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Michael Burcham Named Tennessean of the Year

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Michael Burcham had sold his latest health care company for a nine-figure sum, and the non-compete agreement keeping him from building another business was about to expire. But in spring 2010 the Affordable Care Act was passed by Congress, disrupting his plans for a fourth health care venture.

The timing proved to be a godsend for Nashville. Instead of starting another company, Burcham accepted the chief executive position at the Nashville Entrepreneur Center and built a nonprofit that has since helped more than 130 start-ups launch. Those start-ups have yielded more than \$100 million in revenue, spurring more than 1,000 jobs. In that role, he has ushered in a new era for small businesses in Nashville and put the city on the national stage for its start-up community that has exploded in the past five years.

For that legacy and for his impact on economic development in Nashville, Burcham is named Tennessean of the Year.

The accolade is one of many Burcham has received since he began leading the center. President Obama has named him a "champion of change," the U.S. Secretary of Commerce has appointed him to lead a national council on innovation and he is chairman of an entrepreneurship advisory board at King Fahd University in Saudi Arabia.

"The Entrepreneur Center has been right in line with what's been going on with Nashville — the strength of our economy, the buzz around the city, in terms of being attractive to young people and attractive to entrepreneurs," said Nashville Mayor Karl Dean. "He has done his job at the Entrepreneur Center very, very well. He has done it with a lot of passion, with a lot of vision."

What drives Burcham is not titles, but a deeply instilled desire to work, to contribute and to create value, an ethos that comes from growing up on a farm in Altitude, Miss., where every dollar was stretched, every meal was earned, and nothing was taken for granted.

There, he developed a reliance on his own work ethic that would propel him as a creator of companies and a mentor to the next generation of Nashville entrepreneurs.

Lessons in Self-Starting

Altitude was a one-gas station “spot in the road” when Burcham, now 53, was a child in the 1960s, and his family lived down a gravel road on a cotton and soybean farm developed by his great-grandfather. His parents married in their late teens, and his father, Jessie Burcham, led a small church with close to 100 regular congregants. Michael Burcham's mother left when he was 4 years old, and he and his younger brother moved in with his grandparents next door. A divorced minister did not sit well with many of those in Jessie Burcham's congregation, so he left his church and found work in sales.

Burcham would see his mother only a handful of times before her funeral this year. Her departure from their home was painful then and in the years that followed, but he describes it today as "an incredible stroke of luck" that brought him closer to his grandparents and that eventually led his stepmother, Carolyn Burcham, to his family. Carolyn Burcham, a county health nurse, married his father when he was 9, and they had two more children.

From the day Carolyn Burcham entered their home, Michael Burcham and his brother referred to her as their mother, and he credits her with spurring his father to rebuild his ministry. She introduced Burcham to the health care profession and taught him what it means to work hard and to serve others. She would tend to patients, no matter the hour, and he saw the same dedication to helping those in need from his father.

"Having that time with my grandparents and then ending up in a home where I had one parent who was ministering to the emotional, spiritual needs and another parent who was taking care of health care needs in a small, rural community was an incredible foundation as a kid," Burcham said. "I feel really lucky today I had that."

No one in Burcham's family had graduated from college, and it was not something that Burcham thought about until, at 14, he attended a state science fair and saw the aspirations of other students his age. His chemistry teacher talked to him about the potential she saw in him, and he began plotting for a scholarship and raising his grade point average.

That same year, he approached his high school band director, asking what instrument could yield a scholarship. He had taught himself to play the accordion and the piano and knew he could turn his musical skills into a ticket to college.

A French horn player was hard to come by, the director told him, and equally important to Burcham, the instrument was available at his school for free. Years later, he attended the University of Mississippi on a full ride, supported by academics, the Army National Guard and college band, graduating with honors and a degree in physical therapy.

Burcham landed in Nashville and eventually began working at HCA Holdings Inc. In 1992 Burcham, a husband and a father of two young children, explained to his family that he was leaving his six-figure salary at HCA to launch his own physical therapy

company. In every other challenge Burcham had pursued since he was a child, his work ethic and vision prevailed, and he was confident this time would be no different.

"I just knew in my gut I'd succeed," he said.

And he did. That company, PT Net, later merged into his second company, a rehabilitation services business named Theraphysics, which sold to Arkansas-based Beverly Enterprises in 1998 for \$100 million. In 2001 he launched ParadigmHealth, a disease management firm that sold for close to \$330 million six years later in an exit that would establish him among Nashville's most successful health care entrepreneurs.

"Anything he set out to do he accomplished," Carolyn Burcham said. "We didn't have any doubts that he would ever fail."

Burcham's steady climb was not without its challenges. Like many entrepreneurs dedicated to their companies, he often spent early mornings, evenings and weekends working, and his absence began to take a toll on his marriage. In 1998, at the same time his 16-year-old marriage fell apart, his children, still in elementary school, learned their father was gay, a realization that he said put a strain on the family at the time.

Three years later, after students awarded him with top faculty honors multiple years in a row, Burcham would resign from a business teaching position at Belmont University because he felt his sexuality had become an issue at the school.

He later joined the faculty at Vanderbilt University, where he has been teaching since 2006. Over the years, he developed a close relationship with his children, Ryan, 26, and Lauren, 25, describing them with the same adoration that his parents still bestow on him today. He is now in a committed relationship with his partner of three years, Hal Cato, former Oasis Center CEO.

Just as Burcham sees silver linings in the difficulties of his childhood, he says he is better now because of those tough experiences.

"When you face a challenge — whether it's financial, whether it's discrimination or bigotry — when you are the recipient of that and you know inside you are a human doing your absolute best to make a difference and to be a contributor to society and make meaning, you develop enormous empathy for others who are in a similar situation," he said.

Taking the Entrepreneur Center's Helm

In 2010, when the concept of the Entrepreneur Center was coming to life, Burcham was on the search committee for a chief executive officer. When he decided to shelve his next company, he said he was a willing candidate and rose to the top of the board's list.

What he and the other Nashville business leaders had begun to stress is that the state had focused much of its economic development energy on luring companies from other

states — an important strategy but one that overlooked the potential of growing businesses from within. With all of the health care and music industry successes in Nashville, the city could do more to help build locally grown companies that could add jobs in a more meaningful way.

"Most new jobs come from companies less than 5 years old," Burcham said. "If we are not producing new companies, at some point the jobs spigot turns off. As companies become very large, they learn to replace humans with machinery, they begin to globally outsource, they merge. For most large companies they may trade jobs, but they rarely incrementally grow lots of jobs as a percent."

By May 2013, Burcham had transformed the concept for the center into a 20,000-square-foot start-up hub on Rolling Mill Hill at the former home of Nashville's trolley barns. AOL co-founder Steve Case, Reddit's Alexis Ohanian, Startup America's Scott Case and more than 1,000 individuals with companies — or even just an idea — have passed through the Peabody Street site.

Burcham wakes at 4:40 a.m. and begins each day at the downtown YMCA before he faces a steady flow of meetings and hundreds of emails. Part of his role at the Entrepreneur Center is to coach young companies and being accessible to them is a top priority. The entrepreneurs he has counseled describe him as honest and direct, "a straight-shooter," and a leader who does nothing halfway.

Jessica Harthcock, a founder of health care start-up Utilize Health, describes reaching out to Burcham as a graduate student at Vanderbilt, saying she had an idea for a company. They met at 6 a.m. the next day, and she began interning at the Entrepreneur Center before landing a spot in Jumpstart Foundry, the center's business accelerator program. She has since raised more than \$800,000 in start-up capital and is working with several health care facilities to bring her company to life.

"We would not exist today if it wasn't for Michael and all the supporters of the Entrepreneur Center," she said. "If you really need him, he will make himself available to you."

His Next Chapter

Burcham believes in fiscal conservatism, but he has also taken right-wing state legislators to task for questioning evidence on climate change or for anti-gay policies — rhetoric that only damages the state's business momentum, he says.

He praises Nashville for all of its tolerance of different ideas and diversity and emphasizes how important that is to build a strong economy, but he also acknowledges limitations exist. His name has been batted around for mayor of Nashville, a job he says he would enjoy, but he is not planning on running anytime soon. Among other factors keeping him out of the race, he says he's not sure the city is ready for a gay mayor.

Burcham announced earlier this month he is leaving the Entrepreneur Center to launch a company serving patients with life-threatening medical conditions. The nonprofit has more to accomplish and refine, but the foundation has been established and he is ready to build again. Until a new CEO is installed, he will continue to lead the center, developing its programs, classes and mentoring while sharing his expertise with other centers throughout the U.S. He believes in its mission entirely, that helping young companies means helping the city through additional jobs and revenue, but his commitment to Nashville entrepreneurs is also personal.

"If it weren't for individuals who helped me develop my own businesses and mentors who helped me see an opportunity, I'd likely be that same kid down in Mississippi on a farm," he said. "It seems only fitting that you give something back and help other people do it."

Entrepreneur Center History

- The Nashville Entrepreneur Center launched in 2010 and under Michael Burcham's leadership has distinguished itself in the following ways:
- A 300-person network of mentors has been established at the center, helping connect young entrepreneurs with established company founders, lawyers, accountants and business executives.
- The center has helped build more than 130 companies that have raised \$65 million in capital, generated \$100 million in revenue and created 1,000 new jobs, plus screened more than 2,500 company ideas.
- In 2010 business accelerator Jumpstart Foundry was created and began running out of the Entrepreneur Center. Beginning this year, Jumpstart will invest \$100,000 in each company going through its 14-week program.
- In 2011 Startup Tennessee became the second state to join the Startup America Partnership, an initiative to support start-up communities nationwide.
- In 2013 Google designated the Entrepreneur Center as one of its nine tech hubs, providing it with access to its technology, resources and staff members.
- In 2014 the center created Project Music, a 14-week music business accelerator that includes partnerships with the Country Music Association and Google.
- AOL co-founder Steve Case chose the Entrepreneur Center for a stopping point on his Rise of the Rest road tour in June, which included a start-up competition that yielded a \$100,000 investment for local company Checkd.in.