

January 29, 2005

## **Small firms winning big 3 start-ups get cash, prizes in new business contest**

Amy Wu  
Staff writer

Dr. David Kleinman, founder of start-up company Eyeon Therapeutics Inc., managed a weak smile after he received a \$25,000 award as one of the winners of the first Rochester Regional Business Plan Contest. He was thrilled, but also exhausted.

And no wonder. Since September, Kleinman and 38 fellow contestants have been priming for the Finger Lake region's largest business contest to date. They polished business plans, recited their pitches mantra-like before loved ones, and the six finalists all hoped to take home awards totaling \$75,000 at Thursday night's award ceremony.

But it's far from over for the winners — Eyeon, CaterTrax and Sydor Instruments — chosen on the strength of their business plans and potential impact. Organizers are going to carefully track the winners — and offer them support through the services that come with the award and by mentoring them. The \$25,000 each company won includes rent toward space at the Lennox Tech Enterprise Center incubator and marketing and legal services.

The following are profiles of the three companies, and what their future plans hold.

### **Eyeon Therapeutics**

Kleinman, 39, launched his second start-up company in June. The company's first product combats dry eye syndrome, which affects about 60 million people, said Kleinman, an ophthalmologist. The company plans to make the product available over-the-counter by the end of this year. Eventually, the company will roll out multiple eye products.

The company is also in talks with major pharmaceutical companies with the idea that the large companies will market the dry eye product under their own names. It is also seeking some \$250,000 in funding, and says the contest has helped them make contact with potential investors.

Kleinman has past experience with start-ups. In 2003 he co-launched a drug development start-up based in Palo Alto, Calif. However, he is set on growing and keeping his second company in Rochester.

"Rochester has a fantastic niche and space for entrepreneurs in optics, imaging and ophthalmology," he said.

Jose Coronas, a venture capitalist at the Trillium Group in Rochester and a judge for the contest, said that Eyeon's potential challenges could be regulatory hurdles, and its success depends on what pharmaceuticals companies become its partners.

### **CaterTrax**

Since launching in January 2003, CaterTrax has been busy, but the software company decided to enter the business contest anyway.

"We had the business plan ready ... and said 'what the heck,' this is a good opportunity to get some exposure," said Richard Rund III, 31, the company's chief technology officer and co-founder.

The family business already has 74 customers for its catering software, including Pennsylvania State University and ExxonMobil Corp. Its founders estimate that by year end, the company will have some 800 customers.

Although it is self-funded now, the founders are seeking \$1 million from venture capitalists.

The company will use the award money toward marketing, including a makeover for its logo, and advertising.

Coronas of the Trillium Group said CaterTrax stood out because of its proven product. "They have a lot of industry experience and credibility ... and they had well-recognized customers," Coronas said.

The family has a long history in the catering industry; the family's successful catering business, Rund's Catering Service, was started in 1906.

### **Sydor Instruments**

In June, Michael Pavia went from a well-paid job as worldwide marketing manager for Eastman Kodak Co. to the risky position of being a high-tech entrepreneur.

Sydor's main product is a \$350,000 streak camera that even has the ability to measure the lightning pulses of laser light.

"I call it the Ferrari of cameras because it's fast and precise," Pavia said, of the camera that was launched through a licensing agreement with the University of Rochester's Laboratory for Laser Energetics.

Pavia said some of the award money will go toward growing the company's staff from six to 30 over the next two years. He also hopes the attention will help them raise \$500,000 from investors. The company is putting the final touches on its initial order of six cameras, which are manufactured locally.

Diane Harris, an angel investor, chief executive of Hypotenuse Enterprises and a contest judge, said the company had a lot of promise.

"Their breakthrough in optics plays right to the heart of Rochester's own success, so they should be able to get a lot of support on the ground for ramping up the business," she said.