



Karl R. LaPan '86,
president & CEO,
The Northeast Indiana
Innovation Center
(The NIIC)

INGENUITY IN INDIANA

As president and CEO of the Northeast Indiana Innovation Center, Karl LaPan '86 is providing guidance, resources – and space – to entrepreneurs and spurring the state economy in the process.

BY JANA F. BROWN PHOTOGRAPHS BY STEVE VORDERMAN

On a quick tour of the Northeast Indiana Innovation Center (NIIC), Karl LaPan '86 might check in with one client working to offer innovative solutions for community banks or another perfecting orthopedic implants for pediatric patients. He also might talk to a family of innovators that has developed fuel-efficient, military-grade engines for drones that emit only a whisper of sound.

"The variety is great," says LaPan. "No two days are ever the same."

That LaPan has ended up as president and CEO of the NIIC is a dichotomy of many sorts. Located in Fort Wayne, Ind., the NIIC is hardly nestled in a known hub of technology and entrepreneurship. LaPan is an outlier as well. A product of the East Coast, he grew up in Western Massachusetts and ended up by chance in Northeast Indiana. Fort Wayne is the state's second most populated city, close to the borders of fellow Rust Belt states Michigan and Ohio. The draw? The opportunity to become the NIIC's first leader. LaPan has held that position since 2000, when the Midwest entrepreneurial center and tech park was founded.

After graduating Franklin Pierce *summa cum laude*, with a B.S. in business management, LaPan went to work with General Electric in Chicago, graduating in 1988 from its prestigious Financial Management Program. He earned his M.S. in human resources development from American University in 1993. A stint as CEO of NBS Imaging Systems, an advanced biometric company, followed. Fort-Wayne-based NBS was sold in 1998 and, in early 2000, LaPan was ready for a change. He expanded his job search locally. His business acumen and understanding of startups appealed to the NIIC founders, and LaPan was offered the chance to take the community's ideas and turn them into action.

As the first staff member of the NIIC, LaPan found joy in shepherding the fledgling business concept from an idea to what it is today. As an entrepreneurial resource center, the NIIC provides an eclectic mix of clients with everything from coaching to business models to incubation to fundraising to affordable office space as they evolve. Within the 55 acres of NIIC headquarters, including 75,000 square feet of office and wet lab space, entrepreneurs are given all the tools and support needed to flourish.

According to data provided by LaPan, as of late 2018, the NIIC had helped launch 444 new products, facilitated more than \$42 million in research grants, and helped raise \$44.2 million in capital investments for its innovators. NIIC businesses, more than 40 of them housed on the company's campus, collectively employ nearly 200 full-time workers, with an average salary that is 30 percent higher than what's offered by equivalent employers in Northeast Indiana. Since the NIIC's inception, nearly 2,100 total jobs have been created in the community.

"We call it the four entrepreneurial success pillars," explains LaPan. "All revolve around capital access, talent access, access to the 'right' workspaces, and network access. Entrepreneurs need access to things they might not know are available or might not be in the position to gain entry to. Our philosophy is to leave everybody better than we found them and to help them take the next step."

To be taken under the wing of the NIIC, potential clients must go through an eligibility screening to qualify for the incubation or acceleration programs. The NIIC is a state-certified technology park, but entrepreneurs seeking

only business advisory services can simply give LaPan or a member of his team a call. The NIIC and its CEO take pride in creating opportunities to build hometown businesses, therefore adding jobs to the local community and contributing to Indiana's economy. Working with the NIIC increases the likelihood of a startup's success because the organization's support system accelerates the growth of companies by helping them navigate starting, growing, and managing a business. As a measure of that support, LaPan shares proudly that nearly 92 percent of all companies born within the NIIC framework are still in business today – that's five percentage points better than the national average for programs similar to the NIIC and 42 points better than most entrepreneurs do without extra support.

"One of the key things we do," he says, "is increase the likelihood of survivability."

Just how LaPan and the NIIC have accomplished such impressive corporate endurance is worth exploring. Few would bat an eyelash upon learning of the NIIC's model if the nonprofit entrepreneurial resource center were located in California's Silicon Valley. But Northeast Indiana? Fort Wayne is known as the economic center of the region. But a destination for innovators?

"The reality is," says LaPan, "Indiana has world-class research educational institutions in Purdue, Indiana University, Notre Dame, and others. And, Indiana has a high level of entrepreneurial activity. Ninety percent of businesses employ 20 people or less. Indiana is full of scientists, researchers, engineers – a cadre of people predisposed to finding solutions."

Indiana has a history of promoting innovation. IU's Kelley School of Business is home to the Johnson Center for Entrepreneurship & Innovation. Purdue boasts the Burton D. Morgan Center for Entrepreneurship. Notre Dame's IDEA (Innovation, De-risking and Enterprise Acceleration) Center provides similar resources to those of the NIIC. Last year, Business.org ranked Indianapolis 15th among U.S. cities for entrepreneurs and startups. In his 2018 State of the State Address, Indiana Governor Eric J. Holcomb promised "to make strategic investments to build and support more innovation and entrepreneurship in our state." The State of Indiana's website goes as far as to say that Governor

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Holcomb “has committed to making Indiana a global leader in innovation and entrepreneurship,” including grants for startups and partnerships in science, manufacturing, aviation, and technology.

“Indiana doesn’t toot its own horn,” says LaPan. “But, for a long time, it has had a strong connectivity of industry and academia in economic development. We have a statewide network of innovation assets that can be leveraged for the greater good. And, since it’s fairly rural, there are some of the same challenges as in Rindge, N.H., and Turners Falls, Mass., where I grew up. There is a need for that kind of leadership coming out of the community.”

As a student at Franklin Pierce, LaPan was attracted to the option of customizing his education. He appreciated the intimate setting and the chance it created to work more closely with professors. His interest in business was launched in Rindge, where LaPan’s thesis evaluated stock market performance by creating an investment challenge between a professor, a bank trust officer, and a college student, who threw darts at the weekly *Wall Street Journal* to select stocks.

LaPan has returned to campus over the years, including in 2018, to interact with students. He spoke in a Strategy and Ethics class about ethical dilemmas that face today’s business leaders, sharing his expertise both in innovation and optimizing customer experience. He hopes to return again to help establish an incubator at Pierce in conjunction with the recently expanded College of Business.

“Franklin Pierce provides an environment for students to initiate and pursue leadership opportunities in areas that are most important to them,” says LaPan. “It was evident even in the 1980s, and I saw it clearly when I came back to campus.”

At the NIIC, LaPan helps to foster that same type of environment with the innovators who seek assistance. Among his most important roles at the NIIC is fundraising, including securing grants that allow entrepreneurs to thrive. The budding companies pay for subsidized space that includes a furnished business center, complete with conference rooms and other office resources. That, plus business coaching and mentorship from experienced entrepreneurs, combine to help them get their products and ideas to market more quickly, supported in a nurturing community that reduces the traditional risk level of initiating a new venture. The business model at the NIIC

is focused on providing an exceptional client experience; to focus clients on delivering solutions that are better, faster, cheaper, simpler.

“We are in financial services, healthcare, IT/web, embedded software systems,” explains LaPan. “Serving as the region’s hub for the largest group of entrepreneurs under one roof, offering the right mix of business building services, and connecting these isolated entrepreneurs are critical to the success of our community. What we do is 100 percent intentional.”

The NIIC also is in its fourth year of designation by the Small Business Administration to operate the Women’s Entrepreneurial Opportunity Center. The center specializes in addressing the particular challenges facing female entrepreneurs and is one of only 112 incubators in the country specifically designated to promote women in business.

“Data shows that women face more obstacles in capital, mentorship, growth resources, and confidence,” says LaPan. “We have worked with more than 1,800 women through our program.”

Mark Long, who is currently the director of incubation services at the University of Florida in Gainesville, got to know LaPan when he was starting the incubator at Indiana University in the early 2000s. He credits his friend with helping him get the program off the ground, everything from offering insights on floor plans to envisioning operations.

“Karl is an extremely good strategic thinker,” says Long. “He plans for the long term and integrates the assets of the community. He doesn’t just think about tomorrow; he thinks about the day after tomorrow. He is good at grants, sponsorships, community fundraising; nobody raises funds like Karl LaPan.”

According to LaPan, there are more than 1,600 incubators in the U.S. and up to 10,000 in the world. The NIIC is successful in adding value to its clients because of its distinct business model.

“Our fundamental purpose for existing is asking what our community needs and how we can help our clients deliver that,” explains LaPan. “The key metric of our success is whether the [businesses] stay in the community. Nearly 99 percent of all entrepreneurial businesses start where they are located. Our bread and butter [at the NIIC] is focused on growing the hometown team.” ¹²

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