South Carolina comes calling to woo Israeli innovation

28 Feb 2012

A high-level delegation from the southern state came home with 50 specific joint projects already in the works.

Dr. Sunil Patel, right, of the Medical University of South Carolina at dinner with Efi Cohen-Arazi), CEO of Rainbow Medical

By Avigayil Kadesh

A delegation of 26 business and academic leaders from South Carolina went home from Israel in November with 50 business and research partnerships ready to roll -- and more are expected to come.

"I have been putting together these kinds of delegations for 20 years, and this was one of the best," says Tom Glaser, president of the American-Israel Chamber of Commerce Southeast Region.

The South Carolina-Israel Collaboration includes six clusters -- bio-med; sustainable systems for agriculture, water and energy; aerospace and automotive transportation; security; advanced materials; and insurance/health IT -- where South Carolina offers a strong infrastructure to develop the many Israeli innovations in these fields.

Jonathan Zucker presents "Why South Carolina" to Israeli companies at a luncheon at the Tel Aviv Stock Exchange.

The southern state has one of America's fastest-growing economies, especially in terms of foreign investment. In 2010, it brought in $4.1 billion in new capital investment.

But there were only a few connections with Israeli universities and businesses, including a collaboration between the Medical University of South Carolina (MUSC) and the Technion-Israel Institute of Technology that recently brought six professors from the Technion to an international symposium at MUSC on stem cell and regenerative medicine. So when Glaser launched the SCIC at a Charleston innovation summit less than a year ago, the idea was met with enthusiasm.

Technology and good will

The mission was sponsored by the InterTech Group, an industrial holding company headed by SCIC chair Jonathan Zucker. Son of a Tel Aviv-born entrepreneur and grandchild of four Holocaust survivors, Zucker is keen to support Israeli ventures.

“Where else but in Israel do technology and goodwill work so closely together?” he says. “Israel’s technology is bettering the world every single day by saving and improving lives, and we feel strongly that the level of innovation, and its corresponding methodologies, will be able to significantly benefit our local economy in South Carolina -- especially since Israeli companies have already proven themselves in many other states and around the world.”

The schedule included a stop at the international WATEC convention in Tel Aviv, showcasing Israel's innovations in water, energy and environmental technology. “There was a lot of excitement about that,” says Glaser, “and we will bring some specific technologies back to the South Carolina water systems.”

Straight from landing at Ben-Gurion Airport, the group met with Avi Hasson, chief scientist at the Ministry of Industry, Trade & Labor, to discuss forming an R&D funding relationship through the South Carolina Research Authority to support joint research and development.

This fund would mostly focus on brain research and technology, says Dr. Stephen Lanier, associate provost for research at MUSC. “We are following up with individuals at technology transfer offices at Tel Aviv University and other universities, and with some of the incubator companies and accelerator companies where we can partner in the neuro area.”

South Carolina could accelerate Israeli inventions in this field by providing access to clinical trial expertise, a critical step in gaining the approval of the US Food and Drug Administration for medical devices and drugs.

Lanier especially enjoyed a visit to Trendlines Group, which invests in innovation-based Israeli businesses in the areas of med-tech, agri-tech and clean-tech through two Israeli government-licensed business accelerators.

“I did not have a full appreciation of the breadth of the innovation ecosystem there, or the way that Israel has been able to align government, academia and private initiatives toward a common goal, synergizing each other,” says Lanier. “That was pretty impressive. We are doing many of these things in South Carolina, but probably not as well aligned as I observed in Israel.

Dr. Lancer Scott, left, of the Medical University of South Carolina viewing medical devices created by companies at the Trendlines Misgav Venture Accelerator as presented by CEO Steve Rhodes

MUSC is currently hosting clinical trials for a medical device invented by an Israeli firm. “Now it’s time for this company to

raise an investment and establish a US headquarters, and they are very interested in including South Carolina as one of the potential sites," says Glaser. "We met with the CEO and brought our economic development people to discuss incentives to get started."

Glaser predicts that within a year, "we will have a business exchange of Israeli researchers and companies to meet with the neuro-technology leaders in South Carolina, and their industry partners from throughout the US, from the seeds we planted on this trip."

Technologies to assist aging in place

Solutions for keeping the world's aging populations safe, healthy and productive in their own homes is a hot topic in the tech field. Israel's startup technologies in this area were of great interest to mission participant Sue Levkoff, a geriatric expert who heads the University of South Carolina's SmartHOME at the SeniorSMART Center of Economic Excellence, and owns the startup company Environment and Health.

"I talked to 12 Israeli companies and I'm committed to developing small business grants with them," she says.

The maker of a special shoe that helps with stability may partner with Levkoff to get randomized trials going in South Carolina. A gerontologist may make use of Levkoff's training materials for migrant caregivers of the elderly. Another joint project could involve an Israeli invention for helping seniors adhere to their pharmaceutical regimen.

"We want to attract these companies to develop products in South Carolina if I could help them get grants for feasibility studies," Levkoff says. "But for me, a wonderful outcome would be to work with these companies whether or not they have a spinoff here."

Levkoff discovered that Israel's hospitals and universities work closely to fund research institutes, an area where South Carolina lags behind some of its neighbor states.

"I thought we wanted to be like North Carolina, but now I feel we are trying to be like Israel," she says. "We have a lot to learn from the Israeli sense of entrepreneurialism."

Agriculture and aviation

Collaborations are in the beginning phases for many other projects as the result of meetings with companies such as Israel Aerospace Industries and Elbit Systems . Boeing Aircraft recently opened a fabrication and assembly facility for its 787 Dreamliner in Charleston, South Carolina.

"We will invite Israel Ministry of Defense procurement teams to come to Charleston at the end of January for an event with defense contractors here, to see how South Carolina companies can sell goods and services to Israeli military," says Glaser.

Officials from Clemson University who were on the trip are now pursuing a collaboration with Kaiima, an Israeli next-generation seed and breeding technology company focused on sustainable development, he adds.

"These are very concrete things. There is great interest in how Israelis take pure research and commercialize it through incubators and venture capital and create companies," says Glaser. "We saw how they do this at Ramot, the tech transfer arm at Tel Aviv University, and at Hadassah [Medical Organization]'s Hadasit company, as well as Misgav Venture Accelerators run by Trendlines. We can learn from the Israeli way of putting a whole system together to create robust startups."

The mission included touring in Jerusalem, Caesarea and the Galilee, plus political and security briefings from senior members of Israel's Ministry of Foreign Affairs.

"The trip exceeded my expectations in the number of follow-up opportunities, even for my own company," says Zucker, who plans on coming back soon to investigate further investment opportunities. "I'd love to expose more people to Israel, to see the business and innovation that is really an unbelievable phenomenon we can all learn a lot from."

One immediate follow-up event planned by Glaser is an Israel Innovation Impact series. The first, in early December at the UPS world headquarters in Atlanta, focused on “Social Media: Making Business Sense through Analytics.”

It included demonstrations and “Ignite” presentations by leading Israeli companies such as ActivePath, which offers unique, patent-pending technology to banks, card issuers and e-commerce companies to engage customers by delivering secure real-time, interactive and personalized event-based actionable offers that drive interaction and transactions; Pursway, which makes a product that turns “influencer marketing” into a catalyst for a complete marketing and customer relationship strategy based on a breakthrough technology, insightful best practices, and proven success metrics to help pinpoint the influencers, stimulate virality and deliver measurable results; and Verint, a company that directly mines insight and customer sentiment from social media channels and creates usable and timely insights needed to improve products, loyalty and advocacy