

Panelists: S.C. needs more support for entrepreneurial companies



Didi Caldwell of Global Location Strategies, Joseph Lancia of Scio Diamond Technology Corp. and Tim Rose of REMA USA say S.C. welcomes new companies with incentives. (Photo/S. Kevin Greene)

by LIZ SEGRIST

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South Carolina lacks in entrepreneurialism support for young companies, but excels with incentives and welcoming companies to the state, according to panelists at GSA Business' Power Breakfast Oct. 27.

Didi Caldwell, Global Location Strategies principal; Joseph Lancia, CEO of Scio Diamond Technology Corp.; and REMA USA Managing Director Tim Rose discussed how they powered through the recession. They gave insight into what South Carolina does – or could do – for companies coming to the state.

"South Carolina and the Upstate do a very good job of determining our competitive edge and marketing it," Caldwell said. "We've benchmarked about how to survive this recession the next two to five years. But, what can we do in our communities to be a game changer in the next 20 years? I think skill sets will be very important in answering that."

South Carolina continues to recruit manufacturing and heavy industry companies, including advanced materials, chemicals, power generation and composites, while data centers and entrepreneurial start-ups need more support, she said.

"We don't do a good job of providing resources for young entrepreneurial companies with mentor programs, incubators and funding," Caldwell said. "We are way behind North Carolina and Georgia."

Many opportunities are available for companies looking to locate in South Carolina, including venture capital, bank financing, government programs, grants, training programs, PILOT incentives and low labor costs. Caldwell said it's essential to have both the technology and the abil-

ity to commercialize it to be a successful company.

Scio Diamond Technology Corp. will locate in the Next Innovation Center at the intersection of Church Street and University Ridge in Greenville. Scio has been searching for a site to manufacture cultured diamonds for both the consumer and industrial markets.

Scio originally began in 2002 as Apollo Diamond before Minnesota investment bankers acquired the business, IP, equipment and technology in 2010 when Apollo ran into financing issues.

"They developed the technology, but never commercialized it from the R&D mode," Lancia said, who led D&W Fine Pack of Fountain Inn as it became a \$320 million packaging company.

"They needed to move the business from the R&D mode to be commercially viable," Lancia said.

Rose launched the German company's North American headquarters in Greenville three years ago during the start of the recession. REMA manufactures cable terminals, connectors and other industrial market components. REMA developed a new product in the U.S. in plugs for charging stations and electric vehicles.

"We launched the company when the economy was falling apart and we've run with the pedal to the floor," Rose said, who plans to focus on cash management and hold back on sales into 2013. "The electric vehicle market is growing and there are lots of inquiries, but not a lot of orders yet."

Lancia said his time with D&W, a food industry packager in a highly competitive market, felt the full force of the recession. As the cost of raw materials and gas doubled, management learned to deal with changes in a business tied to a commodity.

"This is game changing technology that could change the world, like in the

medical field or water purification, so the recession almost doesn't matter," Lancia said of Scio.

Caldwell said many projects were shelved in 2008 and some companies have accrued unprecedented levels of money during this time.

"Companies are in a 'wait and see' attitude right now," Caldwell said. "They're not ready to commit, but they are thinking about being ready to commit. They

are cautious. I've learned to use the same assets." Caldwell said.

Caldwell said she is looking for clients. The Strategies is a Caterpillar

Scio Diamond brings Boston technology to Upstate

by LIZ SEGRIST

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Scio Diamond Technology Corp. announced Oct. 31 it established its corporate headquarters and manufacturing operations in the Next Innovation Center in Greenville.

Scio plans to bring 70 jobs over the next five years. The investment amount was undisclosed.

The Next Center at 411 University Ridge is an Upstate innovation hub that nurtures high-impact, high-tech, knowledge-based companies with the potential for significant growth. John Moore, executive vice president of the Greenville Chamber and leader of the Chamber's Next center, said the center's qualities make it the ideal location for Scio.

"I received calls back immediately on inquiries about locating here," Scio President and CEO Joseph Lancia said. "It felt like this is such a technology business that we wanted to be in a space with other technology companies to collaborate and talk to each other."

The Next Center is now nearly at capacity. Moore said the Chamber, city and county continue to collaborate to find more space to expand the center.

Scio Diamond employs a chemical deposition process to produce single-crystal diamonds that have the identical chemical, physical and optical properties as any diamond found in the earth.

Scio diamonds are now being offered in limited quantities as jewelry and in the technology arena, as well as in manufacturing and advanced materials. The diamonds could be used in lasers; in quantum communication and computing; in high-voltage power switching; with water treatment and

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are cautiously optimistic and they've learned to get more output out of the same assets."

Caldwell has specialized in the consulting business for more than 10 years by selecting sites for expansion, negotiating incentives and securing financing for clients. The client list at Global Location Strategies includes household names like Caterpillar, DuPont, Nissan, Honda,

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purification systems; and in a diamond laser scalpel for surgery.

Scio is in the process of upfitting a 9,300-square-foot section of the bottom level of the Next Center development, of which more than 6,000 square feet will be a secure manufacturing facility. This allows for 18 to 20 diamond growing reactors, supporting equipment and laser and polishing operations.

Lancia said the company considered Boston, North Carolina and sites all across the Upstate since January. The equipment and operations will be relocated from Boston to Greenville early in the first quarter of 2012. In the meantime, growing reactors will be tested and then recalibrated following shipping.

The facility plans to come fully online and into the growing and production process by the second quarter of 2012 and hiring is expected to begin in December.

The company expects to look for hires with engineering backgrounds. Lancia said it will be a mix of college graduates and seasoned workers.

"I'm not sure yet what a diamond grower looks like," Scio Chief Operating Officer Mike McMahon said, adding that many of the jobs, such as human resources, will be outsourced to local companies.

Officials said the collaboration between Greenville County Council, the city of Greenville, Greenville Area Development Corp., Duke Energy and the Greenville Chamber was paramount in bring Scio to Greenville.

Greenville County Council Chairman Butch Kirven said this should lessen concerns about job availability for recent graduates in the local market.

The state provided the company with job development credits, which will be available when hiring targets are met.

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coordination and assistance throughout the treatment process for patients' education and rehabilitation.

Annie Leonard, a St. Francis employee and breast cancer survivor, was diagnosed three years ago and underwent treatment at St. Francis.

"I received the diagnosis on Halloween and I thought 'Oh, this year I'm the unsuspecting face of cancer,'" Leonard said. "I can say with confidence that the caring and compassion with which I was embraced in every step of my journey was overwhelming and I am thankful."

Leo said the space was designed af-

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GM, Motorola, Michelin, among others, including First Quality Tissue, which is building a massive \$1 billion facility in Anderson County. That's the largest private investment in that county's history.

"We focus on identifying locations and costs associated with them, and then identify ways to offset those costs," Caldwell said. "Despite the budget crisis, South Carolina has not rolled back on its incentives offered to companies."

Both Rose and Lancia said partnerships with economic development agencies, such as the Greenville Area Development Corp. and the Greenville Chamber; with local companies, like Duke Energy; and with state and local government, made the difference in choosing the Upstate.

Rose looked at sites in Virginia, North Carolina and South Carolina for three months. The quick response from economic developers and the city's hospitality led Rose to locate REMA in Greenville.

"I was one employee and eventually would be 15 to 20 employees," Rose said. "It didn't matter that I was a small company. I got a call back."

Rose said getting connected as an outsider is the biggest challenge in the electrical vehicle market. He said REMA can be very competitive in a global market, but it needs to grow from a financial perspective first.

Lancia said as a start-up company, the raising capital process starts with people. Scio uses connections for investments rather than going to the traditional bank financing route. He expects to begin traditional financing methods sometime in 2013.

Rose and Lancia seek employees with specific skill sets. Lancia said his company will search for people with mechanical engineering backgrounds that can be trained to run the diamond growing machines. Lancia plans to work with local schools, specifically Clemson University.

"We need a balanced workforce. There are lower-end labor jobs and higher-end, specialized jobs," Lancia said. "We need both in this state." ☐