The company provides a comprehensive sleep apnea treatment system to patients that would normally be excluded from treatment because of cost and convenience issues. Historically, testing has been done through an overnight lab or hospital. The company's 4-step system, originally designed for the commercial trucking industry, is now available to anyone that is at-risk for sleep apnea. For more information, visit <https://federalsleepinstitute.com/>



Brad Czernejewski, founder of the Federal Sleep Institute, hones his ideas in front of a panel of Venture Track coaches and advisors

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## **BizStarts Supports Launch of Local Manufacturing Plant**

Helios USA, a manufacturer of photovoltaic crystalline solar panels, has received over \$7 million in start-up funding to launch its 37,529-square foot manufacturing plant at the Proven Direct facility, 1301 Canal St., in Milwaukee's Menomonee Valley.

BizStarts' Milwaukee board members Dan Steininger and Herb Zien acted as mentors to Helios' founder Steve Ostrenga, helping him raise capital and form a Board of Directors. Funding came from a mix of private and public sources, including: the Milwaukee Economic Development Corp., Investors Bank, the Wisconsin Dept. of Commerce, several Angel Investors and its partner company in Spain. Johnson Controls has agreed to purchase a percentage of the solar panels produced by the company.

The company's automated robotic manufacturing platform is key to its business model; the facility will be operational in November. Steininger, a co-founder of BizStarts, said Ostrenga is one of the most determined entrepreneurs he has met. "At the initial meeting of Helios founders in March of 2009, I don't think anyone present thought this project would happen, but Steve stayed with it and is now ready to launch," Steininger said. Helios is the 22nd fast growth company launched in the region since July 2008.

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## **Mequon Biopharmaceutical Startup Attracts Second-round of Financing**

ENDECE LLC, a biopharmaceutical company developing small molecule compounds that control cancer cell proliferation, has attracted \$6 million more in funding from a group of angel investors.

To date ENDECE has raised \$12 million in four series from private "angel" investors within Wisconsin, plus a \$250,000 loan from the State of Wisconsin Technology Venture Fund.

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Co-founded by Dr. James Yarger and Jean Yarger in 2006, ENDECE is investigating a new approach to cancer therapy that has resulted in a platform of promising compounds.

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## Meet a BizStarts Sponsor:

**Whyte Hirschboeck Dudek S.C.** is a full-service law firm committed to delivering exceptional service along with innovative, yet practical, solutions. For more than 60 years, WHD has played a role in shaping the political, economic, and legal landscapes in Wisconsin - leading its business clients that range from entrepreneurial start-ups to large and medium-sized businesses to successful outcomes. With offices in Milwaukee, Madison and Manitowoc, the firm has more than 140 professionals practicing in over 40 areas of law.

## Meet a BizStarts Partner:

**Junior Achievement**, which delivers entrepreneurial education at the K-12 level, has won approval for a new headquarters on the Northwest side of Milwaukee. BizStarts considers JA a full partner in creating a pipeline of future entrepreneurs. The BizStarts College Consortium picks up where JA leaves off, by promoting entrepreneurship on the 20 college campuses in the M7 region.

## Mark Your Calendars!

On Sept 25, **Startup Accelerator 3** will be conducted at the Waukesha County Technical College.

On Oct.26, **Jim Lindenberg**, founder of World Class Wire and Cable and now owner of the Milwaukee Wave, is one of two featured speakers at the next **BizStarts' Inspirational Entrepreneur** event at WE Energies Auditorium at 7:30 a.m.

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