

ST. LOUIS POST-DISPATCH

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INNOVENTOR ENGINEERING TRIES TO LIVE UP TO ITS NAME

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Of The Post-Dispatch
- St. Louis Post-Dispatch (MO)

- April 23, 2004
- Section:
BUSINESS

- Edition: FIVE
STAR LATE LIFT
- Page C8

* Employees develop and patent their inventions as well as help companies to refine products.

While other engineering firms create products for their clients, **Innoventor** Engineering Inc. is dreaming up its own inventions, Thomas Edison style.

Living up to its hybrid name, the 8-year-old Maryland Heights company also embraces the innovative open-book management philosophy and rewards employees for dreaming up new products and/or saving the company money. "Our mission is to invent for ourselves and innovate for others," said President and Chief Executive **Kent Schien**. "What we really want to be is a Thomas Edison company of today. There are very few companies out there doing that."

Innoventor has received six patents for its inventions and applied for 10 more. It plans to submit five more patent applications within two months.

The inventions range from a sleeve that controls swelling to a process that removes the smell from large hog farms and converts hog waste into energy and fertilizer.

None of the firm's inventions is paying dividends yet. But Schien projects that they will contribute about 5 percent of the estimated \$7 million in revenue this year.

The manure-to-fuel process will be the first to market, and **Innoventor** is looking for venture capital or a firm to license the technology.

Investment for new products, whether governmental or private, has been hard to roust since the stock market plunge and the terrorist attacks in 2001, Schien said. But he sees signs that purse strings are loosening.

Although the company is too small to market its inventions alone, **Innoventor** sets aside at least \$300,000 a year for creating new products. When times are lean, as in the last couple of years, it's tough to stick to that commitment, Schien said, but he refuses to waiver.

"We really believe in this model of inventing for ourselves," he said. The company's research and development committee meets regularly to discuss progress on existing inventions and brainstorm new ones. Most of the ideas are practically oriented, but occasionally a wacky notion will pop up. Even then, the idea is often turned into something practical, such as one engineer's idea for a baby-seat alarm that was converted to an alert when a child car seat isn't latched down properly. All of the company's 40 engineers are encouraged to invent. They receive graduated bonuses each time one of their ideas clears another hurdle in the process, such as a patent application or grant.

Innoventor also pays its employees bonuses ranging from \$3,000 to \$8,000 a year, based on profits. Every employee knows what the firm's profits and revenues are based on the open-book management philosophy developed by author and entrepreneur Jack Stack.

"We started the company under two major belief systems: We are going to treat all our people as professionals and to have open-book management," Schien said.

Beyond inventing, the company's meat and potatoes is creating equipment or products for customers across the nation. The bulk of those products are in the defense/aerospace, medical/pharmaceutical, energy, automotive and construction industries.

Locally, **Innoventor** helped refine the first production unit - known as a first article - of the magnetically driven heart-catheterization equipment pioneered by Stereotaxis Inc. of St. Louis. That unit went to one of Stereotaxis' early customers, located in Germany.

"They are an obsessively results-oriented group. They are the Marine Corps of the consulting group," said Stereotaxis' Jim Eby, vice president of manufacturing and field support.

Innoventor is increasing its marketing in the St. Louis region. The majority of its clients now are in other cities, which adds up to costly travel for each dollar of sales, Schien said.

"We think we have a very good product, but not many people know about us," he said. "We are (planning on) making a bigger impression in St. Louis."

Through marketing efforts and the improving economy, Schien predicts that **Innoventor**'s revenue will grow to nearly \$10 million next year. And personnel will grow, too, from about 55 workers now to 75 employees later this year and up to 100 in 2005, Schien said.