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Section C, page 1

Service brings mentors to startup firms



July,08, 2008--Jason Woolverton, a Senior Laser Tech with Titanova, Inc., works for the only laser-based contract manufacturing service provider offering non-cutting laser process services in the central Midwest region. (Dawn Majors/P-D)

By **Angela Tablac**

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After John M. Haake started his Bridgeton-based company, Titanova Inc., in February, he wanted an adviser who could help him navigate the maze of starting a business. Through a free mentoring service called InnovateVMS, Haake met more than one business counselor.

He met seven.

The service, modeled after a program at the Massachusetts Institute of Technology, matches startup businesses with teams of experienced business leaders who can serve as mentors. It was launched about 14 months ago by Innovate St. Louis, a regional group aimed at innovation and entrepreneurship.

The Clayton-based service has grown from its initial 18 mentors and four startups to 57 mentors and 46 startups, recruited mainly through word of mouth.

Those numbers are "astonishing," said Sherwin Greenblatt, director of MIT's mentoring program. At the end of the MIT program's first year in 2000, 12 mentors and 15 startups participated in the program, Greenblatt said.

Entrepreneurs, mentors and industry experts say the mentoring service fills an empty niche in St. Louis. It targets startups in all industries and creates long-term relationships with the mentors. Typically, mentors meet with the entrepreneurs on a regular basis.

Other free programs in the area — like the Small Business Development Centers, run by a network of business advisers, and SCORE, run by retired executives — counsel owners of new small companies.

However, "a lot of people coming to SCORE are just at the point of thinking about business" and only need advice on an informal, as-needed basis, said Bob Rickert, an InnovateVMS mentor and SCORE counselor.

Entrepreneurs in the Innovate group are further along in the process and need more personalized and continuous guidance, said Rickert, a mentor for Titanova, which uses lasers to weld, heat-treat and repair metal.

In the Innovate service, mentors such as Rickert act as sounding boards for entrepreneurs. The mentors give advice but cannot force entrepreneurs to take it. Also, the mentors cannot invest in the ventures.

Budding entrepreneurs need that unbiased perspective, said Lesa Mitchell, vice president for advancing innovation at the Kansas City-based Kauffman Foundation, a nonprofit that promotes entrepreneurship. "At a very, very early start of a company, the company might not need a board of directors, but what you need and what you get from a board is ... expertise," she said.

The mentors help entrepreneurs from getting "lost in the fog" of starting a business, Haake said. "There are a lot of things going on when you start a business, and you tend to lose your direction quickly," he said.

While commercialization is the endgame for any entrepreneur, including Haake, it isn't the priority for the Innovate program. The goal for now is the education of budding entrepreneurs, not necessarily the commercialization of products and services.

"It's very early to get caught in the trap of how many companies are funded," Executive Director Pete Peters said. "Those metrics don't tell the story of what's happening."

What does tell the story are the hours of mentoring in the first year, Peters said. Mentors spent more than 1,200 hours with the companies in the service's first year. That amount, Peters said, indicates success.

Perry Wong, a senior managing economist with the Milken Institute, a Santa Monica, Calif.-based economic think tank, said the St. Louis program is a good way to introduce entrepreneurs to advisers, but it's not enough.

The program's success needs to be measured by the success of the startups, said Wong. Mentors also need to take stakes in the startups, he said, because that creates an obligation to the entrepreneurs and ensures the coaching is more than just generic business advice.

Peters said he disagrees. If mentors take a stake in the company, they're not providing unbiased advice. "You don't know what the advice is for, the benefit of the (startup) ... or (the mentor's) investment," he said.

And success takes time, said Peters and MIT's Greenblatt. "It's not a two-year thing," Greenblatt said. "It takes a long period of time, and that may be why it's hard to measure" success after one year of operation.

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