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Economy's gloomy but believe it or not, bright spots exist on technology front

Enterprise finding success in Ohio

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How about some good economic news?

Several nonprofit business development groups devoted to transforming Northeast Ohio have issued year-end newsletters replete with silver linings.

So why not suspend the doom and gloom for a day and enjoy these business success stories:

JumpStart

The organization invested in nine new companies in 2008, bringing its portfolio to 35 young and promising enterprises.

Three of the companies secured patents this year, including Akron Global Business Accelerator tenants InSeT Systems (technology for tracking underground miners) and MAR Systems (filter for removing contaminants from water.)

Another JumpStart investment — Inspiron Logistics, based in Cuyahoga Falls (messaging technology developer) — brought in hundreds of thousands in new, recurring revenue and more than 30 new customers, including the University of Illinois, the University of Wisconsin and Summit County.

JumpStart reported that the companies in its portfolio raised more than \$34 million in "follow-on funding" and grants this year.

Among them were reXorce Thermionics, another Akron incubator company, which attracted money from various "angel" investors to help with commercialization of its thermal engine. MAR Systems just closed a \$312,000 investment from two investors in the region.

Also noted by JumpStart in its year-end newsletter: InSeT System's Inertial Sensor Tracking System, used to track underground miners, was named by Popular Science as one of the 2008 Inventions of the Year.

Team NEO

Team NEO, a regional group charged with attracting and retaining major employers, said that despite the challenging economy, the region saw more than \$1.2 billion invested by its companies.

"We are diversifying and transitioning our economy to high-skill industries, recognizing that education and innovation will become even more valuable in the future," the Team NEO report said. "By maintaining and promoting the course with our region's advancement in biomedical, alternative energies, company management and investment in entrepreneurial growth, the region will accelerate growth and ensure long-term vitality."

A few investments and expansions from the Akron area in 2008 are:

- TechniGraphics (Wooster), 150 new jobs.
- SP Data (Richfield), 400 new jobs.
- Snap-On Business Solutions (Richfield), 50 new jobs.
- Bridgestone Technical Center (Akron), 600 jobs retained.
- InfoCision (Akron), 300 new jobs.

- Shearer's Foods (Brewster), 180 new jobs.
- J.M. Smucker (Orrville), 150 new jobs.

ARCHAngel Network

This University of Akron-based group, which brings angel investors together quarterly to hear about new investment opportunities, said the highlight of 2008 was an alliance created between ARCHAngel and the Lorain County Community College Innovation Fund.

The fund provides early-stage "gap funding" of up to \$100,000 to companies for critical technology and business demonstrations. The fund also won a \$500,000 award this year from Ohio's Third Frontier program.

Other achievements of note:

- A survey showed companies sponsored by ARCHAngel since its formation in 2005 have received \$35 million from investors.
- Membership grew to 350, and quarterly meetings have been attracting more than 100 people.
- ARCHAngel members have been providing mentoring students, entrepreneurs and regional startups.

NorTech

NorTech, Northeast Ohio's technology-based economic development organization, released data from a new report called *The High-Tech Sector in Northeast Ohio*.

Going public in mid-January, the report compares the region to the Midwest and the United States in employment, wages and research and development activity in eight technology areas.

The report, prepared by the Center for Economic Development at Cleveland State University, said high-tech employment — which was down sharply after the dot-com collapse at the start of the decade — grew from 2004 to 2007.

Employment in Northeast Ohio's high-tech industries is up 2.7 percent in that period, compared to an overall regional employment decline of 0.2 percent.

Northeast Ohio added 4,436 jobs in the high-tech sector between 2004 and 2007 while Northeast Ohio lost 3,162 jobs overall in that same period.

Still, the entire Midwest has a way to go to match growth in the country as a whole. High-tech employment in Ohio, Indiana, Illinois, Michigan, Minnesota and Wisconsin was up a combined 3.6 percent from 2004 to 2007, while the nation was up 6.6 percent.

Meanwhile, average wages in Northeast Ohio's high-tech sector far exceeded the average yearly earnings across all industries — \$70,985 compared to \$40,399.

"The outlook for 2008 is uncertain given the current economic conditions," NorTech President Dorothy Baunach said, "but continued investment in technology is needed to continue the creation of more high-tech, high-paying jobs for the future."

Copies of the final report will be available for download in mid-January at <http://www.nortech.org>.

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Akron SCORE

The Akron chapter of the counseling group SCORE, where retired and active executives are mentoring startup and existing businesses, logged more than 10,400 volunteer hours in 2008.


The group also:

- Added three workshops, targeting customer service, financial management and business plans. (Previous ongoing workshops are *Business Basics*, *Business Basics & Marketing on a Mini Budget*, *Leadership Skills* and *Not for Profit*.)
- Joined the Akron Urban League and Kent State University in the Partnership for Minority Businesses Accelerator, which helps minority-owned businesses meet their goals. Currently, 23 SCORE counselors are involved with 20 black- or Hispanic-owned businesses.
- Designated the Hudson Library as a new venue for counseling and workshops.
- Continues to focus on expanding services in Portage, Medina and Wayne counties.

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