

Hoping to help startups take flight

By ALAN GOFORTH
Special to The Star

California's Silicon Valley may be ground zero for business innovation. When John Carlson relocated to Lee's Summit, he brought along that region's passion for entrepreneurship.

"I have worked in the high-tech industry for 25 years, including eight years in the semiconductor business in Silicon Valley," he said. "During that

time, I was involved with a lot of startups and became familiar with the startup culture there. One objective I had when I moved here was to become more involved with investing in startup businesses."

Carlson, who is from Iowa, and his wife, a native of Louisiana, decided they wanted to raise their family closer to their roots. A systematic search led them to Lee's Summit, where he

found a kindred spirit in Jim Devine, president of the **Lee's Summit Economic Development Council**.

"My office had helped **Kokam America** get started here in Lee's Summit, and we started to rethink how we could help other startup companies," Devine said. "We decided we needed a network of high-net worth investors."

The result is **Show Me Angels**,

which Devine said is the first angel investor group in western Missouri. In simple terms, he said, angel investors help promising entrepreneurs take their investments to the next level after their "family, friends and MasterCard" are tapped out. Such funding can be especially important in a tight credit market. The group's objective is to promote early-stage equity investing, with a focus on eastern Jackson County.

Kansas has set the pace for angel investing in the area, Carlson said.

"Kansas is doing a great job

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with KTEC (Kansas Technology Enterprise Corp.), the Lawrence Regional Technology Center and the Entrepreneurial Center of Johnson County," he said. "Missouri is still catching up. We want to have a Missouri identification and provide a friendly environment for investors and entrepreneurs."

Show Me Angels is benefiting from the Kansas expertise through an affiliation with **Mid-America Angels** in Lenexa for back-office support.

FOR MORE INFORMATION

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"Because we are a member-managed angel group, there is no staff to help us with due diligence and other issues," Carlson said. "Mid-America Angels, by providing assistance on a number of issues, is helping us get up

to speed faster."

Show Me Angels, which held its first investor meeting in early October, already has 18 qualified members. Instead of combining funds in a single pool, investors can select businesses that fit their particular interests and investment goals, Devine said.

"The biggest venture capital and seed money gap is in the \$500,000 to \$2 million range, and that is the niche we are trying to fill," he said.

As Devine points out, money knows no boundaries. However, the first priority of Show Me

Angels is to help businesses in its own backyard.

"We focus on a 150- to 200-mile radius," Carlson said, "but we will pay extra special attention to eastern Jackson County companies."

Although the area may have a long way to go to become the next Silicon Valley, Show Me Angels is beginning to help dreams take flight.

"We are a little ahead of where I thought we would be," Carlson said. "I thought that if we had 20 members by the end of the year, we would be in great shape, and

it looks like we will exceed that. One entrepreneur already has presented to the group, and there are no less than a dozen more in the pipeline right now."

Carlson thinks his group ultimately will be a catalyst for economic development in the region, and he continues to seek new investors to make that happen.

"We want to get the right members and produce results both for our investors and the businesses we invest in," he said. "If we do that, everything downstream will take care of itself."