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Greenville News editorial: Deal's a blueprint for tech economy

South Carolina and the Upstate have successfully helped nurture a start-up technology firm that will grow exponentially following its acquisition by a British company. The process provides a template that should be repeated again and again to help South Carolina build a knowledge economy.

An array of organizations that were created to help start-up high-technology firms flourish in South Carolina announced last week that one of those firms, Selah Technologies, will merge with Lab21 Inc., a British medical technology company. The deal will make Selah Technologies the U.S. headquarters for Lab21, and will grow Selah's work force from eight employees to 65 over five years.

The news is a beacon in this sour economy that has left 12.3 percent of South Carolinians unemployed, more if you count those who are underemployed or who have simply given up looking for work. Rather than a huge job creator, this acquisition is a sign that the knowledge economy not only can work in South Carolina, but also that efforts to create it are active even as the economic recovery sputters. That bodes very well for the future.

Selah is a success story for South Carolina's venture capital and knowledge economy efforts. The company was started in order to commercialize nanotechnology developed a little more than four years ago by a Clemson University professor. The company decided to focus on using the technology to help diagnose cancer.

Selah was then nurtured with support or financial help from SC Launch, the Upstate Carolina Angel Network, the Greenville Chamber's NEXT organization, the University of South Carolina and the S.C. Venture Capital Investment Authority. The assistance gave Selah the stability it needed to reach the point where it was an attractive acquisition for Lab21.

The 65 jobs will be high-paying positions. Lab21 plans to hire executives, scientists, engineers and lab technicians to work in its 8,000-square foot facility in the NEXT Innovation Center in downtown Greenville.

This is a big deal because it exemplifies how venture capital is supposed to work. Bill Mahoney, CEO of SCRA, explained that process succinctly in a news release about the acquisition: "The event sequence from Clemson discovery, then licensing to Selah, investments in Selah by SCRA's SC Launch Inc. affiliate and private investment partners, leading to premium acquisition by Lab21, and their ultimate

landing of U.S. operations in S.C., demonstrates exactly how the knowledge economy playbook works.”

This is precisely the sequence of events that South Carolina business and economic development leaders envisioned and promised when they began pouring efforts into venture capital and the knowledge economy.

Lab21 said in a news release that one key reason Greenville and Selah were chosen was the collaborative effort of groups like the city of Greenville, the Greenville Hospital System, Hughes Development, NEXT and the Upstate Carolina Angel Network.

Selah’s acquisition and the new Lab21 headquarters in Greenville is one significant victory in the process of fostering a knowledge economy in South Carolina. This state will benefit most when this process is repeated again and again.
