

FINANCE AND COMMERCE

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Minnesota Cup prize inspiring record entrepreneurial interest

by [Kendall Anderson](#) Staff Writer

The Minnesota Cup, an annual competition for the best breakthrough business idea, is attracting a record number of entrepreneurs. And among the semi-finalists, chosen this month, there's also been a big jump in the percentage of female entrants and the number of green energy/sustainable business proposals.

This year's competition, sponsored by the University of Minnesota, Wells Fargo and others, has drawn 844 participants – up 69 percent from last year and 41 percent from 2006. The number of female entrepreneurs increased from about 28 percent of the total entrants to 40 percent. And business ideas based on saving energy or being more natural – including organic foods – increased significantly, said Scott Litman, co-founder.

"We think the increase came from a combination of better prize money, a more mature program and better communication through our partners," he said. "By far and away, the doubled prize money makes a big difference."

New partners and sponsors this year, including the Minneapolis law firms of Gray Plant Mooty and Lommen Abdo, helped get the word out, Litman added.

"Minnesota entrepreneurs are looking to this competition as something they need to be involved in," he said.

The program started in 2005 with \$25,000 in seed money. Judges, who began accepting applications in April, narrowed the field this month to 30 semifinalists.

Among the semifinalists featured at www.minnesotacup.org are a computer virus protection product that promises a higher level of security, an online human-resources service, a patented cellular database-management system and an amphibious ice fishing and hunting vehicle.

"There is a lot of energy going toward the alternative energy, green and sustainable energy and organics – a category where we've had modest entries in the first three years," Litman said.

Another surge in entries came in the area of Web 2.0 technology.

The semifinalists are broadly representative of the entrants in general, Litman said. They will be narrowed to five finalists Aug. 20; the one winner will be selected Sept. 1. Semifinalists are all eligible to receive a small amount of seed money, consulting and other services from Twin Cities' banks, financiers and legal firms, among others.

Past winners and semifinalists include successful businesses throughout the Twin Cities, from Lakeville to northeast Minneapolis and St. Paul. A handful of past winners say the most valuable aspects of the competition – besides the seed money – are the professional contacts and expert help in writing business plans.

Last year's winner was Wayzata-based Muve, which is working with the Mayo Clinic to finish development on its obesity-fighting, movement-monitoring device. The 2006 winner, VAST Enterprises LLC, is expecting to more than quadruple in size this year as sales of its alternative to the traditional concrete paver – using 95 percent recycled materials – soar with the explosion of green construction.

The 2005 winner, St. Paul-based Arcswitch, is in talks to secure investment capital for its patented low-cost fiber optic switch.

Competition officials as well as the semifinalists and business leaders are invited to a reception at 6 p.m. Wednesday, at the James J. Hill Library, 80 W. Fourth St. in St. Paul.