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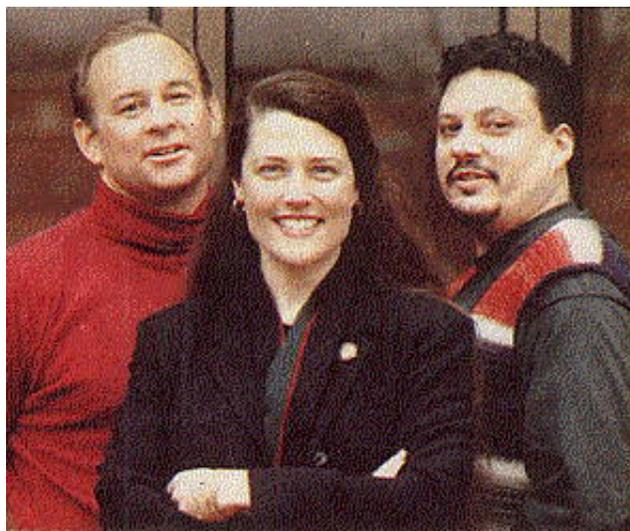
Technology groups discover a symbiosis

Individual professionals find the capital they need, while corporations hook up with talent.

**By Fern Sternberg
FOR THE INQUIRER**

Picture a group of T-shirt-and-jeans-wearing Internet junkies in their 20s and 30s. Now imagine them in the same room, happily chatting with suit-wearing corporate types in their 40s and 50s.

Sound like Silicon Valley? How about the Silicon Gallery in Old City on Dec. 16.



It was there that the hip, young members of the Philadelphia Area New Media Association (PANMA) celebrated their recent merger with the older, more experienced and better capitalized Eastern Technology Council.

Call it a merger of mutual necessity. The eight-year-old Tech Council gains a new source of information technology talent for its members. The two-year-old PANMA gains a partner that has access to the resources and capital that young, primarily World Wide Web-focused professionals need.

PANMA's mission has been to help individual professionals in what has been called "new media" network and socialize, as well as expand the new media business in the region. The Tech Council, a 700-member organization located in Wayne, helps its corporate members share information and has become a lobbying force to bolster the

region's technology sector.

Rob McCord, president and chief executive officer of the Tech Council, said that at first his colleagues thought PANMA was too similar, that their missions were the same. But McCord argued that PANMA had something that the Tech Council's members needed. Companies such as First USA Bank, Oracle Corp., and Unisys Corp. have no problem raising capital; what they need are ways to acquire top employees cost-effectively or find hot, new companies to invest in.

PANMA, made up of some of the "brightest, most innovative providers of service in the e-commerce realm," was just what they needed, McCord said.

"The average cost per [information technology] hire is \$9,000. If we can help a few dozen companies hire a few people . . ., it justifies itself," McCord said about the merger.

According to venture capitalists and software executives around the country, when it comes to technology, Philadelphia is second-tier -- right alongside places such as Florida, Colorado and Idaho. McCord believes that to rise to the first tier alongside hot tech areas such as California's Silicon Valley, New York, Boston, and Austin, Texas, the Philadelphia region must develop and retain its top technology talent. McCord said the PANMA merger is a step toward doing that.

PANMA was started in 1996 when the World Wide Web was young and the word "multimedia" was becoming part of the popular vocabulary.

"About 30 of us got together to drink and talk about the Internet," said Ric Kolenda, the 38-year-old PANMA president.

The group of Web designers, code writers and Internet innovators had such a good time that night at Center City's Samuel Adams Brew House that they continued to meet each month. It was a casual group just trying to relax with others who spoke their information-age language. Among those sipping micro brews were employees of small organizations such as LibertyNet, a nonprofit that hosts Philadelphia-area sites, and i-site web design, a medical Web-site design company.

As the new media business in Philadelphia grew, so did the group. By October 1997 members were doing more than getting together for drinks. PANMA had enlisted a board of directors, attracted sponsors, hired a part-time salaried executive director, and begun offering educational events in addition to monthly social gatherings.

Nancy Carig, 32, director of sales and business development for Magpage, is proof that PANMA does more than provide a social outlet. Carig says that because Magpage, an Internet service provider, is based in Delaware, no one in Philadelphia wanted to deal with the company. By attending PANMA functions, Carig got more exposure and business for her company. Carig says she liked the organization so much that she joined the board. "And I don't volunteer for anything," she said.

Kolenda also considers himself a PANMA success story. He and fellow PANMA board member Jeff Erb co-own Precision Media, a Conshohocken company that specializes in putting film and video on the Web. Kolenda says that he could not have started the company without PANMA. Through PANMA, he says, he has learned a lot about starting, developing and running a business.

By mid-1998, PANMA had reached a pivotal point. It had collected some cash from membership dues and sponsor contributions, and had spurred a slew of hard-working volunteers. But PANMA had no real capital or the connections to get it. Many companies looked skeptically upon PANMA and would not give the group a chance to entice them to invest or sponsor, Kolenda said.

In walked the Eastern Technology Council.

But acquiring this new division is not as easy as point and click for the Tech Council. The council will lose \$25,000 to \$30,000 in the first year on the venture, McCord said.

The annual dues from PANMA's 300 members and money raised from a few sponsors will not cover operating expenses. Nor can PANMA's volunteers continue to handle the workload of a growing organization. At present, Carol Wright, program director for the Tech Council, is acting as liaison between the two organizations. Although Wright says she is excited about working with PANMA, the council plans to lighten her load early in the new year by hiring someone to head up PANMA and assist her. McCord estimated that the additional person would cost the council between \$10,000 and \$20,000.

To the 39-year-old McCord, the investment is worth it. The merger will "improve the way we think about the world -- refreshing ourselves with young minds," he said.

Don't expect PANMA members to suddenly don suits and ties and start talking dollars and cents in the aftermath of the merger, however. "It's important to PANMA that we maintain our culture," Kolenda said.

And PANMA members are not about to trade in their monthly beer gatherings for the Tech Council's annual black-tie champagne galas, either. PANMA will continue to hold gatherings such as last month's at Silicon Gallery, which exhibits -- what else? - computer-generated and technology-inspired art.

The next event is at Brew Moon, a brew pub in King of Prussia. Ian Cross, a PANMA board member and i-site Web designer, explains, "You have to keep the beer angle going."