



City program focuses on new businesses

By DENIS PAISTE
Union Leader Staff
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MANCHESTER – Starting up a new business — or funding one — are risky ventures, several speakers said at the "Financing Fast Growth" session yesterday morning.

Odds of a startup business obtaining venture capital or angel funding are about 1 in 100, and those investors lose money on one-third of their deals. But those investors also can be partners in the success of a business.

"Our job is to look at risk and try to price it effectively," said Michael Gurau, president of CEI Community Ventures Inc., in Portland, Maine. CEI co-hosted the program with the Greater Manchester Chamber of Commerce.

CEI targets its funding programs toward economic development in specific geographic areas, including central Manchester and the Millyard.

"We know we're going to lose money on a third of the deals," he said.

Venture capitalists assess businesses on a variety of factors, including management, market, product or technology, business model, financial and legal.

"Equity requires a fairly fast growth rate because of the return we're looking for," Gurau said.

About half in the audience of about 80 at the "Financing Fast Growth" session in the Highlander Inn conference center indicated by a show of hands that they have a business or are thinking about starting one.

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-RT>"We have a really rich capital landscape in New Hampshire," said Hollis McGuire, Nashua regional manager for the N.H. Small Business Development Center. She said the state offers more than 35 lending institutions, a half dozen angel investor groups and several business incubators.

McGuire offered several tips in dealing with angel investors, among them: learn where you fit; respect the anonymity asked by angel investors; and practice your presentation before meeting with investors.

"Explain your business clearly," she said, and "make a clear financial request."

Obtaining funding from an angel investor is a three-to four-month process, McGuire said.

And if your first attempt fails, she said, "Get as specific feedback as possible from the investor."

Mayor Frank Guinta touted the advantages of situating a business in Manchester.

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-RT>Guinta said the city is partnering with the University of New Hampshire-Manchester on a science and technology center in the Millyard, which will focus on graduate studies in mathematics, science and technology.

"If you're from the (Mass. Route) 128 belt, I'm going to be recruiting you to come to Manchester," he said.

Other speakers included Mary E. Collins, state director of the State Business Development Center; Jesse Devitte, co-founder and managing director of Borealis Ventures; John Hamilton, director of Vested for Growth; Michael C. Burgmaier, principal with CEI Community Ventures Inc.; and John E.P. "Jay" Borden Jr., Renesys board member and former president and CEO of Granite Systems Inc. in Manchester.

On the Net:

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www.vestedforgrowth.com

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