



■ Steve Cook, left, director of space technologies at Dynetics and Gary Wentz, president and CEO of Stratolaunch Systems. Commercial space venture Stratolaunch Systems, cofounded by Microsoft cofounder Paul Allen and commercial spacecraft designer Burt Rutan, has chosen Huntsville as its headquarters. Dynetics is a key part of the company's space vehicle development.

Photo by Glenn Baeske.

area," said Stratolaunch President and CEO Gary Wentz, a former chief engineer at NASA.

"Furthermore, the experience required to combine a large rocket with an airplane is not found in most cities, but Huntsville has a unique blend of both. With the magnitude of space and aviation programs and projects in the area, the city offered our team the opportunity to leverage a highly skilled workforce who has spent decades supporting NASA and the Army programs at Redstone Arsenal."

A local company providing Stratolaunch Systems expertise is Dynetics, which is charged with the technical integration and development of the mating and integration hardware. Although Dynetics' Director of Space Technologies Steve Cook said he can't speak directly as to why the company was chosen as a partner, he does have a few ideas.

"Dynetics has a long history of dropping very large payloads from aircraft over the last 10 years, and we build and integrate small satellite systems," Cook said. "So we have experience with the payload side of this, and we understand the market."

The company completed construction on a new 225,000-square-foot prototyping facility located in Cummings Research Park this year.

"It's a huge facility with extensive laboratory and manufacturing capabilities, as well as the capability to house the engineering and project management staff," said Cook. "And it's good for our customers because they don't have to travel halfway across the country to get hardware built."

It's also good for the city, he adds.

"With the current federal deficit and the city's strong ties to the federal government, bringing in more non-federal dollars is an important way to even out the ups and downs of the federal budget," said Cook.

And the partnership with Stratolaunch Systems takes that diversification one step further.

"Huntsville has long been a leader in government space, but this partnership will now establish it as a leader in commercial space," he said. "More related industries will take note because of it. And that's good for everyone — current businesses and future opportunities."

Reaching out into the future was on the mind of well-known Huntsville entrepreneur Jim Hudson, too, when he founded the 150-acre HudsonAlpha Institute for Biotechnology to explore genomics — the study of genes, gene sequences and their functions — and to foster a new kind of relationship between research and business geared to fast-throughput processes designed to speed scientific discoveries into new products.

Welcoming Entrepreneurs

HUNTSVILLE'S A GREAT PLACE FOR A STARTUP

By Diana LaChance

The entrepreneurial spirit in Huntsville has spawned well-known startups like ADTRAN, Digium and the HudsonAlpha Institute for Biotechnology.

This spirit is encouraged by a readily accessible corps of experienced entrepreneurs and by a city that embraces growth and is quick to help business people with strong ideas and a strong drive to succeed. This environment has created fertile ground for new businesses, both large and small.

Huntsville is firmly wedded to the idea that business growth means community growth, and in 2010 the success of that model became evident when the Rocket City became the second largest metropolitan area in Alabama. It also led *fDi* magazine to name Huntsville one of the Top 5 Small Cities of the Future in North & South America in April 2011 and *Forbes* to name it one of

the Top 20 Leading Metros for Business just three months later.

Growth in Huntsville and Madison County took flight in the 1950s when Dr. Wernher von Braun and his team inspired the nation with the race to the moon and turned Huntsville into the birthplace of the nation's space industry. That created a long tradition of technological innovation in space and defense that continues today. Illuminating that designation, Microsoft cofounder Paul G. Allen announced in late 2011 that his commercial spaceflight startup Stratolaunch Systems would locate in Huntsville.

"Huntsville has a long history of rocket research and development, including von Braun's Redstone Rocket and numerous others, so it seemed logical that the development of this system could benefit from the experience in the

The Institute has as its core missions science and research, education and economic development.

For Hudson, the decision to locate the campus in the Rocket City was not a difficult one, based on his past experience.

"Separately, Lonnie McMillian, co-founder of HudsonAlpha, and I started several companies in Huntsville, all of which were successful," he said.

"So it was only natural that when we decided to start a major research institute, it should be located within the community that had been so supportive."

Indeed, he said, it's the community's "no-nonsense, can-do attitude" as well as the way everyone roots for and appreciates success that make the Huntsville area the best ever for a startup company.

Many of the scientists who have since joined the institute have come to the same conclusion – and cite the institute itself as a critical element to their success.

"In just the last five years, the number of new biotech companies has gone up significantly where HudsonAlpha Institute for Biotechnology has served as the magnet and nurturing environment," said Khurshed Anwer, president and chief scientific officer of EGEN Inc., a specialty biopharmaceutical company that operates out of HudsonAlpha.

And it doesn't hurt that the city at large is so conducive to start-ups either, he added, mentioning growth opportunities and affordable cost of living as two key advantages.

Like Anwer, Mike Walters also credits the Institute with creating a fertile environment for new companies. Walters serves as the chief

strategy officer of Kailos Genetics, another HudsonAlpha mainstay that focuses on putting genetics into practice through its proprietary targeted enrichment technology.

"Kailos Genetics is a living and thriving example of the vision behind HudsonAlpha," he said. "Early on, those who saw the opportunity for a genomics-based institute in Huntsville envisioned researchers within the institute sharing space and innovative science with commercial companies. And because our underlying technology is the product of work done by HudsonAlpha scientist K.T. Varley, Kailos Genetics chose to locate at the Institute."

And like Anwer, Walters said he's found ample support outside of the institute as well.

"We have individuals in Huntsville who have realized financial independence and who don't stop. They are committed to giving back to create a more diverse economic base for our future," he said.

That commitment paves the way for future generations of entrepreneurs.

"The talent pool of professionals here has the entrepreneurial spirit, talent and desire to fuel this next step," Walters said.

Marshall Schreeder Jr., Managing Partner of Conversant Bio, a fellow HudsonAlpha-based startup that supplies U.S.-sourced human clinical specimens for research and development applications worldwide, compares this mentality to "a rising tide that lifts all boats."

He said he has continued to be amazed by the unbelievable level of support for entrepreneurs in Huntsville.



Glenn Clayton, founder and CEO of Appleton Learning, says locating his company in Huntsville was a "no-brainer."

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■ Michelle and Justin Givens found resources to help start Michelle's business, Image in a Box, at the Women's Business Center of North Alabama.

Photo by Glenn Baeske.

software that is today called Asterisk and locate his company Digium, which was founded in 1999, in Huntsville.

The company today has a broad product line that includes both software and hardware products for small, medium and large businesses. While in his startup phase, Spencer relied heavily on ADTRAN's Smith and others locally for expertise, and he said that ready resource remains a great community asset.

"We have a whole culture of entrepreneurial mentorship here, so people who have established businesses spend a lot of time helping those who are just starting," said Spencer, who is now Digium's CEO.

"When I was starting my company, plenty of people were available who I could network with. I could just call them up out of the blue and say 'Hey, I'm going through some challenges and I'm looking for advice.' They would meet with me, even if they didn't know me."

Lower commute times for employees, lower housing costs compared to metropolitan areas of similar size, and tax abatement programs for businesses are all benefits to locating in Huntsville.

"There are a lot of reasons for businesses to locate here," said Randy Piechocki, president of PALCO, a reverse logistics company. "Huntsville is very conducive to startups, from being a good source of talent and networking opportunities to having a strong infrastructure in terms of communications."

PALCO Chair and CEO Janice Migliore said diversity in business ownership has been of longstanding importance in the area.

"I believe the trail in Huntsville had already been blazed by other women owners since the very early years of von Braun and his team and by Redstone Arsenal," said Migliore. "And because of these established years of success, the support for diversity-owned companies is now evident throughout the community and through the continued work of the Huntsville leadership."

It also helps that the city has a strong collaborative business culture that allows companies, diversity-owned or otherwise, to rely on and learn from one another.

"The networking opportunities, leadership support and labor skills have made my job easier as a business owner," she said. "I can contact other Huntsville businesses, the Chamber, or Huntsville leaders and have questions answered and solutions found."

Huntsville has worked hard to enable and support diversity owned startups through the Chamber of Commerce of Huntsville/Madison County and the Women's Business Center of North Alabama.

"From local executives and fellow entrepreneurs to investors and groups like HudsonAlpha, Upcaret Partners, Biztech and SUDS, Huntsville has many people who actively seek to help new and growing businesses in our community," Schreeder said.

"I am happy to call Huntsville home for my company."

Also benefiting from that rising tide are the many aspiring engineers currently enrolled as students in Huntsville's institutions of higher learning. And in turn, said ADTRAN Vice President of Engineering Carrier Networks Clint Coleman, the city's university system is a great benefit to companies wanting to start operations in Huntsville.

ADTRAN is a *Fortune 500* Huntsville success story. Founded by Mark Smith and incorporated in 1985, the company saw opportunity in AT&T's divestiture of its Regional Bell Operating Companies and began operations in 1986. The split created an opening for the company to start supplying networking equipment, and today ADTRAN is a leading global provider of intelligent

networking and communications solutions used by some of the world's largest service providers.

"The universities here are producing a lot of engineers," Coleman said. "The University of Alabama in Huntsville is one of the places where we recruit, and we hire a lot of graduates. In fact, whenever we go back and look at our recruiting statistics, UAHuntsville is usually the leader in the number of students we recruit, compared to other schools like Mississippi State and Auburn."

In return, he said, the city supports the company's recruiting.

"Our leaders recognize that companies like ADTRAN are providing jobs and tax revenue to the city to allow for growth, so they foster an entrepreneurial spirit and they invite entrepreneurship," he said.

An example of that entrepreneurial drive is Mark Spencer, who started out as a college student trying to figure out a way to be able to make long-distance phone calls cheaply or for free using a computer. That college curiosity led Spencer to develop open-source telephony

Nancy Washington Vaughn's 2011 startup, Legal Advantage Human Resources Solutions LLC, is an example.

"The professional development workshops offered by local experts at the Chamber of Commerce of Huntsville/Madison County and the Women's Business Center of North Alabama have been beneficial to me as I established my practice," said Vaughn. "And I am pleased to have the opportunity to provide professional development training at the Chamber of Commerce this year by conducting six employment and human resources law workshops created for businesses."

There are many resources available to Huntsville business owners, said Sara Alavi, who relied on city resources to help her open Silhouette Boutique nine months ago.

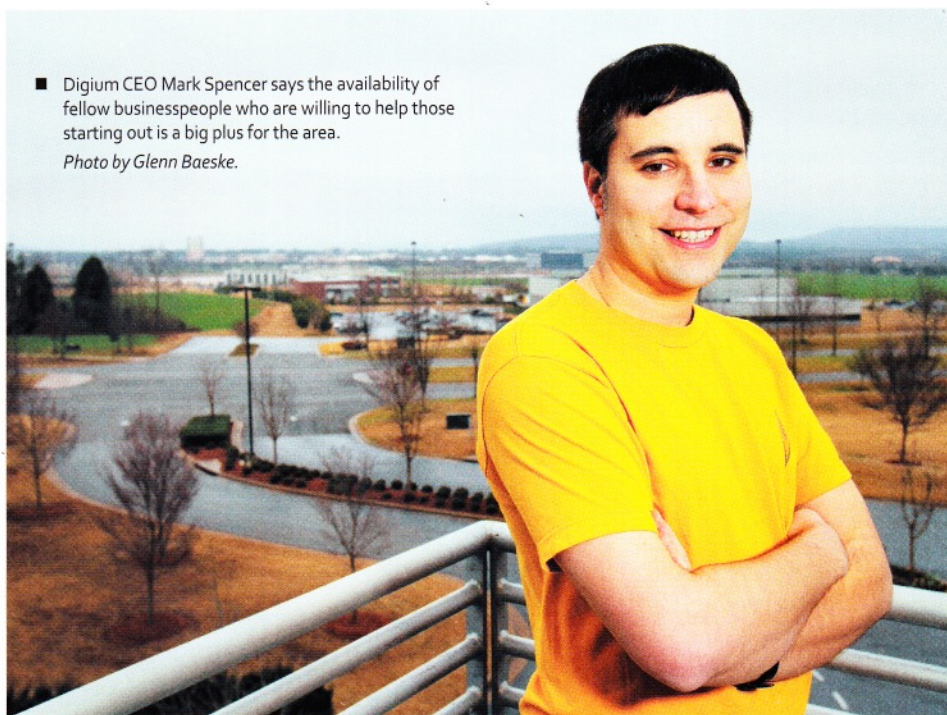
"They have really helped a first-time business owner like myself," she said. "The Chamber of Commerce's events are a great way to network and learn about all the wonderful local businesses in the area, while the Women's Business Center of North Alabama has really been a wonderful resource for not only helping me start my business, but also to develop ideas and help it grow."

That appreciation is shared by Michelle Givens, owner of Image in a Box, another recent startup that provides businesses with graphic design, web development and corporate branding services.

"The Women's Business Center of North Alabama gave us the resources to start our business – help with coming up with a business plan, putting

■ Digium CEO Mark Spencer says the availability of fellow businesspeople who are willing to help those starting out is a big plus for the area.

Photo by Glenn Baeske.



us in contact with an accountant, a lawyer and help with writing contracts," said Givens.

Appleton Learning founder and CEO Glen Clayton said locating his academic coaching/test preparation/academic assessment /school partnership company in Huntsville was a no-brainer.

"As our company expands across the country, I am constantly reminded of how lucky we are to have started right here in Huntsville," Clayton said. "The city and the community have been outstandingly supportive. I can think of no greater community to start a business in than Huntsville." ■



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