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Enterprise

December 2011

The St. Louis Region Start-up Eco System

A presentation by Matthew Kulig, COO, aisle411 Inc.

December Forum Facts:

Speaker:

Matthew Kulig, COO
Aisle411 Inc.

When:

Friday, December 2, 2011

Time:

7:15 a.m.
Registration & Networking
7:40 a.m.
Breakfast & Program
9:00 a.m. Adjourn

Where:

Greenbriar Country Club
12655 Big Bend Rd.
St. Louis, MO 63122

Cost:

Members — free
Guests — \$49.00 per person

Guests Must Prepay

(Visa, MasterCard, Discover and American Express accepted)

Register at:

www.MissouriVentureForum.org

Or call 314-241-2683

**Deadline—Noon
Wednesday,
November 30, 2011**

(No refunds after the deadline)

Matthew Kulig will discuss and highlight the St. Louis Start-Up eco-system, its evolution in the region, why he gets so excited about it, and why not being afraid to fail and asking for help is so important to entrepreneurial success.

A serial entrepreneur, MBA, and executive manager, Kulig brings 20 years of experience in company formation, market research, financial creation and analysis, fund raising, competitive strategy, and a strong passion to any interesting business concept he decides to be a part of.

In 2008, upon hearing the idea for what is now aisle411 Inc., Kulig shut down another start-up company he was developing. He joined Nathan Pettyjohn, aisle411 Inc. Founder and CEO, to research the market opportunity, validate the concept, create the company structure, write and file the first patent and company trademarks, develop and evolve the company business plan, generate the company strategy, and help raise the investment needed to support the company objectives.

Kulig has spent a significant portion of his career raising capital, networking, building companies, and watching the changing start-up environment in the St. Louis region over the last 20 years. He has watched and been a part of many of regions evolving start-up eco-systems as he developed companies from idea to products and services.

Starting a new company in St. Louis is always challenging on so many levels, yet this days, there are significant new resources available in the region to assist entrepreneurs with their success. From incubators, mentoring resources, invest-

ment organizations, and university resources and collaboration opportunities, the St. Louis Region has made a strong commitment to position the region for start-up successes. The regional investment in networking, mentoring, capital, resources, entrepreneurial experience and regional promotion may very well create the next Groupon, Ebay, Yahoo, or even Google.



aisle411 Inc. is a comprehensive mobile shopping application on the iPhone and Android that allows consumers to search, find and map products in retail stores down to the section of the aisle it's located. Think of it as "Google Maps inside the store". aisle411 allows consumers to build shopping lists, download recipes, find products, manage and route shopping lists, and scan bar-codes of products to add the item to their shopping lists.

With offices in St. Louis, MO and Palo Alto, CA, aisle411 is positioned to be the mobile/tablets location technology platform in retail in 2012 and change forever the way people shop inside stores.

Upon receiving his MBA from SIUE, Kulig co-founded Global Velocity in 2000 to try and solve complex problems that still exist over the Internet leveraging nascent technology and intellectual property developed at Washington University. He served as President and CEO of Global Velocity until 2005.

President's Column

What's Ahead?



Steve Thomas

I was recently fortunate enough to attend a presentation by futurist David Houle who gave a very insightful presentation regarding what he referred to as the “Shift Age”, or as he calls it, the beginning of the “global stage of human evolution.” Many of the disruptions we see today and much of the shift to worldwide focus, he explained, are evidence that this shift is underway. To me, this is fascinating stuff. First of all, I guess I should explain that I’m a real sucker for this kind of content. Yes, I really did believe I would have a jetpack strapped to my back by now. I won’t go into his entire presentation but I would be happy to email my Evernotes® to anyone interested.

The presentation on global evolution was particularly poignant for several reasons. At that time, I had also just come off making two presentations regarding multi-cultural marketing for the World Trade Center and for the Hispanics Professionals Organization of St. Louis. That same month, representatives from the Forum met with and exchanged ideas with five Eurasian professionals on a visit to St. Louis. The five economic development professionals from Eurasia were participants in a month long Rumsfeld fellowship program and were in St. Louis as part of the Open World program sponsored by the U.S. Library of Congress. (The program is designed to promote public diplomacy through exchanges of cultural ideas and values and create a positive exchange of ideas and business approaches between professionals and leaders in Eurasia and the U.S.) Thank you to Joe Soraghan for playing a big part in that meeting and to Judy Meador for the coordination.

Being a futurist has got to be a challenging job. This must require a lot of studying, sifting and forecasting future conditions and anticipated trends from this synthesis. In addition, think of

the natural skepticism that must come with the territory. To a great degree one’s view of the future can depend upon your perspective of history. Maybe even defining what is history vs. contemporary. For example, as digitally native workers and millennial aged people enter the workforce, there are fundamental differences in the way that the workplace is changing. According to a recent study, most of these workers see no reason for their day to be 8 to 5 in the office. Flextime is normal. Through smart devices, working can be from any location with a signal. Indeed this is one of the drivers for the global evolution that Mr. Houle speaks of. For the first time in history, location, distance or time does not dictate what can be accomplished through communication. Fascinating too how today we know more about the challenges facing a distance place, such as the recent coverage afforded to Italy and Greece, than we many times know about our own community.

For our entrepreneurs and those that mentor them, I pose the question, “Who is the futurist on your team?” Can the business plan you are developing stand up to not only today’s realities, but tomorrow’s? And since you can’t predict the future, can you build an organization that is at least ready to adapt to it? With few exceptions, bureaucracy is being replaced by smaller more mobile rapidly deployed teams. Organization charts take the shape of the challenges they face. Reorganization is real, ongoing, and maybe even constant. In addition to building out your product or service, are you thinking about how the business structure will adapt and operate once you get past the launch?

I’ll leave you with one final thought from Mr. Houle. Paraphrasing his presentation, “It takes a network to be successful.” That certainly is a value we understand at the Forum. Take advantage of it.

Steve Thomas, President

December Organization Spotlight

Center for Acceleration of African American Business

The Center for the Acceleration of African-American Business (CAAAB or the Center) is a non-profit civic organization established to support the growth and development of businesses owned by African Americans. Its organizational model is closely based on the Social Enterprise model whereby the earned-income revenue it generates through business consulting and services supports the growth of its business members. Currently there are 20 businesses under CAAAB's membership.

CAAAB was founded in 2006 under the leadership of Eddie Davis and, until recently, it was the economic development arm of the St. Louis Black Leadership Roundtable (BLR). The Center is governed by its Board of Directors who provide their time and dedication to ensure successful/sustainable economic development among members of CAAAB, and that the organization stay true to its mission.

The primary mission of CAAAB is to elevate the status of disadvantaged minority businesses and entrepreneurs and make them level players in the local, national, and global marketplace. The Center's goal is also to use entrepreneurship as a tool for fostering economic independence among at risk and impoverished population.

CAAAB is the only capacity building and community business support organization in the St. Louis region specifically targeting disadvantaged African-American entrepreneurs. The programs at CAAAB are designed using best-practice and participatory methods. The programs are packaged to cater to the specific needs of individual businesses and its leaders and employees. Its approach is unique because it seeks and collaborates with other social agencies whose services are critical for successful business start up and growth.

For more information, contact Eddie Davis at edavis@sbcglobal.net or 314-367-8822.

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Education Committee

2012 Outlook for Capital Wrap-Up

The MVF Education committee hosted a stellar event Thursday evening November 17. A total of 112 people gathered to hear four panelists talk about the future of capital in the new year. Following are some of the comments from the speakers:

Banking - Mitch Baden, Executive VP, Royal Banks of Missouri:

- lending will remain tight for another three years;
- The big banks now have an unfair advantage as a result of the "too-big-to-fail" mentality; but that is an opportunity for some entrepreneurs;
- There is no longer a level playing field between community banks and the big international money "banks";
- The housing market will continue to be a significant drag on the availability of financing for small businesses;

Advice: Be prepared! Understand your business and the possible sources of capital. Learn how your business might fit best with particular sources. Perhaps you will fit better with a big bank, or a non-bank lender, or maybe a community bank. Learn the preferences of the capital sources and work with those most likely to be interested in your type of business. Be prepared to explain your business clearly.

Angel Equity - Hal Gentry, Partner, Capital Innovators:

- Look at the accelerator programs. There are 50 to 75 different programs nationally that can be an excellent source for early stage capital;
- Support is just as, perhaps more important than, the funding. Look for an angel who can mentor you and your business, not just provide the money;
- Explore AngelList and micro venture capitalists or "super angels" who focus on smaller dollar investments;
- Missouri is finally supporting entrepreneurs through MTC, Missouri Technology Corp;

- The quality of the St. Louis Arch Angel applications has improved significantly as the process matures but investments have dropped off. Earlier angel investments are having a hard time exiting, so the early rounds of funds are not being recycled;



Bob Cockrell

- It costs a lot less to fund a technology start-up now as a result of technological advances. The cloud dramatically reduces the capital required to equip a start-up tech company;
- M&A activity is up which bodes well for future liquidity events in current angel investments.
- Generally, funding a \$50,000 to \$100,000 first round is much easier than funding a \$250,000 to \$500,000 second round.

Advice: Focus on capital efficiency; use what funds you have very carefully. Focus on your product or service and get to revenue quickly; become self-supporting sooner or at least reduce the future capital needs, and the demonstration of success makes subsequent rounds easier.

Venture Capital - Mark Lewis, Principal, Advantage Capital Partners:

- There is a lot of money in St. Louis, but not enough flows to entrepreneurs;
- Many funds are only generating IRRs (Internal Rate of Return) in the 10% range, some as low as 3%. This is woefully inadequate and discourages further capital raises by the VC funds;
- The financial meltdown has impacted institutional investors. Many large institutional funds had significant losses and were forced to redistribute their portfolios, liquidating investments at a loss to shift to other asset classes; so funds for VC investments have dried up compared to earlier years.
- Things are getting better: significant increases in 2011 compared to 2010;

Education Committee

2012 Outlook for Capital *(continued from page 4)*

- Seeing big companies buy innovation, and new IPOs also offer hope of coming liquidity.
- Look beyond the big brand names in venture capital, and look at venture capital in the broader sense. For example, SBA lending is growing dramatically due to expanded and easier eligibility rules;
- the entrepreneur needs to be creative in identifying and connecting with the right capital sources.

Advice: Make clear differentiations about your product or service. Demonstrate that there are significant barriers to competition, or at least that you have a significant head start. Demonstrate a barrier to losing customers (a natural incentive for customers to remain loyal). And, management is critical; deep domain expertise is imperative to your success. Understand the risks of investing capital, and how and where you expect to find following rounds. Have a long-term plan for capital.

Entrepreneur - Marla Esser, Founder, HomeNav by Sustaining Spaces:

Marla related some of her lessons learned:

- She reinforced the concept described by Hal Gentry of getting to revenue quickly;
- Move faster, even if that means revamping or revising your direction, product mix, or primary focus;
- While looking for capital, she learned a lot about her business and how to pursue goals better, how to tell the story better (see Mark's

comments about differentiation) and how to benchmark progress.

Advice: Set goals and work relentlessly to achieve them.

The Q & A session yielded the following:

There are many valuable incubators, mentors and other support organizations in St. Louis. Start exploring and find the one that fits you best. The biggest "turn-offs" in a capital request/business plan? "Never been done before," and "we have no competition."

In addition to thanking our speakers, we thank our sponsors who make our education events possible: St. Louis Arch Angels; Schmersahl Treloar & Co.; Carmody MacDonald; Charter Business; Evans & Dixon LLC; Stone Carlie; Advantage Capital Partners; and St. Louis Small Business Monthly.

Over one hundred people came and learned, networked and went away feeling that they gained valuable insights into the capital raise process. We hope those who were unable to attend will be able to attend our future events. The MVF Education Committee is planning several events for 2012, including a Roundtable to continue the discussions about raising capital. Mark your calendar for the Tuesday, February 21 from 4:00-6:00 p.m. for the next Roundtable event, and sign-up early. There will be space for only 25 attendees.

These events are an important benefit of membership in the Missouri Venture Forum. If you are not already a member, why aren't you a member?



Outlook for Capital 2012 Panel of Exerts:

(l-r) Marla Esser, Home Nav by Sustaining Spaces; Hal Gentry, Capital Innovators; Mark Lewis, Advantage Capital Partners; Mitch Baden, Royal Banks of Missouri; and Panel Moderator Bob Cockrell, Montgomery Bank and MVF VP and chair of the Education Committee

Two-Minute Forum Committee

Your Dream in Two Minutes?



Bill Ellis

You can't hard boil an egg in two minutes...but what *can* you do in that short of a time? Many football games have been won in two minutes or less. The premise in Robert Crais' book *The Two Minute Rule* is that the key to success-

fully robbing banks is two minutes – in and out. David Allens “Two Minute Rule” (first codified by Dean Acheson) suggests that the most effective way to tackle your to-do list is to tackle those tasks which will take two minutes or less.

So it seems that there's quite a bit which can be done in two minutes. The Missouri Venture Forum presents its Two-Minute Forum at each of our monthly breakfasts. It's an opportunity for select entrepreneurs to make themselves known, to explain their business concept and to identify their needs and to hopefully spark some interest from potential resources.

But is it realistic to attempt to deliver the essence of your dream in front of a group of potential supporters and investors in a mere two minutes? Two minutes to present the thing that gets you so excited you can't wait to get up in the morning (if you've even slept at all)? Two minutes to feature the next big thing...the better mouse trap...the answer to problems which have plagued mankind for who knows how long? Absolutely Yes!

No problem...but only after a great deal of work, development, trial and error, research, planning and committing virtually every minute you have to the

success of your dream. At MVF we work with our presenters to make certain that they are putting their best foot forward, are clearly communicating who they are, what their concept is and why it's worth everyone's time to pay attention and take heed. A member (or members) of the Two-Minute committee (Dennis Donahue, Brian Peterson, Jim Brasunas, Alan Ludmer, Jay Logsdon and myself) work with each person approved to present to ensure that their message is clear, concise, interesting and effective.

MVF's goal is to be a facilitator and collaborator in the entrepreneurial community. As such, we strive to have our efforts integrate very closely with the existing key groups which guide, mentor and support entrepreneurial initiatives... groups like ITEN, Innovate VMS and many more. One of the benefits of our Two-Minute Forum is to provide a platform for businesses to concisely and effectively present themselves and their concept. As Richard Branson points out how important it is for entrepreneurs to stay on target and says “A mistake often associated with the first step is signaled by an entrepreneur's inability to clearly and concisely convey his idea.”

So while you won't be able to get hard boiled eggs at our breakfast meetings, you will see the results of extensive work, blood, sweat and tears which represent the commitment of the business person as they strive to let you feel a touch of their dream.

Bill Ellis is Chair of the Two-Minute Forum Committee and can be reached at 314-966-8889.

Learn more about how to apply to be a Two-Minute Forum presenter by going to www.MissouriVentureForum.org and click on “Two-Minute Forum” on the menu on the left side of the home page.

Two-Minute Forum Committee

November Two-Minute Forum Presentation Bear Productions, Ltd.

Following the success of two feature films, *The Prosecutor* and *The Law of Divorce*, and one national driver's safety production, *Coptalk: Drive Aware*, Mike Hartig, president of Bear Productions, Ltd., is planning his next slate of productions. He will be producing a slate of four more shows within the Coptalk series. In addition, he will produce another feature film.

The Coptalk shows cover Auto Accidents, Driver's Inattention, Impaired Driving and Salute. Simply; Save Lives and Save Money! The feature *It's Never Too Late* fits firmly in the huge market genre of Spiritual Family. As one reader stated, it reminded him of 7th Heaven and Touched by An Angel...meets the X-Files.

Bear Productions, Ltd. seeks the opportunity to meet with those of a kindred entrepreneurial spirit and love of St. Louis; a group or one person who can feel the passion and visualize the potential for these productions.

For additional information, please contact Mike Hartig, Bear Productions, Ltd., 636-575-5605, mhbear2327@aol.com



(l-r) Stephen Flick, Q9C Quality Consulting; Two-Minute Presenter Michael Hartig, Bear Productions, Ltd.; Michelle Robinson, Stone Carlie



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Membership Committee

The Holiday Season

I doubt I have to tell you that November and December are crazy months. I'm convinced that people are stretched more thinly with work and family obligations at the end of the year than at any other time. Because of this, I use to scale down my one-on-one networking and pick it back up at the beginning of the year. Over the last few years, however, I have embraced the holiday season as a time to get together with those in my network. It may simply be a brief visit over coffee where we reflect on the closing year, or a luncheon where we talk about the coming year's challenges and opportunities. I even have an annual tradition with a fellow MVF member where we meet on the 23rd of December for a cocktail and dinner.



Nicole Ursch

With all the hustle and bustle of the holiday season, I find visiting with the people in my network over the holiday season to be a relaxing yet revitalizing experience. The chance to just sit back, and chat is a welcome reprieve.

I encourage you to give it a try, and spend some quality, holiday networking time with your fellow MVF members. I'll bet they could use some friendly conversation his holiday season, too.

Nicole Ursch is the Chair of Membership Committee and can be reached at 314-544-8585 .

Now is the time to join Missouri Venture Forum and be in the 2012 Printed Roster!

Join by Friday, December 16 to be included in the Roster!

Dues for an Individual Member are \$345 a year and include 10 Breakfast Meetings (at no charge) plus discounts on events. Company Members are \$385 for the first member, \$335 for the second, \$310 for the third person. As a Company Member, if you are unable to attend a Breakfast Meeting, someone else can attend in your place at no charge.

To join and for more information call the MVF office at 314-241-2683.

Survey Follow-Up of Breakfast Meetings

In order to make our programs even better, we sent a short survey to those who attended the November Breakfast Meeting. The responses indicated a large majority of responders liked the speakers, networking opportunities, the services offered but didn't like the problems with the audio visual. We will work on the A/V!

Thank you for your comments and suggestions. We value your input and will be taking action on your comments.

We will be sending the survey after each Breakfast Meeting and really appreciate your taking time to respond!

New Member

Nathalie Frchetti, Supervisor, Brown Smith Wallace, LLC

Brown Smith Wallace Small Business Services specializes in making it easier for small business owners to sleep at night. Nathalie and the experts at BSW Small Business Services help account for, manage, plan and protect company and personal resources so there are no surprises from the tax man.

Introduced by Joe Soraghan, Danna McKitrick, P.C.

Scott Hoffmann, Director, Inflexion L.L.C.

An advisory firm focused on capita formation, transaction support, strategic services and IT strategies for small to mid-sized companies. Scott specializes in financial and operational due diligence on behalf of private equity and other investors, provides merger and acquisition advisory services on both buy and sell side transactions, and serves as an external chief financial and operating officer and strategic advisor to a variety of closely-held companies

Gill Wagner, Executive Director, Honest Selling Professionals Association and Yellow-Tie International

Gill is a self-proclaimed, serial, nut-case entrepreneur with a passion for changing the world of sales, the world of entrepreneurship and the world of our beloved canine friends. In addition, he is building Purpose Ranch, Inc., a 501c3 charity that will ensure no dog is ever again euthanized in a shelter or rescue.

Member Updates

Jada Diedrich, Manager, Swink, Fiehler & Company, P.C., has replaced Andy Bell as a member. Contact Jada at 314-842-2001 or jdiedrich@sfccpa.com

Joe Soraghan, Danna McKitrick, P.C., secretary and past president of MVF, has for the second consecutive year been named by Super Lawyers magazine as one of the top lawyers in Missouri. Only five percent of the lawyers in the state are named by Super Lawyers. The magazine, which is a service of Thomson Reuters, states that the selections for this list are made by Super Lawyers' lawyer-led research team after a rigorous multi-phase selection process that includes a statewide survey of lawyers, independent evaluation of candidates by the research staff, a peer review of candidates by practice area and a good-standing and disciplinary check. Joe practices in the areas of business/corporate/securities.

Nicole Ursch is now an Assistant Vice President of Commercial Services with **Midwest BankCentre**. She is located at 17050 Baxter Road, Chesterfield, MO 63005 and can be reached at 314-544-8585 or nursch@midwestbankcentre.com.

Sorin Vaduva, ImRel LLC, has relocated his office to 611 Olive St., Ste. 1236, St. Louis, MO 63101.

MVF Membership Roster to Be Printed in 2012

Missouri Venture Forum will have a printed Membership Roster for 2012. See page 14 for details!

Advertise in the MVF 2012 Roster

Full page	4.75" wide x 7.75" high	Members: \$200	Nonmembers: \$500
Half page	4.75" wide x 3.75" high	Members: \$125	Nonmembers: \$325

The ad deadline is Friday, December 16.

For more information, call Judy at the MVF office at 314-241-2683.

Skandalaris Events of Interest

YouthBridge Social Enterprise and Innovation Competition

The YouthBridge Social Enterprise and Innovation Competition (YSEIC) was launched in the fall of 2005 as a partnership between Washington University and the YouthBridge Community Foundation. The competition has awarded over \$600,000 in grants and in-kind services, and also includes a \$5,000 student cash prize. The competition promotes the development of innovative approaches to social problems to enhance sustainability and increase capacity of mission-based organizations, moving these social ventures beyond traditional dependence on philanthropy and government. Throughout the competition, participants receive feedback from a panel of social investors and judges who are experts in social entrepreneurship and innovation. Entry to the competition and all events are free. For more information, visit www.ideabounce.com/yeseic12

Executive Summaries Due: To enter the competition, please submit your idea to www.ideabounce.com/yseic12 and send your executive summary to sces@wustl.edu by NOON on January 3.

Semi-Finalists Announced: After our judges have analyzed all competition submissions, semi-finalists in the competition will be announced on Wednesday, January 11.

Elevator Pitch Competition: On January 26 the semi-finalists in the competition give their 90 second elevator pitch and participate to give your feedback to the participants. Plus, fill out your judging sheets and the audience member(s) who comes closest to the scores of the judges will win \$250. A networking reception will follow. Please RSVP online at www.ideabounce.com.

Awards Ceremony: Awards for the YouthBridge Social Enterprise and Innovation Competition will be presented on April 11, and include a keynote reception, poster board session, and cocktail reception. Please RSVP online at www.ideabounce.com

Olin Cup Competition Awards Ceremony

Wednesday, February 1, 2012, when the winners of the 2011 Olin Cup Competition will be announced! This event will include an awards ceremony, keynote speaker, and networking reception. Please RSVP online at www.ideabounce.com

Skandalaris Seminar Series

The Skandalaris Seminar Series: Developing Skills, Perspectives, and Relationships, is a free opportunity for commercial and social entrepreneurs from the community and campuses of Washington University to explore possibilities, learn, and connect with each other. The seminar series builds on the curriculum taught to Washington University students and reflects on the Skandalaris Center's Philosophy for Entrepreneur Development. The seminar series helps student and community entrepreneurs learn and understand their skills, motivations, and passions. The non-credit series is four three-hour sessions in the fall, and then repeated in the Spring. All events are free and open to the public. Please RSVP online at www.ideabounce.com

Idea Generation and Testing: Friday, January 20, 2012, 1:00 – 4:30 PM

The Market and Value Proposition: Friday, February 3, 2012, 1:00 – 4:30 PM

Finances and the Business Model: Friday, February 17, 2012, 1:00 – 4:30 PM

The Business Plan and Telling Your Story: Friday, March 2, 2012, 1:00 – 4:30 PM

Coffee with the Experts

Looking for expert feedback through a private appointment? On Wednesday, January 25, 2012 from 8:00 – 9:30 AM. go to Coffee with the Experts which provides opportunities for startup social and commercial entrepreneurs to have a 10-minute private conversation (and a free cup of coffee) with panelists with various areas of expertise, including experienced entrepreneurs, investors, and service providers. The only requirement to make an appointment is to have an idea posted on www.ideabounce.com. Contact the Skandalaris Center at sces@wustl.edu or call 314-935-9134 to schedule an appointment for Coffee with the Experts.

Job Opportunity

Executive Director, Arch Grants

Arch Grants, a new not-for-profit which will be providing grants along with support services to winners of a national competition for entrepreneurs who locate their start up business in St. Louis, is looking for its first Executive Director to head the organization.

Qualifications:

1. Experience with or in start-up business;
2. Experience in finance, administration and organization;
3. Experience in making presentations to a variety of groups, i.e. potential foundation donors, companies, entrepreneurs or media;
4. Fundraising experience, particularly grants;
5. Ability to network within St. Louis to other not-for-profit entrepreneur oriented enterprises, knowledge of “eco system”;
6. Experience in monitoring young companies with respect to meeting milestones, additional funding and developing bench strength.

Duties:

1. Organize all aspects of the program, including highest quality judges, mentors, recruitment of applications and media and publicity, implementation of the program and administration of the program;
2. Supervision of assistant;
3. Manage media relations;
4. Assist with fundraising and grant applications.

To Apply:

Send cover letter, salary range, and resume to:

Arch Grants

Executive Search Committee

100 South Fourth Street, Suite 900

St. Louis, MO 63102

www.archgrants.org

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To join and for more information call the MVF office at 314-241-2683.

Marketing/Communications Committee

Wait . . . Is It 1999?

You heard it right; the Missouri Venture Forum is publishing a printed member roster (yes, we've heard of the internet).

Although we've got an improved website, it still doesn't have all of the functionality we'd like it to have. In particular, the 'result' of searching for members is a frustrating user experience. Don't worry – we're working on it. Since none of our members (including Spoke) can provide us pro bono work at this time, Sorin Vaduva is managing two interns to solve this and several other web issues in the next few months.

We believe (and our surveys prove) that one of the main reasons members join our organization is to network (and do business) with other members. This directory will allow the current members to easily search other members by name, or by business category.

Of course we do have a few ulterior motives. The directory will:

- Create more exposure for our sponsors
- Establish a new revenue stream (by attracting new sponsors and advertisers in the roster)
- Provide additional value to our members
- Motivate guests to join the organization... so they can be included in the directory



David Meyer

Please make sure to update your information on the site. It will be the source we use to create the directory. If you have questions about logging in, or updating your data, see the article on page 14 or please call Judy Meador at 314-241-2683.

David Meyer is the Chair of the Marketing/Communications Committee and can be reached at

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For more information, call Judy at the MVF office at 314-241-2683.

Follow us on Twitter at www.twitter.com/moventureforum and on Facebook by searching *Missouri Venture Forum*.

Information for Entrepreneurs

Crowdfunding – Good and Not So Good

by Joe Soraghan

On November 3, 2011, with a bi-partisan 407-17 vote the U.S. House of Representatives passed the *Entrepreneur Access to Capital Act* (H.R. 2930 and the “Access to Capital for Job Creators Act” H.R. 2940) (the “Acts”). The bills will now go to the U.S. Senate for reconciliation.

This Acts amend the Securities Act of 1933 to essentially allow “general solicitation,” heretofore illegal, in small offerings of investments if they meet numerous other restrictions. The Acts allows an issuing company to offer and sell securities, without regard to the general solicitation-type methods of promotion used, to an unlimited number of purchasers, so long as no purchaser is allowed to spend more than the lesser of \$10,000.00 or 10% of his or her net worth, and the total amount of securities purchased within any 12 month period is no greater than one million dollars. And purchasers need not be “accredited” (usually meaning having a net worth of no less than one million dollars or annual income of \$200,000.00 or \$300,000.00 if purchasing jointly with a spouse). (And, if the issuer provides potential investors with audited financial statements, the offering may be as much as two million dollars. This may be particularly important in light of the ease of auditing a newly formed issuer with no history of operations and earnings).

Also, the Acts allow entrepreneur issuers to utilize “intermediaries,” who need not be registered as broker-dealers with the SEC, to assist in finding investors. This is a significant change from the present law, albeit with many restrictions on the use of the intermediary.

This is a “sea change” in the law of private placements. Perhaps its greatest significance is the new ability of such issuers to use the internet in private offerings. Also, it allows many potential investors, not sufficiently affluent to be “accredited,” to participate in an admittedly limited method in the growth of entrepreneurial companies. And, of course, it opens to entrepreneurial companies’ access to a body of investors hereto for prohibited to them.

However, some of the “restrictions” on crowdfunding should cause some companies to select other methods of private placement, particularly those who can attract sufficient accredited investors. These negative factors should also cause the Senate, in its considerations, to consider improving this new exemption.

Under pressure from state regulators, who believe that the \$10,000.00/10% of net worth restrictions are too high and still allow purchases by unsuitable (i.e. non-affluent) prospective investors, it is likely that the Senate versions and eventually the House versions, if adopted at all, will decrease the minimum investment allowed by each investor. Even without such reduction, the amount that most persons will invest will be significantly smaller than that of average private placements under present law. This will result in there being many more investors—many more holders of interests in the entrepreneur’s business—than in traditional private offerings, increasing the cost of administering investor relations. And precise administration of investor relations is crucial to an entrepreneurial business’s ability to get future financing from venture capitalists or to achieve an exit event such as a purchase by a larger company.

Perhaps worse, the presence of many persons with the right to vote on whether to go forward with future financings or exit/liquidity events, perhaps requiring giving significant pre-emptive voting or other rights to venture capitalists, may also hinder such future financings. For this reason, crowdfunding, if it ever becomes law, may better be used for debt or other investments which do not include voting rights.

Also, the House bills require that the issuing company engage a “qualified third-party custodian, such as a broker or dealer registered” with the SEC or an “insured depository institution” to handle its “cash-management functions.” The bills do not define “cash-management” functions, and the issuer may have difficulty retaining a custodian, at least until prospective “cash managers” receive some assurances that they do not face the same problems which cause registered broker-dealers to avoid involvement with entrepreneurial issuers.

Crowdfunding, should it become law, will significantly improve the fundraising opportunities for some companies. However, it will not be best for all companies and will prove complicated and problematic even for those companies it benefits.

Joe Soraghan is a past president of the Missouri Venture Forum and is a corporate and securities lawyer at Danna McKittrick, PC. He can be reached at jsoraghan@dmfirm.com or 314-726-1000.

MVF 2012 Membership Roster

In response to requests from members, MVF will have a printed Membership Roster for 2012 and we are asking you to update your information online. **The deadline to be in the Roster is Friday, December 16** (nonmembers, now is the time to join to be included in the Roster!).

The Roster will include contact information, members' pictures and a max 50 word description of your business. There will be an index by type of business—you will be able to choose from the list (see below) for up to three categories.

To update your information, please go to www.MissouriVentureForum.org. Following are helpful tips on how to accomplish this!

1. Login at www.MissouriVentureForum.org

Your user name (unless you have changed it) is your email address. Put in your password and go to step 2.

Don't Know Username or Password: If you do not know your password: click on "Forgot login" in the lower left corner of the Home Page and click one or both of the lost items, enter your email (the email you receive MVF messages) and click "Send ...". Check your email, get your username/password, and go back and login. Your computer should remember your login and password in the future.

2. Update Your Information by clicking on your name on the bottom left of the Home Page.

A. To update/change your contact information after you logged in, go to the bottom left of the Home Page and click on your name. It will take you to

your profile. Click on "Edit" then click "Update your Profile" and you will be at the "Contact Info" tab for your contact information—note you can change your Username and/or your Password also. Be sure to click "Update".

B. Add your description by clicking the "Additional Info" tab. You can also add your title, website, mobile phone, etc. plus update the description of business. Note, on the website you may put as many words as you wish. However, for the printed roster, the description will be limited to 50 words. Please put the short description first. If the description is longer, it will be edited to the 50 words.

C. Please choose your Business Categories from one of those listed below (you can choose up to 3 categories). Note, you may also add your Education and Experience and Other Organizations you belong to which can be viewed by other members online but this information will not be in the printed roster.

D. Click "Update" at the bottom of the page to save your information.

3. Add or change your picture

Click the "Portrait" tab and select from the drop down box whether to add/change your picture. Be sure to click "Update."

4. Problems? Question?

Call Judy at 314-241-2683 and she will be happy to help you!

Business Categories — Please Choose Up to Three Categories from the following list:

Accounting	Consulting-Technology	Health Care	Media
Banking	Consumer Products	Human Resources	Mergers & Acquisitions
Bio Technology	Distribution	Incubator	Non-Profit Organizations
Computer/Data Processing Services	Education/Training	Insurance	Other
Consulting-Business	Entrepreneur	Internet	Public Relations
Consulting-Financial	Financial Services	Investment Banking	Real Estate
Consulting-Human Resources	Financing-Debt Only	Investment Services	Sales
Consulting-Management	Financing-Debt or Equity	Legal Services	Software Development
Consulting-Other	Financing-Equity Only	Manufacturing	Technology
	Government	Marketing	Telecommunications

Scenes From The Outlook for Capital 2012



(l-r) Paul Hermanson, Musicality;
Christopher Benningfield



(l-r) Chuck Reitter, CA Reitter Consulting, LLC;
Cynthia Correll, Cynthia Correll's Creative
Emporium; Scott Hoffman, Inflexion, LLC;
David Copeland, Habitat for Neighborhood Business



(l-r) Angie Schisler and Don Carmody, Carmody
MacDonald P.C.; Millie Cain, Banking and Commu-
nity Affairs Specialist



(l-r) Bill Mishk, Airline Associates, LLC; Dr. Lance
McCarthy and Brandon Williams, Brandon Williams
Economic Development Corporation



(l-r) Angie Fletcher, Armstrong Teasdale LLP;
Jeff Miller, Washington University



(l-r) Margalit Gur-Arie, EHRpathway;
Marie Carlie, Ken Bean and Michelle Robinson,
Stone Carlie

Scenes From The November MVF Breakfast Meeting



(l-r) Bill Ellis, Branding for Results; Virginia Muzquiz, Gateway Referral Institute; Jeremy Nulik, St. Louis Small Business Monthly



(l-r) Ann Marie Mayuga, AMM Communications; Patti Harty, Stark and Associates, Inc.; Tom Schmittiel, PSG Marketing Solutions; Jim Cornbleet



(l-r) Archit Singh, MVF Intern; Matt Menietti, Capital Innovators; Tim Elfelt, MVF Intern; Saeed Akbani, Data Dynamics, Inc.



(l-r) Dale Furtwengler, Furtwengler & Associates, P.C.; Justin Stiehr, St. Louis Blues



(l-r) Tiffany Harris, Charter Business; Andy Belval, AllCom Global Services; Shelly Murray, Datotel



(l-r) Steve Thomas, The Net Impact; Ken Bentlage, Bentlage Marketing; Kevin Burford, Atomicdust

From the Editor

T-REx, A New Entrepreneurship Initiative in Downtown St. Louis

by David Strom

T-REx (Technology at the Railway Exchange), a new, low cost co-working space and resource center for IT-centric entrepreneurs, opened in September in the Railway Exchange Building in Downtown St. Louis. The Railway Exchange was formerly the national headquarters for the May Company and later regional office for Macy's Department Stores. The T-REx space, comprising 25,000 square feet on the building's 12th floor, currently houses 14 IT start-ups who enjoy low cost, flexible office space, free internet access, shared facilities and resources and the opportunity to network with like-minded entrepreneurs.

T-REx is a collaborative civic entrepreneurial initiative launched and funded by the Partnership for Downtown St. Louis, the Regional Chamber and Growth Association and the St. Louis Economic Development Corp. Each has provided \$35,000 in funding for initial start-up and operating costs. The three organizations came together through a series of happy circumstances. "Even before developer Rick Yackey had closed on the purchase of the building, I contacted him and asked if he was willing to set aside some space to support entrepreneurship," said Kevin Farrell, Senior Director of Economic and Housing Development for the Partnership. "He agreed to give us a great leasing rate and allow us to use the office materials that were left behind by Macy's including desks and chairs.

We explored various options for uses of the space but decided early on to support the growth of IT-related start-ups. We began working on this with various potential partners including Jim Brasunas (IT Entrepreneur Network) who committed early on to support the project. When Jay DeLong of RCGA brought in Capital Innovators with its newly formed IT Accelerator into the project, we were ready to move forward."

Now an anchor tenant at T-REx, the tech-stars-styled Capital Innovator IT Accelerator headed by Managing Partners Judy Sindecuse and Hal Gentry,

offers entrepreneurs the opportunity to receive both funding and mentoring services for their potential high-growth technology start-up ventures. In addition, numerous support services and resources are provided so that the entrepreneurs can focus on the core businesses rather than worrying about administrative functions.



Enterprise Newsletter Editor Sorin Vaduva can be reached at Sorin@imrel.com

In September, Capital Innovators started its first class of entrepreneurship after a rigorous selection of five businesses from more than 160 applicants. Each of the businesses selected will receive \$50,000, free office space and internet hosting services, accounting and legal services and intensive hands-on mentoring for 12 weeks. The first group of five is nearing the completion of the mentoring period and a second group is in the process of being selected. Any IT-centric firm can apply, but must agree to move downtown and take up residency at T-REx for the mentoring period.

"Missouri has lacked a depth of support for entrepreneurship and is behind our neighboring states," says Farrell. But, we know we are attracting highly educated young professionals to downtown, and we also knew that spending a lot of time trying to attract large companies from out of state wasn't going to work. We have to grow our own small businesses if we want to grow jobs here in St. Louis."

If T-REx proves successful, additional space on another floor in the building will be opened. Currently there are also talks to bring about a fashion and design incubator as well as possibly using the former Macy's kitchen for food-related start-ups.

David Strom is the Business Channels Editor of ReadWriteWeb.com and can be reached at david@strom.com.

Missouri Venture Forum Committees

Entrepreneur Education

Purpose is to educate and guide entrepreneurs by developing and presenting educational programs.

Chair: Bob Cockrell — Montgomery Bank
Ron Ameln — St. Louis Small Business Monthly
Patrick Clarkin — Charles L. Crane Agency
Cathy Davis — Davis Creative
Bill Ellis — Branding for Results
Jan Hendrickson — Senniger Powers LLP
Margaret Kenyon — AAIM Employers' Association

Pete Peters — InnovateVMS
Bill Prenatt — Simply Successful LLC
Brian Rogers — Evans & Dixon, L.L.C.
Joe Soraghan — Danna McKittrick, P.C.
Joy Ann Venverloh — Lexx Funding, Inc.

Marketing/Communications

Purpose is to promote the Missouri Venture Forum and partner organizations and write and edit the Enterprise newsletter.

Chair: David Meyer — Spoke Marketing, LLC
Newsletter Editor: Sorin Vaduva — ImRel, LLC
Cathy Davis — Davis Creative

Barry Gleeson — The Alternative Board (TAB)
Ann Marie Mayuga, AMM Communications

Membership

Develop and implement programs, activities and events that will foster and support the recruitment and retention of members and also provide a benefit to the members, as well as carry out the mission of the Forum.

Chair: Nicole Ursch — Reliance Bank
Nick Akers — Innoventor, Inc..
Andy Bourey — Vistage (TEC) St. Louis
Millie Cain — Banking & Comm. Affairs Specialist
Rochelle Freeman — New York Life
Dale Furtwengler — Furtwengler & Associates, P.C.
Barry Gleeson — The Alternative Board (TAB)
Hal Hardin — Insperty

Margaret Kenyon — AAIM Employers' Association
Doug Kolker — Mueller Prost PC
Tim McFadden — Armstrong Teasdale LLP
Steve Thomas — The Net Impact
Sorin Vaduva — ImRel, LLC
Mark Witzling — Citi

**Interested in joining a Committee?
Call the Committee Chair:**

Education	Bob Cockrell	314-579-4621
Marketing	David Meyer	314-517-8459
Membership	Nicole Ursch	314-544-8585

Missouri Venture Forum Committees

Two-Minute Forum

Purpose of the program is to help entrepreneurs succeed in their entrepreneurial endeavors by providing exposure to the Forum's membership and the entrepreneurial community.

Chair: Bill Ellis — Branding for Results

Jim Brasunas — IT Entrepreneur Network

Dennis Donahue — CreatiVenture Law, LLC

Jay Logsdon — The Logsdon Group

Alan Ludmer — The Voyager Group

Brian Peterson — UHY Advisors

Outreach

Purpose is to encourage collaboration between MVF and other organizations that support the region's entrepreneurial community.

Chair: Vince Garozzo — Greensfelder, Hemker & Gale, P.C.

David Butler — Heartland Innovations, LLC

Chris Walsh — InvestMidwest

Program

Identify and arrange for topics and speakers for the monthly meetings and determine other events with different meeting formats that would be of value to members.

Chair: Anna Doyle — Centric Consulting

Bob Calcaterra — StartUp Midwest

Jim von der Heydt — Nawgan

Technology

Purpose is to develop, enhance and maintain the Forum's technology infrastructure.

Chair: Sorin Vaduva — ImRel, LLC

Ken Bentlage — Bentlage Marketing

Joe Furlong — Washington University

Interested in joining a Committee?

Call the Committee Chair:

Two-Minute Forum	Bill Ellis	314-966-8889
Outreach	Vince Garozzo	314-516-2624
Program	Anna Doyle	314-265-4233
Technology	Sorin Vaduva	314-600-0709

Questions? Call the MVF Office at 314-241-2683 or visit www.MissouriVentureForum.org