

HERMITAGE

Business incubation guru advises eCenter officials

Sharon-Herald - Friday, September 16, 2011

by Joe Pinchot, *Herald Staff Writer*

Russell V. Combs pointed to the success he's had at the Erie Technology Incubator in two years: attracting 23 companies, creating 53 jobs, and generating a four-to-one ratio of dollars created from an initial government investment of \$5 million. If this all is true, one question generally comes to mind, he said: Why aren't there more business incubators?

"It's tough work," said Combs, executive director with ETI, which is affiliated with Gannon University. Combs has 28 years in the business incubator industry and has seen the ups and downs. He outlined the basics for successful business incubation management Thursday for the Hermitage Community and Economic Development Commission. Combs said incubators can't admit every business that comes along. ETI's detailed intake process can take months to complete as Combs and others try to make sure entrepreneurs understand what they will need to do to start and grow their businesses.

"If they come to me and say, 'Here's my rent for the first year, can I come in?' I will not take it," Combs said. While turning away companies seems to defeat the bottom-line concerns of an incubator, Combs said it does not have to work out that way. Companies that are not accepted are referred to agencies that can help them strengthen their deficiencies, and many of those companies reapply to ETI later.

A business incubator needs a board of directors made up members who are willing to work hard for the organization, an advisory board to inject new ideas into the process, and an attitude that the tenant businesses come first. "I will go anywhere to get the resources for my clients," he said. And, those clients must graduate, he said. Barring unforeseen circumstances, the businesses must know that they will be leaving and to make the most of their time in the incubator, Combs said, who suggested five years as good time limit.

"Business incubation is not bricks and mortar," Combs said. "It's a methodology." The mentoring program that separates business incubators from landlords teaches business executives how to run a business and what it takes to be successful, he said. The ETI mentoring team for each business is stocked with people who can address that business's deficiencies "This is kind of the heart of our success," he said.

And while business incubators may be small in number – about 1,200 nationally – their numbers are growing and their graduate business success rate – 87 percent as opposed to 30 percent for new businesses launched without incubation – is notable. "I think this is the best kept secret about how to pull our country out of the mess it's in," Combs said. "Small business has been the backbone of our country for a long time."

Comb's appearance coincides with the city building a technology incubator in what is now being called the eCenter in LindenPointe. City officials are planning an Oct. 19 dedication.

City officials and HCEDC members have visited the Erie incubator and remain in contact with Combs for guidance. “We’ve learned a lot from Russ and incubators,” said Assistant City manager Gary M. Gulla. “He’s been a great guy to fall back on.” “We continually bounced ideas off Russ,” said Yvonne J. English, executive director of the eCenter. “He’s been invaluable.”

Combs, who has created or restructured 11 incubators, complimented officials on the under-construction eCenter, which will have five to seven incubator suites and a testing laboratory for use by incubator tenants and outside firms.

“What you folks are building is just phenomenal,” he said. “The things you’re putting in there, I can’t applaud you enough.” Combs also pledged to continue answering questions from eCenter and city officials. “In today’s climate, if you’re not thinking outside your little area – you’re not thinking regional – you’re in trouble,” he said.