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**From:** Matt Roush [glitr@wwj.com]  
**Sent:** Friday, June 30, 2006 2:02 AM  
**To:** Oliver Baer  
**Subject:** The Great Lakes IT Report for Friday, June 30, 2006



Your report for Friday, June 30, 2006

[HandyLab gets \\$5.6 million investment](#)  
[Ypsilanti MEMS firm gets patent](#)  
[Client win for Plexus Systems](#)  
[New, larger HQ for e-procurement firm](#)



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**Aastrom achieves bone fracture clinical milestone:** Ann Arbor-based Aastrom Biosciences Inc. ([NASDAQ: ASTM](#)) announced Thursday that it had completed the last patient treatment in its United States Phase I-II multi-center long bone fracture clinical trial. Completion of the cell therapy phase for all 36 patients enrolled in this trial represents a key milestone that supports Aastrom's business model to use its cell-based Tissue Repair Cells for tissue regeneration. The trial is evaluating the use of Aastrom Tissue Repair Cells -- a mixture of stem, stromal and progenitor cells derived from the patient's own bone marrow and grown in Aastrom's proprietary machinery -- in the treatment of severe bone fractures that have not been successfully treated with the current state of the art. All patients treated in this trial will be followed for a total of twelve months post-surgery, with interim data collected at the six month endpoint. It is expected that additional interim data will be disclosed by the end of September. The announcement follows positive interim data presented earlier this year by principal investigator, Matthew L. Jimenez, M.D., of the Illinois Bone & Joint Institute. Jimenez presented results from his early clinical experience with the first seven patients treated for long bone non-union fractures that weren't healing with Aastrom's TRCs. All patients appear to have demonstrated bone healing, and returned to weight bearing mobility by 6 months. The interim results reported to date from this U.S. trial complement observations previously disclosed in Aastrom's Spanish feasibility study, showing positive bone regeneration with no TRC-related adverse events in all patient treatments. Based on data provided to the Spanish Drug Agency, Aastrom was granted permission to commence another severe non-union bone fracture trial in Spain, and is actively enrolling up to 10 patients at this clinical site. More at [www.aastrom.com](http://www.aastrom.com).



**ProQuest makes news at library meet**

**HandyLab gets \$5.6 million:** The Michigan Small Tech Association reported Thursday that HandyLab, an Ann Arbor company developing miniaturized health care diagnostic devices, has received a \$5.6 million round of venture funding. The money will be used to complete clinical testing of a rapid test for a type of bacterium

**CheckTheCrib wins MIT award:** CheckTheCrib Corp., a Birmingham startup providing spare and replacement parts technology systems for manufacturers and suppliers, said Thursday it had won an award for best business pitch from Tuesday night's meeting of the MIT Enterprise Forum in Ann Arbor. The award recognizes CheckTheCrib as an emerging business with significant growth potential and entitles the firm to a fast track review by the Great Lakes Angels. CheckTheCrib is gaining market share in the automotive sector and seeking to apply its proven system to other industries such as electronics, pharmaceutical, and food and beverage. CheckTheCrib provides a complete line of spare part services for manufacturing plants and suppliers, including tool crib management, inventory tracking, consolidated quoting and purchasing, forecast and reporting tools, drawing storage, warranty compliance, and excess inventory liquidation. More at [www.checkthecrib.com](http://www.checkthecrib.com) or call (313) 510-5111.

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**Ann Arbor Spark names "Best of Boot Camp":** The Ann Arbor Spark business accelerator recognized Best of Boot Camp award winner Patrick Montoya, founder of MedArray, at its Boot Camp Celebration earlier this week. Montoya was awarded an initial engagement with the Business Accelerator valued at \$5,000. The Entrepreneur Boot Camp was held June 1-2 at the National Center for Manufacturing Sciences in Ann Arbor. MedArray has developed a proprietary silicone membrane hollow fiber that has enabled the production of highly efficient blood oxygenators, suitable for short- and long-term cardio-respiratory support applications, including intravascular devices and thoracic artificial lungs. Judges said several other teams exhibited significant potential, making the choice a tough one. The Entrepreneur Boot Camp is an intensive two-day business planning and preparation program designed to help early-stage technology businesses finalize their business concept. The event is held twice annually and the next Boot Camp is scheduled for Nov. 2 and 3. For more information, visit [www.annarborspark.org/bootcamp.asp](http://www.annarborspark.org/bootcamp.asp). Admission is limited to 12 teams, but typically more than 20 teams apply. Launched in September 2002 with funding from the Michigan Economic Development Corp. SmartZone program and administered by Ann Arbor Spark, the Business Accelerator program engages seasoned entrepreneurs as mentors to assist with early stage business planning.

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**Altair sells software to Italian yacht builders:** Troy-based Altair Engineering Inc. said Thursday that the Italian-based yacht builders Ferretti Group has chosen Altair's HyperWorks computer aided engineering technology to optimize the structure of new composite materials. HyperWorks is an engineering system that streamlines the product development process, improves product quality, increases productivity and reduces time to market. Ferretti Group manufactures Ferretti, Pershing, Itama, Bertram, Riva, Apremare, Mochi Craft, Custom Line and CRN boats. The company has 2,500 employees and operates 19 production sites in Italy, two in Spain and one in the United States. The company had revenue of 636 million Euros in the fiscal year ended Aug. 31, 2005, up from 557 million the previous fiscal year. Altair develops engineering and grid computing software. More at [www.altair.com](http://www.altair.com).

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**Arts Web site to debut festival music performance:** MichiganToday.net and the Arts League of Michigan announced Thursday that a concert documentary shot at the 2006 Detroit Festival of Arts will be aired at 7 p.m. Eastern time Saturday exclusively on [www.michigantoday.net](http://www.michigantoday.net). The performance is titled "Kenn Cox and Drum," Detroit's own Kenn Cox Quintet performing its original "Island Song," along with percussion improvisations. The Detroit Festival of Arts. Detroit's rich cultural diversity comes alive through artistic impression in unorthodox media including exotic hair sculptures, animated sand sculptures, vivacious chalk art and broadly stylistic performing arts genre. The documentary was produced by Semper Media Group. MichiganToday.net is an online magazine offering a variety of

Michigan content, including the Michigan Today Network's radio programming. The Arts League of Michigan develops, promotes, presents and preserves African and African-American cultural arts traditions. Its current programs include "The Artists Mentorship Program," a year-around arts training and mentoring program for youth, and "Art for the People," visual and performing arts presentation programs.

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**Tech consultants join for CRM event:** The Technology Solutions Division of Echerbarger, Himebaugh, Tamm & Co. PC and Computer Products and Resources Inc., both of Grand Rapids, will host a seminar July 19 on "Building a Solid Foundation for Your CRM Implementation: Microsoft Dynamics CRM 3.0." The event runs from 8 to 10:30 a.m. at EHTC Technology Solutions, 5136 Cascade Road S.E., Suite 2A. The event is free but registration is required. To register, call Jamie Metcalf at (616) 575-8500, ext. 1375. IT professionals interested in evaluating or implementing a customer relationship management system should attend. The presenter is CPR senior consultant Chris Simmons. More at [www.cprgr.com](http://www.cprgr.com).

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**New Enterprise Forum welcomes three new board members:** The Ann Arbor New Enterprise Forum announced the appointment of three new board members who bring business and venture capital experience to the entrepreneur and economic development group. Joining the volunteer board are Sreeram Veeragandham, managing director of Gitega Capital; Lauren Bigelow Reed, director of programs for the Cleantech Venture Network; and Gerry Roston, managing director of Pair of Docs Consulting. Veeragandham focuses on early stage investments in technology and medical devices. He was a founding team member at Juniper Networks Inc. and a former employee of Sun Microsystems Inc., and has a master's degree in electrical engineering from the State University of New York and an MBA from the Ross School of Business at the University of Michigan. Bigelow Reed develops programs for Cleantech, which brings together investors and businesses in the clean technology sector. She was previously educational director at the Ann Arbor IT Zone and marketing director of the Richard Hale Shaw Group. She has a bachelor's degree in economics from the University of Michigan and a master's degree in anthropology from Northwestern University. Roston was one of the founding members of the NASA Jet Propulsion Laboratory Mars rover team and has a doctorate from Carnegie Mellon University's Field Robotics Center. More at [www.nef.bizserve.com](http://www.nef.bizserve.com).

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**New directors at Bartech:** Detroit-based staffing and services firm Bartech Group announced Thursday that it had added two new members to its board of directors. They are Jerome Adams, retired senior vice president of administration for Houston-based BMC Software, and George R. Raymond, founder and CEO of Moorestown, N.J.-based Automatic Business Centers, an independent payroll processing company. He is now a private investor and president of Buckland Corp., a private consulting firm in Bonita Springs, Fla. Bartech provides engineering, IT and administrative staffing services and related outsourcing services. It employs more than 3,000 and has 19 offices in Michigan, Ohio, Indiana, Florida and Ontario. More at [www.bartechgroup.com](http://www.bartechgroup.com).

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**CRM event set for Grand Rapids:** The Technology Solutions Division of Echerbarger, Himebaugh, Tamm & Co. PC will hold a breakfast seminar July 12 on "Improving Sales Effectiveness: Using Microsoft Dynamics CRM to Overcome Your Sales Challenges." The event will run from 7:30 to 9 a.m. at EHTC, 5136 Cascade Road S.E., Suite 2A. To register, visit [www.clicktoattend.com/?id=109651](http://www.clicktoattend.com/?id=109651).

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**Even more way cool Menlo Briefs:** The fine folks at Ann Arbor's Menlo Institute, that bastion of software development and developer training, are out with another edition of their e-newsletter, the Menlo Briefs. As usual it's chock full of interesting tech tidbits. To wit: here's a doctor's office that is [paving the way for technological advancement in the medical field](#). Dr. Saleh's paperless office allows him to access patient files from anywhere, rather than pawing through paper files. (Hey, my doc in Dearborn, Howard Wright, has that too.) And here's another neat multitasking idea -- the [treadputer](#). Now there's literally no excuse not to exercise. Darn it. Then there's the [Freedombox](#), originally created for the blind, a computer that makes it much easier for the physically challenged to use a computer and the Web. Finally, there are scientists working on camera lenses based on the structure of an insect's eye to encompass a circular, three-dimensional view. [Even cell phone cameras may soon be equipped with this capability](#). Oh, and here's the plug -- Menlo is offering a 90-minute presentation [July 20](#) on its definitely unique High-Tech Anthropology approach to software development.

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**Ford backs off on hybrid goal:** CEO Bill Ford Jr. says Ford Motor Co. won't build 250,000 gasoline-electric hybrid vehicles a year by 2010 as it promised last fall, according to a report in Thursday's Wall Street Journal cited in AutoBeat Daily. Ford says the company is refocusing its mix of hybrids and flex-fuel vehicles because interest in biofuels such as ethanol has surged. Now, he tells the Journal, Ford plans to build 500,000 flex-fuel vehicles annually by 2010 -- double the previous internal goal. Ford didn't specify how many fewer hybrids the company plans to produce. He says the company remains committed to the technology.

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**General Motors Corp. and DaimlerChrysler AG are also pledging to make more flex-fuel autos,** AutoBeat Daily reported. Ford's flex-fuel plan is part of a broader promise by Detroit's Big Three automakers to double production of vehicles capable of running on biofuels to more than two million units a year by 2010. The CEOs of the domestic carmakers made the pledge in a joint letter to the U.S. Congress on Wednesday -- a follow-up to their Capitol Hill meetings in May. Their pledge includes offering more vehicles that run on biodiesel and E85, a blend of 85 percent ethanol and 15 percent gasoline. The automakers also are asking Congress to promote the production of biofuels, promote wider ethanol distribution and maintain incentives to OEMs for producing flex-fuel vehicles.

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**U.S. may soon catch Brazil in bio-ethanol output:** A new report available through Ireland-based Research and Markets says Brazil is the leading producer of bio-ethanol, contributing slightly less than half the world's total. But AutoTech daily notes that the United States, currently ranked second, is expected to equal Brazil in the near future, according to the study. The European Union also is a major producer. The study, "Biofuel Market Worldwide," says Sweden was the leading bio-fuel consumer last year, with about 80 percent of its use imported, mostly from Brazil. Germany and other European countries also are big users. The report examines emerging trends, technologies, government programs and cost factors and provides regional forecasts. In addition to ethanol, the study covers biodiesel and other fuels derived from renewable biomass feedstocks.

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**Microsoft delays Office business software...** Microsoft Corp. on Thursday postponed the release of its next-generation Office business software suite, citing "product performance" issues. In a statement released by the company's Waggener Edstrom public relations firm, Microsoft said it now plans to release the product to big business customers by the end of the year, instead of in October as planned. Consumers and other business users are now scheduled to get the product in early 2007. Microsoft had previously said it would be broadly available in January, to coincide with the delayed

release of Microsoft's Windows Vista computer operating system. [More.](#)

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**...and cuts 148 sales jobs:** Microsoft Corp. is cutting 148 total U.S. sales jobs, as part of efforts to be more efficient, the company said Thursday. Microsoft spokesman Lou Gellos said the software company is eliminating 214 sales jobs but adding another 66 in the reorganization. Employees whose jobs are being eliminated will have the option to apply for the new positions, Gellos said. The Redmond-based company said the job cuts and new positions are aimed at helping the company be more responsive to customers. Microsoft has recently made a number of organizational changes aimed at making the company more nimble and efficient. The changes come amid growing threats from companies that provide Web-based software for tasks traditionally done by Microsoft's largely desktop-bound applications. The reorganizations have largely sought to help the company make decisions more quickly. In general, Microsoft has been bulking up its work force. It currently employs about 70,000 employees worldwide, up from more than 63,000 as of last September. It also recently announced a set of new employee benefits, such as enhanced child-care benefits and better cafeteria food, that many saw as an effort to boost employee morale and loyalty. But the company has made small cuts to save money or eliminate workers. Last week, it said it is eliminating 14 jobs in the Microsoft Learning division, and will instead have an outside vendor perform that work. [More.](#)

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**Maine to extend laptop service with Apple:** Maine has signed off on a \$41 million contract with Apple Computer Inc. to provide new laptop computers to more than 30,000 seventh- and eighth-graders and their teachers, extending the laptop program for another four years. Maine was the first state to equip students statewide with laptops, and officials say the initiative remains the biggest of its type in the nation. The deal announced Thursday is similar to the one reached when the project was originally launched in 2002. It works out to an annual cost of \$289 per laptop. It calls for Apple to equip 32,000 students and 4,000 teachers with iBook notebook computers and upgraded wireless networks. The four-year contract also includes warranties and perks like professional development for each of Maine's 241 public middle schools. The program, aimed at eliminating the so-called "digital divide" between wealthy and poor students, has been deemed a success by administrators. (Gee, wonder how *Maine* found money to keep its program going when Michigan slashed ours?) [More.](#)

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Get a handle on home work.

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**Net neutrality measure fails:** A massive effort by Internet users to prohibit telephone and cable companies from providing better service and prices to preferred customers failed to get through a Senate committee. After three days of debate, the Senate Commerce, Science and Transportation Committee approved a bill intended to let phone companies and other telecommunications providers better compete in video markets now monopolized by cable companies. The measure faces an uncertain future because of the controversy over "net neutrality" -- how to ensure that consumers and Internet content providers continue having open and nondiscriminatory access to the Internet. The committee rejected an amendment by Sens. Olympia Snowe, R-Maine, and Byron Dorgan, D-N.D., that would prohibit phone and cable companies from limiting access to their high-speed Internet networks based on site content or financial arrangements. The vote was 11-11, and ties defeat proposed amendments. Supporters argued that service providers could give preferential treatment to business partners or use pricing and access limits to discriminate between Web sites and other Internet users. "What's at stake is the Internet in the 21st century," said Snowe, the only Republican to vote for the amendment. "This is the preservation of digital democracy." Hundreds of interest groups, ranging from the Christian Coalition to Moveon.org., joined bloggers and the big content providers such as Google Inc. and Amazon seeking protections from Congress against owners of high-speed broadband networks. Republicans argued against interfering in a system that so far has worked well without government regulation. [More.](#)

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**EU explores tighter broadband regulation:** The European Commission unveiled plans Thursday

that would force telecommunications providers to share broadband infrastructure with rivals and unify regulations in the sector. Viviane Reding, the European Union commissioner in charge of the EU's telecommunications policy, said the rules would encourage competition. "We must open the markets when they are dominated by dominant players," she told reporters. "We have seen in all our analysis, where the markets are opened, investments are done and prices go down for consumers." Many countries are dragging their heels in applying EU orders to open up their markets to competition, allowing historic telephone monopolies to remain dominant players with the power to determine who can access their networks. As a result, phone companies like Deutsche Telekom AG and France Telecom control 80 percent of European broadband connections. In contrast, U.S. telephone companies account for only 38 percent of subscribers there. [More.](#)

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**Judge approves Yahoo 'click fraud' settlement:** A federal judge on Wednesday gave preliminary approval to a settlement in a lawsuit that accused Yahoo Inc. of not adequately protecting advertisers from a practice known as "click fraud," the Wall Street Journal reported. Under the terms of the settlement, Yahoo would pay about \$5 million in legal fees and extend its period for reviewing advertiser click fraud complaints to include disputed charges since January 2004, rather than addressing complaints received only within the past 60 days, the newspaper said. The preliminary approval was granted by U.S. District Court Judge Christina Snyder in Los Angeles. The practice of clicking on online advertisements with the intent of driving up a business rival's costs or for earning commission is known as click fraud. [More.](#)

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**Comcast buys startup for online video expansion:** Comcast Corp., the No. 1 U.S. cable operator, said it bought a small digital media delivery company as part of plans to expand its online video services beyond the personal computer. Comcast would not disclose the sum it invested in the platform, a Seattle-based start-up with 70 staff and clients including The Wall St Journal, ABC News and Starz Entertainment Group's Vongo. Comcast's comcast.net Web site, targeted at its 9 million high-speed Internet customers, is already a client of the platform, delivering over 2 million short-form videos a day. The online video space has become a hot area in the last year, with the growth of high speed Internet access allowing easier delivery, sites including YouTube, Google Video and Yahoo! Music have all seen a strong growth in user figures. [More.](#)

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***Can't hear WWJ Newsradio 950 in your office?***

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**MTV says it will sell videos on iTunes:** Viacom Inc.'s MTV Networks on Thursday said it has begun selling more of its shows at Apple Computer Inc.'s iTunes digital media store. Original programs from Viacom's Spike TV, TV Land, MTV and Logo channels can now be purchased for \$1.99 per episode. Earlier, Viacom's Comedy Central network had sold episodes of the popular "South Park" animated show. Apple's decision last year to begin selling video programming kick-started a media industry-wide fervor to offer digital videos for sale online.

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**Greek phone tapping probe offers clues on culprits:** Greek investigators looking into a phone tapping scandal that rocked the government this year said they found enough evidence that could lead to the culprits, according to a report seen by Reuters on Thursday. In February, the government revealed a massive phone tapping operation that eavesdropped on more than 100 politicians and ministers, including Prime Minister Costas Karamanlis, for more than a year before and after the 2004 Olympic Games. No perpetrators have been identified but a probe by the state Communications Privacy Protection Authority (ADAE) has focused its investigations on Vodafone Greece, whose telephone network was used to shadow mobile phone calls of Greek leaders. [More.](#)

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**UK mobile firm picks Yahoo for Web services:** The UK-based mobile phone company 3 said on Thursday it had chosen Yahoo Inc to provide a raft of internet services for its network. With mobile providers eager to entice users to spend more time on their mobiles, the Hutchinson Whampoa division said the offering would range from web access to e-mail and Yahoo's popular instant messaging. "This relationship isn't just about us buying more content to put on our portal, its about a deep engagement between our two companies to bring some of the world's most popular Internet services and content to 3's networks," said Christian Salbaing, 3's European managing director. 3 did not give any detail on pricing but said the service would be launched in the UK in July first and had plans to roll it out to Italy, Ireland, Austria, Sweden, Denmark and Australia later in the year and on Hutchison Telecom International in Hong Kong and India. [More.](#)

**Stocks:** Technology stocks extended their overall gains on Thursday, rallying to close sharply higher after the Federal Reserve hiked its target for overnight interest rates by a quarter percentage point, as had been expected. Shares of RSA Security Inc. climbed on news it is in deal talks, while those of Red Hat Inc. fell after its results and financial outlook. Following the Fed's decision, the technology-laden Nasdaq Composite Index ([\\$COMPQ: News, chart, profile](#)) jumped 63 points, or 3 percent, at close at 2,174 and the Philadelphia Semiconductor Index ([\\$SOX: News, chart, profile](#)) climbed 17.1 points, or a sharper 4 percent, to 446.2. Trading also was upbeat as fund managers bargain shopped as quarter-end approached. The gains came after the Federal Open Market Committee increased its target for overnight interest rates to 5.25 percent, marking the 17th straight meeting with a quarter-point rate hike. The increase in the federal funds rate was expected by traders and economists. The vote was unanimous and the committee made major changes to the explanatory statement, removing the phrase that some further measured policy firming "may" be needed. Instead, the FOMC said "any additional firming that may be needed" will depend on the economic outlook. [See full story.](#) The Amex Pharmaceutical Index ([\\$DRG: News, chart, profile](#)) rose 2.2 percent to 327.17 and the Amex Biotechnology Index ([\\$BTK: News, chart, profile](#)) advanced 3.7 percent to 652.88. The Dow Jones Internet Index ([DJI DJINET: News, chart, profile](#)) was up 3.8 percent to 90.53. The Dow Jones Industrial Average ([\\$INDU: News, chart, profile](#)) closed up 217.24 points, or almost 2 percent, at 11,190.80, marking its biggest one-day point gain since April, 2003, with all of its 30 components in positive territory. The S&P 500 Index ([\\$SPX: News, chart, profile](#)) rose 26.87 points, or 2.1 percent, to 1,272.87, its largest one day point gain since March, 2003.



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