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## Racine entrepreneur starts tapping into new dairy technology

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It's not often that a small business gets the chance to acquire patented technology along with the connections and resources to bring a product to market.

Up-and-coming entrepreneurs often miss out on such opportunities because they lack access to networks where information is available about patents and other innovations.

In Racine, Ed Salinas is tapping into patented technology to produce low-cholesterol dairy products. The final product, a milk ingredient known as Benelact, would be used in a variety of food products such as yogurt, ice cream and cheese and be marketed to dairy and bakery manufacturers throughout the United States.

Salinas, 49, is president and chief executive of Alliance Enterprises LLC, an 18-employee contract packaging company in Racine that has sales of more than \$1 million.

"We took a patent that had potential value and made it into a reality by the investment of time and money that we put into this product," Salinas said. "It took a lot of due diligence to get to this point."

Salinas initially plans to target the Hispanic cheese market, which research shows is one of the fastest-growing markets in the industry with a growth rate of 23% annually. He hopes to roll out several of his Hispanic cheeses in coming months.

It's a huge opportunity for a small packaging company that lacked the capital and resources to single-handedly tackle a project of this nature.

"People told me it couldn't be done - that I'm crazy," said Salinas, a former regional manager for Radio Shack who previously operated a men's clothing store with locations in Racine and St. Charles, Ill. "Every step of the way, we've proved them wrong."

### Hooked up with CATI

Ever since he launched his packaging company five years ago, Salinas has been interested in finding new money-making business ventures.

Through his membership in the Racine Hispanic Business and Professional Association, Salinas was approached by the Center for Advanced Technology and Innovation, a nonprofit economic development organization.

CATI (pronounced "cat-eye") holds a number of patents donated by large companies such as Kraft Foods, Boeing Co. and S.C. Johnson & Son, and likes to partner with minority-owned, technology-based companies in the region. CATI also licenses technologies that it manages through joint ventures with corporations.

Salinas licensed patented technology to extract cholesterol and saturated fat from milk to get healthier dairy products. The technology was developed by Kraft Foods and donated to CATI in 2005. Last year, Salinas paid \$37,000 in royalties to CATI to use the technology.

In February, Salinas opened a \$1.5 million research-and-development center at the CATI Center, a 40,000-square-foot facility in Sturtevant owned by Gateway Technical College. To finance the project, Salinas used revenue from his company, an investment from a business partner and a line of credit from Chase Bank.

He is only the second minority entrepreneur to go through CATI's technology transfer program.

"It's about finding entrepreneurs like Ed that have the business talent and the infrastructure but don't have the large R&D business structure," says Matt Wagner, executive director of CATI, which was founded in 2001.

"Ed doesn't have a PhD in dairy science, but the science isn't as important as the business development. You need an entrepreneur who has the skills, talent and fortitude to bring a product to market."

## **Detailed business plan**

To get into CATI's technology transfer program, entrepreneurs must develop an extensive business plan detailing the kind of team they would put in place, the capital resources they would use and what their idea is for bringing the product to market. Potential candidates must have run a business, have management expertise or experience in a given industry.

After all the hurdles are cleared, CATI will negotiate a licensing agreement.

What's nice about the partnership is that entrepreneurs such as Salinas are given access to CATI's connections in certain industries, such as the Dairy Business Innovation Center in Madison, and have the added benefit of working in a nurturing climate. Gateway Technical College is providing resources and support through its incubator program for start-up advanced technology companies.

"It becomes more of a team aspect that hopefully gives the entrepreneur a better chance and lowers risk for that entrepreneur," Wagner said.

Wagner hopes other minority entrepreneurs in southeastern Wisconsin will see technology transfer as a business option as a result of Salinas' success. He may soon get his wish, thanks to a \$126,000 grant from the Helen Bader Foundation to expand the program to Milwaukee.

That's welcome news. CATI's technology transfer program is one more means of increasing opportunities for minority entrepreneurs in a part of the state that sorely needs jobs and business development.