

COMMENTARY - *by Casey Cowell*

theTCBN

# New Incubator Making an Impact

20Fathoms, our community's new business incubator and center for entrepreneurship, opens its downtown office at the corner of Front and Park streets this month. Its mission is to cultivate a thriving community of entrepreneurial start-ups and growing companies.

It's all about impact.

The young companies working at 20Fathoms will be full of creative thinkers who live here year-round raising their families and forging personal commitments to our community. Their intense intellectual efforts will drive their companies forward, powering our economy for years to come.

It's already happening in the small group of start-ups in our Boomerang-Catapult family. In the

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last year and a half we have created about 45 high-paying jobs. That's on the order of \$4 million in annual compensation that simply wasn't here two years ago and is now flowing into our community.

It's hard to start a dynamic company and grow it successfully. Most fail. You need all the help you can get. Incubators like 20Fathoms are a vital resource and community for founders and entrepreneurs, mentors, partners, investors, developers, advisors, customers and peers. 20Fathoms offers shared work space, private offices and meeting/presentation space with high-speed fiber internet connectivity (thank you Michigan Broadband and 4Front!) and all in a productive, efficient environment (thank you Custer!)

Having its own permanent space makes it natural for 20Fathoms to regularly host events that pull the entire Traverse City business and

start-up community together, building trust, relationships, awareness, confidence – and having some fun in the process. We will also provide education and mentorship with 20Fathoms' entrepreneurial workshops and seminars.

While fostering this kind of economic community will lead to high paying job creation, there are many overlooked and underestimated indirect benefits as well. For starters, we will retain our talent. Instead of taking their start-ups to Boston, San Francisco or New York, founders will stay here and find the support and resources they need. If they leave, Traverse City rarely gets them back. If they stay, it means more stability for our schools, non-profits and other institutions. More demand for every level of professionals – attorneys, accountants, insurers, consultants of every skill and stripe. Hospitality services year-round – restaurants, hotels, breweries, and coffee shops – will all feel the new demand. Not to mention the all-important increased tax revenue for our municipalities.

And start ups will need to hire. Not just technologists and developers, but top-notch sales professionals, CFOs, operations and logistics experts, marketing and market research leaders, strategists and often CEOs. This means diversified, deep talent with ever-increasing skill sets from which existing companies will also benefit.

Capital is the lifeblood of all growing businesses. Without it, your "greatest idea" is going nowhere. Globally, there is more capital available and waiting to be invested than ever before, but how to get it? Traverse City is small and off the main thoroughfares of the investment world. Typically, our local CEOs and founders end up having to cold call potential investors in a grueling and time-consuming process at precisely the time they really need to focus on running and growing their business.

20Fathoms can be a neon sign of entrepreneurship for our area. It is much more effective for 20Fathoms to collectively get the word out to the investment community than it is for each company CEO to do it on their own. Incubators can bring

investors in-house to review companies, rather than the other way around. This leads to more attention for Traverse City and better financing options for all.

For example, our people-heavy, asset-light businesses in town often find it challenging to find financing. At many of our local banks the key decision makers are located far away and don't understand our city, our economy and our businesses. By raising awareness and visibility of investment and financing opportunities here, 20Fathoms will help open the door to financing opportunities for all of Traverse City.

Outside capital is essential. A great example is local start up Promethient, which makes human-scale climate control systems. This is the technology that can heat and cool a chair or car seat as well as just about anything else you can imagine. Faurecia – one of the largest global suppliers to the auto industry, based in France with operations around the world – has made a significant investment in Promethient. It has entered into a strategic relationship with it and has placed a key manager on the Promethient board of directors. This is an amazingly powerful development in that it provides access to global markets and brings capital into Promethient, not just from out of our region, but from outside our country. If a foreign-based, global player invested in your company and entered into a strategic relationship to use your technology, do you think that might significantly boost your business? Ummmmm ... YES!!

Impact is the name of the game. 20Fathoms will have significant impact on our community and our economy in ways that will benefit us all. Please check out the website, 20Fathoms.org, watch for our open house in July and see how it might benefit you, your company and how, in return, you can be part of its success.

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