

State Awards \$3.5 Million for Southeast Ohio Business Growth

Ohio University, Adena Ventures partnership to benefit Appalachian entrepreneurs

ATHENS, Ohio (Nov. 17, 2006) – The state of Ohio has awarded \$3.5 million to Ohio University’s Voinovich Center for Leadership and Public Affairs and venture capital firm Adena Ventures to invest in new technology businesses in the 19 counties of Southeast Ohio.

The funds will expand the partnership, which has become a national model for rural economic development. This initial award – which sets up a pre-seed fund and business assistance for digital technology companies – is part of a larger proposal submitted to the state that could attract more funding this spring.

The Ohio Department of Development announced the award of funds from its Third Frontier Entrepreneurial Signature Program, which supports technology-based business growth throughout the state.

The Voinovich Center, Adena Ventures and area investors will identify and support regional entrepreneurs who need professional expertise and funding to launch their businesses. The program is unique because it offers venture capital funding to smaller, higher risk ventures in the areas of digital interactive media and life sciences for the first time in Southeast Ohio.

“Adena and the Voinovich Center have a five-year track record of assisting early-stage companies in Appalachian Ohio. This award represents an important milestone for furthering our work in this region,” said Lynn Gellermann, a founding partner of Adena Ventures.

Since 2002, Adena Ventures has invested \$13 million in 10 companies and provided nearly \$4 million of operational assistance to more than 60 companies. This activity has been significantly leveraged by co-investors and lenders, bringing a total of nearly \$60 million and 750 jobs to central Appalachia. About half of this activity has occurred in Appalachian Ohio.

The new funds from the Entrepreneurial Signature Program will provide a solid foundation for additional investments from the state and federal government, the private sector, foundations and other entities, said Mark Weinberg, director of the Voinovich Center. Funding to work with Ohio University’s Edison Biotechnology Institute, Innovation Center and regional investors to develop angel funds and expand the operational assistance program for technology companies could be forthcoming this spring, he said.

The partnership also allows Ohio University faculty and students on the Athens and regional campuses to share business and financial expertise with new entrepreneurs.

“This program builds on the university’s long history of working with public and private partners to improve the quality of life in Appalachian Ohio,” said Roderick McDavis, president of Ohio University.

Kentucky and West Virginia have similar investment programs that have lured some local companies out of state, said Mark Butterworth, the principal of the Columbus, Ohio-based Innovation Forward LLC who will provide consulting advice and assistance to the angel funds. “This will definitely help keep companies in Ohio,” he said.

Bill Dingus, executive director of the Lawrence Economic Development Corporation, agreed that the program will help Ohio retain homegrown entrepreneurial talent.

“This Third Frontier grant is a great first step for Southeastern Ohio in catching up with our neighbors in Kentucky and many other states that value technology development as a foundation for the future. We have to build local capacity to create the necessary support network for the development and growth of technological ventures by entrepreneurs and small businesses,” he said.

The expanded program also may attract digital interactive media companies to Southeast Ohio, Butterworth said. In April, Adena Ventures recruited the Nebraska-based software company Game Plan Technologies, Inc., to Ohio University’s Innovation Center to expand its presence in the eastern United States and create a strategic partnership with the university’s Sports Administration Center.

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