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## **Blickenstaff invests in Peoria-born start-ups**

Central Illinois-born, California-based entrepreneur and philanthropist Kim Blickenstaff has invested in three start-ups with strong Peoria-area connections and is encouraging others to back promising local ventures, as well.

Blickenstaff, the chairman of Tandem Diabetes Care in San Diego who has a long list of his own projects in the works hereabouts, recently invested \$500,000 each in Natural Fiber Welding (NFW), Enduvo and Respiratory Motion Inc. (RMI), all with local roots.

“Raising capital is among the hardest things for a start-up business, even when you have a great idea,” said Blickenstaff, who knows a thing or two about the subject, having generated nearly half a billion dollars in private venture capital over the course of his career in the medical device and biotech industries.



**Kim Blickenstaff**

“If we say we want entrepreneurs to start businesses and create jobs here, to grow here and to stay here, sometimes we have to put our money where our mouths are,” he said.



**Natural Fiber Welding** is what its name suggests, a company ushering in “a new era of uncompromising textiles” and other products –

“plants, not plastic” – from an inexhaustible, sustainable, renewable supply of plant-based materials.

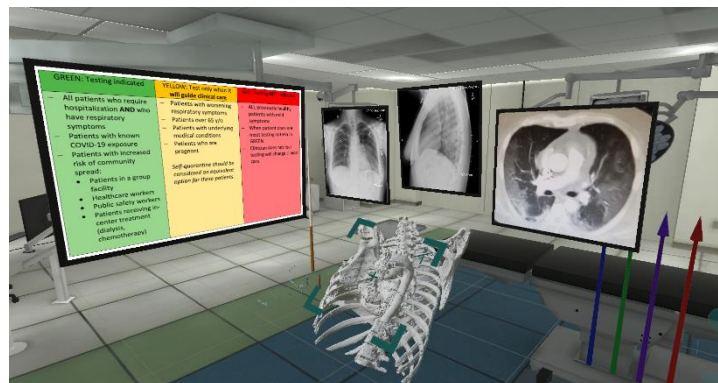
Dr. Luke Haverhals, a chemist and Bradley University professor, is the founder and CEO of the business headquartered at 6533 N. Galena Road in Peoria, which currently employs 50 with plans to hire another 100 over the next year. NFW has the potential to be a real game changer in multiple billion-dollar industries and to help alleviate many lingering environmental, planetary problems. Learn more about the business [here](#).



**Enduvo** is a 2018 spinoff of Jump Trading Simulation & Education Center here in Peoria, involved in the creation of virtual and augmented reality technologies for the purposes of immersive workforce training in health care and other industries.

Dr. Matt Bramlet, a pediatric cardiologist in Peoria, is the “founder/evangelist” for the company and central Illinois native Steve Garrou is its CEO. It is approaching 20 employees around the country. The largest percentage of them are in the Chicago area, with the business having “every intention” of bringing “more job growth in central Illinois though the next few rounds” of company evolution and fundraising.

Initially, Bramlet found a way to print 3D hearts and other body parts after giving patients an MRI, allowing their doctors to better understand what they



were getting into prior to surgery. But the process was cumbersome and expensive. By converting that physical model into a virtual reality one, it was “immediately impactful ... It is so hard to communicate around complex issues in a meaningful, super-simple way. That’s what Enduvo is.”

At its fullest capability, Enduvo is stretching technological boundaries that once upon a time would have been the stuff of science fiction, and in potentially life-saving ways. Discover more about Enduvo [here](#).



**Respiratory Motion Inc.** is a Watertown, Mass.-based medical device company, specializing in the production of non-invasive respiratory monitors. Its central

Illinois connection is its president, Dr. Bob Smouse, an interventional radiologist in Peoria and longtime professor of radiology and surgery at the University of Illinois College of Medicine here. Read all about RMI [here](#).

Blickenstaff believes there may be other opportunities to do something with Smouse in Peoria down the road.

Company executives recently talked about the pluses and minuses of operating and raising cash from a central Illinois base, and about the importance of contributions such as Blickenstaff’s to help them achieve lift-off.

“Quite simply, every dollar counts and every investor matters,” said Haverhals, whose company was recently the recipient of a large infusion of cash from clothing giant Ralph Lauren, among others. “We would not be where we are without the support of key local/regional investors, some of whom invested early and some of whom continue to increase their investment with us as we grow.

“Peoria is not Silicon Valley and it is substantially more difficult to raise substantial capital to engage billion-dollar industries ... with a disruptive idea. What NFW has accomplished with modest funding, however, is far more impactful than what could have been accomplished on the coasts ... The shift to larger outsider investors is now possible because of the very capital-efficient traction that NFW has been able to create in Peoria.”

Garrou, a Limestone High School graduate now living in the Chicago area, has significant experience building tech businesses inside of large global companies, and he generally agreed.

“It’s never easy to raise capital” and “the bar is getting raised higher and higher,” he said. With but a few exceptions, however, Enduvo’s capital has been home grown -- from Illinois through corporations, friends and family, and even former patients who directly benefited from the technology.

What’s different about generating the funds locally is that “there’s a lot more interest in a kind of civic-minded investment and doing things for the betterment of society. Where Enduvo is focused on improving people’s lives through education, that absolutely resonated with Peoria,” said Garrou. “It’s much more formulaic elsewhere,” much more focused on the commercial potential, “and they miss out on the human or personal story.”



Steve Garrou

Beyond that, Peoria is now in a unique and enviably advantageous position on the financing front given the existence of the ARCHES endowment through OSF HealthCare and the University of Illinois, a gift that keeps on giving to local researchers and entrepreneurs.

“That’s unheard of to have that access to funding without the competition you would usually see,” said Bramlet. Moreover, along with Jump, “we have an internal incubator” that vets ideas, that pairs people who can make things happen – clinicians and researchers with engineers, for example – and that applies business model principles to promising concepts before they get too far out of the box.

What will it take to get these businesses off the ground in Peoria and, once they begin to mature, keep them here?

“Resources, both people and capital,” said Haverhals.

“We have an incredible amount of talent within Peoria,” particularly engineers, as well as “a strong and vibrant start-up ecosystem,” he said. “The challenges are around recruiting folks with specific industry or business skill sets that may not be based in Peoria.”



Dr. Luke Haverhals

“NFW has certainly received, and is receiving, substantial recruitment efforts from entities outside our region, and we have been told by investors that our Peoria



roots are an obstacle for them. However, some of our investors have also told us that they love the fact that we are in Peoria,” Haverhals continued.

To that end, “the Peoria region needs to work together to nurture an environment that adequately competes for capital on a global scale if we are going to give talented people the tools and infrastructure necessary to compete over the long term.

“Substantial textile production is poised to come back to the U.S., and in specific the Midwest. We are hopeful that we can work with local and state officials to accelerate NFW’s growth in the region, although there are certainly market forces pulling NFW in many directions.”

Proximity to customers also is an issue, said Garrou.

“You still need to have interaction with customers and capital outside of Peoria, and so you have to go there. There’s a real barrier,” he said. Nonetheless, that hurdle is surmountable. “I find it very progressive to work with people in Peoria. I’ve been pushed in a good way.”

In addition, “our roots are here, which is huge,” said Bramlet, who noted that the lower costs of living and operating a business are distinct advantages. “My hope is that I can influence others ... to come here and start companies here and expand here and keep them going.”

Certainly there is a sense in some quarters that central Illinois is in a period of economic transformation, and that health care and the biosciences may represent the area’s next economic chapter.



**Dr. Matt Bramlet**

“The fact that Kim is on the scene and able to be a champion as we grow ... We find his expertise and his connections and his understanding of building a company to be highly valuable,” said Bramlet. “He’s not done with us yet in terms of tapping into his knowledge base. We just want to make sure we come to the table with the right questions.”

“We were very selective” regarding investors, added Garrou. “It’s so important to us that our investments come with more than just the money. It’s important to buy into the vision ... Kim sees that. He brings with him the ability to understand the medical devices space ... and he brings credibility to our company.

“It’s not every start-up that gets to say they have a publicly traded company chairman among their investors.”

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