



Business

Guest column: An Incomplete History of Greater Ann Arbor's Innovation Community

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As President of Bank of Ann Arbor's Technology Industry Group (BOAA TIG), I've had a front row seat for nearly two decades to the accelerated growth of Michigan's entrepreneurial ecosystem. More specifically, I've seen the development of Ann Arbor's technology, life sciences and venture capital community into a nationally recognized center for innovation. During the 2000s, while the state of Michigan was still grappling with the fall-out of its dominant industry—automotive—falling into recession, Ann Arbor was leading a recovery through diversification and entrepreneurship. There were many contributing factors, importantly including a renewed sense of purpose at the University of Michigan in playing a leadership role in the state's economic future.

But the innovation community we enjoy in Ann Arbor today didn't appear overnight. It took a collection of individuals, support organizations and resource providers working together for decades to create the conditions under which it could thrive. We have all benefited greatly from Ann Arbor's history of research leadership dating back to the 1950s, and pioneering entrepreneurs such as Herb Amster of Irwin Magnetic Systems in IT, Dick Sarns of Sarns, Inc. and NuStep in medical devices, and Roger Newton of Esperion Therapeutics in pharmaceuticals.

After 18 years as part of Southeastern Michigan's innovation community, following a west coast career in tech banking and entrepreneurship, I am drawn to look back and identify milestones that signaled important steps forward along the way. Knowing fully that compiling a complete list is impossible, I share a partial and certainly incomplete list of the people and organizations who, over the past two decades, have been vital to building the foundation of Michigan's innovation-based economic future:

Milestone: Michigan (now Midwest) Growth Capital Symposium (MGCS)

Dr. Dave Brophy has been a professor at U-M for 53 years, and by now he feels like an institution in Ann Arbor's venture capital industry. He launched the MGCS conference in 1972, long before most in the country were thinking about programming for the early-stage technology business community in a formal way. The conference has had some stops and starts over the years but has been going strong over the past two decades and celebrated its 38th anniversary in 2019. BOAA TIG has been a MGCS sponsor since the group was launched in 2002. I have had the honor of moderating MGCS presentation sessions over the years as well as judging final projects in Dave's FIN 629 Financing Technology graduate class. Dave is still actively engaged, and it has been personally enjoyable swapping harmonica stories with him over the years and watching him perform with his talented family band at Connor O'Neil's on Main St. in Ann Arbor.

Milestone: Zell Lurie Institute (ZLI) of Entrepreneurial Studies at University of Michigan

In 1999, the University of Michigan launched the Zell Lurie Institute (ZLI) and appointed Tom Kinnear as its Executive Director. When I returned to Ann Arbor in 2001 from California, ZLI was, I believe, the only entrepreneurial program at the university. Under Tom's leadership, ZLI grew into a national leader in advancing the knowledge and practice of entrepreneurship and innovation through a broad range of activities, including academics, symposiums, competitions, and global community outreach. Tom has also been an active angel investor and mentor to many in the region's innovation community, including myself. And I'd be remiss not to mention the Associate Director of ZLI and its Center for Venture Capital & Private Equity Finance, Mary Nickson, who deftly manages the annual MGCS and many other programs with enthusiasm and grace.

Milestone: Michigan Economic Development Corporation (MEDC)

The MEDC was formed in 1999, and among many other initiatives, has been instrumental in the development of the state's successful and growing innovation-based business sector. Under the leadership of individuals like former CEO Mike Finney and current CEO Jeff Mason and working alongside numerous support organizations, the MEDC has built a leading midwestern center for venture capital. Among its many initiatives, the organization provides critical financial support to allow greater access to capital for entrepreneurs, maintains a statewide network of professional small business assistance experts, and nurtures a robust calendar of conferences and events which enrich, enhance and fuel the creation and retention of 21st century jobs in the state of Michigan.

Milestone: TechTown

It's not in Ann Arbor, but I couldn't leave out Detroit's first not-for-profit incubator and accelerator, TechTown, founded in 2004 and headquartered in a landmark 1927 Albert Kahn building just north of the Wayne State campus. It has been a great pleasure working with former TechTown CEOs Randall Charlton and Leslie Smith (now leading entrepreneurial activities in Memphis, Charlton and Leslie Smith (now leading entrepreneurial activities in Memphis, Tennessee), as well as current CEO Ned Staebler and his impressive team, in support of our region's entrepreneurs. Today, TechTown's reach extends into all corners of the City of Detroit. The organization has served as an example and partner for the rapidly expanding network of incubators, accelerators, and entities working to create jobs and move business forward in the city. There is no bigger challenge, no place more exciting, and nothing more important for the future of our state than a healthy, robust, urban Detroit core. Detroit is going to be the place to be over the next two decades and there is little doubt that Wayne State University and TechTown will be helping to lead the way.

Milestone: LeadersConnect

Dr. Robert Pasick is a clinical psychologist by training, University of Michigan professor, and executive coach who has worked with many of the most successful leaders in our community. His networking and informal leadership training program, LeadersConnect, has been a part of the entrepreneurial ecosystem in Ann Arbor since 1998. BOAA TIG has been a LeadersConnect lead sponsor for several years and I've built a great friendship while working with Rob on a personal coaching level. In 2016, Rob, executive recruiting friend Mike Dergis and I launched LeadersConnect Detroit. Over the past three years, we have been working with many others in Detroit, like Paul Riser at TechTown, to develop a value-add leadership program specifically designed for Detroit. In June of 2019 we held our first LeadersConnect Detroit Forum (LCDF) which received very positive reviews. We are looking forward to building upon the success of the LCDF in the coming months and years and working to help better connect Ann Arbor and Detroit leaders.

Milestone: Michigan Venture Capital Association (MVCA)

The need for more angel investment activity and venture capital in the state was very apparent in the early 2000s, and in 2003, through the hard work of many, the MVCA was formed with fifty-six founding members, including BOAA TIG. The organization's first President was entrepreneur-turned-venture capitalist, Dick Eidswick. Founding membership was anchored by Ann Arbor venture capital firms Arbor Partners, EDF Ventures, North Coast Technology Investors, Arboretum Ventures, Ardesta, and White Pines Management.

The importance of venture capital in the growth of new innovation-based companies that can create new 21st century jobs and build new products, solutions, medical devices, and therapeutics cannot be overstated. There is much work to be done and the global competition for venture dollars is heated, but thanks in no small part to the MVCA, Michigan's venture capital community and investment activity is healthy and nationally recognized.

Milestone: Ann Arbor Angels (A2A)

In 2004, Tom Kinnear, Dwight Carlson and I pitched the idea of the A2A to an MEDC "tribunal". The idea fell flat then, but within a year we had launched the group on our own. Over the next ten years, A2A evolved, morphed and eventually invested about \$3.0 million annually in promising early stage innovation-based businesses. Our members mentored many young entrepreneurs and angel investors alike and partnered with organizations like U-M-ZLI, U-M TechTransfer, Ann Arbor SPARK, MEDC, MVCA, and the Michigan Angel Fund. Thanks go out to some of the other key players along the way, including Tim Marshall, Dave Hartman, Terry Cross, Walt Young, Skip Simms, Thomas Lozser, Dallas Dort and John Cunningham. A2A was one of the first angel groups in the state and is still active today under the leadership of Doug Finch.

Milestone: Ann Arbor SPARK

Ken Nisbet was the leader of the U-M Technology Transfer office and chairman of the Ann Arbor IT Zone, a pioneering entrepreneurial support organization, in 2005 when the decision was made to navigate towards a merger with the Washtenaw Development Council to create Ann Arbor SPARK. Over the years, the organization has become a model within Michigan and nationally for economic development. In the earliest days, much of the credit needs to go to Rick Snyder, who would go on to become Governor of Michigan, and Michael Finney, who is now leading economic development efforts in Miami, Florida. The organization has been led by Paul Krutko since 2011. From the beginning, Skip Simms has been leading business accelerator services, including managing the pre-seed fund and launching the Michigan Angel Fund. Ann Arbor SPARK, working as a private-public-academic-non-profit partnership, has helped position our region for long term economic success. Evidence of that includes a recent report ranking Ann Arbor the #6 most innovative city in the U.S.

SPARK's annual a2TECH360 event showcases that success through a weeklong series of programs. TechTrek, a2TECH360's cornerstone event, features tours of over 100 innovation-based companies in the greater downtown Ann Arbor area.

At times, from close range, the evolutionary pace of change feels slow and the magnitude unremarkable. However, looking back over nearly two decades, one can argue that we have made a noteworthy amount of progress in building the economic foundation for future generations. I'm glad to say that all these organizations and most of the leaders I've named are still actively engaged in supporting innovation in our region. It's a credit to our city, our region, our entrepreneurs and our culture that we've created a community where bright people can and do stick around to help others.

I promised an incomplete list of the many hundreds of individuals and organizations that helped build our region's innovation economy, and to prove it, I've omitted one very big milestone, the creation of a dedicated resource serving the banking and financial needs of Southeast Michigan's innovation business community (fair warning, I could be a bit biased):

Milestone: Bank of Ann Arbor's Technology Industry Group, Founded 2002

Here's to a bright entrepreneurial future for our city, region and state, filled with passionate people and important milestones yet ahead...

— Michael Cole is the president of Bank of Ann Arbor's Technology Industry Group, a role he's held since founding the group in 2002. Michael's work at BOAA aids in the growth of technology and life sciences companies and other parts of the innovation economy in Michigan. Michael's spirited devotion to helping business ventures also led him to form the Ann Arbor Angels in 2004, in order to make more capital available to early stage companies in Ann Arbor and beyond. He resides in Ann Arbor with his wife, has three adult children and is a member of the Tiny Island Blues Band.
