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MONTHLY

THE DEFINITIVE GUIDE TO LOCAL BUSINESS

OCTOBER 2007

25 TOP INNOVATORS

The **ENTREPRENEURS** and **DREAMERS**
who are changing the face of local business

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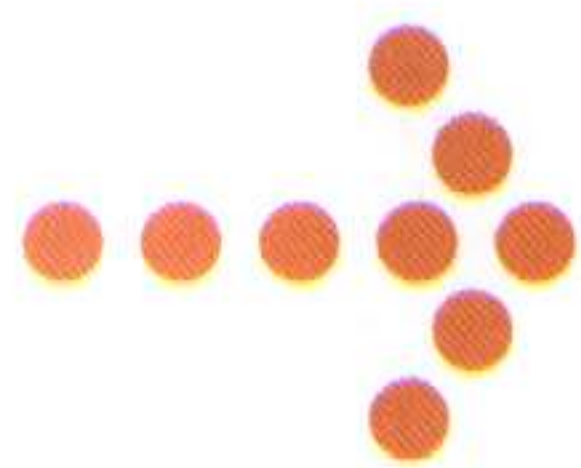
LIFE AFTER ICOS
How the Seattle biotech industry
is surviving the big takeover

OCTOBER 2007

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Inventor Christina Lomasney, whose work with nanotechnology is creating metal alloys for military and industrial use, is one of this year's top innovators.

features

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31 Top 25 Innovators: Agents of Change

Our third annual list of the movers and shakers, young Turks and established icons of the Puget Sound business scene is bigger and better than ever. This year, *Seattle Business Monthly* gives you not only profiles of the personalities and startups that everyone will be talking about tomorrow, but also a sneak peek at some mysterious "stealth-mode" companies and the young winners of the UW's business plan competition.

MANNY FRISHBERG & ERIC LUCAS

46 Myhrvold's Marvels

He's a physicist. He's a dinosaur buff. He's an inventor with thousands of patents. And he can cook up a mean rack of ribs. In short, Nathan Myhrvold, founder of Intellectual Ventures, is Seattle's under-the-radar Renaissance man.

But why are local businesses so worried about his ideas for the future? **ERIC LUCAS**

50 Biotech: After Icos

The sale of Icos Corp. to Eli Lilly this year came as a shock to those who'd hoped that the company would become an established biotech anchor firm in Seattle. Others say it was just a smart business decision in a maturing and still-vibrant local industry. Here's a look at some new biotech startups that have popped up in Icos' wake. **RANDY WOODS**

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71 CALENDAR // Mithun's Bert Gregory to address Washington Technology Center's CleanTech conference; the Seattle Chamber will honor local businesses with the Sloan Awards; the 2007 Business EXPO comes to Tacoma; and other October events.



» Modumetal's Christina Lomasney tugs at an experimental film compound that may someday be applied in industrial cleaning uses.

PHOTOGRAPH BY JOHN KEATLEY



MIND OVER METAL

CHRISTINA LOMASNEY (founder, Modumetal & Isotron)

CHRISTINA LOMASNEY'S first go at founding a company was a flop. Isochip was based on a great idea for simplifying semiconductor design, but for various reasons never achieved commercial success.

"Every time we fail, we learn something new," Lomasney says, proffering an idea espoused by luminaries ranging from Plutarch to Tom Peters. "I'm still making lots of mistakes, but I'm learning." Learning pretty well, apparently; her second company, Seattle-based Isotron, is a thriving environmental services firm that helps remediate toxic contamination.

Her newest venture, Modumetal, uses innovative metal-deposition nanotechnol-

ogy to create ultra-strong, lightweight alloys for military and industrial applications, including vehicle and body armor for U.S. troops in Iraq. (This

application, which is still under review by military officials for field use, has a personal facet—two of Lomasney's brothers are in the military.)

A physicist by training, Lomasney's expertise is in electrochemistry, and she devised many of the processes that Isotron uses to extract heavy metals from groundwater. But she's also a business adventurer who quotes Garibaldi and Theodore Roosevelt. She strives to turn ideas into practical products and believes in research yielding tangible results.

Recalling her experience with Isochip, Lomasney says that she "got an excellent lesson in the difference between a cool

idea and a marketable product." Two more companies later, she confesses that she may well be a serial entrepreneur—and that she derives as much from the struggles of business creation as she does from any eventual success.

"I've seen too much research remain just that," Lomasney explains. "I like to see things come to fruition." Thus, when she was working at Boeing right out of college and conceived a way to simplify semiconductor circuit design, she proposed it to her boss. Great idea, but we don't do that here, he replied. Why don't you take a sabbatical and see what you can do?

That's exactly what she did, and more than a decade later, with three startups under her belt, such enterprises have become intrinsic to her character. "It's almost impossible for me not to try to start up something," she says. —Eric Lucas



[CLEAN TECH]

Current Events

BURTON HAMNER, founder and CEO, Puget Sound Tidal Power

Burton Hamner is hoping for a sea change in the alternative energy industry—quite literally. A veteran of clean technology research in 15 countries, Hamner is a fan of thinking big: He aims to harness the energy potential found in the tides as they funnel through the tight spots in Puget Sound, such as the Tacoma Narrows.

Hamner, president and founder of Puget Sound Tidal Power (PSTP), plans to evaluate a variety of different underwater turbines to capture the tides' energy—a project that is considered one of the most challenging of its kind. A 1995 study estimated that the tidal flow at the Narrows can furnish electricity to more than 70,000 homes. In January 2007, Tacoma Power awarded PSTP a \$300,000 contract to continue its investigation of the power-generating capabilities in the Narrows area. Results of the study, Hamner adds, should be ready next month. —Andrew Freeman

Powering Down PCs

KEVIN KLUSTNER, CEO, Verdiem

Ever wonder how much power is wasted on PCs that are constantly left running when no one is around to use them? Kevin Klustner does, and his Seattle-based startup, Verdiem, aims to do something about it.

While there are energy-saving options built into Windows, "most of these solutions don't offer a way to measure or report on PC network energy consumption or savings," Klustner says. "And many of these approaches can only offer one-size-fits-all power policies that compromise the diverse needs and schedules of end users."

Verdiem's Surveyor 4.0 software, however, "keeps track of when users actually use their computers and automatically adapts the energy efficiency settings to their usage patterns," Klustner says.

The five-year-old company now claims more than 100 customers and recently received an \$8.33 million vote of confidence in the form of venture funding, led by Silicon Valley's Kleiner Perkins Caufield & Byers. —Manny Frishberg

Modern-Day Alchemy

DON STEVENS, chemist, PNNL

Turning straw into liquid gold—or fuel, as we mortals call it—is on everybody's mind these days. Don Stevens is one of the Rumpelstiltskins at Pacific Northwest National Laboratory working on a variety of approaches to do it. Now a senior project manager, the Ph.D. chemist has focused on this problem for most of his 30-year career.

Making ethanol from corn is simple, but competing demands for the crop are already driving up the price of Fritos. Stevens is exploring different ways to perform the same alchemy economically with woody waste, from poplars to corn stalks. He predicts that commercial-scale biomass-fuel factories will be converting such materials in about five years, though he won't bet just yet on which processes will be the winners. —M.F.