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## Smooth landings for Israelis in Ohio

**With more clinical trials by Israeli biomed firms being held in Ohio than in any other state, it's clear that its priority to woo Israeli businesses is bearing fruit.**



**Israeli company Sensible Medical is now starting clinical trials for its cardiac imaging device at Ohio State University Medical Center in Columbus.**

In the late 1990s, Israeli start-up **Simbionix** developed a unique product dubbed GI Mentor, a computer-based simulator for training doctors in endoscopic surgery procedures. Once doctors at the prestigious **Cleveland Clinic** in Ohio showed interest in it, investors also did, and Simbionix ultimately moved its headquarters to Cleveland in 2002, becoming a subsidiary of Simbionix USA.

Today, Simbionix manufactures much of its expanded product line in Ohio, with annual sales of between \$15 and \$20 million. Its Airport City office in Israel remains a research center.

"This is a perfect example of what we like to see happen," declares Rick Schottenstein, the Tel Aviv-based representative of the **Ohio Department of Development**.

### Strategy turnaround

A Columbus native, Schottenstein moved to Israel in 1982 from the third-largest manufacturing state (after California and Texas). In 1995, he was tapped by the state to open an office intended mainly to peddle Ohio-made products in Israel. Its second objective was to attract Israeli companies to establish a presence in Ohio for manufacturing or sales and distribution.

Since then, "the nature of the office has changed dramatically," Schottenstein tells ISRAEL21c. "At first we spent almost all our time on Ohio exports, but that has reversed over the last decade out of demand for Israeli companies to set up in Ohio."

Wooing Israeli business is now a high priority for the Ohio Department of Development. The greatest success has been the biomedical field, as more clinical trials take place in Ohio than in any other state. "They get access to companies, decision-makers and academics to do their research and commercialize their products," Schottenstein says.

Aerospace is another significant Israel-Ohio partnership industry. The Dayton-area Wright-Patterson Air Force base, the state's largest single-site employer, is where all US Air Force research, development and purchasing takes place.

"It's not unusual for states to have representation abroad, and 10 to 12 US states have representatives in Israel," says Global Markets director Deb Scherer. "But those other states have hired local Israeli entities to represent them on a part-time basis. Rick is our fulltime employee, so this shows a more aggressive spirit on the part of Ohio, a full-court press to succeed with these relationships."

Scherer adds that Ohio has the asset of distribution networks to move items all over the US market, as well as attractive tax incentives. Boasting the sixth-largest economy in the world, Ohio also attracts European and Asian business investment, usually on a large scale, such as a Honda manufacturing facility with 1,000 employees. Products being developed out of Israel "are on a much smaller scale but offer high value-added," she states.

## Communities hungry for Israeli tech

The department has helped about 17 Israeli businesses to develop relations in Ohio. However, Scherer emphasizes that many additional deals are struck directly between Ohio municipalities and Israeli firms without the department's help, so the number of Israeli concerns in Ohio is actually much higher. "Many of our communities place a priority on Israeli technology," she relates.

Dayton, Beachwood and Akron are among Ohio municipalities that earmark resources for establishing distribution centers, technical services or manufacturing facilities for Israeli companies, says Schottenstein. As the result of a recent trade mission, a delegation from the Youngstown-Warren area will be implementing sophisticated laser inspection systems developed by Israeli company Nextec in an effort to modernize its manufacturing operations. Major hospitals and businesses in Cincinnati and the capital city of Columbus also have various Israeli ties.

"A new one that's really interesting is **Sensible Medical**. Their cardiac imaging device came out of a technology developed by the Israel army to 'see' behind obstacles in the field. It was adapted in civilian life into a medical product, now beginning clinical trials at Ohio State University Medical Center in Columbus," Schottenstein relates.

Sensible Medical is one of five Israeli life-sciences firms in which the state-funded **Global Cardiovascular Innovation Center** has invested about \$3 million during the last eight years. "If the trials are successful," says Schottenstein, "we see them setting up a US manufacturing base in Ohio."

Schottenstein and Scherer stress that Ohio's welcoming and friendly nature, and its ethnically and religiously diverse cities, make for a smooth landing for Israeli business people and their families. "The atmosphere in Ohio allows a start-up to more comfortably make mistakes and receive a lot of help and advice from local business communities," Schottenstein concludes.