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Seven minutes to lure investors

Small businesses make their pitch at venture capital conference

BY GARY HABER
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Call it the business world's equivalent of speed-dating: seven minutes to promote your startup company to a ballroom full of venture capitalists with the cash to help take your business to the next level.

That was the challenge for companies from up and down the East Coast who converged on the DuPont Country Club in Rockland on Tuesday to make their pitches at the ninth annual Early Stage East Venture Capital Conference.

The field of about 25 companies included two from Delaware -- Wilmington-based Textronics Inc. and Lap Belt Cinch Inc. of Hockessin.

The conference, which returned to Delaware after being held in Philadelphia last year, attracted about 450 people. In addition to the company presentations, the daylong event included panel discussions on venture capital funding and speeches by Sam Calagione, president and founder of Dogfish Head Craft Brewery, and Sam Beiler, president and chief executive of Auntie Anne's pretzels.

Participants have raised between \$650 million and \$700 million since the conference started in 1998, said founder David Freschman, president of the Delaware Innovation Fund, which invests in growing Delaware companies.

Freschman said investors came to the conference ready to talk deals.

"Deals are getting done," he said. "Money is exchanging hands."

That's good news for Delaware companies, which typically haven't had the kind of access to venture capital that startup firms in larger states have had.

According to data collected by Dow Jones VentureOne and Ernst

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Executives give advice on venture capital funding at the DuPont Country Club in Rockland on Tuesday.

Venture capital deals for Delaware companies	
2000:	9 deals worth \$288 million
2001:	1 deal worth \$150 million
2002:	3 deals worth \$53.8 million
2003:	0 deals
2004:	0 deals
2005:	3 deals worth \$19.7 million

The News Journal
Note: Of the above venture capital funding \$313 million went to Juniper Financial Corp, which was acquired by Barclays PLC in
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VENTURE TIPS

A panel of venture capitalists and other experts offered the following tips for the CEOs of young companies at Tuesday's Early Stage East conference:

- Pay attention to pricing. Discounting the price of your product initially could get customers to try it, which could lead to bigger sales.
- While CEOs need to delegate because there's so much to do, they can't lose contact with their customers.
- Consider outsourcing functions such as accounting to concentrate on the core of the business.
- Bring in a strong board of directors to advise you.

& Young, Delaware trailed 32 states and the District of Columbia last year in the amount of venture capital funding companies received. Delaware companies received no funding in 2003 or 2004. Three Delaware companies got \$19.7 million in funding last year.

- Do a lot of networking, which can introduce you to people you may want to hire as the business grows.

In the past six years, Delaware companies got about \$511.5 million in venture capital funding, according to Dow Jones VentureOne and Ernst & Young. About \$313 million went to Juniper Bank, a credit-card issuer, acquired by Barclays PLC in 2004.

Deal-making, like dating, is all about making a good first impression.

"They give you seven minutes, but I think [the venture capitalists] know in 30 seconds," said Stacey Burr, CEO and co-founder of Textronics, whose first product, a sports bra with a built-in heart-rate monitor, went on sale late last year.

Trimming her usual 45-minute pitch to seven minutes "puts the crunch on," Burr said. But, she said, it was worth it to get Textronics' name out among venture capitalists. The company already has had success attracting funding, receiving about \$5.5 million in an earlier round of fundraising. It will be looking for about \$10 million later this year.

Bruce Mather, president of Lap Belt Cinch, hired a consultant and put in hundreds of hours since December to refine the pitch for his company, whose signature product is a device that tightens a car's seat belt to make it secure.

Mather, who has been selling his product to sports car drivers since 2004, is looking for about \$1 million to expand into children's car seats.

"This is a wonderful opportunity to get in front of people who can help a small business succeed," he said

Mather rated his presentation a success. He's been invited to speak to a group of potential investors from Pennsylvania he met at the conference.

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