



DYNAMIC DUO

If it looks like a duck, walks like a duck ... it's likely a duck – as the idiom conveys.

However, if it syncs with mobile apps, teaches life lessons and takes the Internet of Things to a whole new level, it might be better described as a groundbreaking, transformational gadget the likes of which the children's toy industry has never seen.

That was the hope when Matt MacBeth (left) and Don Inmon (opposite page), two innovators with minds for engineering and a collective desire to navigate the turbulent skies of the tech spectrum, developed pi lab and its flagship product – Edwin the Duck.

Edwin is a rubber duck that includes a Bluetooth speaker, a thermometer that gauges bath water, a night light that works in tandem with apps and much more, allowing children to follow along with interactive stories, play games and enjoy sing-alongs. Tens of thousands of units have been sold (via online and brick and mortar stores like Amazon, Apple Store, Best Buy, Target and Toys 'R Us) and are already in the hands of children around the globe.

But peeking behind the duck, so to speak, reveals a duo with overwhelming imagination and ambition. MacBeth and Inmon are also gaining recognition, winning, among other honors, the 2015 Innovation Showcase Pitch Contest; TechPoint Mira Awards the last two years; a National Parenting Product of the Year Award; and earning a semi-finalist finish at the 2016 Last Gadget Standing contest at the International Consumer Electronics Show in Las Vegas.

Getting off the ground

The duo has their own personal stories, to be sure. Inmon grew up in Indianapolis, headed north to Wisconsin for college and eventually found himself working on the West Coast at Apple.

"At Apple, I got to work with some really talented people, including Steve Jobs," he reflects. "I don't want to overstate it, but I got to be in the room with him a handful of times and he

No 'Ducking' the Spotlight for Edwin Creators

By Matt Ottinger

was always inspiring and interesting. I took that back to customers we worked with who were building headphones, speakers and cases. I would help them refine their products. I even had a chance to work on Beats by Dre headphones early on.”

Inmon estimates he’s been involved in over 100 product launches “if you include individual SKUs (stock keeping units).” He ultimately found his way to Indianapolis-based Klipsch Audio, where MacBeth worked as a program manager.

“I led teams to convert headphones and speaker docks to make them iPhone- and iPod- compatible,” MacBeth relays, noting their positions at Klipsch allowed the two to travel around the world.

MacBeth, a native of Erie, Pennsylvania, explains his affinity for engineering and entrepreneurship began at an early age.

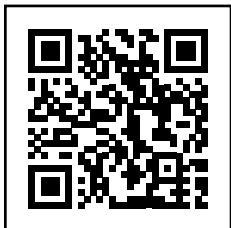
“I grew up in a family business that my brother’s running now,” he says. “It’s fourth generation – about 100 years old. I learned economics and supply and demand when I was about four or five. Stocking candy shelves, where you put out merchandise and see how it sells. On the tech side, I always had an aptitude for building things. My dad had an ATV repair shop, and we had bicycles and motorcycles, fixing things with a welder and fixing electronics. I had a good handle on electrical mechanical systems and how to fix them around third grade.”

In his adult years, MacBeth even ran high-end audio start-ups out of his home, and in 2008 formed a partnership to revolutionize how phones are used.

“We created the first mass market Wi-Fi camera. It was like discovering a whole new world of what you can do with electronics. No one had really tied the hardware and software together in a mass market world.”



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Matt MacBeth (left) and Don Inmon are ready to take tech-enabled Edwin the Duck to new territories with their ambitious vision for the franchise.

Duck origin

Savvy and a yearning to create eventually led MacBeth and Inmon to become partners in forming pi lab in 2013. Their company initially endeavored to launch many products, but then determined their entire focus should be harnessed on Edwin.

“We built a prototype, and we really got traction when we showed it to a buyer at Apple,” Inmon notes. “They said, ‘This is the best idea you’ve ever had. Forget the other products you were talking about doing; focus on this.’ We needed that encouragement, because we were about to go make 12 different products in four different categories, plus Edwin. This is a full-time effort.”

Inmon recalls how Edwin initially came to be.

“I had a light bulb moment in Hong Kong,” he remembers. “I saw a rubber duck that had a speaker in it that was for sale. It was very poorly done. But it hit me: ‘What if we took something that was nostalgic and put modern day technology in it?’ I didn’t envision all the apps we’re working on now, but I did envision something that a kid would smile about. It would have some video game properties and some interactivity.”

MacBeth adds the idea evolved into an Internet of Things device with a multitude of functions.

“In Old English, Edwin means ‘faithful friend,’ he offers. “We wanted a personality, a name and a product that would go through life with you. Edwin shares life from the same angle as you. He’s an aspirational character.”

Building the nest

The pair eventually settled on downtown Carmel for their headquarters, and the ideas that produce Edwin’s hijinks are cultivated

in a converted townhouse on Main Street.

“When we met Mayor (Jim) Brainard, people on his team and people in the tech community, they noticed us on the street,” Inmon shares. “It seemed like a place with a lot of families, and an opportunity to test what we were making to see if it was relevant.”

Brainard revels in the opportunity to host pi lab as up and coming companies help diversify and enhance the city’s culture.

“It’s wonderful to have them here because tech companies attract tech companies,” he contends. “The more you get, the better synergy you have in the community. This is the industry of the future and we need to embrace them if we’re going to compete with cities across the country.”

“Their physical presence in the Arts and Design District does add to the atmosphere,” Brainard contends. “I believe it helps them too as they try to attract the best and brightest workers.”

Edwin’s creators are also quite involved in Central Indiana’s emerging tech scene, interacting with and instructing other creators at the Launch Fishers co-working space and DeveloperTown start-up hub in Indianapolis.

“Indiana’s the number eight tech start-up zone in the country; it’s pretty awesome . . .,” MacBeth explains. “We’re kind of at the center, both physically and technologically. If you think of hardware or medical start-ups in Boston, or pure software start-ups in San Francisco, if you merge all that together you basically have what Indiana’s tech community is: a mixture of hardware, software, cloud services – and it’s kind of the melting pot of all the technology zones.”

Leading the flock

Involvement with Hoosier innovators of the future is also a focus

for the duo. As an example, MacBeth works with and sponsors a robotics team at Bedford North Lawrence High School.

“I went down a couple weekends ago to meet with them at their facility,” he relays. “They have one little room smaller than this garage. Out of that garage, they’ve gone to world championships two years in a row. This year’s incoming robotics class in Bedford for First Robotics, which is up through seniors in high school, will be 60% to 70% women. The girls in that community are just crushing the boys in technology, and robotics and programming.”

In addition, working with high school students in Central Indiana has been “awesome” and encouraging.

“There are kids coming out of Noblesville High School with patents,” MacBeth points out. “They have companies that are revenue positive. They’re coming out with business models and have investors. Then they go to college and make it even bigger and learn the theory behind it.”

Don Wetrick, innovation coordinator at Noblesville as well as an author and educational speaker, explains MacBeth brought the Edwin prototype to the school before its product launch and brainstormed with the students. It was an experience that benefited both parties, he believes.

“They (students) got to see what a product launch looked like,” Wetrick reflects. “And he modeled the product and received feedback from potential customers and a fresh set of eyes. (It was an example of an entrepreneur asking, ‘Hey, what do you think? What should we keep and get rid of?’ and it was a good lesson for the students.”

MacBeth conveys the necessity for society to think differently about education to inspire more invention and innovation.

“I watch some of these kids who are sometimes pushed off by society, which says, ‘You’re too dumb to graduate high school; you should drop out,’” MacBeth says. “These are kids who are just not challenged or don’t fit traditional education. Working with them to find out what their skills, abilities and purpose in life are, and see what they turn around and become is absolutely amazing.”

Wetrick concurs, noting the importance of involving experienced entrepreneurs in that effort.

“They’re the heroes,” he asserts. “Entrepreneurs by and large didn’t like school. They enjoyed trial and error. That’s a reason why I have my class; I don’t like how we will brand a kid a failure if he tries something new and fails at it. ... It’s important that our students see and work with people who are doers.”

Spreading their wings

Edwin may soon grow to become much more than a children’s toy. A conversation with Inmon on the studio couch reveals a wealth of aspirations.

“We’re truly an educational entertainment company,” he imparts. “Most people don’t move into that space starting with a toy, but we did. But it was more than just a regular toy. Because that has achieved traction, we’re now able to attract people who write cartoons – actually animate and draw cartoons. We come up with a lot of the concepts, just as we did with our animated stories.”

He elaborates: “We wanted to take Edwin out of just the bath time experience and make him a friend for the entire day that teaches values and is a hands-on learning experience that gets a kid excited, maybe about creating their own thing.”

The pi lab team is creating webisodes with its own recently-hired in-house animation talent, depicting Edwin and his eight new friends experiencing life on the farm.

“We want to get to the point where we’re building out cartoons that are shown on regular television, as well as streaming services like Netflix, Hulu, HBO – and then we want to move into feature film,” Inmon shares, speculating the company could become a “mini-Disney.”

Edwin could entertain families from the live stage as well in the near future.

“We’ve landed two Indiana musicians who have had international fame, and together they have written several Edwin songs that work for children, and on an adult level,” Inmon notes. “We call them The Wingmen, and we want to have them tour the entire world to combine animated cartoons with live on-stage performance with wireless interaction to our characters being held by kids in the audience. We want to build that out over the next two years as well.”

The company plans to grow to 15 employees by the end of this year and potentially to around 100 by 2018. The leaders are constantly evaluating spatial needs well beyond the current cozy home.

“It’s not out of the question that we’d need 5,000-7,000, maybe 10,000 square feet,” Inmon estimates.

Getting ducks in a row

Launching a product like Edwin the Duck is a unique undertaking, not without its challenges. Securing the necessary investment is an ongoing effort for pi lab, which is currently in a Series A fundraising round.

“The difficulty in funding in the Indianapolis area as a hardware start-up is so different than a recurring revenue cloud service company ...” MacBeth distinguishes. “In a brand new product category, there’s not a traditional trajectory to map to get a

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A talented team, working both locally and remotely, is the key to success and growth for pi lab.

Dynamic Leaders of the Year

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monthly recurring revenue. So that kind of investor has to have a vision of seeing where things can go and also understand the cash flow cycle of a hardware-based business is different than a pure software business. And in a hybrid business like ours with hardware and software, it's an even separate business model."

While Indiana's business climate is a benefit, the tech sector warrants considerations beyond traditional enterprises.

"There are a lot of people who want to do a lot of really cool things, but the government and private agencies don't know what to do with start-up people," asserts MacBeth, noting his optimism that the Indiana Chamber's new Technology and Innovation Council can help mitigate the divide. "It's a different thought process and raising money is different. You can't get a bank loan; you can't even get a credit card."

Regulations also remain a burden for fledgling American companies.

"We have to go through 187 different regulations before we can sell this toy at Target," MacBeth quantifies. "We spend more money on compliance than we do on product development. The amount of hoops we have to go through just to keep a basic company operational is surprising."

Aside from these, the personal commitment and sacrifice is demanding. Inmon, a divorced



The pi lab co-founders, who established an early home in Carmel, share a sidewalk conversation with Mayor Jim Brainard.

father of three boys, can testify.

"It's challenging to get on a plane 15 days a month to travel all around the world to tell a story about a duck, when you don't know (how much you'll have in the bank)," he states. "That's tough. But I told (Matt), if it's not scary, I don't want to do it. But that stuff gets really scary."

All told, despite the demands, Edwin's early popularity is astounding, and his creators continue to set an example for fellow

Indiana entrepreneurs.

"We have to say, 'We make a children's toy, and we're inventors and storytellers; that's amazing,'" Inmon concludes. "If I had written that down in high school as what I was going to do after college, that's a good life. So the battle is to not let all the business side suck out that joy and creativity. The leaders of the company have to inject positivity and be transparent and honest about how we're going to get where we want to go."