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A Hand Up For Start-Ups

By Kim Hart

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While Congress contemplates ways to jump-start the economy, a few local investors have come up with their own stimulus packages for entrepreneurs.

Jonathan Aberman, managing director of *Amplifier Ventures*, a McLean-based venture capital firm, is launching a Business Accelerator Program. He plans to select six start-ups and invest \$50,000 in each. Starting March 1, the chosen companies will begin receiving three months of personal attention from a number of investors and successful founders.

The idea is to provide seed funding for companies that otherwise don't have access to cash. Most venture capitalists invest several, if not tens of millions of dollars in a single company to put a large amount of money to work at once. As a result, tiny start-ups that need a few hundred thousand dollars or less to get off the ground typically rely on angel investors or generous friends and family.

But during a recession, rich friends are less willing to take chances with their money and venture capitalists are even more choosy about their investments, leaving young firms without financial resources.

"There's a serious funding void," Aberman said. "Instead of investing in one or two companies over the next year, I can spread that money to six companies that would benefit."

The program also will be run by *Michael Dering*, former chief executive of *Service Bench*, an online warranty claim manager, and *Richard Moore*, who is on the board of directors of *Vocus*, a public relations software firm.

Companies in the program will attend group discussions about business issues and get one-on-one time with experienced advisers. The advisers include *John Hurley*, who runs the venture pipeline group at law firm *DLA Piper*; *Steve Balistreri*, a partner at accounting firm *Argy, Wiltse & Robinson*; and *Loren Burnett*, chief executive of *StackSafe*, a software and IT testing company.

Starting today, interested companies can apply for the program by joining *Amplifier Network*, an online community for start-ups started by Aberman.

And there's more good news for start-ups looking for cash and guidance. *LaunchBox Digital*, a three-month incubator program for Internet companies, will begin accepting applications today for another round of investments.

LaunchBox held its first bootcamp for entrepreneurs last year, and six of the nine companies in that class have secured \$6 million in funding since the program ended in August, said *Matt Jacobson*, a partner with LaunchBox. The incubator invests up to \$20,000 in each company, provides office space and holds two demo days at the end of the session -- one in Washington and the other in Palo Alto, Calif. -- where start-ups pitch a room full of investors. Former chief executive of *Washingtonpost.Newsweek Interactive*, *Caroline Little*, is

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an adviser to LaunchBox, which The Washington Post sponsored in 2008 but doesn't have a stake in this year.

Throughout the bootcamp, the entrepreneurs will get guidance from advisers and its founders: *Sean Greene*, who founded *The Away Network* and later sold it to *Orbitz*, and *John McKinley*, former AOL chief technology officer. *Julius Genachowski*, a founder who is expected to become chairman of the *Federal Communications Commission*, will not be an active partner or have a financial stake in LaunchBox if he is appointed to the agency.

"In an economy where we're continuing to see downsizing by large corporate employers and not a lot of job growth, people who prove to be resilient will come up with ideas and start things," Jacobson said. "We think there's a huge market for people who, out of necessity, become entrepreneurs."

Applications will be accepted through March 16, and it will begin in May.

Facebook 101

Last year, one of the biggest crazes among Web developers was building applications for *Facebook*, the popular social network. This year, *Johns Hopkins University* created a class to capitalize on the trend.

For the past three weeks, 12 students at the Baltimore campus have been tinkering with the mini software programs that let Facebook users take trivia quizzes or exchange virtual gifts to take a new approach to computer science.

In 2007, *Stanford University* created a course about how Facebook applications, or "apps," can be used to change consumer behavior. The Johns Hopkins course is geared toward using the photos and videos on the site.

"The idea was to focus on the modern-day engineer," said *Carol Reiley*, a third-year PhD student who co-taught the class. "The usual image is a nerdy person who is studious and works in a boring office. We're emphasizing the engineer who encompasses the technical skills, but also marketing and entrepreneurship."

Sounds noble. But most of the students in the class said they took Facebook 101 to learn how to contribute to what has become an integral part of their identities.

"Facebook affects our lives so much, so I thought it would be great to be able to make apps for it," said *Spencer Powell*, who persuaded his friend *Paul Martin* to give up part of his winter break to take the class. The sophomores, both 19, created *TextTrade*, an auction-style application that lets users buy and sell books.

Other students took advantage of the 10 billion or so photos stored on Facebook. The major focus of the class was improving "computer vision" by sifting through, analyzing and modifying the 30 million pictures uploaded to the site every day.

It's a new way of enhancing the "stalking" capabilities of Facebook, said *Charles Duyk*, a computer science major who created *PhotoSearch*, an app that finds photos of specific people. For example, it could be used to decipher whether two people are dating by searching for photos in which they appear together. Or you could search for a few names at once to find pictures of members of your former high school clique.

Duyk admitted that he hasn't figured out how to make money off the application. But *Joan Freedman*, director of the university's *Digital Media Center*, which helped fund the class, said she'd be happy to pay to prevent users from finding photos in which others have identified her.

"I really don't want photos taken in my 20s to creep into my professional life," she said.

It's a problem Duyk has yet encountered, but he nodded thoughtfully. "You know, that's not a bad idea," he said.

Kim Hart writes about the Washington technology scene every Monday. Contact her at hartk@washpost.com.

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