

From the Allentown Morning Call

## [Expert tells Lehigh Valley entrepreneurs to let tough times spark big ideas](#)

### Business guru gives pep talk hosted by Ben Franklin Technology Partners

By Spencer Soper | OF THE MORNING CALL May 14, 2009

Jeff DeGraff, a business professor at the University of Michigan, discusses leadership strategies at the iexchange at Lehigh University. About 500 people attended the event Tuesday night. (Kevin Mingora/The Morning Call / May 14, 2009)

Instead of crouching in a fetal position and hoping all the economic doom and gloom quickly fades, businesses have to reinvent themselves and their products through innovation.

That was the message Jeff DeGraff, a business professor at the [University of Michigan](#) and an innovation expert, delivered Tuesday night to 550 people attending the iexchange at [Lehigh University](#), an annual awards event hosted by Ben Franklin Technology Partners of Northeastern Pennsylvania.

The challenging economic climate presents opportunities for those who can quickly adapt, said DeGraff, who started his career as a vice president with Dominos Pizza and has consulted such companies as [American Express](#) and [Coca-Cola](#).

"This isn't the worst time for innovators," said DeGraff, the event's keynote speaker. "This is the best time for innovators."

Many attending the event run companies that have received assistance from Ben Franklin, a state-funded organization that helps technology companies through loans, advice and low-cost office and laboratory space. The Northeastern chapter of Ben Franklin serves a 21-county area, including Lehigh and Northampton counties.

DeGraff explained how innovation can come in a variety of forms, and how companies can take opposite strategies and still find success. He gave the approaches of [Wal-Mart](#) and Apple to music as examples.

Wal-Mart cornered 10 percent of music sales with high-volume sales at low-profit margins and offering little variation, he said. Apple, meanwhile, offers a broad range of music choices through its iPod, has a lower volume of overall sales, but receives a greater return on each transaction, he said, emphasizing how opposite business plans worked for two different companies.

"Some companies are right-handed and some are left-handed," he said.

The biggest barriers to innovation are lengthy development times, lack of coordination in companies and a risk-averse culture, he said.

"The fear of monsters attracts more monsters," DeGraff said. ""We're psyching ourselves out."

In his opening address, Ben Franklin's president and chief executive officer R. Chadwick Paul highlighted some of the organization's successes, including helping 398 companies and creating 34,703 well-paying technology jobs since 1983.

The credit crunch has made the organization even more critical, he said, as entrepreneurs with good ideas need capital to get products to the marketplace.

Ben Franklin presented Innovation Awards at Tuesday's event, and two Lehigh Valley companies were among the winners.

Saladax Biomedical, a Bethlehem company, won the product innovation award. It is developing blood tests that enable oncologists to personalize chemotherapy drug dosing by measuring its concentration in the blood of cancer patients. Absorption rates of chemotherapy vary widely from patient to patient, and finding the right dose for each patient is critical to treat the cancer while minimizing the potentially life-threatening side-effects of the cancer treatment. Since joining the Ben Franklin portfolio in 2004, the company has received seven patents, has another seven patents pending, raised \$12.2 million in capital and increased its employment from two founders to 16 people.

Sal Salvatore, chief executive officer of the company, said assistance from Ben Franklin has been critical to the company's development.

Winning the entrepreneurial advocate award was CFO & Stuff, an [Emmaus](#) business that for more than a decade has provided free advice to Ben Franklin clients. It is owned by Yvette and William Palmer.

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