

# ST. LOUIS COMMERCE MAGAZINE

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## **INNOVATE ST. LOUIS Enhancing the Entrepreneurial Climate in the Region**

By Shera Dalin

**In its first year, Innovate St. Louis**, the homegrown effort to give entrepreneurship a boost in the region, has recently launched a mentoring program, formed a high-powered board of dedicated volunteers and attracted start-up funding.

“Our mission is to markedly enhance entrepreneurship and innovation in the St. Louis region,” says Dr. William Peck, Innovate St. Louis chairman and director of the Center for Health Policy at Washington University. “We do this in various ways and in collaboration with civic organizations, institutions of higher learning and governments.

“We want to make St. Louis a real hub of innovation in the country and the world.”

The organization, formed in May 2006 as an outgrowth of the RCGA’s Technology Gateway Alliance, established two initiatives: the Coalition for Information Technology and the Innovation Venture Mentoring Service.

And just this spring recruited Frank Stokes, retired Monsanto Company executive, CEO of Innovate St. Louis. Active in the St. Louis region’s Critical Technologies initiative in the mid-1990s, and a key leader at the St. Louis RCGA in developing the St. Louis region’s highly successful “BioBelt” plant and medical sciences industry sector strategy, Stokes brings strong background to his new post.

“Innovate St. Louis hopes to raise the level of innovation and entrepreneurship across our region in a sustainable way. We believe this will ultimately improve the quality of life for all,” Stokes notes. “Ours is a long term effort. There is no silver bullet. But through a combination of targeted programs and broader capacity building, we think we can make a meaningful difference.”

“Continued progress by St. Louis must include a steady flow of innovations and successful entrepreneurs,” Stokes notes. “Innovate St. Louis, in collaboration with others, wants to help accelerate this flow and thus contribute to a sustainable future for our region.”

Innovate St. Louis had a first-year budget of about \$250,000 through start-up seed funding by RCGA and Civic Progress, but Peck expects year two contributions of \$350,000 for 2008 from broad base of funding sources.

The goal is to improve the region’s economy, in part, by making it known as an innovation center, and not just in life sciences, Peck says.

Key to that mission is generating interest in St. Louis’ students to become information technology workers

and, once they complete their education, to remain in the area to fill emerging IT jobs.

“There is no economic prosperity without digital prosperity. All research indicates those two things are intrinsically interconnected. There are more people at Anheuser-Busch working with ones and zeros than beer,” notes IT Coalition director Willem Bakker.

The problem is that there are at times too few information technology workers who want to stay in the area. Rather, they seek out perceived better opportunities on the East and West coasts.

Keeping those workers is part of the idea behind the Emerging Technology Forum organized by the IT Coalition, says Ron Daugherty, whose company, Daugherty Business Solutions, sponsors the forums.

“The Emerging Technology Forum is a chance to showcase some of the success stories that are going on in the region and giving an additional opportunity for people to network and share common interests,” says Daugherty, who is on the IT Coalition board and a member of the Emerging Technology Forum Working Committee (the committee organizes the forums).

The first two forums attracted about 100 attendees each, a strong turnout, Daugherty says. Speakers included executives from Appistry, Express Scripts, Scottrade and Monsanto.

“It’s showing off some of the great things that are going on that are world-class examples of information technology driving business value in a way that will increase the visibility and attractiveness of the St. Louis area for professionals to stay here,” Daugherty says.

To promote the work of the IT Coalition and the Forums, the coalition is working on a Web portal that will highlight the IT advancements in the region.

In the meantime, Emerging Technology Forums are scheduled quarterly and the next is in October. Additional information is available at [www.itcoalitionstl.org](http://www.itcoalitionstl.org).

A vibrant entrepreneurial environment is a focal point for Innovate St. Louis.

That’s where the connections formed by the Innovate Venture Mentoring Service enter the mix. By mentoring promising start-up companies, workers have more local job choices with competitive, exciting companies, says Pete Peters, director of the Innovate Venture Mentoring Service.

“Innovation was one of the cornerstones that was identified by the Batelle Reports done by RCGA that is necessary for business success,” notes Peters. “If you have innovation, you have new companies coming and you need to have support for these new companies. Businesses succeed much better with mentoring.”

Multiple sources of free mentoring are available throughout the region, but nearly all of them are with an individual counselor. Innovation Venture Mentoring Service will provide entrepreneurs with a team of experienced mentors who volunteer to work with a protégé and nurture his or her business.

Innovate Venture Mentoring Service is modeled on a highly successful program created by MIT seven years ago. To date, it has assisted about 300 ventures involving 600 entrepreneurs, Peters says.

“From looking at the needs of our community—and I’m a 5th generation St. Louisan (who is) very invested in seeing our community grow—we need to enhance the spirit and work of entrepreneurial activities here,” says successful entrepreneur and chief executive Heschel Raskas, chair of the Innovate Venture Mentoring Service board. “St. Louisans generally aren’t aware of the extent of entrepreneurial activity that is going on here and how much it could be increased if we provide the environment and tools for entrepreneurs to succeed.”

Already, one of the teams has had a small success with its initial protégé. The team guided the

entrepreneur on getting a release to pursue his IT concept from the university where he is employed.

At publication time, five entrepreneurs had been matched with Innovate Venture Mentoring Service teams of four to five mentors. And many more are on the horizon.

"We would consider ourselves successful if we have 34 or 35 ventures under our wing," Raskas says.

To meet that goal, Innovate Venture Mentoring Service is actively seeking more mentors and is asking experienced business people to volunteer. Prospective mentors will have a wide range of experience, ranging from marketing, financials, management, operations, technology and more. "Their interest is really in giving back to the community, Peters says. Those interested in becoming mentors can contact Raskas at (314) 726-1992 or Peters at (314) 862-IVMS. Or contact either at [hraskes@raskasconsulting.com](mailto:hraskes@raskasconsulting.com) or [petepeters@innovatevms.org](mailto:petepeters@innovatevms.org).

Not all of the work of Innovate St. Louis is focused on for profit business. Another component is assisting the area's charitable or nonprofit organizations to become more technologically current. "Social entrepreneurship" is viewed as a vital component of Innovate's mission.

But ultimately, one of the perhaps most difficult jobs of Innovate St. Louis is changing a fundamental attitude in the region: disdain for failure.

"The mentors become very involved in helping the entrepreneurs think through what would help them move forward or give them advice about what would provide them the most promising path," Raskas says. "There is tremendous opportunity for Innovate St. Louis to bring together a variety of activities that can help us realize and recognize a much stronger innovative spirit in St. Louis."

Stokes notes that RCGA's recently-established New Ventures & Capital Formation effort under Jay DeLong complements Innovate St. Louis efforts to improve the region's entrepreneurial environment by providing "deal specific" assistance to growing entrepreneurs.

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