

Entrepreneurial Spirit

Lessons From ‘Companies to Watch’

By **Rebecca Patrick**

“If you can meet with triumph and disaster and treat those two impostors just the same ...”

– Kipling

That famous poetic line speaks to accepting life’s ups and downs – both will come, but it’s how you handle them that determines your course.

In the business world, perhaps no one has higher highs or more dilemmas to deal with than an entrepreneur, who assumes both tremendous risk and reward in bringing a start-up company to market.

Four such individuals who have successfully navigated all that’s been thrown their way sat down with *BizVoice*® to discuss how they did it and what they learned from being part of the inaugural Indiana Companies to Watch class, a program started in 2008 to honor high-performing second-stage businesses.

Participants:

- **Mark Bleyer**, president, Cook Biotech, West Lafayette
- **Bryan Debshaw**, CEO, POLARIS Laboratories, Indianapolis
- **Mike Evans**, president and CEO, AIT Laboratories, Indianapolis
- **Isaac Torres**, president, Inter-Cambio Express, Goshen

Program and retreat

A highlight of being selected as one of the Companies to Watch is a retreat organized by the Edward Lowe Foundation, an organization based out of Michigan that promotes entrepreneurship. (Our four roundtable participants took part in that retreat less than two weeks before this get-together.)

“If I can equate it, it was like dying and going to entrepreneurial heaven, and they welcome you at the gate,” Bleyer enthuses. “It’s great to have that opportunity to associate with other people that are like you and kind of going through those same issues.”

The like-mindedness of the group was also very appealing to Debshaw.

“As an entrepreneur, there’s not many people who can hold me accountable and ask the critical questions. Being with people who own their own business, I think there was opportunity for that, to ask questions of each other that we don’t get asked everyday – and by other people who appreciate the challenges and things we’re going through,” he explains.

For Torres, the retreat was also a welcome exercise in self-discovery. “You have time to spend with yourself. It’s a great opportunity to focus and to think about yourself as a leader, to think about how efficient you are as a leader for a company that is growing and what your challenges are ahead.”

Bleyer agrees. “In many cases as the leader of an organization or a business, I spend a lot of time focusing on other people and making sure they get opportunities to expand their skills, but often we don’t take the time to focus on ourselves and developing ourselves.”

The retreat agenda was intense, says Evans – and that was a good thing. “They kept us engaged, took us through a number of leadership/entrepreneurial type of programs to help us understand some of the aspects of being a leader. ... It was not something where we just sat around and read books and discussed them. You got out and you were active,” he notes.

“There was a bit of contemplation involved with it in terms of the issues and questions about yourself, your company, your goals, your motives, where you’re heading in terms of life. So, it was really a well-accomplished program.”

Attendees also learned firsthand about various entrepreneurial success stories in Indiana and the region.

"There was a guy from Traverse City (in Michigan) who started a pie company. He was an engineer and lived on the West Coast. He wanted a better life for his family and came back to the Midwest," Evans begins.

"He didn't know how to make pies but figured it out. Now, he's got a very successful business where he's franchising throughout Indiana and Michigan. He was able to take that engineering training, that process orientation that he has for engineering, take that to make consistently really good pies.

"Another individual from the automotive industry made fuel efficient fuel injectors to market in China," Evans recounts.

The diversity and ingenuity of all the business models really registered with Bleyer. "It is amazing the entrepreneurial spirit and how creative people were in taking an idea, a concept, and building it into a very successful business – across all sorts of fields."

Can't go it alone

For any successful entrepreneur, self-assurance and self-reliance are musts, but the panel cautions that shouldn't translate into a lone wolf mentality, if you want to get very far.

"While the entrepreneur has to bring a vision, an energy that gives direction, very quickly you've got to build a team to be successful. You see some people that have a vision and energy, but they never seem to be able to get there," Bleyer remarks.

"It takes that person who is willing to open up their hand, release some of that responsibility and allow other people to be a part of a team that makes it happen."

Debshaw concurs. "In working with a lot of entrepreneurs over the years, I have to say no one comes with everything they need. They need help – either in sales, marketing, the operational side, the technical side, the financial side; they need those other resources to be successful.

"Part of the challenge as you grow is building that team and having those resources around you, as well as being willing to trust and release some of that control. You can't do it all. You've got to be able to work with those individuals in order for the organization to be successful," he asserts.

Evans says the choice is a simple one. "My company is most important to me, so I have no problem putting the company in front of me. ... My team – everybody I surround myself with – is 10 times better than I am at what they do. That's the secret."

Growing pains

As time marches on, the challenges new companies face evolve from the basics like meeting payroll and hiring staff to establishing company ethics and managing growth.

"As you get to maybe 30 to 50 people, you've really got to start thinking about your company culture – and probably sooner than even that. But at that point it is becoming very

important because now people across your company are making decisions on behalf of the company and taking responsibility, whereas in the beginning you pretty much knew everything that was going on," Bleyer explains.

"Your own value system, your own decisions (early on) could infuse the whole company. As your team gets bigger and you start to really trust your team, then you've got to build a culture of values that you share so as people are out representing your company, they are doing so based on that value set."

Evans interjects, "My one job today is keeper of the culture; really, officially that's what I do. ... Before, my value system drove everything because I was involved in almost every decision. We've grown from 150 people a year ago to almost 300. I can't be that involved now."

Another tricky area can be what to do when the "demands of particular jobs grow faster than the individuals in those positions can," Debshaw relays. "And in a high-growth organization, it's hard to have the time to develop all of those people as much as you would like because your needs are immediate."

This problem was a common theme at the Edward Lowe Foundation retreat, says Evans. "We heard: 'I've outgrown this person. We've gotten bigger and they're not able to step up.' That's going to happen.

"You're going to outgrow some key staff you started with who were great back then, and it's not that they're bad now, but the company has grown beyond them. As a leader, you've got to face up to the fact that a change has to be made," he emphasizes.

Adjustments also have to happen regarding competition; the bigger you get, the stiffer it is.

"We are now into the throes of competing with larger organizations, and they are setting up new strategies with aggressive pricing. You try to come up with ideas to make the organization as efficient as you can – reduce the overhead and try to pass that onto the client," Torres notes.

"For the past 10 years, every year has been a different challenge. One year was competition, another

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POLARIS Laboratories



Mike Evans
AIT Laboratories

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*Mark Bleyer
Cook Biotech*

year was the banker relationships, another year was the line of credit, but every year comes with something. That’s what I really enjoy about running my own business – you never get bored.”

Character building and success

In fact, enduring the difficult times, contends Evans, is the true mark of any entrepreneur.

“You never really get tested until you go through a difficult time, and until you go through a difficult time, you’re not going to be a real true success because you just don’t know. I don’t know any entrepreneur who is a successful entrepreneur in the long term who has not gone through a difficult time,” he states.

“The story is they come out of it; they figure out how to make it work and they figure out they’ve got to address this problem. That’s one of the telling statements about entrepreneurs; they just don’t give up. They’ll figure out how to do it. They may have to start over again, but they will start over.”

Adds Bleyer, “That’s a good point. I think it’s one that challenges us in the Midwest – to realize that an entrepreneurial climate has to allow failure, and you have to then recover and go for it again. To truly be an entrepreneur, you’ve got to have the ability to tackle something and maybe not make it. That’s a real challenge to us sometimes in Indiana, to be able to have that spirit and not assume that one failure then means you’re finished for life.”

We have to look no further than to Evans for someone who righted the ship. His company faced bankruptcy in the middle ’90s, which jolted him into rethinking how he was doing things.

“At that period, there was a shift of my mentality from a scientist running a laboratory. I ran a good laboratory, but I had to learn how to run a business and that’s two different things.

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"That's when I began to appreciate I'm running a business, and I had better figure out how to run that business. That's when we really began to start the climb to success," he shares.

No blueprint exists to learn by, Evans continues, you just make your way as you go along.

"There's no book I can go to and say; 'Hey, Mike, chapter two, you do this, this and this.' You've got to figure it out. Every day is new to us."

So is there ever a time when these entrepreneurs feel they're a success and can breathe a sigh of relief?

"I have yet to hit that day. I can never relax to the point that I think I've made it," Evans answers.

"I don't think I've ever had a day where I feel I'm 100% successful, that that burden is off of me, and I've got nothing to worry about in the future. I think that's a healthy worry. It's the same thing as a professional athlete. The day a boxer goes into the ring and is completely at ease with his talent, that's the day he gets carried out. You just never get over that edge that you've got to have."

Debshaw seconds that. "My concern is the day we become comfortable – at that point, we don't challenge and we're not willing to look at things differently in order to keep the growth in the organization going. We have to be willing to look ahead and to continually challenge what we are doing and how we are doing it, and know that we're going to be doing it differently in the future.

"As you grow, the stakes get higher. You worry about the decisions you make; they affect all your employees and their families. You want to keep the company headed in the right direction, so I don't know that (worry) ever goes away," he maintains.

Venture capital and funding

An integral part of keeping an early-stage or rapidly-growing business on track is financing. Indiana's 21st Century Fund, which provides dollars to small, entrepreneurial firms in the high-tech sector for use as risk capital, has been an "excellent entrepreneurial motivator," according to Bleyer.

"It's helped our company, and I know it's helped several companies around the state." (Unfortunately, the 2009-2011 state budget produced in the June special session cut money for the 21st Century Fund in half, to \$35 million.)

The state's Small Business Development Centers have contributed to the successful growth of both POLARIS Laboratories and AIT Laboratories.

"Our business was started by receiving assistance from them; they helped us with an initial business plan and getting the business up and running, as well as an SBA (Small Business Administration) loan," Debshaw explains.

Evans also reached out to the SBA, receiving a loan to buy the building the company is in now. "Half (of the needed money) came from the SBA loan; the other half came from a conventional bank mortgage," he offers.

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In addition, the two companies have benefited from training tax credits for their expanding workforces.

When it comes to venture capital money available in the state, the group says there's definitely more here than there used to be.

"Indiana has really stepped up in terms of being a place where some of the venture capital is now looking for growth and investment opportunities," Bleyer assesses.

"We have BioCrossroads. We have the IEDC (Indiana Economic Development Corporation). We have Clarian Ventures. We have Rose-Hulman Ventures. There are a lot of places where people are starting to put together funds.

"In some cases, those funds are specifically for Indiana-based and Indiana-born companies. That's been a real change; we didn't have that 10 years ago," he mentions.

The visibility of BioCrossroads has been of particular importance to a company like AIT.

"BioCrossroads raised the visibility of life sciences; we're getting national attention because of their constant work. You can't do that overnight; it's taken a lot of years for Dave (Johnson,



"Every year has been a different challenge. One year was competition, another year was the banker relationships ... but every year comes with something. You never get bored."

*Isaac Torres
Inter-Cambio Express*

president and CEO of BioCrossroads) to generate some of that steam and motion, but it's happening now," Evans states.

"You're beginning to see venture capital money from the East Coast and West Coast coming into Indiana, recognizing Indiana's positioning in life sciences."

And all that has happened by design thanks to a driven and well-executed plan, Bleyer suggests.

"Like Mike said, there are groups here that are pushing it. We know there are some places on the coasts that I think are already at that point where venture capital is always just wandering around looking for opportunities. Honestly, I don't think Indiana is there yet.

"We're getting there, we're getting close, but we've still got some work to do to be seen as one of those places that's just an engine of innovation," he determines.

The playing field

The group agreed that Indiana's overall entrepreneurial climate has significantly improved over the last 10 to 15 years.



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Both Bleyer and Evans note the progression regarding how the universities view their role within the business community.

"The universities have really become much more interested in seeing their discovery work really make that translation, as they call it, or transition into a commercial application. They understand that private enterprise has a big part to play in that, and in fact, that's a true partnership," Bleyer offers.

Evans' AIT Laboratories has connections with various institutions.

"We work with Purdue, IU and even the smaller schools like Rose-Hulman. There's tremendous interfacing between business, science, the academic world and really trying to promote the entrepreneurial spirit.

"They have courses and programs on entrepreneurship, and I often go in as a speaker. Recently, I was at the (Indiana University) Kelley School of Business (at Indianapolis) giving a talk to MBA students, so the grassroots are there; it's growing."

While much progress has been made in building the state's business climate, financial resources are still a top concern, but that's really the nature of the beast.

"Indiana is still a very conservative fiscal policy state in terms of lending, and that's always going to be a challenge for business," Debshaw says.

"The banks are very cautious right now; they're more reluctant to loan money. But if you're (truly) an entrepreneur, you won't let that stop you. Maybe you can't do everything at

once and have to piecemeal because you can't get all the funding, but you just keep doing that until you get over the hump."

There can be a plus to Indiana's steady ways, Bleyer contends. "Business really thrives in a predictable climate where the tax base, the energy costs, the infrastructure are known. So in some ways, Indiana's more conservative nature can be a benefit in the sense that it sets up a predictable climate for business to operate in."

Adds Evans, "If you have predictability, then you can take measured risks and do things to grow."

"I'd just like to see people here continue doing what they are doing. What I would want is a continuation of the activities going on with the governor, with the IEDC. ... You can't be an overnight success story. You've got to work at it; it's got to be sustained."

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