Greetings,

Explaining “technology” can be a challenge. We just know it benefits us by making day-to-day living and working easier, more convenient or more comfortable. Technology companies choose locations for a variety of reasons. Harford County’s proximity to APG, strong technology-based workforce and opportunities to thrive through education and funding make us a prime candidate for technology companies. This month, we’ll take an in-depth look at the technology recommendations from the University Research Park Feasibility Study and Business Plan Development.

Our main article shows how we can build on the existing foundation to create a successful technology environment. Fast Facts provides technology job growth statistics, and Business Spotlight highlights a young technology company that has found success in Harford County and is continuing to thrive.

The “Connect Harford” branding conference was a huge success, drawing over 400 business owners and influencers together to learn and to discuss a vision and direction for business, education and government in Harford County. A summary of results will be available soon. For more information on EDAB and programs that foster positive economic growth in the County, visit www.harfordbusiness.org.

Sincerely,

Eric McLauchlin
Chairman
EDAB

Homegrown in Harford - A Technology Base for the Future

Technology is perhaps one of the most overused terms in today’s society. Everything is “technology-based” or “technologically advanced.” One of the best explanations of technology comes from a definition for young people and refers to its interaction with life, society and the environment. An article at www.getaheadkids.com.au notes that technology must exist “to contribute to the way we function in our day-to-day existence,” and it “pushes us to redefine and r-examine how we currently interact with our environment.”

In fact, that’s what the technology base of businesses in Harford County must strive to do. It must contribute to the improvement of our daily lives and our community. The recent University Research Park Study spent a great deal of time on technology recommendations for the County. It identified areas requiring more strength that will help the APG region grow: emerging, innovative companies that are exciting and promising to venture capitalists. The study noted that there have been only four venture capital-backed companies since 2003 and four SBIR funded companies across all federal agencies from 2008-2012.

Despite these disheartening statistics, there is a strong base of inventors living in the APG region who have technology innovations and are not assigned to companies, universities or the Army. We need to cultivate them. In addition, the region needs to be ready to take advantage of the potential growth in technology industry jobs and claim its share. The U.S. Bureau of Labor Statistics projects that the employment growth...
rates of technology industry jobs will outpace the 14 percent employment growth rates for all occupations across all industries in the next seven years. Within the technology industry, systems and applications software development jobs are expected to grow the fastest. Other occupations within the industry are projected to grow at a rate similar to the industry as a whole—at about a 47 percent average growth rate.

The URP study found that Harford County has a solid foundation for a technology commercialization program for entrepreneurial inventors. It recommended a focused effort on these new entrepreneurs as they seek to turn their inventions and high-tech service concepts into viable commercial enterprises. That effort would include an active outreach marketing campaign to companies doing business with technology companies, incentives to technology companies who may form or relocate to the region, a public-private partnership between the budding and established organizations within the technology community, and a network of advisors and financial opportunities for these young technology companies.

The active outreach marketing can take advantage of APG's presence. By incentivizing entrepreneurs and established companies, plus leveraging state technology investment programs, we can grow the potential successes already waiting in the County. An organized network of advisors with technology, market and business expertise can provide advice and mentoring to help these entrepreneurs form their business.

A best-practice example is the Boulder County Innovation Center in Boulder, CO, which assesses and mentors local early stage companies. The program connects the companies with investors and management teams. Since 2005, the Innovation Center worked with over 80 inventions, resulting in eight new start-up companies, $75 million in new capital and the creation of over 400 jobs.

Closer to home, the Harford Business Innovation Center (HBIC) is an excellent starting point. We now need to take it to the next level by recruiting these homegrown inventors and offering ways to get the much-needed capital that will jump-start their businesses. Entrepreneurs now have access to a specialist at the HBIC, who will assist them in fostering relationships with APG and serve as a resource on business development issues in the technology field.

The URP study also recommended market assessments by qualified consultants who can help visualize and create commercialization paths. These assessments would include a systematic review by consultants or a market research firm, resulting in recommendations for technology commercialization services. Our proximity to APG is a great advantage and an opportunity for collaboration with prototyping and testing facilities. APG can serve as a catalyst to help these fledgling companies prove their products and apply for federal and state technology funding.

For example, the Maryland Department of Business and Economic Development's Enterprise Investment Fund makes direct equity investments ranging from $150,000 to $500,000 in emerging technology companies. For technologies associated with APG organizations, TEDCO's Technology Commercialization Fund (TCF) provides up to $100,000 to support projects for Maryland-based emerging technology companies. The federal SBIR program and support from angel investors and serial entrepreneurs are also significant sources of funding.

Another consideration is a competitive APG Region technology commercialization fund that would address technology validation and proof-of-concept funding. A program at the Small Business Innovation Office of Connecticut Innovations called Go/NoGo® offers funding for an early-stage tool that essentially "weeds out" those ideas that won't make it because of significant barriers to commercialization. The program evaluates competitiveness, intellectual property and marketability in less than a month's time. It is both timely and helpful in identifying ventures that will or will not work before too much time or money is invested.

As the County becomes the home for progressive, responsive, cutting edge businesses, we must have a plan in place that will couple entrepreneurs with investors, businesses with technology and technology with our day-to-day lives. Technology influences the way we interact with our environment. No doubt it will influence the way the County grows.


Business Spotlight: SAFENET

Established in 1983 as Industrial Resource Engineering (IRE) by two security engineers, SafeNet is an example of entrepreneurial success in Harford County. The company provides data protection for some of the largest corporations and organizations in the world. SafeNet President and CEO Dave Hansen says, "Harford County has a lot to offer any company, whether it's an entrepreneur starting a new business or an established company looking for a better place to grow."

From ideas in a basement 30 years ago to the world headquarters in Belcamp, MD, today, SafeNet has grown into the largest company exclusively focused on high-value data and information protection. Hansen notes, "As a company, it's important that we are located where it's a great place for our employees to work, play and raise a family. Harford County provides the right mix of all of these."

SafeNet grew by leveraging investor funding and customer wins. The company provided a diversified product line and expanded into the security information field through a series of acquisitions and mergers. In 2004, SafeNet became the world's seventh largest information security company and tripled its revenue after merging with Rainbow Technologies. Further acquisitions resulted in SafeNet's acquisition by Vector Capital in 2007. In 2008, SafeNet acquired Ingrian Technologies, whose products...
complemented SafeNet's security solutions, making SafeNet the first vendor to offer a comprehensive Enterprise Data Protection Solution Suite. Continued strategic alliances have catapulted SafeNet to the fifth largest vendor in the security market and the world's third largest provider of information security solutions. According to its website, the company secures 80 percent of all electronic banking transfers, protects government and Fortune 100 public key infrastructures and protects intellectual property with efficient software license management solutions.

SafeNet's more than 1,500 employees serve 25,000 customers in 100 countries through 37 offices worldwide. Find more details at www.safenet-inc.com.

**Fast Facts**

- According to the Maryland Department of Labor, Licensing and Regulation (DLLR), the state's top industry employment sectors last year during the second quarter (the latest available data) were Trade, Transportation and Utilities at 17.5 percent of the workforce, professional and business services at 16.2 percent and Educational and Health Services at 16.2 percent.
- The Baltimore region, which includes Harford County along with four other counties, shows this area keeping pace with the state, with Education and Health Services at 18.6 percent of the workforce, Trade, Transportation and Utilities at 17.8 percent, professional and business services at 15.2 percent.
- The DLLR showed the top state growth industries to be restaurants, general medical and surgical hospital workers, employment services, national security and international affairs, computer systems and design, colleges and universities and physicians and home health care services -- in that order. Locally the trend was toward restaurants, but the next highest was management and technology consulting services.
- In the last two years, nearly 400 SBIR awards were awarded by APG organizations, but none went to the Harford County APG Region. Over 200 of these SBIR-awarded companies are emerging technology companies, and their employment level reaches over 9,500 jobs. The challenge is to attract some of these businesses to infuse jobs and growth into our area.
- The URP Study on technology opportunities for Harford County referred to Oklahoma's Innovation to Enterprise i2e program that focuses on the technology commercial market gap, or "valley of death" - that chasm where the invention gets lost between idea stage and commercialization stage. The i2E program provides mentoring and assistance through stage gate methodology, funding for milestones, angel financing and a certified service provider program.

**David R. Craig, Harford County Executive**

The Harford County Economic Development Advisory Board consists of a number of subcommittees - including technology, workforce development, finance, tourism, and land use - dedicated to the positive growth and Economic Development of Harford County.