Are entrepreneurs important to the future of the state and the USA?
The Kauffman Foundation and the statistics published by the Small Business Administration and other government departments demonstrate that new small businesses are the source of net new job creation. Entrepreneurs are the drivers of innovation, new business development and technology commercialization.

What makes a new business venture successful?
A great idea, a team of entrepreneurial risk takers and sufficient financial backing.

How do innovative ventures address these business requirements?
One source is via residency in new business incubators. There are 12 in New Jersey. Incubators help commercialize a great idea, assist in developing the necessary teams and provide coaching needed for businesses to apply for funding from private sources and/or obtain grants. The difficult ingredient today is the funding component.

How do you suggest we solve this problem?
Increase both public and private sector awareness and interest in small business needs. This encompasses support via entrepreneurship-friendly initiatives to include grants, small business loans, equity investment options and incentives to encourage investors.

What types of programs would have the greatest impact?
Programs to encourage innovative technical commercialization and business development, increased support for university R&D and spinouts; programs to expand the capabilities of supporting organizations such as incubators; and incentives to encourage businesses to stay in or move to New Jersey and to entice investors to want to invest in small businesses located here. These programs pay off by producing economic growth.

Is there an economic payback for New Jersey?
Absolutely. In 2010, NJBIN portfolio companies located in New Jersey incubators had combined revenue of $154.2 million, attracted $91.9 million in third party funding and housed over 1,500 high skilled jobs. This kind of small business growth will bring in an increased number of jobs by retaining and attracting critical people in important industry segments; generate tax revenue from sales, income and payroll sources; grow peripheral businesses and vendors; and encourage community development.
Sophion joins the ranks of NJBIN graduates

On April 11, 2011, New Jersey’s Lt. Governor Kim Guadagno led the ribbon cutting ceremony for the opening of a new 5,000 square-foot headquarters for Sophion Bioscience Inc. at the Technology Centre of New Jersey’s Biotechnology Development Center. The ceremony marked the successful transition of Sophion, a biotechnology research device company, from incubation at the Center for Commercialization Center for Innovative Technologies (CCIT) to self-sustaining company. It also marked the success of an international company expanding into the U.S. market by locating a subsidiary in New Jersey.

As a champion of biotechnology in New Jersey, the Lt. Governor was pleased to celebrate the decision of Sophion to locate in New Jersey. “Economic recovery

Incubator News

Commercialization Center for Innovative Technologies

Aestus Therapeutics Inc. (www.aestustherapeutics.com) announced in February 2011 that it had initiated screening of patients for a clinical trial to evaluate the efficacy of its novel pain therapeutic, ATx08-001. This placebo-controlled, two-dose level study will test the efficacy of ATx08-001 in reducing the pain following an outbreak of shingles.

Enterprise Development Center

iSpeech® (http://www.ispeech.org), a leading speech technology provider to developers, recently announced the launch of DriveSafe.ly® on iPhone, the first iOS app to speak text (SMS) messages, emails and Tweets aloud and allow for txt responses by voice. The March 15 launch came on the heels of winning Mashable’s Award for 2010 Best Mobile App as well as the 2011 CES Mobile Apps Showdown. The popular, free app has been used by over 8 million people and has spoken nearly one-half-billion messages to users. iSpeech® technology powers DriveSafe.ly® and other apps with human-sounding text to speech (TTS) and speech recognition (ASR). Once activated, it is possible to message via text to speech and voice recognition without touching the phone. Once an incoming txt message is read aloud, the user can choose to replay the message, speak a response back to the sender or even call back the sender. DriveSafe.ly® is available for iPhone in iTunes App Store, BlackBerry inBlackBerry App World™ and Android in Android Market. iSpeech also offers free SDKs to developers on multiple platforms to speech-enable their applications.

Xipto Inc. (http://en.xipto.com/splash.php ) won the designation of Company Most Likely to Have an IPO at the NJTC Venture Conference on March 25, 2011. Xipto Inc. is a mobile advertising company that mobilizes fans, friends, and followers into active marketers through endorsed ringback tones and social media. The award was accepted by Anthony DiClo, CEO, Xipto, Inc.

Continued on page 6
Incubator Spotlight: The Business Development Incubator at New Jersey City University

The entrance lobby to the incubator.

The Business Development Incubator (BDI) was established with the goal to improve the city's economic presence in the New York metropolitan area, revitalize the immediate neighborhood and provide employment and learning opportunities for New Jersey City University (NJCU) students by facilitating the formation of profitable technology-based entrepreneurial ventures. BDI's goal is consistent with the mission of the university, which includes a commitment to "the improvement of the educational, cultural, socioeconomic and physical environment of the surrounding urban region." The incubator, which is situated in an Urban Enterprise Zone, maintains a strong connection with both the university and Jersey City: a representative from the Jersey City Economic Development Authority, local business leaders and NJCU cabinet members sit on the incubator's advisory council, and elected officials visit frequently.

Incubator News (continued from page 2)

NJ Meadowlands Commission Business Accelerator
Northjersey.com featured several companies from the New Jersey Meadowlands Commission Business Accelerator in a recent feature article. A link to the article can be found on the NJBIN website at www.njbin.org.

Sustainable Business Incubator
Olive Lynch of Green Waste Technologies, an affiliate company of the Sustainable Business Incubator, was one of three winners of the Central Jersey Chapter of the National Association of Women Business Owners (NAWBO-CJ) 2011 S.E.E.D Business Plan Competition. The competition encouraged entries from any business that was at least 50 percent woman-owned, no more than two years old, and demonstrated potential. Ten finalists were selected to present their business plan to an audience of their peers. Green Waste Technologies presented its plan to recycle food waste using a species of fly larvae, a proprietary management process, and a computer system.

The Incubator Inc./The BOSS (Business One Stop Service)
Jeffrey Dunn, director of The Incubator Inc./The BOSS (R) was recently sworn in as president of the Plainfield Chamber of Commerce. Shown with him are (L to R) Robert Graham, vice president of the IT Committee of the Plainfield Chamber of Commerce and Annie McWilliams, council president for the City of Plainfield. An article about Jeffrey Dunn and The Incubator Inc. ran in the October 2010 issue of this newsletter.

Continued on page 7
Chemist takes the plunge into entrepreneurship

For a chemist who has close to 20 years of tenure in well-compensated positions in the biotech industry, taking the plunge and starting his own business could be a daunting proposition. But, as is the case with many—if not all—entrepreneurs, Dr. Ashok Rao Tunoori eventually found that starting his own company was something he just had to do.

“Even though there is an element of risk, I had to try. I eventually came to a stage when I realized that if I didn’t start right now, I might never begin,” said Tunoori. So, on April 8, 2011, Tunoori opened AV Square Chem Inc., the latest firm to take up residence at the Life Science Incubator at Burlington County College (BCC). AV Square Chem Inc. will serve national and foreign pharmaceutical, bio-technology and agro-chemical industries by providing specialty products essential to these firms’ research and development programs.

Tunoori has the entrepreneurial mindset that he needs to succeed in this venture. “I have an unyielding nature and I always strive to achieve the most that I can and rise above my current level,” he said. “I enjoy learning from experience, which is crucial in the field of drug discovery. I also have learned that time, dedication and patience can polish and mold an ingenious result. Lastly, I acknowledge my successes as well as my failures, I am humbly open for improvement and believe that failures hold the same place as success.”

Tunoori’s impressive background also predicts that he will be successful. He is formerly of Lexicon Pharmaceuticals of Princeton and Coelacanth Corporation, a biotech firm in East Windsor, and has three compounds currently undergoing clinical trials. While at Lexicon, he was instrumental in the development of a compound designed to inhibit certain gastrointestinal disorders. Lexicon received the 2010 Thomas Alva Edison Patent Award from the Research & Development Council of New Jersey in recognition of this achievement. Earlier in his career, at the University of Kansas, Tunoori received a National Cancer Institute fellowship. In addition, he has produced approximately 25 international patents and related publications.

When Tunoori was looking for a location for his business, he considered a few commercial locations in the Princeton area but could not find anything that offered the right amount of space or the right price. The BCC fit his requirements because it offered a wet lab facility, conference rooms, library, photocopiers, fax machine and other amenities.

“The BCC incubator has a very nice infrastructure,” said Tunoori. “At the same time, the library and administration facilities are inspiring and contribute to an exciting entrepreneurial environment.”

BCC’s High Tech and Life Science Incubators are located on the Mount Laurel campus and offer promising start-up companies access to extensive resources, including business planning and marketing assistance, legal and financial resources, and licensing and patenting information. BCC’s incubator facility also has strict quality controls, giving added assurance that all laboratory work is conducted according to strict standards. With a total of 32,000 square feet, BCC’s incubators host close to 40 companies.

For more information about AV Square Chem Inc., visit http://avsquarechem.com/. For more information about BCC’s business incubators, contact Ketan Gandhi, dean of BCC’s Corporate College, at (856) 222-9311, extension 2801 or kgandhi@bcc.edu.
Investor insight: Q & A with John Ason

John Ason has been an angel investor for over 14 years specializing in early stage pre-revenue companies. For about half if his investments, Ason has been the lead angel devoting a significant amount of his time to mentoring the companies. He has made about forty eclectic investments in the areas of e-commerce, technology, advertising, digital social media and entertainment.

Prior to being an angel investor, Ason was at AT&T Bell Labs, first involved in software and technology development, then in marketing and business management of large telecommunications projects overseas. He is a graduate of the Illinois Institute of Technology and is guest lecturer at the New Jersey Institute of Technology, the Rothman Institute of Entrepreneurial Studies at Fairleigh Dickinson and at the Wharton School of the University of Pennsylvania.

How did you get involved in investing in emerging companies?

I spent 25 years at Bell Labs: the first 10 doing bleeding-edge technology and the last 15 marketing and selling large telecommunications software systems overseas. Being successful in the stock market, I used my emerging technology background and emerging market expertise and gradually started funding emerging companies.

At what stage of an emerging company’s growth are you most likely to consider investing in the company?

I like to be the first professional investor in. Rarely will I do any investment after Series A unless I am an investor in the company already.

What types of companies are you most interested in investing in?

My sweet spot is a company with one or two founders in a kitchen or garage. About half my companies fit this profile. I then look for some disruptive idea that could propel the company into hyper growth. Lastly, the company must be intellectually stimulating.

Companies I’ve invested in include:

- Xlibris (www.xlibris.com), an internet self-publishing company
- Tucker Toys (www.phlatball.com), a toy-inventing company
- Bikini (www.bikini.com), a beach culture website
- Geometrix, a company that creates 3D models from 2D video
- MakeUsAnOffer, an automated internet haggling site
- Hooja, a mobile search company
- Centrak (www.centrak.com), a real time location system
- Fulcrum Gallery (www.fulcrumgallery.com), a company that sells internet posters
- Calluna winery (www.callunavineyards.com), a startup winery
- Livelook (www.livelook.com), a social e-commerce platform
- IvyExec (www.IvyExec.com), an electronic job board
- Ology (www.ology.com), a Gen Y blog aggregator
- TheHotList (www.TheHotList.com), a social discovery engine
- DoodleDeals (www.DoodleDeals.com), a website that offers daily deals for mommies
- Diapers (www.diapers.com), a website that sells diapers

What geographic areas do you consider?

I consider companies in New York, New Jersey, Pennsylvania and California. I currently am looking at companies in Israel, Canada and Sweden.
Sophion (continued from page 2)

happens one hire and one company at a time. Sophion represents the many smaller biotech companies that are growing in our great state. These companies support and collaborate with the larger pharma and biotech industries in New Jersey and around the world,” said Guadagno.

The Danish company, Sophion Bioscience A/S, made its decision to open a subsidiary in the US about six years ago. It hired Chris Mathes as its vice-president & general manager, North America, to set up the business in this country. Mathes’ first task was to choose a location, and he decided that New Jersey was the place to be. “New Jersey is fertile ground for foreign companies,” he said. “The company was thinking of Boston, but I had been employed in the field at another company and knew that there was a lot of business here. There was also a direct flight from Newark to Copenhagen, which had a big impact. We have several customers in Boston, but it’s very easy to support them from here. This has been ideal.”

The decision to locate in New Jersey having been made, Mathes’ next big challenge was finding a location with lab space. “I didn’t realize how hard it would be to find small lab space,” said Mathes. “There are many big pharma companies, so I thought there would be plenty of labs.” Finally, Mathes connected with Don Shatinsky, director of CCIT, who gave him a tour of the CCIT building. “The facility was very professional and clean and it had the lab space we needed, so we moved in the next month. We were able to do experiments and demos within a month of moving in, which saved us a lot of time and money.”

Sophion is one of a few companies worldwide that is developing automated patch-clamp technology. Conventional patch clamp was first developed in the 1970s, and its inventors were awarded a Nobel Prize for their work. Patch clamp technology is an essential tool in the study of ion channels, which regulate the flow of ions across the membrane in all cells. It is used for testing the potency and safety effects of potential drug compounds on cells. Prior to the automated patch-clamp technology, scientists tested compounds on cells one at a time: as a Ph.D. candidate, Mathes tested compounds on many hundreds of cells, a process that took him a couple of years. Pharmaceutical companies, however, must use high-throughput methods to screen the large number of compounds in compound libraries. Automated patch clamp has emerged as a way to increase the throughput of ion channel screening by a factor of 1000 to 10,000.

“The speed of this technology has allowed drug companies to focus on new targets,” said Mathes. “In the next 10 years, we should see medicines that were developed with this new technology.”

Q & A with John Ason (continued from page 5)

What is the best way for an entrepreneur to approach you about investing in their company?

The best and only way is to send a one-page executive summary to ason@comcast.net.

What things are important to you when making a decision about investing in a company?

I am looking for a pleasant long term experience that has a decent chance of getting into hyper-growth. Any low-capital industry with high-growth potential qualifies with the exception of medical and biotech.

How long does it take from initial contact to your commitment to invest in a company?

My shortest commit time was 28 minutes; a soft commit rarely takes more than 2 weeks.
Business Development Incubator (continued from page 3)

While the focus of BDI is on the improvement of the West Side of Jersey City, it attracts entrepreneurs from throughout New Jersey and beyond who benefit from its business acceleration programs. It also attracts entrepreneurs from overseas who want to establish a beachhead location in the New York metropolitan area.

While companies are “not required to stay in the area when they graduate, the hope is that they will remain in the community,” said Gina Boesch, director of the incubator.

General guidelines for admitting companies to the incubator include that the company be a New Jersey-based for-profit business. "We believe the company needs to be able to articulate their business and how they're going to reach their goals," said Boesch. "We also want to see that our strengths match their needs. For example, we don’t offer resources in stem cell research, but we can help a great deal in the areas of business, finance, and media arts.

BDI can accommodate up to 30 companies; currently, there are 27 in the incubator. The majority of the companies are in the field of information technology. "We like technology companies because they create high-paying jobs. However, our definition of ‘technology’ may be a little bit looser than it has been in the past," Boesch said. "The thing that all our businesses have in common is that we don’t lend ourselves to retail. "Our incubator has restricted access, so we are not open to businesses that have retail customers, daycare facilities, etc."

Since 2005, there have been 20 economically self-sustaining companies that have launched from the incubator; its two most recent graduates—Helo Holdings Inc., which is opening the first new commercial heliport in the Northeast Corridor in more than 30 years, and Simple Marketing Solutions, an innovative and affordable marketing company—"graduated" in February 2011. While there is space at the incubator, openings don't last long: two new companies—Excite Write Education Services, which develops educational materials for children, and JD TechSolutions, a technology service company—moved in in March.

The incubator supports the academics of the university by providing internships and by creating opportunities for the university's business students to interact with the entrepreneurs in the incubator. Companies founded by graduates of the university are panelists in the Intro to Business class, where they talk about such topics as the opportunities and pitfalls of starting their own companies, the importance of knowing and understanding the direction their industry would take and the differences between a 9-5 job and nights-and-weekends entrepreneurship.

The academic connection also includes the NJCU Student Entrepreneurs’ Society, created by the BDI in conjunction with Alumni Relations. "Because of the highly diverse student body at NJCU, particularly in non-traditional students with business experience, we recognized the opportunity to bring together incubator companies, students in entrepreneurship, NJCU alumni in the business community and local high-tech businesses," said Boesch. The group meets four times a year at the incubator. "This program has proven to be a great way for us to reconnect alumni with the university," said Boesch.

"We are an urban incubator," said Boesch. "I think that's our differentiator. It's our strength. We have a very diverse group of entrepreneurs. It's also fun."

To learn more about this incubator, visit their website at http://web.njcu.edu/sites/profstudies/bdi/Content/default.asp or call Gina Boesch, the incubator director, at 201-200-2313.
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
Website: http://www.bcc.edu/pages/131.asp

The National Business Incubation Association (NBIA) is the world’s leading organization advancing business incubation and development organizations.

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-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 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 delivers on its four mission areas of solid waste management, renewable energy, water resources, and controlled environment agriculture.
Contact: David Specca 609-499-3600
Website: ecocomplex.rutgers.edu

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 Rutgers Food Innovation Center

The Enterprise Development Center

The New Jersey Meadowlands Commission Business Accelerator

The Sustainable Business Incubator