

The Entrepreneurship Connection

Green Light Industries, Inc.

Gerald P. Jackson, President

Gerald.Jackson@greenlightindustries.com

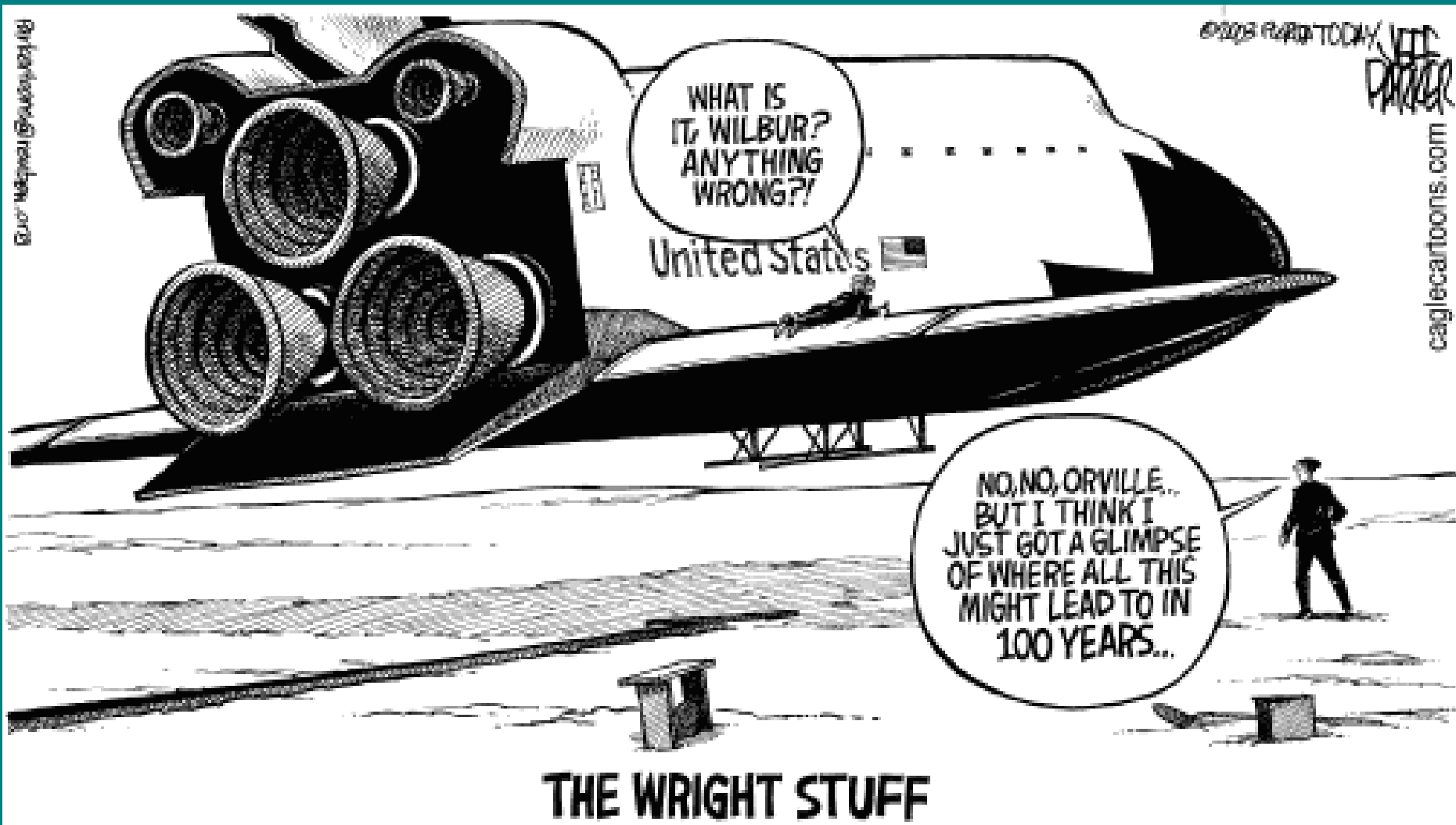
Cell:630-710-7079

Joseph M. **Zlotnicki**, COO

Joseph.Zlotnicki@greenlightindustries.com

Cell:630-802-1697

Entrepreneurship: Balancing Long-Range Vision with Near-Term Pragmatism

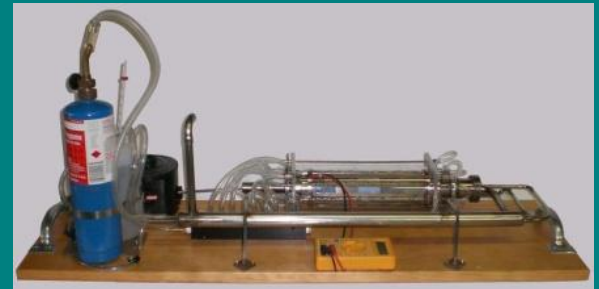


Inventorship vs. Entrepreneurship

- The invention (or appreciation) of new products, services, and business practices is important, but not nearly enough.
- To be an entrepreneur, you also need to be:
 - INDEPENDENTLY WEALTHY, OR
....
 - Egotistical
 - Fearless (more than courageous)
 - Good listener (sometimes)
 - Financially responsible
 - Masochistic (pain endurance)
 - Sadistic (to family & friends)
 - Multi-tasker (you are also the maid)
 - Patient with others
 - Impatient with yourself
 - Grounded (have common sense)
 - Skilled in your core area
 - Good public speaker
 - Good writer (or editor)
 - Earnest / trustworthy
 - Enthusiastic
 - Insane (at least a little)
 - Persistent / stubborn
 - Quick learner
 - Good negotiator (financial, labor)
 - Skilled in business terminology

Intro to Green Light Industries

- Formed in 2007 as a Delaware C-corp using lots of legal involvement to meet federal/state Blue-Sky laws.
- Mission: develop energy conversion technology created by our earlier company [Hbar Technologies, LLC] for the purpose of converting chemical energy directly into electrical power at very high efficiency.
- Preferred Stock offerings have raised just under \$1 million in these past 3 years, with another \$0.6 million in available shares still awaiting sale to investors.
- The company is on the verge of demonstrating its first full-power prototype generator.



GLI Team



Dr. Gerald P. Jackson – Physicist, 14 years at Fermilab, 20 years in area of energy research, winner of multiple awards, builder of last major accelerator in the United States, extensive experience in project management, appeared on TV & magazines.

President, dominant shareholder, technical leader, fundraiser



Mr. Joseph M. Zlotnicki – Physicist, consultant, entrepreneur, 13 years with Landauer, Inc. as top international executive, 10 years with Amersham International in the UK and USA.

COO, large shareholder, investor interface, fundraiser



Office managers: two in 10 years, key personnel

Technicians: employees, summer interns, contractors, and volunteers

Technical consultants: Former Fermilab colleagues

Others: Rog, Steve, CBEiD board of advisors, fundraisers, ...

Allocation of Resources

- Time

- Fund raising: friends/family, parents of summer interns, relatives of friends/family, individual angels, angel groups, venture capitalists, corporate partners, future customers, vendors, ...
- Technical progress: prototypes, tooling, preproduction, documentation, ...
- Business planning: business plans, strategic alliances, labor relations, ...
- Intellectual property management: NDAs, trademarks, patents, ...
- Business execution: equipment purchases, payables/receivables, labor relations, ...

- Cash

- Labor: employees, contractors, consultants, interns, volunteers, ...
- Landlord: develop honest relationship
- Utilities: lifeblood of the company
- Vendors: lifeblood of the company
- Major equipment: understand depreciation laws or taxes can kill you
- Burn rate: a dollar saved is a dollar earned / you need a dollar to make a dollar
- Lawyers: explicit controls on expenditures via explicit instructions

Intellectual Property Protection

- Trademarks – it is amazing how little original imagination competitors often have.



- Nondisclosure Agreements – these are often considered a nuisance, but represent an important source of protection.
- Patents
 - Find a good patent attorney
 - Develop an honest relationship
 - Make sure all inventors sign declarations and assignments to the corporation as patents are filed (do not wait)
 - Types of patents: provisional vs. utility
 - Types of inventions: apparatus, methods, business practices
 - Patent tactics: offensive (protect key ideas) vs. defensive (prevent others from blocking you from using your own invention)
 - File many patents often with topic diversity in mind.

SMALL TALK

A Chicago entrepreneur's guide by Thomas Mucha



CRAIN'S
CHICAGO BUSINESS

TUESDAY, JANUARY 16, 2007

Dealing with naysayers

If an entrepreneur listened to all the "experts," most businesses would never even begin. That said, how does one know when to accept independent advice and when to ignore it?

Joe Zlotnicki
3Z Consulting Inc.
Downers Grove



You're asking my advice about advice, Joe? Nice.

But I think what you really want to hear is how other entrepreneurs have dealt with this problem. So we rounded up a bunch of people in your shoes. Here's what they heard from naysayers — and what they did about it — in their own words:

10 start up lessons

1. Prototypes and funding: Chix and Eggs
2. Credibility of a team is key. Must understand financial terms
3. Know when to listen and when to ignore
4. Don't spend too much time polishing plans and financials. They will need to change anyway before you know it
5. It ALWAYS takes more time than it could/should take

10 start up lessons...

6. Lots of great networking possibilities in Chicago land. Some are better for learning than \$

For example:

- CBEiD
- ISBDC
- TIE
- MIT-EF
- BIF
- ITA
- Monday Morning Meetings
- DePaul

7. Allow extra time for adversity. Bandwidth constrained

10 start up lessons...

8. Lots of people are willing to invest time even if they can't or won't invest \$
9. Follow the opportunity
10. Need a variety of materials to suit the situation:
 - A. Exec Summary
 - B. Business Plan
 - C. Web video
 - D. One pager
 - E. Technical detailed white paper

10 Fund Raising Lessons

1. Angels, Angels, Angels
2. “Early Stage VC” probably means you need “only” \$10M in sales
3. Government grant allocation is random
4. Angels in groups can be hell.....bent on finding a reason not to invest and may waste your time
5. Angels are willing to invest without a clear exit strategy

10 Fund Raising Lessons...

6. People don't just invest in a start-up to make money (just like some people work for other incentives). For example:
 - a) To return a favor
 - b) Belief in the overall mission (e.g. Green)
 - c) Belief in a person or the team
 - d) To be involved
 - e) To have a high risk/high reward component in a portfolio (lottery ticket)

10 Fund Raising Lessons...

7. Due diligence varies widely in quality, quantity and focus
8. Don't restrict elevator pitches to elevators!
You never know who might invest
9. You don't so much need \$, as \$/month
10. Large funding gap between about \$1.5M and \$5M. Plan accordingly. (i.e. don't waste time looking for \$2.5M in a lump, it's another obstacle to success)



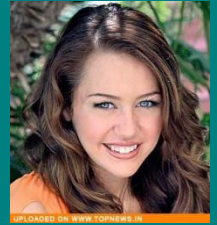
MAGIC *Etch-A-Sketch*® SCREEN



Sources of Expansion Funding

- Investors
- Loans
- Grants
- Customers
- Vendors
- Bootstrap/Sales
- Sell a vertical market license for upfront royalty payment

“The Climb” by Miley Cyrus



I can almost see it, that dream I'm dreaming, but there's a voice inside my head saying you'll never reach it. Every step I'm taking, every move I make feels lost with no direction, my faith is shaken. But I've got to keep trying, I've to keep my head held high.

[refrain] There's always going to be another mountain, I'm always going to want to make it move. Always going to be an uphill battle, sometimes I am going to have to lose. Ain't about how fast I get there, ain't about what's waiting on the other side. It's the climb!

The struggles I'm facing, the chances I'm taking, sometimes might knock me down, but I'm not breaking. I may not know it, but these are the moments I'm going to remember most, just got to keep going. And I've got to be strong, just keep pushing on. [refrain] [refrain]