

Start-up Looks to Start Start-ups for Young People

Ever encounter a CEO who was only six years old? Now people can do business with these young entrepreneurs on Bizinate.com, where children and teens offer real products and services for real money.

Bizinate (formerly Kidworth) is a youth-oriented financial services company focused on empowering a new, financially-savvy generation. During the summer, the organization launched a second version of the web site with the goal of helping entrepreneurs get started. Young people are now able to begin a new company in just a few minutes at no cost. Some of the products and services on the site include original artwork, computer assistance, yard work, bike repair and even juggling lessons.

On Bizinate, children (with parents' help) and teens can establish their companies, collect payments and promote their business through social media, e-mail and free business cards. There is also a marketplace where young entrepreneurs can buy and sell goods such as electronics and sporting equipment.

Bizinate hosts nearly 30,000 entrepreneurs (through September) and hopes to reach one million.

"We believe the next Steve Jobs or Mark Zuckerberg will get his or her start on Bizinate," asserts Rudy DeFelice, founder of the service, in a news release.

Resource: Bizinate at www.bizinate.com



Airports Looking to Sell, Lease Empty Space

Airports may not be a place where business professionals typically turn to rent office or storage space, but room is available because of industry consolidations.

According to a strategy study by the Transportation Research Board, when airlines cut back on fleets of smaller jets they concentrate flights in bigger cities. Planes and maintenance workers are removed from specialized buildings at smaller airports, leaving terminals and hangars empty.

The result is some innovative approaches.

Shipping company DHL operates out of the Cincinnati/Northern Kentucky International Airport, generating 40% of the facility's landing fee revenues. Pittsburgh International Airport uses its own staff for all maintenance work, which lowers rates and charges to airlines. The Lambert-St. Louis International Airport is looking to turn one of its now-empty terminals into office space.

In Indianapolis, United Airlines built a maintenance base in 1993 before abandoning it a decade later as part of the airline's bankruptcy. The Indianapolis Airport Authority, however, was eventually able to attract AAR Corp. and several other tenants to the facility.

Resource: Transportation Research Board at www.TRB.org

Study: 'Familiarity Bias' Leads To Risky Investments

There is no place like home ... except when it comes to investing.

A study by the Indiana University Kelley School of Business finds that about \$31 billion is allocated to excessively risky portfolios each year as a direct result of "familiarity bias." This is the phenomenon where inexperienced mutual fund managers tend to invest too heavily in home-state stocks without thorough knowledge of the companies.

Research indicates that mutual fund managers "over-weighted" companies from their home states by an average of 12%. Researchers offer that the bias could even be more widespread because the study only considers familiarity through one channel – home-state stocks.

The study also shows that funds in which managers exhibit the largest familiarity biases contain the most inefficient portfolios.

"One takeaway from this study is that investors should invest in funds that are run by more experienced professionals, or diversify among managers," says Noah Stoffman, assistant professor of finance at IU, in a university release. "We also hope this study makes fund managers more aware of how they choose stocks."

Resource: *No Place Like Home: Familiarity in Mutual Fund Manager Portfolio Choice* at www.kelley.iu.edu

Shorts written by Katie Coffin

Small Businesses Needing Cash Have Another Option

For smaller companies needing to expedite their cash flow, there is an online alternative. The Receivables Exchange allows businesses to put their accounts receivable up for auction, putting money in their hands almost immediately rather than waiting for billed customers to pay.

The process is simple. Company A bills Company B for a service. Company A can post the invoice on The Receivables Exchange, where online buyers will bid on it for a price below face value. Company A sells the invoice to the winning bidder, often receiving payment within days. Company B then pays the online buyer instead and that transaction goes through The Receivables Exchange, which gets a cut.

More than 2,000 small- and medium-sized businesses are registered on The Receivables Exchange web site and more than \$1 billion has been funded to date.

According to business forecasting experts at Kiplinger, last year it took an average of 46 days for small business owners to collect on bills, which is six days longer than in 2010 and 10 days longer than in 2006. On average, large firms are the slowest to pay, waiting until the bill is a week overdue before paying.

Resource: The Receivables Exchange at www.TheReceivablesExchange.com

South Bend Looks to 'Cloud' for Clean Water

The city of South Bend took a step no one else in the world has taken to address water management inefficiencies. Searching for a cost-effective solution, city leaders decided to overhaul the system and utilize SmartCloud technology to monitor and control water flow.

Like many cities, South Bend has a combined sewer system, meaning sanitary water and storm water run through the same pipe. This works well in dry weather, but heavy rains can cause sewer overflows into rivers and other sewage backups. A conventional, civil engineering solution would have cost taxpayers hundreds of millions of dollars, according to an IBM video statement with Gary Gilot of the South Bend Board of Public Works.

City officials collaborated with IBM, Notre Dame researchers and a local entrepreneur who was working with the research to put the cloud system into place.

"We did real-time monitoring and real-time control of that sewer system," Gilot says. "We're able to change the way the system can store and move wastewater during each unique storm that comes across our 40 square miles of city."

The city spent about \$6 million on the cloud solution. Gilot reports that basement backups are down, sewer overflows due to blockages have decreased 95% and more wastewater is being carried to the plant for treatment. This is with the same infrastructure the city has used all along.

"(Cloud technology) saved us a lot of money, it protected the environment and it protected human health much better," Gilot notes. "This is a better answer."

Resource: South Bend Department of Public Works at <http://southbendin.gov/government/department/public-works>

A Special Kind of Photography Business

There is a new photography studio in Noblesville offering a service to the community that can't be found anywhere else in Indiana.

Cassandra Medley is one of three photographers in the state who is accredited by Special Kids Photography of America, and the only one who focuses on kids with autism. Her family was her motivation to seek this special photography training.

"My stepson is autistic," Medley relays. "I was having trouble with my own family pictures. He was afraid of the camera and would cry hysterically or run out of the frame altogether."

Medley opened her new studio, Medley Portraits, in September. She previously worked out of her home. Her goal is to raise awareness in the community for special needs photography and even begin working with school systems to make sure these students are included in yearbooks.

"I think these children want their pictures on the mantle next to their siblings so they can have that pride, and they don't get that in their school systems right now," Medley shares. "It's important to the moms too. That's the motivation behind what I do."

Resource: Cassandra Medley, Medley Portraits, at www.medleyportraits.com

