High-tech seeds may bloom across region

NEXT aims to help small companies grow, lure other start-ups ventures

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The new Next Innovation Center is putting a spotlight on the Upstate's technology companies — the type of industry the region has targeted and wants to grow internally and attract from outside.

The high-tech entrepreneurs working in the redeveloped building on University Ridge Road say Greenville doesn't yet know how big a player they can be in such an arena, but industrial leaders here — such as Michelin, BMW, Milliken and GE — give the Upstate a core of stable companies vitally interested in new technology.

And for every large company with high-technology buried under the hood or in the rubber of its products, there are dozens more small companies that have not hit anyone's radar yet.

That hidden core is part of Greenville's strength but also part of the problem facing many of these companies, said several entrepreneurs involved in the NEXT initiative.

"There are a lot of little tech startups that have the potential to have a great impact on Greenville and the Upstate," said Peter Waldschmidt, founder of gnoso and co-chair of the NEXT Innovation Center Initiative. "Greenville could become an Austin, Texas, or Boulder, Colorado, a great place to live and work."

Those companies have the potential to create jobs, something the Upstate needs, Brenda Laasko, NEXT executive director, said the average annual salary at the companies in the NEXT Innovation Center is $75,000.

"The more companies we have like that, the more jobs and the more money is spent here," she said.

"They create jobs directly, and they create jobs indirectly," those needed to support the primary employment.

Craig Kinley, founder of WiProwess in Anderson, said it's not just new companies such as his dealing with alternative energy technology that will make Greenville's name in technology.

The Upstate "already is a tech center — Milliken, Michelin and BMW," he said. The region is a "hot bed of stable companies interested in new technology. It has entrepreneurs to commercialize new technology. Also, academia is very important to collaboration. Universities are doing the early-stage research."

See TECH on page 7A

Greenville "is definitely not California. Tech companies are not everywhere," said Peter Barth, founder of SinglePoint and co-chair of the NEXT Innovation Center Initiative. "In Greenville, our numbers aren't huge, but it's a great community."

Waldschmidt said, "There's more tech activity here than people know. It's kind of hidden."

He added that community helps innovators get over the fear of failure — a must in a thriving start-up region.

In Silicon Valley, he said, "there are a lot of failures." If an idea fails, the innovator just tries again.

The NEXT initiative, funded by the Greenville Chamber and private investors, is helping those technology companies coalesce into a stronger community, several company founders said.

NEXT's "primary goal is to create a regional economic system that develops fast-growing technology companies in the Upstate and attracts others to the Upstate," said Laasko.

"It's an economic engine," she said.

The initiative was kicked off in 2006, and by spring of 2007, as many as 20 company leaders expressed an interest in a building where they could co-locate, she said.

A major factor for the entrepreneurs is collaboration, she said. They attended CEO meetings sponsored by NEXT, but they mostly saw each other in passing in the airport. With their companies in the NEXT Innovation Center on University Ridge Road, they can talk in the halls or meeting rooms.

"It encourages a community culture and faster collaboration and innovation," Laasko said.

And it's worked. Three companies in the center have partnered to establish Intromojo, a fourth company, that is launching in August. It also will be in the Innovation Center.

"People who like to create businesses — they have that in their blood," said Waldschmidt.

The center, owned and leased by real estate developer Bob Hughes, recently received the 2010 Innovator Award from South Carolina from the Southern Growth Policies Board.

The board cited NEXT's offer of a "single point of access to support organizations." It also "fosters the development of the regional infrastructure critical to entrepreneurial success. The collaborative has played a leading role in launching a regional network of investors, initiating the creation of incentives such as a business license abatement fee, and organizing peer mentoring networks."

Waldschmidt said gnoso, a 10-employee company that works with software product design, is not his first company. When he sold his initial company, he heard about NEXT and was intrigued.

"I didn't know anybody," he said, because he had spent so much time working on his company. And that's the problem for many small, high-tech companies. "They don't know each other. They need as much help as they can get."

The center gives these businesses the chance to meet each other, share ideas, hold events jointly and help each other recruit. It "is a tech-friendly location," he said.

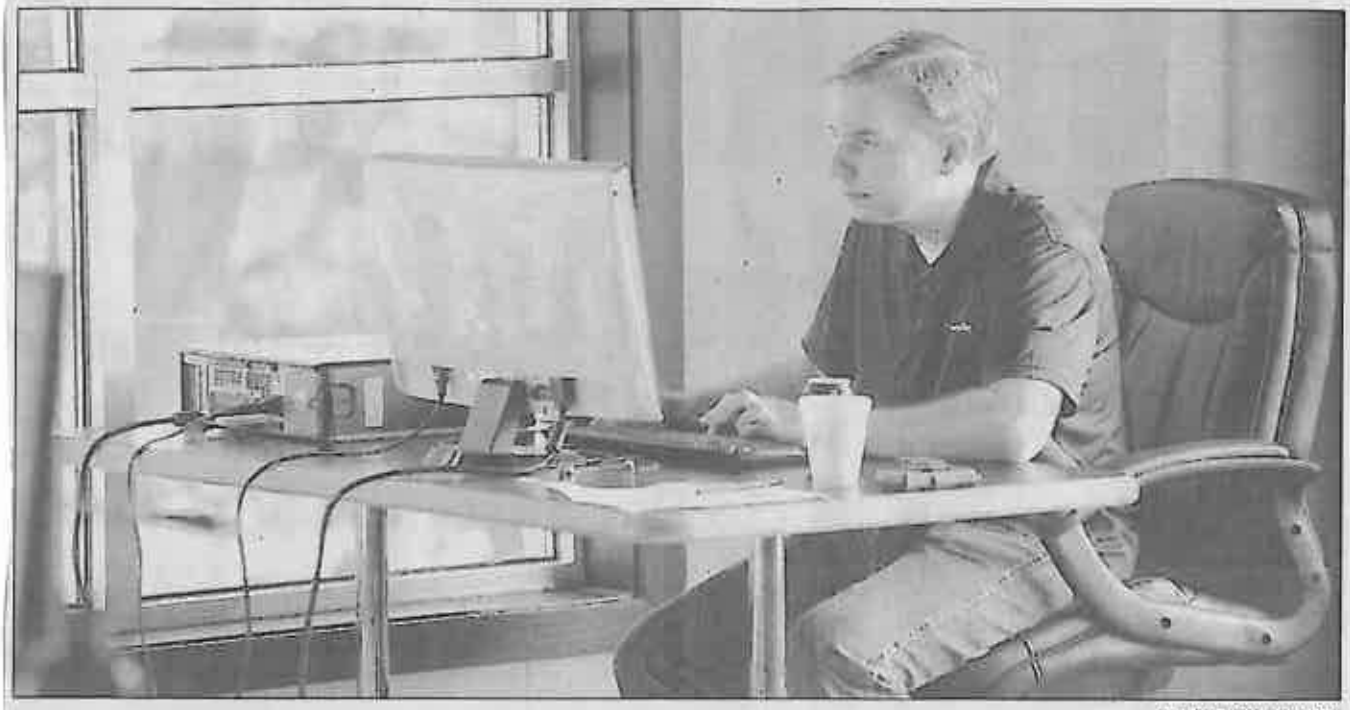
Barth learned about NEXT before he moved to Greenville four years ago. "It was an attraction to me as a business owner. NEXT caught my attention as a number of folks who were similar."

His business, SinglePoint, is a payroll service bureau based in Indianapolis, but he can live anywhere.

Before moving to the NEXT Innovation Center, "I was on Main Street. A lot of the other guys were on Main Street, too, but I never saw them. The center is a huge time-saver. We get together to show somebody from outside that there's more than one tech company here."

The building "is a great environment. It's got the 'green' feel," he said, and it's near the Cliffs and other high-end retirement communities with residents who could become investors.

"This is good for Greenville, and it's good for us. This is a unique thing," he said.



HEIDI HEILBRUNN / Staff

Peter Waldschmidt works at the gnoso office iin NEXT Innovation Center.

The 60,000-square-foot building itself is old made new. The NEXT Innovation Center, with 16 tenants, "is a symbol that we have a tech sector," Hughes said. "It's important as a recruiting tool. It's important because these guys can keep costs down, and they have a better chance of succeeding. We can be a tech center. Greenville is the entrepreneurial capital of this state and this region.

"We have lost a generation of headquarters in Greenville. We need the next generation. I think we will grow them better than entice them here," he said.

"NEXT is the portal" that helps companies find the resources needed, Laasko said. "We do match-making, companies to organizations."

Kinley agreed. "It allows me to interface with the local entrepreneurs in Greenville and in Anderson and Pendleton. Entrepreneurship is not an exact science. But all of us are going through similar challenges. NEXT can help us step over hurdles."

A need for Upstate technology companies was building infrastructure that could be used by all, Laasko said. The Initiative tried to find out what was available and what was needed for high-tech companies to thrive.

One piece of that infrastructure was an angel network, a group of private investors that can provide funding. That was created about a year ago, and the group already has invested in 10 or 11 companies.

"The angel network is critical. It's the fast-growth piece that provides non-traditional funding sources," she said.

But incentives are another major issue, she said.

"We need to be bringing our incentives to a competitive status with North Carolina, Georgia and Florida," Laasko said. "We need incentives that say, 'We welcome you, and we want to help you get started.'"

And the initiative is spreading. Twelve to 16 advanced materials companies are located at the Advanced Materials Research and Innovation Center in Anderson County. Those companies as well as others are working with NEXT to identify the issues that will keep the companies in that general location as they grow. The company leaders are setting priorities that could include resources or a co-location center, she said.