Growing Renewable Energy Businesses in New Jersey: Unique Online Resource Just a Click Away

The Rutgers EcoComplex and the New Jersey Meadowlands Commission Business Accelerator have found a new way to promote the advantages of doing business in New Jersey with the release of a robust, web-based guide for renewable energy businesses.

Called the Renewable Energy Business Attraction Collaborative (REBAC) Resource Database, it provides over 300 links to state and federal renewable energy and energy efficiency incentives, financing opportunities, business development assistance, regulations, training and permitting information, all in one centralized location.

“This website is an essential tool to promote growth in New Jersey’s all-important renewable energy sector,” said Margaret Brennan-Tonetta, associate vice president for economic development at Rutgers University and a partner on the REBAC project.

(continued on page 4)

Letter from the NJBIN President

Dear NJBIN Community:

On behalf of the membership of NJBIN, I would like to take this opportunity to thank you for your interest in our organization’s official newsletter. Our mission is to offer quality information, services and resources that meet the needs of the entrepreneurial community and its partners. I am honored to be president. Being an early-stage high-growth business-focused organization, whether you are an entrepreneur, professional service provider, economic development stakeholder or an investor, we strive to offer professional personalized service through high-quality educational programming and business networking that counts. I encourage you to please use our website to learn about us and explore all of our incubators and the services and resources we offer.

As part of the entrepreneurial community, we are here to help you achieve your goals; we want to be a partner in your success!

Again, thank you for your interest in our quarterly newsletter.

Most Sincerely,

Suzanne Zammit
President, NJBIN

What’s Inside:

Olive Creek Farms: Built on an Opportunity, page 2
Both Sides of the Deal: An interview with Mario Casabona, page 2
Incubator Spotlight: The Sustainable Business Incubator, page 3
Olive Creek Farms: 
Built on an Opportunity

As a faculty member at the New Jersey Aquaculture Technology Transfer Center at Cumberland County College, George Saridakis always advised his students to have a business plan in place before going into business. But when he heard that there was space opening up at the incubator at the Rutgers EcoComplex greenhouse, he jumped right in, sans business plan.

“I didn’t want to miss the opportunity,” he said. Despite ignoring his own advice, Saridakis had good reason to be confident that the new venture would be successful. He has had more than 30 years experience in the food and agriculture industries and had founded a company, International AquaFoods Corporation, in 1993. In the mid-2000s the company’s focus went from distributing produce to an aquaculture venture with Cumberland County College. The company marketed tilapia for three years, but Saridakis concluded that the economics of the system weren’t adaptable to New Jersey.

Saridakis started looking for a strategic direction for a new business. He had been toying with hydroponics on a small scale and knew about the EcoComplex greenhouse from having brought aquaculture students to tour the facility, which was experimenting with... (continued on page 5)

Both Sides of the Deal: 
An Interview with Mario Casabona

Mario Casabona has been on both sides of the deal: he is an entrepreneur and angel investor.

His entrepreneurial career started in 1982 when he founded Electro-Radiation Inc., which developed radar, navigation and communications technology for the defense industry. Starting the company required him to weigh the financing choices that most company founders need to make: whether to go to a venture capitalist (VC), to the bank or to bootstrap the start-up. The VCs wanted equity and the banks wanted his home as collateral, so Casabona decided to bootstrap, using vacation money to launch the company.

While he was CEO of Electro-Radiation, Casabona had also started to engage in informal angel investing. When he sold Electro-Radiation to Honeywell in 2004, he had a wealth of knowledge about finding good companies to invest in, mentoring them, and helping them grow. He wanted to leverage his experience to help not one particular company, but several. He already served on the board of advisors of a couple of universities and was involved with the Commission on Science and Technology (he is now a commissioner), but wanted to do more. He was able to fulfill this goal by founding Casabona Ventures (www.CasabonaVentures.com), a company that provides management services, strategic planning, and private equity (angel) financing to early stage technology-focused companies.

During a recent interview, Casabona shared some of his knowledge about the investor’s perspective and how early-stage companies can find the best investor to help their company succeed.

At what stage are companies of interest to angel investors? In the start-up stage, entrepreneurs trying to raise money initially do some self financing or go to friends, family, and public funding sources. Entrepreneurs in the medical technology, communications, IT, electronics or alternative energy space can usually raise $25,000- $100,000. Start-ups in biotech or pharma usually require much more financing and might go to early stage VC firms which specialize in those areas. The outcome of this stage may be the formation of the company, a basic proof of... (continued on page 5)
The Sustainable Business Incubator was originally founded within Fairleigh Dickinson University’s Institute for Entrepreneurship. Jonathan Cloud, senior fellow at the university, was director. From the beginning, the incubator has been dedicated to nurturing early stage businesses that supported a sustainable environment. Sustainability, as defined by the United Nations, is “meeting the needs of the present without compromising the ability of future generations to meet their own needs.”

At FDU, the incubator pursued and obtained approval from the Commission on Science and Technology to operate as an incubator, only to have funding removed from the state budget. Rather than be a liability to the university, Cloud came to an agreement to retain ownership of the incubator after a legal separation from the university. Today, the incubator is a nonprofit corporation.

During the current transitional period, the incubator is serving clients that do not have a need for physical space. One client is Consolidated Energy Design (www.CEDInternational.com), an energy consulting and energy performance contracting firm that provides varied services in the energy conservation arena. Another company affiliated with the incubator is Touch the Earth, a commercial bamboo grower who is working with the incubator to develop value-added bamboo products that will be used for absorbing heavy metals from soil in a process known as phytoremediation.

The incubator is also focusing on providing these unique services:

**Research and Development:** Services consist of technology project management and guidance and advisement in carrying out research studies. The incubator can also help R&D clients to gain (continued on page 6)
Growing Renewable Energy Businesses
(continued from page 1)

Working in collaboration with New Jersey business incubators, state agencies and other stakeholders, REBAC aims to attract, retain and support renewable energy firms in New Jersey. Its goal is to create jobs, foster an environment of innovation among New Jersey-based energy businesses and help the state meet its renewable energy and greenhouse gas reduction goals.

The key to REBAC’s success “is the ability to clearly communicate the strong financial resources, incentives and commitment that the state offers to renewable energy companies,” added Brennan-Tonetta.

“New Jersey is committed to attracting, retaining and nurturing successful renewable energy businesses and REBAC is the newest addition to the State’s comprehensive portfolio of economic growth programs designed to achieve this goal,” said Michel Bitritto of the Meadowlands Commission Business Accelerator.

Bitritto, along with Brennan-Tonetta and Dave Specca, assistant director of Rutgers EcoComplex, form the team behind the creation of the REBAC Resource Database. They are also working to develop a renewable energy business cluster for New Jersey that would link firms, resources and knowledge to make New Jersey more innovative and competitive in the renewable energy arena.

“REBAC will effectively support Governor Christie’s and Lt. Governor Guadagno’s Partnership for Action programs by developing and marketing a comprehensive business development strategy to support renewable energy companies and maximize the expertise available in the state to assist and grow alternative energy businesses,” said Specca.

Working with a consultant, the team created a renewable energy business cluster plan that includes ways to optimally leverage existing resources (state renewable energy programs, incubators, universities and other assets), as well as a roadmap for developing previously unavailable resources vital to renewable energy business cluster development. The business cluster plan will be released shortly and will support the state’s Energy Master Plan, currently under review.

The Rutgers EcoComplex is the university’s Environmental Research and Extension Center dedicated to moving science from the lab to real-world applications in our state’s businesses and industries and to promoting NJ as a center for innovation on alternative energy and environmental technologies and enterprises.

The NJ Meadowlands Business Accelerator is a project of the NJ Meadowlands Commission. The Business Accelerator provides support services, guidance and networking opportunities to alternative energy, technology and green businesses assisting them turn an idea or invention into a sustainable New Jersey business growing higher paying jobs.

Incubators in the News:

The Rutgers Food Innovation Center was recently featured in the New York Times. Read the article at [http://nyti.ms/FICNYTIMES](http://nyti.ms/FICNYTIMES).

Saridakis has been in the incubator for two of an expected five years. His product is being distributed from Massachusetts to Maryland and is available in several supermarket chains.

Saridakis is planning to build on his current success by constructing a new greenhouse for his business within the next few years. In the meantime, there are plans for the company to expand into another 12,000 square foot zone in the Rutgers greenhouse where the company hopes to begin growing fish in a system integrated with the hydroponics operation, a process called aquaponics. “We need to move the business along a little so that we know what it is we’re looking to build,” said Saridakis. “I don’t want to overbuild or underbuild. Being at the incubator has enabled us to get into this venture while minimizing the risk. Now as we grow we’re increasing our knowledge base, broadening our customer base, refining our production system, and cultivating a dedicated and enthusiastic workforce. When we are in a new facility it will all be in place.”

Saridakis expects to begin building the new Olive Creek Farms facility in 2 years, and then gradually phase out of the incubator greenhouse. He is adamant that the new facility will be located in New Jersey. “The only question is what county” says Saridakis. “We’ll go where we can get the best deal.”

Even with his background, Saridakis faced some challenges as an early stage company. “I self-financed the operation, but since then things have turned positive,” he said. “I was already running my other company, so that made it a little easier.”

The hydroponics production system was new to Saridakis. The first thing he had to do was devise supports to hold the plants on the ebb and flow benches, also called Dutch trays, that were already in the greenhouse. In the Dutch bench system, water with nutrients is recycled, making the system a model of sustainability. The computer monitors and adjusts the fertilizer on a daily basis. Because the plants are suspended in water, there is no sand or dirt in the product. No harsh chemicals are used on the plants: the pesticides in use are biological controls or compounds that are approved for organic production, even though Saridakis does not market the product as being organically grown.

The greenhouse is maintained by Rutgers, so Olive Creek Farms staff, which currently includes full- and part-time staff numbering the equivalent of about eight full-time employees, doesn’t have to worry about heating systems, broken glass, or other maintenance. Rutgers and the incubator staff helped bring Saridakis quickly up to speed in the operation of the nutrient management system, which is controlled by greenhouse management software. Incubator staff also helped with pest management, plant science, and business strategy. Saridakis also had access to the expertise of Rutgers faculty beyond those affiliated with the incubator: for example, an associate extension specialist in bioresource engineering lent his expertise about different markets and his own experiences in growing hydroponic lettuce.

**NJBIN Incubator News**


(Continued on page 6)
can also help R&D clients to gain access to outside resources, such as university contract labs.

**Computer-Aided Design and Drafting Services (CADD):** This service helps clients create drawings for virtual prototypes of clean technology devices. The program is run by a 20-year CADD veteran who also assists with patent drawings and applications.

**Visualizing Sustainability:** The software Auto-desk®Inventor® Professional Suite (Eco Materials Advisor) is used to create models of how a product design would affect greenhouse gas emissions and other sustainability metrics. The visual output identifies which parameters of the product could be changed to increase its sustainability quotient.

**Entrepreneur Inventor’s Courses:** Several different courses are available to be contracted to external organizations. One course, “Plain Business Language,” teaches how to put together an effective presentation. In another course, participants learn to evaluate the technical risks of their business idea. A course called "From Idea to Patent to Profit" will use CADD-type software to cover the whole patenting process, from idea to prototype.

Cloud summed up the development of the EcoCenter by saying, “at the heart of this project is the vision of a unique leadership team, committed to creating, developing and launching the enterprises of the new sustainable economy.”

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**Incubator News (continued from page 5)**


Ed DiGeronimo was an intern with the NJMCBA who returned as the founder of an early stage start-up company developing video games. His company recently released its third game—Antipole. “Surely an intern success story for the NJMCBA and for Ed, too!” said Michel Bitritto, director of the NJMCBA. Read a press release announcing the product release at [http://bit.ly/qfAoor](http://bit.ly/qfAoor).

Visit www.njbin.org for more news about our incubators!

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**Both Sides of the Deal (continued from page 2)**

concept, a comprehensive business plan, hiring of key management, creation of a board of directors or advisors, and an intellectual property (IP) strategy. In the development stage, the company may consider going to VCs for their next stage of funding but might find that VCs usually invest in early stage companies with $1-3 million in revenue. Most entrepreneurs at this point are not yet producing revenue. This is where the entrepreneur turns to the angel investors.

Angel investors are most likely cashed out entrepreneurs or successful corporate executives who have decided to allocate a portion of their success and leverage their experience, wealth, and contacts to invest in high risk/high return companies. These individuals invest their own money and, if needed, provide guidance and mentoring to ensure the success of their investment. Most angels are passive investors which really get into the due diligence before making their investment.

**Where can an entrepreneur find angel investors?**

The Angel Capital Association (ACA, http://www.angelcapitalassociation.org) is a national organization that pulls together all the angel groups. Another great resource is the New Jersey Economic Development Authority (EDA). The EDA funds early stage companies at a slightly later stage of development, but they also offer a wealth of knowledge about funding sources, networking opportunities, and other angel networks. There are specific angel groups such as Jumpstart NJ Angel Network (www.JumpstartNJ.com), Venture Association of NJ (www.vanj.com), NJ Entrepreneur (www.NJentrepreneur.com), and the NJ
Technology Council (www.NJTC.org), just to name a few. Incubator directors are a great source of information and are able to identify networking opportunities. Nothing beats the entrepreneur’s ability to network and describe his or her business within a few minutes...also known as the elevator pitch.

How do you find companies to invest in?
My primary deal flow is generated through the Jumpstart NJ Angel Network. The reason I like this group--besides that I’m chairman--is that it has a structured way of looking at new investment opportunities and a thorough screening process. Membership in Jumpstart NJ is limited to qualified and willing investors, and only a very few sponsors. The most credible way I find emerging businesses is through referrals from accounting and law firms or from other angels or from university technology transfer offices or incubator directors. In addition, I try to attend as many networking opportunities as my schedule will permit.

What do you look for when investing in a company?
Primarily, I look at a technology company with which I’m personally comfortable and understand the specific application. I have invested in emerging businesses which are outside my comfort area but I invest along with other angels who have a much better understanding of the technology and business area.

Secondly, I look at the management team’s experience and founder’s ability to execute the plan and grow with the company. The founder (most likely a technologist) may start as the CEO, but a few years into the business he or she may not be the person who should be running the company. The founder has to be able to take the advice of the board as well as adapt to his or her changing role within the company.

Basic requirements that I also look for are a sound business plan, strong IP position, strategic alliances, financial projections, marketing/sales strategy, and a credible exit strategy within three to five years. Financial projections should include a revenue model showing how they are going to make money and become profitable.

What should an entrepreneur look for in an investor?
The entrepreneur needs to look for an investor who offers experience, contacts, business advice, “dry powder” and a fair valuation. Investors realize that in most cases the company will return for additional financing. The entrepreneur needs to make sure that the investors have sufficient resources, or dry powder, to be able to make another round of financing if and when needed.

Entrepreneurs should also look at the investor’s personality. If the investor tends to hover over his or her investment, the entrepreneur might end up spending more time satisfying the investor’s questions than doing his or her job.

How do you interact with the companies in your portfolio?
I have a unique relationship with each company. I’m on the board of directors of one company, Powerhouse Dynamics. With the others, I’m involved primarily as a mentor on an as-needed basis. I will get involved as much as I can if there is some way I can contribute to the growth of the company. My contributions range from introductions for financing or legal/accounting services to actual business strategy such as how to proceed with IP protection. My past provides me with a wealth of experience and contacts to help the management team execute their business plan.

Any final Words of Advice?
My best advice to entrepreneurs is to find an investor who has been on both sides of the deal, can provide resources to help execute the plan and who has access to dry powder.
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 Suzanne Zammit, at suzannez@camden.rutgers.edu or 856-479-9044.

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: Ketan N. Gandhi 856-222-9311 x2801
Website: http://www.bcc.edu/pages/131.asp

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
Website: http://www.njeda.com/

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
Website: http://www.njit-edc.org/

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
Website: http://www.njmcaccelerator.com/

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, Ph. D. 856-459-1900
Website: http://www.foodinnovation.rutgers.edu/

The Rutgers EcoComplex is the university’s Environmental Research and Extension Center dedicated to moving science from the lab to real-world applications in our state’s businesses and industries and to promoting NJ as a center for innovation on alternative energy and environmental technologies and enterprises.
Contact: Serpil Guran, Ph.D 609-499-3600 x225
Website: ecocomplex.rutgers.edu

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
Website: www.rutgersbiz.com

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
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The Sustainable Business Incubator is a program of the Institute for Sustainable Enterprise at the Morristown EcoCenter.
Contact: Jonathan Cloud 908-306-9075
Website: http://sustainablebusinessincubator.com/

The Business Development Incubator at New Jersey City University is an integral part of the Smart Growth Redevelopment Plan for Jersey City-Westside.
Contact: Joseph Tetteh 201-200-2313
Website: http://bit.ly/NJBIN_BDI

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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.

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