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Rocket Man: Burcham's Drive Ignites Nashville's Startup Scene

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Michael Burcham had already sent at least six LinkedIn messages with no response to the CEO of the new Startup America Partnership. He sent one more.

Finally, he got a phone call in return. He gave his best sales pitch for Nashville's Entrepreneur Center and the city's startup momentum.

It was a play to put Tennessee's entrepreneurs on the national stage. And it worked. Months later, Tennessee became the second state to partner with the national initiative born at the White House in 2011, right after President Obama's home state of Illinois.

"Michael is definitely persistent, which is one of the key traits of successful entrepreneurs," said Scott Case, CEO of Startup America. "One of the things that has set Nashville and Tennessee apart has been a very consistent, private sector-led, entrepreneur-led commitment to improving the state as a place for startups. From my observations, Michael has been a linchpin to making it happen."

Burcham was named CEO of Nashville's new Entrepreneur Center in 2010, tapped to lead the city's efforts to boost its startup scene. He came out of the gate like a rocket. An entrepreneur himself — he's launched three and sold two health care companies — and a university professor, Burcham in the past three years has quickly rose to be among Nashville's most influential, especially in the city's entrepreneur and venture capital circles.

He's heralded by investors and entrepreneurs — both established and aspiring — as a leading force in building Nashville's reputation as a startup destination.

For investors, he is the man who can guide them to new, vetted companies. For entrepreneurs, he is the man whose endorsement can get them in the door with

investors or whose connections to advisers can make the difference in their companies' survival or success.

"He can talk that talk," said venture capitalist Vic Gatto, a partner at Nashville-based Solidus Co. "He is very credible with the mayor or with a big private equity [firm] out of New York and [venture capital firms] like Solidus. ... Michael calls me and says, 'You should invest.' I listen to him because he knows what I'm looking for. He is a credible referral source for me. And when he gives tough love to an entrepreneur, he is credible there because he has built a company from nothing and had success and sold it. That combination is hard to find."

Fueling Nashville

The Entrepreneur Center and its related programs have been a game changer in accelerating Nashville's startup community. That has translated to new jobs and new interest from out-of-town investors.

Set to move to a larger location this summer at the redeveloped trolley barns in Rolling Mill Hill in the city's SoBro district, the Entrepreneur Center has helped more than 70 entrepreneur teams launch their ventures. It's also teamed with Gatto to launch Jumpstart Foundry, a 14-week summer program that operates from the center.

While fueling the entrepreneur network in Nashville, Burcham also has focused on elevating the center's prominence in the state and nation.

When Case returned his call, he didn't stop there.

After that connection with Startup America, Burcham hosted the group's first regional summit that summer, and in January of this year, through his efforts, the national startup group became a leading partner in the New York Stock Exchange's Corporate Connections program, which connects company founders with corporate executives.

Burcham has traveled to Washington, D.C., three times to meet with White House officials about Tennessee's entrepreneurship programs and to share insights on how to develop a mentor program. He also has hosted national power leaders on Startup America's board in Nashville.

"There are a lot of people aware of what Nashville is doing because of his efforts," said Clayton McWhorter, founder of Clayton Associates venture capital firm and former chairman of the Entrepreneur Center. "He is the one that has made this happen and who put this vision together when we got started."

Burcham said building the community he envisions will not happen overnight. He continues to exert a boldness that he credits in getting the center to its current status.

“I want Nashville to be the best place in America to start a business,” he said. “I don’t expect us to always be the biggest and we may not always have the most capital, but I want to create a reputation for this city that people say, ‘If you’ve got an idea and you want to be in a community that is collaborative and supportive and loves its entrepreneurs and there are great people who can help you, go to Nashville.’ We are getting there.”

Leading by Example

Burcham wakes each day at 4:30 a.m. He is at the downtown YMCA or the Entrepreneur Center by 5 or 5:30 a.m. He’s ready to meet with startup groups by 8 a.m. It’s a strict morning routine that Burcham said is followed out of necessity. He said he has kept this schedule since he began leading companies because it’s important to be accessible during the day.

“During work hours, you are there for the people,” he said. “As a leader, if you lock yourself in your office, you are kidding yourself if you think you are leading anybody. ... The best mentors and role models I’ve ever had in my life were people who didn’t tell me what to do, they showed me what to do by setting a great example. ... If I want people to get here early, I get here early.”

Humble Beginnings

Burcham was born on a family farm near Altitude, Miss., where his family grew soybeans and cotton. The closest town is Booneville, with a population of 9,000 people. His address was “Burcham, Route 6,” where a dirt road led to the house where he lived with three younger siblings. His father, a minister, and his stepmother, a nurse who ran the county health department, emphasized community service and hard work.

“I always had aspirations to do better for myself,” he said. “I also knew that doing better was not something I could expect someone else to do for me. I needed to figure this out.”

When he was a freshman in high school, he approached the band director and asked what instrument he could play that would get him a college scholarship. The director pointed him to the French horn. Four years later, he received a full ride to the University of Mississippi through band, National Guard and academic scholarships.

Burcham intended to become a doctor. He pursued a degree in physical therapy, figuring it would help him land a job while he was in medical school.

But the degree led to a move to Tennessee and a job with National Health Corp. and then HCA Holdings. Working for these industry giants, Burcham found what he loved the most: the business of health care.

Launching Pad

HCA paid for him to earn a master's degree in business at Belmont University, and in 1992 he decided to launch his own business, PT Net, a physical therapy company. He later merged that venture with his next company, Theraphysics, an orthopedic rehabilitation firm, drawing investments from the likes of Venrock and George and Robert Soros. In 1998, he sold Theraphysics to Beverly Enterprises and built disease management firm ParadigmHealth. He sold the group health division to Waltham, Mass.-based Inverness Medical Innovations in 2007 for about \$230 million, after selling its workers compensation division to a separate company for about \$100 million.

With PT Net and Theraphysics, Burcham said he helped transition the company to new leadership. But with Paradigm, he left the company when the deal was signed, leaving him for the first time with no emails to respond to and no calls to make.

“Growing up fairly poor, your confidence in tomorrow is often ingrained in your ability to work,” he said. “You have this sense of, I’m productive, I’m earning an income, I’m doing things that matter. A lot of that drove me. It wasn’t that I didn’t have money in the bank. Sure I did. But I didn’t know what I was going to work on the next day or next week. That bothered me.”

Three years later, he threw his name in the hat to lead the newly formed Entrepreneur Center.

Building a Legacy

As Burcham was building a name as a successful health care entrepreneur, he began teaching at Belmont University and later at Vanderbilt University, a role he continues today.

Burcham, in his classes and as a mentor at the center, points to lessons learned in his own ventures: Don’t assume people will invest in your company because they know you, don’t hire people you like to work with rather than those with strengths that complement your own, and fast growth is not always better than measured growth.

When asked how long he will be at the center’s helm, Burcham said it comes down to when the board no longer wants to grow the center.

“I build companies,” he said. “Once companies hit that point where the building is done, it’s often better that I step aside and let someone else do the running of what’s been built.”