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Nashville Entrepreneur Center Move Will Boost Space for Companies

Chris Silva

Local business leaders are counting on higher job growth from new companies in the region with the opening of the expanded Entrepreneur Center at the trolley barns of Rolling Mill Hill.

The new center will quadruple the number of workspaces available for area entrepreneurs.

This bodes well for job seekers in Nashville. The current center downtown — which has been open for just 14 months — has graduated 26 companies that have raised more than \$5 million in venture capital and led to 100 new jobs in the area.

Entrepreneur Center CEO Michael Burcham figures the new space will have the ability to produce two to four times that production.

The new center is slated to open in the spring and will feature 70 seats for individuals, compared to just 18 seats at the current site. This allows officials to increase the number of companies it can incubate to 35, up from fewer than 10. Burcham said one startup usually uses two seats.

“The new center will allow them to get more infrastructure in place,” Burcham said. “They can put their first critical team together, finish their capital raise and maybe get their first customer. Then they can leave the center and move out on their own. They should have some of the basic tools in place to really help a new company survive.”

More space also will be allotted for mentors to run clinics covering legal, financial and social media issues. The current office boasts about 150 mentors, and Burcham said that number will grow, too. In addition, Burcham will take a harder look at helping startups with a focus on alternative energy and sustainability.

“We’re trying to create a campus where creative people hang out and create new businesses,” he said. “This is an opportunity to attract bright new minds to Nashville.”

The Entrepreneur Center received a \$2.5 million grant from the U.S. Economic Development Administration to assist in developing the new facility. The Nashville Technology Council, a tenant at the Entrepreneur Center’s current address, will be moving to the new space, as well.

Investor Opportunities

Venture capitalists are excited about the expanded capacity and capabilities at the new Entrepreneur Center.

Sid Chambless, executive director of the Nashville Capital Network, said it will enhance pipeline opportunities for local angel investors.

“It increases the volume at the top of the funnel,” Chambless said. “It means more good companies are getting a chance to make it here. That benefits the job market, the service providers and the investment community, because it means an increased number of companies they can consider.”

Companies that have incubated in the Entrepreneur Center credit staffers with helping their business models.

Stratason was the first company to be invited to the center after it opened. The advanced analytics company, which pulls data from various health care subsets for clients, started with just founder Jason Moore. Stratason now has seven full-time employees and closed \$700,000 in funding earlier this year.

“I’m extremely excited about where we are in one year,” Moore said. “If it wasn’t for the Entrepreneur Center, we definitely wouldn’t be where we are. We moved in there with just an alpha prototype and an idea, but their experts helped us focus on where we wanted to go.”

Sagents is a new company that has been in the incubator since Oct. 3. Founder and CEO LeShane Greenhill said the center has helped refine his business model, which is based on a cloud procurement application that matches prequalified suppliers with buyers.

“The major advantage is being in an environment where you have other companies in similar situations and know that you’re not alone, not on an island,” Greenhill said. “And mentally, that’s very important for an entrepreneur.”

More Jobs for Nashville

Burcham, who also heads up the public-private partnership Startup Tennessee, said the goal of the center is to be self-sustainable in three years. He and others see the new trolley barns site as a key to continuing to improve Nashville's job growth.

"We think we are really on a good path to becoming the best place in America to start a business," Burcham said. "We have a really vibrant community here of investors, mentors, support businesses, angel networks and the universities. All those things make this a really good place to launch a company."

Despite the dour economic outlook, there are jobs to be had. According to the Nashville Technology Council, there were 929 tech-related jobs available in Middle Tennessee as of late September.

"To me, the culture in Nashville has always been one of helping and supporting one another," said Joseph Cook Jr., chairman of industry group Life Science Tennessee.

Cook is interested in the developments at the Entrepreneur Center, as he also is a principal at Nashville-based Mountain Group Capital LLC, which manages venture capital under the Limestone Fund.

"Anything that goes toward increasing the number of companies that can get off the ground with coaching is a good thing for the venture community," he said.

Cook said he has seen a lot of proposals based on innovative ideas, but which lack a certain expertise that a facility like the Entrepreneur Center could provide.

He added that Life Science Tennessee is working on forming a partnership with the Entrepreneur Center and Startup Tennessee to help young life sciences companies navigate ethical and regulatory hurdles.

Such partnerships only increase the viability of Nashville's startups, Moore said. "If it wasn't for the environment in Nashville, then we wouldn't be where we are. It's a good market fit for us."