

# Ohio 2010 Venture Capital Outlook: Need for Capital to Grow in 2010 and Beyond

## Ohio Third Frontier funding supports superior state business development and entrepreneur investment



COLUMBUS, Ohio, Jan. 26 /PRNewswire/ -- Early stage capital investments worldwide were hit hard by the financial crisis of 2009, but according to the [Ohio Third Frontier](#), an unprecedented and bipartisan commitment to create new technology-based products, companies, industries and jobs, Ohio is bucking the international trend – increasing seed and early stage investments by 67 percent in 2008 while the nation declined 20 percent on average. Ohio's current venture capital environment has experts and industry analysts optimistic that the state's record of success will continue to grow throughout 2010 and beyond.

"In Ohio, there is a proven need for new capital, and that need will only increase in 2010," said Dr. Michael Camp, academic director for the Center for Entrepreneurship at Ohio State University's Fisher College of Business, and author of "2008 Ohio Venture Capital Report – Steady Focus in Uncertain Times." "Overall investment nationally may decline for the next several years, but both public and private efforts in Ohio must continue to focus sharply on making the state's portfolio companies highly attractive to follow-on capital if these positive results are to continue. Capital is the lifeblood of any business, and is a critical factor that often determines whether a great idea ever becomes reality."

Camp credits state programs like Ohio Third Frontier, the Technology Investment Tax Credit, entrepreneurial pre-seed funds and organizations like the Ohio Venture Capital Authority for supporting all phases of company development.

One example is Chagrin Falls-based CerviLenz, which has developed a disposable tool to help doctors and other medical caregivers easily, quickly and accurately assess the risk for preterm birth. In 2008, CerviLenz received \$350,000 from Ohio Third Frontier partner JumpStart, Inc., \$200,000 in seed financing from the North Coast Angel Fund, and as a result, raised \$4 million in the company's initial round of venture funding from two Midwest venture capital firms: Chrysalis Ventures and Arboretum Ventures. CerviLenz now has an FDA approved product in the market.

"Ohio has done a remarkable job of leveraging voter approved bond proceeds and tax credits to attract investment capital into Ohio companies that, in the past, would more than likely have found its way to east and west coast opportunities," said John Griffin, director of the Ohio Department of Development's Technology and Innovation Division, which administers the Ohio Third Frontier and the state's technology investment programs. "Ohio Third Frontier is providing the funding support and development tools to bring new innovation into the marketplace while also creating new business and workforce development opportunities for the state of Ohio."

Since its inception, the Ohio Third Frontier has created, capitalized or attracted more than 500 companies and has created \$6.6 billion in economic impact in Ohio, a 9:1 return on investment. In addition to the Ohio Third Frontier, Ohio supports early stage technology companies through its Ohio Venture Capital Authority (OVCA) and Technology Investment Tax Credit programs.

For more information, visit [www.OhioThirdFrontier.com](http://www.OhioThirdFrontier.com).

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