

eXubrio incubator targets fledgling WNY businesses

BY TRACEY DRURY

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Paul McAfee knows what it's like to struggle to get a company off the ground.

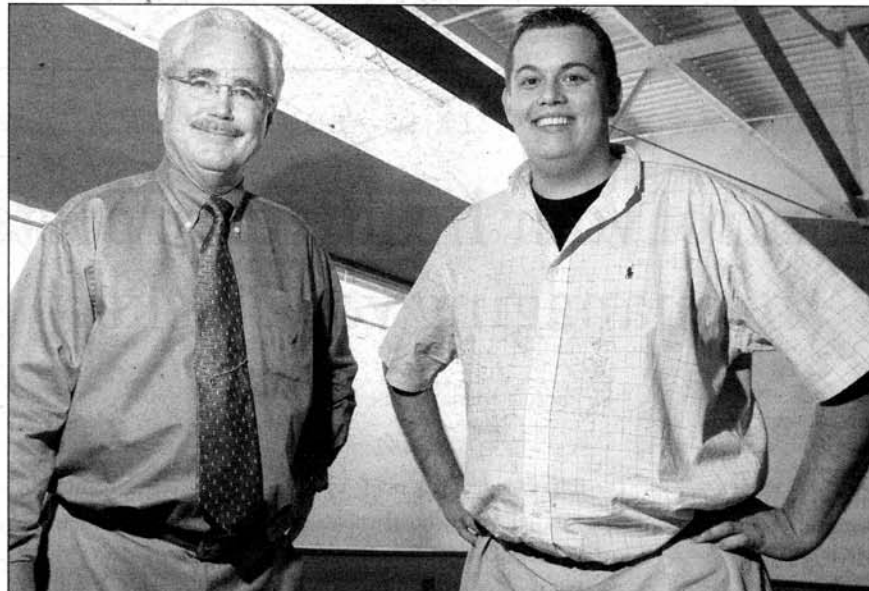
Now he's working to help others avoid some of the struggle. McAfee, a principal with eXubrio Group LLC, has created a business incubator at the company's Kenmore Avenue facility, offering new businesses office space, shared services and pro bono services such as marketing, advertising and Web site development.

The incubator concept started informally on a trial basis over the past two years, when McAfee invited two startups to move into the 40,000-square-foot facility: Xtatix LLC, a three-year-old consumer electronics company founded by a UB undergrad; and SumoKids Foundation, a 501(c)(3) nonprofit organization that uses Sumo wrestling to help kids to build confidence.

"We're trying to really help small businesses get started," McAfee said.

McAfee has looked to the University at Buffalo's Technology Incubator, where he is an entrepreneur-in-residence, for guidance and support in setting rates and services. UB's incubator, which is currently at full capacity, has referred potential entrepreneurs to McAfee.

The site at 1517 Kenmore Ave., formerly home to Delaware Audio Visual, is a combination of Class B and Class C office space, with about 10,000 square feet of warehouse space. About 4,000 square feet is available for incubator space initially, while about 5,000 square feet is occupied. Current tenants include eXubrio Group and its subsidiary, C-Level Leads; Noein Inc.; Xtatix; and



eXubrio Group owners Paul McAfee, left, and Robert Klingensmith are helping young businesses grow through an on-site incubator at the Kenmore Avenue site.

SumoKids Foundation.

Incubator tenants will receive the first two months rent free, then will pay a rate for space and utilities, which will help pay for capital improvements to the building. McAfee, who leases the site, hopes to ultimately purchase the building.

"We're not setting it up to be a large profit generator," McAfee said. "Individuals will have predictable expenses and a certain amount of our time pro bono, so they have the opportunity to access basic resources without having to spend months. We will encourage our tenants to

take care of business and legal issues that otherwise most organizations don't think about early on."

Woody Maggard, director of the incubator and a vice provost at UB, said there's a real need for new incubator groups like McAfee's.

"We're full and we have been for quite some time, so we need more organizations to refer fledgling organizations to," he said. "Also, we're more of a high-tech incubator, and Paul is doing more general business. There's a real need for that type of facility."

Moving up quickly

Two years ago, Ben Dolgin-Gardner was a cocky, young college grad willing to travel the world to build his electronics distribution company.

Turns out his confidence was well deserved: Today, Xtatix LLC is at nearly \$1 million in revenues,



Dolgin-Gardner

with 12 employees spread between offices in Buffalo, Miami and Shenzhen, China. Dolgin-Gardner, founder and president, has expanded beyond MP3 players and CD players into MP4 players, Web cameras, computer cables and a slew of accessories and peripherals.

He's also added a few partners, with Robert Klingensmith handling technology, distribution and accounting in Buffalo; and Paulo Silva handling sales from Miami, while he concentrates on sourcing and product development in China.

The company was founded while Dolgin-Gardner was an international business undergrad at the University at Buffalo. Dolgin-Gardner learned Chinese during a semester abroad. Today, Xtatix sources from up to 12 different factories in China, supplying major retailers such as TigerDirect, NewEgg.com and Overstock.com.

Revenues are projected at \$3 million in 2008.

—Tracey Drury