

## **EDITORIALS – Interview**

### **This Weeks Interview - Zach Conover**



#### **Incubating a solution in South Portland**

**By Zack Anchors**  
*Staff Writer*

Zach Conover, Chief Executive Officer of CrossRate Technologies, believes that in three years his small start-up tech company with three full-time employees will transform into a \$30 million dollar business manufacturing a groundbreaking new technology.

His company is not based in Silicone Valley or among the hordes of start-ups surrounding Boston, but is situated in a small section of a building on the Southern Maine Community College Campus in South Portland, in a “technology incubator” established by the state. Conover, challenging the common claim that Maine’s economy is stagnant and falling behind the rest of the country in innovation, says that a host of emerging companies have the potential to spur a domino effect of growth in Maine’s technology sector.

“I really think we’re creating a start-up market,” he said during an interview at his office last week “Silicone Valley and Boston didn’t happen over night–Maine doesn’t need to have a Google to be successful.”

CrossRate, which was just awarded a nearly \$400,000 grant from the Maine Technology

Institute (MTI), is developing a device that will make even the most sophisticated GPS systems now available outdated.

“GPS is a great system, but it’s not foolproof—if you go to downtown Portland, it won’t work in places,” Conover said. “For the average user—not a problem, not a big deal. But for the critical user—we’re talking commercial maritime, aviation, people who are tracking hazardous materials, the military, first responders—these are customer bases where it’s a big deal if it’s off one percent of the time.”

What CrossRate will actually manufacture are components and receivers that integrate GPS technology with a much older navigation system called Loran. While Loran and GPS are each individually somewhat unreliable, when CrossRate melds the two systems together they will get a device that is more than 99.9 percent accurate.

“So in the long term, we’ll be making the boxes—you’ll see a CrossRate receiver,” said Conover. “We haven’t started the manufacturing process yet—we’re still in the R&D phase. This award we just received from the state—that funds the final leg of the development and puts us into minor production of beta tests as well as some primary market research.”

Conover, who grew up on the island of Isleboro in Penobscot Bay, started CrossRate in 2004 with two other Mainers who were boyhood friends of his. The company originated from a business plan competition during the final year of Conover’s MBA program at Drexel University in Philadelphia. CrossRate started out with the help of a business incubator at Drexel, but Conover soon decided to move the business to Maine.

“We looked at all of northern New England—Massachusetts, New Hampshire, Rhode Island, Maine,” Conover said. “What we decided is that we liked the way the business climate in Maine is going. You hear a lot of negative press—especially during the political season we’re in—that says the business climate in Maine is not good. While that’s debatable, I think the state has done a lot to really kind of seed companies.”

Conover said that through programs like the Maine Patent Program, the Maine Technology Institute, the Small Enterprise Growth Fund, and various business incubators, Maine is taking strides at nurturing economic development, particularly in the field of technology.

“You’ve got a lot of early stage government efforts towards helping start-up companies... Maine is definitely pushing the edge with some of the stuff we’re doing here,” he said. “We also didn’t want to get sucked into the Boston market and become just another start-up company.”

This most recent award from MTI is not the first boost that CrossRate has received from the state. They received a similar grant in 2005 and have also been awarded two smaller seed grants.

“The second one was interesting because it allowed us to hire a law school intern,” Conover said. “We had a lot of intellectual property issues that we wanted to resolve, so we got a third year law student at USM and worked part time for us.”

While it might seem that CrossRate’s technology will only have an effect on the most serious users of GPS, Conover points out that such systems are already used by nearly everyone in some way.

“Everybody in the U.S. is affected by GPS everyday,” Conover said. “GPS is used for precise timing applications—the power grid, financial transactions, the internet, cell phones—all of these are examples of systems that if you dig back into the engineering they’re dependant on precise time—we’re talking precise time down to within a hundred nonseconds... Whether it’s CrossRate or some other company, at some point this [GPS and Loran technology] will be the de facto standard. You won’t be buying just a GPS unit, you’ll be buying an integrated unit—I see a five to ten year horizon for that to happen.”

Because of our societies strong reliance on GPS, Conover sees potential danger in the system’s flaws, pointing out that disabling GPS is a potential terrorist tactic. “Nobody really knows what would happen if you turn off GPS for an extended period of time. But it will affect everybody on some level,” he said. “We used to never focus on the jamming aspects of it... but those two terrorist suspects arrested in Georgia back in April that were later connected to the Canadian suspects...--they were plotting to take down the GPS system to disrupt military and commercial communications.”

As CrossRate edges closer to the manufacturing phase of their development, Conover is working to build connections and harness the expertise the company will need.

“We’re pulling together a consortium—it looks like we’re going to be working with the University of Maine, US Coast Guard Academy and some other companies,” said Conover. “Our goal is to leverage the best talent in the world.”

Next week, CrossRate, along with the rest of the Maine Center for Enterprise Development, will move to the USM Campus (see story for more information on the move.)

“We’re hoping that by the end of 2007 we’ll have a product in the market,” Conover said, adding, “I shouldn’t say we’re hoping—we will have a product in the market before the end of 2007. That’s more proactive.”