Greetings from the EDAB Chairman

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Greetings!

September 19-23 marks Business Appreciation Week in Harford County. The Office of Economic Development will recognize the efforts of area businesses to support the economic well being of the County and communities in which they operate. Thanks to companies large and small, we are building an ecosystem for success.

This month’s issue of EDAB e-news takes a look at entrepreneurship and what it means to provide a "robust ecosystem" for new and existing businesses. And, in our Business Spotlight, you’ll learn about an innovative entrepreneur who is reusing both manpower and materials in a very unique way.

For more information on how you can become involved in EDAB activities, visit www.harfordbusiness.org.

Sincerely,

Eric McLauchlin
Chairman, EDAB

Veteran Compost

Veteran Compost is an up-and-coming company that is not only contributing to the local business “ecosystem”, but also to the environmental ecosystem. Started by entrepreneur Justen Garrity, Veteran Compost is one of the only private composters in the Mid-Atlantic region. The company strives to recycle the huge amounts of raw material sent to landfills that could otherwise be turned into valuable organic compost.

Located on a 30-acre farm in Aberdeen, MD, Veteran Compost offers a variety of composting products and services for residential and commercial use. Some of its services include food waste collection, organic waste drop off, manure hauling and waste auditing.

Owner Justen Garrity founded the company not only to turn organic waste into high-quality compost, but also to address the high unemployment rate of veterans and their family members. The company’s website describes it best: “Our goal is to fuel our growth with people and material that others pass over…These are young men and women who can operate under stress, take initiative, and are natural leaders. Yet, they are ignored in our economy. We’re building our company around these people as others turn them away.”

Garrity graduated in 2004 from Worcester Polytechnic Institute with a BS in Management Information Systems. He spent five years on active duty in the US Army, earning numerous awards and badges. Upon returning home from a 15-month deployment in Iraq, he created Veteran Compost in 2010. He was recently recognized among the MD Daily Record’s “Top 20 in their 20s”.
Creating a "Robust Ecosystem" For Entrepreneurship
Eric McLauchlin

What makes a successful entrepreneur? Is it determination? A great idea? A solid financial backing?

The answer includes all of these and more. However, even with the right elements, the entrepreneur will not thrive in Harford County without a "business-friendly" environment, or a "robust ecosystem" for entrepreneurship. What does that mean exactly?

As part of the Economic Development Advisory Board's (EDAB) Visioning Plan and its advocacy efforts for positive economic development in the County, a study was recently commissioned on angel investment activity and its potential in Harford County. "Angels" are high net worth individuals or accredited investors who typically invest in and support start-up companies in the early stages. Their investments usually range between $25,000 and $100,000, and they often act in groups. Such activity in Harford County would drive entrepreneurship and further the development of early stage companies.

The study, conducted by North Star Innovation Partners, analyzed the County’s entrepreneurial ecosystem as a setting for a successful angel investment organization. Three areas were investigated: potential angels, the pool of businesses and entrepreneurs and the supporting infrastructure. The study found that building a more "robust ecosystem" to drive the development of new, growth-oriented companies was the key to Harford County’s transformation to an innovative business community.

Parts of the ecosystem are already in place or developing. Strong loan funding is available both in Harford County and the state of Maryland. Programs such as the Economic Development Opportunity Fund (EDOF), Industrial Revenue Bonds for Manufacturers and 501(c)(3) Organizations, the Enterprise Loan Fund, and the Community Block Development Grant for Economic Development have already helped numerous businesses, and program enhancements will only strengthen them. State attractions include the Maryland Economic Development Assistance Authority Fund (MEDAF), and InvestMaryland, which is intended to fuel venture capital investment in Maryland’s economy.

Maryland was recently ranked number 31 in the nation for entrepreneurial activity by the State Entrepreneurship Index, up from number 41 in 2010. In Harford County, the Harford Small Business Development Center (SBDC) counseled more than 200 clients and provided SmartStart training for 800 clients in 2010. SBDC counselors estimate they see two companies each month with the potential to be angel investment grade companies.

Harford County’s strong workforce education and recruitment is also significant for the entrepreneurial ecosystem. Employers can find qualified, skilled workers through the Susquehanna Workforce Network. They are all supported by strong efforts from the Economic Development Advisory Board (EDAB) and the Harford County Chamber of Commerce.

Along with these building blocks, the establishment of new angel investment activities in the County would further spur the entrepreneurial ecosystem. The angel investment study found that there is a concentration of high net worth individuals in the region who may be interested in new types of investments. The number of Harford County's successful family-owned businesses, experienced franchisees and serial entrepreneurs indicated there is potential for successful local angel investment activity. With the transformation of APG through BRAC, there are numerous start-up companies who will be providing technology to APG. The entrepreneurial pool in the region is significant.

This month, the Office of Economic Development celebrates Business Appreciation Week. It pays tribute to the businesses that have put down roots in the County and have not only thrived themselves, but have given back to the community through jobs and outreach. Many of these businesses are entrepreneurs who have benefitted from the ecosystem and their success here has already made it more robust.

As Harford County works to develop its own entrepreneurial potential, the region’s more mature angel investment communities will be both a challenge and a resource. With the evolution of current programs to further meet the needs of up-and-coming businesses and our concentration on developing “robust ecosystem”, we can become a thriving proving ground for entrepreneurs.

ENTREPRENEURIAL FAST FACTS
- Small businesses are prevalent in the County, with over 4,000 businesses employing less than nine people and just over 1,000 businesses employing 10-49 people.
- Angel investors and venture capitalists both invest in business in exchange for an ownership stake in the company and some control in the company. They differ in their monetary investments - angel investors usually commit between $25,000 and $100,000, and venture capitalists tend to invest a minimum of $1 million.
- Venture capital funding increased by 19 percent in dollars and 12 percent in number of deals in 2010, according to the PricewaterhouseCoopers MoneyTree Report.
- In Harford County, nearly 100 investors are part of angel groups in the region.
- Maryland ranks 31 in the nation for entrepreneurial activity, according to the State Entrepreneurship Index. New York ranked first, followed by Washington, Massachusetts, New Jersey and Oregon.

Sources: Brief Economic Facts Harford County/MD Dept. of Business and Economic Development; Baltimore Business Journal; North Star Innovation Partners Angel Investment Fund Report; August 2011

EVENTS

The 2011 Maryland Entrepreneur Expo: Harnessing the Power of Innovation in Maryland will take place Monday, November 14, at the BWI Airport Marriott, as part of Global Entrepreneur Week. Attendees will include seasoned and aspiring entrepreneurs plus representatives with vested interests in entrepreneurship in Maryland, such as investors, legislators, economic development organizations and research universities. Visit www.innovatemd.com for more details.

HomeGoods Career Fair
September 12th - 17th
9 a.m. - 7 p.m.
Ramada Inn
1700 Van Bibber Road
Edgewood, MD 21040