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Innovate Illinois contest spotlights novel startup businesses with job-creating potential

From foods to fuel efficiency, finalists in state contest try to expand startups

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Minding Your Business

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K.B. Prasad has found his own way to reduce the carbon footprint.

Prasad and business partner B. Singh Khanna have created an alternative-energy-powered retrofit for vehicles that reduces emissions, improves fuel efficiency and increases engine life. Their company, EcoMobil, is selling the EcoGen-Catalytic Fuel Enhancer to vehicle fleets operated by the government, private companies and utilities, Prasad said.

The company is one of 12 finalists competing Tuesday in the Innovate Illinois contest, administered by the state Department of Commerce and Economic Opportunity and the Chicagoland Entrepreneurial Center. Finalists represent different regions of the state.

The contest, to be held downtown at the University of Chicago's Gleacher Center, celebrates novel products, services and processes, and considers the entrant's potential for job creation.

"It's critical in a down market that we work hard to identify companies with positive stories to tell and focus our resources around the companies that are creating new jobs," said Kyle Welborn, special projects coordinator at the Chicagoland Entrepreneurial Center.

Tula Foods of Evanston, which in September closed its first round of funding from investors, would use prize winnings for further innovation, founder Daphne Mazarakis said. The firm developed and markets the Better Whey of Life brand of high-protein, nonfat yogurt. The company also is developing an ingredient to improve taste and nutrition, Mazarakis said.

J&J Solutions, an Iowa City, Iowa-based medical-device company with an office in Palatine, also is raising capital to develop technology, said co-founder Jared Garfield. The company aims

to improve the safety and efficiency of chemotherapy, Garfield said. So far, J&J Solutions has raised \$50,000 from business-plan competitions and \$175,000 in grants.

The contest's two top honorees each win a \$30,000 cash prize; second-place winners receive \$10,000.

But more important than the prize winnings is the exposure that companies receive, said Paul Sand, president of Salare Security in Chicago, which focuses on securing voice-over-Internet-protocol networks. If he wins the big prize, he will use it to fund sales calls, he said.

"Our working plan would be to convert the \$30,000 into \$300,000 in revenue and be able to hire another three people," Sand said.

Job creation is often a benefit of innovation, as startups are considered the engines of job growth, Welborn said. He note that during the past five years, 29 winning companies have created more than 500 jobs.

"Green" or environmentally friendly products and services were a common theme among the more than 130 firms that applied to the competition, Welborn said.

The need for EcoMobil's technology became more pronounced as fuel costs rose, Prasad said. "The reason this technology didn't come about in earlier years is the cost wasn't justified."

Prasad has cut expenses so that the unit cost is about 1.5 to 2 percent of total vehicle costs. Units generally pay for themselves in energy savings within 18 months, he said.

"We think we can make an impact in the green economy," said Prasad, who with his partner invested \$300,000 to launch. They are looking for up to \$15 million to expand. EcoMobil, which has operations in Chicago, India and Israel, hopes to add 20 to 40 jobs in its first two years of commercial operation.

Competing in the Early Stage category with EcoMobil was pastry-maker Mama Cucas Cosina in Sterling.

Now, the company has started making and packaging pastries for resale. Traditionally, they have been sold only fresh at bakeries, said President Alfredo Cervantes. The firm employs two people but will add five workers once the manufacturing line is in full swing, he said.

While he is confident his pastries will sell, Cervantes said he was surprised to make it to the finals.

"Everyone had wonderful ideas -- computer chips, cars that run on biofuels," he said. "I can't believe they picked my cookies."

Innovate Illinois finalists

--Balanced IT Solutions, South Beloit

--Brianza Bella, Carlinville

--Cbana Labs, Champaign

--EcoMobil, Chicago

--Intellihot Green Technologies, Peoria

--J&J Solutions, Palatine

--Mama Cucas Cosina, Sterling

--Salare Security, Chicago

--SFM Technology, Urbana

--Stone Medical Corp., Moline

--Tula Foods, Evanston

--Universal Die Cast, Machesney Park

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