

## **Tech start-ups increase as economy declines**

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When the economy tanks, it's not uncommon for savvy entrepreneurs to look for new ways to blaze their own trail.

And considering that start-up companies are the bread and butter of the bwtech@UMBC Research and Technology Park at the University of Maryland, Baltimore County, it's no wonder the park is thriving.

"We've actually brought in, in the last year or so, 11 new companies in our incubator and accelerator (programs), and we're negotiating with three more," said Ellen Hemmerly, the research park's executive director.

"That's more than usual activity."

According to Hemmerly, the recent economic turmoil -- unemployment in the United States reached 9.4 percent in May -- has also meant "start-up activity in new companies and companies that are developing new technologies that are creating, really, the jobs of the future."

And that, she said, has translated into a flood of opportunities for the university's 71-acre research and technology park to bolster its ranks.

"That's been the gratifying part of the economic downturn for us," she said.

In the last four months, the park has brought in three new companies: Pearl Life Science Partners and Quantum Medical Metrics, both founded last year and brought to the park in March; and Amidus, founded in March and brought to the park last month.

Amidus owner Pranay Kohli, whose company consults on marketing and technology services for conferences and other business events, said the economic downturn was "absolutely" a factor in his decision to strike out on his own.

"It seems counter-intuitive, but I think many people are thinking this way," he said. "There's a counter-current to the economy failing that says when the economy is bad, that's probably the best time to come out with something new."

Kohli said there are some 13,000 business events in the United States a year, accounting for a \$50 billion industry -- although the poor economy has caused those numbers to shrink.

Thinking of ways to turn the tide, Kohli began Amidus, which provides "intelligent professional networking" services to connect buyers and sellers and introduces its clients to new event technology -- such as hand-held devices for conference attendees that increase "functionality" during events.

The company also shares risk with its clients, meaning if a conference is a flop, the client doesn't absorb all the costs, Kohli said.

"I realized there was a niche to take the industry to another level," Kohli said.

One of the attractions of starting a young company with bwtech@UMBC, Kohli and others said, is the park's community structure.

Mark Pittenger, CEO of Pearl Life Science Partners, which was founded in August and is developing technology to increase the efficacy of vaccines, said in a statement that bwtech@UMBC's strength is that it provides a mixing bowl of smart minds.

"Everyone knows someone we should meet," he said. "There are very smart people here and there is a lot of interaction."

Tom Beck, a Catonsville resident and chief technology officer of Quantum Medical Metrics, agreed.

"I think if we had not moved into an incubator facility, we would have had a lot more difficulty, because there are a lot of other technology companies here," said the 62-year-old former Johns Hopkins University academic, who is trying his hand in business for the first time.

"It gives us the opportunity to take advantage of, or leverage, the experience of others," he said.

Quantum, which was founded in September, is developing a low-radiation X-ray imaging system that can measure bone strength through three-dimensional engineering analysis.

The system uses engineering concepts -- similar to those used on bridges and other structures -- to assess the health of a person's skeletal structure, Beck said, and is making headway in diagnosing skeletal issues in children.

Overall, bwtech@UMBC companies have a \$300 million impact on the state's economy each year.

That sum is likely to grow as the park draws in new companies.

And as jobs elsewhere are cut, that growth is likely, Hemmerly said.

"Some of it is expediency, as you see contraction in some of the more mature industries, like the automotive industry," she said.

"And I think one of the reasons why we feel we're well positioned is that UMBC has taken the approach to have a diverse degree of technologies in our incubator."

Technology is indeed where to go for growth, according to a survey of American adults released June 8 by polling giant Zogby International and its partner 463 Communications.

The survey found that, along with health care, Americans think the technology industry is best positioned to weather the economic downturn.

At the top of the list of technological issues Americans think should be solved, the survey found, was energy dependence and efficiency -- an area bwtech@UMBC is focusing on, Hemmerly said.

"We think that is a really good area to be involved in going forward," she said.