

Helping women start tech firms

Entrepreneurs learn to tap local research



Encore Path Inc. President and CEO Kris Appel (second from left) talks with Fahd Riaz, a life sciences lawyer, at the Early Stage East venture capital conference in Baltimore. Appel is a graduate of the ACTiVATE program. (Sun photo by Barbara Haddock Taylor / December 11, 2007)

By Hanah Cho | Sun Reporter

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Kris Appel stood before investors this week and delivered a seven-minute pitch on the market viability of an exercise device that helps stroke survivors regain their arm movement.

The presentation at a biosciences conference in Baltimore was Appel's latest effort to raise money for her startup company, which grew out of a program that trains and helps women start technology-based businesses.

Called ACTiVATE, the backbone of the program gives women access to technology

and research created by the region's laboratories and universities with a goal of commercializing such homegrown innovations. Since its start in 2005, the program at the University of Maryland, Baltimore County has produced 12 startups, including Appel's.

"I probably would have ended up with a franchise of some sort" if not for the program, said Appel, president and chief executive officer of Encore Path Inc. in Baltimore. "That never would have satisfied my quest for creativity. You don't get to create anything if you buy a franchise. But opening your own business, everyday, you create what's going to happen that day."

ACTiVATE

What: A program that trains women to start technology companies based on innovation from universities and research institutions in the region.

Who: Midcareer women with technical or business experience. Interested candidates must apply to the program.

When: The new class begins in February on Monday evenings. Class is held one night a week, and one Saturday a month.

Cost: \$1,500

Information: www.umbc.edu/activate

Information session at 6:30 p.m. Jan. 8 at the UMBC Techcenter.

Supporters say the program helps fill a gap in a state known for its strong research and discoveries yet weak on commercializing such efforts, which is considered vital to economic development. While institutions, such as Johns Hopkins and several University System of Maryland schools, spend more than \$2 billion a year in research, they bring in a fraction in licensing income, according to figures from the Association of University Technology Managers, or AUTM.

"The areas that are developing the strongest technology base build up companies based on innovation that's coming out of their own regions," said Ellen Hemmerly, an ACTiVATE founder and executive director of the UMBC Research Park Corp. "At the same time, women-owned businesses are the fastest-growing business sector. If you look up technology companies, women are underrepresented. We saw that as a real opportunity. "

When the third year of the program wraps up in a few weeks, ACTiVATE - which

stands for Achieving the Commercialization of Technology in Ventures through Applied Training for Entrepreneurs - will have graduated 69 female entrepreneurs.

With its initial \$600,000 grant from the National Science Foundation running out, the program recently obtained \$50,000 from the Maryland Technology Development Corp. and signed up corporate sponsors such as Constellation Energy Group to continue its mission. ACTiVATE also has small equity interests in three startups in an effort to become a self-sustaining operation.

It is recruiting up to 30 women for next year's class that begins in February. Participants pay \$1,500 for the two-semester program. Since it began two years ago, the program has received more than 250 inquiries from candidates, and it has accepted 85.

The program seeks midcareer women with technical or business experience and gives them access to inventions from universities and research facilities, including NASA's Goddard Space Flight Center and Aberdeen Proving Ground.

After identifying promising technology, participants conduct a market assessment and complete business plans to bring those innovations to the marketplace. The students, who attend class once a week and one Saturday a month, work with instructors, advisers and each other to turn their business plans into reality.

To that end, the program's curriculum covers everything from technology transfer to licensing to financing.

It is up to the participants to negotiate license agreements and raise money, said Stephen Auvil, director of UMBC's office of technology development, who works with participants to identify marketable inventions.

"There are challenges," Auvil acknowledged. "Some have been able to come up with licenses and some of them have not."

Kristin Gray, the technology transfer director at the Johns Hopkins University Applied Physics Laboratory, said no deal has been signed with any ACTiVATE company. But Gray said her office is negotiating license agreements with four participants.

When Kerrie Brady could not get a license for a pain treatment drug developed at a local university, she used her contacts from more than 20 years of working in biotechnology to obtain licenses for two drugs from Japan.

Brady graduated from the first class in 2005 and formed Traxion Therapeutics, a Baltimore biotech firm that is developing drugs to treat severe pain caused by nerve damage. Traxion is working with the University of Maryland, Baltimore to conduct preclinical tests on small molecule-based drugs.

"I don't think I work as hard or enjoy myself as much I have," Brady said of running a one-person business.

ACTiVATE participants are not limited to technology coming out of the region's schools and labs. Some participants have tapped their own inventions, while others, such as Christina Twomey, started the program this year with a specific idea.

Twomey, 26, who runs an online community for college women called ChickSpeak.com in Towson, is working with a local laboratory to develop a rapid-response test to detect "date rape" drugs. Twomey said she identified an existing technology that can be re-engineered and reformatted to create this consumer product. (Twomey declined to name the university because the test is in the development stage.)



Kris Appel (left) checks the video about a rehabilitation device offered by her technology startup, Encore Path Inc. Sarah Pick (right) is acting vice president of marketing. (Sun photo by Barbara Haddock Taylor / December 11, 2007)

"I can't imagine that I would have had the resources in these ways on my own," said Twomey, who became ill after a college party and later found out she was slipped Rohypnol, also known as ruffies.

While the program's goal is to foster the creation of tech companies, not every participant takes this path. Some do not finish the program, or the timing is not right, or others decide the field is not for them, instead pursuing other ventures such as franchising, said Julie Lenzer Kirk, the program's lead instructor.

The graduates have generally fallen into three groups: starting a tech or other type of business, exploring some innovation for their existing businesses, or taking the skills they have learned to current or new jobs, said Auvil, of UMBC.

Appel, 46, left her job last year as an operations executive at a global technology services company. She wanted to pursue her business full time and has seen some early successes since she came upon the patented rehabilitation device developed by two University of Maryland, Baltimore physical therapy professors.

Encore Path has obtained an exclusive license for the device as well as raised \$260,000 in funds, including \$75,000 from Maryland Technology Development Corp. and \$50,000 from the Maryland Department of Business and Economic Development. Appel recently hired a part-time sales and marketing employee.

Like many entrepreneurs starting a business, Appel called fundraising the most difficult aspect. She has been making the rounds at various venture capital conferences, including attending Tuesday's Early Stage East event at the Pier 5 Hotel in Baltimore.

With Encore's product scheduled to hit the market in the second quarter next year, Appel said the challenges as well as the financial sacrifices have been worth it.

"This is an opportunity to try something that I always wanted to try but never got to," Appel said.

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