



## SPEAKER SPOTLIGHT

### **INNOVATION AT ITS BEST**



**John Nottingham**



**John Spirk**

**John Nottingham** and **John Spirk**, both graduates of the Cleveland Institute of Art, created **Nottingham•Spirk Design Associates** in 1972. The business now has two facilities in University Circle housing 50 professional designers and engineers. In fact, they have grown so much that they are moving to larger quarters.

“We have been creating #1 products since 1972,” they say, with *innovation* as the key to success. Some of their success stories include The Little Tikes Company, Royal Appliance (Dirt Devil), and Duck Brand Duct Tape. In addition, they have worked with an impressive list of companies: consumer products include Black & Decker, Hasbro, Gillette, West Bend, Sherwin-Williams, Salton, Huffy, Newell/Rubbermaid, and Novalabs. Clients in the industrial and medical industries include Invacare, Sony, Philips, and Diebold; and in the packaging industry

Both men believe that the tripod model is the most efficient structure for a startup company: the first leg = products; the second leg = capital; and the third leg = sales and marketing.

As a result of their innovation and business model, Nottingham•Spirk has been successful in designing ear thermometers, twist and pour containers for Dutch Boy paint, lemonade pitchers, the Crest SpinBrush™, and Swivel Straight Christmas tree stands. Startups that the design firm is involved with are Pet Zone, Saybrook Products, InnoDesk, AppliTech, and Global Consumer Products, Inc. In addition, the company is intent on tapping the food products industry as soon as possible.

Nottingham and Spirk have bought a landmark building designed by the same architect who designed Severance Hall. The former church offers them 50,000 sq. ft. of space, with an additional 7,000 sq. ft. to be added. The two entrepreneurs plan an open office design. “We were the only people who didn’t want to tear it [the building] down,” they add. Now, that’s innovation!

### **ComparisonMarket For Real Savings**

**David Roush**, a Wharton School and Harvard Business School graduate, is also an entrepreneur. His company, **Comparison Market™**, which he formed in November, 2000, offers customers real choices and savings and helps them make informed financial decisions on automobile insurance via the Internet. Having spent 18 years with Progressive Insurance, Roush learned the business and the technology to make his idea work.

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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**

*Continued from page 1*

“We have the only site on the Internet where consumers can go and get accurate competitive quotes,” Roush notes.

After taking basic information from the consumer, ComparisonMarket obtains rates from different insurance companies and has a quote within 45 seconds. The customer can either buy on-line or call the number on the website. The company is not involved in ongoing policy services or claims. Roush states that he made a conscious decision not to become involved in other types of insurance, but to remain focused on the automobile market.

“I ran my business plan past all types of business people,” Roush says, adding, “The key to success is not the idea; it’s the execution.”

Roush admits, however, that there is a lot of stress involved in starting this type of business, but says that the entrepreneur has to be prepared for this. “Raising capital is a full-time job,” he advises. Some ideas that Roush offers to those considering a similar project: set up a line of credit; leverage assets that can be utilized for capital; use business partners; put together a smart team of risk-takers; communicate throughout every step of the process; and seek out the best advisors in the world (check their work; don’t try to save money here).

According to Roush, developing your new business will take twice as long as anticipated, so be prepared. But, he also believes that it will be a lot of fun and will add to the community. Finally, Roush says, “Thinking outside the box is essential to setting up a world class organization.”

**FUND OBJECTIVES  
AND INVESTMENTS**



**Jamie Ireland**

**Jamie D. Ireland, III of Early Stage Partners, LP (ESP)**, came to Cleveland 20 years ago and co-founded Capital One Partners. And, only two years ago, he started a new fund with his partner, because he believes that Ohio is under served by venture capital. “It is essential to growing a technology-based economy,” he says, adding that it also enhances development and the in-flow of later stage national venture capital.

A firm believer in boosting Cleveland’s business and technology base, Ireland is a trustee of the Musical Arts Association and is involved in many other important civic activities.

He notes that early stage investments have a higher risk but also a higher reward. They stimulate new company formation, value-added jobs, and wealth creation. In addition, he says that these investments are appropriate for institutional and individual investors on a diversified asset allocation basis.

Ireland’s fund objectives include taking advantage of Ohio’s market opportunities; developing critical mass funding of at least \$50 million; identifying and funding successful serial entrepreneurs and management teams; and accelerating early-stage funding in general.

# FIVE-MINUTE FORUM

## SEPTEMBER 8 MEETING:

**American Broadband & Telecommunications** of Maumee, OH, plans to target underserved markets, such as rural areas, which have limited access to broadband networks. AB&T has four incentives: government initiative; recent FCC rulings and clarifications legitimize its plan; high growth rate in industries working in combination; and no ubiquitous competition in over 80% of its markets. Consumers are rapidly switching from dial-up service to broadband, and over 50% of potential customers have indicated an interest in at least one of AB&T's services because it can reach markets that other services cannot. Seeking capital funding, interested parties may contact **Jeff Ansted** at (419) 865-7015, or [jsa@ambt.net](mailto:jsa@ambt.net).

**I-Plus, Inc.**, of Westlake, OH, is a thermoforming facility with a strong history and stable customers in the medical, home improvement, and trucking industries. Its new product, **Omega-R**, is a high-density, polyethylene material that protects metal casket walls from destructive acids and fluids. The Omega-R liner is designed to fit snugly into a standard casket and provides excellent protection for mausoleum or in-ground burials. Made from 100% recycled material, the Omega-R exceeds projected EPA requirements and can be custom ordered with or without crossbeam support covers. The company is seeking capital investments for expansion, equipment, and employees. For information, call **Rich Strozewski** at (440)-871-2226 or [iplus@nccw.net](mailto:iplus@nccw.net).

**Ohio Airships** of Mantua, OH, brings breakthrough aircraft technology to the marketplace with its Dynalifters. This aircraft has a fuel-efficient, helium-lift body with a low-complexity, fixed-wing ground handling system. Dynalifter® Patrollers are to be used for security purposes as well as passenger and cargo transport. The structure is U.S. patented and has already been presented at the Pentagon. The company is seeking incremental financing based on achieved milestones. For information, call **Robert Rist** at (866)-568-0652 or on the web at [www.dynalifter.com](http://www.dynalifter.com).

## OCTOBER 13 MEETING:

**The Deutsch Group** of Willoughby, OH, is an import/export firm with close ties to Latin America. The company handles trade negotiations between Latin America (principally South America) and North America. Its current project, "Project Amethyst," brings to the United States the least expensive way to import amethysts. The Deutsch Group has offices in Brazil and direct access to the mines. The Deutsch Group is seeking investment funds for inventory, developing warehousing and office structure, and setting up delivery systems. The company can sell the merchandise for five times the cost and still be 25% below what other companies sell for, and believes that these are great products with incredible margins and growth potential. The Deutsch Group has a proven sales and management team. For information, contact **Andrew Deutsch** at (440) 946-5350 or via email at [Andrew@deutschgroup.com.br](mailto:Andrew@deutschgroup.com.br).

## NOVEMBER 10 MEETING:

**Best Chefs, Inc.**, of Oxford, OH, provides signature salad dressings to major retail stores and to local chefs and restaurants. The company also hopes to enter the chain store and specialty shop market. The product is unique and can be marketed on television and radio as well. Best Chefs' new president has 22 years of experience as a corporate chef in Cleveland with Orlando Baking Company. He projects sales to be six or seven times as much as current revenue after five years. The company is seeking working capital to grow the new market and is also seeking a new partner. For further information, contact **James Cox, President**, at (513) 523-0794 or (216) 544-4852.

### Fund Objectives and Investments (Continued from page 2)

Ireland advises that an investor group include: financial experts, corporations, foundations, individuals, and the state of Ohio itself. In addition, a management team should not have anyone on it with less than 17 years of experience. For example, his team has over 90 years of investment and operating experience. Their investment focus is in life sciences: technology and advanced manufacturing, and their advisory group includes Athersys, PolyOne, and Keithley.

When considering whether to invest in a business or not, managers should consider the following criteria: a strong management team and board; financial capability; \$50 million revenue potential; proprietary technology and/or market position; ability to finance ongoing business operations; definable exit opportunity within three to seven years; and institutional sponsorship and collaboration.

Ireland states that he looked at 350 transactions through September of this year, including life sciences (46.8%); technology (44.3%); materials (5.2%); and other (3.7%). "I have made 10 investments to date," he says, adding, "They are all located in Ohio, all are within our targeted industry clusters, all have scalable business models, and the ESP cap leveraged over three to one with other cap sources."

Ireland wants his company to become the ESP firm of choice, to accelerate regional job growth, achieve institutionally complete returns, and to expand regional entrepreneurship and the rate of new company formation. Finally, he says that it is important to mobilize local and regional capital sources with broad institutional linkages, an excellent reputation, and a good track record.

## Making Your Business Sparkle And Shine Will Help It Sell Quicker Plus Will Improve Revenues!

There is no doubt that your business will sell primarily on the financial information you provide to prospective buyers. That being said, however, it is important to remember the importance of physical appearance.

Just as when you sell a car or a home, getting your business ready to sell involves fixing up and cleaning up. With a business, the idea is not really to sell based on appearance, rather it is to avoid having a negative appearance detract from the fundamentals of the business.

If the only thing a prospective buyer can remember about your business is the dirty windows, the messy desks or the broken fax machine stuck in the corner, he or she is less likely to have a clear view of what a great business it is otherwise.

Make sure your business looks its best. Not only will you get a better price, but your business will also sell quicker!

Article by Brian Ellis  
Salt Lake City, Utah

<http://www.1st-business-for-sale.com>  
<http://www.businessnation.com>

## CALENDAR OF EVENTS



### Speakers for Upcoming Meetings:

- February 9** Robert Coughlin  
*Paycor, Inc.*
- March 8** John S. Taylor  
*National Venture  
Capital Association*
- April 12** Christopher Coburn  
*Cleveland Clinic  
Foundation*

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