



502 Representing the Early Stage Company

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Faculty Biographies

John J. Dieffenbach

John J. Dieffenbach is a member of Accenture's legal and commercial group and is based in New York City. He is responsible for negotiating outsourcing deals on behalf of the company.

Prior to joining Accenture, Mr. Dieffenbach was with Kaye Scholer LLP where he represented companies in outsourcing and technology licensing transactions. Prior to that he was general counsel of two technology start-ups.

He currently serves as a member of the board of trustees for the Village of Pleasantville, New York.

Mr. Dieffenbach received his B.A. from Binghamton University, M.S. from Northwestern University, and his J.D. from Cornell Law School.

Clifford Ennico

Clifford Ennico currently practices law in his own practice in Fairfield, Connecticut. An attorney by training, Mr. Ennico has represented over 10,000 small businesses and early-stage technology companies in his career. He is a nationally recognized authority on the legal problems of small business and is best known as the host of Moneyhunt, the fast-paced PBS reality television series where entrepreneurs defend their business plans before America's toughest panel of experts. His weekly business advice column, Succeeding in Your Business, the "Ann Landers of the business world," is syndicated nationally by Creators Syndicate, and appears in dozens of major newspapers and small business Web sites throughout North America. He is also a frequent contributor to Entrepreneur magazine, and hosts the "Protecting Your Business" channel for the Small Business Television Network on the Web. A member of the faculty of eBay University, he delivers talks to business groups nationwide on the legal, tax, accounting, and human resources aspects of running a business on eBay, the world's largest auction Web site.

Mr. Ennico has lectured on business and finance topics to business groups, venture capital clubs, and bar associations throughout the United States and Canada, and is the author of several leading books on small business law and management, including Small Business Survival Guide, MoneyHunt: 27 New Rules for Growing a Breakaway Business, Forms for Small Business Entities, Closely-Held Corporations: Forms and Checklists, and Basic Legal Forms.

He holds a B.A. degree, magna cum laude, from Dartmouth College and a law degree from Vanderbilt University, where he was articles editor of the Vanderbilt Law Review.

Marci Krufka

Marci Krufka is a senior consultant with Altman Weil, Inc. She heads consulting assignments in the areas of strategy and management for law firms and corporate law departments throughout the United States. Her work involves strategic planning, management, organizational structure, and marketing strategy, as well as practice group management and planning initiatives. She has extensive experience conducting client surveys and outside counsel analyses and planning and leading retreats. She also assists in the development and implementation of diversity strategies for legal organizations.

Prior to joining Altman Weil, Ms. Krufka practiced with a law firm in Philadelphia. She also worked in the legal department of a Fortune 500 corporation. Ms. Krufka is a member of the ABA's business law and law practice management sections, the Legal Marketing Association and the Philadelphia Bar Association.

Ms. Krufka serves on the editorial board of the Law Firm Partnership and Benefits Report. She is a frequent lecturer for groups such as the Association of Legal Administrators, Defense Research Institute, Legal Assistant Management Association, state bar associations, law firm networks, and others.

Ms. Krufka received her J.D. from Widener University School of Law and her B.A. from the University of Scranton.

Mark Nowotarski

Mark Nowotarski is president of Markets, Patents & Alliances, LLC in Stamford, Connecticut. He is a patent strategy consultant and a registered U.S. patent agent specializing in business method patents. He currently serves clients in the insurance, financial services, chemical, and manufacturing industries. Mr. Nowotarski is also the coeditor of the Insurance IP Bulletin. The Insurance IP Bulletin is dedicated to helping innovators in the insurance industry effectively protect and promote their inventions with business method patents.

Mr. Nowotarski is a former associate director of research and development for Praxair. There he was responsible for the development and successful worldwide introduction of new products into the health care, electronics, and manufacturing industries. His inventions are covered by 17 U.S. patents and have produced over \$300 million in sales for Praxair.

Mr. Nowotarski is a member of the Intellectual Property Owners Association and serves on their business method patents committee. Mr. Nowotarski has been a guest lecturer on patent prosecution strategies at New York Law School and new product development strategies at the University of Connecticut School of Business.

Mr. Nowotarski has B.S.E. with honors from Princeton and a Master's degree in Mechanical Engineering from Stanford.

Representing the Emerging Company

Politics and Practice

John J. Dieffenbach

A Journey to the Small Company

- Started out with IBM, then \$70 billion
- Joined Software Company, about \$60 million
- Left to form Consulting Company, about \$1.5 million

My CEO is Crazy!

- The first CEO was a Napoleon: short in stature, loud in performance
- Second CEO was paranoid, insecure and lacking management talent
- Third CEO could not make a decision

How to be Effective

- You must have an ally in the executive circle
- Even better: Build a relationship with the money (sales and investors)
- Know everything (i.e. business strategy, products, marketplace changes)
- Expand your role

Know Your CEO

- Is the CEO “one” with the corporation, or is he/she using it for his/her ends?
- Is the CEO largest shareholder?
- Does the CEO value your opinion?

Know the Board

- Secure a role at Board meetings (corporate secretary)
- Make the executives feel good that you are there
- Make the board value your judgment and ethics
- Speak to praise or when spoken to (NEVER contradict)

Be a Confessor

- Know your HR leadership!
- Don't lord your role over employees: be approachable
- Don't be a source of information
- Be ready to make unpopular decisions

Be Ready for Plan B!

- Small companies can be volatile
 - Executives may change
 - Business may change
- Network network network
 - Know your options
- Keep your experience broad
 - Don't get pigeonholed

Using Legal Management Benchmarks in an Early Stage Company

Marci M. Krufka
Altman Weil, Inc.®

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As the General Counsel in an early stage company, it is important that you have access to resources to assist you in making decisions regarding the management of the legal function. You will also be expected to educate your clients on legal services best practices. Law Department management benchmarks can help meet both of these objectives by providing you with data regarding:

- Legal expenses
 - As a percent of revenue
 - Per lawyer
 - Inside expenses versus outside expenses
 - Technology
- Staffing
 - Lawyer
 - Paralegal
 - Administrative
- Outside Counsel Management
 - Number of firms employed
 - Percent of fees paid to top four firms
 - Use of outside counsel by practice area
- Reporting relationships (organizational structure)
- Operations (technology, systems, processes)
- Related functions (e.g. Corporate Secretary, Compliance), whether they should be part of the legal function and if so, how
- Compensation



Patent Survival Kit for Early Stage Companies

Mark Nowotarski
Patent Strategy Consultant

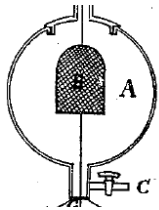
ACC's 2005 Annual Meeting: Legal Underdog to Corporate Superhero—Using Compliance for a Competitive Advantage

October 17-19, Marriott
Wardman Park Hotel



Everything you Need to Know About Patents is in a Light Bulb

**Woodward et al.
1876**



I claim a light bulb with a **carbon** filament.

**Edison
1880**



I claim a light bulb with a **thin carbon** filament.

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Managing Entrepreneurs' Expectations

	US	Worldwide
Cost	\$10k - \$20k	\$100k - \$200k+
Timing to get	3 – 5 years	5 – 10 years
Term	20 years	20 years
Lawsuit legal expenses	\$2 - \$20 million + disruption of operations	

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Patent Work You Must Do

- None
- Shop for outside firm
 - Familiarity of attorney/agent with subject matter.
 - Senior attorneys/agents matched to novice inventors (& vice versa).
 - Responsiveness.
 - No billing surprises.



Ethical Issues

- Duty of Candor
- Willful infringement
- Patent Watch vs Stick Head in Sand