

HOPING TO START SOME LONG COURTSHIPS

JEREMY BOYER Business writer

Caption: WILL WALDRON/TIMES UNION ROBERT LINN, right, of Ernst & Young consultants, talks with John Hower, left, and Donald Becker of InScitek Microsystems of Rochester during Thursday's SmartStart Venture Forum at the Albany Marriott.

Robert Buckley had a small problem Thursday morning getting the SmartStart Venture Forum under way. He could not get the investors and entrepreneurs to leave the breakfast room.

“That room was packed this morning,” he said later in the day. “I had to drag them out of there to get things started.”

But the logistical challenge was actually a sign that the event was a success. “That's what this whole day is about,” Buckley said. “It's about bringing investors and businesses together and starting conversations.”

The second annual forum, organized by Empire State Venture Group, a North Greenbush-based consortium of academia, venture capitalists and private investors, was by most accounts bigger and better than last year.

Ninety-two investors came to the Albany Marriott on Wolf Road to hear presentations from 28 developing companies located throughout the state, including 10 firms from the Capital Region. A total of 320 people attended the daylong conference, up from 278 last year.

While every company presenting a business plan Thursday stated how much new funding they hoped to get, no one expected any deals to be landed right away. That was especially true this year, as concerns about the economy have had a chilling effect on venture capital investment.

“All of these things are long courtships,” said Steve Talbot, vice president of marketing for Evident Technologies Inc., a nanotechnology firm in Troy. “What we're focused on doing here is making introductions and getting on people's radar screens.”

That strategy worked last year for some of the presenting companies. SmartStart organizers said the inaugural event led to a combined \$20 million in venture capital investment for 10 businesses.

Venture capitalists at this year's event said they were generally impressed with the companies on display. “It's notably better than last year's, and I think last year's was good,” said Bradley C. Svrluga, managing director of High Peaks Venture Partners in Saratoga Springs.

Svrluga was one of many at the conference impressed with the diversity of the presenting companies. There was a business that makes video recording systems allowing athletes to analyze their skills. Another has developed technology to improve the efficiency of commercial laundry facilities. One is creating a new generation of semiconductors. A couple are building genetic testing products.

``We've got real businesses with real revenues targeting real markets," said Lawrence G. Grumer, managing director of Technology Associates & Alliances, a Boston firm that provides management services for emerging businesses. ``I've got a checklist with about 10 companies that we'll follow up with."

Grumer said his company and other venture capital firms in the Boston area are starting to see the Capital Region as a good place to find investment targets.

Thursday's keynote speakers also had high praise for the Albany area. Mark Goloven, senior regional economist for JP Morgan in New York City, talked about the likely impact of International Sematech, a Texas-based semiconductor manufacturing consortium that this summer announced plans to open a research center at the University at Albany.

``This high-tech bent, which has been under way in Albany for the past seven years, just got its most significant boost," he said. ``This could well be a tectonic shift in the shape of the local economic landscape."

Although no money was handed out Thursday, SmartStart did recognize three presenting companies. Evident Technologies was named the company most likely to receive funding. Silicon Imaging Inc. of Clifton Park received the award for best exhibit. And the best presentation honor went to Microlanguage LLC of Amherst, near Buffalo.

FACTS: CAPITAL REGION COMPANIES Here are the 10 local companies that presented their business plans at the SmartStart Venture Forum: Valogix Inc., Saratoga Springs -- financing sought: \$3 million Starfire Systems Inc., Watervliet -- financing sought: \$1 million to \$2 million Silicon Imaging Inc., Clifton Park -- financing sought: \$3 million Psyche Pharmaceuticals Inc., East Greenbush -- financing sought: \$3.5 million Folsom Technologies Inc., Castleton -- financing sought: \$1 million Evident Technologies Inc., North Greenbush -- financing sought: \$5 million Drug Risk Solutions LLC, Schuylerville - - financing sought: \$7.5 million Crystal IS Inc., Latham -- financing sought: \$3 million CardioMag Imaging Inc., Schenectady -- financing sought: \$5.6 million Autotask, East Greenbush -- financing sought: \$3 million

Gaining Steam This year's SmartStart Venture Forum showed some growth over last year's model: 2001: Total attendance: 278 Investors: 77 Companies: 27 Results: 10 companies secured combined \$20 million in funding following forum 2002: Total attendance: 320 Investors: 92 Companies: 28 Results: To be determined