Do you know an outstanding Alum?

Nominate him/her for the Rising Star Award!

Each year, the McCombs School of Business is pleased to present two young alumni with the Rising Star Award. Honorees are acknowledged at the annual Hall of Fame ceremony. Established in 2004-05, this award is presented to alumni no further than ten years from graduation who have been successful professionally and have helped strengthen the McCombs Alumni Network. These are graduates who have presented themselves as consummate professionals and dedicated business people. We are now accepting nominations for the 2011 Rising Star Awards. Submit a nomination using our online form (selfnominations are welcome). Nominations must be received by June 1, 2011 and remain active for three years.



McCombs Knowledge To Go



April 12, 2011



Texas Venture Labs



by Rob Adams,

Venture Labs Director and Lecturer in the Department of Management



TEXAS Venture Labs entrepreneurship, innovation and commercialization THE UNIVERSITY OF TEXAS AT AUSTIN

Spring 2011 Update

www.tvl.utexas.edu



Venture Labs: What, How and What's Different?

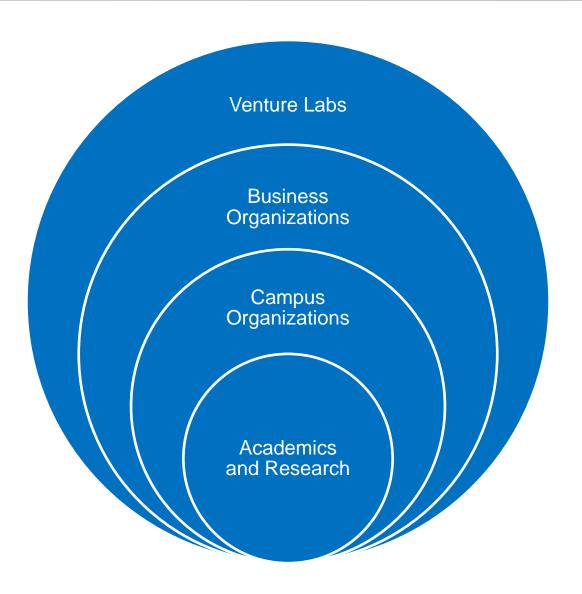
- What: Venture Labs is a University wide interdisciplinary education and research initiative to support entrepreneurship, innovation and company formation while providing a unique and directly applicable educational experience for participating students and a research environment for faculty.
- How: Venture Labs delivers the intellectual horsepower to promote new venture creation at UT Austin through education and mentoring; market and business plan validation; team-building and networking; and providing direct links to resources and funding.
- What's Unique: Venture Labs is Built on the entrepreneurial skunk-works that has thrived at UT Austin for the last five years and produced substantial results.



Venture Labs Positioning

- Looks like a venture capital firm
- Relies on outside sources of capital
- Not reproducing any on campus or business organization
- Accelerates company formation using proven approaches
- Run by graduate students from Business, Engineering, Law and Natural Sciences who are learning the process while building companies
- Defines success as a company receiving venture funding

How We're Doing It



Success Stories – Skunk Works Days









acue





- Management Team
- Funding
- Launch







Ongoing

Growth

Harvest

Mentoring

www phyrnace

Underway: more than 30 companies including Digital Proctor, Mentionables, MBA Benchmark, Ordoro, and SolaVicta



Stage 2

- License
- Market Validation
- Product
- Business Model
- Business Plan



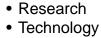












Generation

Stage 1

Idea

Portfolio Companies – Fall 2010

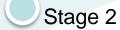












- License
- Market Validation
- Product
- Business Model
- Business Plan



- Management Team
- Funding
- Launch



- Ongoing Mentoring
- Growth
- Harvest











Stage 1

- Idea Generation
- Research
- Technology

Portfolio Summary – Fall 2010

COMPANY	INDUSTRY	TEXAS CONNECTION	FUNDING STATUS	REVENUE
Hurricane Party	social networking, localization	Current students	\$95,000 local angels	
Ordoro	e-commerce	Former students	Bootstrapping	+
Ovna	medical devices	UT technology; former student	Applying for grants	
ThaTrunk	social medio, e-commerce	Former student	Bootstrapping	
Wibole	mobile devices	UT technology; current students	Actively seeking	
Atonometrics	clean tech (photovoltaics)	Former student	\$1 MM +	+
Borrowed Sugar	localization, social media	Austin-based	\$500 K	
Hyper Wear	consumer goods, physical fitness	Austin-based	Actively seeking	+
Ideal Power Converters	clean tech	ATI alumnus	\$1 MM + Texas ETF, Battery Ventures	+
Ortho Kinematics	medical devices	Former student	\$2.5 MM PTV Sceinces, TEXO Ventures	+

Texas Venture Labs Student Profile - Spring 2011

HUMAN CAPITAL

These numbers represent the current semester's class of TVL students. This is the intellectual horsepower we put behind the TVL portfolio

Other facts	# Students	
Ph.Ds in waiting	8	
Started/starting companies	7	
International	6	
Experience on funding side of table	4	
Military service / deployment	3	
Ex-professional poker player	1	

School	# Students	
Business	16	
Law	7	
Engineering	7	
Natural Science	5	

Previous degrees	# Students	
B.S.	20	
B.A.	7	
B.B.A.	8	
B.F.A.	1	
M.S.	5	
M. Phil.	1	

Portfolio Summary – Spring 2011

COMPANY	INDUSTRY	TEXAS CONNECTION	FUNDING STATUS	REVENUE
Agile Planet	robotics; software	UT technology; former faculty; ATI company	In CTAN funding process	
Alafair	medical products	UT technology	Actively seeking	
eCampus Tutors	online education; social entrepreneurship	McCombs entrepreneur-in- residence	Seeking grants	
eProoft	online services	Current student	Bootstrapping	+
Spectraphase	medical devices	UT technology; current student; ATI company	Actively seeking	
Freed Foods	consumer goods; organic food	Austin-based	In CTAN funding process	+
Gazaang	cloud storage security	Austin-based	\$3.5 MM Austin Ventures	+
Info Chimps	big data processing	Current and former students	\$1.2 MM DEJ Mercury	+
Mass Relevance	social media tools	Current student	\$1.7 MM Austin Ventures	+
Xeris Pharmaceuticals	medical devices	Austin-based	In CTAN funding process	

HURRICANE PARTY

- What they do: Hurricane Party is a mobile application that allows users to spontaneously create and manage real-life gatherings while taking advantage of group purchasing power. Through private group-texting features and automated mapping, any user can easily create and share a "Hurricane Party."
- How we helped: Texas Venture Labs' primary focus was to aid marketing. Associates evaluated several marketing strategies including Internet and in-app advertising, "Greek community sponsorship," and other on-campus opportunities. The group conceived and organized a fraternity party sponsorship with free photo booth, which helped sign up nearly 100 new users. An "Ambassador Program," also developed by the team, has been the largest driver for new users.
- The latest: Hurricane Party raised \$95,000 during its time in TVL and is forging ahead in its mission. It has retained Josh Jones Dillworth as its PR agency and is focusing its energy on refining its application and preparing for a nationwide launch at SXSW 2011.

ORDORO

- What they do: Ordoro is a simple, web-based order manager for small online retailers. Ordoro's goal is to improve business productivity on back-end order fulfillment activities, allowing the business owner to focus on critical front-end revenue generating activities. The current alternative is Outlook and Excel, which must be manually updated and cataloged. This software-as-a-service works seamlessly with shopping cart, shipping and accounting software tools. Ordoro simplifies the IT needs of the merchants, drives down their total cost of ownership and, most importantly, saves them time.
- How we helped: The Texas Venture Labs team focused on lead generation, competitive analysis and online marketing strategy for Ordoro. TVL Associates generated in excess of 100 new sales leads for Ordoro to pursue, resulting in several demos, valuable product feedback and sales. The team also conducted phone calls with potential customers and competitors to learn more about the customer pain.
- The latest: Ordoro continues to bootstrap its business with revenue from early adopters. The agile development team is constantly improving the product, and new versions of its software are pushed to production weekly. Ordoro has expanded to support three popular shopping cart systems: Amazon.com, Shopsite and Big Commerce, as well as shipping through USPS and UPS.

OVNA MEDICAL

- What they do: Ovna Medical's technologies offer real-time detection and diagnostics of cancers and heart disease. Its core technology utilizes fiber optics for real-time collection of optical signals from sub-layers within the outer-skin tissue and underlying stroma. The technology can be used in various medical endoscopes that will help in the diagnosis and monitoring of cancers and pre-cancerous tissues. The technology will also provide solutions for cardio applications such as determination of heart disease and arterial plaque build-up.
- How we helped: Texas Venture Labs' primary focus for this deal was to develop and refine the company's technology commercialization strategy. This was a young deal, and as such, TVL associates were instrumental in developing the business plan and pitch deck, which were used to pitch to investors and as part of a Cancer Prevention Research Institute of Texas (CPRIT) grant application.
- The latest: The most important milestone for Ovna Medical is the successful completion of a clinical trial with the British Columbia Cancer Agency, which will conclude by Q4 of 2011. Prototype development efforts will focus on applications for use with rigid and flexible endoscopes as well as application development for the user interface and diagnostic software. In 2011, Ovna Medical will also pursue numerous funding and non-dilutive grant opportunities to help advance R&D.

ThaTRUNK.com

- What they do: Due to digital disruption in the music industry, independent hip-hop artists are having a difficult time breaking into major record labels to reach their mainstream audience and major labels are tentative to make large upfront investments for unproven artists.

 ThaTrunk.com solves this problem by leveraging a proprietary digital music platform that delivers base services: marketing and advertising, digital distribution, revenue management and virtual A&R services.
- How we helped: Texas Venture Labs primarily contributed to ThaTrunk's marketing strategy, particularly in researching radio markets to target, as well as potential channel partners in those markets. The team helped decide the initial beachhead markets. Additionally, the team worked with ThaTrunk on developing a funding strategy, analyzing when infusions of capital would be most beneficial for the company's growth.
- The latest: ThaTrunk.com will be launching the beta version of the website in the first quarter of 2011, with a base of over 800 independent hip-hop artists who have expressed the intent to upload at least one album.

WIBOLE

- What they do: As smart phones gain in popularity and functionality, Wibole solves the mounting problem of overburdened cellular networks. Wireless carriers collectively spend \$20B each year to improve and expand their networks to keep up with rising demand. Despite this, wireless service is unable to keep up with the new demands for mobile video and other data intensive functions. Using a patent-pending Multi-Hop Wireless Controller (MWC) in a firmware implementation, Wibole allows wireless devices to act as relays for other devices in order to gain maximized transmission speed.
- How we helped: The TVL team researched and assessed the complex value chain in the wireless industry, which is made up of users, wireless carriers, device manufacturers and chip manufacturers. The team conducted interviews with business and technical professionals for each of these players to determine market pains, short-term solutions and potential interest in MWC. Through these interviews, the team also generated meetings with two potential customers.
- The latest: Wibole is currently using the research and data developed by TVL to raise equity capital. The company has also been in contact with various cellular carriers and wireless chip companies to investigate potential strategic partnerships.

ATONOMETRICS

- What they do: Atonometrics is pioneering the test and measurement space of the photovoltaic industry. With nearly 50 million solar panels produced worldwide in 2009, the industry has matured to the point where quality and reliability have become a key decision factor in selecting solar panel providers. Atonometrics develops new testing equipment to ensure that solar panels do what they say they do.
- How we helped: Since the photovoltaic market is global and yet highly concentrated in a few, mostly private companies, TVL poured through online research to try to better understand the total available market for Atonometrics devices. It was able to size the market based on current estimated production capacity, as well as projected capacity at "announced" new factories. The company also analyzed key financial metrics and ratios from comparable testing equipment companies.
- The latest: Atonometrics closed on nearly \$1 million in angel funding last fall. It is currently filling a large order for its first customer, First Solar, which produces a large portion of the PV panels made in the U.S.

BORROWED SUGAR

- What they do: Borrowed Sugar is trying to make the Internet feel more neighborly. The technology searches the web and finds all the news, events and information related to every neighborhood and small town across the U.S. Borrowed Sugar products help neighbors meet each other, discover what's happening in their community and buy great products and services together. Ultimately, the company wants to strengthen interactions between local organizations and their members.
- How we helped: Texas Venture Labs offered research support for Borrowed Sugar in three key areas. First, TVL conducted analysis on the competitive space, helping keep track of market movement. Second, they suggested alternative models for Borrowed Sugar to curate content to improve content quality in each neighborhood. Third, TVL identified candidates for Borrowed Sugar's advisory board. These efforts provided Borrowed Sugar with data and analysis to develop an improved user experience.
- The latest: Borrowed Sugar recently raised an angel round in Austin. It has been using this capital to help fuel growth before full-scale launch in March 2011. After shoring up the 1,150+ Austin neighborhood websites, the company will look to expand to other cities. It will seek Series A venture capital to help fuel that growth later this year.

HYPER WEAR

- What they do: Hyper Wear creates innovative sports performance training equipment. Its first product, Hyper Vest, is a patented weighted vest technology that allows for a fuller range of motion and easier breathing than is possible with existing technology. Other products include the SandBell, a neoprene bag that combines many of the characteristics of a dumbbell, medicine ball and a kettle bell while preventing injuries common to those equipment types.
- How we helped: TVL assisted in diligence efforts as Hyper Wear sought angel funding. Few potential investors had experience in the fitness equipment market, so TVL associates worked to size the market and evaluate potential exit opportunities. Specifically, the group focused on the military and education markets, using Freedom of Information Act (FOIA) requests to find fitness equipment expenditures in public universities.
- The latest: Hyper Wear has yet to lock in funding, but the company continues to develop products, refine production and make sales as they pursue funding.

IDEAL POWER CONVERTERS

- What they do: Electronic power converters provide the infrastructure for clean energy use, including renewable energy production, smart power grids, improved building efficiency and electric vehicles. Ideal Power Converters (IPC) has a patented new power-converter technology and its products will improve cost efficiency and reliability for a variety of applications.
- How we helped: TVL's primary focus for this deal was to better validate the market opportunity. Although Ideal Power Converters has already begun generating revenue through a licensing agreement with Lockheed Martin, there were several large markets that Ideal Power Converters could target. TVL associates looked at the total size of these markets as well as their competitive landscape.
- The latest: IPC has just raised \$1 million from the Texas Emerging Technology Fund and also received funding from Battery Ventures. Having recently installed its first unit at the Austin Convention Center, IPC is hoping trial results will contribute to sales.

ORTHO KINEMATICS

- What they do: Ortho Kinematics is in the business of spine motion analysis and diagnostic services by utilizing its proprietary KineGraph VMA Technology an inexpensive hardware add-on to standard fluoroscopy imaging that works in conjunction with the company's Motion Normalizer and image recognition software. All of this combines to create a short test, with little or no discomfort for the patient, which provides spine clinicians with a wealth of information to assist them in diagnosing and treating back and neck pain.
- How we helped: Ortho Kinematics had already begun generating revenue through the smaller clinical research organization (CRO) market when they came to TVL, but we helped analyze the much larger market comprising pain management professionals such as chiropractors, physical therapists and physiatrists. The team conducted interviews with practitioners to understand patient flow and diagnostic imaging requests. In addition, TVL Associates were instrumental in developing the due diligence materials that were used by Ortho Kinematics to successfully close a new round of funding.
- The latest: TEXO Ventures and PTV Sciences recently led a \$2.5 million investment in Ortho Kinematics. These new funds will enable the company to complete a comprehensive clinical study of the KineGraph VMA technology, achieve regulatory clearance and hire key sales personnel. Ortho Kinematics has already brought on industry veteran David Miller as VP of Marketing and Sales.

Portfolio Detail – Spring 2011

AGILE PLANET

- This company develops and sells RLX robotics software, which behaves as the operating system for industrial robots. The software enables "unified" control which provides the end user of robots flexibility, choice and economic benefits that were previously not available. In short, RLX makes the use of robots economically viable for new growth markets like consumer packaged goods and life sciences.
- Agile Planet is led by CEO Chetan Kapoor, a well-regarded expert in robotics and inventor of Agile Planet's technology. Previously, he was the associate director of the Robotics Group at University of Texas at Austin where he led engineering teams on multimillion dollar projects for DARPA, DOE, and NASA.

ALAFAIR

Alafair is developing conformable, malleable and easily applied solutions to the problem of medical adhesion. These medical products utilize a porous polysaccharide-based hydrogel platform. Its solutions are applicable for anti-adhesive wound care and tissue reconstruction and cosmetic fillers. The current market exceeds \$1.2 billion annually and it is growing.

eCAMPUS TUTORS

- This interactive website provides live, interactive, online tutoring. The tutors are enrolled college and university students who meet strict educational standards. The target market is grades 7–12, including homeschooled children, as well as students and athletes at colleges and universities. The session takes place on an interactive white board with a dialogue box and audio. At the conclusion of each session, students are sent an email asking them to grade their tutor on several criteria.
- eCampus Tutors is the brainchild of Katy Hackerman, director of development at the College of Natural Sciences at UT at Austin and is being led by McCombs' Entrepreneur in Residence, Louise Epstein.

ePROOFT

eProoft allows its users to have peace of mind that their valuables and possessions are properly documented and can be referenced, valued and categorized in the event that these possessions are lost or damaged. By taking advantage of eProoft's technology, customers are able to fully customize their home or business inventory, scan important receipts and documents and organize their valuables online. With over \$2M spent on product development and a ready-to-sell product, eProoft is looking to build out its management team and launch its product.

Portfolio Detail - Spring 2011

SPECTRAPHASE

- This company proposes to develop, patent and commercialize technology for a blood glucose monitor that takes continuous readings on a real-time basis. With superior diagnostic data, hospital ICU staff can properly manage patients' blood sugar levels and expect both better patient outcomes and significant cost reductions for ICU administrators.
- SpectraPhase is led by CEO Chris Condit, a graduate student at UT, and founding member of CardioSpectra, an Austin-based medical diagnostics startup that successfully sold for \$63M in 2007.

FREED FOODS

- NurturMe is an innovative new way to feed babies. Its value proposition is built around product differentiation, branding and targeting the top drivers of foods sales in the US: organic sources, convenience and sustainability. NurturMe is now available at brick and mortar retail stores including Whole Foods and Central Market and nationally available at online retailers Diapers.com, BabiesRUs.com and Amazon.com.
- NurturMe's dried, organic fruits and veggies maintain more of their nutritional value than cooked, heat-pasteurized foods and come in light weight, recyclable pouches. Each pouch weighs less than a jar and parents can prepare meals anytime, anywhere, by mixing the product with breast milk, water or formula.

GAZAANG

A cloud security software developer, Gazzang currently services more than 60 customers in financial, health care, higher education and technology industries with its flagship ezNcrypt product. ezNcrypt works on the open-format MySQL databases and provides simple and convenient data encryption for any business that uses cloud based systems for its data storage and management. The company is led by Larry Warnock, the former CEO of Phurnace Software.

INFO CHIMPS

Info Chimps is an Austin startup with the mission to democratize access to structured data. Initially the brainchild of two graduate physics student at the University of Texas, Info Chimps is indexing and connecting the world's data and making it searchable. Info Chimps technology allows it to host and distribute that data in a variety of formats, with a focus on making lists, spreadsheets and datasets easy to find and consume. The Info Chimps marketplace has a similar revenue model to eBay, except it doesn't charge listing fees. Its top 20 datasets have been downloaded over 20,000 times.

Portfolio Detail - Spring 2011

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MASS RELEVANCE

Working primarily with media, retail and entertainment brands, Mass Relevance enables its clients to aggregate, filter and display the relevant user-generated conversations in real-time. Through a combination of advanced curation technology, expertise and services, Mass Relevance makes it easy for brands such as NBC, ABC, Cisco and NY Times to create more engaging online, offline and mobile experiences. Former CMO of BazaarVoice, Sam Decker, is CEO of the company.

XERIS PHARMACEUTICALS

XeriJect is a disruptive platform that addresses the problem of injection with a non-aqueous reformulation of existing biopharmaceuticals. This platform creates highly concentrated pastes or viscous liquids, which can be packaged into an auto-injector pen for rapid and easy administration. For severe hypoglycemia, Xeris has created a non-aqueous glucagon formulation to develop a Glucagon Rescue Pen (GRP) akin to the EpiPen for allergic reactions.

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