



SPEAKER SPOTLIGHT

LUMITEX SHINES ITS LIGHT ON CLEVELAND



Peter Broer

Peter Broer, President of Lumitex, Inc., is a graduate of the Stanford Business School and was a McKinsey & Company associate prior to joining Lumitex. Lumitex, Inc.

designs and manufactures innovative light delivery solutions for medical, electronics, industrial and other diverse applications and delivers it efficiently and cost effectively where it is needed using unique proprietary designs that solve customer problems. The company is headquartered in Strongsville with a west coast division (Poly-Optical) located in Irvine, CA, but its products are used worldwide.

The main products designed and developed by Lumitex are backlighting products for LCDs, membrane switches, machine vision, surgical lighting/phototherapy, keypad backlighting and marine/aviation displays. The technology has generated over 126 patents (54 in the USA and 72 foreign) and each application is carefully designed to meet specific customer needs. For example, Lumitex manufactures a lighted keyboard for Apple Computer (an industry first), a surgical illuminator for SOLIS, and has patented technology for cool lighting.

Other clients include Chrysler, GM, Ford, Goodrich, Motorola, Allen-Bradley, and Siemens.

Broer was initially advised against buying Lumitex; however, he went ahead with his plan and has turned the company around with great success. "My recommendation is to bunt," he says. "The company could easily have bit the dust, but it has repeatedly come through and has generated over 200 jobs," he adds. Broer places emphasis on the fact that he used a "blue ocean" strategy—doing business where there is no competitor. "Technology plus application knowledge equals innovation," he says, with a smile. Broer also notes that he has a network of "angels," and considers his professional community and access to services to be highly important. Lumitex absolutely lights up Cleveland!

product sourcing, manufacturing, and trading company with offices in Hong Kong and the USA for over 15 years. His wife, Rebecca, works with him and they both travel to China regularly. In fact, in 2002, he was selected by the US Chamber of Commerce as a delegate on its first "Investment and Trade Mission China." In addition, Smith and his wife are co-owners of The Bagsmith, a three-year old enterprise that creates, designs, and markets a unique line of products to yarn shops across the USA and Canada.

A serial entrepreneur, Smith explains, "Innovation and creativity are two of the basic concepts for entrepreneurship. We have to reinvent ourselves, our products, and our services all the time." He then continues, "We see what works and we throw out what doesn't." He also knows that technology is the catalyst that makes things move. "We cross train all our employees and they work in all three businesses," he notes. Smith is not content to believe that Cleveland is the poorest big city in the nation. "We have to actively market our region," he cleverly insists.



ENTREPRENEURSHIP AT ITS BEST!

Herbert Smith

Herbert C. Smith, PhD, Founder and Chairman of

H.C. Smith Companies, an executive search firm, is a Northeast Ohio entrepreneur with investments in three successful global companies. He travels extensively and has a worldwide network of resources to draw upon to support his business and civic activities. Prior to his entrepreneurial journey, Smith served in a variety of leadership positions in higher education, local government and community-based human and social services. In fact, he still manages an executive education program for professionals in the steel industry. He is also owner and chairman of Smith International Enterprises, Inc., a

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SPEAKER SPOTLIGHT

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David
O'Halloran

Developing a Roadmap for the Future of Manufacturing in NE Ohio

Based in Cleveland, **David O'Halloran** is a **Senior Operations Expert** in **McKinsey & Company's** Operations Strategy and Effectiveness (OS&E) practice, and one of the leaders of the Manufacturing, Supply Chain, and Consumer Goods initiatives in that practice. He has nearly 20 years of consulting and executive experience within companies where operations have been the most influential element of strategy and value creation. His most recent work has been in the design and leadership of large-scale operational change and improvement programs in consumer product, light industrial, and high technology settings. O'Halloran has managed or directed over 25 significant engagements for the Firm's clients in North America and Europe in the Automation Equipment, Consumer Goods, Electronics, Medical Products, and Pharmaceuticals industries. His work in "world-class benchmarking" and concurrent engineering has been published in the *McKinsey Quarterly* and cited by *Business Week* and *The Economist*. O'Halloran holds an MBA from the University of Virginia and a BS in astrophysics from the University of Oklahoma.

O'Halloran wants to work to reverse the loss of employment in the manufacturing sector here in northeast Ohio. He notes that the decline here has been steeper than for the overall country. In the early '80s, he contends, we had a recession that was significant. Then came a period of flat growth. Recently, we have seen a similar situation to the '80s, but not as significant. The change in the business mix and employment mix is significant, and he believes the change is productivity and label related, with lots of outsourcing. In addition, wages—when adjusted—have not changed over the years and there have been less dollars for reinvesting back into the economy. The automotive sector drives the economy, equating to high wages and

dominance. We want to build on these bright spots and rejuvenate these sectors.

O'Halloran feels that we need better educational mechanisms to reach a broader group of executives, e.g., new market access mechanisms (how to get customers); how to get suppliers inside and outside the country; how to get capital; and establishing visible public policy reform.

According to O'Halloran, there are three groups: those that will grow; those that will only sustain their positions; and those that really need to transition. The ones that grow will be larger exporters with dominant skills. He asks, "What is the difference between your ability to grow vs. your competitiveness?" He answers, "Any strategy needs to be company specific." He feels that we should change our tax policies and court policies for those companies that need to grow. Education and market support mechanisms need to be identified and built to bolster and uplift the possibilities for the growth companies and the sustained companies. We want to be able to attract high quality employment, management, and directors into the area. We also want to train and develop executives, managers, and front line managers. We want to get market access programs into the sustaining sectors. We want to make available the transition of employees to move to a new area of investment and to delete a product that is not profitable.

O'Halloran believes that we will enter a period of setting directions for the program and initiating the market access mechanisms (companies). He says that we must talk to companies and evaluate the density and quality of management education in our areas of higher learning. Are they sufficient? We need to put into place another set of summary actions that would put those entities into existence. Then we need continuing actions to bring those new institutions into full flower to support all the companies in the regions in a real way. Right now there is a group of executives ready to meet. They assembled in March and will break up into subteams to do this work as soon as possible. So, thanks to O'Halloran and other professionals, the road is under construction.

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.**

FIVE~MINUTE FORUM

DECEMBER 13 MEETING:

QuickChange Hockey Corporation of Defiance, OH, offers a new type of skates (hockey and goalie skates) whose wheels can be changed without tools. The skates "slide like ice" and wheels can be rotated for different services, saving time and money. The patented technology prevents the wheel and bearing from rubbing the frame. The company's "Gel Fit" and its no tools axle systems are the only ones on the market. The company is targeting inline rinks, leagues, teams, and hockey and sporting good stores for strong market penetration.

The company is seeking funding as well as a national sales manager and a sales manager. For information, contact **Greg Goeckel, President**, at (877) 641-1804, or its website at www.quickchangeskate.com.

Resume Stork, LLC, Chagrin Falls, OH, provides successful job hunting techniques, and tools and services online as an ASP to the employment industry. The products and services that it offers lower the cost of outplacement services considerably and improve the chances for successful job hunting while providing an easily accessible service online to a larger portion of the market. The company's patent is pending. For information, contact **Al Harlow, President**, at (440) 821-6955 or via alharlow@resumestork.com.

Phil Bessler, Herzog Chair in Free Enterprise at **Baldwin Wallace College** in Berea, OH, is also Associate Professor and Director of the Business Plan Clinic there. The program seeks to support the growth of entrepreneurship and small businesses in NE Ohio; to give students an experiential learning opportunity; and to link volunteer executives, community programs, and the business community. The Business Plan Clinic helps to: complete business plans; review business plans; form ideas into opportunities; and offer due diligence support. For further information, contact **Phil Bessler** at (440) 826-2083.

JANUARY 10 MEETING:

Refugee Records LLC of Mentor, OH, is a company of producers who handle sales for artists and promote brand awareness via the Internet, retail outlets, and live shows. They sell and lease artists' intellectual properties and sell artists to major labels. The songs are used on TV shows and in films. Stage one of the overall plan is to raise money for staff, and office, legal, and infrastructure expenses.

For further information, contact **Alana Mileras** and **Phillip Puleo** at (440) 812-3214.

FEBRUARY 14 MEETING

GameViking.com of Akron, OH, is a web-based business that rents and sells video games (e.g., X-Box and Nintendo). Benefits of the program include no late fees and no due dates, only a monthly subscription fee. The games are shipped directly with no return postage cost to the customer. Parental controls are in place, gift cards are available, and the games may be bought at a discounted price. The company is looking for capital to launch its business by the third quarter of 2005. For information, call **Tom Tubaugh** and **Dominic Federico** at (330) 701-7653.

Charitee Golf offers a wireless, solar-powered hole-in-one monitoring system that has been tested on one of six golf courses in northeast Ohio that have the same owner. The course with the Charitee system had a 5.5% increase in volume over 2003, but the other five courses saw a 2% decrease. The Charitee system will dramatically increase a golf course's volume of players. For further information, contact **Mike Burkons** at (216) 241-3202.

Beachwood Business Development Center is a partnership between the City of Beachwood, the Beachwood Chamber of Commerce, and Cleveland State University for bringing business into the region and accelerating that business growth. Beachwood is a suburb with great diversity and over 3,000 businesses. It is building strong companies with competitive advantages for the next generation. The center offers support to domestic and international companies by providing office experience, internet access, telephones, financial expertise, and assistance with their move to the area. The center has 12 companies so far: half are local; one is French-based; the rest are Israeli. It is in partnership with the Federation of Israeli Chambers of Commerce and has partners in The Netherlands and France. For information, call **Tom Sudow**, Beachwood Business Development Center at (216) 591-2192.

IMPORTANT NOTICE!

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 will stay the
same: The Union Club
1211 Euclid Avenue
Cleveland, OH**

MEET BOARD MEMBER GARY SALHANY



Gary Salhany

Gary Salhany is a Manager in the Consulting Department of the Akron office of Cohen & Company, certified public accountants. He performs CFO-type services for smaller organizations, such as cash management, establishing systems, inventory controls, budgets and forecasts, and assists CFOs of larger organizations with special projects, including financing, cost reduction and operations.

Salhany has served as CFO for a public company and two privately held companies over the past 21 years and successfully started his own business. He has an undergraduate degree in accounting from the University of Akron and Masters of Business Administration from Kent State University. He is a member of the Ohio Society of CPAs, the American Institute of CPAs and is a Board Member of the Ohio Venture Association. He also serves as Secretary of St. George Orthodox Church in Akron and is active in the Order of St. Ignatius.

Salhany resides in Stow with his wife, Leslee, and their children, Mariah and Cameron. He enjoys time with his children, socializing, Roy Hobbs baseball, basketball, and an occasional zig-zag round of golf.

The OVA is proud of his contributions to the OVA board.

CALENDAR OF EVENTS



Speakers for Upcoming Meetings:

July 11 Mark Coticchia
CWRU

August No Meeting

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