

The Columbus Dispatch

Steve Case: Talented entrepreneurs can find a home here

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Innovation in America was largely defined by one thing in the 1920s: the automobile. As cars became more and more accessible, registrations grew exponentially and hundreds of businesses emerged to feed our driving culture. In 1926, the Ohio Farm Bureau Federation, a company dedicated to providing farmers with quality insurance, sold its first policy. That company would later become Nationwide, one of the largest financial-services companies in the world, and an anchor for the Columbus economy.

More than 90 years later, Columbus — with the support and participation of long-established corporations like Nationwide, American Electric Power, Cardinal Health, and many others — is again helping to usher in a new wave of innovation. A new startup economy has emerged in America's "biggest small town" and a growing community of entrepreneurs are eschewing coastal tech hubs in favor of starting and scaling a business in Columbus. It's why last year the Kauffman Foundation ranked Columbus as the No. 1 place to scale a startup in the country. And it's why I wanted to bring my Rise of the Rest tour, an effort to shine a spotlight on successful startup ecosystems, here on Friday.

Since 2014, I have logged nearly 6,000 miles via bus visiting 26 cities to explore what helps — and what hinders — entrepreneurs as they launch businesses outside major tech hubs like Silicon Valley, Boston, and New York, where 75 percent of venture capital flows. In each city, my team and I meet with local investors, civic leaders and talented founders. We've explored hundreds of startups, accelerators, and incubators on a quest to celebrate thriving ecosystems. Each city I have visited in the past three years on tour is vastly different, but every single one is wisely capitalizing on the factor — or a mix of factors — that makes their city unique. And Columbus is no exception.

First, Columbus is a city at the forefront of research and development. In 2016, the Ohio State University totaled nearly \$850 million in R&D expenditures and continued to bolster its Technology Entrepreneurship and Commercialization Institute to support innovators on the path to commercialization. Additionally, Battelle has led the way for corporate innovation, helping to develop everything from the M&Ms candy coating to the copy machine and lifesaving vaccines. The Research Institute at Nationwide Children's Hospital is one of the fastest-growing pediatric-research centers in the country. And finally, the Transportation Research Center, the largest independent vehicle-testing facility in the nation, is working on smart mobility testing for cars.

Second, Columbus has an extraordinary talent pipeline. More than 50 top-notch institutions of higher learning are producing one of the most educated work forces in the United States. And because of the work of Columbus' startup community, many of them are choosing to stay following graduation. This includes incentivizing diverse founders to remain. Cities that continue to thrive in this Third Wave of innovation will recognize that good ideas — and good businesses — emerge when people with different backgrounds, experiences, and expertise come together. Last year, my foundation backed Jumpstart, Inc., an Ohio-based nonprofit that has raised a \$10 million Focus Fund for women and entrepreneurs of color

throughout the state. At the end of the day, Rise of the Rest is more than a tour; it's about breaking the cycle of money flowing to the same kinds of people for the same kinds of ideas.

Third, unlike many other startup ecosystems where founders feel the need to go out west for capital, Columbus benefits from local investors who are eager to support talented regional founders. Funds like Rev1 Ventures, NCT Ventures, and the Ohio TechAngel Funds, plus the founding of Drive Capital a few years ago, have led to investments in local startups. They all saw that Columbus was ripe with opportunity for growth and expansion.

That's the same thing major corporations and ecosystem builders did when they set up new co-working spaces, accelerators, and incubators for young startups, including I.C. Stars, Bunker Labs, Idea Foundry, Venture Ohio, Fintech71 and Refinery 191 led by Nationwide Ventures. Together, they have shepherded in a 26 percent increase in venture investments in Ohio this past year, bringing in more than \$470 million to 200-plus companies.

Finally, it is clear that part of the reason companies are so successful at scaling here is the relationship between traditional businesses and startups. Many of the best and brightest startup founders spring to life within Columbus' corridors because of the support, investment and collaboration of local long-established businesses. The Columbus Collaboratory, a cyber-security incubator founded by seven leading local companies, is evidence of this commitment to partnership and exploration.

In my book, "The Third Wave: An Entrepreneur's Vision of the Future," I argue that we are entering an era where entrepreneurs will seek to transform major sectors of the U.S. economy. And to do so, they will naturally move to cities where that sector expertise and excellence exists. Cities like Columbus, Ohio.

Steve Case is the co-founder of AOL and the chairman and CEO of Revolution LLC.