

Rutgers FIC to “Graduate” First International Client



Paul Altieri, director of manufacturing for Schär USA, oversees production of bread in the Food Innovation Center Incubator.

The Rutgers Food Innovation Center (FIC) has announced that Schär USA Inc., a division of Dr. Schär SRL based in Burgstall, Italy and a client within its business incubator program in Bridgeton, will soon be “graduating” into a new 50,000 sq. ft. facility that will be constructed in New Jersey.

(continued on page 4)

What’s Inside:

Rewriting a Personal—and Global—Destiny, page 2

Joint Venture, page 2

Incubator Spotlight, page 3

NBIA Soft Landings International Incubators, page 3

Investor Q&A, page 7

For more news, see our online newsletter at www.nbia.org/njbin/oct10

Letter from the NJBIN President

Dear NJBIN Community:



I am pleased to introduce the first issue of the NBIA -NJBIN newsletter. The goal of this newsletter is to get the word out about how the New Jersey Business Incubation Network brings economic solutions to New Jersey.

NJBIN is a state-wide community of business experts, resources, and facilities dedicated to economic development through business incubation. Earlier this year, we formed a partnership with the National Business Incubation Network that bolstered our effectiveness on the state and national levels. This newsletter, which was co-produced with NBIA, is a vehicle for sharing our successes with those who also support economic development via business incubators and their portfolio companies.

New Jersey's incubators have made significant positive impacts on the state's economy. In 2009, the 520 incubator companies created/retained over 1,500 new, higher paying jobs; generated revenues of \$320 million; brought \$93 million in 3rd party funding to NJ; and graduated 35 self sustaining companies.

As we continue to deliver results, this newsletter will be a key place where we report on our successes. I hope that you enjoy this issue and will continue to look to this newsletter for the latest news about incubation here and across the nation. If you would like to learn more about NJBIN incubators, please call me at 973-643-4063, ext. 101.

Sincerely,
Jerry Creighton Sr.
President, NJBIN
Executive Director, EDC at NJIT



Rewriting a Personal—and Global—Destiny



Ben Parvey, CEO of Blue Sky Power LLC

For some lawyers, working at a large law firm could be the pinnacle of their career. But for others, a vision of shaping a different future is likely to eventually drive them out of the firm and into their own company. This was the case for Ben Parvey and his partners at Blue Sky Power LLC.

Parvey and Matt Stanger started thinking about creating a clean energy company over three years ago. “We both have young families and we wanted to do something that would have a greater impact on the world and specifically to help foster a new era for clean energy,” said Parvey. “We both had the vision and drive to do something beneficial for society and had the desire to run our own business and determine our own destiny.”

Between Parvey’s extensive knowledge of finance law as it applies to putting together large infrastructure projects and Stanger’s background as a land use lawyer and engineer, the two were able to realistically evaluate their potential for success. “We worked on our business plan for almost a year,” Parvey said. “We ended up doing exactly what we said we would do: investing in the revitalization of our host city (Camden), working on the

(continued on page 6)

Joint Venture to Generate Economic Momentum

A joint venture between the National Business Incubation Association (NBIA) and the New Jersey Business Incubation Network (NJBIN)—in which NJBIN is established as the first chapter of NBIA—is bringing together state and national leaders to generate economic momentum in New Jersey.

“As the economy of our state and our

country continues in its recovery, this joint venture represents a major milestone in New Jersey,” said Jerry Creighton Sr., president of NJBIN and director of the Enterprise Development Center at NJIT. “If you combine all of the businesses that are being nurtured at NJBIN incubators, the economic impact is as large as that of other major corporations in New Jersey. The partnership with NBIA brings entrepreneurial support and access to seed funding to these companies, which increases our collective competitive advantage.”

NBIA is the world’s leading organization advancing business incubation and entrepreneurship. NJBIN is a collaborative statewide community of business experts, resources, and facilities dedicated to enhancing the commercial success of early-stage entrepreneurial companies, growing higher-paying jobs in New Jersey, and supporting the economic growth strategy for the state. NBIA and NJBIN incubators provide early-stage companies with critical support services—including coaching, access to capital, technical and business resources, networking opportunities, and flexible office or laboratory space in a professional business environment.

The popularity of business incubators has grown steadily in the United States over the past 25 years. According to NBIA, there are now 1100 business incubators in the United States and, according to a 2005 study, 27,000 companies existed because of incubators, the companies produced 100,000 jobs per year, 84 percent of the companies stayed in the communities where they were incubated, and 87 percent of the companies were still in business after four years.



Mark Merclean (L), immediate past president of NJBIN and David Monkman (R), president and CEO of NBIA, shake hands after signing an agreement on May 3, 2010, in which NJBIN is established as the first chapter of NBIA.

(continued on page 5)



Incubator Spotlight: Incubator Inc. and The BOSS



Jeff Dunn, director of The Incubator and The BOSS

Ideally, every city would have a business incubator to drive economic development. This incubator would have a manager with extensive business knowledge and contacts in the city, county, and state who forges far beyond its own walls. Even better, the incubator would represent a vision for regional partnerships that could benefit small businesses throughout the region. This is, in fact, the model for The Incubator Inc. and The BOSS (Business One Stop Service) in Plainfield, New Jersey.

“An incubator is a crossroad for business activity and a think tank for economic development,” said Jeff Dunn, director of The Incubator and The BOSS. “An incubator should supplement City Hall. That’s what I do.”

The Incubator and The Boss is certainly a crossroads between small business and government resources. Dunn is president of the Plainfield Chamber of Commerce and is a New Jersey Department of Labor and Workforce Development One-Stop Career Center partner in Union County. Just recently, The Incubator was awarded a workforce development contract with the City of Plainfield, linking the residents of Plainfield with training and job placements assistance. In 2006, Dunn was awarded as an SBA Champion for New York, Puerto Rico, and the Virgin Islands.

(continued on page 7)

NBIA Soft Landings International Incubators



The National Business Incubation Association has awarded the NBIA Soft Landings International Incubator designation to the Enterprise Development Center (EDC), a business incubator operated and sponsored by the New Jersey Institute of Technology in Newark. This is the second NJBIN incubator to receive this prestigious designation: in 2009, NBIA awarded the Soft Landings designation to the Commercialization Center for Innovative Technologies (CCIT) in North Brunswick, N.J. That was CCIT’s first renewal of the designation they earned in 2007.

Through its Soft Landings program, NBIA recognizes incubation programs that are especially capable of helping nondomestic companies enter the incubator’s domestic market. Both New Jersey incubators were selected because of their slate of business services for nondomestic firms and their demonstrated success at helping these firms enter the U.S. market, said Randy Morris, NBIA director of membership.

Business incubation programs like the EDC and CCIT catalyze the process of starting and growing companies by providing entrepreneurs with the expertise, networks, and tools they need to make their ventures successful. Incubating nondomestic firms takes more than the standard set of incubation services, however. “The Soft Landings designation recognizes an incubator’s focus on welcoming nondomestic firms into its domestic market with translation services, help cutting through governmental red tape, access to capital, domestic market research, and other programs,” Morris said.

Internationally-focused incubators accentuate their standard incubation services with assistance tailored specifically to nondomestic firms, including introductions to key contacts in the United States, help with intellectual property protection, immigration and visa assistance, and help finding suitable housing.

A panel of incubator managers evaluates the Soft Landings applications. They award the designation on the basis of the documentation of unique support for nondomestic firms.

(continued on page 5)



FIC to “Graduate”

(continued from page 1)

This facility will be the first facility that Dr. Schär, Europe’s leading producer of gluten-free products, is opening in the United States. Dr. Schär plans to invest approximately \$15 million into its new facility operation and to purchase over eight acres of land in southern New Jersey. Construction of the state-of-the art facility is planned to begin this winter and will be constructed such that it can be expanded to 80,000 sq. ft. in size, based on projected company growth.

The new manufacturing facility will bring a significant economic boost to southern New Jersey, creating about 50 new jobs.

“This is a huge success for the entire state of New Jersey,” said Lou Cooperhouse, director of the Rutgers FIC. “Schär USA has been a client of our incubator program for over two years and we have been able to assist them with every step of their business development process in the U.S.” FIC assistance ranged from equipment assessment and installation, ingredient sourcing and raw material specifications, prototype development and consumer research, quality assurance and food safety design, employee hiring and training, and product and process commercialization.

Most recently, FIC assisted Schär USA with preparations for its future production facility. “The Rutgers Food Innovation Center has created a food industry cluster in New Jersey, as we partner very closely with federal, state and community agencies to attract, retain, and provide ongoing support to food and agribusinesses in the Garden State. The New Jersey Economic Development Authority was of great assistance to Schär regarding site selection and incentives that are available,” said Cooperhouse. “We were also extremely pleased that New Jersey’s Lt. Governor Kim Guadagno was able to meet with the senior management team from Schär during this process and to present the many reasons for Schär USA to choose New Jersey as the site for their future operation.”

Schär USA Vice President Donna George indicated that “Schär has been providing high quality, innovative gluten-free products for almost 30 years through refined manufacturing processes, dedicated R&D and stringent safety and quality standards. We are pleased to have just introduced our first U.S. - made frozen gluten-free breads to the marketplace, which are currently being produced at the Rutgers FIC incubator facility in Bridgeton. These products, along with our current portfolio of over 30 items, provide great-tasting and nutritious meal solutions for consumers requiring a gluten-free diet.”

“Opening a manufacturing facility in a new country is a complex endeavor,” George added. It involves market research, food technology, food safety assurance, human resources project management and administration. The Rutgers Food Innovation Center demonstrated the capacity to assist us in all of these aspects of product commercialization, which is why we decided to initially launch our manufacturing from the FIC’s incubator facility in Bridgeton. The extensive support that the Rutgers Food Innovation Center has extended to Schär was a key factor in deciding to build in New Jersey. We look forward to continuing to work with the Innovation Center on various projects and are pleased to be staying in New Jersey.”

Paul Altieri, director of manufacturing for Schär USA, said that “Schär USA looked at various locations throughout the Northeast and ultimately chose New Jersey for its new operation. We have already identified a project manager, architect and general contractor for this project, who are all based in New Jersey, and we expect to begin construction in the coming months. The facility should open in late 2011 or early 2012, and we are very appreciative of the tremendous support that has been provided by both Rutgers and by the State of New Jersey in this process.” Altieri added, “We plan to utilize the Food Innovation Center as we introduce new products to the marketplace in the future, and we have already begun discussions on future gluten-free additions to our line.”

(continued on next page)



In addition to the support provided by Rutgers and the State of New Jersey, there were other reasons Schär chose New Jersey for the location of its new plant.

“Logistics was an important consideration,” said Altieri. “We will be close to our U.S. sales and administrative offices in Lyndhurst, New Jersey, we are in a great freight lane, and we will have easy access to both the Port of Newark and the Port of Philadelphia. In addition, the cluster of food manufacturing businesses in southern New Jersey provides a concentration of people trained in food production. It’s also an asset to know that we can continue to work with the Rutgers Food Innovation Center in the areas of R & D, market research and employee training, even after we move.”

The Rutgers FIC is a member of the New Jersey Business Incubator Network, a network of 12 incubators throughout the state. The tenants of the incubators are often early-stage companies that require critical infrastructure support until they become self-sufficient. But, as is the case with Schär USA, incubator tenants can also be divisions of well-established global companies that are testing the waters of a foreign market.

“Our success with bringing Dr. Schär to New Jersey proves that business incubators can play a leading role in globalizing our state’s economy,” said Coop-

Soft Landings

(continued from page 3)

NBIA’s Soft Landings designations are effective for two years; programs must reapply biennially for continuing designation. There is no cap on the number of designations available in a given year or over time. A total of sixteen business incubation programs from around the world have earned the designation since NBIA began the program in 2005.

Joint Venture

(continued from page 2)

New Jersey incubators reflect that same high level of success locally. In 2009, NJBIN member incubators supported 520 entrepreneurial client companies, which created more than 1500 new, high-paying jobs. That same year, companies located at New Jersey incubators generated revenues of \$320 million and brought in \$93 million in third-party funding. Thirty-five self-sustaining companies graduated in 2009.

“With the new alliance with NJBIN, NBIA will play a strong advocacy role and will continue to develop a creative approach to business incubation,” said David Monkman, president and CEO of NBIA. “We are taking a look at the opportunities to see how we can channel support into the local incubators and the local sponsors. NJBIN poses an opportunity for us to leverage the existing infrastructure and to deepen the offering of increased federal response to incubation as well as to increase statewide support to help business incubators.”

One of the first projects that the organizations have done jointly is to produce the NBIA-NJBIN chapter newsletter. The goal of the newsletter is to increase the recognition and positive image of NJBIN as a promoter of excellence in economic growth through incubation. It aims to raise the awareness of government officials, legislators, potential incubator clients, potential investors in New Jersey startup companies, and the organizations that partner with NJBIN in advancing economic growth for our state. The newsletter will be distributed four times a year.



EDA Executive Director Caren Franzini was a speaker at the joint venture signing ceremony.



Rewriting a Destiny

(continued from page 2)

types of projects we wanted (clean energy capital projects) and working for the types of clients we said we would (universities, governments, school districts, institutions, commercial and industrial facilities)."

Although after the economic meltdown of 2008 clean energy has been touted as an up-and-coming industry, Parvey does not view the industry as an easy industry to break into. "Many people who launch clean energy businesses quickly leave because it's harder than they thought," said Parvey. "People think the state and federal governments are throwing money at these projects, and that's not entirely true. These are complex, tax-structured energy transactions that require sophistication and understanding."

Parvey and Stanger have the required understanding, as does their newest partner, Frank Haaz. Haaz applies his background as a tax attorney and CPA to company projects by dealing with financial institutions and equity investors and carrying out financial analysis and finance negotiations. With all of this combined project development and finance expertise that is focused on clean energy, the company is able to offer a comprehensive approach to the development of clean energy that no individual consultant could provide.

"We develop clean energy projects day in and day out, so we really are very specialized," said Parvey. "We're a project developer and a system owner and operator. As a project development advisor for municipal utility authorities, school districts, and port facilities, we tell them what types of clean energy projects they can do and how they can finance them. And then we move them from project conception through project installation and operation."

One such project is at Georgian Court University. The university contracted with Blue Sky Power to build, finance, construct, own and operate their clean energy systems. Blue Sky Power owns the system

and sells them energy under a 15-year power-purchase agreement. Another client is Gloucester Township, where the company is developing an energy master plan under a United States Department of Energy grant. The company also just won a bid for a project at the Tioga Marine Terminal in Philadelphia. Other clients include the Central Regional School District in Bayville, Ocean County; The Masonic Home in Burlington, New Jersey; and Cherry Hill Township.

By the summer of 2009, Blue Sky Power LLC had outgrown its office in Haddonfield, New Jersey. One of their then future partners suggested they check out what would become their present location: the Camden Waterfront Technology Center, which houses the Rutgers Camden Business Incubator. The Rutgers Camden Business Incubator accommodates more than 40 client companies, including several clean energy businesses.

"It was exactly what we needed: a Class A office space with room to grow, with all the business support services at an affordable price," said Parvey. "The building was also appealing to us as a clean energy company because it has LEED Gold certification, which is productive for public relations and marketing. And we are accessible to many of the major transportation routes in New Jersey and Pennsylvania, including I295, I95, and the New Jersey Turnpike. We're also minutes from the Philadelphia Amtrak station for regular trips to DC and New York City. Camden really is central to the region."

Blue Sky Power is experiencing significant growth which has been fostered by the Camden Technology Center. Since Blue Sky Power is growing rapidly, the company is bursting at the seams. As the company continues to grow and its space needs increase, the intention is to keep the business in Camden, which benefits the community and Blue Sky Power's growth.



©Hernando Alonso Herrero, 2009



Incubator Inc. and The BOSS

(continued from page 3)

These distinctions enable Dunn to have extensive contacts in the business community.

As a for-profit business, The Incubator is unique among NJBIN incubators. It is not subsidized by government, but Dunn has used his business network to create a close relationship with the city of Plainfield, which in turn opens up relationships with the Small Business Development Centers (SBDC). That relationship enabled Dunn to persuade the Small Business Administration, SCORE, and the Plainfield Chamber of Commerce to locate their offices at the BOSS, which is housed in the same location as The Incubator. These various agencies are easily accessible to the entrepreneurs, home-based businesses, lawyers, accountants, contractors, and non-profit and faith-based organizations that are or have been located at The Incubator.

Three adjacent buildings house various businesses, with space ranging from a small office to a 6000 square foot warehouse with drive-up ramp. Some tenants use the space on an as-needed basis: there is a conference room for rent by the hour and a training room that is available by the day. Tenants of The Incubator do not have a set period of time for staying at the facility. When tenants leave, it is usually because they have outgrown the available space. Several spaces have nurtured generations of businesses: there have been three car washes and three day care centers that “grew their legs” before leaving The Incubator to move to larger spaces.

Dunn promotes business far beyond the walls of The Incubator and the BOSS. Through his association with NJBIN, he and Judith Sheft, associate vice president of Technology Development at NJIT and member of NJBIN, obtained resources in 2007 to put together a regional conference for economic development. After holding the conference for two years in Plainfield, Dunn collaborated in 2009 and 2010 with NJIT and Talia Young from Senator Lautenberg’s Office to present one business clinic per year. Each clinic drew more than 400 vendors and 300 atten-

Q & A

Angela D. Giampolo, Esquire

Editor’s Note: *This column is designed to give people who are considering investing in companies based at NJBIN incubators insight into the opportunities that exist in New Jersey.*



Q. Have you ever invested, or thought about investing, in a company located at an NJBIN incubator?

A. In the last several months I have thought about investing in an NJBIN company, but to date I have only assisted them in their legal needs. With that said, as with any investment due diligence, it is paramount when investing in a start-up business to assess their business plan, projections and pro-forma and investor proposals. In my opinion, the benefit of the NJBIN is that it allows investors to better evaluate whether their investment goals fall in line with the goals set by a start-up company; this allows for the ability to avoid some of the potential pitfalls of investing in a start-up company blindly.

Q. Would you encourage other investors to invest in companies located at NJBIN incubators?

A. Absolutely. NJBIN incubators provide phenomenal resources and training to emerging and developing companies. These start-up companies are afforded the ability to work in an incubator environment, which provides them amenities they may not otherwise be able to afford, such as top of the line workspace along with technological and business resources. The environment allows for the company to concern their focus on development of their core business rather than searching for these amenities.

Q. What other thoughts you would like to share with investors considering investing in New Jersey-based early-stage companies.

A. It has been my experience, especially working with the Eco-Complex and companies like EcoWalls LLC (www.greenecowalls.com/) that strategic investors will be a continuing trend among start-up’s looking for financing and growth. These investors provide start-ups with not only cash, but other necessary resources such as experience and knowledge of the specific market.



New Jersey:

The Right State for Entrepreneurs and Business Venture Development

Are you a visionary entrepreneur with an awe-inspiring business plan? Do you have the technical know-how to be competitive? If yes, an incubator in our network could be the next home for your business. To find out more, send an email inquiry through the "contact us" form on our website (www.njbin.org/), or call NJBIN president Gerald (Jerry) Creighton, Sr. at 973-643-4063, ext. 101.

Burlington County College High Technology and Life Science Incubators assist entrepreneurs with commercially attractive technology and science ideas to start and grow their companies.

Contact: Isabel Thompson
856-222-9311 x2800

The Commercialization Center for Innovative Technologies assists start-ups to become successful companies that will strengthen the economy by commercializing technologies and creating jobs.

Contact: Donald Shatinsky
732-729-0022

The Picatinny Innovation Center works with the US Army development organizations to bring products to market based on DOD technologies, while making new "high tech" products available to the ARM.

Contact: Mark Merclean
973-442-6400

The Rutgers Food Innovation Center provides business and technology expertise to food and agribusinesses in NJ and utilizes its outreach capacity to reach the food industry throughout the nation.

Contact: Margaret Brennan
856-459-1900

The Business Development Incubator at New Jersey City University is an integral part of the Smart Growth Redevelopment Plan for Jersey City-Westside.

Contact: Gina Boesch
201-200-2313

The Enterprise Development Center at NJIT is NJ's oldest and largest incubator for technology and life-science companies, having graduated over 79 successful businesses since its start-up in 1988.

Contact: Jerry Creighton, Sr.
973-643-4063

The Rutgers-Camden Business Incubator encourages businesses to locate in Camden and assists them with low-cost technical support and mentoring for successful startup.

Contact: Suzanne Zammit
856-479-9044

Rowan University's Rohrer College of Business Incubator is supported by the College of Business and managed by the Center for Innovation & Entrepreneurship.

Contact: Sarah Piddington
856-256-4126

The Incubator Inc./The BOSS (Business One Stop Service) offers centralized business resources including access to various private / public business development organizations.

Contact: Jeffery Dunn
908-757-5155

The New Jersey Meadowlands Commission Business Accelerator provides a unique opportunity for entrepreneurial companies focused on alternative energy and green technologies and services.

Contact: Michel M. Bitritto,
PhD
201-438-1245

The Rutgers EcoComplex delivers on its four mission areas of solid waste management, renewable energy, water resources, and controlled environment agriculture.

Contact: David Specca
609-499-3600

The Sustainable Business Incubator is a program of the Institute for Sustainable Enterprise at Fairleigh Dickinson University's Silberman College of Business.

Contact: Jonathan Cloud
908-306-9075

The National Business Incubation Association (NBIA) is the world's leading organization advancing business incubation and entrepreneurship. Each year, it provides thousands of professionals with information, education, advocacy and networking resources to bring excellence to the process of assisting early-stage companies. An elected, voting board of directors representing the world's leading incubators governs the association.

The New Jersey Business Incubation Network (NJBIN) is a collaborative statewide community of business experts, resources and facilities dedicated to enhancing the commercial success of early-stage entrepreneurial companies, growing higher paying jobs in New Jersey and supporting the Economic Growth Strategy for the State.

Copyright © 2010 NBIA

