

Welcome to the Breakthrough Ideas competition.

Ideas. We've all had that moment where we have thought. "Wouldn't this be a great idea?" Perhaps it's for a whole new product, a new service offering, a better way of doing business or a new form of entertainment.

That's what "breakthrough ideas" is about, the search for the next great business idea. If you have an idea, we'd love to hear about it.

Reviewing your ideas will be some of the most successful entrepreneurs, executives and investors Minnesota has to offer. Individuals who have recognized great ideas before, built amazing businesses and helped launch many great careers.

News and Schedule

Round One: March 9-May 6, 2005

Entrants will be asked to provide a high level summary of their idea or concept. Submissions should answer the following questions in less than 500 words per question:

- What is your idea or concept?
- How does your idea translate into a high growth business?
- What is your strategy for executing your idea?
- Why is your idea economically viable?

Round Two: May 23-June 30, 2005

Thirty entrants will participate in the second round. Entrants will be asked to develop a detailed proposal, which should include the following:

- A more detailed explanation of how their idea can become a viable business.
- A marketing and sales plan that details how they will address a market need.
- A financial projection for two years on how they will generate revenue and profits.
- A powerful use of graphics, such as illustrations and diagrams.

Round Three: July 22-August 25, 2005

Five finalists will prepare for their live presentations to be given to the judging panel. Finalists must:

- Make a 15-minute oral presentation.
- Entrants are encouraged to use presentation materials, such as posters, PowerPoint, handouts, prototypes and/or multimedia.

Final Event: End of August 2005

The five finalists will be honored in August 2005 at the highly promoted first annual Breakthrough Ideas event at the University

of Minnesota. At the event, the finalists will make their oral presentations and the three contest winners will be announced and given their prizes.

About the Competition/ Breakthrough Ideas

At the heart of the Breakthrough Ideas contest is the idea that the ongoing vitality of our state economy in large part depends upon the constant discovery and nurturing of innovative, trendsetting entrepreneurial ideas. It's these ideas that have the powerful potential to grow and become the next Medtronics, Cargills and 3Ms of our state.

There are many great ideas yet to be discovered and many future businesses waiting in the wings to grab the mantle of success and become the next great Minnesota success story. This competition is all about the search for the next great idea, that next great business success.

If you have an idea, we want to hear about it and perhaps, this competition, can be a stepping stone to success for you and that great idea you are waiting to tell us about.

About the Competition / Details

The Breakthrough Ideas contest supports the entrepreneurial heritage and future of Minnesota business innovation by asking all Minnesotans to submit their breakthrough business ideas on this Web site between March 9 and May 6, 2005. Top entrants will be asked to continue through two more contest rounds to help the contest judges determine five finalists, who will present to a prestigious panel of Minnesota executives,



investors and notable entrepreneurs.

The winner of the competition will receive \$25,000 in seed capital, as well as free public relations, legal, research and management-support services. The competition winner will also receive the first-annual Minnesota Cup, presented by David and Carolyn Cleveland and sponsored by the University of Minnesota, our state's center of business innovation. Second and third place winners will receive \$5,000 and \$2,500 respectively.

Entries for the Breakthrough Ideas competition may be submitted individually or as a group of up to four people.

First round entries are due by May 6th. We will provide notification back to semi-finalists on May 23rd.

The 2005 Breakthrough Ideas contest will culminate with an awards event at the end of August at the University of Minnesota.



About the Competition / Review Board

For a great idea to become a business success story, there often needs to be a level of discovery that can occur through meeting with other entrepreneurs, executives and/or investors. To facilitate introductions between these individuals and the originators of the best ideas from this competition, we have created a review board of well-known, experienced and successful leaders that have launched many great businesses and helped others achieve success.

The contest judges include:

- Dave Cleveland, Chairman of Associated Bank of Minnesota & Co-Founder of Riverside Bank
- Tom Gegax, Former Chairman & CEO of Tires Plus
- Michael Gorman, Managing Director of Split Rock Partners
- Fred Haberman, Founder and CEO of Haberman & Associates
- Doug Johnson, Director of the Office of Business Development at the University of Minnesota
- Matt Kramer, Commissioner of the Minnesota Department of Employment and Economic Development

- Scott Litman, Two-Time Entrepreneur of the Year Finalist, Co-Founder of Imaginet
- Dan Mallin, Two-Time Entrepreneur of the Year Finalist, Co-Founder of Imaginet
- Jay Novak, Editor/Publisher of Twin Cities Business Monthly
- Thom Sandberg, Founder The Kenyon Consortium and Holder of four US Patents for Product and Utility Design
- E. C. "Skip" Gage, Chairman and CEO, Gage Marketing Group

Bios

Dave Cleveland

Chairman of Associated Bank of Minnesota & Co-Founder of Riverside Bank

David Cleveland, long recognized as one of Minnesota's strongest supporters of entrepreneurship, retired last year as the President and Chairman of the Associated Bank of Minnesota, where during his banking career he advised 21 banks in the formation of new bank charters and branch applications. His interest in entrepreneurship began in 1973 when he founded the Riverside Bank, which came to be regarded as the bank for small businesses. He is currently the Chairman of the Board of Trustees for the University of Sioux Falls, and serves on the Advisory Board for Minnesota Business Magazine and the University of Minnesota Athletic Department. He also serves as Director of Minnesota Investment Network, Lakeville Motor Express, The Spineology Group, and Schroeder Milk Company.

Tom Gegax

Founder of Gegax Management Systems and Former Chairman & CEO of Tires Plus

Tom Gegax, founder of Gegax Management Systems (www.gegax.com) and author of the forthcoming *By The Seat Of Your Pants: The No-Nonsense Business Management Guide* (April 2005; Expert Publishing), served as Chairman and CEO (head coach) of Tires Plus Stores for 24 years. By the time Tom sold the company to Bridgestone/Firestone in July 2000, it had mushroomed from a concept sketched on a restaurant napkin to a market leader with 150 upscale stores in ten states and \$200 million in revenue. The company was so well managed and profitable that Tom was able to bypass

outside investors and retain ownership control.

Tom was a pioneer of the tough-minded, warm-hearted “coaching” style of management. Tires Plus’ healthy corporate culture was legendary for its focus on the well-being of its employees and customers (or, as Tom preferred to call them, teammates and guests). The unique pairing of hard-nosed efficiency and a caring environment was a core ingredient in the company’s sustainable success. Tom’s comprehensive, no-nonsense management system catapulted Tires Plus to the top in a competitive industry populated by some of the largest companies in the world.

Tom’s groundbreaking management methods have been featured in the New York Times and Fast Company magazine, and on CNN, CNBC, and PBS. He was named a 1995 Midwest Entrepreneur of the Year by Inc. magazine and Ernst & Young, and is the youngest person to be inducted into the Minnesota Business Hall of Fame™. Tom has served on numerous corporate and nonprofit boards, including the Center for Ethical Business Cultures.

By The Seat Of Your Pants: The No-Nonsense Business Management Guide is receiving rave reviews from top business leaders across the country, including Ken Blanchard (The One-Minute Manager), Harvey Mackay (Swim with the Sharks) and Richard Schulze, Founder and Chairman of Best Buy. Tom’s guide connects the dots between all aspects of a business with unprecedented breadth and depth.

Tom’s first book, Winning in the Game of Life: Self-Coaching Secrets for Success, is a blueprint for creating a productive, well-balanced life. It received critical acclaim from publishing industry bellwethers Publishers Weekly and Booklist, from self-help and spiritual guru, Deepak Chopra, and from national business and political leaders, including Curt Carlson, Founder/Chairman, Carlson Companies, and former vice president of the United States, Walter Mondale.

Tom founded Gegax Management Systems in 2000 to share his business management system with growing companies. He criss-crosses the country consulting, conducting seminars, and delivering keynote speeches. His one-on-one executive coaching

sessions help business leaders sharpen their management skills.

Michael Gorman
Managing Director of Split Rock Partners

Michael Gorman is a founding Managing Director of Split Rock Partners. Gorman focuses on investments in software and services companies based in Minnesota and the surrounding region.

Prior to founding Split Rock Partners, Gorman was Managing General Partner of St. Paul Venture Capital, which he joined in 1995 and focused on software and services investments. In addition, Gorman led St. Paul Venture Capital’s efforts in the Minnesota market, and is a current or former director of ten Minnesota companies. He is an active supporter of the local entrepreneurial community, and works closely with organizations providing guidance to emerging companies. In addition, Michael served as president of the Minnesota Venture Capital Association in 2000 and 2001.

Gorman holds a bachelor’s degree in economics and public policy from Duke University, as well as MBA and JD degrees from Harvard University. He began his venture capital career with the Harvard Management Company. Earlier in his career, he was a management consultant with Bain & Company, where he assisted clients in the development and execution of corporate strategies.

Fred Haberman
Founder and CEO of Haberman & Associates

Fred Haberman is president and co-owner with his wife Sarah Bell Haberman of Haberman & Associates Inc. (HAI), a Minneapolis-based public relations firm whose mission is to support pioneers who are positively changing the way business is done.

Currently, HAI is the lead brand PR firm for Volvo Cars of North America, and manages consumer campaigns for Room & Board, the Bancroft Arnesen Expeditions, Organic Valley and Whole Foods. HAI also leads PR programs for a variety of pioneering high-tech and medical-tech companies, such as Guidant, Stellant, Nistevo, Mozilla Foundation’s Firefox Web browser and MTS Systems.



In addition to leading PR campaigns for hundreds of emerging growth companies, Fred also has served as management consultant for dozens of companies.

Before co-founding HAI, Fred worked at Wells & Miller Public Relations, where he co-managed the international media relations program for Federal Express. He then went on to co-manage on-site operations in Kazakhstan for U.S. Asian Enterprises. This experience awakened a passion for adventure travel, which prompted Fred to form a wilderness travel company and lead numerous remote wilderness excursions to Nepal, Kazakhstan, Canada and New Zealand.

Fred is a graduate of the University of Wisconsin-Madison and holds a Bachelor of arts degree in history.

Doug Johnson

Director of the Office of Business Development at the University of Minnesota

The founding Director of the Office of Business Development, Doug is also the founding Director of the Carlson Ventures Enterprise, a component of the MBA program at the Carlson School of Management. There, Doug constructed and currently teaches the academic curriculum for Ventures Enterprise, managing many of the student activities with emerging firms. From 1998 to 2001, Doug held the position of co-director of the Center for Entrepreneurial Studies at the Carlson School of Management, where he was responsible for soliciting community involvement in the program and securing research and development sponsorships and company research participation.

Doug has over 20 years of experience in the venture capital and investment banking industries, including 10 years at IBM's large mainframe division in engineering, sales, and sales management, three years in investment banking at Dain Bosworth, and 10 years as a senior officer and general partner at Norwest Venture Capital. At Norwest Venture Capital, he made investments in-and served on the boards of-approximately 25 early-stage, high-tech companies. Doug currently serves on the boards of several private high-technology companies in which he has a personal investment. He holds a degree in

Mathematics from the University of Minnesota and an MBA from the University of St Thomas.

Matt Kramer

Commissioner of the Minnesota Department of Employment and Economic Development

Matt Kramer is commissioner of DEED (www.deed.state.mn.us). DEED was created as a result of the July 2003 merger of the Minnesota Department of Trade and Economic Development, where Kramer served as commissioner, and the Minnesota Department of Economic Security.

Before his appointments in state government, Kramer was vice president of marketing at Syntegra USA, an Arden Hills subsidiary of British Telecom, concentrating on corporate electronic commerce infrastructures and custom applications. At Syntegra, Kramer managed marketing and communications for several business units aligned with specific industries, including telecommunications, manufacturing and energy. Kramer joined the company in 1995, when it was still known as Control Data Systems, and led the company's upgrade of technology delivery systems for the managed services division.

Kramer shares Governor Pawlenty's commitment to improving the competitive position of the state's economy by facilitating the growth of new and existing business across the state and is an active proponent of the state's tax-free Job Opportunity Building Zones for greater Minnesota.

Kramer is a 1984 graduate of the University of Minnesota, with a Bachelor of Science degree in Geography. He is the author of numerous articles in industry and technical publications.

Scott Litman

**Two Time Entrepreneur of the Year Finalist
Co-founder of Imaginet and former President of connect@jwt**

Scott Litman is an entrepreneur and visionary leader who has spent 15 years growing fledgling businesses into industry powerhouses. Most recently, his foresight and leadership helped catapult connect@jwt, the digital solutions business of J. Walter Thompson, to become one of the ten largest



providers of integrated marketing communications in the United States.

Litman began early, demonstrating a knack for predicting trends in technology when he competed for the University of Minnesota in the 1987 Design the Computer of the Year 2000 competition hosted by Apple Computer. His entry outlined a vision that the year 2000 would bring the rise of the PDA; portability in computing; and the Internet's use as a vehicle for commerce. Litman finished third out of thousands of entries in the nationwide competition and met many key industry figures that would later prove critical when launching his first business.

One year after college graduation, Litman founded Minneapolis-based Imagnet — one of the first vendors of its kind in the Midwest. The company's initial focus was Macintosh-based publishing solutions, and in just three years, its revenues grew significantly. In the mid 90's, with margins shrinking in the hardware business, Litman teamed up with Dan Mallin to transition Imagnet into one of the first regional providers of Web Development services.

In the late 90's, Litman and Mallin partnered with Skip Gage and in the process, acquired the internet marketing division of Gage Marketing Services. The business grew at an incredible pace, averaging 50 percent annual growth and becoming the regional leader in web development services and ecommerce.

To grow the agency into a national leader, Litman sold Imagnet in 2000 to J Walter Thompson, the world's largest communications holding company. Consequently, as many digital service agencies shut their doors following the dot-com bust, Imagnet grew, emerging as a strong survivor. Today the agency, now known as connect@jwt, is recognized as one of the 10 best in the country and serves such customers as Ford, United States Marines, 3M, FEMA, Nestle, HSBC, Cargill, Unilever and United Healthcare.

Dan Mallin
Two Time Entrepreneur of the Year Finalist
Co-founder of Imagnet and former
COO of connect@jwt

Dan Mallin, who most recently served as the

Chief Operating Officer for connect@jwt, the digital solutions business of J. Walter Thompson, has demonstrated a passion for developing and growing new businesses his entire life. As a young boy, he managed multiple paper routes and a snow-shoveling business. By high school, he was running a video production company that he sold before heading to college. While at Drake University, he was a sales representative for Apple Computer and then Microsoft. While a salesman for Apple, Mallin negotiated the sale of Apple's largest institutional contract at that particular time.

For nearly 20 years, Mallin has established a solid track record in creating, growing and transforming businesses through his roles at both large and small businesses, ranging from technology services, sales, marketing and business development. He is known for his ability to quickly understand any business problem and offer a solution.

Following college, Mallin worked for 3M as a technologist and eventually a manager. At 3M, he helped facilitate the spin-off of his business unit to become Imation, where he became the director of Internet Business and Technology Development.

While he was an employee of 3M, Mallin was awarded the Pyramid of Excellence Award, Circle of Technical Excellence and Alpha Grants, which are internal grants funding research for the company. In 1996, Mallin was nominated to participate in Vice President Al Gore's business, education and government partnership, InfoTEST International. His role on the committee was to co-author a benchmarking program, which was published in 1997, for rating the business performance of business, education and government Web sites.

During this time, Mallin partnered with Scott Litman, to negotiate Imation's acquisition of Litman's agency, then called Imagnet. Imagnet became Imation Internet Studio. Eighteen months later, Litman and Mallin recognized the poor long-term synergy between the companies and partnered with Skip Gage, to buy back Internet Studio. Mallin and Litman relaunched Imagnet in 1999, acquiring the Internet Marketing division of Gage Marketing Services along the way.

Since joining J Walter Thompson in 2000, Mallin has helped grow the agency to



become one of the ten largest providers of digital marketing and communications services in the United States. As COO, Mallin directed all of the agency's services that are provided to companies, including 3M, Ford, United States Marines, FEMA, Nestle, HSBC, Cargill, Unilever and United Healthcare.

Jay Novak

Editor/Publisher of Twin Cities Business Monthly

Since February 2001, Jay Novak has been publisher and editor of Minnesota's premier business magazine, Twin Cities Business Monthly, of which he was also founding editor from 1993 through 1995.

During the second term of Governor Arne Carlson, he served as Commissioner of the Minnesota Department of Trade and Economic Development, after which he became senior vice president of a Minnesota-based investment banking company for two years before returning to publishing.

He has also been director of communications at General Mills; press secretary for a United States Senator; and editor of another monthly business magazine, a weekly business newspaper, a weekly magazine for Midwestern bankers, and a rural daily newspaper.

He serves on boards of two non-profit organizations, a national trade association, and an Edina-based e-learning company.

Thom Sandberg

**Founder The Kenyon Consortium
Holder of four US Patents for Product
and Utility Design**

Thom Sandberg is always searching for a better way. This led him to his obsessive involvement with computer design over a fifteen years ago and their use in advertising and design. Today he is acknowledged as one of the leaders in the field.

Thom's interest in advertising started at sixteen, when he created his first direct mail campaign to find a job in advertising. By sending out his rather humble resume to all advertising agencies in the yellow pages "A" through "M" (the amount of postage his

allowance would cover), he soon had a job at Batton, Barton, Durstine and Osborne.

Sandberg stayed at BBDO for six years while finishing college. Satisfying a severe travel itch, Sandberg took off for several years and worked abroad for agencies in London, Istanbul and Tokyo. To further his travel experience he crewed on cargo ships, packed fish in Venice and sold blue jeans on the black market in Tehran.

Upon his return, Sandberg worked his way up through several Twin Cities agencies including stints at Carmichael-Lynch (where he first worked with his future business partner Duane Johnson), and at D'arcy, MacManus & Masius as associate creative director. Sandberg worked solo for several years before founding the Kenyon Consortium with Duane Johnson in 1984.

The Kenyon Consortium opened its doors twenty years ago as a diversified communications workshop. The Consortium's activities include strategy, brand and product identity, packaging, advertising, design and interactive media.

Ten years ago Sandberg and Johnson sold Kenyon to Fallon Worldwide. Sandberg re-acquired the company three years ago.

Kenyon has assisted clients such as Unitedhealth Group, Brunswick, Disney World, Hubbard Broadcasting and General Electric reach upstream and negotiate the leap from business opportunities to compelling customer-driven concepts.

Sandberg and his wife, Martha – a wardrobe stylist for television commercials – live in Minneapolis, and divide their time between raising their ten year old daughter, Alta Lucia, restoring their prairie style home and looking for any excuse to leave the country.

E. C. "Skip" Gage

Chairman and CEO, Gage Marketing Group

Having watched the evolution of marketing in the '70's and '80's on the agency side and as a client, Skip Gage was convinced that most marketers were being underserved by their agencies because of the typical agency's singular focus on broadcast advertising as the solution of choice.



To take advantage of this market opportunity, Skip decided to form a marketing firm with broad functionality, deep expertise and an ability to integrate the various elements of marketing communications, promotion and direct marketing into unified solutions for clients. With that vision, Skip formed Gage Marketing Group in 1992.

His prior experience came in handy. As President of Carlson Marketing Group, Skip transformed the organization from a small trading stamp company to the largest free-standing promotion company in the world. Then, as President and CEO of Carlson Companies, he doubled their annual revenue to \$8 billion while moving them to focus their efforts in Marketing, Travel and Hospitality from a diversified holding company.

Skip stays heavily involved in the community and is on the board of several business and charitable organizations. He was recognized by Twin Cities Business Monthly as the 1999 Entrepreneur of the Year.

Career Highlights

- Started Gage Marketing Group by acquiring four Marketing Services divisions of Carlson Companies, starting up a marketing agency and a marketing consulting company and creating a new integrated marketing company dedicated to developing and executing "integrated marketing" programs.
- Completed the restructuring of Carlson Companies as President and COO then CEO, between 1983-1991 from a broad, diversified holding company to a company focused in three industries – Marketing, Travel and Hospitality. Grew revenue from \$4 billion to \$8 billion during this period.
- Directed the growth of Carlson Marketing Group from a small trading stamp company to the largest freestanding promotion company in the world with an industry leadership position in incentives, sales promotion and travel.

About the Competition / Sponsors

The University of Minnesota
State of Minnesota
Kenyon Consortium (Advertising)
Invioni (Web)
Haberman & Associates (PR)
Maslon, Edelman, Borman & Brand (Legal)
Lurie Besikof (Accounting)
James J. Hill Library (Research)
Twin Cities Business Monthly

About the Competition / FAQ's

Who is eligible to enter?

Any and all residents of the State of Minnesota are eligible to enter.

Also eligible are students who attend school in Minnesota and reside in the state while classes are in session.

Is there a cost to enter Breakthrough Ideas?

There is no cost to enter this competition.

What happens if my idea gets past the first round?

Out of all of the submissions, we will be taking as many as 30 entries to the semi-final round. At that point, you will have 6 weeks to put together a much more detailed and thorough plan.

Notification will occur on May 15th with the second round submission due by June 26th.

To assist you in your efforts, you will be provided with access to the James J. Hill Library Hill Search. The James J. Hill Library will also provide each semi-finalist with Business Planning Software.

What sort of ideas can be entered?

We are looking for new and innovative ideas. We don't want to create too many barriers or limitations as we are likely to see concepts and ideas that span a wide variety of industries, product types, service types or even new business models.

Some entries will be for entirely new products, services or business processes while others may be for dramatic improvements to something that already exist but has yet to break out or reach it's potential.

The only major constraints are that an idea needs to be economically viable, it cannot



violate or infringe on the copyright or intellectual property of another, and it must be a breakthrough idea.

Do I maintain ownership of my idea?

Yes. This is your idea, your innovation and it is your intellectual property.

Links to valuable information about how to copyright and protect your intellectual property can also be found in the Helpful Resources section of this site.

How can I be assured that my idea is safe?

The judges are experienced investors, executives and entrepreneurs. They are each in the position of hearing ideas, business pitches, new deals etc. on a regular basis.

The only people that will have access to the entries and will review them are members of the contest review board.

How will my entry be judged?

Entries will be judged on the following criteria:

Originality:

- Is this idea truly new or is it a tweaking of something that is already in existence?
- Judges will be looking for ideas that are truly new and innovative.

Viability:

- Can this idea be commercialized within two years?
- Can this idea create or serve a market need?
- What is the entrant's strategy for making the idea into a high-growth business?
- Judges will be evaluating ideas on their potential to generate revenue, profits and employment.

Quality of Presentation:

- This is a secondary criteria, but please make sure that all content is well written and clear. As the competition progresses, quality of presentation will factor in more substantially.

BTI - Registration

Please see form online at:
www.breakthroughideas.org

NOTE: All answers should be 500 words or less.

Question 1:

Description of the Breakthrough Idea.

Describe your idea. What is it? What makes this a breakthrough idea?

Question 2:

Size of market / target market.

- How does your idea translate into a high-growth and successful business?
- Who do you anticipate to be the buyers or users of this idea?
- How big is the market for this idea?

Question 3:

Strategy and Execution.

- What are the key elements required to get this idea off of the ground?
- What are the critical resources needed?
- How would you approach getting this business started and on to a path for success?

Question 4:

Viability of the idea.

- Is this something that can be launched and successful in the next 2 - 3 years? Can this idea be profitable?

