

INNOVATION TAKES A COMMUNITY

What prompts true innovation that spurs exponential growth? If the participants of the recent Husch Blackwell Industry First Roundtable series event are correct, it's a direct result of the environment.

Earlier this month, the *St. Louis Business Journal* moderated a lively discussion of technology and manufacturing executives and industry leaders at Husch Blackwell's new office in the @4240 building in the Cortex district. The conversation covered challenges and opportunities for businesses seeking to innovate and bring new technologies and services to market.



Back Row (left to right):

Aditya Malhotra, president and CEO, SyMyco

Dennis Lower, president and CEO, Cortex Innovation Community

Dougan Sherwood, co-founder and managing director, Cambridge Innovation Center (CIC) St. Louis

Front Row (left to right):

Mark Prendergast, president, AB Mauri North America

Timothy Noonan, vice president, Ventures, part of Boeing Defense, Space & Security

Mark Stallion, partner, Husch Blackwell LLP

SLBJ: How can big companies collaborate with universities, startups and innovation districts like Cortex?

Dennis Lower, Cortex Innovation Community:

Cortex is a host, a catalyst for thinking outside the box. It's becoming a place where three key groups — large corporations (such as Boeing, AB Mauri and Nestle), universities and entrepreneurs — are cross-fertilizing by creating an environment where new ideas are generated and new products are delivered to the market. The secret sauce of Silicon Valley is a more open innovation system. That can happen here.

Dougan Sherwood, Cambridge Innovation Center:

What we've seen in Cambridge, and now in St. Louis, is that large companies want to be closer physically to entrepreneurs and startups. They're looking for inspiration and a culture change. Our system changes how people act and work. They can't wait to get out of bed.

Timothy Noonan, Ventures, part of Boeing Defense, Space & Security:

Boeing doesn't have an innovation problem. Our opportunity is to develop a capability of entrepreneurship that complements our scale. But startup culture differs from scale-up culture. Being at Cortex allows us to bring the outside in, accelerate learning from other industries, attract new and diverse talent, and strengthen ties to the local community in business, engineering, innovation and entrepreneurship.

Mark Stallion, Husch Blackwell: Our decision to open an office in the @4240 building is in keeping with the firm's new strategy where our entire firm is now structured around industry groups. We work with a wide range of technology and manufacturing clients, including universities and startups, so we have a unique and broad perspective to share with tech companies in communities like Cortex.

Mark Prendergast, AB Mauri: I've been involved with several startups where there's a lot of pressure due to limited cash flow. We always knew when the money was going to run out, but we were spurred on by high energy and passion. We're thinking that will rub off here with our move to Cortex.

SLBJ: Do you think St. Louis can prove itself to truly be "the innovation hub of the Midwest?"

Lower: It's important to think globally, not just about the Midwest or even the coasts. We need to create our own identity. St. Louis has many assets — culture, workforce, research, a critical mass of intellectual property. The challenge is how to get out of our silos and do what we do more smartly. Success begets success; it's a magnet.

Sherwood: This is our first location outside of Boston. A lot has happened here in a year. It's all very promising.

Aditya Malhotra, SyMyco: We have a big Ag pool here but no one knows it. Because of the Danforth Center, St. Louis has the largest density of plant scientists in the world, but that's not widely promoted.

Stallion: I agree. Some of our area's best technology assets are underleveraged, but that provides for a lot of opportunities.

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SLBJ: Let's discuss the tech transfer process.

Lower: Our universities aren't just talking — they're walking their talk when it comes to tech transfer. During the last three years, Washington University has focused on innovation and has put entrepreneurship front and center. Saint Louis University has a strong focus on student entrepreneurship and a revitalized Billiken Angels network.

Stallion: From a legal perspective, tech transfer is a national problem. Attorneys need to adapt, be more agile and not "overlawyer" and develop innovative ways to structure legal relationships.

SLBJ: Are there missing elements that can prevent St. Louis or any city from moving ahead?

Sherwood: We have the underpinnings and there are multiple hands pushing us up. The new MetroLink stop is an important example. But there's a lot more to do when we talk about creating a work-live-play environment.

Prendergast: Not having an international airport has limited our progress. Connections are a hassle, and that really hurts us. At the same time, I've wanted to keep our company here because St. Louis stacks up well versus other markets — cost, workforce and now the @4240 building, which is much more than a space. This is the place to be. We've attracted new employees from influential markets like Portland and London, and I'm seeing energy, youth and diversity that are changing our company.

Malhotra: When we moved here from Delhi we were surprised how hard and expensive it was to get to St. Louis. The city definitely needs to work on improving connectivity.

Lower: The larger the tapestry that we can weave, the more successful we will become.

SLBJ: Where do you think the most significant growth will occur in the technology and manufacturing industries in the next two to three years?

Stallion: IT is trending, particularly IT as it relates to handling Big Data, which is impacting every industry.

Prendergast: In baking, we're not all about white bread anymore. Consumers are more informed than ever, and their tastes tie directly into science — everything from gluten-free products to enzyme replacements to the evolution of yeast. Now, everything needs to happen more rapidly.

Noonan: In the next three years manufacturing will continue to follow the digital journey toward the industrial Internet. Three growth areas appear to be robotics, additive manufacturing and data analytics. Automation will continue to enhance operations in areas such as safety, quality and affordability. As well, additive manufacturing has the potential to greatly reduce the time from design to product availability. Finally, data analytics will become a powerful tool in terms of optimizing both manufacturing and supply chains.

SLBJ: How do you harness the energy that we're all feeling in this room?

Lower: We need to unharness it by creating the right environment for entrepreneurs to interact with each other and then let the smart people run.

Prendergast: That's right. We need to get out of the way. I told our staff that we're moving from Chesterfield to the Central West End because I'm confident that in five years this will be the place to work.

Sherwood: We've had a great first week here and I'm very excited about moving ahead. Everyone kept telling me about the "Show-Me State;" I get it now.

Malhotra: In the agribusiness industry, we need to be more flexible, ready to switch gears and not get stuck in our bubbles.

Noonan: Part of harnessing the energy in this room is realizing that we're all in this together and we'll fight for each others' success. That's what entrepreneurs do because going from "new to big" takes a different skill set and mindset than going from "big to bigger." We need each other. Bill Boeing and James S. McDonnell, two founders of startups, built their companies through collaboration in the community and with others. Together, we're ensuring that entrepreneurship takes hold — in our companies, our region and in our nation.

Stallion: When you have had some level of success, the environment tends to be one that is risk adverse, however, we need to create an environment where everyone is willing to shift the paradigm, to take strategic risks and to reach outside of their comfort zone.

Husch Blackwell LLP is proud to sponsor this Industry First Roundtable event and would like to thank the St. Louis Business Journal and our participants for their contributions. At Husch Blackwell, teams of lawyers with a depth of experience within a particular industry work together, across practice specialties, to deliver comprehensive solutions to help our clients achieve their business goals. To learn more about our Industry First strategy, please visit www.huschblackwell.com.