

Racine's CATI Venture Markets Instant Yogurt

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By Eric Decker, of SBT

The Center for Advanced Technology and Innovation Inc. (CATI), a technology transfer and commercialization organization based in Racine County, has helped launch the first business based from one of its technology transfers. Yokit Inc. has been formed to manufacture and market Yokit, an instant yogurt product that requires no refrigeration. Yokit's products come with a powder inside what looks like a typical individual serving package for yogurt. They're ready to eat after adding water and shaking for 30 seconds.

Yokit's yogurt products come in a variety of flavors, including French vanilla and tropical fruit. The patent used to develop Yokit was developed by Racine-based S.C. Johnson & Son Inc. in the mid-1980s, but the product was never commercially launched. The patent was the first piece of intellectual property donated to CATI, and it became the first product the organization decided to try to take to market through a local entrepreneur.

"This is the first time we've facilitated the launch of a new company through our own technology transfer," said Matt Wagner, CATI's executive director. "This is a big deal to us. We're excited about the potential to provide resources back to the community."

Dilip Kotecha, chief executive officer of Yokit, was a good match for the product because of his previous experience in the food industry, Wagner said. Kotecha was a founder of Creative Seasonings and Spices, a Racine-area food flavor company. He sold his interest in that company several years ago. The yogurt industry is valued at \$3 billion in the United States and \$14 billion globally, Kotecha said. Because yogurt is a popular food that requires refrigeration, he believes there is a potential market for an instant yogurt that requires no refrigeration. While the Yokit products are technically yogurt substitutes, they contain yogurt cultures and prebiotics, the beneficial bacteria contained in yogurt.

The convenience of the product and the fact that it can be made anywhere attracted Kotecha to the patent, and made him think it would be marketable. "It has all of the goodness of yogurt, with convenience," he said. In six to eight months, Kotecha said, the company will begin marketing a yogurt smoothie that comes in its own bottle, requiring water to be added. In about one year, the company will market a more concentrated form of its instant yogurt that can be made into a yogurt pie. The company is working on three different markets for Yokit products: vending machines; the outdoor recreational market; and government (i.e. military) sources.

"Our yogurts fit into vending machines," he said. "They also fit well into the sandwich snack machines. Schools are demanding healthy snack foods, and a product like ours could make a

difference for them." Yokit is currently being manufactured by a subcontractor named Create-A-Pack, based in Ixonia in Jefferson County. Kotecha said he wanted to have a subcontractor manufacture the product to get it established and test its marketability. Create-A-Pack will continue making the Yokit product for the foreseeable future, Kotecha said. However, Kotecha, a Racine resident, is hoping to establish a research and development facility in the Racine area for Yokit, where it will develop new flavors and products.

Yokit was launched in 2003, but the company's products have been in development until now, Wagner said. Several tweaks have been made to the formula that S.C. Johnson developed, Kotecha said, which have enabled him to file for an extension of the patent. That extension is pending from the U.S. Patent and Trademark Office, a division of the Department of Commerce.

One of the important changes, Kotecha said, was the addition of yogurt cultures and dietary fiber to the mix. The addition of fiber actually gives the yogurt culture something to feed upon in the human digestive system, allowing it to reproduce and increasing its health benefits. The Yokit venture could be a poster child for CATI's potential, Wagner said. "Ultimately, our hope is that they're successful and grow and create new jobs and develop new products in the Racine area," he said. CATI has collected intellectual property valued between \$40 million and \$45 million from several large corporations. The intellectual property that has been donated has not been used by the companies for a variety of reasons, but has been patented.

CATI is working with a second group of entrepreneurs to launch a company based on the second intellectual property transferred by the nonprofit. Remsis, a company led by Racine-area entrepreneur Ram Bachtia, is developing a product based on agricultural chemicals that inhibit the leeching of fertilizers into groundwater. Although the products are still in the development phase, Wagner said they may be used to help clean up contaminated groundwater. At the same time, CATI is working with Racine-area Hispanic and African American business organizations to help encourage high-tech minority entrepreneurship. "The rates of minority entrepreneurship are increasing, but we need to increase our minority high-tech presence," Wagner said. "We're looking for ways to target technologies. We're trying to work through the associations to leverage talent from those groups."

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