

PHOENIX Business Journal

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INFORMAL CONNECT: SUCCEEDS

SEPTEMBER 26, 2008

Medical office developers to merge Nov. 1

BY PHOENIX BUSINESS JOURNAL

Two medical office developers with long histories in the Valley are merging and starting work on eight projects totaling more than \$70 million.

Essential Real Estate Services LLC, specialists in hospital and DeWitt Co. LLC, focus on physician-owned medical offices.

When they have been involved in construction of nearly every hospital campus and numerous medical buildings in the Valley.

Effective Nov. 1, the merged company will be called Essential Real Estate of Arizona and employ 100 people. Its combined portfolio will include more than 3.4 million square feet in four states.

As the companies prepare for the merger, both have projects on the drawing board that will combine their resources and expertise. These projects include Phoenix Children's Hospital's Specialty Clinic and Urgent Care West Valley Center and a separate medical office building, totaling 12,000 square feet in Annapolis.

Banner Inverness Medical Office Building, a 100,000-square-foot medical office building on the campus of Banner Inverness Medical Center in Flagstaff.

Bailout may force cutbacks, job losses

Federal action aimed at keeping lenders afloat

BY PHOENIX BUSINESS JOURNAL

Arizona is a long way from Wall Street, but the U.S. government's proposed \$700 billion bank bailout could have a significant impact on local businesses. Value economists and financial analysts say it also could breathe life into the credit markets, which have been weakening daily.

"This credit crisis will affect many more businesses than can be covered," said Michael Medgenich, president of Cardmon's Mortgage and Investment Corp. in Phoenix.

If a bank is required to reduce the interest and number of loans it has, and if the bank will have no choice but to ask some of its best customers to accept lower credit limits, pay off loans or simply go to another institution," said Medgenich.

"That credit scenario would force businesses to shut out capital expenditures and, eventually, jobs because their financing streams will be dried or dewatered," he said.

Banks have been tightening their lending practices and cutting back on financing their entire business portfolios.

PHOTO: COURTESY OF AMER TADAYON

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ATS secures investment from Goldman Sachs

BY PHOENIX BUSINESS JOURNAL

American Traffic Solutions Inc. is getting an investment boost from Goldman Sachs Group Inc. to help it meet increasing demand for its red light and speed cameras.

Although neither company would disclose the amount of the investment, ATS President James Tuten said it was a "significant" amount that will see the former investment banker, now a bank building company, two weeks on the greater Scottsdale company's seven-member board.

The funds will help ATS keep pace with its rapid growth, which has been clocked at 60 percent over the past 18 months. The company has been funded by several investment firms, including



American Traffic Solutions Inc.'s executive Director, chief financial officer and Adam Tuten, chief investment from Goldman Sachs Inc.



2.0 minutes with...

Amer Tadayon | founder Render Films

Scottsdale-based Render Films is creating a niche in the emerging viral digital marketing arena.

What is the biggest challenge you've overcome in growing your business?

"Being able to sustain and grow in an undefined market. People are still figuring out how to monetize digital content, and I believe our creativity in packaging solutions for our clients is what's allowed us to build a business around it."

What advice do you have for entrepreneurs just starting out?

"Choose your business partners wisely. It is important to know you can count on each other."

Did you ever want to call it quits?

"You make a lot of sacrifices as an entrepreneur, and I think about that all the time. Then, I think about what I would be doing if I wasn't running this company, and it's enough to motivate me to stick with it."

Do you have an exit strategy?

"Ultimately, we want to grow our business to the point where it is attractive for acquisition."

What is a significant goal you achieved in the past 12 months?

"Being able to sell two seasons of one of our online shows to a major network."

What do you believe is the most significant issue facing small-business people today?

"So many startup businesses face the real challenge of never finding success, and that challenge is made even more difficult with the current economic climate."

On a daily basis, what are one or two key performance measurements that you keep an eye on?

"We keep an eye on our sales pipeline, receivables and project delivery schedules."

What's the best piece of business advice you ever received?

"Don't waste your energy on what's happened. Focus on fixing it."



Tadayon

UNLEASHING THE ENTREPRENEUR INSIDE YOU

Trade talk US taxes among highest

New international tax studies by KPMG and the Tax Foundation show the U.S. has the world's fourth-highest corporate income tax rate, but it does not have the value-added taxes favored by many European, Latin American and Asian countries.

A new study by KPMG pegs the U.S. corporate income tax rate at 40 percent (the 35 percent federal rate plus the average state income tax rate). That is lower than only the United Arab Emirates, Kuwait and Japan, according to the Tax Foundation.

But those countries also have value-added taxes — business assessments much like local sales taxes. The U.S. does not have VATs.

September 26, 2008

TAX RATES

Corporate income tax rates (federal and state combined)

U.S.	40%
Mexico	28%
China	25%
Russia	24%
Singapore	18%
World avg.	26%

Source: KPMG

Startup Retiree cleans up with two ventures

Jim Howe is doing his best to keep the city clean, but he's not out writing citations.

Howe is co-founder of ABC Steam Cleaning, a Glendale-based business that specializes in cleaning warehouses, office and residential complexes, and home exteriors using commercial-grade, high-pressure steam machines to rid areas of grease, dirt and muck.

Howe and his business partner, Seth Wright, are self-financing the business, which also includes Howe's son, James Robert.

"For now, we are taking the business as it comes," he said. Howe, 66, is a businessman at heart. In the 1980s, he invented the Shave 'n Cream, a disposable travel razor that includes shaving cream in its stem, and founded JAD Manufacturing Corp. to make and market it.

Now retired from his day job as a crew chief in commercial air freight, Howe is ready to take both ventures to the next level. "I am really going to try and make these two businesses succeed," he said.

For more, visit www.abctesteamcleaning.com.



PROVIDED BY ABC STEAM CLEANING CO. Jim Howe

Capital concerns Valley authors publish venture capital book in Russian

A venture capital book penned by two Fountain Hills authors was published last month in Russian.

Brian Hill and Dee Power's "Attracting Capital from Angels," released by Moscow-based Eksmo Publishers, includes interviews with Russian angel investors, venture capital experts and entrepreneurs.

Experts feature Alexander Kashirin, president of the National Union of Business Angels in Russia and co-author of two books on venture and business angel investing; and David Tsiteladze, entrepreneur, angel investor and editor of the Russian edition of *The Angel Investor* magazine.

Although liquidity issues continue to plague Russia's financial system, private investment funding and capital are available for the right deals, particularly early-stage growth companies.

"It's a good time to be looking at investors," Power said.

Hill and Power's Fountain Hills firm, Profit Dynamics, specializes in business plans and strategies for finding capital. "Attracting Capital" is the third book written by the duo that has been published internationally.



Close-up Fumbling around in the dark sparks idea for NanoLite

BY LINDA OBELE | Contributing Writer

Madeline Canfield never intended to become an inventor. But the special-education teacher and mother of three always knew she could do it.

"As a teacher and a mom, I've always been a creative problem solver," she said. "It turns out, teaching and being a mom was a good training ground for entrepreneurship."

Canfield is the inventor of the NanoLite, billed as the world's smallest adhesive light. The tiny red light-emitting diode can be affixed to keys, tools or other surfaces to make them more user-friendly in the dark. She came up with the idea after fumbling one too many times to find a keyhole at her own house and her car keys at night.

"Adversity fueled my ingenuity," Canfield said.

That was about eight years ago. After creating the concept, she hooked up with an electrical engineer, who helped develop the product design. She also formed a company called January Innovations, from which to launch future inventions, and secured a patent for the NanoLite.

Starting this month, the NanoLite will be sold at national retailers and online through Amazon.com.

Canfield said she's learned a great deal about taking a product from inception through production to distribution. Now, she wants to help others do the same.

"People shouldn't have to reinvent the wheel," said Canfield, who's working on several new inventions to solve everyday problems. "I've learned through all of this that you can never know enough — and when you think you do, you're probably wrong."

For more, visit www.januaryinnovations.com.



Canfield



Close-up

Fumbling around in the dark sparks idea for NanoLite

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