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NEWS

Digital 'accelerator' aims to connect ideas, experience

By **MATT EVANS**

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WINSTON-SALEM — An entrepreneur has a great idea, but no experience turning a concept into a company. Meanwhile, an executive down the street knows how to get things done, but never hit on that million-dollar inspiration.

Maybe the entrepreneur will try on his own and make it — or fail. Maybe the executive will just keep working for a paycheck and never build anything new.

But if Joshua Moe and his team at the new digital media accelerator RootLevel Labs have their way, the entrepreneur and the executive will meet, collaborate and potentially create the next generation of Web-based software and mobile applications. The result could be new job opportunities for young and older workers alike, and maybe even the next high-tech sensation.

"We have such a creative culture in Winston-Salem and the Piedmont," Moe said.

Moe and partner Nadja Rauber relocated their Web development firm Innereye Studios from Boston in 2008 and subsequently began organizing RootLevel Labs.

"What we're looking to do is connect those two disparate groups who don't usually talk, by creating entities that need both creative talent and experienced people to lead them," he said.

The "accelerator" model at RootLevel Labs is similar in some ways to other accelerators in the Triad in industries such as nanotechnology and medical devices, in that startup companies that lack important resources get access to those resources in exchange for an ownership stake in the company.

In digital media, entrepreneurial software developers usually have plenty of their own computing power but often lack managerial experience. Moe said RootLevel provides experienced executives and other forms of strategic and operational support in exchange for an equity stake in the company ranging from less than three percent up to majority ownership, depending on how much help the



Joshua Moe, left, Kristin Redington Bennett, center, and Nadja Rauber work together on educational software Odigia, a product of RootLevel Labs. Bennett is an assistant professor in the department of education at Wake Forest University and collaborated with Root Level on Odigia.

company needs.

The executives receive a slice of RootLevel's equity stake instead of a salary. That lack of cash flow means it's not a good opportunity for a manager who has been laid off, Moe said, but there's still a strong pool of eager and experienced people who may be underused in this economy.

"Talent is very important to us," Moe said. "We think there are a lot of senior-level executives here who would love to work on these kinds of companies. They may not always know the technology itself, but they know about strategy and marketing."

Getting started

So far, RootLevel Labs is working with about 15 executives with various expertise. It has three client companies in its program, including one that is fully formed and incorporated called Odigia. That firm develops e-learning software to help teachers integrate interactive and digital tools into classrooms.

Odigia, the first company to spin out of the accelerator, was envisioned by Moe and his team rather than brought to them by some-

one else. But the 11 people who now work for the company in various capacities all own shares, and none are yet drawing full-time salaries, Moe said.

Odigia incorporated in October and is generating revenue from early clients, including N.C. Workforce Development Boards and the new N.C. Center for Global Logistics. The company is also collaborating with three professors at Wake Forest University on a grant application to the Gates Foundation-funded Educause Next Generation Learning Challenges program and has been notified it is a finalist.

Moe said the two other companies currently in the accelerator are developing businesses related to personalized medical records and digital publishing. RootLevel's goal is to work with eight to 10 companies per year that result in five or six successful spin-outs.

Talent search

That's ambitious, according to Glen Caplan, who co-founded the casual gaming software accelerator Joystick Labs in Durham. Caplan has worked for RootLevel as an attorney but

RootLevel Labs

Founder: Joshua Moe

Address: 8 W. Third St., Suite 525, Winston-Salem 27101

Phone: (336) 462-9577

Web site: www.rootlevellabs.com

Twitter: @RootLevelLabs

does not have any ownership there.

The biggest challenge for RootLevel is going to be related to talent, Caplan said — both to generate the ideas and cultivate them into something that makes money. Building a company like Odigia from scratch is particularly challenging, but Caplan said as RootLevel grows and chalks up some successes, more outside ideas should start to flow in.

But it is apt to run up against the perennial challenge for tech firms in recruiting skilled employees, Caplan said.

"The fight for the top-tier talent is always intense," he said. "They'll be competing not just in the Triad but with RTP, Boston, and everywhere" since techies often work remotely.

Moe said the Triad is actually fertile ground for recruiting tech talent, with 20 technical and four-year colleges.

"I love hiring graduates straight out of school," Moe said. "They have all the energy and passion and talent and they're familiar with the latest technology. But they also think outside the box, and want to help create their own futures."

Whether RootLevel Labs succeeds in generating successful companies and jobs remains to be seen. But Robert Egleston, president of the DataMax Foundation in Winston-Salem which focuses on economic development, said the timing may be right.

"Ten years ago a computer program concept might have taken ten people six months and \$100,000 to figure out if they've got something good," he said. "Now that's two people in two months for \$20,000."

Reach **MATT EVANS** at (336) 370-2916 or mlevans@bizjournals.com.