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It Can Pay To Join The Club

Capital Region Entrepreneurs And Investors Find Help, Advice And Support

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By Ellen Williams-Masson

He calls himself an "outlier," an anomaly of free enterprise who revels in the risk of entrepreneurship and likes to make his mistakes early on just to get them out of the way.

"I'm of the opinion that that's the real growth area in the economy, to start small businesses and sell them, and then go back and do it again," said entrepreneur Rick Terrien. "Most companies are looking for revenue streams, but they don't have the constitution to start these things up."

Terrien funded his first business with the loose change on his college dresser and the invincibility of youth, building "Banner Graphics" into an international business that he and his wife ran single-handedly for 25 years. By the time they sold the Madison-based company in 1998, their clientele included more than 75 percent of Fortune 500 companies and organizations on six continents and all 50 states.

While scouting around for a new business opportunity, Terrien settled on the messy business of recycling industrial fluids. "I tell people when they start businesses to find things that no one else wants to do," he said.

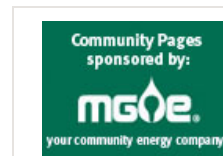
As founder of Universal Separators, Terrien co-invented technology that recycles "tens of millions of gallons of oil a year that used to go out the door as wastewater" and holds nine U.S. and foreign patents.

"People are shooting each other over oil," Terrien said. "One of my favorite customers was Harley-Davidson in Milwaukee. You used to come over the hill and their smokestacks looked like the Queen Mary - just thick, black smoke. You can go by there now, thanks to our equipment, and all you see coming out of the smokestacks is little heat ripples."

Universal Separators' technology has won numerous engineering awards, including the Wisconsin New Product of the Year Award, twice, and the United States Small Business New Product of the Year Award in 2005. Even more impressive is that the company of four employees faced down competing firms of up to 500 employees, a message that Terrien is eager to share with other would-be entrepreneurs.

"There are ways to wire up these small micro enterprises to have a large impact," he said. "It's a skill, like being a plumber. Learn to organize them, wire them together and find some cash flows through them. Get them up and running and make a bunch of mistakes early and as inexpensively as possible - because you're going to - and sell them, then circle back and do it again. Nobody's talking about this, but it's a huge area of possibility in the economy."

JOIN THE CLUB



Kindling business expertise with the spark of creativity is the mission of Terry Whipple, executive director of the Juneau County Economic Development Corp. and president of the Seven Rivers Alliance Region.

Whipple's brainchild, the Juneau County Inventors and Entrepreneurs Club, has become a model system for capitalizing on local talent that has spread throughout Wisconsin and beyond since its inception seven years ago.

Many of the 42 E&I clubs in the state were inspired by the success of the Juneau County grass-roots effort.

"We decided to develop a club that's not just inventors, because inventors are a certain type of character but probably not as businesslike," Whipple said. "We bring together inventors and entrepreneurs, who are more business- and sales-like, and investors and existing businesses that have resources as well as the state resources, and that's where the rubber really starts to hit the road. Now as people start to step out to explore their ideas, we have brought them together so that they can learn from each other...and learn the proper steps to explore an idea."

A pivotal aspect of the club is the expertise provided by speakers who specialize in various aspects of the process of taking an idea from inception to institution.

Inventor Darin Carignan "had absolutely no idea what to do" to commercialize his idea for a novel ice fishing device until he began attending meetings of the Columbia and Sauk County E&I club a little over a year ago. Carignan, who has been ice fishing since "before I have memory," has developed, tested and patented his fish strike indicator in partnership with his father. He said that networking with people who have the experience but "not a single ounce of competition" has helped bring his invention to the beginning phase of production.

"We were looking for someone to grab our hand and say, 'This is what you need to do, follow me and this is the path you should take,'" Carignan said. "What we found out is that there is no such path. There is a million different ways to do this, and you have to develop your plan based on you. The E&I clubs have a wealth of knowledge, and they are just waiting to hand it out."

The clubs nurture new businesses like Brodhead Insulating Concrete Forms, which was founded by Tom Brookman a little over a year ago. Brookman has found the Green County Area E&I Club a "good place to go to get a recharge" as he builds his nascent company during trying times.

"An E&I club will help you find all kinds of resources, and it doesn't cost you a dime other than getting there," Brookman said.

Overcoming a fear of failure is critical for entrepreneurial success, which Whipple said can be particularly challenging in our part of the country.

"In the Midwest, as you step out to explore an idea, failure is absolutely a horrible thing; with failure, we feel embarrassed and are looked down upon," Whipple said. "But when you look at entrepreneurship and innovation, failure is an important part of that journey."

JoAnne Ehasz, executive director of the Lafayette Development Corp., said that E&I clubs can serve as a "safety net" for would-be entrepreneurs to give them confidence to take the leap.

"It's a venue to get people thinking about having their own business and taking that first step," Ehasz said. "It is a jump for a lot of people. Not everyone is as comfortable as entrepreneurs in taking that risk."

Ehasz has also seen an increase in the number of people at Lafayette and Grant County E&I Group meetings who are interested in beefing up their marketing and financial skills to expand existing businesses. Entrepreneurship is a way of life in Lafayette County, where 40 percent of the population is self-employed, and unemployment hovers at 4.3 percent.

For Matt Kouba of Royall Manufacturing Inc. in Elroy, the Juneau County E&I club was a sounding board for his business plan before buying, and expanding, the established wood stove manufacturing company seven years ago. Royall now manufactures indoor and outdoor wood and coal boilers and has a specialty products division that produces parts for other companies.

Sharing his success with others in the group was a natural response for Kouba, who was a founding member of the club and has offered his business expertise free to other members.

"If they wanted somebody to produce their ideas for them, we would engineer it at no cost and start producing for them, and help them market to whoever we were already dealing with," Kouba said. "The I & E club really and truly got us where we are, (so) we wanted that success story to get back to the club to say, 'Yes, it can happen.'"

SILVER LINING












Terry Whipple in Juneau County believes entrepreneurship may be the silver lining of today's economic woes. His economic development office has been "swamped" with at least a 100 percent increase in calls from people seeking to strike out on their own.

"At our I&E club, we had a handful of engineers that had been laid off from the General Motors plant, and they were as excited as school kids about starting their own new business with ideas they have always had," Whipple said. "As you have the implosion of (large companies), the talent doesn't go away, so you have an explosion of new startup businesses that can compete and are in niches that have a future."

Whipple encourages "serial entrepreneurship" as a way to save the economy, and questions whether "instead of trying to save the things that should die away, would the money be better spent on entrepreneurs, new markets and new niches that are grasping these new opportunities that are out there?"












Creative writer Gregory Heller is poised to capitalize on churning in the job market with his new business, GonzoResumes.com. Specializing in writing resumes, business plans, grants and Web sites, Heller believes that the right type

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of business startup can succeed despite the battered economy.

"A recession isn't always bad for startup businesses, even the deep recession we find ourselves in right now," Heller said. "Though bank loans have dried up for the moment, they're about to loosen up, thanks to the stimulus package, and that's good for small business startups because of diversity of businesses and lower startup costs."

Encouraging that sort of "glass is half-full" mentality is a goal for John Gishnock III, president of the newly minted Evansville I&E club. Gishnock is seeing an influx of retirees with dwindling retirement funds at club meetings as well as existing owners with a "sense that they have to reinvent themselves or their business" as their companies take an economic hit.

"We want to be strengthening existing businesses, and we want to be creating new businesses and new business opportunities," Gishnock said. "It doesn't do any good to start one new business if two close up shop. Like every community, our businesses need strengthening, and they need to learn how to sustain themselves through this economic downturn."

Susan Wetherington, executive assistant with the Green County Development Corp., said strengthening local businesses is a growing trend in development strategy.

"There has been a movement in economic development to support your own," Wetherington said. "The days of businesses coming and moving in, building large buildings and hiring (lots) of people are pretty much over. We're not seeing a lot of new facilities being built, so there has been an idea going through the economic development area about growing your own businesses."

Whipple of Juneau County points out that of the number of new jobs in a community, about 50 percent typically come from the expansion of existing business, 49 percent come from new startups and only 1 percent from large corporations moving in.

"Why should economic development be spending 80 percent of their resources chasing smokestacks, when they could use that 80 percent of their resources helping start up new business or even helping our existing businesses find new markets?" he asked.

With recent layoffs at Sauk County businesses like Grede Foundries, Flambeau Inc. and Seats Inc., Karna Hanna has seen an increase in requests for pre-venture counseling at the Sauk County Development Corp. She said that groups like the Columbia and Sauk County E&I Club provide a "safe and collaborative environment" for people to find resources and explore ideas.

Susan Crase of Albany expanded her leather and canvas repair business after she was laid off from Duluth Trading Co. in Belleville almost two years ago. "Tired of the corporate thumb on (her)," Crase has built The Leather Lady into a full-time business, but she said the process was harder than she expected.

"It's hard to know if people are going to use repair services, or if they are not going to spend their money at all," Crase said. "Money has always been tight for me since I was very young, so I already knew how to stretch a penny into a dollar."

Crase has seen her workload drop from 75 percent capacity to less than 50 percent since last summer, and although the jobs are beginning to trickle in again, she plans to hold on to a part-time waitress job for the financial security.

Kim Kindschi, executive director of the UW-Extension's Division of Entrepreneurship and Economic Development, said that with globalization and changes during this recession, "business will be conducted in a much different way than it has ever been before. The rules and the textbooks, in many cases, no longer apply."

Kindschi oversees the Wisconsin Entrepreneurs' Network (WEN), a portal linking entrepreneurs and business owners with a statewide network of resources and expertise (www.wenportal.org). Funded through the Department of Commerce, WEN awards entrepreneurial, early planning and technological assistance grants and provides seed money to start E&I organizations.

Universal Separators founder Rick Terrien sold the business in 2007 and is setting up a virtual E&I club as executive director of the Iowa County Area Economic Development Corp.

In a rural county where more than 60 percent of residents are still on dial up, Terrien is a proponent of "citizen entrepreneurship" as a way to survive economic devastation. He recently testified about rural entrepreneurship and economic development at the Wisconsin Assembly and believes that E&I clubs empower people by providing "a neutral place where they can stick a toe in the water."

"Everybody used to say it was risky to start a new business, but I say it is riskier not to start one," Terrien said. "Policymakers need to improve their peripheral vision because there is lots of good, sustainable stuff happening at the edges of the economy."

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