

TO: Iowa Newspaper Association Member Editors
FROM: Iowa Department of Economic Development
DATE: March 16, 2009
RE: "Iowa Innovators"

The "Iowa Innovators" series is a joint project of the Iowa Newspaper Association and the Iowa Department of Economic Development (IDED). The series is an outgrowth of an idea from member INA publishers. "Iowa Innovators" articles describe initiatives that Iowa communities have used to improve their ability to attract business and industry and demonstrate community innovation. The articles also describe Iowa companies on the leading edge of technology, business expansion, workforce development and recycling.

It is hoped that these article ideas will be published locally and spark community and business initiatives statewide. If you have community or business success stories to share, contact IDED, 200 East Grand Ave., Des Moines, IA 50309, 800.245.IOWA (4692) or e-mail: business@iowalifechanging.com.

The following is a list of companies and communities featured in this round of "Iowa Innovators" articles:

1. **Ames-based GlobalVetLink**, an eight-year-old technology company with 12 employees, located in offices in the Iowa State University Research Park, serves veterinarians who work with breeding stock, show animals, pets and even exotic zoo animals. "We digitize and transmit data on horses and other live-stock, companion animals, and even exotic animals to produce electronic certificates of health for animals moving between states or between countries," says Kevin Maher, GVL founder and president. A typical GVL veterinary electronic inspection form displays the animal's name, date of birth, types of medical tests and vaccines administered, distinctive markings and veterinarian information, and Maher says more than 120 million animals have been certified using GVL's Web-based applications.
2. Two northeast Iowa companies are using tried-and-true methods to keep moving forward during tough times. **Cascade Manufacturing**, a wood trusses manufacturer, is diversifying its product mix and investing in its technology branch to keep growing. "Our technology company is something totally different," says Cascade Manufacturing's Mike Noonan, speaking about about its Infrastructure Technological Solutions. ITS provides data back-up and Web site development for small- and medium-sized businesses. **Peosta-based Mi-T-M Corp.** is a 38-year-old company with a well-earned reputation for supplying large quantities of high-pressure washers, air compressors, and generators on fairly short notice. The company is weathering the economy because it has added a host of new products including generators, air compressors, air-tools, barbecue grills, corn and wood stoves, wet-dry vacuums, space heaters and other products.
3. Two growing eastern Iowa technology companies are showing that you don't have to be located in Silicon Valley, Los Angeles or Seattle to design and market best-selling video games. **Cedar Falls-based Phantom EFX** is building a \$5.2-million corporate headquarters in Cedar Falls to take advantage of the growing and lucrative video-game market. **Budcat Creations, based in Iowa City**, is a 60-employee, award-winning video-game designer with more than eight years of development experience and 15 published titles to its name. Budcat has grown rapidly due its work on the immensely popular "Guitar Hero®" series of video games.

Iowa's e-Solutions for Animals

Calling upon his 25-year experience in animal health, information systems and related animal technologies, Kevin Maher started GlobalVetLink (GVL) in the basement of his Ames home in 2001.

Today, GVL has 12 employees located in offices in the Iowa State University Research Park, and with each day the company comes closer to fulfilling its vision of creating a single database that could serve veterinarians who work with breeding stock, show animals, pets and even exotic zoo animals.

"We digitize and transmit data on horses and other livestock, companion animals, and even exotic animals to produce electronic certificates of health for animals moving between states or between countries," says Maher, who predicts paper health certificates and animal-health forms will be obsolete within the next decade.

"Our subscriber base is growing weekly and on track to double annually."

In fact, Maher says more than 120 million animals have been certified using GVL's Web-based applications.

A typical GVL veterinary electronic inspection form displays the animal's name, date of birth, types of medical tests and vaccines administered, distinctive markings and veterinarian information, says Maher.

"In the case of horses, the form also includes color photos showing side and front views of the animal. It also can feature information on any computer chips embedded under the animal's skin or tattoos and brands that would aid in identification," he says.

Since GlobalVetLink first launched its online application system, 46 states have completed license agreements with the company allowing veterinary practitioners, state authorities, diagnostic laboratories and other health officials, to build, access and monitor animal movement documents with the click of a mouse.

The company's first on-line application allowed Official Certificates of Veterinary Inspection (OCVI) and Equine Infectious Anemia (EIA) Certificates to be processed and sent electronically.

Today, GVL also offers on-line Pet-For-Sale Certificates and

Veterinary Feed Directives (VFDs) for practitioners.

"Equine practitioners were the very first to embrace the technology for EIA certificates. In the first year, the digital process requires two-thirds less time than the old, manual process," says Maher.

"Subsequent years do not require new digital photos, so once the blood is drawn, the rest of the process is rapidly completed online."

Similar time-saving reports have been made in creating online health certificates versus the handwritten type.

The company charges its users a monthly subscription rate. GVL

keeps subscriber data confidential, but Maher says that subscribers include veterinarians in 46 states and 70 diagnostic labs across the country. It also assesses a charge every time a subscribing veterinarian or

laboratory wants to upload new information about an animal.

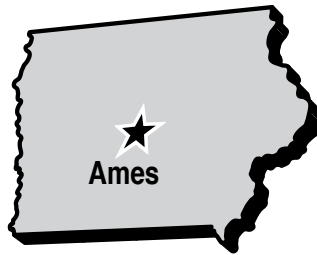
Maher says Iowa has been a natural fit for his technology company.

"The people in our state have a passion for agriculture and are knowledgeable about animal agriculture," he says. "Being on the ISU campus helps us find qualified interns and we've had no problem finding high-skilled workers."

Maher says he's found Iowa to be a pro-business partner for his company as well. GVL received a \$294,500 award from the Iowa Department of Economic Development's Demonstration Fund to develop a innovative GoPass® system that would expedite animal movement for a six month period — rather than the current 30 day expiration health certificate process.

"Not only will this product reduce the burden of owners carrying paperwork for each state of travel for animals," says Maher. "It will also provide animal health officials far more accurate animal movement data on a real-time basis."

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Resilient in Tough Times

As the national economy becomes challenging, two northeast Iowa companies are using tried-and-true methods to keep moving forward during tough times.

For Cascade Manufacturing, problems in the housing market have caused demand for its wood trusses to decline.

To combat the situation Mike Noonan, Cascade vice president for marketing, says the company is diversifying its product mix as well as investing in its technology branch.

"Our technology company is something totally different," says Noonan, speaking about its Infrastructure Technological Solutions.

ITS provides data back-up and Web site development for small-and-medium-sized businesses.

The company created the ITS operation after a massive 1997 fire at its Cascade plant destroyed much company's paper documents.

"As more companies look at ways to back up critical business information, we thought by starting this company, we could share the lessons we learned," says Noonan.

Cascade Manufacturing is diversifying in another way as well. While the company has been well known for its wood roof trusses for many years, the company is now manufacturing prebuilt wall sections for homes, apartment complexes and commercial buildings.

"This idea was launched less than a year ago and is designed to speed a project's completion," says Noonan. "This is helping us pursue larger commercial construction projects and move into other markets."

For another Iowa company, performance under pressure is more than a slogan.

Peosta-based Mi-T-M Corp. is a 38-year-old northeast Iowa company with a well-earned reputation for supplying large quantities of high-pressure washers, air compressors, generators and similar products on fairly short notice.

And while the Mi-T-M brand stands for performance under pressure, not every product leaving the company's sprawling manufacturing and distribution complex is a pressure washer adorned with the Mi-T-M logo.

That's because over the course of

the company's history, it has added a host of new products manufactured including generators, air compressors, air-tools, barbecue grills, corn and wood stoves, wet-dry vacuums, space heaters and other products.

"We would not be the company we are today if we had been satisfied to just produce pressure washers. We've constantly looked for new opportunities and new ways to grow the company," says Sam Humphrey, Mi-T-M president.

And while the company has added many new products over the years, Humphrey says the company has also grown due to its private label business.

"We manufacture products under private label for 35 customers," says Humphrey. "Some of our larger private-label customers include John Deere, Grainger and NAPA."

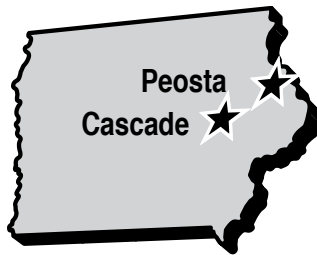
While some manufacturers may outsource some of their functions, Humphrey says Mi-T-M performs virtually all of its metal fabrication, including the manufacture of high-pressure tanks in its Peosta facility. The company uses five robotic welding systems, three laser-cutting systems for precision fabrication of steel, and two powder coating paint systems.

If production slows, "We look for ways to fill our unused capacity so we can keep people working," Humphrey says, adding that Mi-T-M constantly looks for regional companies requiring metal fabrication services.

When the 350-employee company built its 400,000-square-foot distribution center in 2005, Mi-T-M received a series of tax credits and benefits from the Iowa Department of Economic Development-administered High Quality Job Creation (HQJC) program.

Customer service, quality workmanship and product diversification are but three reasons companies thrive in lean economic times. Mi-T-M and Cascade Manufacturing also keep their eyes open for new opportunities to stay ahead of the game.

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Fun and (Video) Games in Iowa

Two growing eastern Iowa technology companies are showing that you don't have to be located in Silicon Valley, Los Angeles or Seattle to design and market best-selling video games.

While the general U.S. economy may be slumping, the video game market seems to be virtually bullet-proof. According to DFC, a leading consumer and retail information provider, the worldwide interactive entertainment industry is on track to achieve revenues of \$57 billion in 2009.

Cedar Falls-based Reel Deal Holdings LLC, doing business as Phantom EFX, is building a \$5.2-million corporate headquarters in Cedar Falls to take advantage of the growing and lucrative video-game market.

According to Darin Beck, Phantom EFX president, "Our new headquarters will allow the company to grow and be a showcase facility for our national and global clients. I'm very excited that we have finally broken ground. Phantom Park will be a world-class facility for us and will accommodate our growing company for years to come."

Its previous location was destroyed by the floods of 2008.

Two awards from the Iowa Department of Economic Development are helping leverage construction of the 54,000-square-foot facility. The project received a \$250,000 award from the Community Economic Betterment Account (CEBA) and tax benefits from the High Quality Jobs Creation (HQJC) program.

Founded in 1998, Phantom EFX is a game publisher best known for innovative PC-based casino games. It also developed the Internet's first casino themed virtual world, "Reel Deal LIVE!" This unique online destination offers casino style play without wagering real money, and is suitable for people of all ages.

"In these tough economic times, destination hot spots like Las Vegas and Atlantic City might seem a little too rich for most pocketbooks," says Beck.

Constructed in 3D, Reel Deal LIVE is a completely virtual, online community where gamers can socialize, place bets and experience the "high roller" life without wagering a dime.

It also launched the well-received

video game "Darkest of Days."

"In Darkest of Days, players can travel back and forth through time to relive some of mankind's most dire hours," says Beck. "Players attempt to save certain key individuals who were never meant to become involved in say, The Battle of the Bulge or the volcanic eruption in Pompeii, thereby changing human history for the better."

Budcat Creations, an award-winning video-game designer with more than eight years of development experience and 15 published titles to its name, is located an hour south of Phantom EFX in Iowa City. Since its move to Iowa City from Las Vegas in 2005, Budcat has grown from six employees to more than 60.

The development studio, with expertise on the Wii™ home video game system and the Nintendo DS™ platform, has grown rapidly due to its work

on the immensely popular "Guitar Hero®" series of video games

"We've developed "Guitar Hero III: Legends of Rock," "Guitar Hero: Aerosmith" and "Guitar Hero World Tour," says Jeremy Anderson, Budcat general manager.

The company has designs to grow even more now that it's been acquired by Activision Publishing, the Santa Monica, Calif.-based owner of the Guitar Hero franchise.

"We are thrilled to partner with Activision and believe that this acquisition is a perfect fit for both companies," says Andersen. "Their world-class sales and marketing support means that we can focus our time and resources on what we love and do best — creating great games."

To that end, the company is looking for new space and new employees. "We're always looking for talent," says Anderson. "And we've had more success recruiting people to Iowa City than we ever had recruiting people in Las Vegas."

Video game studios in Iowa? Phantom EFX and Budcat Creations are proving that Iowa is fertile ground for video game ingenuity.

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