

Nurturing new business



By **ANTHONY CLARK**

Sun business editor

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Since 2004, a suite of new businesses has quietly spread the length of the Sun Center's second floor Downtown Technology Center in Gainesville.

An affiliation of six startups on site and three more in other locations are hard at work preparing new medical devices or computer technologies for market.

Each has designs on becoming the next Regeneration Technologies Inc., the orthopedic implant company with a large facility and hundreds of employees in Alachua.

Before they get to that stage, Stephanie Warrington is there to help them along.

Warrington is president of Synogen, a private business incubator that provides investment funds, access to 20-30 expert consultants and connections with other investors. Last year, its partner companies raised \$6 million in investments.

Like RTI, most of the startups are building upon technology from University of Florida research projects and licensed through UF. Synogen was started by RTI's co-founders, Jamie Grooms and Richard Allen. Top management in each startup was either part of RTI's beginnings or came from connections made in the process.

"When you get one successful company, you don't just get one successful leader, you get 10. And they go back and do it again," Warrington said.

Synogen companies include Viewray Inc., maker of a radiation therapy imaging device, AxoGen Nerve Regeneration, GeneEx with its dental diagnostic and Chaologix, maker of a computer microchip.

Warrington helps start the startups — preparing business plans, building the management team, bringing in consultants, tracking intellectual property, choosing logos and building Web sites. Once management is in place to take over, she usually moves on to the next newcomer.

She is more deeply involved in one promising prospect. Xhale Diagnostics is growing and preparing to move into lab space at UF's Sid Martin Biotechnology Development Incubator in Alachua.

By 2009, she said Xhale will have its breath-based diagnostic device and drug solution on the market.

The solution is added to existing medication and the device detects levels of that medication in exhaled breath. Xhale is targeting for the \$13 billion drug trial market and the pharmaceutical industry in the many billions of dollars.

Xhale is also developing a breath glucose monitor to replace the blood tests, an \$8 billion to \$10 billion market.

Warrington said Synogen will invest in two or three more startups for every one to pay off.

"Even if two or three of them hit, it'll have a major economic impact on our local area," she said. "Each time we're attracting better talent, attracting the eye of investors across the nation and retaining that talent in Gainesville."

A company that hits could offer public stock, as RTI did, or could be purchased by a larger corporation, Warrington said. It would create high-paying jobs.

"You would also see a lot of local-wealth creation because most of the investors in our companies are Florida-based. Many, many of them are locally based," she said. "So you create local wealth and more local investors, and you create serial investors."

Warrington earned a masters of business administration and masters of health-care administration from UF in 1994.

She worked in managed care and married Al Warrington V, whose father is the namesake for the Warrington College of Business Administration at UF.

After her husband was transferred to England, she did consulting with the National Institute of Health from London.

They moved to her parents' farm near Alachua 10 years ago to raise a family. After five generations of Al Warringtons, "My son's name is Luke," she said with a laugh.

She took a job at UF as program manager of a bioengineering grant, which led to a job in economic development with the technology licensing office, connecting entrepreneurs with technology. That led to a job with a precursor to Xhale before hiring on at Synogen, at the time just two offices in the Downtown Technology Center.

Warrington said Synogen has a perfect location both downtown and being in Gainesville. A creative, artistic downtown is key to economic development, she said.

"Venture capitalists, potential development partners from some of the biggest companies in the world come to visit us here and we can take them out to nice restaurants, and they usually really enjoy coming to downtown Gainesville."

She said her work in economic development showed her that Gainesville has the formula to create jobs — \$500 million in annual research funding at UF, many licenses, an educated work force, good cost of living, nice lifestyle.

"That's what we're finding here with these startup companies: Gainesville has everything we need."

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