

Ep.2.50 - Casey Cowell

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SPEAKERS

Announcer, Ed Clemente, Casey Cowell

- A** Announcer 00:01
Welcome to The Michigan Opportunity, an economic development podcast featuring candid conversations with business leaders across Michigan. You'll hear firsthand accounts from Michigan business leaders and innovators about how the state is driving job growth and business investment, supporting a thriving entrepreneurial ecosystem, building vibrant communities and helping to attract and retain one of the most diverse and significant workforces in the nation.
- E** Ed Clemente 00:29
Hello, I'm your host today Ed Clemente. We're fortunate to have Casey Cowell with this. He's the principal and owner of Boomerang Catapult. Welcome to the show, Casey.
- C** Casey Cowell 00:38
Thank you so much for having me.
- E** Ed Clemente 00:39
Well, you've come with good pedigree from Chris MacInnes, from Crystal Mountain. And she's a previous guest, but she speaks highly of you. And she's a very interesting person. She's also on the MEDC executive board too. So she she said, You gotta get him on. He's an interesting person. So welcome to the show. And why don't you tell people because you have such a unique job. I don't know how you can tell people real quickly at a party if you meet them for the first time.
- C** Casey Cowell 01:10

Well, currently to Boomerang Catapult were essentially a venture-oriented investment firm. And our mission is to create startups companies in the Northwest, lower-Michigan area, Traverse City area, to create good-paying, high-paying jobs for young people raising their families and get them to raise them in the Traverse City Northwest, lower-Michigan area, because that's what will keep our area economically and culturally vibrant for the long term. And so we are all about that because Traverse City in our portion of Michigan, and much of Michigan, it's fantastic place to to raise a family and it's just culturally vibrant, socially vibrant. And the key is to have a live economy. And so this is the best way I know about how to contribute to that I know something about doing that. I worked on it for my entire career from right out of college. And so that's what we're trying to do here, and we're having some impact. In five or six years, we've managed to see in total, \$160-\$170 million invested to do 25-plus startups that ship products all over the world, ship technology around the world, and some are doing great, some are struggling, starting up is the hardest darn thing there is and there's just nothing like it. And it's exhilarating. But boy, it keeps you up at night. And fair enough, because when there's risk there's there's reward at the end of the rainbow. And so that's what we're about. And it's exciting. And it adds I think a lot of vibrancy and stimulation to our community. And so that's what we're doing.

E

Ed Clemente 02:51

And just real quickly, because the title of your company, basically is sort of filling out the mission to, right, because isn't that why you use that term? Boomerang Capital?

C

Casey Cowell 03:01

That's good. Yeah. Boomerang Capital. Yeah, absolutely. Because you know, the a boomerang is someone that grew up in Traverse City, or any community, or lived there for a while and went off into the world and through college or university or working or however, got really good at something that created value, and would move back to our community, to Traverse City in our case, at the drop of a hat if there was good work. And so we decided the way to do that is to identify, look for those people, find them and draw them back and raise the capital to invest in them for the ones who wanted to start companies and start the companies and add additional jobs. And, you know, to keep a community vibrant. 30-year-olds with three kids don't go to Scottsdale for the winter. They stay in a place like Traverse City, and they raise their families there. And that means they get involved. They invest in the community, they put money in the bank, they buy a home, and they spend money there. And you weave a tight network of enough families like that together, and you've got an unstoppable and unassailable community and that's what we're driving for in Traverse City. And that's happening.

E

Ed Clemente 04:15

And you're sort of a boomerang yourself. It was interesting when we did the pre-call, but you went to Henry Ford High School in Detroit, right?

C

Casey Cowell 04:23

I did. Yeah. It was Seven Mile and Evergreen and I went to Henry Ford lived right near there. My

I did. Yeah. It was Seven Mile and Evergreen and I went to Henry Ford lived right near there. My dad was a plumber, rather a steam fitter, as we like to say is a steam fitter is a plumber under pressure. And he, yeah, and he was out there laying pipe all the time and drove into me an appreciation for getting an education, went through Henry Ford, grew up playing all kinds of sports, which taught me how to be on a team and be competitive and but more so work on a team, live and die with a team that's supportive team. Went to, miraculously, the University of Chicago, a life changing experience. It's all about the idea. Got out with some friends, did a \$200 startup, a misnomer called USRobotics. Many people have heard the story. But eventually, from 1976, through the late 90s became the world's largest maker of modems, anything that connected computers to the telephone network globally, on both ends of the call, and did the Palm Pilot, a bunch of other products like that. So very successful. And eventually we exited that, merged into another company and have been doing philanthropic work to some degree and a lot of startup work, and primarily for the last five years in the Traverse City area, and it's been an absolute blast. So the catapult part is bring the boomerangs back, they'd come back, if they could go forward. So we said, if you'll come back, we will catapult you forward, we will find a way to do it.

E

Ed Clemente 06:00

You glossed over this. But you were a goalie for, weren't you on a really good team too, like two years.

C

Casey Cowell 06:09

Yeah, I was. I started playing around eight or nine and stopped around 17 or 18. And in the Detroit area parks and recreation leagues and by sheer happenstance, the very first year, I ended up playing with Mark and Marty Howe, Gordie Howe's sons. [Yeah.] Of the Redwings, sons. But I got to spend a - many people have heard this story. I got to spend a lot of time around Gordie. And he was a huge impact on me, just because of the way he carried himself and just how he was. I mean, in short, you know, so many times, we got into the Olympia Stadium, got into Olympia, and watch the game go down there hanging around the Redwings' dressing room door afterwards. And for years, I never saw him leave before he had signed every autograph anyone wanted. He couldn't do that today, because it's a business. But still, most players didn't do it. They signed some and after a while they say, you know, Gordie appreciated fans, and he appreciated kids. He understood what he represented as an icon of, virtue's going too far. But handling life the right way, playing the game the right way. And he was iconic to me, in many ways that had an impact on me on how to run the business, because for example, not to belabor it, but if you went into the corners at Olympia Stadium with Gordie Howe, you quickly found out that that was his turf.

E

Ed Clemente 07:46

The elbow room, yeah, I know.

C

Casey Cowell 07:48

And that's a message that we tried to when we had the horsepower, we never tried to diminish

that.

A

Announcer 07:54

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E

Ed Clemente 08:14

Let's get a little bit more to your business. Because we've also had 20Fathoms on which was with Eric Roberts, but let's, you know, you told me some really interesting things. But could you break down just three of them, maybe? And I don't know if they're all within your sort of catch basin. But can you talk a little bit about Uru Sports? And then some of the other companies, international companies that have invested up in that area?

C

Casey Cowell 08:37

Sure. So, well, Promethient is a company that we started with someone who had been in the area for a long time, who was an expert in human scale environmental control and impact, which is to say, think vehicles cooling and heating, that kind of technology. And they kind of revolutionized that. And so we invested in into a company called Promethient, run by now CEO Bill Meyers, who's been in the area for a long time and fabulous guy, Michigan Tech grad. And as we started to expand and to grow, we had a growth opportunity, we could go into international and we were able to secure a \$500,000 cash investment from Faurecia, which is a Paris-based, French-based, tier one automotive supplier. Tier one being that's like that's the crÃ"me de la crÃ"me. They have a direct inroad into all the big automotive manufacturing companies and it's hard to get there. But at \$20 billion per year, you know, it's a big company. You don't find very many cases where \$20 billion a year foreign, international companies are investing \$500,000 cash equity into a company that's a startup in an area the size of Traverse City, I mean, that crashes through every stop sign and yield sign that there is. So that's absolutely a huge win. And that's the kind of thing that's been been happening and again, in addition to thinking of international as foreign, international, really international for Traverse City for economic purposes, it's places that are outside of Michigan and outside of our direct area that anytime we can do business outside of that area, then we're strengthening our connections and our pipelines of supply going in both directions to these bigger markets. And that's what it's really about is to get access to bigger markets. Because if we're only selling to people down the street or in the next county, we've circumscribed ourselves to be limited. But you want to find the most effective ways, the most efficient ways that you can get to bigger markets quickly and efficiently. And get returns on that. In this case, we were we were fortunate to do that with with Faurecia, but also more recently with Atlas Space Operations, which is the most, amazingly based in Traverse City. But it's the most elegant and sophisticated, Earth-to-space technology for communicating with orbiting satellites, and controlling them and downloading their data to Earth. We, last fall, completed a \$10 million investment to Atlas by Mitsui. Mitsui is one of the very largest trading and financial firms in all of Japan. And they are, you know, they have an objective of establishing a significant position in space, in the space industry. And so they're willing to put a senior person who runs that

operation within Mitsui, on the Atlas board of directors, and invest \$10 million cash, and opens all kinds of doors for Atlas now to do all kinds of things to tune up their business. And it's happening. So to me, having been around the block a few times on some of this stuff, starting with the same game plan in Chicago in the 1980s, because there was no community of interest around the electronics industry. And it'd been a part of seeing that get built up and transformed to see this happening in Traverse City, on this scale, it's bizarre, frankly, I mean, you would never predict it. And that just shows you in this flattening world, through the internet, through communications, everyone can communicate so widely. It's all possible, you just have to have a great game plan and execute, and then you can reach out and the markets are out there, the access to the markets, they're there. And when you do it, the money flows in, the returns flow in. And that's the message for economic development is: you don't have to hit grand slams, you've got to hit singles. And you can't make unforced errors. You've got to avoid those, like in tennis. But if you can do that, and you keep it up, and you reinforce, we're starting to head toward clusters, which is to say not just like, generally speaking, let's have some startups. But now let's have some startups in concentrated, circumscribed areas of intense sort of intellectual focus. So we have a freshwater effort underway, we have a health tech effort underway. And the thing that happens there, the visibility is way up for attracting capital. And the visibility is way up for attracting potential business leaders who want to start companies, and it's way up for attracting companies, rather employees. Because when workers come to an area, and they're looking at their opportunities, it might be great to take a chance on this company or, for example, but if they say, "What happens if that doesn't work?" You know, if you say, well, you might, you know, you might have to move back to Tampa or whatever. If you can say, well, we have four other companies or six other, eight other companies that are in that sort of concentrated related area, self-fulfilling prophecy, game over, momentum takes over. I don't have to do anything anymore. It just happens.

E

Ed Clemente 14:42

Well, not only that, I would imagine too, like say they're in a more ubiquitous position of like, say cybersecurity, or some kind of IT, they can easily find other employment just as easily because all those companies are going to have some tech angle to them probably.

C

Casey Cowell 14:58

That's the point is that when you get a cluster going, if it's in space, it attracts, you know, it won't necessarily be agriculture, but it'll be things related to that. And frankly, Ed, since you bring it up, tech agriculture, ag tech is another area that's getting underway here. And I think it's going to come out of the wine, the grape industry. And I think it's going to head towards, how small farmers can have a business. And you know, if you go to Burgundy for 1,000 years, it's been the number one wine producing, grape producing and wine producing area in the world, per many experts, me included. There are 4,500 vineyards, 32 in the red one area are considered grand cru. And, you know, it's 450, are premier cru, and you know, you've got a few thousand others, but it's very fragmented. And it works. And we can do that we're set up exactly the same way. And there's every reason to believe, no group of individual, no family, no individual is more dedicated to the well-being of the community than people who put their hands into the dirt and make a living out of it. That's my belief. And to do that with grapes, since we have the start with a number of vineyards, we could duplicate Burgundy here. And all kinds of smaller vineyards be first class and recognized around the world. And I think with help

from from Michigan State and others, I think that's going to happen. So there are a few drivers for that. But it's another potential cluster area. You know, with 20Fathoms, we've shown that we can incubate companies. And so now the next question is, can we incubate incubators, can we help to launch areas of concentrated effort and it's happening, you know.

E

Ed Clemente 16:55

And I just wanted you to do just 30 seconds on Uru Sports, just because I found it fascinating with that woman, get my bird here and gave it to be last.

C

Casey Cowell 17:06

Ainsley McCallister Weirda. Now she's married to a former University of Michigan football player, and she was a field hockey player at the highest level in college, got out and then found that she could play professionally, overseas in Europe and in parts of Asia, Southeast Asia. So she did that. And she recognized after a while, that, you know, it was a struggle for her to find those opportunities. And it was fortunate that she did, but there was no network that she could plug into for that. Nor was there a network to, you know, get advice from athletes about how to go about her career, or find door openers, people who could help her network, etc. So she thought there's an opportunity here to build a network. So she set out to do that. We funded it initially. It's called Uru Sports, U-R-U. And they're off to the races, you know, and they're negotiating with larger companies to offer connections to athletes, because some of the things she's found out through research, for example, I think 96% of Fortune 500 C-suite executives were high-level athletes of one degree or another, you learned how, and that was my experience. And it was her experience. And, you know, you learn how to, it's not an essential, but you learn things by being on a team and competing for a while, that bode you well, in many competitive environments. And they've started from absolute scratch, and they're making it happen. And it's another one of the 25 businesses that we've either been involved in the start of or got in on the early stage, help to fund, bring some expertise in and generate access to capital, open doors. And it's happening and you know, absolutely everybody knows about it.

E

Ed Clemente 19:04

And, obviously, team sports have been a big chunk of my life, too. And I know that, and I've coached a lot and I know how important all those things add up. We're down to the last couple of questions, Casey, and one is, because you've had such an interesting career in general, but coming out of a Detroit Public School, and what would you tell your 17-year-old self, maybe now versus what you thought then maybe?

C

Casey Cowell 19:30

I would say, pick goals, pick goals, whatever they are, think down the road five years from now, if no matter what it is, have a goal and look for role models. Because if you're really going to be engaged in life, and you're willing to take risks, which for me, I'm oriented that way. And it's stimulating and it's fun. You end up oftentimes in situations that you're not personally familiar with who you have no experience with. And when you can look to role models like Gordie Howe

going into the corner with his elbows up, you have a sense of how maybe you should play a certain situation, rather than sitting back on your heels and ready to react all the time. And then it's be confident and get experience, every kind of experience is terrific. And the things that you think are the greatest, sometimes are de minimis. And the things that you would write off, sometimes are, upon reflection, loom large, so it's just experience its life as a contact sport, get out there and make contact. So that's it.

E

Ed Clemente 20:49

Our normal last question. I think you've answered about five times, but anything else specific you like about living in Michigan?

C

Casey Cowell 20:56

You know, I've grown up in Michigan, and it's been fabulous. And I grew up in Detroit, in the northwest corner, but in the city, and it was terrific, you know, it was just wonderful. Been migrated to the Traverse City area, raised our family in Elk Rapids, many relatives round, been in that area since 1991. And it's got the whole package. It's friendly people, it's beautiful outdoors. Tons of freshwater, I like the water. I like to fish and be outdoors. And so it's got that whole package. It's center, pretty much, you can get places, you've got access to big markets. And with communications technology, now you can reach the world. So keep the world out there and bring the good parts of it here where the value creation comes in a step at a time and then have a great time with each other. The people are friendly, appreciate and enjoy that.

E

Ed Clemente 22:02

Well, once again, our guest today was Casey Kawah. He's the principal and owner of Boomerang Batapult and Casey it's been a real pleasure getting to know you and hope we can interchange and interact with other information in the future. But keep up the good work with Traverse City there and your bigger picture for the world. Keep it up.

C

Casey Cowell 22:22

Thank you Ed, keep doing what you're doing and we're available anytime.

E

Ed Clemente 22:25

Join us next week where guests will be Faris Alami, founder and CEO of International Strategic Management for getting entrepreneurs started.

A

Announcer 22:35

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