

# ELEVATING A REGION

## Bloomington, Columbus Join Forces

By Rebecca Patrick

Two of the state's already trendiest places to live and work recently got a little more with the times – entrepreneurially speaking.

Bloomington and Columbus, under the Velocities moniker, are partnering on what is one of now five regional partnerships for Elevate Ventures, which put \$1.5 million on the table after the cities kicked in \$500,000 apiece.

Elevate Ventures, which receives funding from the state of Indiana for a portion of its work, provides investment for pre-seed, seed and early-stage companies, in addition to having a strong economic development push.

“We want to be the change agent in these regions, cities and towns to help them begin to move toward that innovation and entrepreneurial culture,” offers Elevate Ventures CEO Chris LaMothe.

Cy Megnin, the entrepreneur in residence (EIR) for the region, started in July and will divide his time between the two locations' co-working and incubator spaces – The Mill in Bloomington and The Fish Tank at the Columbus Area Chamber of Commerce.

Originally from Bloomington, Megnin is taking the summer and subsequent few months to acclimate himself to the modern landscape in both cities and to introduce himself to entrepreneurs and the business community.

His hiring officially kicked off the cities' three-year partnership with Elevate.

### Coming together

At first, Bloomington had designs on going it alone in the effort, shares Pat East, a Velocities board member, CEO of Hanapin Marketing and executive director of The Mill. But local leaders quickly

realized that didn't make sense and there was strength in numbers, especially with a like-minded community in nearby Columbus.

“Both (of us) are at full employment, so being able to continue to grow our communities via small companies that are one, two, three people is really the way our communities are going to grow.

“If we were to recruit a 200-person company today, neither community would have enough population to be able to accommodate that. We have both said this is the right way we can expand.”

Elevate Ventures liked the pairing, as it had been pursuing both with the idea of a partnership.

“We think (they) have a lot to learn from each other. ... Each has the right set of assets to really have a lot of success around entrepreneurship and innovation. It's not unlike what we did up in South Bend, Elkhart and Marshall County in northern Indiana,” states LaMothe, alluding to another regional partnership.

“Two very distinct communities (in South Bend and Elkhart), but each has real assets that together could create a kind of one plus one equals five kind of thing, and we saw the same thing with Bloomington and Columbus.”

Bloomington is a higher education, life science-centered city. Columbus is more manufacturing-centric. Each could benefit from diversification, argues LaMothe.

East is looking forward to a front row seat to witness how Columbus goes about its business.

“Things like how they organize and how they plan. How they get a lot of community buy-in. They're a little bit more analytical about how they think about things.”

His Columbus counterpart, Rick Johnson, who is president and CEO of Johnson Ventures in addition to being a Velocities board member, is equally enthused.

“Bloomington has had a longer (history of) entrepreneurial



The Mill and its counterpart, The Fish Tank in Columbus, are approximately an hour apart and strive to be the anchors for fostering entrepreneurial activity in the greater region. The creation of the Velocities partnership will make that come to fruition quicker.

infrastructure (benefitting us), and Bloomington has the opportunity to pick up some of the more core manufacturing expertise (from us) for people in their community that may find a need or desire to learn more about that.

"It's an opportunity for each community to gain, to win – to have a face that's a little broader. So I think the feeling is that coming together, we really offer more than we could individually."

## Friendly rivals

While their cities may have formerly been fierce competitors, East and Johnson both say it's now more about doing what's right for their small region.

"Columbus has been really great about when they have a prospective company that is looking at them, they will fold Bloomington into that conversation," East shares. "So it's very much what's best for the company – not necessarily, 'Hey, we want to win this company so we're not telling Bloomington about it.'"

LaMothe says there are a lot of ways to look at competition and the new relationship, and he has a different take.

"I'm actually hoping that that competitive spirit continues – not in terms of a zero sum game but in terms of lifting each other toward their highest potential."

Johnson coins the arrangement as a "real honest and sincere collaboration in support of initiatives for the communities. And what's really nice is the people involved in it have kind of taken that extra step as we think through things to be sure that each community really feels like it's a partnership.

"It's just a lot of really good people on all sides that are working on behalf of entrepreneurs, but also they're working on behalf of their communities as a whole. I think that's a pretty special thing."

## Entrepreneurial dreams

It doesn't feel like a coincidence that these now-linked communities are home to two of the state's most famous entrepreneurs in the founders of Cummins in Columbus and Cook Medical in Bloomington.

"We don't think of them like that anymore, right?" Johnson asks. "We think of them as the big multi-international organizations that they are, but they were each started by a founder tinkering.

"We look at the end result, the successes, but they all start like that. So we're hopeful over time that we can create for each community a broader basis of an economic future."

Johnson is quick to add, "If we could get

another Clessie Cummins or Bill Cook, that would be awesome. But let's be clear. We don't really expect that to happen.

"However, Velocities will raise the awareness. We're going to have more people that have that glimmer of a thought, act on it. ... So if over a few years, we start 10 companies that grow legs and meet customer needs and build a broader economic base – that's great!"

From a start-up's perspective, it can expect expertise from the EIR and access to capital.

"Cy's going to be able to help them through connections, through working their financials," East begins.



Cy Megnin, the dedicated entrepreneur in residence for Velocities, came on board this summer. For the past two decades, he's been an entrepreneur, founder and advisor – spending the last 15 years in Austin, Seattle and the Bay Area.

"There is \$200,000 set aside in the Velocities partnership for these early-stage companies – to be able to give them. So anywhere from \$5,000 to \$20,000 can be invested in their company. Having that additional resource will be very meaningful."

The start-up life and community in Bloomington was already "really good," East declares.

"I think it will get even better once our EIR is up and running. He'll be able to act as a full-time mentor for all these founders, to help them build their companies that much more effectively and that much faster."

## Measuring success

LaMothe has a clear vision for what Elevate hopes to achieve in south central Indiana.

"That we will be able to bring the higher education institutions that exist in those areas – Ivy Tech, Indiana University – into a really strong partnership in collaboration with the communities around them so that we leverage the assets of the communities and the assets of our higher education institutions to really power innovation – and moving intellectual capital, intellectual property to commercialization.

"We're also anxious for all the disparate parts of innovation and entrepreneurship that exist through that area to really begin leveraging together and producing investable companies, companies that are high-potential, high-growth companies."

East concurs and wants to see the number of start-ups climb.

"Whether it's because our entrepreneurs from both cities are working together, because one of our start-ups finds an investor in Columbus or vice versa, or whether two founders just exchange ideas."

Johnson isn't sweating the details and measuring sticks at this stage.

"Any time you get an opportunity to expand your horizon and create a great partnership like this one, it's going to bear some fruit in some other things. There will be something two years down the road and so on."

When asked about the other similarly-structured partnerships and any commonalities to date, LaMothe begs off from going into too many details.

"Each one is so unique. It's not a cookie-cutter situation and requires a customized approach.

"Some are moving fast and that's exciting – and making lots of mistakes along the way. Some are moving a lot slower and beginning to pick up steam there," he explains.

"I've told every single one that if you think this is going to happen in three years, it will not. It's going to take at least three three-year turns (with Elevate). It will take a decade to begin to change a community toward innovation and entrepreneurship. It's a lot of hard work. It's heavy lifting. It's changing attitudes and minds, and it just takes a lot of time."

Ultimately, the goal is for Elevate to go away and not be needed for these local/regional partnerships.

"We want to get to the point where the communities are able to stand on their own and they really have got innovation and entrepreneurship clicking and humming," LaMothe concludes.