

OSU-OKMULGEE/MIDAMERICA INDUSTRIAL PARK

Annual Report 2006



The OSU-Okmulgee/MidAmerica Industrial Park Small Business Innovation & Incubation Center officially opened July 7, 2005 with a dedication ceremony at the Center. During our first year of operation two clients have made the Center their business home, and we look forward to welcoming more in 2006-07.

*"Serving Idea People in
Northeast Oklahoma"*

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Innovation Center Advisory Committee

Chair:

Dr. Bob Klabenes, President,
OSU-Okmulgee

Members:

Rachel Blue, Doerner, Saunders,
Daniel & Anderson, L.L.P.

Tom Briggs, Labinal

Meredith Frailey, Cherokee Nation

Greg Main, i2e

Dr. Stephen McKeever,

OSU-Stillwater

Anita Gordy-Watkins, OSU-Okmulgee

Sanders Mitchell, MidAmerica

Industrial Park

Ron Reiser, RCB Bank, Pryor

Gary Shamel, First Priority Bank,
Pryor

Jim Swank, Rae Corporation

Ivan Williams, Williams Construction

***The Innovation Center Advisory
Committee meets at the midpoint of
each fiscal quarter to provide guid-
ance and assistance to Innovation
Center management and clients.***

Innovation Center Staff

Leann Burger, Manager

Jennifer Colvard, Senior Administra-
tive Assistant

Message from the Chair...

The dedication and the opening of the OSU-Okmulgee MidAmerica Industrial Park Small Business Innovation & Incubation Center fulfills a key goal of the OSU-Okmulgee Strategic Plan. Enhancing the quality of life and economic wealth in Oklahoma with a special focus on development of technology in rural areas is consistent with one of the major missions of OSU-Okmulgee.

During our first year, the Innovation Center has welcomed two companies that have chosen our Center as their first business home. Non-Metallic Sciences, Inc. is a polymer chemistry and materials company with an interest in fuels and nanotechnology.

DTS Communications, Inc., a telecommunications company,

specializes in wireless mesh network systems and auxiliary power units for these systems.

On behalf of members of the Small Business Innovation & Incubation Center Advisory Committee, we extend our thanks to MidAmerica Industrial Park officials for their generous support of the Innovation Center. We look forward to helping other technology start-up companies as we strive to make Northeast Oklahoma and our state the premier location for doing business in the 21st Century.

Bob Klabenes

**President OSU-Okmulgee and
Chair of the Innovation Center
Advisory Committee.**

First Year Strategic Initiatives

Strategic Initiatives in 2005-2006 centered on creation of the Center, its infrastructure and preparation to accept clients. The following goals and objectives were achieved:

- Completion of the facility in May 2005.
- Opening and official dedication of the Center July 7, 2005.
- Certification of the Center by the Oklahoma Department of Commerce, July 11, 2005.
- Development of policies and procedures and legal documents for the Center.
- Development of guiding principles for the Advisory Committee.
- Development of Client Handbook.
- Development of Center Policies and Procedures.
- Creation of marketing brochure, trade show display and prospective client query information.
- Development of content of Innovation Center webpage.
- Membership and participation in the National Business Incubation Association and the Oklahoma Business Incubator Association.
- Creation of financial accounting mechanisms for the Center.
- Creation of billing and invoicing procedures, and development of forms for rent and utilities.
- Continued strategic planning.

Innovation & Incubation Center Client Highlights

Non-Metallic Sciences

With the dedication of the Innovation Center on July 7, 2005, MAIP and OSU-Okmulgee extended a hand to technology entrepreneurs who need a business home.

The first client is Non-Metallic Sciences, Inc., a polymer chemistry company. Chuck Woodson, President, is no stranger to entrepreneurship. He built a Houston-based business, Cy-metech, sold it in 2004, considered retirement, but as Chuck says, "I couldn't stand the thought of not playing with molecules."

As is the case with many serial entrepreneurs, (those who love to start businesses) he decided to start over, and he literally "came back home."

"The OSU-MAIP incubator has it all: HUBZone, tax incentives, a great facility and plenty of room to grow." Chuck Woodson, Non-Metallic Sciences, Inc.

Chuck and his wife Carolyn own Non-Metallic Sciences, Inc. and decided to move back to their home state and start their new business. They moved into the Center in April. Chuck is originally from Tulsa, loves Oklahoma, and wants to write the next chapter of his business and scientific life here.

He is currently working on several projects through consultation with engineers and scientists at Purdue University, the Department of Defense, Spirit Aerosystems and Swift Intensifiers.

The company's interest areas are wide ranging. In addition to current projects, Chuck says the company is interested in how nanotechnology works in polymer science applications as well as exploring alternative fuels

and fuel cell technology.

Chuck says it's an exciting time to start a business in the technology field, and he loves the idea of an incubator.

"It's a win win for everyone," Chuck says. "We see our company as sort of an incubator inside of an incubator."

DTS Communications

DownTime Solutions (DTS) Communications, Inc. is the newest client at the Innovation Center. They are preparing to patent and produce an auxiliary power system for wireless mesh network telecommunication systems. They also design and install systems for indoor and outdoor use.

As veterans of Iraqi Freedom and business partners, Brian Ledbetter of Pryor and James Cavin of Stilwell bring prior entrepreneurial experience

to DTS. The company is off to a quick start. RCB-Claremore chose DTS as installer and supplier of Cisco Systems equipment as they completed their construction project.

Three days later, the DTS Communication partners were creating a WiFi network for CountryFever, a Pryor based country musical festival that attracts the hottest acts in the business. Because of their service, CountryFever organizers have agreed to use DTS Communication services at all future events.

DTS is currently working on four other contracts in Kansas, Oklahoma and Texas. "We are definitely keeping busy," said Ledbetter.

DTS Communications has also begun a WiFi pilot project in downtown Pryor and has plans to make all of Pryor a WiFi hotspot, joining a growing list of approximately 200 other communities and cities nationwide. Several other communities along Highway 69 have also expressed an interest in mesh networks.



"Cutting the wire" are (L to R) Brian Ledbetter, co-owner of DTS Communications, Tom Briggs, Pryor Area Chamber of Commerce and Labinal; Sanders Mitchell, MAIP; Pat Braithwaite, OSU-Okmulgee; Matt Matlack, VP of Sales; Mayor Jimmy Tramel; James Cavin, co-owner; Chris Calvert, Cisco Systems.

Our Mission

- Foster the growth of innovative firms/companies, in critical or high growth sectors that contribute to rural economic development.
- Increase northeast Oklahoma's visibility as a premier location for rural technology-based economic development.
- Enhance the transfer of technology and research commercialization through partnerships.



The OSU-Okmulgee/MAIP Small Business Innovation & Incubation Center is a non-profit technology-based business incubator serving the needs of Northeast Oklahoma entrepreneurs.

Looking ahead in 2007

Strategic initiatives in FY 2007

- 100% occupancy at the Center.
- Participation in a county-wide Rural Enterprise Education Program (R.E.E.P). Partnering with Northeast Technology Centers, government officials, business entities, the State Chamber of Commerce and the U.S.D.A., the Center will help take the lead to provide information and training to start-up businesses and entrepreneurs in Mayes County.
- Continued work and publication of the five-year strategic plan for the Innovation Center.
- Continued outreach to potential clients and small business owners to increase awareness regarding the facilities and the services of the Center.
- Continued networking on the state and national level to attract potential clients to the Innovation Center.
- Collaboration with industries in the MidAmerica Industrial Park to provide assistance in new product and service development.
- Promotion of WorkKeys job credentialing and job profiling services to local industries.
- Feasibility study and development of expansion plans at the Center.

FY 2006 Financial Summary

The Innovation Center was dedicated July 2005. As of June 30, it has been in operation 11 months.

Expenditures since the opening of the Innovation Center are below budgeted projections for FY2006 due to budgetary diligence and cost saving controls. However, Income fell below projections due to signing of clients late in the fiscal year.

With 100% occupancy, the Center will work toward self-sufficiency. The two larger spaces are currently occupied which helps improve income projections for FY 2007.

Income FY 2006

Client Rent: \$3,033

Expenses FY 2006

	Budget	Actual
Salaries and Benefits:	\$90,590	\$90,118
Materials & Equipment	\$18,536	\$5,346
Office Supplies	\$ 4,200	\$790
Communication	\$13,090	\$4,906
Maintenance	\$ 2,000	\$919
Travel/Training	\$ 2,400	\$2,332
Memberships	\$ 400	\$325
Contract Services	\$ 6,800	0
Utilities	\$ 9,275	\$6,680
Insurance	\$ 2,400	\$1,845
Contingency Start-Up	\$22,500	0
Totals	\$172,191	\$113,264