

# Bangor Daily News

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## Investors look to fund local entrepreneurs

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**By Anne Ravana**  
Bangor Daily News

BANGOR - For the past six years, Hermon residents Claude and Priscilla Morin have been working on an invention: a portable pump system that makes changing the oil in a vehicle or machine cleaner and more efficient. In 2003, they opened Spillfree Oil Drainage Products to sell their pumps with the help of a grant and a development award from Maine Technology Institute.

On Wednesday, Priscilla Morin joined 60 local entrepreneurs, bankers, professional investors and fund managers to meet some of the people dedicated to financing and advising fast-growing businesses in Maine. Four speakers from public and private funding organizations explained the basics of venture capital, anonymous "angel" investors and grant opportunities.

The presentation, sponsored by Bangor Savings Bank, MaineBiz and Berry, Dunn, McNeil & Parker, was held at the Dyke Center for Family Business at Husson College.

Michael Burgmaier, a partner in CEI Community Ventures, a Portland-based private group of investors that manages a \$10 million fund, explained the "business life cycle." Most entrepreneurs start businesses with income from family and friends, he said. As a business progresses, the owner can access state and government funding, angel investors, venture capital and bank loans.

"We call this the valley of death," Burgmaier said, referring to the earliest stage in a company's life when it has negative cash flow and losses. "As you move through the process, you must invest ahead of revenue."

It can take a long time before a small business sees revenue, and about 30 percent of CEI's investments bring no return, Burgmaier said. Still, CEI has helped some firms succeed, including Whiting-based Look's Gourmet Food Co.

Burgmaier said CEI looks for growth-oriented businesses in Maine, Vermont and New Hampshire.

Dick Curran, representative of the Maine Angels, described his group of 28 anonymous accredited Maine investors who pool their money to reduce risk and increase return on investments in high-risk businesses. Maine Angels provides

"seed capital," generally \$100,000 to \$2 million per instance, as well as management guidance, to young businesses, Curran said.

"We've received about 250 inquiries from around the world," Curran said. "Our companies tend to be in New England, with about half in Maine."

Betsy Biemann, president of Maine Technology Institute, a private nonprofit that receives government funding, said MTI's matching grant programs and development awards are aimed at start-up science and technology businesses. MTI accepts applications several times each year, Biemann said.

John Burns, fund manager for the state government-created Small Enterprise Growth Fund, called his organization "an economic development tool for the state of Maine." Burns said SEGF's investments are not limited to certain fields, and the fund has invested \$8.8 million in 30 companies in nine Maine counties.

The speakers concluded the event by answering questions. When asked about the reasons companies fail, Biemann said some companies do not seek advice from their investors, many of whom are skilled, disciplined managers.

Burgmaier agreed. "You have to be able to give up some control and trust your investors," he said.

For more information on Maine funding sources, visit:

[www.ceicommunityventures.com](http://www.ceicommunityventures.com)

[www.mainetechnology.org](http://www.mainetechnology.org)

[www.maineangels.org](http://www.maineangels.org)

[www.segfmaine.com](http://www.segfmaine.com)

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