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Computer technology legend puts expertise behind startups

By **Tom Henderson**



Casey Cowell is a legend in the world of computer technology. Now he's putting his time and money toward making Traverse City a hotbed of entrepreneurship.

Cowell founded U.S. Robotics Inc. in 1976 when he was 23 and making it the world's dominant maker of modems, is happy to lend his money, his time and his mentoring expertise to the startup and early stage community of Traverse City.

Cowell has had a home in northern Michigan since 1991, and several years ago he decided to become more active in the local business community. That led to the founding of Boomerang Catapult LLC, a funder of startup tech companies that is housed above Georgina's Restaurant on downtown Front Street.

In two years, he invested \$6 million in four growing companies that subsequently created 45 jobs. The firm is in due diligence on two more possible portfolio companies.

They are Naveego, a maker of data-management software; Promethient Inc., a maker of graphene-based devices for heating and cooling seat assemblies for cars and other vehicles; GeoTix, which allows magazines and newspapers to directly sell tickets to local events to their readers; Atlas Space Operations Inc., which makes smaller, cheaper antennas for ground-based communication with satellites; and Interactive Aerial, a maker of drones to be used in interior spaces.

"We want to be the instantaneous large-scale seed fund," he said. "If I like an idea, I can say, 'OK, here's \$500,000. Let's get together tomorrow and get a business plan going.'"

Mike Carey, a former Air Force general, came to a meeting of a business group called the Front Street Irregulars last year. He was looking for angel funding for Atlas Space, a startup based in Encinitas, Calif., that he co-founded.

Cowell called him three days later and told him he'd write him a check for \$500,000 if he moved the company to Traverse City. A Michigan native who was pitching for funds in Traverse City because he was living here and commuting to California, readily agreed.

"We cut them a check, and now they are here," said Cowell.

A boomerang returns to its original location when properly thrown, and is a term Cowell uses for talented Traverse City natives who left the area in pursuit of careers who would be happy to return if high-paying jobs were available; he uses the word "catapult" to refer to the propulsive effect he hopes to have by making large investments in young northern Michigan companies that can attract boomerangs as they grow.

"There were a lot of festivals and seasonal activity here, but I was hard-pressed to find out where and how the business community was weighing in on policy, so I spent a year talking to business owners," he said.

He found out there was more early stage tech activity going on than met the eye, but not a lot of cohesion, not enough funding options, not enough networking and definitely not the kind of incubators or shared workspaces that became springboards to tech growth elsewhere.

"If all we do is trade organically grown vegetables with each other, it's good, but it doesn't create much value," he said.

In May 2016, Cowell formed the Front Street Irregulars, named for the Baker Street Irregulars who often helped Sherlock Holmes solve his mysteries. An informal collection of 100 business owners or executives, the Irregulars met five times last year to network and discuss issues of the day.

One pressing issue was the lack of a tech incubator, and Cowell, the Traverse City-based Northern Michigan Angels and others raised \$500,000 to get one launched. Called **20Fathoms**, it has its grand opening downtown on July 26.

If there is something Cowell knows about, it is growing young tech companies.

Cowell grew up in Detroit, near Seven Mile and Southfield roads, and attended Henry Ford High School.

As a kid, he played hockey for nine years with Gordie Howe's kids, Mark and Marty, beginning in squirts and going through juniors, when they played their home games at the fabled Olympia Stadium.

"Over the years I think we won six or seven state titles and four national championships," he said.

Mark and Marty went on to pro hockey; Casey went on the University of Chicago, where he got his economics degree in 1975.

The next year, armed with some circuit boards and \$200, he and three friends launched U.S. Robotics, a Chicago company that basically invented the modern computer modem and grew to dominate the world's production.

The company went public in 1991 when it had \$79 million in revenue and was sold to 3Com Corp. in 1997 for \$6.6 billion when it had revenue of \$2.7 billion and employed 4,000 at its Skokie, Ill., headquarters and nearby plants. The company also made the Palm Pilot.

Cowell was president and CEO from 1983 to 1996.

In 1989, Cowell was named to the inaugural class of *Crain's Chicago Business*' 40 under 40; fellow winners that year included Oprah Winfrey and David Axelrod, who later would become chief strategist for Barack Obama's presidential campaigns and was his senior adviser while in office.

In 1996, *Crain's Chicago* named him the executive of the year for 1995, and *Business Week* named him as one of the top 25 company managers in the world.

In 1991, Cowell and his former wife moved to Elk Rapids, a small village on East Traverse Bay, a few miles north of Traverse City, and subsequently moved to Traverse City. He kept a home in Chicago until 2000 but was based out of northern Michigan with a lot of commuting time factored in.

In addition to Boomerang Catapult, Cowell is principal owner and president of Durandal Inc., a Chicago firm that offers management services in a range of fields. He is also an adviser to Grand Ventures, a venture-capital firm in Grand Rapids.

"Casey is one of the most intelligent, genuine, and successful people I've ever met. He is a tech visionary and one of the best-known and most well-respected entrepreneurs in the country," said Tim Streit, Grand Ventures' managing partner.

"Returning to Michigan and pouring his time, energy, and capital in to local companies is a testament to his leadership style and commitment to helping others. He is one of my most responsive and high-impact advisers for Grand Ventures, making all of us a stronger team."

The Traverse City-based Northern Michigan Angels co-invested in several of Boomerang Catapult's deals, including Promethient and Atlas Space.

"The Northern Michigan Angels are highly supportive of the mission of Boomerang Catapult to bring boomerangs back to the region by increasing the number of high-paying jobs," said Deanna Cannon, the angels' executive director.

"Boomerang Catapult has made a significant impact on the economic landscape here with the ability to make investment decisions quickly and launch companies with seed capital. Their work also accelerates the due diligence process with paid staff involved. NMA benefits from this work and is able to expedite our review to become an investment partner in opportunities of interest."

Eventually, Cowell would like to grow Boomerang to the point where it is attracting outside investors in limited-partner funds and with hired investment professionals to run things.

"That's my fondest wish. Then I can go home and let someone else do the work," he said.

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