



## SPEAKER SPOTLIGHT

### ***HYLAND SOFTWARE PACKS IN THE BUSINESS***

**“Packy” Hyland** is a co-founder and member of the Board of Directors of **Hyland Software Inc.** Founded in 1991, Hyland Software has over 400 employees at its Westlake, OH, headquarters. The company also has offices in London, Tokyo, and Brazil, as well as several other U.S. locations. Hyland has a strong interest in entrepreneurial ventures and was named Top Producer/Man of the Year Award in 1972 from the Massachusetts Mutual Life Insurance Company.

Hyland says that he focused on two things when he built his company: (1) total customer satisfaction; and (2) making a world class software offering. Now rated #6 in the world in its field, Hyland says that there exists unbelievable enthusiasm at his company. It has its own restaurant, barber-shop, daycare (with 75 children), and car detailing facility. In addition, everybody gets a day off to go to Cedar Point.

Hyland notes that one of the things that makes the company strong is that his son handles the finances and sticks to the rules. He laughingly notes that once his son wouldn't reimburse him for \$39 because he didn't have a receipt. Hyland adds that he never borrowed money from banks; he was fortunate enough to have investors who helped the company out.

Another facet of Hyland's business focuses on document imaging (replacing microfilm, microfiche, and paper). Customers, such as Sherwin Williams, Travel Centers of

America, and the State of Pennsylvania use their product. The company is innovative and energetic. For example, in April of 1997, a potential customer asked Hyland to upgrade their product. The customer went from handling 20 checks per hour to 300,000 checks per hour. In fact, Pfizer is so pleased with the company's performance that it has licensed the software in perpetuity.

Hyland is happy that the company has repurchased almost 27% of its outstanding shares and bought back shares from present stockholders. This worked out well because some investors were looking for liquidity.

“We are still hiring employees and we are still growing,” Hyland says. “We hire a lot of young people, and every employee is required to go to class four times a week.”

### **A WORLD CLASS UPDATE**



**Mark Coticchia**

As Vice President for Research and Technology Management at Case Western Reserve University, Mark Coticchia has responsibility for coordinating Case's research agenda and technology commercialization priorities. CWRU works with

University Hospitals of Cleveland and the Cleveland Clinic Foundation in this endeavor.

Coticchia says that nearly four years ago the region had limited technology transfers and commercialization activity. There were very few offices, staff members, or connections. And, he adds, there was no sense of alignment or teamwork among the various regional institutions. He is pleased to note that now there is collaboration and partnership. He believes this is due, in large part, to the fact that Coticchia and his team promised to deliver a world class technology transfer operation with world class results, a strong staff, and expanded company efforts. Since 2002, they have built a leading operation with a unique philosophy: focus on innovation; targeted approach; customer service mentality; operate as a business; and new company formation.

Coticchia notes that “invention disclosures have reached a sustainable level of 120 to 140 per year and transaction volume

(Continued on page 2)

### ***IN THIS ISSUE:***

- SPEAKER SPOTLIGHT (cont.)**
- Page 2**
- FIVE-MINUTE FORUM**
- Page 3**
- BOARD MEMBER PROFILE**
- Page 4**
- CALENDAR OF EVENTS**
- Page 4**

## OHIO VENTURE ASSOCIATION

1120 Chester Avenue, Suite 470

Cleveland, Ohio 44114-3514

Phone: (216) 566-8884

FAX: (216) 696-2582

E-Mail Address: [admin@ohioventure.org](mailto:admin@ohioventure.org)

Website: <http://www.ohioventure.org>

### President

Benjamin Calkins

*Spith, Bell, McCurdy & Newell Co.*

### Officers and Trustees

Lloyd W. W. Bell, III

*Meaden & Moore*

David Brown

*Red Hawk Associates Ltd.*

Ronald B. Cohen

*Cohen & Company*

Mark E. Cotichia

*Case Western Reserve University*

Robert H. Donaldson

*Delta Planning*

Robert Filipiak

*Cascade Capital Corporation*

Dana Kachurchak

*Presentation Dynamics, Inc.*

David Laudel

*PricewaterhouseCoopers*

Jeffrey J. Milius

*Peppertree Capital*

Brad Nellis

*NEO411.biz*

Gary Salhany

*Cohen & Company*

Michael J. Stubler

*Draper Triangle Ventures*

Lee Tenenbaum

*Chagrin Financial Services, Inc.*

Joseph Zupan

*Momentum Capital Partners*

### Association Administrator

M. Joan McCarthy

### OVA Innovators Editor

Alana G. Andrews

## 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

Continued from page 1

continues to increase.” He adds that the licensing income program has generated \$32 million over the last four years and revenues show solid growth. “Our revenues show a four-times return on CWRU’s investment over the past four fiscal years. Seventy five percent of our proceeds have gone directly to our inventors and their schools. The balance has been used to make substantial investments in our research infrastructure,” he says.

CWRU has emerged as a leader in the field with an experienced team of licensed managers and operation experts. It has an internal pre-seed stage venture fund of \$5 million and invests in new companies based on its intellectual property. CWRU is a leader in technology transfer and commercialization in Ohio as well. It has generated nearly 50% of the license income in Ohio and more than 50% of transactions have been with Ohio companies.

## FOLLOWING THE SMART MONEY

**Baiju Shah** is **President** and a founder of **BioEnterprise**, a business formation, recruitment, and acceleration effort that is a leader in supporting the growth of bioscience companies. BioEnterprise is a partnership of The Cleveland Clinic (CCF), Case Western Reserve University (CWRU), Summa Health System, and University Hospitals Health Systems (UHHS). BioEnterprise companies include medical device, biopharmaceutical, and health care services ventures, early and later



Baiju R. Shah

stage. It provides management counsel, business development, and capital access services. Formed in July, 2002, the BioEnterprise Initiative has helped create, recruit, or accelerate more than 40 companies that have collectively attracted more than \$150 million in new funding.

Shah discussed A-level health care funds and boutique technology funds that are now coming into Ohio. These funds, invested by health care venture capitalists across the country, have invoked changes

in Ohio, some of which include: a community-wide effort, collaboration, management, deals (clinical, capital, pipeline, management), and connectedness (both regionally and nationally). In fact, Ohio ranked second in the Midwest in 2005 for health care investments.

According to Shah, the regional situation is positive, with nationally recognized clinical care strengths in a range of specialties. Ohio can boast a large and growing research base at CWRU, UHHS, CCF, MetroHealth, and NASA. Cleveland is one of the top clinical trials leaders in the country, with a broad industry base. Our progressive policy is most important to the area, especially Ohio’s “Third Frontier” programs with a \$1 billion investment, BRTT funds, and the Wright Centers of Innovation, among others.

Shah believes that a community commitment to success will enhance this effort. A strong pipeline, including technology transfer and institutional entrepreneurship, foreign recruitment, and entrepreneurial culture (for example, JumpStart, Crain’s, Plain Dealer, Cool Cleveland), is part of this commitment. Good management—professional intermediaries, serial entrepreneurs, networked resources, commuting CEOs—is another facet of a commitment to success. In addition, Shah notes that an effective clinical endeavor is an important element. Supporting this element means a commitment to innovation and new areas of distinctiveness; partnering with startup companies (including flexible arrangements, reputation and review, support from the top); and becoming involved in major physical development projects.

Of course, capital is an integral piece of the puzzle. Shah notes that Ohio ranks second in the Midwest in health care capital sources; in fact, it is almost on par with Minnesota. Plus, a direct connection to national funds, boutique investment banks and a Midwest health care investment network are strong supportive features.

The positive results of this commitment, according to Shah, is that venture investment has remained steady since 2001 and northeast Ohio investment has grown significantly.

# FIVE~MINUTE FORUM

## JUNE 13 MEETING:

**Prelude2 Cinema** is a digital movie production company founded by Emmy award winning writer and director, Alex P. Michaels. Michaels is dedicated to recreating the Hollywood Studio System using digital technology and the Internet. He is interested in shooting a dramatic television series in Cleveland called "Out of Darkness" that is similar to the "Law and Order" series that is on the air now. Each episode would have a 30-minute time slot and would cost approximately \$30,000 to shoot.

The company is seeking funds to build a training and production facility similar to the Canadian Film Centre. For further information, contact **Alex Michaels** at (216) 341-0218 or visit the website at [www.prelude2cinema.com](http://www.prelude2cinema.com).

## JULY 11 MEETING:

**AlphaMirror** of Beachwood, OH, is a joint venture that manufactures night-vision, rear-view, dimming mirrors for the automotive industry based on liquid crystal technology. The mirrors are environmentally friendly and made from low-cost fabrication. They improve safety and comfort and create a faster response time for drivers. The company is seeking funds to finance the required business activities: penetrating the global automotive industry, including production and brand design, as well as to pilot setup of the production. For further information, contact **Yehuda Borenstein, President and CEO**, at (216) 360-8107.

## SEPTEMBER 9 MEETING

**LeanMean Manufacturing, Inc.**, of North Olmsted, OH, is an Internet catalog marketing and sales business specializing in software technologies used in advanced manufacturing. LeanMean plans to provide the "least expensive, most competitive" worldwide distribution channel for enterprise software used in manufacturing and has completed initial development of three fee-based products: LeanMean-Manufacturing.com, LeanMean Software Catalogs, and LeanMean Distribution Channel. The company is seeking equity financing; for further information, contact **Dan Reed, President**, at (440) 734-1008, or via email at [DReed@leanmean-manufacturing.com](mailto:DReed@leanmean-manufacturing.com).

**TGT, LLC** manufactures a reprocessible medical exam glove, bar-coded with a unique identifier, and made from durable nitrile materials. The reprocessing system is automated and it cleans, dries, sterilizes, and tracks each glove, then repackages them by size. These gloves would replace the latex gloves now in use; approximately 100 billion latex gloves are used annually, with the average glove in use for about three minutes; then it is discarded. The company proposes a 10% equity participation for a fair purchase in the holding. TGT is planning to be licensed in Asia and Europe as well as the USA. For information, call **Steve Weeks** at (216) 881-8521.

**Advanced Coatings International** of Akron, OH, develops and markets coatings based on a patented and unique waterborne chemistry platform, which are used primarily in the manufacture of printed circuit boards and other electronic packaging assemblies. Other markets are chemical micro-machining, photo-forming, and printing plates. Industries include electronics, biomedical, printing, and advanced engineering. The company is seeking funds for trials, sales and marketing support, market development, capital equipment, global partnerships, and production. For further information, call **Steve Johnson, Chief Technical Officer** and founder, at (330) 794-6361 or (330) 794-9871.

***DON'T  
FORGET!!***

### **New Meeting Day for the OVA**

**As of September 2005, the OVA will hold its monthly meetings on the second Friday of each month.**

**The meetings will be held at the same time as always:  
11:30 networking  
12:00 lunch**

**The location stays the same:  
The Union Club  
1211 Euclid Avenue  
Cleveland, OH**

**MEET BOARD MEMBER  
JOSEPH ZUPAN**

Joseph E. Zupan is a founder of Momentum Capital Partners and has over 12 years experience in various areas of finance, from investment banking to interest rate risk management. Prior to co-founding Momentum Capital Partners, he was employed by National City Corporation and Bank One, and was a partner at IdeaDriver, an Internet incubator.

Zupan graduated from John Carroll University with a bachelor of science degree in finance; he received his MBA from The Weatherhead School of Management at Case Western Reserve University.

Currently on the Board of Advisors of Earnest Machine Products, Zupan is the CFO of a robotics technology company and is involved with a number of privately held growth companies in a variety of industries, including motion pictures, music, software, real estate, import/export, and distribution.

Zupan is on the Cleveland Council on World Affairs and is involved with The Cleveland Museum of Art, The Print Club of Cleveland, The City Club of Cleveland, and is Board Chairman of Cleveland Contemporary Players. The OVA is pleased to welcome him as a new member of its Board of Directors.

**CALENDAR OF EVENTS**



**Speakers for  
Upcoming  
Meetings:**

- January 13** Dorothy Baunach  
*NorTech*
- February 10** Carol Latham  
*Thermagon*
- March 10** Rob McCreary  
*Capital Works*

*This newsletter is not to be considered as an offering of securities, which can only be made through circulars provided to qualified investors.*

OVA Innovators is sponsored by the following professional firms:

**National City**  
Capital Corporation

**BENESCH**  
Friedlander Coplan & Aronoff LLP  
Attorneys at Law

Brockman, Coats &  
Gedelian

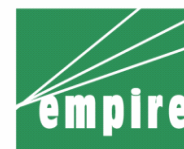
**N** Meadens & Moore

  
**Business Wire**  
Smart Solutions for Your News

PRICEWATERHOUSECOOPERS 

**Cohen & Company**  
Certified Public Accountants

**100 Years**  
CALFEE, HALTER & GRISWOLD LLP

  
**empire**

business  
associates  
merger & acquisition

*Specializing  
in the  
Selling of  
Businesses*

**MORGENTHALER  
VENTURES**

 **Ciuni &  
Panichi**  
CPAs and Business Advisors

**SPIETH, BELL, MCCURDY  
& NEWELL CO., L.P.A.**