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## Must pair 'good ideas' with 'good money'

This is the start of a promising period for would-be entrepreneurs. President-elect Barack Obama has pledged to create 2.5 million jobs in the next few years. He also has pledged to move aggressively forward with technology and innovation. To fulfill these promises he will have to look at the record of entrepreneurs, because small businesses generate 60 percent to 80 percent of net new jobs annually. And they are 12 to 14 times more efficient than large businesses as innovators. Clearly, the key for reaching his ambitious goals will be small businesses.

But with the "economy in the tank," where will an entrepreneur get the money to start up? The fact is, despite all the bad economic news, money is still available for a good idea. In the last quarter, private equity firms invested almost as much as they did a year ago. And their investments are projected to increase from the middle of next year.

In addition, the seeds have been sown for re-powering the economy. The federal government has injected a tremendous amount of liquidity into the financial system. As a banker I met in Albany complained, "I have money to lend today, but nobody is lining up for it." We need to bring this "good money" together with "good ideas."

Digital Rochester and the Rochester Angel Network demonstrate one approach. On Nov. 11 they organized a networking event called Entrepreneurs and Angels. Sponsored by Rochester Institute of Technology's E. Philip Saunders College of Business and Boylan, Brown, Code, Vigdor & Wilson LLP, the event—held in the main



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auditorium of the Memorial Art Gallery—allowed entrepreneurs and potential investors to become more familiar with each other. Sprinkled through the audience of more than 200 people were angel investors, members of private equity firms and other entrepreneurs, six of whom showcased their companies. The technologies they employed and the industries targeted can guide others to more good ideas:

■ Eyeon Therapeutics Inc. has developed an eyedrop product to help people who suffer from dry-eye syndrome. This eyedrop lasts longer in the eye than those currently available. Eyeon works closely with the University of Rochester Medical Center.

■ FamilyEden.com is creating a family-friendly Web site. The purpose is to provide an environment where members of a family have their individual spaces and can interact with other members of the community to exchange ideas, buy products and learn new skills.

■ Generonix Inc. has created a product that makes it much easier for a communication company to deploy Wi-Fi available to municipalities by using the existing networks. This August the firm demonstrated

the effectiveness of its product at the Park Avenue Festival.

■ Sweetwater Ethanol builds a portable processor that converts farmers' plant material to a liquid concentrate that can be used by ethanol refiners and by farmers as an animal feed supplement. Among others it has been working with RIT's Sustainability Institute.

■ Variant Products Ltd. focuses on user-friendly designs for dispensing pills. This is especially beneficial to patients who are on a complex pill regimen and who may be leading an active lifestyle. The dispenser alerts them when the pills have to be taken. The patient pushes a button and a drawer containing the pills pops open.

■ Widetronix Inc. has developed a process to create material out of silicon carbide. The material is used to significantly improve the performance of power devices situated on thin wafers and used for nanowatt and microwatt applications. Widetronix has been working closely with Cornell University.

These six startups highlight fertile ground for new ideas in medical, alternative energy and information technologies. Yet entrepreneurs with new ideas must communicate those ideas to investors. A good place to start is with local incubators, which try to bring entrepreneurs and investors together. RIT has one—Venture Creations; Jerry Mahone is the executive director. And at UR there is High Tech Rochester; David Hessler is the interim president.

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