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The BIG Idea Lab: Innovating every day of the week

Local entrepreneurs establish mentor lab to provide resources, support for innovative start-up ventures

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The 'Dream Team' at the BIG Idea Lab: What's the BIG idea?

The fertile farmland and open pastures of Whatcom County inspired high tech entrepreneur Shawn Kemp to move his young family to Bellingham five years ago. Little did he know that he would be responsible for planting the economic seeds that could sustain the region through the next century. Kemp joined with his fellow business leaders in Bellingham to found the BIG Idea Lab in October 2010 to encourage the creation of start-up companies. Peer advisors at The Lab are available to mentor the brave souls who want to take their idea from the white board to reality.

"We are startup-friendly and believe in paying it forward. The BIG Idea Lab was designed to remain lean and connect ventures to those resources as needed," Kemp told Northwest Business Monthly. "Similar

groups around the country are known as incubators. We're trying to be the accelerators. We connect the innovators with others who have the complimentary talents the innovators need to launch and accelerate a profitable venture."

The next big idea could be development of an application designed to operate on a mobile device or some breakthrough in online sales and marketing. In either case, Kemp and his colleagues believe that the next BIG Idea could provide the same broad tax base and employment bonanza of spin-off businesses for Bellingham and Whatcom County that Boeing did for Seattle and Microsoft did for Bellevue and Redmond.

The Microsoft alum was quick to point out that his group does not provide an infusion of capital. "There is already a community of investors that worthwhile ventures can tap into," he said. Based on his experience with startups, Kemp is confident the Lab will be involved with at least six thriving companies that will generate combined revenue of more than \$2 million over the next two years.

The BIG Idea Lab has established that it will lead the model of innovation by example. The board has already voted to accept Daymaven.com as its seventh venture. Daymaven.com, owned by Jake Hartsoch, is an app that allows people to share favorite places throughout the Northwest.

Not all of the new companies will be equally successful, but Whatcom County Council Member Ken Mann was proud to report that one of the startup enterprises has already received one lucrative buyout offer. Mann is one of the 14 founding members of the BIG Idea Lab board of directors who vote to provide office space and access to computer hardware for approved ventures.

Simple Majority

Mann, who was elected to the county council in 2009, described the BIG Idea Lab as a "democratic institution." Individuals or groups can apply for the peer assistance program offered by the Lab, however one member of the board must come forward to sponsor the concept before it can be brought up for a vote. Startups that receive support from a simple majority of the board members are given a two-month window to develop a business model and present the strategy of how it plans to bring in more revenue than it spends.

"In short, how do they plan to make a profit?" Mann said with a smile.

Support from the Lab beyond the 60-day trial requires approval from two-thirds of the voting members. The services provided by The BIG Idea Lab are not free, but Kemp pointed out that his organization only generates modest revenue from the profits of the new companies. According to the terms and conditions of the agreement between The Lab and an approved new company, participating startups exchange four percent of the equity and 2.5 percent of the revenue stream, not to exceed \$60,000.

"This is not a co-op. The BIG Idea Lab was established as a for-profit company," said Kemp. "I am not just a big heart. If The Lab fulfills our expectations this will be an organic corporation that will sustain itself. We have no minimum expectations."

Kemp emphasized that there will be no cost to the companies until they begin to show profitability. The founder has been evaluating ways to help local startups since he moved to Whatcom County almost four years ago. His plan did not take shape until he shared his idea with friends at a social event last summer. The rest, as he says, will be history.

Eager Volunteers

"There are similar organizations in cities around the country. And I asked myself why not an organization based right here between two of the richest cities (Seattle and Vancouver, B.C.) in terms of bright minds and innovative ideas," he said. "My concern was that I already had too many things on my own plate, including my own Internet-based business and two pre-teens at home. My colleagues liked the idea so

much that 10 of them invested in the concept.

"So, obviously, I recruited each to be founding members of the board of directors."

The current board is a diverse collection of local business leaders, including Kemp, Mann, Adrian Pike, Bob Pritchett, Dennis King, Joe Jarzembowski, Kathy Varner, J. Michael Newlight, Paul Hansra, Paul Grey, Robin Halliday, John Pedlow, Steve Brinn and Steve Nelson.

Kemp has already helped to establish Share Zen, an online tool for shared assets, like vacation property, airplanes and boats. The service is available for as little as \$5 per month at ShareZen.com.

Similar programs that provide seed money for qualified start-up companies are normally classified as Angel Investors, Kemp explained. Those firms provide financial assistance in exchange for permanent shares in the new business. For example, Tech Stars in Boston and Boulder, Colo., provides \$18,000 in seed money for an equity stake in the new venture, while Boot Up Labs in California's Silicon Valley offers lines of credit up to \$100,000 for a 5-15 percent share.

Mann knows what it is like to dream big. He was an equity trader on Wall Street from 1993-97. He envisions the BIG Idea Lab as the source of good news for bright young minds in the region and an inexpensive boost to the local economy.

Mann concluded with this thought: "When they make an afterschool special about the BIG Idea Lab — and they will — the hero of the movie will be Shawn Kemp."