

CIC Adds International Component to Incubator Services

By *Debbi Mack*,
STAFF WRITER

It started simply enough with a Finnish networking event. But now, the Chesapeake Innovation Center (CIC), an incubator that nurtures developing businesses offering new technologies for homeland security and defense, is expanding to reach an international clientele.

The international program is a new venture for CIC, an incubator with a homeland security focus and five partners - Northrop Grumman Corp. (NGC), the National Security Agency, Athlone Global Security, Boeing and ARINC. As a wholly-owned subsidiary of the Anne Arundel Economic Development Corp., CIC services fledgling companies in hopes of their settling in Anne Arundel County once they strike out on their own.

The new program was a collaborative idea that arose after CIC officials met with representatives of the Finnish Embassy at a networking event last August that was hosted by Tekes, the embassy's technology transfer arm.

There, the embassy reps expressed a desire to sell emerging technologies to U.S. companies. Given its unique structure and contacts, the CIC decided to establish a pilot program for five Finnish companies.

Going Global

While the thought of the

CIC doing business with foreign companies "had been entertained, it took some chatting and conversation to get it going," said Elisa Velarde, the portfolio manager who helps CIC member companies achieve their goals.

The pilot program has two phases: In November, the companies were brought to the U.S. for three days of training on how to do business with the government; and, in the spring, they will return to perfect and practice their pitch, as well as attend the local GovSec conference in April, which is billed as the nation's leading event for security and counterterrorism.

The program is funded by Tekes and is limited to Finnish companies for now, but Velarde expects it to expand eventually to other "friendly nations."

Sometimes the CIC is referred to as a "business accelerator," she said. "The CIC works with companies that are pretty much up and running," helping each develop its business plan, refine its pitch and connect with potential buyers.

As of December, the CIC was working with six developing companies as resident members, which use on-site facilities; and six companies as affiliate members, which work off-site.

"When they hit a certain milestone and they feel like they're ready to roll, they graduate out," Velarde said. Since the CIC was founded in

2003, five out of 28 member companies have graduated.

Matchmaking

In addition to its nurturing role, the CIC operates the TechBridge program, which is essentially a "matchmaking service" between companies providing emerging technologies and CIC partners seeking those technologies.

For example, through TechBridge, one CIC partner, NGC, identified a vendor to team with for a government bid; another partner identified a new technology and licensed it for use in its organization.

All told, 22 companies participated in the TechBridge program in 2007 and more than 80 have done so since 2003.

On a more ad hoc basis, the CIC also matches small business innovation and research (SBIR) grants offered by various federal agencies with prospective grantees. The agencies offer SBIR grants to fund particular kinds of research and development and agree to buy the resulting product - a highly-desirable proposition for an emerging tech company.

But matching CIC members with grants can be challenging, Velarde said, because grants have very specific requirements and, to qualify, a member company's goals need to mesh well with the donor.

No Major Issues

One might imagine that, given its particular niche, the

CIC's new international program might entail some significant security issues. Velarde said, however, there were "no huge security issues I'm aware of."

"Certain little bits of information we couldn't share and certain facility tours couldn't take place," she said. "But for the most part, it wasn't a big deal."

Although the CIC doesn't obtain security clearances, it hooks companies up with subject matter experts to facilitate their getting those clearances and achieve compliance with federal standards for implementing cryptographic software.

Velarde acknowledged that "it's fairly unusual" for international technology transfer deals to take place at the county level, but "it's not completely off the charts," either.

She ascribes some of the CIC's success in doing so to its unique structure and contacts. "It's the only incubator I know of that focuses exclusively on homeland defenses and security," she said.

And, if all goes well, Anne Arundel County will see new Finnish companies in its business community.