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Mentoring program pays off for hopefuls

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By Cynthia Needham

Journal Staff Writer



Adam Leonard demonstrates the drug-free topical anesthetic device that Diavibe is developing.

The Providence Journal / Sandor Bodo

PROVIDENCE — The odds are stacked against them. The percentage of start-up companies that succeed is low, fewer than 50 percent. The hours are long, the pay almost nonexistent and the chances of burnout very real.

But the potential payoff, if successful, is huge.

Twelve weeks ago, that promise brought nine entrepreneurial start-up teams from around the country to Providence's Betaspring, an intensive, summer boot camp and mentoring program now in its second year. The goal when they arrived: turn their fledgling businesses into workable, funded companies.

That three-month odyssey of big ideas and small stipends culminated Thursday when they pitched their concepts to investors from Boston and New York in hopes of generating the seed money they will need to continue.

The crowd that gathered at Betaspring's Jewelry District headquarters Thursday was churning with energy.

A team of Brown graduates shared details about the vibrating patch they're developing to help relieve the sting of

needles, Wharton MBAs illustrated their ground transportation search portal, and a group of undergraduates unveiled Jobzle.com, a site that helps college students find jobs.

And then there was Manpacks, the underwear subscription service that's been described as Netflix for men's essentials. The quirky yet practical idea is that men hate to shop, so they just don't do it. Hole-ridden socks and grayish T-shirts are the norm for guys with busy lives. Enter Manpacks, a subscription plan that sends new sets of unmentionables at three-month intervals. Their catchphrase: "you've got better things to do."

Founders Ken Johnson and Andrew Draper are serial entrepreneurs in their 30s who first met playing in a rock band a decade ago. They traveled to Providence from Florida and Ottawa to grow the company beyond its 300 subscribers, whose orders they assembled on the dining room table.

In three months they've honed their business model, increased subscribers and received national media attention. And if their idea resonated with investors Thursday, they will have earned coveted one-on-one meetings that could lead to funding for all those undergarments.

"This summer has definitely been an accelerator in every sense of the word," said Johnson.

Founded a year ago, Betaspring was the brainchild of three successful Rhode Island entrepreneurs looking for a way to build the number of innovative start-up companies here. Their individual experiences in start-up-rich places like the Silicon Valley taught them a fundamental equation: critical mass is key to helping new companies succeed and to fostering successful technology clusters.

"When you start to get enough people doing the same thing in the same place and being excited about it that you start to get unusual connections," said Betaspring founder Allan Tear, a consultant who has launched several successful start-ups. "Critical mass then attracts more talent, more investors, more young people."

State leaders talk a lot about attracting fresh talent to help foster the innovation economy here. They hope this new sector will help replace manufacturing as Rhode Island's economic engine.

But that will take time and some dedicated TLC.

That's what Betaspring offers. Funded by the Governor's Workforce Board and local investors, the program gives participants material help: stipends, office space and that final face-to-face meeting with investors. But the real benefit is the mentoring.

Back in June, Jobzle founder Walker Williams, a Brown senior, and his three partners were as you might expect smart college entrepreneurs to be: frenetic, T-shirt-clad students, full of bold ideas, but not focus.

The team that presented its plan Thursday was polished and convincing. Betaspring mentors have helped them whittle the site to three basic functions. Local companies can post jobs and internships for a small fee; students can search for those positions; and universities can manage internal job postings.

With a reported 85 percent of students in search of work, it's surprising that no one else thought of this idea first. But that's the nature of entrepreneurship: finding a need and filling it.

Jobzle.com will launch in Rhode Island next month, amid a growing buzz among students and the business community alike.

"I gave up trying to find interns for our company this summer because I didn't know where to go to find the right people," said Michelle Rikken-Ransom, a Betaspring mentor who said she was struck by the Jobzle pitch. "If there was a site like this I would have just gone in and put up my posting."

Whether these teams can find success beyond the Betaspring nest is unclear. They must face down those daunting failure rates and try to beat the odds.

If last year's inaugural class is any indication, they will have a fair shot. Four of the seven companies from 2009 are still alive. They have raised a total of \$1.5 million.

One of the few knocks on Betaspring — and there are few — is that it devotes time and money to companies that leave Rhode Island once the summer ends.

Three months ago, the Manpacks team might have been one example of that. But this week Ken Johnson signed a lease in Providence. He will relocate his growing company here.

“It seems like there's really incredible things going on,” Johnson said of his decision. “There's a lot of enthusiasm and people are hungry for progress in this town. It's the right place for us to be right now.”

cneedham@projo.com