

# THE ENTERPRISER

A B I O - B A S E D N E W S P U B L I C A T I O N

Spring 2006

## Inside

### 2 Meet BioEnterprise's Consultants

### 2 Join the BioEnterprise Global Network cont'd

### 3 Risk – An Exercise in Self-Assessment

### 4 What's HOT in Agri-Tech

### 4 Upcoming Events



## Join the BioEnterprise Global Network!

The BioEnterprise Global Network is composed of three sub-networks, focused on delivering the components most needed by early stage and emerging companies and their entrepreneurs.

Mentorship  
Network

Investor  
Network

Network of  
Professionals

By joining the BioEnterprise network, you are introduced to new business opportunities. For example, as a provider of professional services, this network delivers qualified leads for future business. As a mentor and investor, you are introduced to only the highest quality opportunities that match your particular interests.

The **Mentorship Network** is established through the participation of successful business leaders and entrepreneurs who have had one or more successful business experiences and are willing to invest time and energy to assist other entrepreneurs in moving their business forward. Mentors may come from the corporate world, bringing with them sound business practices and prudent corporate knowledge and acumen. Others are entrepreneurs themselves who have founded and grown their own successful enterprises. While BioEnterprise's focus is on the Agri-food, Life Sciences or Bio-products industries, mentors come from all industries, bringing either sound general business experience or specific industry experiences. Generally, the mentors are not compensated directly by BioEnterprise for their participation, but may receive equity shares from the companies for which they provide advice and counsel.

The **Investor Network** is a major focus of BioEnterprise because it is such a critical component of building receptor capacity within the industry sectors and is a mandatory requirement for most start-ups and emerging stage businesses. Without investment capital, most newly established businesses simply eke out an existence as undercapitalized entities that may never reach their true potential. Add to this the fact that over the past four years the majority of investment capital in Canada has left the start-up and early stage sectors, preferring to invest in lower risk, well-established and profitable businesses. Furthermore, the Agri-Food, Life Sciences and Bio-Products sectors have been and continue to be virtually ignored by the investment community. These two trends have created a shortage of much needed investment capital and a major dilemma for BioEnterprise clients. Therefore, it is necessary for BioEnterprise to take a proactive role in addressing this issue. As a result, BioEnterprise is soliciting Canadian and foreign venture capital firms as well as high-net-worth individuals and angel investors to join the Investor Network.

*cont'd on page 2*

# Meet BioEnterprise's Consultants

## Italo Cerra

Italo Cerra C.A. is a seasoned financial executive with diverse experience in public accounting and financing of public and private sector companies. Italo brings over 30 years experience with expertise in debt and equity financing and operational reporting and controls.

After 10 years with Deloitte and Touche, Italo has held senior financial executive level responsibilities in several technology and service based companies. In 1995 he orchestrated the Management Buy-Out and became the CFO and Partner in a leading service provider company. After five years of profitability, he subsequently arranged for the company to be acquired.

Italo is currently involved in raising investment capital for emerging high-growth businesses and in providing advice and counsel to high-net-worth investors.



## Mark Ostrowski

Mark is a strategic planning and business development consultant with over 25 years of experience developing people, products and markets. His background as a corporate executive and entrepreneur is mainly in the agri-food, environmental service and biotechnology sectors. Working in multinational companies such as Canada Packers, Robin Hood Multifoods, International Flavors & Fragrances and Maple Leaf Mills, Mark was responsible for establishing and growing business in North America, Central America and Asia.

Mark has worked as a management consultant on a wide variety of projects including company start-ups, expansions, acquisitions and the design and launch of new products. He enjoys helping small and medium-size clients to start new ventures or expand existing businesses. Mark volunteers as an Advisory Board member for three private companies, is Vice President for the Dufferin Federation of Agriculture, is a Director for the Greater Dufferin Area Chamber of Commerce, is an Advisor to Business for CESO International Services and is a mentor for MBA students at the Schulich Business School. Mark holds a B.Sc. in Food Science from the University of Guelph and an MBA from York University.



## Doug Knox

Doug Knox is a senior executive with over 25 years experience with an extensive background in establishing and managing international partnerships, technology licenses, acquisitions and strategic alliances. Doug has managed both large corporate product divisions and developed small technology based businesses. Doug has spent 11 years with Unisys Corp. where he held worldwide responsibility for the Education Line of Business and was responsible for offshore manufacturing, quality control and software partnerships, strategic alliances, technology licenses and OEM agreements with multi-national companies such as Microsoft Inc., Lucky Goldstar International, Samsung Corporation, and many smaller corporate suppliers. Doug has been advisor to a variety of technology companies including: e-commerce software, RF Wireless Local Loop, Wireless LAN and WAN, 3d-graphics, GIS internet software, underground radio communications, RFID, broadband on copper, and internet training. ■■■



## Join the BioEnterprise Network! *cont'd from page 1*

The **Network of Professionals** consists of the many services and products most needed during the commercialization and subsequent stages of business growth. BioEnterprise solicits professional firms such as legal, accounting, banking, advertising, sales, distribution, marketing, product management, manufacturing technology purchasing (computer, cell phones) and many other areas. Upon joining the network, a business must provide references, service descriptions and fee/pricing information. BioEnterprise conducts initial interviews with these companies before making their information available to our clients. It is important that the Network of Professionals obtains a BioEnterprise seal of approval. In this way, BioEnterprise makes every effort to ensure the high levels of quality and professionalism amongst our network.

With the exception of the Investor Network, information from the BioEnterprise Global Network is publicly available over the internet and to our clients. An incidental fee is charged to professional firms that join and utilize the BioEnterprise Network of Professionals. There are no fees to join the Investor or Mentorship Networks. ■■■

# Risk – An Exercise in Self-Assessment

Investors always assess the risk in any opportunity that is presented to them. Depending upon the level of risk and the amount to be invested, the investor will decide whether to participate or pass on the opportunity.

Entrepreneurs looking for investment must address the key areas of risk and convince the investor that their opportunity is real.

The chart below is a typical example of the areas assessed for risk, and the risk statements in each cell represent the summary statement for the assessment. As a self-assessment tool, place your company capability in one cell for each line. Assess your own strengths and weaknesses. Is your opportunity a “good play” or a “blind bet”?

Risk Rating	Minimal Risk	Limited Risk	Average Risk	Above Average Risk	High Risk	Very High Risk
<b>Company Perspective</b>	Mature stable company w/ strong financial situation. Investment requires min. monitoring.	Company with good overall financial situation. Investment requires some monitoring.	Company w/ an acceptable overall financial situation. Regular monitoring is required.	Company with some financial deficiencies or is incomplete or unproven. Requires close monitoring.	Company with weak or unstable financial situation. Requires turn-around level of monitoring.	Company with insufficient financial justification for the proposed business. Likely a start-up.
<b>Management Team</b>	Proven skills. Full management complement. Strong team, experienced working together.	Proven skills. Have not worked together in past. Strong team in place.	Good skills, team may be missing one component but still good.	Deficient skills or management team. May be inexperienced.	Deficient with key skills or personnel missing. Incomplete management team/no team.	Entrepreneur with little/no management team identified or inexperienced entrepreneur/team.
<b>Product/ Service</b>	Unique product or service with proven track record.	Unique product or service with proven record.	Product or service with proven record.	Little or no track record, only one or two sales.	Little or no track record, no sales.	Incomplete product. Proof of concept stage. No track record.
<b>Technology</b>	Patented or very difficult to copy. Window > 1 year.	Patented or very difficult to copy. Window > 1 year.	Technical advantage of at least 6 months.	Limited tech advantage, less than 6 months.	Limited or no tech advantage, less than 6 months.	Unproven tech, no patents.
<b>Market Size</b>	Well-defined market being a very large market. Big potential.	Well-defined large market opportunity.	Well-defined medium market opportunity.	Not well-defined market, unclear opportunity.	Poorly defined /unclear market opportunity or a very small market.	Unproven market or no market analysis conducted. No market testing.
<b>Sales Plan Execution</b>	Strong sales & marketing plan with actual results.	Strong sales & marketing plan with actual results.	Good sales and marketing plan with limited results.	Poor sales and marketing plan with very limited results.	Poor sales and marketing plan with no results. Unproven.	No sales or marketing plan.
<b>Revenue Model Viability</b>	Large revenues, proven model, profitable.	Solid revenues, proven model, profitable.	Some revenues, proven model, break even.	Few revenues, proven model, break even or loss.	No revenues, unproven model, start-up.	No revenues/ pricing/ models Start-up.
<b>Competition</b>	Limited or very few. Compelling differentiators.	Limited or very few. Compelling differentiators.	Limited or very few. Compelling differentiators.	Limited but no compelling differentiators.	Limited but no compelling differentiators.	Incomplete. Competition unknown, diff. unproven.
<b>Strategic Partnerships</b>	At least 5 signed agreements.	At least 3 signed agreements.	At least 3 signed agreements.	Few agreements: negotiations underway.	No agreements. Prospects identified.	No agreements /no prospects identified. <span style="color: green;">■</span> <span style="color: green;">■</span> <span style="color: green;">■</span>

# Upcoming events

**2006 Agri-Food Innovation Forum** is being held in conjunction with the **3rd Annual World Congress on Industrial Biotechnology and Bioprocessing**  
July 11-14, 2006  
Westin Harbour Castle,  
Toronto  
[www.bio.org](http://www.bio.org)

**The Power Within**  
September 19, 2006  
London Convention Centre,  
London  
[www.powerwithin.com](http://www.powerwithin.com)

**BioEnterprise Path to Commercialization - Finding Investment Capital**  
September 28, 2006  
Holiday Inn, Guelph  
[www.bioenterprise.ca](http://www.bioenterprise.ca)

**National Biotech Week**  
September 23-30, 2006  
[www.imagenation.ca](http://www.imagenation.ca)

**Guelph Partnership for Innovation Breakfast**  
September 28, 2006  
Ramada Inn, Guelph  
[www.guelphinnovation.com](http://www.guelphinnovation.com)

## The Enterpriser

Volume 1 Number 4

### BioEnterprise

3-130 Research Lane  
GranBry Innovations Building  
Guelph, Ontario  
N1G 5G3

Phone: 519-821-2960  
Toll Free: 1-866-464-4524  
Fax: 519-821-7361

Publishing in  
Spring, Fall and Winter

Visit us on the web at  
[www.bioenterprise.ca](http://www.bioenterprise.ca)

## What's HOT in Agri-Tech

### Agricultural Modeling and Reporting

BioEnterprise is assisting a group to establish a commercial operating company based on the activities and services that have been previously been provided across Canada on both a not-for-profit and on a research basis. This technological area has long been of interest to various government organizations, co-operative agricultural groups and private companies around the world. The timing appears to be just right for this upcoming new venture.

### Air and Water Treatment Technologies

With the recent problems in municipal water supplies and the spillover of concern into the industrial, healthcare and agriculture sectors, this sector has become a dramatically expanding market. Add to this the concerns surrounding air pollution and air purification and you have a highly receptive market. Technologies in this area are on the cusp of dramatic market growth. BioEnterprise is seeing increased activity in this sector and along with it, some very compelling new technologies.

### Alternative Energy via Feedstock

The development of biomass fuel processing facilities and a longer-term alternate energy development based on switchgrass, corn, and a variety of other agricultural products are gaining a groundswell of support. Significant government funding is already being allocated to product facilities in the U.S. While Canada is well behind in processing capability, BioEnterprise is experiencing a significant increase in biomass fuel technologies.

### New Food Products for a Healthier Life

BioEnterprise is providing planning expertise to a number of food-related businesses. What sets these businesses apart is that these foods are not commodity-based, agricultural products, but rather are highly specialized, premium health foods for human and alternatives for livestock consumption. Whether it is building omega-3 products, new medicinal foods or combating healthcare diet issues, this is an active and compelling area of growth.

### Anaerobic Digester

While this technology has been around in many forms for a number of years, particularly in Europe, home-grown technologies are popping up across Canada and the USA. These are being fuelled by the ever-increasing focus on waste management and the relatively recent viability of turning the outputs into usable power. While not yet mainstream, the acceptance of these technologies is growing in leaps and bounds in municipalities and in agriculture.

### Integrated Pest Management

Integrated Pest Management (IPM) technology is becoming more and more viable as new compounds and mixtures are proving themselves in specific agricultural sub-sectors. This is particularly the case in recent solutions for the floriculture, forestry, orchards and the nursery crop greenhouse industries. BioEnterprise is seeing a significant increase in both innovation and market ready technologies in the IPM sector. ■■■

Funding for Bioenterprise has been provided by Agriculture and Agri-Food Canada and Ontario Ministry of Agriculture and Food and Rural Affairs under the Agricultural Policy Framework, an agreement among federal, provincial and territorial governments to make Canada's agri-food sector a world leader in science and innovation.

Aussi disponible en français.

Canada  Ontario 

[www.bioenterprise.ca](http://www.bioenterprise.ca)