

# WISCONSIN PORTFOLIO 2022



Assets



Viewpoints



Case Studies



Success Stories

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PUTTING RISK CAPITAL TO WORK

A man with dark hair and glasses is looking directly at the camera in a laboratory setting. He is holding up his right hand, which is glowing with a purple and blue light. In the foreground, there is a piece of scientific equipment with a lens and a red label. The background is dark and filled with various lab equipment and cables.

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# DEAR READER:

Welcome to the 2012 edition of the Wisconsin Portfolio, an annual publication of the Wisconsin Technology Council through its Wisconsin Angel Network.

This year's edition contains a detailed summary of angel and venture deal activity in Wisconsin in 2011, a year that proved to be an "up" round for angel investment dollars and a "down" round on the venture side of the ledger.

While no snapshot of angel activity can ever capture the full picture of individual angels, Wisconsin's 2011 angel groups and "super-angel" total of more than \$61.1 million was up sharply from \$50.2 million in 2010. The number of deals also rose, from 56 to 63. Taken together, those numbers confirmed the robust involvement of angels in Wisconsin's early stage economy.

It also reflected the rising prominence of "super-angels," or high-net-worth individuals who usually invest alone, even if utilizing an investment vehicle such as a limited-liability company. Reported investments in FluGen and Shine Medical Technologies are examples of that trend.

Venture capital investments in 2011 fell to about \$91.7 million from roughly \$130.7 million in 2010, the second-highest venture total in Wisconsin history. While Wisconsin continues to perform well in creating angel groups (please see map on page 14) and putting angel dollars to work in startup companies, it lags in attracting venture dollars.

That could change if the Wisconsin Legislature re-examines proposals to spur early stage investment through a state-leveraged "fund of funds," similar to what has worked in other states.

Wisconsin has all the right ingredients for success. It has an entrepreneurial heritage. Academic research funding in Wisconsin over-performs for its population. So do patent filings and other technology transfer metrics. While Wisconsin has built a strong foundation on research, intellectual property and angel capital, it falls behind neighbors and peer states in the venture economy. This report shows the time is right for Wisconsin to develop more sources of capital for high-growth, early and mid-stage companies.

Tom Still, *President, Wisconsin Technology Council*



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*The Wisconsin Portfolio is a team effort involving Wisconsin Angel Network Director Zach Brandon, staff at the Wisconsin Economic Development Corp., designers at Makin-Hey! Communications, photography by Joe Jackson and the support of our sponsors: WEDC, the state Department of Financial Institutions, University Research Park, the Wisconsin Health and Educational Facilities Authority, the State of Wisconsin Investment Board, UW-Milwaukee and UWM Research Foundation, the accounting firm of BDO, AT&T, Grant Thornton and American Transmission Co.*

# WISCONSIN'S ASSETS

## THE NATION'S NEW HOTSPOT FOR TECH-BASED INNOVATION

*There are a number of reasons why companies, investors and other institutions should invest or otherwise do business in Wisconsin, from its efficient agricultural sector to its modernized manufacturing community to its growing high-technology economy. Here are examples:*

### THE RIGHT PEOPLE:

Wisconsin offers a well-trained, educated workforce with an outstanding work ethic and proven adaptability. High-school graduation rates and post-secondary education rates in Wisconsin exceed the U.S. average, and college entrance exam scores rank No. 1 or 2, year after year. In the technology sector, Wisconsin is building a cadre of experienced managers, many of whom have taken companies from the start-up level to acquisition, merger or initial public offering.

in 2011 exceeded \$152 million, with angel investing increasing over 2010 totals. Wisconsin has recently expanded its investor tax credit program, which will lead to a tripling of available credit dollars in 2011. Under consideration in the Wisconsin Legislature are several early stage capital programs.



### AN INVITING PLACE FOR ENTREPRENEURS:

Wisconsin has created an integrated portfolio of services, both public and private, for entrepreneurs and early stage companies. The effort is paying off. Wisconsin's ranking in reports such as the New Economy

**A WARM INVESTMENT CLIMATE:** The enactment of investor tax credits and the creation of an angel investing infrastructure through the Wisconsin Angel Network have combined to spur increases in the number of angel networks (from six to 24), the number of reported angel network deals (up five-fold) and the amount invested in early stage deals. Total early stage investing in Wisconsin

Index by the Information Technology & Innovation Foundation, Cyberstates and other independent sources show Wisconsin rising in relation to its peers. In its annual "Best/Worst States for Business," Chief Executive magazine recently jumped Wisconsin by 17 spots, from 41st to 24th, in its rankings. That was the biggest improvement of any state.

**COMPETITIVE BUSINESS COSTS:** Doing business in Wisconsin can translate directly into savings. Construction and operating costs are notably lower than other areas of the country. Utility costs are less than the national average. Land costs are extremely competitive and quality labor is available at fair prices. Corporate income taxes in Wisconsin rank in the bottom third among the states, sales taxes rank in the middle, excise taxes and fees are among the lowest in the nation, and recent tax reforms have helped put Wisconsin on a competitive platform with other states. Worker's Compensation costs are among the most competitive in the United States.

“ *Wisconsin communities have recently showed up in “best places” magazine rankings, such as Fast Company, National Geographic and Money.* ”

**WORLD-CLASS ACADEMIC R&D:** Wisconsin institutions conduct more than \$1.25 billion per year in academic research and development, according to National Science Foundation figures. It's led by the UW-Madison with \$1 billion in research spending per year, good for second in the nation. Other leaders are the Medical College of Wisconsin, UW-Milwaukee and the Marshfield Clinic. The UW-Madison Institutes for Discovery, a \$170-million facility that opened in December 2010, is the only interdisciplinary research center of its kind in the United States outside the East and West coasts. The Great Lakes Bioenergy Research Center is the state's newest federal laboratory, backed by a \$135-million federal grant.

**A THRIVING LIFE SCIENCES SECTOR:** The biosciences are a \$6.8-billion industry in Wisconsin, including about 640 companies and 24,000 workers directly employed in medical, industrial and environmental biotechnology, bioinformatics, medical devices, healthcare and value-added agriculture. GE Healthcare has more than 6,000 employees in Wisconsin alone. Epic Systems employs nearly 5,300 through its electronic medical records business. Recent company success stories have included the acquisitions of MirusBio, NimbleGen, Prodesse, Third Wave Technologies, TomoTherapy and Zystor.

**HIGH-TECH MARKETS ARE HOT, TOO:** Information technology and other high-tech goods and services are an emerging sector in the Wisconsin economy. Drawn by the quality of academic research in Madison, Microsoft and Google have opened research offices there. Cyberstates 2010, an industry review by TechAmerica, showed Wisconsin seventh among the 50 states in electromedical equipment manufacturing employment; 10th in electronic components manufacturing employment; 10th in computers and peripheral equipment exports; and 12th in software publisher employment. Overall, the state ranked 13th in the nation with \$3.2 billion in high-tech exports, according to the review. The state consistently ranks among the nation's leaders in the number of patents issued.

**THE RIGHT LOCATION AND EXCELLENT QUALITY OF LIFE:** Wisconsin lies in the heart of the I-Q Corridor, a 400-mile stretch that includes Chicago to the south and the Twin Cities of Minnesota to the northwest. The corridor offers a world-class combination of talent, capital and research. Not only do Wisconsin and the I-Q Corridor provide a safe zone from many natural disasters, it's also well-insulated from the biggest security concerns of our time. The region is statistically one of the safest areas in the United States. Madison, La Crosse, Appleton, Green Bay and other Wisconsin communities have recently showed up in “best places” magazine rankings, such as Fast Company, National Geographic and Money.



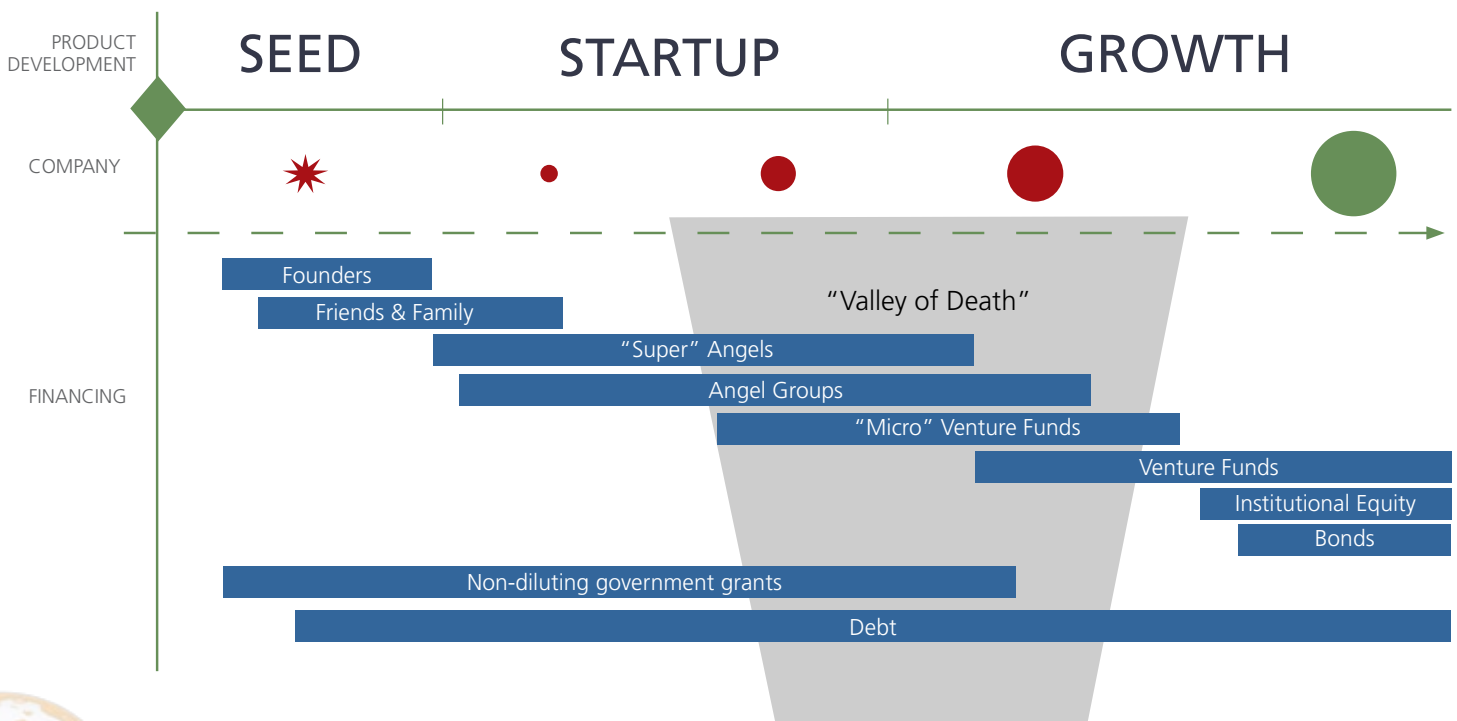


# HOW OTHERS VIEW WISCONSIN AND THE MIDWEST

*In a January 2010 report, “Turning up the heat: How venture capital can help fuel the economic transformation of the Great Lakes Region,” researcher Frank Samuel concluded that conditions are right within the region for significant venture capital investments.*

“Its deep problems notwithstanding, the Great Lakes region has formidable assets that will necessarily provide the foundation for future economic growth, including substantial research and development capacities, a strong existing industrial base, and growing prowess in key economic sectors and technologies,” Samuel wrote. “But this isn’t enough: The region still lacks the venture capital investments needed to help translate the huge amount of innovation these assets generate into the high value firms, products, and services that, as the Great Recession recedes, will define the next economy.”

Samuel’s report for the Brookings Institution recommended creation of a Great Lakes 21st Century Fund, a multi-state fund ranging from \$1 billion to \$2 billion to invest in early stage opportunities. Samuel envisioned the fund would (1) invest in private early stage funds with a presence in the region that focus on investing in operating companies in the region; (2) co-invest in selected operating companies that are in the portfolios of venture capital funds in which the larger fund invests; and (3) co-invest with large national and international firms that create offices in the Great Lakes region. The same Brookings report underscored the existence of an inefficient market in the Great Lakes region.



It noted that 33 percent of all U.S. research and development dollars and 35 percent of National Institutes of Health research grants are spent in Great Lakes states, but less than 14 percent of all venture capital is invested in the region. “Even more discomfiting,” the report noted, large public pension funds in the Great Lakes region contribute 40 percent of all venture capital investments by large U.S. public pension funds – but most of it winds up in investment deals on the East and West coasts.

“Venture-backed economic development is vital to the ability of the Great Lakes region to tell a new, future-oriented story about the region and its communities, rebranding them as innovative and creative talent centers, rather than industrial backwaters,” Samuel wrote.

The Brookings report was an outside analysis of what many insiders already knew – that the Great Lakes region is a “donor” region when it comes to attracting and retaining start-up capital.

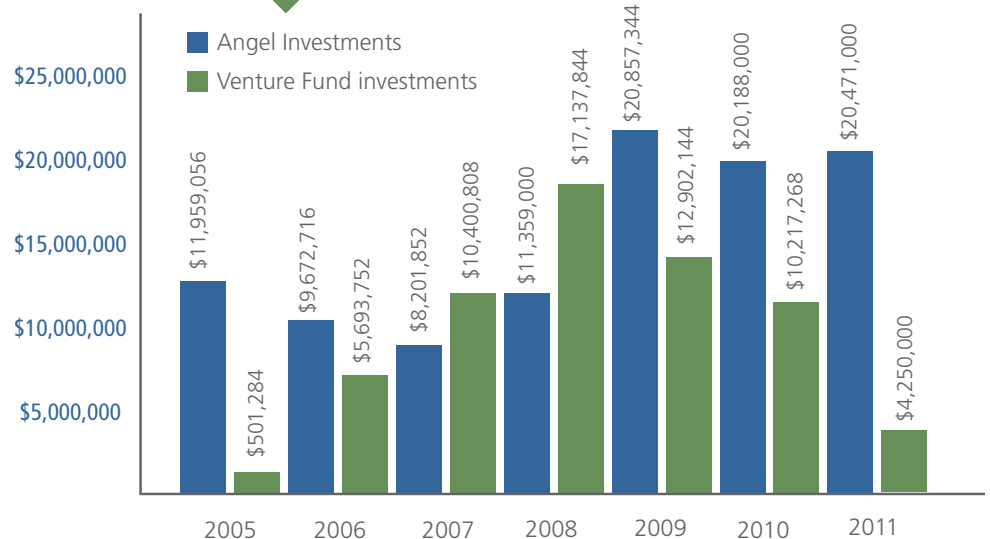
Many financial institutions in the region invest in venture capital as an asset class, but historically most have done so through large coastal investors rather than mid-sized and smaller funds much closer to home. In the 1990s and early 2000s, that phenomenon could be explained by anticipated return on investment, but that rationale is poised to change as coastal deals become more expensive,

regional deals become more attractive and the venture capital industry overall becomes leaner and more value-oriented. Others who have examined Wisconsin’s dearth of venture capital have reached similar conclusions. Those reports include:

- “Be Bold: The Wisconsin Prosperity Strategy,” an analysis by the Wisconsin Economic Summit
- “Refocus Wisconsin,” a report by the Wisconsin Policy Research Institute
- “Looking to the future: A case for bold action,” the biennial white paper report of the Wisconsin Technology Council
- The Venture Capital Landscape & Regional Capital Formation Environment,” a report by the State of Wisconsin Investment Board

## ACT 255 UPDATE

INVESTMENTS IN QNBV COMPANIES



## WHY WISCONSIN

**SOLOGEAR** was co-founded by serial entrepreneur Chad Sorenson, whose previous start-up, Fluent Systems, was acquired 18 months after it was founded. SoloGear developed a patent-pending fuel mixture that it deployed as a charcoal alternative called FlameDisk. The company raised more than \$6 million from investors. On April 27, 2011, BIC Corp. announced it had acquired SoloGear for an undisclosed price. The company continues to expand its Middleton, Wis.-based manufacturing and distribution facility to keep up with demand. FlameDisk is available at retailers nationwide including Target, Wal-Mart, The Home Depot and Aldi.

# WHAT EARLY STAGE CAPITAL MEANS TO THE ECONOMY

*Since the birth of the American venture capital industry in 1946, it has deeply and inalterably reshaped the U.S. economy.*

***Venture and angel capital is a prolific jobs creator.***

There were 11.9 million venture-backed jobs in the United States in 2010, according to the National Venture Capital Association, a figure that represented 11 percent of total U.S. private sector employment (107.3 million jobs).

***Venture and angel capital has shaped modern entrepreneurship.***

In doing so, it also sparked the formation of new businesses that grew into some of the corporate giants of our time, such as Microsoft, Apple, Google, Genentech, FedEx, Amazon, Amgen, Starbucks, Twitter, Cisco, Intel, eBay, Costco, Medtronic, Staples, Outback Steakhouse and Home Depot.

***Venture and angel capital has created entire new industries.***

They include semiconductors in the 1960s, microprocessors in the 1970s, and biotechnology and cellular communications in the 1980s and 1990s. There are 17,000 venture-backed companies in the information technology cluster, which includes the Internet, arguably the most dynamic economic force of our time. In the broad “cleantech” sector, which is vital to our future supplies of energy, water and materials, there are more than 900 venture-backed companies.

***Venture and angel capital repay the economy far more than it costs.***

Annual venture investment less than 0.2 percent of U.S. gross domestic product, but it generates revenues that are

exponentially larger. For every dollar of venture capital invested from 1970 to 2010, \$6.27 in revenue was generated in 2010. Annually, venture-backed companies have generated revenue equal to 21 percent of U.S. gross domestic product.

***Venture and angel companies tend to grow faster.***

Compound employment growth rates for venture-backed companies grew by 1.6 percent during a three-year period ending in 2009, compared to 0.2 percent for the U.S. private sector as a whole.

***Venture and angel capital can weather economic storms.***

While total employment and revenue for venture-backed companies contracted during the 2008-2010 economic recession, both did so at lower rates than in the larger U.S. economy. As a result, venture-backed companies actually increased their percentage shares of total U.S. activity in both categories.

The ability of venture-backed firms to out-perform their non-venture counterparts, during good times and bad, stems from venture capital’s focus on highly innovative, emerging growth companies. From 2008 to 2010, the eye of the recession, the 500 largest public companies with venture roots increased their collective market capitalization from \$2.1 trillion to \$2.8 trillion.



**2.11%**  
of the nation's  
patent filings



**2.15%**  
of the nation's  
academic re-  
search  
spending



**0.25%**  
of the nation's  
venture capital  
investment

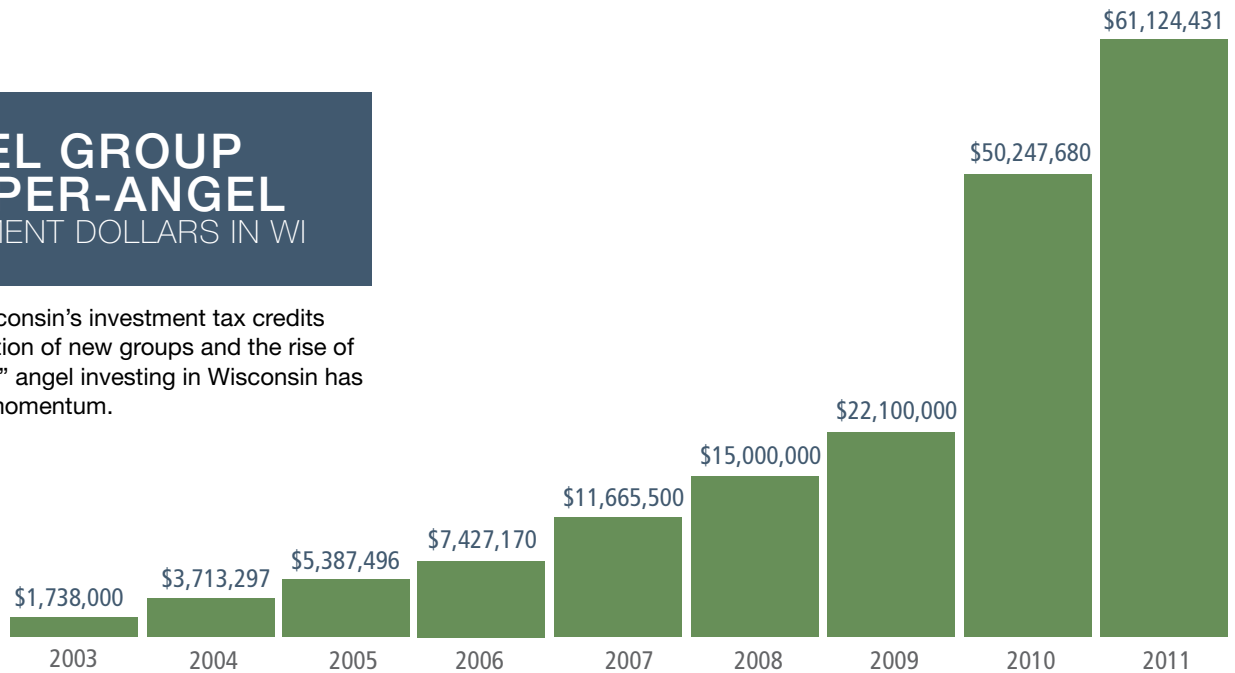


**0.13%**  
of the nation's  
venture capital  
under manage-  
ment

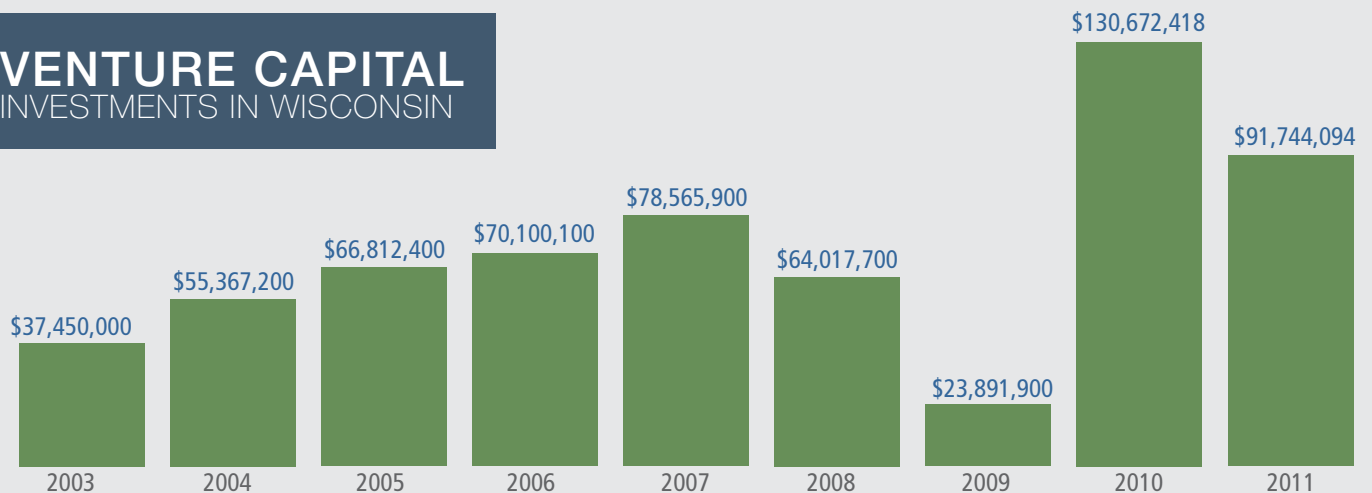


## ANGEL GROUP & SUPER-ANGEL INVESTMENT DOLLARS IN WI

Fueled by Wisconsin's investment tax credits law, the formation of new groups and the rise of "super-angels," angel investing in Wisconsin has steadily built momentum.



## VENTURE CAPITAL INVESTMENTS IN WISCONSIN



## SBIR AWARDS IN WISCONSIN

Small Business Innovation and Research/Small Business Technology Transfer awards, also known as SBIR/STTR, are grants from federal agencies to fund innovation and commercialization of new technologies. These grants are targeted at businesses in the very early stages of development, including some that are not incorporated. The awards provide important funding of R&D efforts that help develop some of the newest, most innovative start-up businesses. In 2011, 53 Wisconsin companies won 96 grant awards totaling \$45.4 million.



# REPORTED 2011 DEALS

Wisconsin Company	Angel Capital Investments	Wisconsin Company	Venture Capital Investment	Primary Investor(s)
7Summits	\$1,000,000			Holton Investments (Tom Holton)
		Adoptic Holdings	\$2,000,000	HOYA
Alice.com	\$2,871,087	Alfalight	\$664,000	Venture Investors, In-Q-Tel, Undisclosed investor(s)
AquaMost	\$3,057,000			Undisclosed investor(s)
				Golden Angels Network, Inventure Capital, Wisconsin Investment Partners
Aurizon Ultrasonics	\$50,000	Aquarius Technologies	\$4,000,000	Evergreen Venture Partners
Aurora Spectral Technologies	\$632,500			Undisclosed investor(s)
Aver Informatics	\$1,300,000			Undisclosed investor(s)
Biolonix	\$45,000			Shamrock Partners (Tom Shannon), Wisconsin Investment Partners, Silicon Pastures, Zyquest Ventures (Al Zeise)
BioSystems Development	\$750,000	BioSystems Development	\$300,000	Wisconsin Investment Partners
Brazen Careerist	\$445,000			Madison Development Corp.
Collectar	\$133,500			Undisclosed investor(s)
				Wisconsin Investment Partners
Cytophil	\$351,000	Cellular Dynamics	\$30,000,000	Tactics II Investments, Undisclosed investor(s)
Dimensional Technology	\$100,000			Undisclosed investor(s)
Door 6	\$108,000			Undisclosed investor(s)
Endece	\$1,200,000			Undisclosed investor(s)
Engineered Propulsion Systems	\$542,692			Undisclosed investor(s)
Esker Technologies	\$350,000			Undisclosed investor(s)
Eso-Technologies	\$165,792			Undisclosed investor(s)
Flex Biomedical	\$866,000			NEW Capital Fund, Wisconsin Investment Partners, Silicon Pastures
FluGen	\$7,800,000			Knox (Frederick Mancheski), Undisclosed investor(s)
		Forte Research	\$400,000	Madison Development Corp
Frozen Codebase	\$40,000	Frozen Codebase	\$340,000	NEW Capital Fund, Undisclosed investor(s)
Goudy Research	\$3,000,000			Undisclosed investor(s)
Grandcare	\$75,000			Undisclosed investor(s)
		Green EnviroTech Holdings Corp.	\$5,000,000	Centurion Private Equity
HarQen	\$1,700,000			Shamrock Partners (Tom Shannon), Silicon Pastures, Phenomenelle, Danevest
Health Innovation Technologies	\$600,000			Undisclosed investor(s)
Heartfelt Celebrations	\$800,000			Undisclosed investor(s)
Imagination Trends	\$425,000			Undisclosed investor(s)
Kidsocial	\$250,000			Undisclosed investor(s)
Liveyearbook	\$1,385,000			Undisclosed investor(s)
Meihui	\$980,000			Phenomenelle, Danevest
Mithridion	\$162,853	Mithridion	\$337,147	Venture Investors, Wisconsin Investment Partners, Undisclosed investor(s)
Montage Talent	\$867,266	Montage Talent	\$2,132,734	Baird Venture Partners, Calumet Venture Fund, GCI (Gary Comer)
Morgan Aircraft	\$116,667			Undisclosed investor(s)

Wisconsin Company	Angel Capital Investments	Wisconsin Company	Venture Capital Investment	Primary Investor(s)
Murfie	\$1,430,000			Danevest, Wisconsin Investment Partners, Barry Silbert
		My Health Direct	\$4,170,000	Arboretum Ventures, Chrysalis Ventures, Undisclosed Investor
NanoMedix	\$4,016			Undisclosed investor(s)
Neoclone	\$388,000	Neoclone	\$200,000	Wisconsin Investment Partners, Silicon Pastures, Madison Development Corp
Networked Insights	\$540,814	Networked Insights	\$19,459,186	Goldman Sachs Asset Management
NeuWave Medical	\$2,270,522	NeuWave Medical	\$1,244,528	Venture Investors, Undisclosed investor(s)
NovaScan	\$300,000			Undisclosed investor(s)
NovaShield	\$410,000			Undisclosed investor(s)
		Novelos Therapeutics	\$11,183,903	Venture Investors, Undisclosed investor(s)
Okanjo Partners	\$1,500,000			Shamrock Partners (Tom Shannon)
Passing Green	\$125,000			Zyquest Ventures (Al Zeise)
PDM Solar	\$103,900			Undisclosed investor(s)
Pinpoint	\$50,000			Wisconsin Investment Partners
ProCertus BioPharm	\$70,000	ProCertus BioPharm	\$1,700,000	Novartis Venture Fund, Venture Investors, WARF, Undisclosed investor(s)
Quincy Bioscience	\$239,000			Undisclosed investor(s)
Quintessence Biosciences	\$1,092,334			Undisclosed investor(s)
Quter	\$10,000			Undisclosed investor(s)
Rapid Diagnostek	\$100,000			Undisclosed investor(s)
		Sagence	\$3,000,000	Cross Atlantic Capital Partners
Semba Biosciences	\$875,000			Undisclosed investor(s)
Shamrock Energy Corp	\$580,000			Shamrock Partners (Tom Shannon) and RNO Ventures
Shine Medical Technologies	\$11,400,000			Knox (Frederick Mancheski), Undisclosed investor(s)
		Shoutlet	\$500,100	Leo Capital Holdings, Origin Ventures, Undisclosed Investor(s)
Showshoe Food	\$200,000			Wisconsin Investment Partners
Silatronix	\$1,060,023	Silatronix	\$1,349,996	Venture Investors, Undisclosed investor(s)
Spaulding Clinical Research	\$3,000,000			Undisclosed investor(s)
Speech Tails	\$225,000			Zyquest Ventures (Al Zeise)
Student Spill	\$420,000			Undisclosed investor(s)
		Stealth Therapeutics	\$362,500	Undisclosed investor(s)
Stemina Biomarker Discover	\$250,000			Undisclosed investor(s)
Surgical Site Solutions	\$56,000			Undisclosed investor(s)
Tascet	\$682,000			Undisclosed investor(s)
TermSync	\$205,000			Undisclosed investor(s)
TrafficCast	\$898,465			Danevest, Phenomenelle
Volary	\$200,000			Zyquest Ventures (Al Zeise)
		Xolve	\$2,000,000	DSM Venturing BV, NEW Capital Fund, Peak Capital Group
Zurex Pharma	\$270,000			Undisclosed investor(s)
		Zurex PharmaAgra	\$1,400,000	Peak Ridge AgTech Fund, Madison Development Corp

**TOTAL ANGEL \$:**  
**\$61,124,431**  
 ANGEL DEALS 63

**TOTAL VENTURE \$:**  
**\$91,744,094**  
 VENTURE DEALS 22

**TOTAL INVESTMENT \$:**  
**\$152,868,525**  
 TOTAL COMPANIES 76



# CASE STUDY:

## *Exact Sciences & Wisconsin's biotechnology industry*



Kevin Conroy, Exact Sciences

If you didn't know that Exact Sciences was on the verge of a breakthrough in the war against cancer, you might conclude it's a company on the ropes.

The Madison-based firm reported in August that it lost about \$6.6 million in the latest quarter and about \$11 million for the first six months of 2011, numbers that could signal trouble for most publicly traded companies of its size.

But for Exact Sciences, which moved to Wisconsin from Boston about three years ago under the leadership of president Kevin Conroy, the losses represent a common rite of passage for biotechnology companies – especially those savvy enough to develop game-changing drugs or diagnostic tests.

That rite is preparing for clinical trials, and it's a guaranteed drain on biotech company bank accounts.

Exact Sciences has begun clinical trials, a three-stage process required by the U.S. Food and Drug Administration, for its non-invasive test to screen for colorectal cancer. The test, called Cologuard, could revolutionize how people are tested for colorectal cancer, a slow-moving disease that can be treated and cured if detected early. The trials, which will involve 10,000 patients over the next year or so, began in June. If the trials pass FDA muster for safety and results, Exact Sciences could begin marketing Cologuard and start recovering the \$100 million invested in the company over time. The company would likely grow by leaps and bounds and

become Wisconsin's next biotech star. If the trials fail, well... a lot of investors would lose a carefully calculated bet.

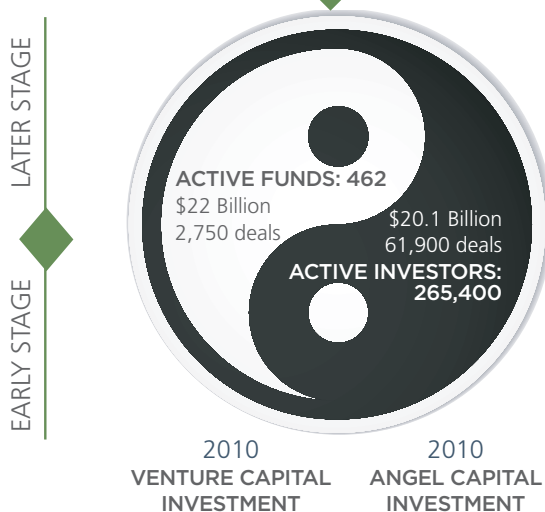
Such is the life of a typical biotech company, especially one aspiring to create the next blockbuster drug or diagnostic test. It's a risky proposition, fraught with regulatory peril, technological hurdles, management challenges and uncertain financial rewards – even if all goes well. Over time, and against most odds, Wisconsin has become home to a cluster of biotech companies such as Exact Sciences. Today, however, Wisconsin's biotech industry is caught in something of a perfect storm. Some of those clouds are much like those looming over biotech firms in California or Massachusetts, such as federal patent backlogs that can hinder innovation and FDA regulations that compound the problem. At least one threat, however, is more acute in Wisconsin than in most other biotech states: Lack of venture capital.

More so than most emerging companies, those in the medical biotech space require lots of capital to move through the stages of discovery to delivery. The potential payoffs are enormous, however, because tech companies can produce hundreds of high-paying jobs over time. The average tech job in Wisconsin pays nearly twice the statewide per capita average.

Venture capital is invested across a mix of industry sectors, so it's not just biotech that would benefit from a state-leveraged plan that pays back taxpayers over time. But biotech is an example of a sector where large investments are often required.

## THE YIN AND YANG OF CAPITAL MARKETS

ANGEL AND VENTURE FINANCING



# CASE STUDY:

## *Wisconsin's TechStars*



Preston Austin (left) and Matt Younkle, Murfie

Considered the No. 1 start-up accelerator in the world and touting selection rates lower than the Ivy League, TechStars selected two Wisconsin-based companies from hundreds of applicants around the world.

These two “rising stars” join an elite few that are able to participate in the mentorship-driven start-up accelerator. Founded in 2006, the TechStars program includes more than 300 mentors, more than 1,500 investors and 120 alumni. The program is funded by 50 venture capital firms and 25 angel investors. Eighty-percent of TechStars companies have been funded upon completion of the program or have quickly become profitable on their own.

In 2011, more than 600 startups applied to be one of the 12 teams selected to participate in TechStars. Spill was one of the dozen selected. Born on the campus of the University of

Wisconsin-Madison, Spill is anonymous online resource that connects people who are struggling with similar life problems.

After “graduating” from TechStars, Spill is now being used on 10 campuses and in 2011 the company raised \$420,000 from angel investors, including three from Wisconsin.

The community-oriented music marketplace, Murfie, was also recently selected for the 2012 program in Boston. The Madison-based company offers a buying, selling and trading platform with the benefits of CD ownership and the convenience of digital downloads. In 2011, Murfie raised \$1.4M in an oversubscribed round led by DaneVest Tech Fund along with some notable angel investors such as Barry Silbert of SecondMarket.



Heidi Allstop, Spill

Since launching in 2011, Murfie has gained more than 4,000 customers with more than 120,000 CDs in their system and with nearly 2,000 new CDs coming in per day.

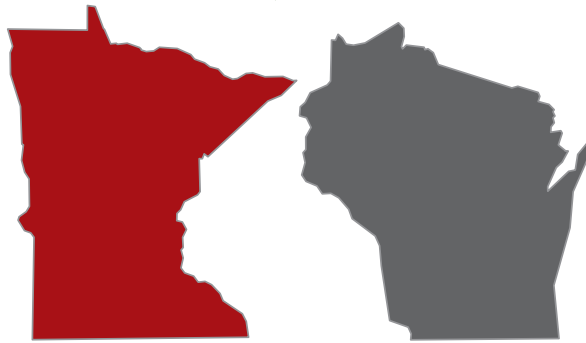


WHY WISCONSIN

**AURIZON ULTRASONICS** is a technology spinout from the Fox Valley's Kimberly-Clark Corp. The ultrasonic technology uses sound waves rather than glue to do high-speed bonding of materials such as the plastic in diapers. NEW Capital fund invested in the company's seed round and is a partner alongside Kimberly-Clark. Wisconsin is home to many large companies performing research and development. Aurizon is an example of an emerging model in Wisconsin where technology is transferred from bigger companies to start-ups, providing for a more entrepreneurial commercialization of the technology than available in a larger corporation. Pictured: Ron Kelbert & Pat McNichols.

# A TALE OF TWO STATES:

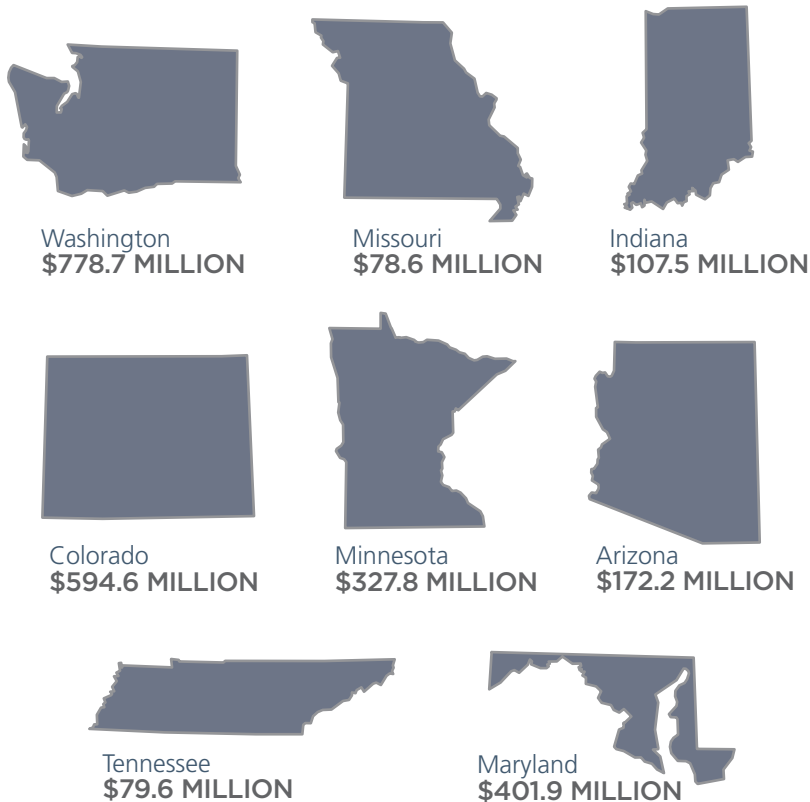
WISCONSIN and MINNESOTA



	MINNESOTA	WISCONSIN
2009 Workforce Size	2,417,174	2,355,879
40-year VC total	\$6.5 billion	\$1.2 billion
5-year VC average	\$327,771,460	\$72,052,320
VC-backed jobs	447,285	60,156
Workforce attributed to venture capital	19%	3%

## PEER STATES WITH WISCONSIN WORKFORCE SIZE

HOW WISCONSIN STACKS UP

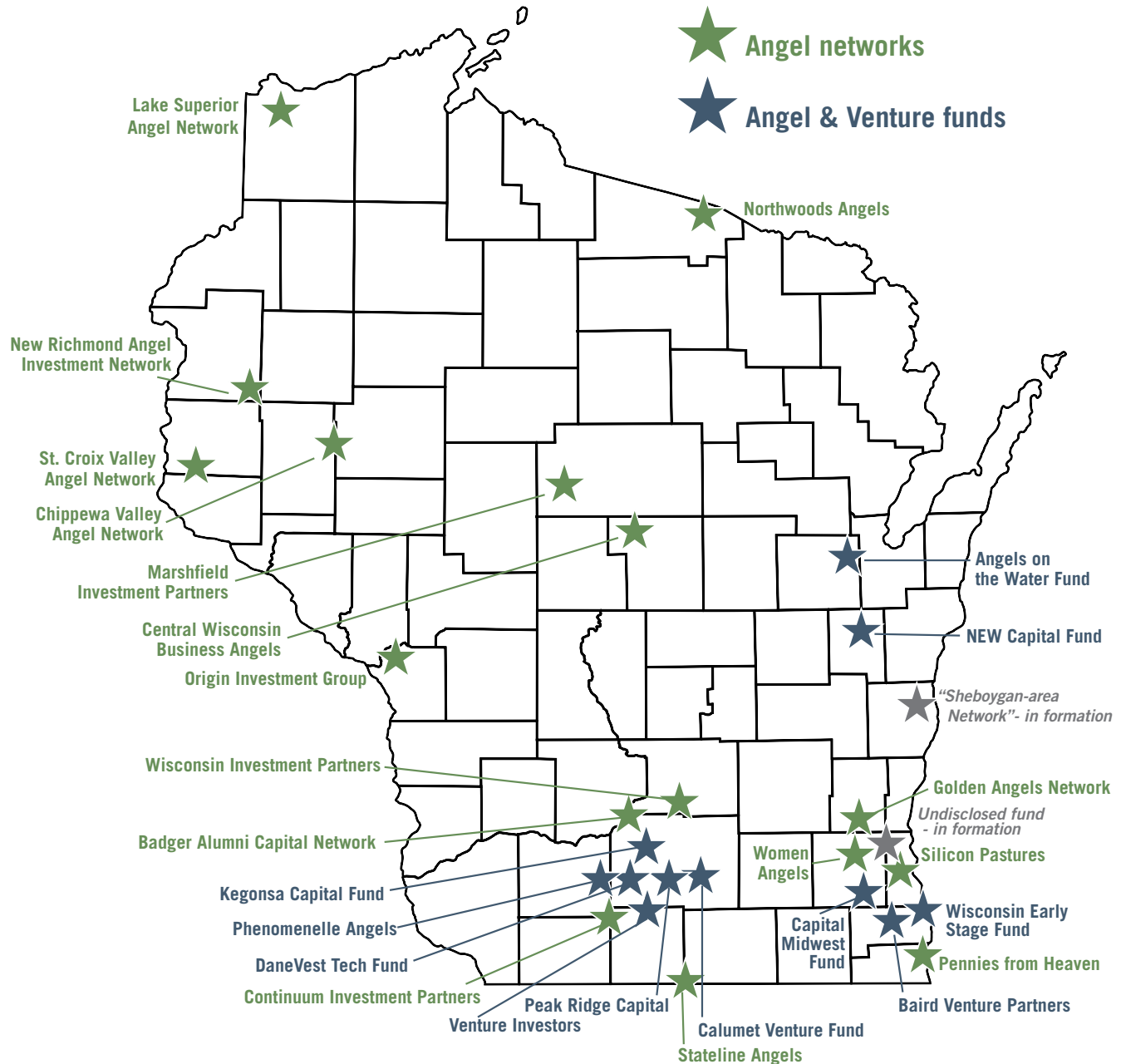


5 YEAR AVERAGE OF VENTURE CAPITAL INVESTMENTS IN PEER STATES





# WISCONSIN EARLY STAGE INFRASTRUCTURE



## Angel Groups:

Chippewa Valley Angel Network  
momentumwest.org

DaneVest Capital  
danevestcapital.com

Golden Angels Investors  
goldenangelsinvestors.com

Marshfield Investment Partners  
marshfieldchamber.com/business/  
mifd\_investment\_partners.php

Northwoods Angels  
vilascountydc.org

Origin Investment Group  
http://www.uwlax.edu/sbdc/Origin-  
Investment-Group.htm

Pennies From Heaven  
angelmoney.org

Phenomenelle Angels  
phenomenelleangels.com

Silicon Pastures  
siliconpastures.com

St Croix Valley Angel Network Inc  
stcroixedc.com/services.htm

Wisconsin Early Stage Fund/Successful  
Entrepreneur Investors  
successfulentrepreneurinvestors.com

Wisconsin Investment Partners  
wisinvpartners.com

## Venture Capital Funds:

Baird Venture Partners  
bairdventurepartners.com

Calumet Venture Fund  
calumetvc.com

Capital Midwest  
capitalmidwest.com

Geo Investors  
geo-investors.com

Kegonsa Capital Partners  
kegonsapartners.com

Lubar & Company  
lubar.com

Madison Development Corporation  
mdcorp.org

Peak Ridge Capital  
peakridgecapital.com

NEW Capital Fund  
newcapitalfund.com

Venture Investors  
ventureinvestors.com

*Umbrella organizations:*  
Angel Capital Association  
angelcapitalassociation.org

National Venture Capital Association  
nvca.org

Wisconsin Angel Network  
wisconsinangels.com



# EARLY STAGE INVESTMENT SUCCESS STORIES



Kelly Fitzsimmons, Harqen

Here are just some examples of how early stage, private equity investments are helping to create companies and jobs in Wisconsin.

## LOGISTICS HEALTH INC.

Founded by Don Weber, an entrepreneur whose military service convinced him there was room for a better system of managing the health of armed services personnel, Logistics Health Inc. went from under 20 employees 10 years ago to about 1,000 today. With an investment round led by TA Associates, Logistics Health grew into one of the mainstays of the La Crosse economy. It was recently acquired by UnitedHealth Group Inc.

## U.S. TRAILMAPS

This Wausau-based venture was a past finalist in the Governor's Business Plan Contest and is a leading provider of GIS-derived map data for recreational trail activities. Founded in 2005, U.S. Trailmaps provides mapping data to leading GPS-device manufacturers. The company also provides data for map and smart phone application developers and co-develops related social media sites. Financing rounds totaling \$650,000 have been led by Fitchburg-based Kegonsa Capital Partners.

## IDLE FREE SYSTEMS

Founded in Watertown, Idle Free Systems Inc. is an innovative provider of the only complete, year-round idle-elimination solutions for school buses and trucks. The Kegonsa Seed Fund

was the seed round investor and in 2009 Idle Free closed on a first financing round of \$1.3 million. The company's 2010 sales results were very strong, exceeding 2009 by more than 200 percent. The company is hiring.

## NIMBLEGEN

This Madison-based company produces high-density DNA microarrays used in pharmaceutical research. Baird Venture Partners invested in NimbleGen in 2001, co-led a subsequent financing for the company in 2004, and exited its investment in 2007 when it was sold to Roche for \$272.5 million.

## PINSTRIPE

This Milwaukee-based business services firm that provides recruitment process outsourcing. In 2005, Baird Venture Partners exited their investment in Pinstripe after helping the company with its Company Series' A Preferred Stock Financing.

## JELLYFISH.COM

This Middleton-based company operates an online comparison shopping site. Jellyfish.com was founded in 2006 with the help of \$6.2 million from cash infusions from the founders and two financing rounds led by Fitchburg-based Kegonsa Capital Partners. Microsoft paid a reported \$50 million for the company in 2007.

## TOMOTHERAPY

This Madison-based company began as a University of Wisconsin-Madison spinout and grew into a major manufacturer of CT scanners for radiation therapy. In March 2011, TomoTherapy announced it will be acquired by Accuray for \$277 million. The combined company, which will maintain offices and manufacturing in Madison, will have an installed base of 550 units in 32 countries, and more than 1,100 employees. The combined revenue of the two companies in calendar year 2010 exceeded \$400 million, 30 percent of which was generated from service of the installed base. This is one of several Wisconsin companies with a CEO rooted in GE Healthcare, Fred Robertson.

## VIRENT ENERGY

This producer of “green gasoline” is based in Madison and has attracted nearly \$100 million in funding since it spun out of the University of Wisconsin-Madison about nine years ago. Virent produces advanced sustainable biofuels, including biogasoline that can be run through standard gasoline pumps and jet fuel. In June 2010, Virent announced that it had closed on a \$46.4 million third round of funding. Investors included Royal Dutch Shell, Cargill and Honda.



Lee Edwards, Virent Energy

energy sources. When President Obama wanted to visit a company that is making a difference in energy technology, he toured Milwaukee-based ZBB in mid-2010.

## ALICE.COM

“Why doesn’t anyone buy toilet paper online?” As simple as that question might seem, it was the spark behind the creation of Alice.com, the latest web-based brainchild of Mark McGuire and Brian Wiegand, two of Wisconsin’s serial entrepreneurs. Consumers who sign up at Alice.com can buy toilet paper, toothpaste, laundry detergent and other household essentials at reasonable prices and have them delivered to their homes with no shipping charges. Alice.com raised \$4.3 million in 2009 in a first financing round led by Kegonsa Capital and DaneVest Tech Fund. McGuire and Wiegand left Microsoft Corp.’s Madison office to start the company. They joined Microsoft when it acquired their last start-up, Jellyfish.com, for a reported \$50 million. This dynamic duo’s other startups were Bizfilings.com (sold to Wolters-Kluwer in 2001) and NameProtect.com (sold to Corporation Services Corp. in 2007).

## NAMEPROTECT

This Madison-based company researches trademarks and monitors the internet for abuse of brand names, such as counterfeiting and “phishing” attacks. Nameprotect was sold in 2007 to Corporation Service Co., Wilmington, Del., for terms not disclosed. It had received venture funding from Milwaukee’s Mason Wells and the State of Wisconsin Investment Board.

## ZBB TECHNOLOGIES

Serial entrepreneur Eric Apfelbach has raised more than \$170 million, from grants to loans to venture capital, for the four start-ups he has led. His latest venture is helping to tackle the largest problem for the alternative energy market – reliability. ZBB Energy Corp.’s energy storage technology and power control platforms enable integration of renewable energy sources, providing constant and level power from variable alternative

## MIRUS BIO

Jim Hagstrom is a small-town kid from Ashland, Wis., who helped land a big-time deal. Hagstrom is one of the founders of Mirus Bio Corp., which was acquired by Roche for \$125 million in 2008. The Swiss-based pharmaceutical company is keeping Roche-Mirus in Madison, where the company continues to work on its proprietary RNAi (Ribonucleic Acid interference) delivery platform. This was the second purchase by Roche in the Madison market. A year earlier, the company acquired NimbleGen for \$272.5 million.



WHY WISCONSIN

The rise and sale of **PRODESSE INC.** to **GEN-PROBE** of San Diego is a shining “how-to” example for Wisconsin entrepreneurs and investors working toward an exit. After 13 years and \$4.5 million of investments, the company was acquired for \$72 million. The company’s technology came from researchers at the Medical College of Wisconsin and funding came from angels, including Wisconsin’s Golden Angels. After the acquisition, the high-paying jobs remain in Wisconsin and the investors are investing their gains in another round of Wisconsin start-ups. The company’s former CEO, Tom Shannon, has become one of Wisconsin new crop of “super-angels” investing more than \$700,000 in Wisconsin startups in 2011, including AquaMost and HarQen who raised a combined \$5.5 million.



# Investor Resource Guide

## WISCONSIN TECHNOLOGY COUNCIL

The Tech Council is the science and technology advisor to Wisconsin's governor and Legislature. It is an independent, non-profit and non-partisan board with members from tech companies, venture capital firms, public and private education, research institutions, government and law. The Wisconsin Angel Network (see below) is among its programs.

CONTACT: Tom Still, President | (608) 442-7557

tstill@wisconsintechcouncil.com

[www.wisconsintechcouncil.com](http://www.wisconsintechcouncil.com)

## WISCONSIN ANGEL NETWORK (WAN)

WAN's mission is to fuel the growth of entrepreneurial, early stage financing throughout Wisconsin. WAN produces and provides resources to the early stage investing community. Those resources include the "Deal-flow Pipeline," an online connection point for investors and entrepreneurs; assisting with angel network and early stage fund formation; facilitating collaboration between investors; on-demand videos, templates and other resources designed to help entrepreneurs seeking capital; and more.

CONTACT: Zach Brandon, Director | (608) 442-7557

Zbrandon@wisconsinangelnetwork.com

[www.wisconsinangelnetwork.com](http://www.wisconsinangelnetwork.com)

## STATE OF WISCONSIN INVESTMENT BOARD (SWIB)

SWIB is the state agency that invests the assets of the Wisconsin Retirement System, the State Investment Fund and other state trust funds. As of March 2011, SWIB managed nearly \$84 billion in investments.

CONTACT: Chris Prestigiaco, Portfolio Manager, Private Markets Group | (608) 266-6723

Chris.Prestigiaco@swib.state.wi.us

[www.swib.state.wi.us](http://www.swib.state.wi.us)

## WISCONSIN ALUMNI RESEARCH FOUNDATION (WARF)

WARF is a non-profit organization that supports research, transfers technology and ensures that the inventions and discoveries of UW-Madison benefit humankind. The UW-Madison is a premier research institution with world-class faculty and staff who attract nearly \$1 billion in sponsored research each year. WARF receives about 350 disclosures per year and has taken an equity share in about 40 companies.

CONTACT: Carl Gulbrandsen, Managing Director

(608) 263-2824 | [carl@warf.org](mailto:carl@warf.org) | [www.warf.org](http://www.warf.org)

## WISCONSIN SYSTEM TECHNOLOGY FOUNDATION (WISYS)

WiSys is a non-profit WARF subsidiary established to identify innovative technologies developed beyond the UW-Madison campus, primarily within 11 other UW System campuses and Marshfield Clinic Applied Sciences. It helps to bring those technologies to the marketplace for the benefit of the inventors, their universities, Wisconsin's economy and society.

CONTACT: Maliyakal John, Director | (608) 265-2135

[maliyakal@wisys.org](mailto:maliyakal@wisys.org) | [www.wisys.org](http://www.wisys.org)

## UWM RESEARCH FOUNDATION

UW-Milwaukee researchers in engineering, business, the natural sciences, the social sciences, and the arts and humanities are looking for partners to bring their discoveries to the world. The campus managed about \$68 million in sponsored research in 2010-2011.

CONTACT: Brian Thompson, President | (414) 229-3397

[briant@uwmfdn.org](mailto:briant@uwmfdn.org) | [www.uwmfdn.org](http://www.uwmfdn.org)

## WISCONSIN ECONOMIC DEVELOPMENT CORPORATION

This agency offers technology loans and grants to qualified companies, assists in site and location matters, and manages the Qualified New Business Venture (QNVB) program for investor tax credits. Effective July 1, it will become the Wisconsin Economic Development Corp.

CONTACT: Paul Jadin, Chief Executive Officer

(608) 266-7088 | [molly.delaney@wedc.org](mailto:molly.delaney@wedc.org)

FOR SPECIFIC QNVB INFORMATION CONTACT:

Chris Schiffner | (608) 267-2425 | [chris.schiffner@wedc.org](mailto:chris.schiffner@wedc.org)

[www.wedc.org](http://www.wedc.org)

## WISCONSIN DEPARTMENT OF FINANCIAL INSTITUTIONS (DFI)

DFI's mission is to ensure the safety and soundness of Wisconsin's financial institutions, to protect the consumers of financial services, and to facilitate economic growth. The agency regulates and licenses financial service providers who do business in Wisconsin.

CONTACT: Peter Bildsten, Cabinet Secretary

(608) 264-7800 | [askthesecretary@dfi.state.wi.us](mailto:askthesecretary@dfi.state.wi.us) | [www.wdfi.org](http://www.wdfi.org)

## MEDICAL COLLEGE OF WISCONSIN

### OFFICE OF TECHNOLOGY DEVELOPMENT

The MCW Office of Technology Development is responsible for managing the discoveries, inventions, and other intellectual property assets of the Medical College of Wisconsin and advancing these discoveries. The MCW conducts about \$140 million in sponsored research each year.

CONTACT: Joseph Hill, Vice President and Director

(414) 456-4381 | [jhill@mcw.edu](mailto:jhill@mcw.edu) | [www.mcw.edu/OTD.htm](http://www.mcw.edu/OTD.htm)

## MARSHFIELD CLINIC APPLIED SCIENCES

Marshfield Clinic Applied Sciences promotes the exchange of knowledge between patient care services and research programs by helping to determine the commercial potential of advances. The division aligns research projects with health care needs and assists in the patent process. The clinic conducts about \$25 million in sponsored research each year.

CONTACT: Marsha Barwick, Assistant Director of Applied Sciences

(715) 389-3430 | [Barwick.Marsha@marshfieldclinic.org](mailto:Barwick.Marsha@marshfieldclinic.org)

[www.marshfieldclinic.org/business](http://www.marshfieldclinic.org/business)

## MIDWEST CO-INVESTMENT NETWORK (MIN)

MIN introduces and coordinates funding rounds between its membership, which is made up of 16 angel networks and funds from across the Midwest. Membership is open to any angel network, fund or early stage fund interested in syndicating Midwest deals.

CONTACTS: Zach Brandon | (608) 442-7557

[Zbrandon@wisconsinangelnetwork.com](mailto:Zbrandon@wisconsinangelnetwork.com)

Dennis Serio, Co-founder | (630) 207-3076 | [dserio@sbcglobal.net](mailto:dserio@sbcglobal.net)

## MIDWEST RESEARCH UNIVERSITY NETWORK (MRUN)

MRUN is an alliance of professionals dedicated to facilitating growth of university technology spinout companies through start-up formation. MRUN is built around the idea that regional cooperation in new business formation can foster commercialization of university research.

CONTACT: Allen J. Dines, Founder and President

(608) 262-2797 | [ajdines@wisc.edu](mailto:ajdines@wisc.edu) | [www.mrun.us](http://www.mrun.us)

## BIOFORWARD

BioForward is the independent, member-driven state association that is the voice of Wisconsin's bioscience industry. It focuses on making innovation happen: helping members find partners and funding, advocating for public policy that fosters innovation and growth, offering group purchasing discounts, and providing tools for recruiting and developing talent.

CONTACT: Bryan Renk, Executive Director

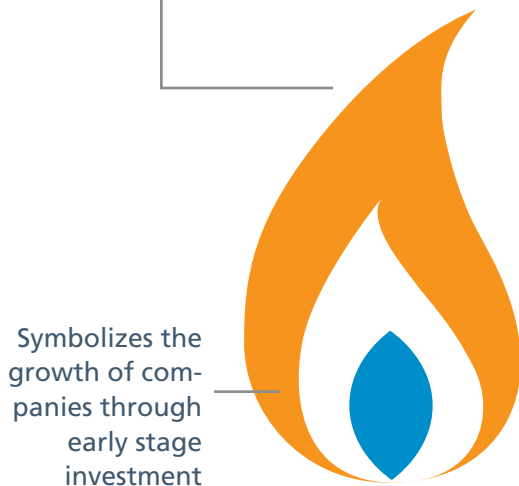
608-236-4753 | [brenk@bioforward.org](mailto:brenk@bioforward.org) | [www.bioforward.org](http://www.bioforward.org)

# ANATOMY OF THE WAN REBRAND

The Wisconsin Angel Network has a new look! WAN was launched in January 2005 to fuel the growth of entrepreneurial, early stage financing throughout Wisconsin. WAN accomplishes this mission by providing services and resources to the early stage investing market. WAN connects entrepreneurs to investors and offers tools and education on raising capital. Access these for free by visiting our redesigned site: [www.wisconsinangelnetwork.com](http://www.wisconsinangelnetwork.com)

Visualizes the idea that Spark (entrepreneurs) + Fuel (early stage investment capital) = Ignition (economic growth)

Maintains WAN's well-respected and nationally recognized brand



## WISCONSIN ANGEL NETWORK

IGNITING EARLY  
STAGE INVESTMENT

Emphasizes WAN's role in connecting the investing and entrepreneurial communities in Wisconsin.

Identifies the "seed" and hottest part of a flame.

Highlights WAN's active role in ALL early stage financing from super angels to angel groups to funds.



WHY WISCONSIN

**ESO-TECHNOLOGIES** made its debut to investors during the 2008 Wisconsin Early Stage Symposium's Elevator Pitch Olympics. Not only did co-founder Bonnie Reinke walk away from the contest with the first place trophy, she also pocketed several business cards from angel investors. The next year, she won the statewide Governor's Business Plan Contest. Those company building steps led to an investment of \$1 million from DaneVest Tech Fund, Phenomenelle Angels and Wisconsin Investment Partners. Investors were impressed by the management team and the company's life-saving, esophageal cardiac monitoring technology. Since the equity infusion the company has been cleared for initial trials, which are underway.

# FREQUENTLY ASKED QUESTIONS ABOUT EARLY STAGE CAPITAL

## EARLY STAGE CAPITAL HAS TWO DISTINCT BUT LINKED TYPES OF INVESTORS - ANGEL INVESTORS AND VENTURE CAPITALISTS.

### WHAT ARE ANGEL INVESTORS?

The term “angel” originated in the early 1900s and referred to investors who made risky investments to support Broadway theatrical productions. Today, the term “angel” refers to high net worth individuals who typically invest in startup companies in the early stages of growth and with a few exceptions prefer to invest locally. Angels are similar to venture capitalists in that they take a hands-on approach with all of their investments and actively work with entrepreneurial management teams in order to build great companies. Unlike venture capitalists, angels are individual investors who use their own money in funding and building young, innovative enterprises.

### WHAT ARE ANGEL GROUPS?

An angel group is a group of angel investors investing through a member-directed investment process. The actual investment direction process may vary considerably, but all members have input either through their individual decision to invest or as a member of the group to invest part of the group’s fund. Angel organizations can be everything from an informal group of individuals who conduct cooperative due diligence to a group with paid management and committed investment funds. Angel groups typically have more resources than individual angels and have recently played a more crucial role in funding young companies.

### WHY ARE ANGEL GROUPS IMPORTANT?

Angel groups are generally easier for entrepreneurs to find and often become the central connector of deals in their communities. These groups include some of the most sophisticated and active angel investors in the country, and have been recognized for job creation and generation of additional early stage capital for companies.

### WHAT ARE VENTURE CAPITALISTS?

Venture capitalists are professional investors who manage other investor’s money and specialize in funding and building young, innovative enterprises. Venture capitalists are long-term investors who take a hands-on approach with all of their investments and actively work with entrepreneurial management teams in order to build great companies.

### WHERE DO VENTURE CAPITALISTS GET THEIR MONEY?

Most venture capital firms raise their “funds” from institutional investors, such as pension funds, insurance companies, endowments, foundations and high net worth individuals. The investors who invest in venture capital funds are referred to as “limited partners.” Venture capitalists, who manage the fund, are referred to as “general partners.” The general partners have a fiduciary responsibility to their limited partners. Venture capital funds typically operate on a passive investor model — the individual is not actively involved in the investment decision-making process.

### WHAT TYPES OF COMPANIES AND INDUSTRIES DO ANGELS AND VENTURE CAPITALISTS INVEST IN?

Angels and venture capitalists invest mostly in young, private companies that have great potential for innovation and growth. These early stage investors have been instrumental in developing sectors such as the computer, biotechnology and the communications industries. Today, the majority of early stage capital is invested in high technology companies including software, biotechnology, medical devices, media and entertainment, wireless communications, Internet, and networking. In the last five years, early stage investors have also committed themselves to investing in the clean technology sectors, which include renewable energy, environmental and sustainability technologies and power management. These investors also invest in innovative



companies within more traditional industries such as consumer products, manufacturing, financial services, and healthcare services and business products and services.

## WHAT EFFECT DOES EARLY STAGE CAPITAL HAVE ON THE ECONOMY?

Early stage investment activity has a significant impact on the U.S and global economies. It is a catalyst for job creation, innovation, technology advancement, international competitiveness and increased tax revenues. According to the 2011 Venture Impact study, produced by IHS Global Insight, originally venture-backed companies accounted for 11.9 million jobs and over \$3.08 trillion in revenue in the United States.

## HOW ARE EARLY STAGE INVESTORS DIFFERENT FROM OTHER INVESTORS?

Early stage investors are long-term investors who take a very active role in their portfolio companies. When an angel or venture capitalist makes an investment he/she does not expect an immediate return on that investment. The initial investment is just the beginning of a long relationship between the early stage investor and entrepreneur. Angels and venture capitalists provide great value by providing capital and management expertise. These early stage investors often are invaluable in building strong management teams, managing rapid growth and facilitating strategic partnerships.

## HOW DO EARLY STAGE INVESTORS REALIZE A RETURN ON THEIR INVESTMENT ?

The companies that angels and venture capitalists invest in are private enterprises. Typically, early stage investors realize a return on their investment when the company goes public (IPO) or is merged or purchased by another company (M&A).

What percentage of venture-backed companies succeed? Early stage investments are high-risk. However, angels and venture capitalists manage that risk through portfolio risk management. It is estimated that 40 percent of angel and venture backed companies fail; 40 percent return moderate amounts of capital; and only 20 percent or less produce high returns. It is the small percentage of high return deals that are most responsible for the industry consistently performing above the public markets.

*Sources: National Venture Capital Association; State Science and Technology Institute; Angel Capital Association; Wisconsin Technology Council*

# DEFINITIONS AND GLOSSARY OF TERMS

**Angel financing** is risk capital invested by high net worth individuals or angel networks and funds into firms primarily at the seed, startup, early and expansion stages.

**Corporate or “strategic” venture capital** most often refers to direct investments that are aligned with the primary business or mission of a nonfinancial corporation.

**Early stage financing** addresses the funding needs of entrepreneurial companies that do not generally have the size, assets and operating histories necessary to obtain capital from traditional sources, such as public markets and banks.

**Early stage investors** foster growth in companies through their hands-on involvement in the management, marketing and planning of their portfolio companies. As equity and board members, early-stage investors succeed when the portfolio company succeeds.

**Fund-of-funds** is a master fund whose holdings consist solely of other funds.

**Initial public offerings**, or IPOs, are public offerings of common stock that create market value and a public market for trading the shares of a corporation.

**IRR (Internal rate of return)** is an interest rate giving a net present value of zero when applied to expected cash flow. It is the rate of growth a project is expected to generate.

**Private equity and buyout funds/mezzanine finance** provides capital to later-stage companies to expand or acquire businesses, to solidify working and investment capital structure, and to liquidate the investments of owners and early investors.

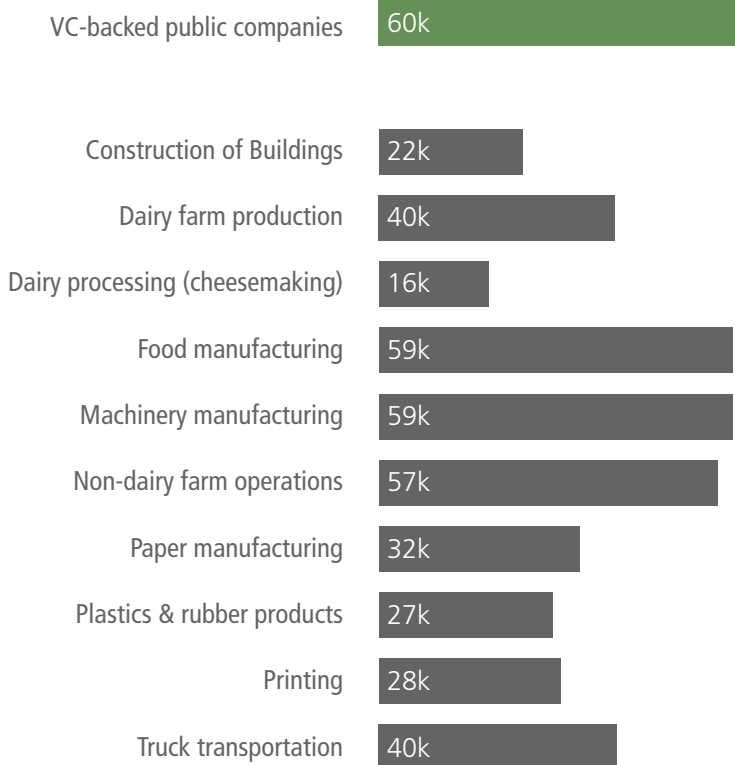
**Seed, startup and growth stages** generally comprise the investments made across the early stage financing continuum.

**Sidecar funds** are committed capital that “rides” alongside the individual capital invested by angel groups and angel investors.

**Venture financing** is risk capital invested by private partnerships or closely held companies funded by private and public pension funds, endowment funds, major corporations and commercial banks, foundations, wealthy individuals and the venture capitalists themselves.

# WISCONSIN JOBS

BY MAJOR SECTOR



Angel and venture capital are among the most efficient sources of job creation in the United States. In fact, companies rooted in early stage capital account for a disproportionate number of private-sector jobs in America.

In 2010, companies that had been backed by angel and venture capital employed nearly 12 million people, or 11 percent of all private-sector employment. Those companies generated \$3.1 trillion in revenue, or 21 percent of gross domestic product.

The chart above shows some familiar sectors in the Wisconsin economy and how many people each industry employs. Angel and venture-backed companies in Wisconsin have produced about 60,000 jobs since 1980, according to government and industry statistics.

What if Wisconsin had attracted venture capital at the same rate as the nation during that time period? The state would have created 259,215 jobs, or more than four times the actual amount.

## Wisconsin Health and Educational Facilities Authority (WHEFA)

WHEFA has been providing active capital financing assistance to Wisconsin health care institutions since 1979. In 1987, WHEFA's charter was expanded to include the issuance of bonds for the benefit of independent colleges and universities and certain continuing care facilities. In 2004, WHEFA's charter was further expanded to include the issuance of bonds for the benefit of private, non-profit elementary or secondary educational institutions. In 2009, WHEFA's charter was further expanded to include the issuance of bonds for the benefit of non-profit research facilities. During fiscal year ending June 30, 2010, 30 financings totaling approximately \$1.45 billion were successfully completed. Thirty-one percent of the bonds issued were used to refinance outstanding debt, thus substantially reducing debt service costs. One new borrower used WHEFA for the first time. As of June 30, 2010, WHEFA has cumulatively completed 633 bond issues totaling over \$15.97 billion.

### WHEFA Members

Richard Canter, Chairperson  
Tim Size, Vice Chairperson  
Bruce Colburn, Kevin Flaherty  
Beth Gillis, Richard Keintz  
Ken Thompson

### WHEFA Staff

Lawrence Nines, Executive Director  
Dennis Reilly, Associate Executive Director  
Tanya Wilson, Operations & Finance Analyst  
Stephanie Schirripa, Administrative Assistant



18000 West Sarah Lane, Suite 300  
Brookfield, WI 53045-5841  
Phone: (262)792-0466 Fax: (262)792-0649  
Email: [info@whefa.com](mailto:info@whefa.com) Web: [www.whefa.com](http://www.whefa.com)



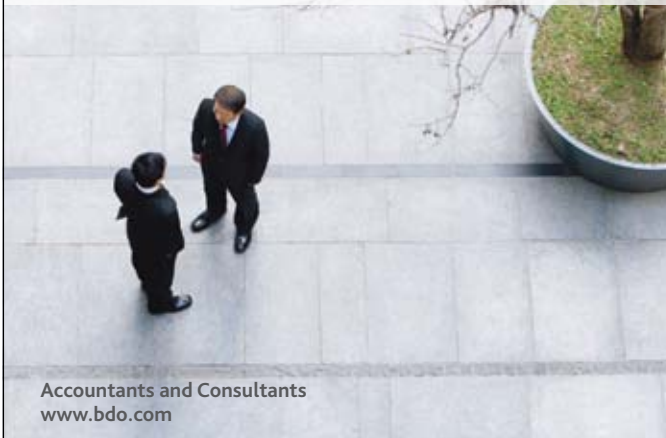
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ATC owns, builds, maintains and operates the electric transmission system in portions of Wisconsin, Michigan, Minnesota and Illinois.

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**We're pleased to support the Wisconsin Technology Council, and we're proud to connect people with their world. Always.**



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[urp@mailplus.wisc.edu](mailto:urp@mailplus.wisc.edu) 510 Charmany Drive, Suite 250, Madison, WI