

A New View *of* Success



Edward Lowe
FOUNDATION

2012-13 REPORT

ABOUT THE COVER

The watercolor artwork on the cover is from a series that Darlene Lowe painted while studying art at Albion College. For this class exercise, students were asked to create paintings that illustrated different adjectives such as hot, airy and explosive.

Photos on the cover depict scenes from the foundation's leader retreats, its new headquarters building and one of the environmental research projects being conducted on its property.

*“The dreams of great dreamers
are not the same as those who only
dream — one has an action plan
and the other is just a dream.”*

— Ed Lowe

A new view of success

Since the late 1990s, the foundation has focused its efforts on second-stage growth entrepreneurs — those beyond the startup phase with both the aptitude and appetite for continued expansion. We help communities identify second-stagers, tell their stories and learn how to serve these entrepreneurs so they can be even more successful.

This may not sound revolutionary, but when it comes to developing a strategy for growth, it is, indeed, a new view of success.

People typically get excited about two extremes of companies: startups and large corporations. Admittedly, startups are appealing because they often have inspiring stories about kitchen table offices, bootstrapping or high risk. At the other end of the spectrum, large corporations also get our attention — especially if it involves relocation and bringing hundreds of jobs to a community in one fell swoop.

Yet economic backlash can result from putting too much emphasis on either of these groups. Research shows that 80 percent of startups die within five years of their launch. And large corporations have been known to pull up stakes and move again when another region woos them with larger incentives.

In contrast, you can count on second-stage entrepreneurs to be more sustainable. They may only be creating a few jobs at a time, but those jobs add up more quickly than most imagine. What's more, job creation is not the only way to measure their success. Innovation is a hallmark, and second-stagers lead the way in introducing new products, services and technologies, and in transforming traditional industries. They also care about the communities where they reside, pay critical attention to their employees' well-being, and give back through philanthropy and volunteer efforts.

We're not telling economic developers and policymakers to stop supporting startups or pursuing relocations. Our message is about balance. Regions need to become as good at growing existing companies as they are at starting or relocating them.

Building a rally cry around second-stagers is a very different way of thinking. Their milestones are complex. Unlike winning your first customer or hosting a ribbon-cutting ceremony to celebrate a relocation, building a management team or adapting your technology for a new market doesn't happen at a single point of time — which means communities need to get creative in communicating about and celebrating second-stage success.

But make no mistake. Second-stage companies and the economic growth that happens because of them have the power to transform communities. Our revolution may require patience, but patient growth is sustainable growth. Understanding the impact second-stage companies have — and how to support them — is the way communities will achieve robust, vibrant economies.



A handwritten signature in blue ink that reads "Barlene Howe". The signature is fluid and cursive, written in a professional style.

Chairman and CEO

ABOUT OUR FOUNDERS

The inventor of Kitty Litter, Ed Lowe launched his first product in 1947. Clay-based Kitty Litter was a cleaner alternative to ashes and sand previously used in litter boxes, and it enabled more cats to remain indoors. This reshaped U.S. pet demographics, with cats outnumbering dogs.

What's more, this deceptively simple product led to the creation of an entirely new industry, one that today generates U.S. sales of more than \$2 billion. Also a successful entrepreneur, Darlene Lowe, Ed's wife, launched and ran an interior design business.

Passionate advocates for entrepreneurship, the Lowes believed that entrepreneurs did not get the support and resources they needed, which prompted them to launch the Edward Lowe Foundation in 1985. Upon Ed's death in 1995, Darlene assumed leadership as chairman and CEO.

Ed believed that entrepreneurs learn best from each other, and this philosophy of peer learning drives many of the foundation's programs. Ed also had a great love of the

land, and the foundation has a secondary mission of land stewardship, carried out at Big Rock Valley, its 2,600-acre home in southwest Michigan.

In contrast to most U.S. foundations, the Edward Lowe Foundation is not a grant-making organization, but an operating entity that funds its own programs. "This appealed to Ed and Darlene because they wanted to create an organization that could interact directly with other groups," explains Don Bauters, director of finance.

"Ed also had a strong desire to see Big Rock Valley used in our programs, which an operating structure allows us to do," Bauters adds. "Ed envisioned a better learning environment for entrepreneurs — one that would help them face the types of challenges he had to deal with. He also had keen insights into learning because he didn't develop his skills in the traditional business school environment. I believe that Ed would be very proud of the progress we have made toward his vision."

FOUNDATION TRUSTEES

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Chairman and CEO
Edward Lowe Foundation

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Peter L. Pairitz
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Kathy J. Browning
Director of Administration

Why second stage?

When people hear the word “entrepreneur” they often think of startups or small businesses. Yet entrepreneurship comprises a broad spectrum of companies with major differences along the continuum — both in terms of their economic contributions and the services they need to grow.

The foundation focuses on second-stage entrepreneurs because we believe they have the largest impact on U.S. prosperity. These companies have moved beyond startup and are focused on moving to the next level. They are no longer worried about survival but rather concentrating on growth.

From a numbers perspective, we define second-stage companies as having 10 to 99 employees and annual revenue ranging between \$1 million and \$50 million.

Why concentrate on second stage? For one thing, they are significant job creators. Between 1995 and 2012, second-stagers represented only 11.6 percent of all U.S. establishments, but held a nearly 34 percent share of jobs, according to YourEconomy.org. Second-stage entrepreneurs often have national or international markets, which means they’re bringing outside dollars into their communities. Many are attracting venture-capital dollars, which can raise investor awareness for a region.

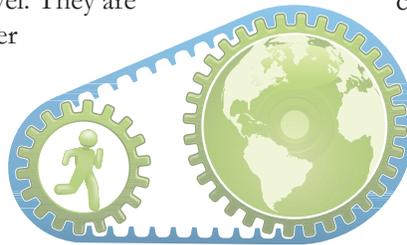
Leveraging their experience and greater financial bandwidth, second-stagers are both more confident and adept at risk-taking than they were as startups. They’re able to expand into new markets and introduce innovations that impact their industries. Their stability and deeper pockets also enable them to offer more diverse, high-quality jobs and provide better benefits for employees. And, in our

experience, second-stagers are devoted corporate citizens. Whether it’s revitalizing a blighted neighborhood with new or renovated facilities or supporting local charities and nonprofits, they care about their communities.

Understanding second-stagers’ challenges is just as important as recognizing their contributions. Indeed, serving second-stagers is a drastically different ballgame than working with startups or microbusinesses. Second-stagers are beyond requiring help with issues common to startups, such as creating a business plan or defining a market. They already have proven products and services in place and are striving to win more market share. They need help with strategic issues, such as creating internal infrastructure to accommodate growth, understanding the difference between a niche and commodity business model, and shifting leadership roles.

Connecting with them can also be tricky. Second-stagers are not going to show up for a networking event just because they received an invitation. They’re time-pressed and looking for relevant content, most often from trusted sources, that translates into real value for their business.

Due to our deep understanding of these unique entrepreneurs, the foundation has been recognized as the national expert on second stage. Our programs around peer learning, leadership education and strategic information are designed to accelerate their growth and success. We also use our expertise to educate communities and entrepreneur support organizations about second-stage companies, how to work with them and how to develop the kind of supportive culture these entrepreneurs need to flourish.



“When it comes to understanding second-stagers, the Edward Lowe Foundation really gets it — not only the issues we’re dealing with, but how to approach us. Entrepreneurs are a different lot. We don’t want people to tell us how to do things. Yet Dino and his staff have a unique ability to understand the character of the entrepreneur, of being able to dig into issues and getting us to think differently without turning us off.”

— Larry Kooiker, founder and CEO of Agritek Industries in Holland, Mich.

“I didn’t even know what second stage was until I came to a retreat at the Edward Lowe Foundation with my WPO group. At the time, I was having challenges in my business and didn’t really know why. It was really eye-opening for me to hear Dino say this was common, you’re in a different phase of your business, and you have to operate differently.”

— Jena Gardner, president and CEO of JG Black Book of Travel in New York, N.Y.

“Second stage has a PR problem because our Western culture is driven by excitement and events. When you launch a startup, all you have is a promise. It’s like getting married. There’s a wedding, a huge celebration and everyone throws rice. But that’s really just the beginning of the adventure.

“You don’t achieve great things from starting a company; you achieve great things from running it. It’s day after day of hard work and hanging in there that leads to impact. You don’t even know in what moment success is happening. But when you step back and look at what’s happened and what you’ve accomplished over the course of many years, it’s amazing.”

— Don Hicks, CEO of LLamasoft in Ann Arbor, Mich.

Education

Leveraging the power of peer learning

Two cornerstones of the foundation's educational offerings are leader retreats and PeerSpectives roundtables.

Leader retreats are conducted at Big Rock Valley (BRV), the foundation's learning campus in southwest Michigan. Sessions vary depending on a group's specific needs, but typically address the unique challenges of second stage, strategic direction and innovative business models.

Shifting frames

"We give second-stagers a new frame in which to view their businesses," says Dino Signore, the foundation's manager of entrepreneurial education. "Much of the curriculum revolves around inflection points: how their organization is changing, how their team is changing and how founders need to change their leadership style to respond to growth."

The foundation also conducts retreats for leaders of entrepreneur support and economic development

organizations. These sessions educate leaders about the challenges of second-stage entrepreneurs, how to serve them better, and how to strengthen their own organizations.

In contrast to other leadership programs, the foundation stands out for its laser-like focus on second stage — both in terms of understanding these growth entrepreneurs and delivering relevant content. "This isn't just theoretical or nice-to-know information," says Signore. "We deliver concepts and tools you can take home and begin to apply immediately."

Sense of place

Another hallmark of the foundation's retreats is the sense of place at BRV. The property comprises 2,600 acres of diverse prairie, woodland, farmland and wetland.

"When you hear wind rustling through the trees, and you look up at night and see a sky full of stars



*“The foundation’s retreats have helped me **think differently**. At first, I had no idea what to expect; then I realized the sessions guide you to interactions with the other entrepreneurs, and the networking is fantastic. My second retreat was even better. I left enlightened, emboldened and re-energized.”*

— Pete Colan, founder of SportCrafters in Granger, Ind.

because there are no city lights to hamper them, you can’t help but unplug,” says retreat participant Harold Boyett, CEO of Blue Streak Couriers in Jacksonville, Fla.

PeerSpectives

PeerSpectives is a special roundtable methodology for second-stage CEOs. Launched in 2003, PeerSpectives now has licensees in 13 states with more than 40 active roundtables.

A PeerSpectives roundtable typically involves 8-12 CEOs from noncompeting industries. The system revolves around confidentiality and experience-based learning rather than giving advice.

“PeerSpectives combines a number of proven facilitation models with a deep understanding of second-stage entrepreneurs,” says Mary Key, founder of Tampa-based Key Associates Inc., who facilitates several PeerSpectives roundtables in Florida. “These CEOs are incredibly busy, and PeerSpectives is a just-in-time approach to ferreting out their individual critical issues while leveraging the collective intelligence and experience of the group.”

The foundation trains all PeerSpectives facilitators at BRV, which is important in maintaining standards. The Women Presidents’ Organization also requires its chapter chairs to attend PeerSpectives facilitator training.

Initially second-stagers may be leery of adding another commitment to their calendars, but they quickly become hooked.

“At the roundtables, you’re able to bounce ideas off

other business owners who have ‘been there, done that,’” says Michael Wright, president of Power Grid Engineering in Orlando, Fla. He cites takeaways that range from beefing up HR processes to increasing business with existing customers. “You get a gauge on what other companies are doing and how they handle certain situations. In fact, I’ve learned as much from questions that are asked in the sessions as from the responses.”

Although leader retreats and PeerSpectives roundtables differ considerably in format and execution, both are built on peer learning.

“One of the things that makes peer learning so appealing is the just-in-time, on-target feedback,” says Penny Lewandowski, the foundation’s vice president of entrepreneurship and strategic direction. “You’re sitting with a group of people who are facing the same issues you are and truly know what it’s like to be in your shoes.”

Find your tribe

Besides being highly effective, peer learning is an educational process that second-stage entrepreneurs readily embrace.

“These are incredibly time-pressed people who don’t usually show up for traditional networking or education events,” says Signore. “And yet because they’re so busy working on their businesses, second-stagers typically feel very isolated. Being with other entrepreneurs is like discovering their long-lost tribe. For many, it’s the first time they feel they’re in a trusted environment and can talk about their businesses.”

Economic Gardening

Growing your existing companies

In contrast to programs that encourage relocation or startup activity, Economic Gardening® helps existing companies grow larger by assisting them with strategic growth challenges, such as developing new markets, refining business models and accessing competitive intelligence.

“Economic Gardening helps CEOs identify untapped opportunities and points them to new tools and information they can apply immediately — which is ideal for second-stage companies,” says Chris Gibbons, who originated the concept of Economic Gardening in Littleton, Colo., in the late 1980s. “These firms are moving fast and need just-in-time solutions, which Economic Gardening is all about.”

Helping launch networks

Through a collaboration with Gibbons, the Edward Lowe Foundation hosts the National Center for Economic Gardening (NCEG), which helps state and regional organizations get gardening networks up and running quickly. This is accomplished through NCEG’s national research team, comprised of experts in such disciplines as market research, geographic information systems, search engine optimization and social media marketing. (NCEG does not deliver consulting assistance to CEOs; rather, its research team provides CEOs with tools and information that enable them to make better and

more informed decisions.)

NCEG’s proprietary Greenhouse Software System, developed by the foundation, enables host organizations, CEOs and research specialists to communicate virtually through a single, secure portal. Thus, time-crunched CEOs don’t even need to leave their offices to participate. The software system also handles administrative tasks and tracks progress.

Maintaining standards

Another important role, NCEG provides training and certification for networks, team leaders and research specialists. “People often believe they’re practicing Economic Gardening, when they’re really not,” says Jessica Nelson, NCEG’s general manager. “Certification is critical to ensure program participants meet national standards.”

In early 2011 NCEG had six pilot programs in place. By mid-2013 that number had increased to more than 25 active networks in 20 states, which helped more than 1,000 second-stage companies.

“Economic Gardening is like a shot of adrenaline for a business,” says Mike Fox, CEO of Ingenuity IEQ, a provider of indoor air quality solutions based in Midland, Mich., who participated in Michigan’s statewide Economic Gardening network.

“There are things you know you should be doing to grow, but there simply aren’t enough hours in the

day to get to them,” says Fox. “The program creates structure and deadlines, and gives you resources to research some of those strategic issues.”

Stephen Daas says that working with NCEG’s national research team was like having sudden access to additional staff members. “There was a lot of collaborative, back-and-forth dialogue,” explains Daas, COO of Global Tax Network in Maple Grove, Minn. “I believe we achieved better results that way and obtained the information we really needed. With a consultant’s report, you wonder if it will be truly worth it — and if they really heard you in just one meeting.”

Holistic approach

Some Economic Gardening networks, including the Hennepin-Carver-Anoka-Ramsey-Scott network in Minnesota, are combining research assistance with monthly CEO roundtables and quarterly forums.

Research has shown that entrepreneurs who are exposed to roundtables and CEO forums in addition to the research assistance, grow faster and find the Economic Gardening program more valuable, says Steve Quello, managing partner of CEO Nexus and an Economic Gardening expert who helped launch Hennepin’s integrated services approach.

“The research team provides relevant information in a just-in-time format that helps CEOs deal with roadblocks or discover new opportunities, while roundtables and forums provide peer learning and networking opportunities,” Quello explains. “Those three services working together enable communities to help their entrepreneurs generate repeatable, sustained growth.”



Recognition

Shining the light on second-stagers

Celebrating second-stage entrepreneurs and communicating their value is another component of the foundation's mission, which it carries out in a variety of ways.

One of the foundation's formal recognition initiatives is Companies to Watch® (CTW), an awards program developed specifically for second-stagers. CTW launched in Michigan in 2005, and over the years the foundation has helped organize and conduct the program in several other states. During 2012 and 2013 CTW recognized 383 second-stage entrepreneurs in Florida, Michigan, Colorado, North Carolina and Indiana.

In addition to its focus on second-stagers, CTW differs from other awards programs by highlighting honorees from diverse industries and geographic regions in the states where it's held. And even though judges evaluate applicants on past and

projected growth, they also assess other factors, such as innovation, workplace culture and community support.

Ongoing impact

The foundation believes that the hallmark of any recognition program should be its shelf life. Local hosts and sponsors have provided various programs after the event to assist honorees, ranging from roundtables and networking events to media opportunities. In addition, the foundation involves CTW awardees in leader retreats at Big Rock Valley.

Chris Straw is among awardees who has attended retreats at the foundation. "Everyone gets excited about startups or very large companies, and then there's us — second-stage companies," says Straw, founder of Team Quality Services in Auburn, Ind. "In second stage, you're not struggling to stay alive,



but rather to grow and gain visibility. It's a completely different phase of your business, and it can get lonely. One of the great things about Edward Lowe Foundation retreats is being able to spend time with leaders of other second-stage companies. You hear their struggles — in business and on the home front — and know that you're not alone."

Awards programs also benefit participating entrepreneur support organizations (ESOs) by strengthening existing collaborations and creating new synergies. Identifying second-stagers is another plus. More ESOs are starting to target second-stagers, but reaching out to these entrepreneurs can be challenging.

Looking ahead, the foundation plans to develop other forms of second-stage recognition. "Acknowledging the role these companies play in their regions can lead to an exciting night of good news," says Joy Kitamori, manager of the foundation's recognition initiatives. "But awards programs are just one approach to creating a dynamic environment for second-stagers. We want to help regions realize that helping second-stagers should be a continuum of recognition and support."

A louder voice

Recently the foundation began an ongoing series of case studies about successful second-stagers. These case studies not only look at contributions to the economy, but also at how they're helping communities, transforming their industries and creating innovative workplaces. Stories will be shared with other ESOs, the media and policymakers.

"As advocates of second-stagers, we've always helped entrepreneurs connect with interested media and promoted them as a group, but this series is a targeted effort to demonstrate their unique qualities," says Kitamori. "Not many second-stagers have their own PR machines. It's important to highlight these growth entrepreneurs and give a voice to their stories."

You say you want a revolution?

The power of partnerships

When it comes to supporting entrepreneurs, partnerships are the keystone to success, explains Penny Lewandowski, the foundation's vice president of entrepreneurship and strategic direction:

"Busy entrepreneurs have little time and even less patience for navigating a sea of organizations that often appear to be doing the same things. Success comes about much faster and culture develops a real stickiness once organizations begin working together. Partnerships break down silo thinking, which is a good thing for a community and its entrepreneurs.

"Because entrepreneurship is a local phenomenon — and because we think it's important to practice what you preach — the foundation develops and distributes its programs through collaborations with entrepreneur support organizations (ESOs) and other community groups that have direct relationships with their local companies. ESOs can include chambers of commerce and other membership organizations, universities, small business development centers, technology councils and economic-development agencies. The common denominator: They are groups or individuals working to accelerate entrepreneurs' success.

"When it comes to creating an entrepreneurial culture, working with a community to start a five-company Economic Gardening program is just as important as developing programs with a national organization. You never know where you'll find seeds for an entrepreneurship revolution!"

Research

Making big data more accessible

Another aspect of the foundation's entrepreneurship mission revolves around research. Dovetailing with education and recognition, research is critical to uncovering important economic trends, identifying growth companies and understanding what makes them tick.

One of the foundation's key research initiatives has been the development of YourEconomy.org (YE). Launched in 2007, this free, online research tool enables visitors to track business activity in their own backyards — and see what's happening across the country.

Push the easy button

In contrast to other sources of data, YE is easy to access and understand. It quickly delivers detailed information about more than 25 million active U.S. business establishments, going as far back as 1995.

In 2013 the YE website underwent a major redesign, including the addition of more recent data, making it even easier to track business activity.

"YE enables economic development folks to take a data-driven approach to program development," says Gregg Cole, the foundation's information technology and research leader. Instead of relying on anecdotal evidence, YE provides the hard facts economic developers need to identify where growth

is happening — and who's generating it.

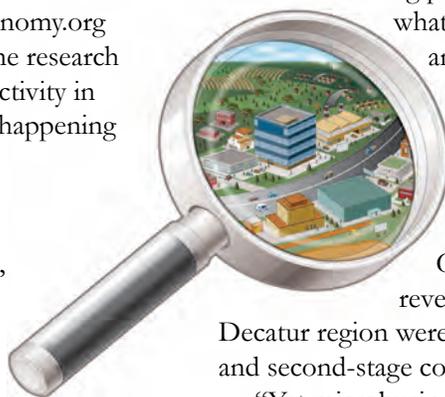
"YourEconomy.org is amazing," says Mary Ann Kristiansen, executive director of the Hannah Grimes Center in Keene, N.H. "It's easy to use and zeroes in on important economic-development indicators. I use the data in a number of ways, from educating policymakers and the media about what's happening in our region to analyzing what we should be doing in our programming."

In Decatur, Ill., YE helped make a case for Economic Gardening, says Sharon Alpi, director of Millikin University's Center for Entrepreneurship. YE

revealed that most new jobs in the Decatur region were generated by microbusinesses and second-stage companies.

"Yet microbusinesses don't have as much economic impact because their opportunities are typically restricted to the local market," says Alpi. "In contrast, second-stage companies often have regional, national and international markets, and bring outside dollars into the community — which is what we need to increase."

Alpi also uses YE as a teaching tool. "We use it to challenge assumptions about the business make-up of communities — and to identify opportunities," she explains.



*From 2005 to 2010 about **1 percent** of U.S. companies were responsible for **72 percent** of total job growth. Their success was not triggered by large, singular growth events but rather by repeated, incremental expansions.*

— Gary Kunkle, IEGC fellow

YE also helps students form hypotheses to research, Alpi adds: “The website enables them to look at business performance across different time periods and see what kind of companies opened, closed, expanded, contracted or moved. Then they investigate the dynamics at work — from city ordinances and community politics to outside investments in the region. As a result, I believe our entrepreneurship students are going to be extremely savvy at economic development.”

Data institute

In other research activities, the foundation is concluding a three-year initiative, the Institute for Exceptional Growth Companies (IEGC). The institute launched in early 2011, supported by a three-year grant from the NASDAQ OMX Educational Foundation, and IEGC has been developing a new generation of analytical tools to study high-growth companies and the impact of equity funding.

One of IEGC’s first projects was to create a database and website that looks at currently listed public companies, showing historic performance and job creation compared to the general U.S. business population.

IEGC has also created an online research tool for the Association for Corporate Growth. Launched in 2012, GrowthEconomy.org examines the performance of private capital-backed companies in different states and metropolitan statistical areas as far back as 1995. In 2013 IEGC added the ability to view companies by congressional districts.

IEGC also has conducted a research program, making its data available without charge to more than a dozen U.S. and European academic research teams.

Among research findings, IEGC fellow Gary Kunkle has uncovered an important new metric for job creation: sustained growth.

In contrast to absolute or relative growth, sustained growth takes into account the number of times a company expands over a period of years. Kunkle demonstrated that about 1 percent of U.S. companies were responsible for 72 percent of job growth from 2005 to 2010 — yet their success was not triggered by large, singular growth events but by repeated, incremental expansions. The more frequently these companies grew, the more jobs they accumulated over time.

In other studies, researchers at Pepperdine University showed that both private equity and venture capital financing dramatically accelerate sales and job growth for small- and medium-sized U.S. businesses. And a team from the University of New Hampshire found that diverse sources of equity financing boosts creditworthiness for certain types of companies.

One of IEGC’s goals has been to expand the knowledge base of entrepreneurship, especially with regard to middle-market companies and their contributions, points out Cole. “The examples above show how researchers are using our data not only to make new discoveries, but also to re-examine traditional observations and improve on previous models.”

Land Stewardship

Best practices at Big Rock Valley

In addition to supporting entrepreneurship, the Edward Lowe Foundation has a secondary mission of environmental stewardship, reflecting Ed Lowe's great love and respect for the land.

Big Rock Valley (BRV), which serves as headquarters for the foundation, draws its name from the large number of boulders left behind by receding glaciers from the Ice Age. The property began with a 160-acre parcel that Ed Lowe purchased in 1964; today it comprises 2,600 acres of woodland, farmland, wetland and prairie.

“Because of its different landscapes and ecosystems, BRV has a wide variety of animals, plants and insects,” says Mike McCuiston, vice president of physical resources at the foundation. “Nurturing the diverse native populations found here is one of our main priorities — with particular attention given to threatened and endangered species.”

BRV has about 750 acres of woodlands, which are managed for natural diversity and sustainability. “We’ve created demonstration plots to show the long-term effects of different management styles, including old growth, which accounts for about 15 percent of our woodlands,” says McCuiston.

Managing for old growth

Unique ecosystems that are rarely seen, even in state and national forests, old-growth woodlands are generally no-harvest areas. Some thinning may be done for health or spacing reasons, but these cut trees and logs are left in the woods to decay.

A few characteristics of old-growth woodlands include: trees of all ages, open areas of light that occur when mature trees die or blow over, craters resulting from the rootballs of fallen trees, and lots of large, decaying logs.

“These decaying logs are probably one of the



most important components of old-growth woods,” explains McCuiston. “They create a sponge effect and keep the area moist, even in dry periods, as well as slowing down wind and evaporation along the surface of the soil.”

In the mid-1990s the foundation began restoring native prairies using primarily seeds of regional genotype. Today BRV has about 175 acres of restored prairie land with about 100 different species of grasses and forbs (flowering plants).

“Prairies provide important food and cover for wildlife, including many grassland birds,” points out Jay Suseland, manager of grounds maintenance at the foundation. “And prairie wildflowers also serve as a food source for insects, which in turn, provide food for other wildlife species using the habitat.”

Savannas are another disappearing ecosystem that the foundation is restoring. A mosaic of open grassland and scattered trees (ranging from 4 to 50 per acre), savannas serve as the primary habitat to many animals, including the redheaded woodpecker, a species of special concern.

Prescribed burns

Prairies and savannas are among fire-dependent habitats — without regular burning they revert back to woodlands. To prevent that from happening, the foundation’s environmental team conducts periodic prescription burns. This reduces the buildup of dead vegetation, stimulates native grasses and flowers, and retards growth of non-native, invasive plants.

In 2012 the environmental team burned about 70 acres, followed by more than 150 acres in 2013.

“We’ve achieved some excellent results,” says



Owen Rice, a member of the foundation’s environmental team. “If you looked at two patches next to each other, it would be easy to tell which one had been recently burned because of the increased growth and stand vigor.”

Another activity aimed at biodiversity is the creation and maintenance of vernal ponds — small ponds that measure about 30 to 60 feet in diameter with depths ranging from 6 inches to 6 feet or more.

Because these wetlands are fed by intermittent water supplies, such as rain runoff and seasonal springs, they dry up and don’t support fish. Without fish to eat eggs and larva, these ponds are a safe reproduction haven for many amphibians.

Species inventory

In 2001 the foundation began to develop a formal inventory of species at BRV, starting with reptiles and amphibians. In recent years, this inventory has been expanded to include plants and birds.

Today BRV is home for more than 30 varieties of amphibians and reptiles, with several threatened or special-concern species, such as the eastern massasauga rattlesnake and the Blanding’s turtle. The property also has more than 700 plant varieties and 100 bird species.

Collecting this information is crucial for habitat management. “Certain species have specific ecosystem needs,” McCuiston explains. “This is especially true for listed species, which often have diminished in numbers because of habitat loss or degradation. Being aware of the species population on the property helps us respond to their habitat needs and make decisions that support a healthy ecosystem.”

Land Stewardship

Environmental research at BRV

As part of its land stewardship initiative, the foundation makes Big Rock Valley (BRV) available to academic researchers and other environmental organizations.

“Our 2,600 acres of woods, prairies and wetlands makes BRV an ideal place to study botanical and animal life,” observes Mike McCuiston, the foundation’s vice president of physical resources. “Having researchers work on site benefits us as well. They provide us with valuable information about different species that live on the property, the habitats they use, their relative abundance — and how we can improve our management practices to enhance specific species.”

During 2012 and 2013, researchers worked on a number of environmental studies at BRV, many of which were ongoing projects.

Searching for snakes

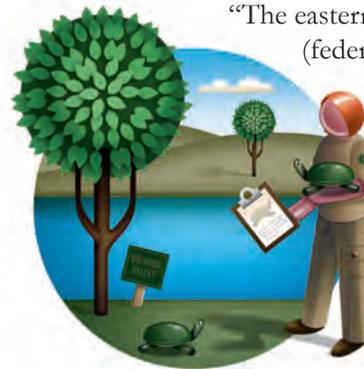
Among these, the Eastern Massasauga Rattlesnake Species Survival Plan (EMR SSP), a consortium of 23 different zoos, continued a study it launched in 2009. In addition to holding their annual meeting at BRV each May, EMR SSP researchers search for massasaugas (a species listed as endangered or

of special concern in many states), taking detailed measurements of the snakes and the environments in which they are found. The resulting data is being used to build population models to enhance conservation management practices.

“The eastern massasauga is up for federal listing (federal protection) in 2015, and this project will provide valuable data needed to inform that decision,” observes Eric Hileman, a doctoral student at Northern Illinois University who is collecting and analyzing data for the EMR SSP project, in addition to his own studies.

Since the study began, Hileman and other researchers have caught and identified more than 560 individual snakes at BRV, with more than 260 of these found during 2012 and 2013.

Up to now, there have been only two long-term studies conducted on massasaugas — one in Clinton County, Ill., and the other in Georgian Bay, Ontario. “Those sites represent the extreme geographic range of where massasaugas are found,” Hileman says. “Our study is important because it will provide detailed information on a more centrally





located population. Together with the other studies, we can provide a much clearer picture of how massasaugas are doing across their habitat.”

In addition to population modeling, Hileman is using soil temperature profiles to study massasauga ingress and egress (when snakes enter and emerge from hibernation).

“By knowing when the temperatures of shallow and deep soil invert, we can provide land managers with a predictive tool to determine when it’s safe to conduct prescribed burns without jeopardizing the massasaugas,” he explains.

Other research projects at BRV include:

- **Bioenergy crops** — Researchers from Michigan State University (MSU) Extension have established plots at BRV and 11 other sites for bioenergy crops including sweet sorghum, corn, big bluestem, switch-grass, miscanthus and Indiangrass. At these sites, researchers are studying plant performance in different types of soils and conditions to improve production techniques.
- **Prairie sustainability** — Another group of MSU researchers are studying sustainability of prairies in southwest Michigan, including BRV, to see if there is a decline in the diversity of grasses and forbs. Results will help land managers make better decisions about planting and which species may need special attention.

- **Insect recovery in bioenergy fields** — MSU researchers are also studying the insect recovery rate in prairies that have been harvested for biofuels. Research teams are focusing on two types of beneficial arthropods: pollinators (bees) and predators (such as lady beetles and syrphid flies), which eat pests like aphids.

Ashley Bennett, a postdoctoral researcher at MSU, has been leading a team to study bees that nest in prairie soil or the stems of prairie plants. Samples were collected throughout summer 2013, before the fall harvest, and in 2014 the researchers will return to BRV and other sites to retrack the insect population. “The goal is to determine if harvesting negatively impacts these insects and by how much,” Bennett says. “We’re also looking at possible decline in flower diversity that could affect predators and pollinators.”

“One of the benefits for us of working at the foundation is how well the fields are maintained,” Bennett continues. “There aren’t a lot of invasive weeds, which makes it much easier to collect samples.”

Hileman also praises BRV. “Of course, the biodiversity is a huge plus for any researcher,” he says. “And the fact that it’s a secure site means we don’t have to worry about vandalism. What’s more, the foundation’s staff has been extremely helpful to make sure we have whatever we need for our research to be successful.”

Transitions

The end of 2012 brought new beginnings: a new leadership structure and a new headquarters home

In December 2012 the Edward Lowe Foundation Board of Trustees announced a new leadership structure, following the resignation of Mark Lange as executive director.

The board promoted Penny Lewandowski and Mike McCuiston to newly created divisional vice president positions: Lewandowski was named vice president of entrepreneurship and strategic direction, and McCuiston was named vice president of physical resources. Both report directly to Darlene Lowe, chairman and CEO.

Recruited in 2005 as director of entrepreneurship development, Lewandowski has led the foundation's entrepreneurship team in building educational and recognition programs for second-stagers.

In her new position, Lewandowski continues to lead the entrepreneurship team but also manages overall outreach efforts for the foundation and oversees its role at the National Center for Economic Gardening. In addition, she drives the foundation's future vision together with the management team.

McCuiston, who joined the organization in 1981, oversees all foundation facilities and properties, including Big Rock Valley (BRV), its 2,600-acre campus in southwest Michigan. He is also in charge of risk management and human resources.

In addition, McCuiston is responsible for land-

management and conservation initiatives, and he works with researchers and organizations who wish to conduct environmental projects at BRV.

New digs

In late November 2012 the foundation staff moved into a new headquarters facility. The building replaces one destroyed by a fire in January 2011, which required employees to work in temporary offices spread out across the foundation's 2,600-acre campus.

"I'm extremely proud of how our staff rallied and adapted during the interim," says Lowe, "but it's wonderful to be back under one roof again."

Located closer to the foundation's entrance at 58220 Decatur Road, the new headquarters building has numerous energy-efficient features, such as a geothermal heating and cooling system, lighting that's activated by motion sensors, and a computerized management system that controls many of the building's mechanical systems.

Although the new building is about the same size as the old one (13,000 square feet), its interior design and circular traffic flow make it feel more spacious and enable greater interaction for employees.

The old headquarters building was originally built in the late 1970s as a barn for a black angus cattle program that Ed Lowe developed. "Even though we

expanded and renovated that building over the years, the new HQ is quite a step up,” explains Jon VanSchoick, manager of facilities maintenance. “Instead of trying to adapt a building, this facility has been designed specifically for our needs from the get-go.”

Opening our doors

To celebrate the new headquarters building, the foundation held a public open house on Dec. 14, 2012. In addition to touring the new building, guests were able to learn more about Ed Lowe and the foundation’s work through a series of special displays that were created for the event.

“Because much of our work is carried out at the national level, we recognize the local community may not be aware of what we do,” says Lewandowski. “The open house was a great opportunity to share our mission and explain how our programs are helping communities across the country build a supportive culture for today’s entrepreneurs.”

The foundation also welcomes visitors throughout the year who are interested in learning more about Ed Lowe and the foundation. For example, its Information Center, located at the entrance to BRV, is open to the public on weekdays from 9 a.m. to 4 p.m. The center features self-guided exhibits of Lowe’s business ventures and efforts to support entrepreneurship, as well as displays about the foundation’s current entrepreneurship and land stewardship programs.

Guided tours are offered for the rest of the property from April through October on Wednesday afternoons at 2 p.m. For more information, call 800-232-5693.



From top down: 1) Foundation management team: Mike McCuiston and Don Bauters in top row with Kathy Browning, Darlene Lowe and Penny Lewandowski in bottom row. 2) Exterior shot of the new headquarters. 3) Interior shot of the lobby.

PRODUCTION CREDITS

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