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Big Gains for High-Tech Incubator

By Shankar P. - 12/31/2007

CAMDEN

Where do you find 60 entrepreneurially driven firms turning out advanced solutions for military and commercial applications with contracts valued at more than \$100 million and counting?

The state's poorest city might seem an unlikely nurturing ground for high-tech defense and commercial technologies. Yet Camden is home to the country's only defense-centric

incubator, says Ed Celiano, general manager of the Applied Communication and Information Networking (ACIN) program in that city.

The incubator notched up impressive gains in 2007, says Celiano, a 30-year veteran of defense contracting who worked with ITT Defense Communications and other military suppliers before he took on his current role four years ago.

In 2008, Celiano expects to help the firms in his incubator ring up contracts worth another \$40 million to \$60 million. He is also in talks with about 15 firms to join the ACIN program, which is run by Drexel University in Philadelphia and currently houses its 60 companies in the New Jersey Economic Development Authority's Waterfront Technology Center.

Celiano and Lou Bucelli, ACIN's entrepreneur-in-residence, call this year's top story at the incubator the October agreement by global consulting firm Accenture to acquire Gestalt, whose 250 employees develop defense command and control systems at the Camden facility.

"We are actually getting the success we talked about six years ago" when the incubator started, says Bucelli, whose past business ventures include CMECourses.com., a search engine and e-commerce site that he co-founded. Bucelli uses his expertise to help startups in the incubator market their wares to potential customers and serves as a general resource for networking.

Other ACIN successes include Eight Eleven Inc., a marketing services firm that last year relocated to the incubator from the Philadelphia Naval Shipyard area. In July, the firm won a marketing and Web design contract for the Wharton School's Mack Center for Technological Innovation, a management research and consulting program.

In October, Drakontas, a 14-member firm at the center that designs communication tools for law enforcement, won a \$3.7 million "wireless law enforcement" contract from the Department of Justice. Drakontas CEO Brian Regli says his firm is the prime contractor for the assignment, while nearby L3 Communications is a subcontractor.

"Ed's knowledge of defense contracts and how to do business with the government has been a critical part of our success," Regli says of Celiano. "For example, we told the Department of Justice that if we can't solve a particular problem, there are some other folks at the center that can help us do the job."

Regli says he expects to triple this year's \$1.5 million of revenue in 2008.

Celiano says many startups need help threading their way through the labyrinth of military contracting. Young companies don't have the requisite staffing in sales, marketing and business development "who have lived that life in the Department of Defense and know the doors that need to be opened," he says.

A presence at ACIN may have helped Smarter Agent Inc., a technology firm whose software brings global positioning technology and real estate information to cell phones, attract what company CEO Brad Blumberg calls "a significant multimillion new round of funding" to be announced in January. The software, which now is marketed mainly to real estate agents, has potentially broad applications.

Blumberg says rescue teams for the Federal Emergency Management Agency could have benefited from the product after Hurricane Katrina. "If they had used our heavy-duty applications, they could have gotten a location of every property with information on where the fire hydrants were and what hazardous materials, if any, each building contained," Blumberg says.

Meanwhile, Bucelli and Celiano are wondering where to put new tenants in the 20,000 square feet that the incubator occupies in the Waterfront Technology Center.

Bucelli says that immediate space is available at the nearby Ferry Terminal building, and he would like to see the EDA build the second of four office buildings the agency initially planned for the area.

Celiano says military base realignments could attract more tenants to the incubator. He cites the relocation of defense electronics research from Fort Monmouth in Monmouth County to Aberdeen, Md., and the consolidation of Fort Dix, McGuire Air Force Base and the Lakehurst Naval Air Engineering Station into a so-called superbase.

"The largest joint-forces base in the country is being built in New Jersey," says Celiano. "I have been talking to companies that will move into the superbase." At the same time, he adds, "we are the perfect distance from [the] Fort Dix superbase and the Aberdeen facilities."

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