

VELOCITY'S CRASH COURSE

Working to Generate Business Success Stories

By Tom Schuman

Velocity Indiana is quickly becoming a key location for training – and entrepreneurial activity.

The “urban collisions” that occur at Velocity Indiana on the banks of the Ohio River in Jeffersonville were unintended when the entrepreneurial space opened its doors in 2013. But those collisions “that occur in a co-working space are pretty cool,” managing director Tony Schy contends.

Unintended because Velocity was established as an accelerator program – an initiative that has also experienced early success. Additional space allowed the introduction of more co-working. Entrepreneurs can enjoy a variety of amenities for as little as \$40 per month. When a start-up business in need of development or design services, for example, finds that talent down the hallway in the form of another entrepreneur, you have an urban collision of the best kind.

Kent Lanum, executive director of the Jeffersonville-based Paul Ogle Foundation (a major funder of Velocity Indiana), explains, “We wanted to make sure the accelerator was our flagship program, but we also always meant for it to be an education/entrepreneurial center. We have new people coming on board, programming for kids, outreach in Kentucky and to Indianapolis and Nashville. There is a lot going on; we’re trying to keep the wheels on as we assemble the parts.”



Finding the right model

It took multiple years for Velocity Indiana to become a reality. In contrast, the accelerator is intended, in Schy's words, to "achieve rapid acceleration in a business model. We really focus on helping teams get their arms around whether or not there is a valid business there."

In each of the first two cohorts, five teams (three from the West Coast and one from Chicago in addition to local entrepreneurs) were selected for the 100-day accelerator. Education programs are combined with dialogue with those who have started their own businesses, attorneys, information technology professionals, middle managers and others who can provide meaningful guidance and assistance.

A key component of the process is called the Lean Launchpad. Schy explains.

"A hallmark of that program is that once a week each team has to stand up in front of its peers and a group of mentors and present their business model. It really forces them every week to make forward progress. You begin to take assumptions that you think are the underpinning of your business model and convert them from assumptions to facts. You quickly determine whether you've got good assumptions ... or need to adjust."

In addition, the budding entrepreneurs are out on the street testing the viability of their idea.

"You have to speculate on who you believe your customer is and what you believe your value proposition is," Schy contends. "We help them understand the process of going out and talking to those customers. There's a right way and a wrong way to talk to those people. Don't talk to your mom and friends. Talk to people who don't have a horse in the race and talk to them in a way that doesn't predispose them, doesn't lead them."

"Entrepreneurs can really struggle with that because they're generally very passionate about their idea," he continues. "You have to ask people in a way that doesn't lead them to the answer you're looking for. It's kind of like cheating on Weight Watchers. Cheating just gives you a false sense of security that will eventually come back and get you."

The Velocity role, according to Schy, is to select the right people – not what appear to be the most promising ideas. The results can be beneficial for Indiana and the metro Louisville area.

"Early-stage companies are so high risk. If you pick the right entrepreneurs, we know that even if their first idea doesn't quite work out, they'll lick their wounds and try again," he shares. "You can eliminate teams based on bad ideas, but it's really hard to pick the winners. Our job is to make sure we give them what they need to succeed – as a region, as a state,

Accelerating and Beyond

Chris Bailey, founder of Gear Brake, and Andrew Klawier, managing partner of Groom HQ, were in the second cohort of accelerator program participants at Velocity Indiana.

Gear Brake has developed a module for the motorcycle brake light that detects when the motorcycle is slowing down. With 75% of motorcycle braking occurring by letting off the gas (and not activating the brake light), this new product can help deter rear end crashes.

Groom HQ tackles wedding planning from the male point of view. (Yes, there is a male role other than agreeing with the bride-to-be).

Bailey and Klawier share a few insights:

What surprised you the most during the 10-week period?

Bailey: "The speed at which they help push you forward. I wanted to finish product development and testing, and do three to four months more work. They were like, 'Dude, just start selling it now.'"

Klawier: "I didn't expect the amount of progression we would have in the 10 weeks. They just force you to move at such a pace and accomplish so many things. I look back and say, 'I may have gotten a tenth of that done by myself.' I would have actually understood another tenth of that."



Chris Bailey (at whiteboard) is charting a rapid growth course for Gear Brake.

How much did your ideas change during the program?

Klawier: "The program forced us to narrow our scope. Bachelor party planning, that's what grooms care about. We talked to hundreds of people. None of them wanted to talk about attire or wedding planning. As soon as you say two little words, bachelor party, eyes get a little sparkly."



Andrew Klawier (right) of Groom HQ updates Velocity Indiana Managing Director Tony Schy on the progress of his company.

Bailey: "I came in pretty sure we had the right customer, had a good fit. That changed here to more to dealers instead of direct to customers. And not just motorcycles like we thought but also medium and heavy duty trucks."

What were the advantages of being around other entrepreneurs?

Bailey: We both are kind of working by ourselves, but then you don't have people to bounce ideas off of. Here, we don't have to track anybody down. You just look behind you, ask somebody to take five minutes to learn what they think."

Klawier: "Even though we're in completely different markets with different customers, we're still at the same stage. All have the same concerns – whether it's bringing on a partner or a customer has this issue and knowing how to handle it."

Are you having a blast?

Klawier: "It ebbs and flows. You get your rush of reaching a big milestone, then the next day something happens and you're questioning your life."

Bailey, who delivered his first product to a dealership (and received payment) that day: "It's been a very exciting roller coaster, especially early on. The highs definitely help buffer the lows."

RESOURCES: Chris Bailey, Gear Brake, at www.gearbrake.com | Andrew Klawier, Groom HQ, at www.groomhq.com

Team Approach

Software start-up LocalView, launched early this year, is a web-based platform that provides a digital entertainment guide to Louisville and surrounding areas. Co-founders Eric Littleton and Jon Matar were the first to move into the Velocity space and now have six people on the job. They partnered with other entrepreneurs on location for design and development services.

“We’ve got 24/7 access. We’re probably here 13 to 15 hours a day,” Littleton says. “When you bring good people together, good things come about.”

Matar: “Everybody pushes each other. It’s motivating to see Gear Brake ship out its first product. We try new things, and we get ideas from others here.”

RESOURCES: LocalView at www.localview.co



LocalView has six team members utilizing the Velocity Indiana resources.



The co-working space is ideal for Richard Meadows and his social media work.

Getting Social

Richard Meadows, social media concierge, describes his role and the Velocity co-working space. (Meadows also owns the Hacker Hostel, a Louisville tech-centric home set up for start-ups to stay in while participating in the accelerator program).

“Mom and pop (businesses) know they should be doing social media. They’re really good at selling a product but don’t have a strong grasp of the computer world. I help those people develop and use social media.

“This is an excellent space; the staff is wonderful. It’s convenient and inexpensive. It’s easy for people to get here and easy for me to get to people. Co-working space means collaboration space. If I have a question, I go ask somebody here.”

as a multi-state area in our case. If we give them what they need to succeed, they won’t leave. If they have to go to San Francisco to get money, someone there may say, ‘I want you to be down the road from me.’”

Making a difference

Schy enjoyed a nine-year career with Andersen Consulting (now Accenture) before co-founding health care consulting firm Chapman Kelly, Inc. and growing it to 100 employees in advance of a 2010 sale. Working to help others succeed still carries stress, but it comes in a different form.

“It’s generally 15 things I actually will enjoy doing when I get to them. It’s not about the money; it’s about the giveback,” he attests. “A lot of people helped me in the decade I built my company. I had a nice exit, and it gave me the luxury of kind of blazing my own trail.”

Velocity Indiana is hosting StartUp Weekend events, pitch contests, meet-ups, hackathons and more. The total space increased to 7,000 square feet earlier this year with more conference rooms, private offices for full-time tenants, whiteboards, a treadmill desk and even three old-fashioned telephone booths for private conversations. In addition to some of the accelerator graduates, approximately 50 co-working tenants call the facility home.

The next accelerator cohort is expected to increase from five to eight teams with plans for a 2015 cohort focused on the growing food and beverage industry in the area.

Asked what he tries to share from his earlier career, Schy offers two keys – focus and ask for help. “Entrepreneurs can spread themselves too thin. They will often get caught up on things like my logo doesn’t look right. Set that aside and focus on the things that are



Bringing entrepreneurs together is what Velocity Indiana is all about.

really important.

“If you think you’re going to always know the answer or be the smartest guy in the room, you have to get over that and not be bashful about surrounding yourself with people smarter than you – and asking smart people for help.”

Lanum articulates the ultimate goal from his perspective.

“What will we see at the end of the day? It’s venture philanthropy. We’re trying to create more Paul Ogles (a self-made business success and community leader). It’s about creating wealth for individuals. I don’t necessarily see this as a huge job creator as much as a generation of wealth. We want more Paul Ogles, who can be successful and then turn around and create more companies. That’s ultimately what our goal is.”

RESOURCES: Tony Schy, Velocity Indiana, at www.velocityindiana.org | Kent Lanum, Ogle Foundation, at www.ogle-fdn.org