

Techs in Lex

Meet a few members of the Bluegrass Digerati

By Heather C. Watson

"Tech can happen literally anywhere you have connectivity and a phone, so why shouldn't Lexington be able to present itself on a larger stage? Who says we aren't already? It feels like there is something fantastic and grand developing organically in Lexington right now. Obviously the economic flop of late has forced harsh change upon many people and businesses but a positive has been a more laser guided focus on new ideas and a sharpening of the butcher's knife to trim the fat out of old ideas. Lexington has all the potential the world has to offer. Taking full advantage will be our task as we push on to 2040."

— Dave Wilson, Co-Founder Elevation Creative Studios

Walking into Awesome, Inc's Main Street studio space just makes you feel hipper. The vibe of this business-technology incubator — which provides high-tech facilities, support, and co-working to accelerate the development of startup companies — feels far more Silicon Valley than Horse Capital of the World. The cargo-short clad denizens resemble your younger, cooler cousin — the kid who built Lego models of both Death Stars, effortlessly restored your hard drive, and introduced you to indie bands you'd never heard of before. Arresting pieces of modern art hang alongside Awesome's marketing posters ("Awesome Rule #4: Always Do Something Awesome Over Something Not Awesome"). The lab space, with its sleek, sexy rows of pristine iMacs, entices you to do something brilliant and, well, awesome.



Photo by Kakie Urch

Awesome Inc. principals in a strategy meeting

Designers and developers converged in Lexington at last weekend's Mobile MiniConference at Awesome to learn how to create and market iPhone and Blackberry applications. As the conference began, Awesome co-founder and UK medical student, Luke Murray welcomed the group, noting "Y'all aren't in California, Seattle, or Austin. You're in Lexington, Kentucky."

The crowd, with their iPhones and MacBooks poised for interactive participation, could have been a tech-savvy audience anywhere in the world. They just happened to be in a Kentucky town of less than a half million people.

What does it mean to be a technologist in Lexington?, many of us started to wonder. Is this distinction solely geographic, or does our location dictate the quality of innovation? Is Lexington friendly to the development of technology businesses?

Dave Wilson, a co-founding partner at Elevation Creative says, "We have all the tools necessary in Lexington to cultivate business of any kind and tech is no different. Low cost of living, more than a dozen colleges in the area and we are located at a hub to easily reach over 50 percent of the nation's population within a day's drive. I often hear from national clients that it was refreshing to work with us. Apparently we are more easy-going, more than competitively priced and the end result is as good as or even better than what they would get in their local area be it New York or DC or Maine. Their preconceived ideas of working with a team from a 'sleepy southern town' may aid in this perception. Who knows? That same 'sleepy southern town' idea may also be a trap for our collective state of mind."

Rubidine Software Vice President **Steven Hayes** (pictured on the cover) moved to Lexington from Northern Kentucky to attend the University of Kentucky. He says "UK was just far enough away from my parents that I could still visit frequently, but not have to live at home. Once I graduated in 2004, I moved back to Northern KY temporarily, but needed to move back to Lex, so I only looked for jobs here."

Owensboro native Angkur Gopal moved to California to launch his medical-billing software system, Revasyst. When the company became self-sufficient, Gopal moved back to Kentucky. He started a new company, Agent511, which provides its clients with marketing solutions that are distributed to their customers via text message blasts. By establishing Agent511 offices in Owensboro and Chicago, Gopal can conduct his technology business while remaining close to his family.

Returning home was also important for Lexington-based technology executive **Ben Self**.

Self, a native Lexingtonian and MIT grad, is a founding partner of **Blue State Digital**, the D.C. firm responsible for Barack Obama's internet campaign operation and online networking, a tool which many political pundits consider to be a crucial factor in Obama's success in the 2008 Presidential Election. Although his work takes him all over the world, Self lives in Lexington, where he and his wife Rebecca are committed to improving our community. Self says "I love Lexington. Besides the fact that I'm obviously biased because I grew up here, I love the people, the beauty, and all of the unique things that make Lexington different from all other similar-sized cities. Lexington is extremely fortunate in that manner — because of our environment, the horse industry, and UK, we've got a lot of

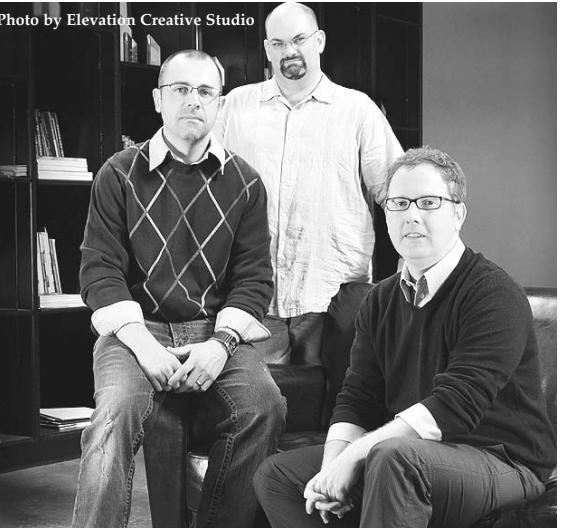
advantages over other mid-sized cities. That's why Rebecca and I looked for the first opportunity to move back home."

When asked whether Lexington provides a hospitable environment for technology professionals, both Self and Hayes are dismissive of claims that Lexington isn't a particularly tech-friendly town. Self says, "The great thing about working with technology is that for much of the time, it doesn't matter where you're based. While I'd love to see more jobs and opportunities

for technology professionals in the area, I think we're seeing lots of technology folks become more and more entrepreneurial, inventing their own opportunities."

Adds Hayes: "I think Lexington is as hospitable as it should be. I don't really know what people expect, or even who they expect it from when they suggest that Lexington isn't tech-friendly."

There seem to be a constant stream of networking events geared towards techies downtown, including Commerce Lex's Geeks Night Out, Tweet-ups, start-up weekends, conferences, various user group meetings, et cetera. If anyone thinks that there's something missing, they should start something."



Elevation Creative's Jeff Ruth, Dave Wilson, and Chris Gowin

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While Lexington's emerging technology class is making great strides in developing and keeping local talent, it is perhaps inescapable that there will be attrition. Conversations with local technology professionals lead to the inevitable stories of highly credentialed technology professionals who are forced to leave Lexington — or undertake a daily commute to Louisville or Cincinnati, just to find employment. Additionally, there are tales of technologists who, after brief employment in local firms, seek the money and prestige afforded by big-name companies in traditional "tech-friendly" cities.

Pikeville native Jason Hobson is an alumnus of Transylvania's computer science program. Hobson, who works in IT support for a top 100 hardware company, says "the initial seed of moving away from Kentucky began around my ten year college reunion. I found myself in my early 30s, single, and working out of my house in a technology job. If there was any time in my life I could pick up and move, now was that time."



Ben and Rebecca Self

Hobson did his research. "I took most of the summer & fall of '07 doing researching and traveling," he says. "Portland, OR and the Northwest kept bubbling to the top. Since the '70s the city has done a fantastic job focusing on city planning. The tag line out here is that Portland is the 'city that

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—Steven Hayes, Rubidine (pictured on the Cover)

Lexington focus its attention on attracting the high-tech and clean energy businesses of the 21st century that are creating good jobs with good pay

that cannot be outsourced to India or China. Number 2, it is critical that we build the infrastructure necessary to enable these businesses to function efficiently. That's why I have been excited to work with Mayor Newberry's office to seek funding from the federal stimulus package for significant broadband and energy efficiency improvements for Lexington. Number 3, the University of Kentucky, Transylvania, and the Kentucky Community and Technology College System must be full partners in Lexington's efforts because first and foremost, these high-tech businesses are searching for a highly-educated, high-tech trained workforce from which to draw their employees. Number 4, it is very important for Lexington to continue to promote, develop, and nurture a strong and progressive arts and culture climate so that young professionals are attracted to come to and then stay in our community."

Secretary Miller's call for collaboration among the private sector, city and state government, and the University is echoed by Angkur Gopal, who notes that "executives and decision makers in Kentucky all 'want' technology and 'know they need to try mobile', but they have no clue how" to do this. Gopal calls on his fellow technology professionals to educate business and government leaders in order to develop a more sophisticated technology sector. This interaction and knowledge has certainly paid off for Gopal: Agent 511 recently received a \$30,000 grant from the state of Kentucky to further develop its business goals. Gopal proudly says of the grant, "They believe in our technology and think we are on the verge of building very cool things in Kentucky."

The future of Lexington's technology sector also depends on privately-raised capital. In order to expand the base of Lexington tech companies, there is a demonstrable need for increased private investment. In 2007, Austin, TX business ventures received \$690 million dollars in venture investment. In 2008 (the most recent comparable year for which statistics are available), Lexington's venture investment totaled \$68 million. Austin has less than double the population size of Lexington, yet has received more than ten times the private-equity investment. If Lexington's emerging technology class aspires to achieve the synergy, creativity of Austin's established tech scene — or even just its economic prosperity, then its members need to work closely with informed investors to create realistic financial goals.

Lexington Mergers & Acquisitions attorney Robert Fleu, who counsels emerging technology companies in venture financing transactions, notes that it is crucial that local investors and local entrepreneurs educate themselves as to industry best practices in order to create long-term, sustainable

works.' There's a strong focus here on high density living with an abundance of quirky neighborhoods. The city has had the foresight to tie these all together with an excellent public transportation system."

When asked what changes Lexington could make to improve his quality of life, Hayes produces a wish list that is at once cheeky and serious: "Personal needs: I would get rid of all the cars. Also, we need some damned arcades around here." Professionally, Hayes continues, "Lexington needs a place for technologists to feed off of each other. We need to teach and learn from each other in real life but as most of us are the stereotypical introverted geeks, it's hard to find us, let alone convince us to come out of our rooms. We started Collexion to solve this problem, and so far it's going really well."

Collexion, a co-working space for technology professionals located on Manchester Street, is the brainchild of Hayes and his Rubidine co-founder **Todd Wiley**. The space exists not only to defray the leasing costs, but also to foster creative synergy among its participants. The resulting collaboration and camaraderie, many tech professionals note, are infinitely more valuable than rent or hardware costs. Solutions, it seems, are Hayes's currency. When asked how he would advise technology professionals who want to stay in the Central Kentucky area, he responds, "Just stay! The jobs are there, you just have to find them. It might take some work — oh no! — to find them, but they really are there. If you really find that no jobs are available, or that your skills are so specialized that they aren't needed in this city, which is unlikely, then there are a countless number of telecommuting jobs available on the interwebs, and if you're the daring type, start a company!"

Lexington's 3H

The city of Lexington would love to see more daring technology types follow the lead of Hayes and Wiley by starting technology companies. **Shaye Raybold**, Chief of Staff for Lexington Mayor Jim Newberry, notes that the mayor has long supported a "3H" platform — Healthcare, Horses, and High-Tech — for economic development. As the horse industry struggles and the healthcare industry faces heightened regulatory scrutiny, it is crucial that Lexington focus on the development of the third "H" in Mayor Newberry's plan. Both the city and state government need to work with technology innovators to develop an infrastructure that promotes growth in this sector, which will, in turn, return additional tax revenue back to our community.

Kentucky Secretary of Finance **Jonathan Miller** expands on Mayor Newberry's goal, delineating a four point system for the economic growth and development of the central Kentucky technology industry:

"Number 1, I think it is essential that



Steven Hayes performs with MMMB, Lex July 4 parade



Kentucky Secretary of Finance
Jonathan Miller

industry growth. Fleu notes: "At a time in America when credit and investment are difficult to come by, it is critically important for local entrepreneurs to understand what professional investors, in particular professional angel investors and professional venture investors, are looking for in the companies in which they choose to invest. Likewise, it's equally important that local investors understand the value that young entrepreneurial companies can bring to them." Fleu goes on to say that it is incumbent upon both local investors and local entrepreneurs to educate themselves about the state of technology investments on both Coasts.

Technology professionals looking to infuse their startup companies with operational funds should, as Fleu recommends, be informed about industry standards when courting angel investors — individuals who provide capital for a startup, usually in exchange for convertible debt or ownership equity and venture capital investors — individuals who typically provide private equity capital to early-stage, high-potential, growth companies in the interest of generating a return through an eventual realization event such as an IPO or trade sale of the company.

Lexington's emerging tech class is filled with creative individuals who bring a dynamic new voice to Lexington.

We — local government, local universities, local investors, and members of the local technology sector — need to work together in order to foster their talents and maximize their economic potential. The continued collaboration, co-working and networking among local technologists provides the synergy to help our technologists achieve new and exciting ideas, while informed collaboration with state and local government as well as private investors is the key to the financial viability of the techies.

In building Lexington's technology sector, we should all keep in mind Awesome Rule #26: "Don't Let Stupid Things Keep You from Doing Awesome Things." ■

Ace Writer Heather C. Watson holds degrees from Transylvania University and the University of Kentucky. She recently moved back to Lexington with her fiancé Bob, and their Black Lab, Max. You can follow her at twitter.com/heathercw.

Twitter Screen Names from this story

Awesome Inc is @awesome_inc
Collexion is @collexion
Elevation Creative is @Tweet_Elevation
Angkur Gopal is @ankg
Steven Hayes is @asiansteev
Jonathan Miller is @millerky
Jim Newberry is @mayorNewberry
Shaye Rabold is @shayerabold
Ben Self is @bself
Todd Wiley is @xtoddx

