

# Carnegie Mellon

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## **Dynamics's Success Highlights Business Incubation Process at Carnegie Mellon**

*Mentorship, Collaboration and Business Plan Competitions  
Demonstrate Key Role in Bringing New Technology to Market*

PITTSBURGH—The next-generation of credit and debit payment cards will provide added security for consumers while protecting retailers' and financial institutions' losses resulting from fraudulent use. The breakthrough technology, which utilizes the world's first fully programmable magnetic strip, was invented by Dynamics Inc., a company founded in 2007 by its CEO Jeff Mullen while attending the MBA program at Carnegie Mellon University's Tepper School of Business.

In September 2009, Dynamics Inc. announced \$5.7 million in Series A funding led by Adams Capital Management, successfully completing a big step toward the commercialization of its technology, and demonstrating the value of the business incubation process at Carnegie Mellon. Joel Adams, founder and general partner of Adams Capital Management, and also a Carnegie Mellon alumnus, will join the Dynamics Inc. Board of Directors.

"Translating technical innovations into business plans that are capable of attracting investors and securing the funding necessary for entry into the marketplace requires collaboration," said Art Boni, executive director of the Donald H. Jones Center for Entrepreneurship at Carnegie Mellon's Tepper School of Business. "Dynamics's success is reflective of how an interdisciplinary-academic approach coupled with experiential learning is a recipe for successfully incubating entrepreneurial ventures."

Dynamics Inc. developed the first prototype of its payment card technology while a tenant of Project Olympus, an initiative of Carnegie Mellon's School of Computer Science. Project Olympus

provides incubator space, as well as start-up advice and micro-grants, for faculty and students across campus. Mullen and his team presented at one of the project's popular "Show and Tell" programs, in which students and faculty present their ideas directly to regional investment and business leaders.

By winning several of the world's most prestigious international business plan competitions, Dynamics Inc. also has netted roughly \$400,000. The company's wins include the Rice Business Plan Competition, the Carnegie Mellon McGinnis Venture Competition and the University of San Francisco Business Plan Competition. Since 2000, 29 teams from the Tepper School have competed in six of the most notable international business plan competitions, placing first nine times and as a finalist 13 times, giving the Tepper School more wins than any other school in the country.

"While studying at the Donald Jones Center, Jeff Mullen and his colleagues, who had already proven their brilliance in electrical and computer engineering, were able to develop, test, and refine their business strategy through work with faculty advisors and participation in international business plan competitions." Boni said. "They were able to leverage the strengths of several schools and disciplines at the university."

"In developing our technology, we had to solve many technical challenges such as the compatibility of our product with the more than 60 million current point-of-sale magnetic readers," Mullen said. "Gaining traction in the marketplace and attracting top executives into the company takes a different skill set. The Donald H. Jones Center was an important mentor in my development. The fact is I received my first multimillion dollar Term Sheet while a student at Tepper."

A pioneer in offering formal entrepreneurship education since 1972, the Tepper School of Business and the Donald H. Jones Center for Entrepreneurship are renowned for venture capitalization research and finding business solutions. The center supports an interdisciplinary approach through cooperation with several world-class schools at Carnegie Mellon and offers courses for other schools on campus, including the School of Computer Science, the Carnegie Institute of Technology (engineering) and the Mellon College of Science.

Project Olympus ([www.olympus.cs.cmu.edu](http://www.olympus.cs.cmu.edu)) was created in 2007 to augment and accelerate the process of moving basic research into development and business stages. "Jeff and his team moved into the Olympus incubator on Henry Street the first day we opened and lived there 24/7 until they moved into their own space on Craig Street," said Lenore Blum, Project Olympus director and professor of computer science. "Jeff's success is an inspiration for the many students across campus who come to Project Olympus with their great energy and great innovations."

At Project Olympus' core is a "proof-of-concept" Innovation Lab, where the commercial potential of the university's innovations are explored by the students, graduates and faculty, together with Olympus advisory board members and a network of on- and off-campus partners.

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**About Dynamics:** Dynamics Inc. ([www.poweredcards.com](http://www.poweredcards.com)) was founded and seeded in 2007 by Jeff Mullen, its CEO. Mullen is an inventor of over 90 pending/issued patents and holds a B.S. in electrical and computer engineering and an MBA from Carnegie Mellon, as well as a JD from New York Law School. Prior to starting Dynamics, Mullen was a patent attorney at the Fish & Neave Intellectual Property Group of Ropes & Gray LLP.

Dynamics Inc. produces and manufactures intelligent powered cards such as advanced payment cards. Focused on introducing fast-cycle innovation to top card issuers, the company's first innovation is the world's first fully programmable magnetic stripe for use in next-generation payment cards. The company is based in Pittsburgh, Pa., and has an office in Silicon Valley (Cupertino), Calif.

**About Carnegie Mellon:** Carnegie Mellon ([www.cmu.edu](http://www.cmu.edu)) is a private, internationally ranked research university with programs in areas ranging from science, technology and business, to public policy, the humanities and the fine arts. More than 11,000 students in the university's seven schools and colleges benefit from a small student-to-faculty ratio and an education characterized by its focus on creating and implementing solutions for real problems, interdisciplinary collaboration and innovation. A global university, Carnegie Mellon's main campus in the United States is in Pittsburgh, Pa. It has campuses in California's Silicon Valley and Qatar, and programs in Asia, Australia and Europe. The university is in the midst of a \$1 billion fundraising campaign, titled "Inspire Innovation: The Campaign for Carnegie Mellon University," which aims to build its endowment, support faculty, students and innovative research, and enhance the physical campus with equipment and facility improvements.