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Wilhelm's Hopewell Ventures finds good VC value in Midwest

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BY MICHAEL KRAUSS

After helping Bill Clinton and Rod Blagojevich get elected, and chairing the Democratic National Committee, entrepreneur and political adviser David Wilhelm trained his sights on a difficult task. In September 2004, Wilhelm launched Hopewell Ventures to prove there are good entrepreneurial companies in the Midwest.

While it's too soon to assess Hopewell Ventures' financial returns, Wilhelm is making good on his promise to raise money and back Illinois companies. According to the latest MoneyTree report, during its first full year, his relatively small firm, with only \$110 million under management, invested \$10.94 million in Illinois companies, more than any other Illinois VC.

"I always thought there was something seriously out of whack," Wilhelm says, referring to an oft-heard assertion by local VCs that they'd invest in more Illinois companies if more Illinois companies had good business plans. "There are plenty of good deals. It's surprising a small fund like ours in its first year would wind up No. 1. It says a lot about the size of the capital gap."

Hopewell managing partner Bill Sutter says, "We've uncovered many interesting enterprises." Hopewell's deals include investments in InStadium, TLContact, CompassCare, CSMG and iTRACS.

Sutter is pumped about Hopewell's recent investment in Lansing-based National Pasteurized Eggs.

"NPE holds the only commercially available FDA-approved process for pasteurizing eggs in the shell," Sutter says. "Their disruptive technology could eliminate illnesses caused by egg-borne salmonella and bacteria." Sutter thinks the technology could prove critical if a major bird-flu outbreak occurs because in-shell pasteurization could assure egg safety.

"Hopewell committed themselves to finding the best possible deals in Illinois," says Maura O'Hara, Illinois Venture Capital Association executive director. She credits Hopewell with being flexible and not limiting investments to a particular growth stage or industry.

Venture deadline nears

Entrepreneurs seeking a fast track to Series A funding should visit www.MidwestVentureSummit.com before Sept. 5. The link goes to the home page of the Illinois Venture Capital Association's Midwest Venture Summit, which takes place Nov. 1.

The summit was launched in 2003 to showcase entrepreneurial companies and connect them with VCs. It has helped raise more than \$160 million for entrepreneurial companies.

To qualify to present in the Series A category, a company should already have raised start-up capital, have revenues and a proven business model, and be in the Midwest. High growth companies seeking capital should check it out.

Khosa's keys

Rattan Khosa, founder and CEO of Amsysco Inc., is a successful Chicago entrepreneur. He doesn't have a computer on his desk, yet he uses technology innovation to drive down costs.

Khosa's specialty steel cables add strength to high-rise buildings. They can be found supporting airport terminals and parking garages across the Midwest.

Khosa came to the U.S. from India in 1969 with pennies in his pocket. "It was a rude awakening," he laughs. "I had a scholarship to study engineering at the University of Maryland. I only had \$8 when I got off the plane. I expected someone from the university to meet me at the airport with a check."

Khosa quickly learned. He earned a degree in engineering from Maryland and an MBA from the University of Chicago.

He expected a corporate career. He worked for a major steel company. Suddenly with a wife and a two-year-old to support, Khosa was laid off. It was the best thing that could have happened to him.

He launched his company in the basement of his Downers Grove home in 1981. Today business is booming. "Our product costs are the same today as when I started 25 years ago," Khosa says. "Unless you spend money on technology, you can't achieve efficiency."

Khosa's other tip for entrepreneurs: Share your success with your employees. Last year was a record year. He paid his employees an across-the-board bonus of 25 percent of their pay.

Good advice.

Bits & Bytes

I. c. stars holds its "Big Bang" event Friday at the Northern Trust. Panelists include CNA CIO John Golden, Baxter CIO Karenann Terrell and Laidlaw Education Services CIO Diane Orndorff.

The **Biotechnology Industry Organization** will stage the Midwest's largest annual showcase for biotech and medical-device companies in Cleveland Sept. 25-27. Acting FDA Commissioner Dr. Andrew von Eschenbach will keynote. For info, go to <http://www.bio.org/>

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