



## SPEAKER SPOTLIGHT

### **SANDRIDGE TAKES THE LEAD**

**William G. Frantz is President of Sandridge Food Corporation** in Medina, OH, a family-owned company. It is the leading manufacturer of refrigerated foods in the United States. Sandridge offers over 40 different potato salads alone, as well as 450 other food items (for example, chicken, bread puddings, soups, seafood salads, coleslaws, and pasta salads). Its products are mostly non-branded and are sold to companies, such as Giant Eagle, Sisco, Kroger, Acme, Big Bear, and U.S. Food Service.

Frantz says that Sandridge wants to be the *best*, but not necessarily the *biggest*, in its industry. He notes that the company concentrates on the safety of its people and its products. For example, Sandridge works hard to keep dangerous equipment as safe as possible and its air filtration system provides 99% sterile air in its plants. "We strive for continuous improvement

as well as to keep up with technology and innovation," Frantz adds.

Sandridge did not have its beginnings in refrigerated foods; it originally sold packaged meats. The company's owner distributed Jimmy Dean Sausage, then bought Gourmet Salads. He built a new facility in Medina and kept buying other companies and adding to his product line. Eventually, the owner knew he had to make four major decisions: what the focus of the company would be; future planning of the company; management transition; and how any change would affect their customers. He knew Sandridge needed to sell off parts of the company in order to succeed, so he modified plant, equipment, and his sales people. The company only lost \$100,000; in fact, it was their only unprofitable year.

Frantz has learned from his own experiences, as well as the experiences of the former owner of Sandridge. His best advice is: figure out what you're good at; plan for the future and know what will

happen when you're gone; let others learn to run the business; and insanity doesn't work.

As far as Sandridge's immediate plans for the future, Frantz says that there "will be a lot more name-branding in their business." They thought of new products to sell and reevaluated their prices. They emphasized their marketing and advertised through stores as well as locally. Having analyzed these elements of their business, Sandridge has become the leading manufacturer of refrigerated foods in the country. "Try to find out what people want, and don't spill your candy," Frantz adds.

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## OVA MEETINGS

OVA meets monthly for lunch at  
The Union Club, 1211 Euclid Avenue.

The usual meeting schedule is:

- 11:30 Networking
- 12:00 Lunch and Introductions
- 12:45 Five-Minute Forum
- 1:00 Main Speaker
- 1:30 Adjourn

Check the calendar on page 4 for dates and speakers. For reservations, call the OVA office at (216) 566-8884, or e-mail to: [admin@ohioventure.org](mailto:admin@ohioventure.org).

# SPEAKER SPOTLIGHT

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## CREATIVE WAYS FOR LOCAL TECHNOLOGY STARTUPS TO SURVIVE



James J. Posch

**James J. Posch**, co-founder of **Inlighture, Inc.**, has 18 years of entrepreneurial experience founding and selling technology companies. Prior to his current involvement, Posch helped found Digital Atoms of Washington, DC, and Global-Serve of Cleveland, OH. Inlighture is a technology commercialization, venture rescuer, and venture creation organization. Its product, StrategyLogic™, provides online strategic planning software. To date, the company has helped a variety of enterprises, including MAGNES, Neurium, Test.com, and StrategyLogic.

Posch explains that Inlighture focuses on technology ventures and ventures that don't need outside capital to survive. The company works with about 50% startups and about 50% later stage companies.

Even with signs that the economy is improving, Posch says that technology ventures are undervalued.

"There is still a lot of junk in the market from boom years," he adds. "But this is a good time to buy into

technology and to launch new ventures."

When asked how to set up and strengthen a venture to prosper, most people answer with ideas, such as management teach success; proprietary products; ripe market conditions; and customer and sales volume. But, Posch says there is also a great deal of innovation, pride, and luck, which include profits, customer loyalty, valuation, and growth. "Practice innovation in all aspects of your business; research new ways to be innovative; throw out what doesn't work and keep what does," he explains.

Posch believes that pride stimulates a positive outward appearance. For example, he asks: what kind of first impression do you make? Are you striving to be the best that you can be? Do you show consistency in your branding? Do you know your weak points and have you addressed them? Do the members of your team show the same level of commitment to pride that you do?

In addition, Posch feels that you can create your own luck. He defines luck as "being at the right place at the right time" or "because you made the right guess." Posch asks important questions here as well: Are you spending every waking moment thinking about the sales and marketing ramifications of your product? Are you building multiple overlapping sales and marketing approaches? Are you utilizing business intelligence systems? Have you built an extensive partner and support network? That's how to survive!

# FIVE-MINUTE FORUM

## JUNE 9 MEETING:

**The Itasca Group/NewPro** is involved in the cycling industry and has designed a “cyclocomputer” to use on bicycles. The computer has a competitive advantage in that it is the only universal complementary product for bicycles on the market. A patent has been filed on the designed. The Itasca Group is seeking funds to enhance product design and packaging and to channel development of the cyclocomputer.

For information, contact **Patrick Walters**, Principal, at (513) 871-0323 or via email at [pwalters@theitascagroup.com](mailto:pwalters@theitascagroup.com).

**Akoura Biometrics** of Warren, OH, has developed a new “smart card” to be used for security purposes. The basis for identification is a person’s fingerprint. Target markets include health care, defense, homeland defense, and financial services. Akoura has already developed an association with firms, such as Sony, Xerox, Hyundai, Hewlett-Packard, and PricewaterhouseCoopers. The company is seeking funds for operating capital and to establish U.S. facilities.

For information, call **Steven L. Kaplan**, CFO, via email at [bbhandari@akoura.com](mailto:bbhandari@akoura.com).

**Softek Software International, Inc.**, of Youngstown, OH, is seeking advisors and investors to help rapidly launch a globally scalable technology that is in testing already: **Spambite**. Studies show that in 2001, 8% of email received was spam; in 2003, so far, 40% of email is spam. Spambite is a gate appliance that retrieves mail headers from actual email servers. Its features include: no storage of email messages, nothing is installed locally, and it is only \$35 per year. The market is huge (850 million email subscribers in 2002). Those interested in further information should contact **Jim Thompson**, Vice President and CEO, at (330) 743-2070 or via email at [jthompson@softeksoftware.com](mailto:jthompson@softeksoftware.com).

## JULY 14 MEETING:

**ZipandShop, LLC**, of Cleveland, OH, is “the virtual intersection,” a web-based system for retail information (gathering and tracking information). For example, **ZipGas** (patent pending) can give customers real-time gas station prices and related information. The system is accessible via computer, wireless, and telephone. Retailers will pay monthly fees to have access to up-to-the-minute information. ZipandShop has had a favorable response so far and plans an eventual exit strategy of takeover by an alliance partner or search engine. For information, call **Jerry Grdina**, President, at (216) 595-9595, or via email at [jerrygrdina@zipandshop.com](mailto:jerrygrdina@zipandshop.com).

**ElectroCardioVision, Inc. (ECV)** of Lakewood, OH, is a supplier of advanced heart diagnosis and visualization technology with products for both the medical and retail segments. ECV provides an extensive heart diagnosis in a single 30-second test by analyzing EKG signals, and produces both text and visual representations of the heart. It is the only technology that can provide this unique combination with a 30-second test. The device has passed clinical trials in Russia and has patent status in Germany and the United States. ECV is seeking investment capital to pursue FDA pre-marketing approval and to begin sales and marketing in the United States. For information, call **John Bacon**, COO, at (216) 374-0025 or via email at [johnbacon@iib.ws](mailto:johnbacon@iib.ws).

**Inspherion, Inc.** is a software and services company that provides strategic intelligence software to global 2000 companies and law firms. It is venture funded (Ohio Innovation Fund) and has a viable exit strategy. The software is based on a revolutionary database search design and complements current information gathering and analysis practices. This new approach offers a breakthrough strategy for uses, such as mergers and acquisitions, IP protection, licensing, research and development, and competitive intelligence. Inspherion’s patent protection is in process (there is a prototype). For information, call **Chris Sklarin**, Vice President, at (216) 321-0459 or via email at [csklarin@inspherion.com](mailto:csklarin@inspherion.com).

## *Seed Money: VC Financing for Early-Stage Companies is Back in Bloom*

Source: *Entrepreneur Magazine*  
November, 2003  
By: David Worrell

After nearly three years of decline, the amount of capital invested by venture funds is back on the rise. According to a recent Money Tree Survey by National Venture Capital Association, PricewaterhouseCoopers and Thomson Venture Economics, venture investments in early-stage companies jumped 43 percent and accounted for more than \$956 million nationwide during the second quarter of this year—an increase of \$288 million from the first quarter. Since venture funding started its free-fall in 2000, VC firms have been reluctant to invest in new ventures, preferring instead to shore up existing portfolio companies or to invest in lower risk, later-stage companies. This jump marks the first significant increase in early-stage funding since the fourth quarter of 1999.

The results were corroborated by San Francisco VC research firm VentureOne, which showed that start-up funding in the second quarter of this year increased 13.6 percent over the last quarter. The increase in activity is not limited to the VC epicenters of New York and California. Small but meaningful increases were noted across the country and across several industries. A strong surge in biotech and health-care investing led the way.

Garheng Kong, partner at Intersouth Partners, a VC firm in Durham, North Carolina, says he's seen more early-stage life science investors cracking open their checkbooks. "There's definitely more early-stage activity," he says. "The low-hanging fruit has been picked, so the later-stage companies with a pipeline full of customers have either been funded or have gone away. But the science never stops, and VC dollars are now being focused back on the seed and early-stage deals." According to VentureOne, biotech companies at all stages, including drug discovery and development companies, claimed more than 18 percent of all venture dollars.

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## CALENDAR OF EVENTS



### Speakers for Upcoming Meetings:

- December 8** Charles Stack  
*Flashline.com*
- January 12** Eric VonHendrix  
*MWV Pinnacle  
Capital Fund*
- February 9** Robert Coughlin  
*Paycor, Inc.*
- March 8** John S. Taylor  
*National Venture  
Capital Association*

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