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For Those Who Dare to “Think Differently” - Entrepreneurs Find a Friend in Burcham

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Michael Burcham accepted his Kiwanis Club’s 2013 Nashvillian of the Year award with a moving and resonant speech that was less about his own accomplishments than about creating opportunities for those who are marginalized by society.

It might seem paradoxical coming from a highly successful entrepreneur, and one of Nashville’s ultimate makers, but it comes from a deeply humanist worldview.

Burcham’s wellspring of compassion for outsiders comes from understanding. Raised in the deep rural South and born into a family of limited means, Burcham developed the self-reliance, resourcefulness and discipline to get an education and forge an impressive career in health care and a formidable record as an entrepreneur and business leader.

Those on the fringes and those who “think different,” Burcham says, are the ones who come up with the breakthroughs that move society forward.

He’s thrown open the Entrepreneur Center’s doors to welcome, encourage and inspire anyone with an idea. He’s also working hard to cultivate relationships that will result in the exchange of knowledge and an influx of investment capital into Nashville from around the world.

Burcham spoke with Nashville Ledger about his formative experiences, the “3 Ts” Nashville needs to embrace, why he’ll never stop rocking the boat and where he hopes to take the Entrepreneur Center in the year ahead.

Q: What’s next after winning Nashvillian of the Year?

“We’ve been working since we started the Center with a single thought, and that is, “How do we make Nashville be known as the best place in America to start a

business?" And we've slowly and methodically been climbing those national rankings. Nashville's now always in the top two, three or four places listed to start your business. "When we started, we weren't on the list so we've made a lot of progress. But until you routinely pick up publications and Nashville's the number one slot, I've got a lot of work left to do.''

Q: What will you do with the Entrepreneur Center this year to achieve that goal?

"We spent the last two or three years getting really good infrastructure in place so that young startups see an opportunity in Nashville that rivals any city in America, and that includes the way we mentor and coach, the way we help them take their concept to something really investable, having a first class facility to work in, having a vibrant angel community and having true partnerships with the business community to be their first customers.

"And that infrastructure, because Nashville's such a fantastic city, we're there. So my work this year is, we are working hard to build a national and international reputation in health care startups and digital media startups, which crosses music and education and training, and lean technologies and social enterprises.

"This year we'll be hosting the national conference for social enterprise through the social enterprise alliance. We are working to launch our very first true digital accelerator that's purely just digital assets with some folks like Joe Galante (Iroquois Capital Group board member and former chairman of BMG Music) and Warner and others.
"So my goal is, by the end of this year, those four or five categories that our city's so known for, we make a lot of national noise in that space.

"We've hosted a delegation already this year from Saudi Arabia. We're going to have our first international startups here this summer. I'm hosting groups from Brazil, Mexico and Canada in April, and I hope by fall we'll have young startups from those countries here and Nashville becomes known internationally for our work in startups. So that's this year's plan.''

Q: Tell us more about the relationship with Saudi Arabia.
"It started with a relationship with King Fahd University (of Petroleum & Minerals), which has taken the leadership in producing most of the executives and leaders who run the country's oil and petroleum organizations. They are on a new directive now to build out a really strong, vibrant entrepreneurial ecosystem for Saudi Arabia.

"They're opening an entrepreneurial center similar to ours right there in Saudi. They have thousands of students every year in the U.S. that graduate with masters and doctoral degrees in engineering and sciences who are going back to their country, because of our immigration laws, wishing they could start a business.

“So we’re working on a plan where those folks will come to Nashville, work on their idea and then as they take them back to their country, we’ll have a reciprocal working relationship between Saudi and here, which will bring investment dollars to Nashville and will bring Nashville know-how to their communities for new ideas around health care, technology and social enterprises that help their communities grow. It’ll be fun. We’re going to have a good time.’’

Q: Traditionally, venture capital in Nashville has gone to health care. Is that changing?

“There is a logical progression of how the money shows up. Health care got a really early head start because in the 70s, 80s and 90s, we had not dozens, but hundreds of health care companies form here that attracted capital from all over the country.

“The other components of our business community have not been as well-organized, and they’ve not been quite as entrepreneurial in starting new businesses.

“We’ve been working hard to develop a more structured way young technology companies form through our partnership with Jumpstart Foundry and how new digital media businesses get formed.

“We’ve been doing a new music entrepreneurial series that Randy Goodman with the Music Council and Joe Galante have been helping us with. We’ve had Scott Borchetta (founder of Big Machine Label Group) here in the Center talking to young, aspiring people who want to create a music business, what that means.

“We’re starting to get those formed. We formed a partnership with the Center for Nonprofit Management to start our very first self-sustaining social enterprises here, which has been exciting.

“Here’s what I’ve learned over my years, because I’ve been in health care 25, 30 years: the money will follow a good idea. We have to produce really good ideas and really good young companies and the money will be here. I’m not worried about that.

“We already have capital coming in from way outside the state starting to look at new businesses here. We hosted an investor conference last spring where we invited investors from all over the U.S. who were interested in early-stage financing well beyond health care. Over $16 million worth of deals were done out of that day and we’re doing that again this year.

“We are on a pathway to get it done. I’d love to snap my fingers and it would be now. But job one is find people committed to start the company.

“Job two is work really hard with them with seasoned entrepreneurs who’ve done it before, to help them create a really amazing business model and get some customers.

“And then job three is then get the capital to show up and invest. And the capital will show up if we create young companies that are really good. It just will.’’

Q: The EC partners with Jumpstart Foundry, a technology accelerator, and Jumpwerx, where larger, established companies come in to develop ideas for new products or services and shape them to present to their executive team. Do those ideas tend to be disruptive or more incremental change?

“It honestly depends on the company.

“There are large companies who realize a market opportunity in an adjacent space, and they want to go disrupt a current player. There are other large companies who see their market changing, and they realize they need a new product, but they want to be more careful, so they tend to do more incremental.

“I am a big believer in being disruptive or go home. I have to learn to be patient. I respect where they are, and I try to be as helpful as possible. But to me, if you’re going to make some noise, make some noise. Stir up the market and give people what they want.

“The challenges you have in every market, whether it’s health care or technology or digital media, is that a piece of your market are customers who are early adopters who are constantly seeking the next thing. They are the ones willing to forgive your product if it’s not quite perfect, because you are aspiring to do what they want someone to do – bring something new and innovative to the space.

“When you’re disruptive you really appeal to these early adopters, and they help you create a really cool new thing. If you’re trying to be too careful, you’re actually appealing to the middle of the bell curve, and those people aren’t early adopters anyway and they’ll sit and find everything wrong with what you’ve done. And they’re relatively boring, to be perfectly frank.

“What you create is a whole lot less interesting than it would be if you were being a little more disruptive. That’s just my opinion.’’

Q: You’ve made some bold controversial postings on your public website and social media. You’re not afraid to criticize politicians and speak strongly about decisions you disagree with. That comes with a risk.

“It does, always. I tend to say what’s on my mind, for better or worse. I’m 52 now. I am so less worried about what people think. That used to really bother me in my 30s and early 40s, when I would try to be really careful with what I said.

“Here’s something that has happened over the last five years doing the Center: I’ve gotten to know the creative community of Nashville really well. And they are the ones who take the risks to start young companies. And they may never be the CEO of a Fortune 500, but they’re the ones that poke the bear and nudge the market ahead.
“They think of the new technologies and what’s wrong with health care and what needs to change in logistics businesses, and what consumers really want, and they are a little bit fringe when it comes to what Southern fried culture expects. And while they’re different, inside they’re like everybody else. They’re just wanting to make a difference in their way.

“I get really irked at the political establishment that wants everybody to be whitewashed the way they are to be accepted. If we are going to attract the knowledge worker of the future, Nashville has to be far more progressive. And we’ll just drag Tennessee along with us, I guess. Because it doesn’t look like the state’s going to be progressive at all.

“You know, Richard Florida (author of “The Rise of the Creative Class” and “Who’s Your City?”), in all his research, says that you’ve got to get three things right to really make your economy explode – three ‘T’s.

“You’ve got to attract talent. The beauty of Nashville is we have great colleges and universities. Those young people are thinking out on the edge. You got to embrace them, so they want to stay here.

“For years we had brain drain because we had more graduates leaving than staying. We are just about at equilibrium now, and I want it to get to a positive number, but they’ve got to feel like this is a city that embraces all their friends. They don’t want to be in the city that’s not tolerant.

“Secondly, we have to embrace technology. I was thrilled to see Google partner with us; I’m excited about the potential of Google Fiber.

“But I’m more excited about what it subliminally means, and it means we’re thinking about being a really progressive city and embracing technology. We’ve been doing a partnership with the mayor’s office getting people that work in Metro government to think more innovatively about how we can use reduce bureaucracy and use technology to make the system work better for all the members of our community.
“Technology is what Richard Florida says is the second “T”.

“The third is tolerance. You have to be a city that’s extremely tolerant and embracing of all kinds. I look to Austin as a good benchmark example.

“Several years ago, Austin created a whole mantra that says, if you’re weird, and you’re not accepted at home, come to Austin. Keep Austin weird. And boy, has it paid dividends for that city.

“And it’s because that attracts the knowledge worker of the future. And that’s what we want, if we want to be a very progressive city and an economic powerhouse where young people can find lots of jobs that pay well, we have to be more progressive in spite of what might happen at the state Legislature.

“I try to help Nashville be an oasis in the middle of a Southern desert that’s not terribly tolerant. And just more accepting of all types of individuals, because the creative process, you’ve got to be a little edgy to put an idea out there that’s not status quo. The last thing we need is more people thinking like the herd. That’s not going to create anything new and breakthrough, you know?

Q: You came out of that “Southern fried” tradition. How did that shape you?

“I am a Southern kid with a father who was a Southern minister, so yes. I was very entrepreneurial as a kid, though I don’t think I knew what the word even was or meant as a kid.

“I grew up in the very rural South – and I mean rural South. There was a window of time that I was raised by my grandparents. My mom and dad weren’t together when I was very young, and my father remarried when I was in like fourth grade. I would say my formative years were shaped between ages five and 10 with my grandparents.

“I developed this sense of self-reliance. And because I grew up relatively modestly – some would say poor – you think about how you’re going to get to college. If I was going to get there, I was going to have to figure it out. So, I developed a lot of very entrepreneurial traits early on.

“At the time, when you’re 15, you tend to say, “Oh God, poor me.” But honestly, I’m extremely grateful right now because those formative years helped me develop a lot of self-discipline, a work ethic that’s crazy, and I couldn’t be doing the things I do now if that hadn’t been part of my growing up so I’m very fortunate in fact.

Q: How do you get so much done? Your CV is 21 pages long.
“The good stuff’s on the first three pages [laughs].

“Give something you want done to a busy person and they’ll knock it out. I wrote something and posted it this week on work-life integration. I used to try to say, “Here’s work” and “Here’s life,” and I don’t do that anymore. It’s all one big blur. I’ve developed deep friendships in the entrepreneurial community. Some of my closest friends are

people that I invest with or have started companies with or help me coach and mentor startups.

"My closest friend, David Furse [founder of NCG Research], has been with me here since we opened, as our very first mentor, created all of our mentoring programs. He and I have been friends since the early 80s. I've developed very deep friendships that blur the line between work and life, and so by them being integrated and then really being driven for an outcome, it's not hard to get things done.

"I don't sit down and obsess over them too much. I just roll up my sleeves and knock it out. And I love to attract people around me that have that desire. I will tell you; we have a young team here of about 10 folks, and I would put them up against anybody out there as to what they can accomplish.

"I mean, they are just amazing young men and women who have completely committed themselves to this work, and they do the work of 50. And we have about 300 or so mentor volunteers here. You add all that together, and we have a small army doing this for Nashville. It's not just me. I'm just the conductor. They're doing the hard work so I'm very fortunate in that way.

Q: Are our schools where people start losing their creative voice?

"School is such a conformist environment. I love that cartoon where the guy in the jungle has lined up the elephant, the monkey, the fish, and the birds and says, 'We're going to do an aptitude test. Everybody has to climb the tree and we're going to see who can climb the tree the fastest.' "That's what school's like, you know? – who can climb the tree the fastest, when you have all these kids with such far-flung skills and backgrounds. You have a kid sitting there who hasn't eaten all day sitting next to a kid who is dealing with some crisis at home.

"They're human first, and then they're learning second. I have a hard time dumbing it down to the middle. I just think that harms everyone. I find young people show up here all the time where this is a respite from that and they get the chance to be highly creative, work at whatever speed they can.

"They're in an environment of other people who are getting things done and suddenly they're going way beyond what they ever imagined they could do just because somebody set the bar a little higher.

"There's an intrinsic motivation for all of us there. If you're in a room of six or seven other people and you realize, 'none of these people are any smarter than me and, look, they're having this courage to go do and be and become,' you sit there and say 'why not me?'

“And there’s no reason why not you. But our school system sometimes has a way of beating that out of kids. And they don’t think they’re capable or worthy sometimes and that bothers me a lot.’’

Q: You were in the military. Was that part of your plan to get to college and how did it affect you?

“It paid for a lot of the costs of college with scholarship money. I was six years in the National Guard. I did boot camp, and I did a finance advanced training and I spent lots of summers at Camp Shelby in Mississippi. It was very good for me.

“The discipline of that experience in the military and the self-discipline it teaches you has been enormous for me. It’s also a time that I really learned to appreciate what true teamwork really was.

“When you’re in a platoon and you have something to accomplish together and it is all about relying on each other and complete trust in one another …

“I had been very self-reliant as a kid and I’m grateful for that, but the military taught me how to learn to trust others, and I had had almost forgotten how to do that. So, I got the best of it all. I had the self-reliance instilled in me as a kid, and then as I was coming of age at 17 and 18, I was put into a situation where you can’t survive if you don’t trust people you hardly know.

“The first few weeks of that was brutal for me emotionally, but by the time I finished boot camp I was a completely different young man. And it’s allowed me to work with teams in a way I probably would never have learned otherwise. I really wish military service was compulsory, to be quite honest with you. I think if everybody had to do some service for our country for two years before they went to college, we’d have a whole different mindset when people arrive at college. I watch other Western European countries that do that and I’m quite envious. Quite envious.’’

Q: Do you see an attitude of entitlement in younger generations you teach? How does it recalibrate expectations they see a young company like WhatsApp being acquired by Facebook for $19 billion?

“There are also people who win the lottery every day. I wouldn’t want to bet and plan my future around winning the lottery, but it happens for some people. I wrote about that this week, too – the entitlement mindset of young men and women – because I see it early on from time to time. The role models that are out there right now and what gets celebrated in the media kind of fosters an entitlement mentality.

“It’s all this, “You deserve this.” Well, no you don’t. Go work and earn it. You don’t deserve it just because you’re you. What you deserve is a country that allows you to be

free, that allows you the opportunity to express yourself, that gives you the opportunity to work and earn something. That's what you deserve.

"And we're so fortunate to live in a country that provides that most of the time. I am very grateful to live in America. But I also believe this is a country where you are given basic raw materials to build something for yourself. The reason I'm such a fan of the 10,000-hour concept is that it's the one thing that allows you to follow your passions and dreams, be paid well and do good.

"And if you invest the time – no matter what your skill, craft or personal interest is – to become world-class at it, you can make a handsome living doing something you love and doing good. But it takes a long time, and I watch men and women quit when it gets tough and they're halfway there, or a third of the way there, and I think, "Gosh if you'd just hang with it a few more years."

"People say, "Well, I want to create the next Facebook." Well, look at the history. It was a 10-year startup before it was Facebook. And yeah, there's some lucky ones, but companies with staying power took some time to build.

"And anything of real value isn't free. It costs something – time and energy and trade-offs of your time. And every door of opportunity you walk through, others close, and you should always be mindful of that. You have to invest the time to see what happens.

"The first year isn't going to make you a successful business. It's actually going to test you to see if you are capable of doing this. The next three determine if you're going to have a successful business. What I try to do with our program here at the Entrepreneur Center is two things, and I think it's what distinguishes us from other places.

"Yes, we want to help you transform your idea into something investable. But more importantly, my job while you're here is to have transformed you into someone capable of leading a business should you get lucky and your idea turns into a business. "Because very few places can you go where you're actually taught the skill to lead. It's a rare thing to find. It's not something that you're going to get at a seminar on the weekend, or in a self-help book. Leading begins with serving, and it begins with spending the extra energy to think about the people that are your assets and how you're going to help them achieve things and how they fall in love with your mission, deferring to them to give them opportunity.

"And leadership can be really lonely. When things get hard, I watch people give up right when they're at the cusp of becoming great. You see that all the time. Oour sound bite society is what gets me tweaked every now and then.''

Q: Social entrepreneurship is one of your four cornerstones. What's your relationship with the Center for Nonprofit Management next door, and how are you helping their members?

"We have a full partnership right now. We have about a dozen young companies here that the Center for Nonprofit Management and Lewis Lavine's team and we selected together, and we are on a journey to help them become self-sustaining organizations, meaning that they are able to grow out of earned income – not a donor base – and they fund their own growth through the things they produce.

"I do think over the next decade that will become the more preeminent model of community service and validation and support. The traditional nonprofit model is almost set up for failure because if you really do good work, it means more of the need shows up, and that means the donors have to fund something bigger and bigger every year. "It's important that we interject a business culture and discipline to go with the passion.

Let's help people, but let's do it in a way that we know how to grow that's sustainable. "Here's the antithesis to think about: If I raise capital from an investor and I'm creating a for-profit business, based on the capital that I've raised and my cash flow, there's a formula that decides how fast I can grow per year – maybe 10 percent, 15 percent. But there is a formula of what I can afford to grow out of my cash flow.

"I watch so many very passionate, exuberant individuals who decide they want to start a nonprofit, and they never think about how much can I afford to grow per year. They're just like, "Folks are showing up for help; I have to help them."

"Well, yes, but you have to produce a great product first. And if you have the wherewithal to grow 10 percent per year, then grow 10 percent per year and do it well. Because you'll then have sustainability in the market.

"If you can only afford, with your resources and your staff, to grow 10 and you're trying to grow 50, you'll burn out your people and your resources and those that are trying to help you, you won't do anyone any good and before you know it, all that passion you had for helping can become bitterness.

"I'm just trying to help social enterprises and nonprofits have the same business discipline that I'm required to have in a for-profit. I think being mission-driven and cause-driven is fantastic, but passion alone will create a sustainable business. It'll start one, but it won't sustain it.''

Q: You are a parent. What's the best thing parents can do to help their children find their own way and succeed in life?

“I have two children, Ryan and Lauren. They’re in their early 20s, just finishing college and starting first jobs and discovering what all that means. They’re awesome kids, and I’m really proud of both of them.

"One of the things I’ve learned and am learning still: don’t always stand there with a safety net. Birds can’t fly if they never leave the nest, so give them some room to fail or they can’t grow. Even if you aren’t sure of their choice of how they want to pursue education, or the job they want isn’t one you would pick, you’ve got to remember it’s their life, not yours.

“I think I’ve made better choices with my own children because I ran the accelerator program at Vanderbilt for almost five years, and these were young men and women who came from all over the U.S. for the summer.

“Most of them were liberal arts undergraduates who came to develop some skills for employment, to be very honest with you. I would sit and counsel with them and we’d have late night conversations because we just did crazy hours in that program.
“And they would talk very honestly with me late at night about how they were getting the degree their parent wanted them to get, at the school their parent went to, and they were totally miserable with their life. And I thought, ‘Oh God, don’t ever let me do that to my children.’

“I gave them freedom to go where they wanted to go, pursue what they wanted to pursue, and I think life’s a journey is like that.

“You’ve got to try and find your own pathway, and what worked for me isn’t a recipe for my children. And it won’t be for my grandchildren one day. I think I’m a lucky man. I have watched people walk in the Center with ideas and I’m thinking, “Whoa, that’s going to be tough.”

“And I’ve watch them flourish and succeed, and I’ve come more than ever to appreciate what the human spirit and drive can accomplish if you set your mind to it, and you really do apply the concept that you have to become world-class at this if it’s going to succeed.

“I worry a lot less about the category you choose and much more about your tenacity to go after it, because I know ultimately you can be successful if you spend the right amount of time and energy in learning as you go.’’

Q: Is there one thing anyone can do today to improve his or her situation and opportunities in life?

"I would say, take every moment of the day, and all the pieces of news and things you hear and things you read is an opportunity to look for trend. Say, ‘Where’s the market moving?’

“Most of us live in the moment, and we see something happen and our inclination is, ‘How does this affect me?’ And if it doesn’t affect me, we dismiss it. And it may be a very interesting, relevant change in the market.

“I spend my Sunday mornings scouring the New York Times, and I do it to pick up trends, week after week.

“And I read every Economist cover to cover. For some people, those are relatively boring reads, but I have learned over time to see opportunity out of my peripheral vision that others are just not seeing. And it’s because I’m looking for opportunity, rather than saying, ‘How does this affect me?’