Creating High-Paying, Sustainable Pennsylvania Jobs

The Ben Franklin Technology Partners (BFTP) is a four-center, state-funded economic development initiative that began in 1983. The Ben Franklin program was created by the Commonwealth to play a leadership role in strengthening regional economies, building Pennsylvania’s technology-based economy, and creating high-paying, sustainable jobs.

BFTP’s mission is to promote, sustain, and invest in the development of Pennsylvania's economy through innovation and partnerships. Our strategy encompasses three key areas:

1. Developing and growing early-stage technology-oriented companies
2. Supporting established manufacturers as they creatively apply new technology to help them succeed globally by producing better, cheaper, and faster
3. Promoting an innovative community-wide infrastructure that supports Pennsylvania’s business technology ecosystem

BFTP serves all 67 counties in Pennsylvania through regionally based centers in the Lehigh Valley, Philadelphia, Pittsburgh, and University Park. The four headquarters allow each center to identify investment strategies, as well as develop and execute partnerships and programs that best serve the specific needs of their regional economies, under the umbrella mission of BFTP.

BFTP has earned international acclaim as the gold standard in technology-based economic development. It has received multiple awards and attracted visitors from other states and nations who seek to replicate the program’s success. BFTP has assumed a leadership role supporting other business incubation and centers of excellence in their efforts to build ecosystems that catalyze innovation. By every measure, BFTP is a resounding success.

But this success is fragile and depends on adequate budget resources. Since 2007-08, state funding for BFTP has dropped more than 50 percent, from roughly $28 million to $14 million per year. Because of diminished state funding, Ben Franklin has already been unable to invest in some deserving companies and has seriously short-funded others. Efforts to bring new customers and product innovations to small manufacturers has also been restricted.

In contrast, other states are adopting and funding tech-based programs in imitation of what works in Pennsylvania. The Commonwealth must invest to compete.

Funding the entrepreneurial ecosystem is a smart investment. Research by the Kauffman Foundation shows that young firms create the vast majority of new jobs. A recent independent economic analysis of the impact of the Ben Franklin Technology Partners found that BFTP client industries pay an average of $79,364, 52% higher than the average PA non-farm wage. Every dollar of Pennsylvania investment into the BFTP program generates $3.90 of additional incremental tax revenue to the state. Start-ups, particularly technology-based ones, are an essential component of a dynamic competitive economy.
Capital Investment

2018 Economic Impact

It takes capital investment to grow companies that create high-paying, sustainable jobs. BFTP provides critical seed and risk capital to start and grow innovative firms throughout the Commonwealth.

Thanks to a rigorous vetting process, a BFTP investment is respected as a key endorsement by other investors. This enables companies to attract the follow-on funding they need to move beyond start-up and bring their products to market.

BFTP also invests in established manufacturers, linking them with Pennsylvania’s world-class colleges and universities to help them remain globally competitive. Our disciplined approach supports Pennsylvania’s most promising tech-based companies while accelerating and enhancing the resilience of the state’s economy, boosting innovation, employment, and commercialization.

BFTP PROVIDES CRITICAL SEED CAPITAL TO EARLY-STAGE TECHNOLOGY FIRMS AND INVESTMENTS IN INNOVATION TO ESTABLISHED MANUFACTURERS.

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Knowledge

Early-stage technology firms and established manufacturers need support to complement their funding and in-house expertise. To help maximize each client’s potential for success and job creation, the BFTP team provides them with proven resources in product and process development, marketing, fundraising, accounting, operations, human resources, and more.

Each of our four regional partner offices couples its financial commitment with access to a wide range of mentoring and business and technology development services. Many alumni clients cite this support as key to their success and their ability to create high-paying, sustainable jobs.

BFTP’s experience, mentoring, and business and technical support are the “secret sauce” that magnify our financial investments, and are often what give client companies a crucial competitive edge.

Networks

Professional networks connect people, companies, government, and institutions of higher learning. And they’re essential for creating a state-wide growth mindset.

BFTP fosters innovation ecosystems that bring ideas and talent together to grow new businesses. These networks are often the beginning of regional clusters that spawn new job-creating companies, improving Pennsylvania’s capacity for innovation.

BEN FRANKLIN TECHNOLOGY PARTNERS 2018 IMPACT REPORT

5-Year Return on Investment

BFTP has played a central role in the Commonwealth’s transition to a globally competitive, knowledge-based economy. The success of BFTP’s portfolio clients ripples throughout the Pennsylvania economy, creating new jobs, new growth, new investments, and a higher Gross State Product.

BETWEEN 2012 AND 2016, BEN FRANKLIN TECHNOLOGY PARTNERS:

- $4.1 billion BOOSTED THE PA GSP BY $4.1 BILLION
- $386 million GENERATED 386 MILLION IN ADDITIONAL STATE TAX RECEIPTS
- 4,182 JOBS IN CLIENT FIRMS

FUELED 7,225 ADDITIONAL JOBS BEYOND CLIENT FIRMS
DElivered a 3.9 to 1 PAYSBACK FOR EVERY STATE DOLLAR INVESTED

Rea.deeming Beauty manufactures the award-winning elliptical-shaped beautyblender® makeup applicator. Combining an innovative design and material, the applicator allows for line- and streak-free makeup application. It has gained wide market acceptance in both the professional and consumer markets.

The company’s female co-founders have complementary skill sets. Rea Ann Silva is a respected makeup artist and Catherine Bailey has cosmetics operations and distribution expertise. Prior to beautyblender®, make-up applicators were simply an accessory to the makeup purchase. Together, Silva and Bailey created a new product category in the cosmetics industry: selling applicators as a separate, premium product.

BFTP/NEP invested in the company in 2014, 2015, 2017, and 2018 for plant design, operations support, and improvements in production capacity and efficiency. BFTP/NEP linked Rea.deeming with Lehigh University’s Enterprise Systems Center to enhance its production and fulfillment capabilities to meet steep increases in demand. The result was a productivity increase of 30%. With five employees in 2012, the company now employs 138 in Bethlehem. The firm has increased revenue by a factor of more than five over the last five years.

KCF Technologies

With three investments and business support services provided by Ben Franklin, KCF Technologies developed a wireless sensor monitoring system called SmartDiagnostics®. KCF’s innovation is protected by 16 patents and allows for the detection of small problems before they lead to big failures. The company’s customers, which include premier manufacturers across the United States, use this information to plan for downtime when it’s most convenient and has the least impact on production.

Late last year, KCF announced it would be expanding its State College headquarters by 15,000 square feet. The company, which has been growing at a rate of more than 60% per year, recently celebrated the hiring of its 100th employee and has plans to double the workforce within the next 36 months. KCF’s engineers are recognized in the industry as experts in the field of vibration and acoustics, and they bring unique wireless sensor networking, high-performance computing, and machine-to-machine technology know-how to every system implementation.
Allevi

Ricky Solorzano founded Philadelphia-based robotics company Allevi in 2014. Its goal was to build versatile, powerful, and easy-to-use 3D bioprinters capable of creating custom replacement organs from human cells, for use in drug testing and medical applications.

Ben Franklin Technology Partners of Southeastern PA has contributed to Allevi's growth from its earliest phases. Ben Franklin supported the company with early capital from its Technology Acceleration Fund, while providing technical assistance through its FabNet program for manufacturing support. Ben Franklin has invested $750,000 in Allevi to date.

Ben Franklin enabled Allevi to develop its bioprinters, software, bioinks, and application-specific kits, and to secure additional funding for its development. Allevi has grown to ten full-time employees in 2018, and has secured 11 patents since 2015. Its products are used by leading researchers worldwide to find solutions to humanity’s most difficult problems: to cure disease, test novel drugs, eliminate the organ waiting list, and to build with life. Researchers at leading universities, companies, and in government use Allevi products, including MIT, University of Pennsylvania, Stanford University, GSK, Johnson and Johnson, and the U.S. Army to name a few.

Meter Feeder

Meter Feeder is a parking technology that can be used by small- and mid-sized municipalities regardless of whether they have the hardware for parking kiosks, coin meters, or issues that keep them from upgrading to new systems which are easier to use and cost effective to monitor and enforce.

Hard to believe, but some of the smallest municipalities are among the most innovative. Pennsylvania towns such as Dormont, Bellevue, Homestead, McKeesport, and more are already using Meter Feeder. Drivers download the app and pay for parking or tickets from their phone. The town gains an organized administrative and enforcement interface, as well as increased parking revenue.

With $200,000 in investment from Innovation Works (the Ben Franklin Technology Partner of Southwest PA), Meter Feeder got a jumpstart on solving the parking issues of today – and those anticipated tomorrow as autonomous vehicles, smart traffic signals and other innovations create the city of the future. According to Jim Gibbs, founder and CEO, the Innovation Works investment was key to the company’s initial growth. “Not only were we able to develop pay-by-vehicle, but we were also able to create ‘deal heat’ which enabled us to raise more funds. We are now positioned to snag the entire automated/ shared vehicle parking payment market.”
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