THE DAILY RECORD

Companies that are born here, stay here

By Christian S. Johansson

Local economic development organizations typically generate interest when they succeed in attracting new business to their locale. No big surprise there. The bottom line is that new business means new jobs, and job creation is always seen as a positive development for the local economy.

What sometimes gets overlooked in the excitement about "new business," however, is the incredible economic impact that occurs as a result of the retention and expansion of companies that are already a part of the local economy. Perhaps this can be seen most profoundly in the number of companies that are graduating from this region's business incubators and — here's the important part — staying in this region.

From the Emerging Technology Center in Baltimore to Harford County's HEAT Center to Baltimore County's techcenter@UMBC, Howard County's NeoTech Center and the Chesapeake Innovation Center (CIC) — Anne Arundel County's homeland security incubator — Greater Baltimore's incubators have done an incredible job of nurturing successful new companies and then persuading those companies to set up shop right here in this market.

Their success is generating new jobs at viable companies that are having a positive impact on the local economy. Beyond that, though, the graduates of these incubators are attracting investor interest from across the nation, and that has helped to shine a national spotlight on Greater Baltimore's tech community.

Let me offer a few examples:
• eTelemetry, an Annapolis-based company whose products track IT infrastructure and computing asset usage, recently received $4 million in venture capital from Centripetal Capital Partners, a private equity firm from Stamford, Conn.
• Baltimore-based Alba Therapeutics, a successful graduate of the city's Emerging Technology Center, received $30 million in venture capital last year.
• techcenter@UMBC graduate Next Breath LLC, a contract pharmaceutical R&D firm that specializes in testing respiratory and nasal drug delivery platforms, is providing services to more than 44 companies in New Zealand, India, Europe, Canada and the United States.
• Another techcenter@UMBC graduate, Fluorometrix, has experienced incredible success working with biotech and pharmaceutical R&D firms with technology developed within UMBC, demonstrating the translational ability of universities in the Baltimore region.

Adding to the national prominence of our incubators is CIC's recent partnership with Boeing Integrated Defense Systems to identify innovative technologies of value to Boeing's government customers, to break ground into new commercial markets, or for integration into Boeing's own enterprise.

Even current incubator tenants are having a major impact.

Amulet Pharmaceuticals Inc., a current techcenter@UMBC tenant, closed on an $850,000 round of financing this summer from the Wilmington Investor Network, a private equity fund of angel investors based in Wilmington, N.C. Founded last year by Dr. Craig Liddell, Amulet develops a nitric oxide-releasing technology that corrects nitric oxide signaling systems damaged by disease and alleviates the side effects that arise from drugs and medical devices.

Another techcenter@UMBC resident, AVIcode, has added a number of jobs to the local economy while securing a major investment from Quest Software. AVIcode is the leading provider of .NET application monitoring software.

So what does all of this mean for Greater Baltimore?

In short, it means that economic development happens on a variety of levels and while new businesses create the headlines, it is business retention and expansion that really help create the core of a region's economic growth.

Christian S. Johansson, the president and chief executive of the Economic Alliance of Greater Baltimore, writes a monthly column for The Daily Record. The opinions expressed are his own and not necessarily those of this newspaper.