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Nashville's Missing Ingredient

Eleanor Kennedy

What does Nashville need to truly become a tech power? Depends on whom you ask. Some say more venture capital would do the trick. Some say a big successful exit of a homegrown tech firm is the secret sauce. Others believe Music City needs a local office of a major tech company (think Google or Apple).

But Michael Burcham, head of Nashville's Entrepreneur Center — a driving force in the city's emerging tech scene — says one thing won't do it. In Burcham's view, you'll never need just one thing to grow a tech ecosystem; you need five.

A thriving technology ecosystem requires talented people, basic technology infrastructure, a tolerant community, business leaders to serve as coaches and mentors and a flow of capital to fund new businesses, Burcham said. For the past few years, Nashville has invested heavily in fostering talent, adding necessary infrastructure and courting business-leader support, Burcham said. And, politically, the city has always been a "blue island in a big red ocean" that's more tolerant of diverse ideas than its surroundings, he said.

But while those four buckets overflow, Burcham said, the fifth will, of course, look low in comparison. "The one piece that's the lowest right now is the capital," Burcham said. "It's not necessarily been the lowest at any other point, but it's the lowest right now."

Even as entrepreneurs and others bemoan the scarcity of capital, Burcham said the tides are turning. Crestlight Venture Productions, a California venture services firm, recently announced plans to open a partner office here. Brentwood Capital Advisors, a Franklin-based investment-banking firm, has brought on a new vice president with California experience to bolster its tech cred in advance of arriving venture capital.

"We've got new West Coast capital showing up here and opening some partner offices that weren't here before," Burcham said. "That's not happening because they're bored. That's happening because they say, 'There's some really new hip investments in Nashville, and we want to be part of it.'"