

Enterprise Appalachia Story

Newbold Technologies

Interview with Craig Newbold, Founder & CEO

After graduating from high school in the 1960s, Craig Newbold left the comfort of his hometown of East Liverpool, Ohio and headed west to pursue his passion for technology. The year was 1968 – well before computers were mainstream – and Craig had established a career in information technology. It was this forward thinking that helped Craig seize opportunities early, making for a highly successful career in the technology business.

Craig worked for nearly two decades in the tech industry before founding an IT company called BEST Consulting. Located in Seattle, Washington, the company quickly grew to 1,100 employees with \$100 million in annual revenue and became the 7th largest software development company in the State of Washington (Microsoft was ranked 1st).

While living on the west coast, during his frequent trips back to his hometown to visit his parents, Craig had watched the deterioration of the Ohio Valley's economy that had resulted from factories closing at an alarming rate. The loss of literally thousands of jobs had taken a heavy toll both financially and emotionally on the residents of the region. Craig grew eager to help, which is one of the reasons he made the decision to sell BEST and move back to East Liverpool in early 2000.

Creating the Tech Belt

In returning to East Liverpool, Craig's goal was to create jobs by developing a successful industry in the area. When an economy is based predominately on one industry, and that industry goes away, a community needs to reinvent itself. That's exactly what Craig set out to do with East Liverpool. He is working to transform Ohio's "Rust Belt" into the "Tech Belt" of America.

To create tech jobs in a traditionally manufacturing-heavy region, Craig determined that he would need to train residents that have an aptitude for software development. He started a non-profit school, the NewLife Technical Institute, which pairs seasoned IT professionals with students to teach them about software development and computer systems. In addition to learning core technical skills, students of the Institute also learn "soft" skills, which enable them to succeed in the customer-service-heavy IT world.

To generate job prospects for those graduating from the Institute, Craig created Newbold Technologies (www.Newboldtec.com), which provides companies with infrastructure support services and e-commerce solutions. Since Craig's development goal was so closely aligned with the success of Newbold Technologies, he had to ensure the on-going, sustainable success of the company, which proved to be a challenge provided today's global economy.

Newbold Technologies faces fierce competition from low-cost, overseas IT consulting companies. With the world shrinking due to globalization it has become increasingly cost-effective for U.S. organizations to consider utilizing resources from other countries such as India and China.

Leveraging Resource-Rich Appalachia

Fortunately, the low-cost structure of Ohio's Appalachia Region has enabled Newbold to compete on price with overseas IT consulting companies. Being in Appalachia, Newbold can compete because the cost of living and the cost of doing business make for an overall lower cost structure. Newbold Technologies is now an alternative to the offshore companies.

"I recognized the fact that the cost of doing business was so much lower here, because the cost of living is lower, the wages are lower, that I could pass on those savings to the marketplace and compete with the offshore movement," Newbold said.

Further, technology is usually a high turnover field, which can be costly for an IT company, but because we are close to the people's homes we are less susceptible to the turnover issues that our domestic competitors face. Plus, low turnover for a service company translates into higher customer satisfaction.

Additionally, Appalachia's access to knowledge and labor has tremendously helped Craig. He easily found experienced teachers with phenomenal work experience for his school. Ready access to knowledge in East Liverpool has also been especially helpful to Craig. Since East Liverpool is close to a number of nationally ranked institutes of higher education, his employees and company can easily draw from the learning resources, like research and development, made available by local universities.

Criteria for Success

Craig asserts that Enterprise Appalachia's ready access to knowledge and labor has truly helped launch the company towards success. Ohio's Appalachia Region makes it easy for entrepreneurs like Craig to leverage skilled labor to make strategic plans come to life.

"We are dusting off the old concepts of apprenticeship and journeyman and bringing that into contemporary standards by finding the right people, intensely training them in IT and computer-related technology, and providing constant support and additional training as needed," Craig said. "This is the most rewarding work I have ever done. Thank you, Enterprise Appalachia for providing me with the resources to create a competitive technology business."

In the end, Craig has helped transform his hometown, which was suffering as a result of major changes that had taken place in the business environment over the past decade. Now, the small community in Appalachia Ohio has evolved into a thriving, entrepreneur-friendly economy that is competitive with today's business landscape.