

## **Mentors use MIT model**

### **Group assisting startups uses a tool from Boston school to build support.**

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Business Section

Local business leaders and universities are borrowing a tool from Boston to build a supportive environment for entrepreneurs.

Innovate St. Louis, a year-old civic group aimed at sparking company creation and commercial invention, is launching a mentoring program. Dubbed the Innovate **Venture Mentoring** Service, or IVMS, it is modeled on a system at the Massachusetts Institute of Technology that helps startups get off the ground.

"It's the entrepreneurs, and the businesses they start that drive the economy of any region," said Heschel Raskas, volunteer chairman of IVMS and a business consultant who developed and eventually sold cream-cheese maker Raskas Foods Inc.

"We need to change the culture of entrepreneurship in this city," he said. "We need to make it more welcoming, more supportive and build a reputation that St. Louis is a location that entrepreneurs want to come to, and where the best and brightest ... want to stay."

A handful of universities are providing board members, financial support and promotion to the program: Washington University, St. Louis University, Harris-Stowe State University, Webster University and the University of Missouri-St. Louis.

Their undisclosed dollar contributions, along with grants from Innovate St. Louis and local foundations, will provide IVMS with a \$250,000 annual budget, said Pete Peters, who was hired May 14 as the program's director.

IVMS follows a template and set of rules developed by the **Venture Mentoring** Service of MIT, which was identified as a best-practice mentoring program by the Ewing Marion Kauffman Foundation of Kansas City.

The foundation, a nonprofit that promotes entrepreneurship, wants to see the MIT program replicated nationwide - and St. Louis was the first to step up, said Vice President Lesa Mitchell. She sees it as a perfect match.

"In St. Louis, there is significant potential for innovation and entrepreneurial activities to grow. I don't think we've seen anything close to the potential being realized yet, but all of the right things are being done," she said.

IVMS is a simple recipe: Gather experienced businesspeople who are willing to donate a few hours a month to working with entrepreneurs. Form small teams of these mentors, let their knowledge mix with the innovation and energy of a company founder, and see what develops.

"This will be really useful for people who have great ideas and are interested in the next step. ... People who wonder, 'Gee, how do I make a business out of this?'" Peters said.

IVMS welcomes entrepreneurs of all backgrounds and from a wide range of industries, said Dr. William Peck, chairman of Innovate St. Louis.

"This program has to be diverse to be successful," he said. "It's the right thing to do. It's important that all aspects of society benefit from it, from different socio-economic, racial and gender backgrounds. That's important for everything Innovate St. Louis stands for."

IVMS initially expects to attract mentees through word of mouth, in particular at its supporting universities, Peters said. The life-science and information-technology industries have other entrepreneurial programs and momentum that are likely to make those areas natural starting points as well.

But the organization welcomes inquiries from any corner, Peters said. IVMS is working on a website that will provide a first point of contact. At the moment, IVMS is housed at Washington University's Skandalaris Center for Entrepreneurial Studies, but it is seeking a permanent home.

The organization has gathered about two dozen volunteer mentors and is seeking more, Peters said.

The program, like its MIT model, has a few ground rules:

- Mentors cannot have any financial or operational interest in the ventures they're nurturing.
- Entrepreneurs have ultimate decision-making power - their mentors must go along with those choices, even if they disagree.
- The primary focus is educational, to teach new entrepreneurs how to start and run a business, with economic development and gain as byproducts.

These rules are important to avoid conflicts of interest, Mitchell said. Also, in other cities, some programs have become places where professional-service providers volunteer as mentors in order to find new clients, which isn't very helpful to the entrepreneur, she said.

"The experience that we're trying to give young entrepreneurs is to quickly grow your company, or quickly kill your company for the right reasons," such as lack of a solid market or good product, she said. "Entrepreneurship is a high-risk venture, and many of the things we're doing (at the Kauffman Foundation) lower the risk."

If IVMS works, the local economy will benefit, Peck said.

"Our long-term result is that St. Louis will end up with a large pool of successful entrepreneurs and startups that provide economic and social benefit for the city. The pathway is through this educational process," he said. "We want to educate these entrepreneurs so that they become outstanding."

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#### VITAL STATS

About • Innovate **Venture Mentoring** Service links entrepreneurs with teams of three to five experienced business advisers

Status • Launched May 14, it is recruiting mentors and mentees, seeking permanent office space and preparing a website

Mission • To promote a culture of entrepreneurship and the formation of new firms

Supporters • Innovate St. Louis, Washington University, St. Louis University, Webster University, Harris-Stowe State University and the University of Missouri-St. Louis

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