

# MUST READ

SEPTEMBER

## IPO 101

**VENTURE FUNDING** What IPO slowdown? The hot play this fall at the

University of Michigan Business School is "Idea to IPO in 14 Weeks." Going to class won't guarantee you'll go public, but students will develop companies and get facetime with VCs by semester's end.

While many B-schools offer classes in dotcom – Harvard will launch "Starting Technology Ventures" next spring – "IPO" makes the hunt for capital a requirement. Many of the nearly dozen VC guest lecturers for the course's initial offering came away impressed. "This was way ahead of what I've seen other places," says Navid Nassiri, a principal at Vortex Capital Partners. Nassiri won't reveal what he funded last semester, but says he hopes to seed student businesses with as much as \$500,000.

"Business courses are outdated," says Josh Coval, the 31-year-old professor who first rolled out the course last spring. "That's why a lot of students drop out of business school, because it's too sluggish."

– Jeffrey M. O'Brien



Fly-by computing: Orbitz' Alex Zoghlin.

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## The New Air War

**ONLINE TRAVEL** Think it's tough to get the average Web site off the ground?

Try facing antitrust legislation and Senate hearings before registering a single page view. Those are the headaches of Alex Zoghlin, CTO of Orbitz, a new online travel firm scheduled to go live by the end of summer. Orbitz is backed by American, Continental, Delta, Northwest, and United – which together handle 80 percent of all commercial flights in the US. But its most impressive partner may be ITA Software, spawned by MIT's Artificial Intelligence Lab, which helped develop Orbitz' high-flying software.

Orbitz' detractors, led by competitor Travelocity, argue that the site's big backers will collude to offer exclusive airfare deals, cutting out independent sites. Zoghlin counters that current travel sites are themselves biased, with preset stopover locations that favor some carriers and deny consumers the best fares. Both sides have filed briefs for a Justice

Department antitrust inquiry; the Senate's Commerce Committee is also examining the issue. (This isn't the only case of competing airlines joining forces to sell discount seats online. Hotwire, backed by six major carriers, plans to compete against priceline.com in selling unbooked seats beginning this fall.)

If Orbitz prevails, its online reservation process alone may blow away the competition. Unlike main-frame-based systems like Sabre, Orbitz uses racks of PCs to search fare data, making it easier to scale up computing power. And its intelligent ITA algorithms evaluate all the possible fares simultaneously instead of employing heuristic shortcuts designed to use as little computing power as possible. The result, says Zoghlin, is a wider selection and cheaper fares. "Competition should be based on how good your technology is," he says, "not how much you lobby." – Evan Ratliff

### TRANSITIONS

**"I am a 21st-century person who was accidentally launched in the 20th. I have a deep nostalgia for the future."**

– Pioneering transhumanist FM-2030, "launched" in Belgium October 1930, placed in liquid nitrogen at the Alcor Life Extension Foundation in Arizona July 2000

ILLUSTRATION: TIMMY KUCYNDA