The Edward Lowe Foundation has been supporting entrepreneurship and conservation activities for more than three decades. Within the realm of entrepreneurship, our educational programs help second-stage companies continue to scale larger, and we are recognized as a national expert in second stage. The land stewardship piece of our mission plays out at Big Rock Valley, our 2,000-acre property in southwest Michigan, which has become a regional model for conservational best practices.

Ed Lowe was a huge fan of continuous improvement, and he never stopped asking why something was done a particular way and exploring how it could be done better. In addition to his perpetual curiosity, Ed was a visionary and liked to view life through what he called “funnel vision”—a metaphor for looking beyond what was happening in the present to imagine what could be accomplished in the future. This ability to see the big picture enabled Ed not merely to create a successful company with the introduction of Kitty Litter in 1947, but also forge an entirely new industry.

Ed’s legacy challenges us not to be content with the status quo but to innovate continually. With that in mind, in the past year our entrepreneurship division has been creating new programs, including a virtual SWAT team that provides operational expertise to second-stage entrepreneurs. We also continue to advance our conservation initiatives, such as testing new ways to enhance agricultural fields and new types of nesting habitats to help threatened wildlife populations. What’s more, we’re starting to create greater synergies between our two divisions.

These two missions, entrepreneurship and land stewardship, are critical to building a better tomorrow. Helping second-stage entrepreneurs become more successful strengthens local economies and builds more vibrant communities. And being entrepreneurial about land stewardship is critical to sustaining our country’s precious physical resources.

Chairman and CEO
Edward Lowe Foundation
SUPPORTING SECOND STAGE
The Edward Lowe Foundation focuses on growth-oriented second-stage entrepreneurs because we believe they have the greatest impact on U.S. prosperity. These companies have moved beyond the startup phase and have both the intent and capability for continued expansion. From a numbers perspective, second-stagers have about 10 to 99 employees and between $1 million and $50 million in annual revenue.

Why concentrate on second stage? For one thing, these companies are significant job creators. Between 2006 and 2016, second-stagers only represented 15.8 percent of U.S. establishments, but generated about 37.5 percent of jobs and 36.3 percent of sales, according to YourEconomy.org. Second-stage entrepreneurs often have national or international markets, which bring outside dollars into their communities. And many are attracting venture-capital dollars, which can raise investor awareness for a region.

Armed with both greater experience and financial bandwidth, second-stagers are 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 neglected neighborhood with new or renovated facilities or supporting local charities and nonprofits, they really care about their communities.

Understanding the challenges of second-stage companies is just as important as recognizing their contributions, because serving them is drastically different than working with startups or microbusinesses. Second-stagers 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, understanding the difference between a niche and commodity business model, and shifting leadership roles.

To accelerate their success, the foundation has developed programs around peer learning, leadership education and strategic information. 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 they need to flourish.
Second-stage entrepreneurs no longer worry about survival on a daily basis like they did during startup days. Yet they often reach a plateau or stumbling block and need external help.

“Our founder, Ed Lowe, recognized this as he scaled his Kitty Litter business, and ‘know what you don’t know’ became one of his general rules for success,” says Dan Wyant, the foundation’s president and chief operating officer. “One of the ways Ed felt he learned best was by talking with other entrepreneurs, which is why peer learning is a critical component in many of our programs.”

Leader retreats

Indeed, peer learning is a hallmark of the foundation’s educational retreats, which are held at Big Rock Valley, our 2,000-acre property in southwest Michigan. These retreats enable second-stage entrepreneurs to step away from the daily distractions of running their businesses and concentrate on strategic growth.

Retreat curriculum addresses the new challenges entrepreneurs face in second stage, such as building a management team, developing a strong company culture and honing a competitive advantage. Among new content introduced recently was The Strategic Leader, which helps second-stage CEOs steer clear of potential roadblocks and identify and act on new opportunities.

“Our retreat curriculum is designed as a continuum, and each program builds upon previous ones,” says Dino Signore, manager of entrepreneurial education. “Yet there is no cookie-cutter format, and retreats vary depending on each group’s needs.”

Founder of Tampa-based DAS Health, David Schlaifer attended a Leadership of Me retreat in 2016 with other second-stage entrepreneurs. “The retreat was fabulous — and I’m not one to give compliments easily,” says Schlaifer. “When you’re the CEO, you rarely get the opportunity to focus on your own internal skill sets. The retreat made me more aware of the need for learning, reflection and introspection about my strengths and weaknesses so I can be more effective as a leader.”

In addition to hosting peer groups of second-stage CEOs, the foundation offers educational retreats for:

- Senior managers of second-stage companies.
- Individual second-stage companies.
- Leaders of entrepreneur support organizations (ESOs) who work with second-stagers.
- Facilitator training for business professionals who lead roundtables or group meetings.

“The Advanced Facilitator retreat couldn’t have come at a better time for us,” says Chris Straw, founder of Team Quality Services in Auburn,
Indiana. “Shortly afterward, we had a series of meetings at our headquarters office and began to use the techniques we learned. In the past, these meetings used to be more like lectures. This time, we still had points we wanted to cover, but how we got there was more like a roundtable discussion. Not only were the meetings better received by staff, but I enjoyed them more.”

Individual company retreats, introduced in 2014, continue to gain momentum.

“The company retreat was exactly what we needed,” says Jeff McWherter, founder of GravityWorks in Lansing, Michigan. “It was great to have the full team brain-storming together and working on the business instead of in it. When we left, we felt much more confident about our abilities and our approach to the market.”

“Being offsite definitely helped,” McWherter adds. “Not only getting away from the day-to-day churn, but also taking advantage of the foundation’s unique setting at Big Rock Valley — being out in the woods, talking around the campfire at night, sleeping in the boxcars. Being in a great environment always helps when you’re trying to generate new ideas.”

CEO roundtables

Another program where peer learning is front and center is our PeerSpectives Roundtable System.®

Led by facilitators who have been trained by the foundation, PeerSpectives provides a confidential forum where second-stage leaders can talk openly about pressing issues. Comprised of participants from noncompeting industries, roundtables follow a structured protocol that ensures balanced discussion and experience-sharing rather than advice-giving.

Jeff Schwegman, founder of AB BioTechnologies Inc. in Bloomington, Indiana, values the community of his PeerSpectives roundtable. “We’ve become really close,” he says. “Granted, family and friends may be sympathetic, but they don’t really understand what you’re going through as a business owner. Running a company can get highly emotional. You may be having a rough time or have
There are lots of opportunities and support for startups, but not many folks are looking out for second-stage companies. Having an organization like the Edward Lowe Foundation that focuses on making second-stagers more successful is incredibly important.

— Stanley Kennedy Jr., co-founder of Oakman Aerospace Inc.

a tough decision to make, and it’s great to be able to talk to someone who is in a similar boat.”

Co-founder of Smart Solutions Inc. in Madison, Wisconsin, Jackie Mortell says joining a PeerSpectives roundtable has given her greater confidence as a leader. “Having this group of peers has shown me that I am, indeed, running the business well,” Mortell says. “They’ve helped me grow in how I’m managing people — and be more confident in making decisions that may not be popular.”

Although created for second-stage CEOs, the PeerSpectives system is also used for managers of noncompeting second-stage companies and leaders of nonprofit groups.

In addition, the foundation has developed a modified version of PeerSpectives for companies that are smaller than second stage but growing quickly. Along with a roundtable discussion, these monthly PRESS sessions include informal discussions with business experts in a variety of fields, from finance and HR to sales and marketing.

Economic Gardening

Partnering with Economic Gardening® founder Chris Gibbons, the foundation hosts the National Center for Economic Gardening (NCEG).

The NCEG helps state and regional organizations establish Economic Gardening programs that provide second-stage companies with information and analysis in five key areas: core strategy, market dynamics, qualified sales leads, innovation and temperament. Second-stagers work with NCEG’s research experts through phone calls and a proprietary software system.

During 2016 and 2017, NCEG completed 436 company engagements within 24 networks.

Among participants was Mark Massicotte, who credits Economic Gardening for identifying a market that combines his company’s investment cast machining and aerospace capabilities. “We always knew there was some form of market — but not the depth and breadth of what we see now,” says Massicotte, CEO of L’Anse Manufacturing Inc. in Michigan’s Upper Peninsula. As a result, Massicotte believes he can quadruple annual revenue by 2020 and create five new jobs each year.

A software company that helps restaurants provide delivery service through a phone app, Waitr Inc. entered Louisiana’s statewide Economic Gardening program in March 2016. At that time the Lake Charles-based company was only in three markets. Within six months of completing its engagement, Waitr had opened 13 new markets.

“The Economic Gardening program saved us time and money in our expansion efforts and resulted in stronger markets,” says CEO Chris Meaux. “Each launch has been successful — and we’ve been able to bring them up faster and easier.” In fact, when Waitr compared its first three markets to new ones selected from the Economic Gardening data, analytics showed the new ones were growing 400 percent faster.

Companies to Watch

Celebrating the success of second-stage entrepreneurs is also part of our mission. With that in mind, the foundation has developed a recognition program for high-performing second-
stagers, known as Companies to Watch® (CTW). In 2016 and 2017 CTW programs were active in Michigan, Indiana, Colorado and Florida and honored 314 companies.

CTW awardees are selected not only for revenue growth and job creation, but also special strengths, such as innovation, attracting new dollars to their state or serving their community. Another differentiator, CTW showcases a diverse group of businesses rather than highlighting one industry.

The awards program is also geared to be an entry point to entrepreneurial ecosystems. Honorees are eligible to participate in Edward Lowe Foundation programs, including retreats, PeerSpectives roundtables and Economic Gardening. And local host organizations and sponsors provide a range of programs, from networking events to media opportunities.

“The connections to both other entrepreneurs and organizations have been invaluable,” says Stanley Kennedy Jr., a past Colorado CTW awardee and co-founder of Oakman Aerospace Inc. in Littleton. “If a Colorado CTW alumni has an issue or concern, it’s typically just one or two phone calls away to someone who knows how to resolve that problem.”

New initiatives

In addition to strengthening core programs, the foundation has a number of new offerings in the works:

- **Programs in Motion** — For just-in-time learning, the foundation has been expanding its online digital library with a steady stream of new articles and videos. Both educational and inspirational, this content covers a wide variety of topics relevant to second-stagers, from addressing new challenges to honing leadership skills.

- **Virtual PeerSpectives** — Created for CEOs in locations without existing roundtables, this virtual program includes all the elements of our PeerSpectives protocol (confidentiality, participants from noncompeting industries, trained facilitators, sharing experiences rather than giving advice, etc.). The only difference is that participants meet via video conferencing rather than face-to-face.

- **Beyond Big Data** — This program provides second-stage entrepreneurs with tools and resources to help them implement research findings and knowledge gleaned from an Economic Gardening engagement. In a facilitated setting, participants work with other second-stagers to first evaluate company resources and operations, then create a plan to enact internal changes for faster growth.

“Like the entrepreneurs we serve, innovation is part of our DNA,” says Colleen Killen-Roberts, the foundation’s director of entrepreneurship. “Although each program stands on its own, they work in concert with each other and create important synergies.”

For the most up-to-date information about our programs, visit [www.edwardlowe.org](http://www.edwardlowe.org).
THE SECOND-STAGE JOURNEY
Second Stage Growth
Home of Strategic Growth
We are Hiring
Welcome to Second Stage Home of Strategic Growth
BIODIVERSITY

Much of the foundation’s conservation work is carried out at Big Rock Valley, our headquarters property in southwest Michigan. Comprised of 2,000 acres of diverse habitat, BRV is home to a wide variety of animals, plants and insects, including many threatened and endangered species…

Named for the large number of boulders that were deposited by receding Ice Age glaciers, Big Rock Valley (BRV) began as a 160-acre parcel that Ed Lowe bought in 1964. Over the years, Ed continued to buy adjacent land, resulting in a patchwork quilt of woodlands, wetlands, prairies and croplands.

“Reflecting Ed’s love and respect for the land, our charter is set up to manage BRV in perpetuity using good stewardship and conservation practices,” says Mike McCuistion, the foundation’s vice president of physical resources. “The property’s large size and contiguous acreage allows us to manage issues at a landscape scale and still let natural processes work.”

Uncommon terrain

Two key topographical features have helped protect BRV from development over the years — and contributed to its unusual biodiversity:

- An abundance of wetlands, including spring-fed streams, ponds and a small lake.
- Two large valleys running through the property with an elevation difference of about 100 feet.

“The resulting steep grades and hillsides are uncommon in the surrounding area,” says McCuistion. “The rough terrain didn’t lend itself to farming or residential development and even made timbering difficult. And from a biodiversity perspective, the elevation has been a huge help. Its varying range of temperature zones and exposure to sun results in many different microclimates and microecosystems.”

Prairies and savannas

Among key land stewardship initiatives at BRV are restoration of prairies, which were widespread in southern Michigan until European settlers in the 1800s converted this natural ecosystem to cropland. The foundation began experimental patches of prairie plants in 1994. Today prairies cover 180 acres of BRV, and more than 180 different species of native grasses and forbs have been planted.

Savannas, a mosaic of open grassland and scattered trees, is another disappearing ecosystem that the foundation is trying to restore. Since 2006 our land stewardship team has transformed about 14 acres at BRV into savannas, and in 2017 they began work on a new 15-acre area. Located on BRV’s west side, this area has numerous oak trees, but what once might have been grassland has been overtaken by nonnative species of honeysuckle and autumn olive.

Converting it back into a savanna requires a multipronged approach of brush cutting, tree
thinning, burning, herbicide spraying and seeding with native prairie plants. The goal is to convert the area to 30-40 percent tree canopy cover, says Jay Suseland, grounds maintenance manager who is leading the project. “Although it’s slow work, we’re already starting to see signs of new growth and greater diversification of native species.”

“Oak savannas add diversity to a landscape by allowing a combination of woodland and prairie species to exist in one system,” adds Suseland. “The new area we’re trying to restore is located between a marsh and upland prairie. Opening it up would ultimately make prescribed burns more efficient and could be the tool we use over time to manage it.”

Indeed, prairies and savannas are fire-dependent habitats; without regular burning they revert back to woodlands, which is the climax ecosystem in Michigan. To prevent that, the foundation’s environmental team conducts periodic prescribed burns. This reduces the buildup of dead vegetation, stimulates native grasses and flowers and retards growth of nonnative, invasive plants.

Prescribed burns are also conducted in woodland and wetland areas. In 2016 the environmental team burned about 75 acres, followed by more than 170 acres in 2017.

Old-growth woodlands

When it comes to woodlands, the majority of BRV’s 650 acres are managed to maximize diversity and sustainability, rather than for high-value timber production. In addition, about 125 acres are managed for old growth.

A rare ecosystem, old-growth woodlands are essentially no-harvest areas. They include trees of all ages, open areas of light resulting from mature trees dying or blowing over, craters from the rootballs of these fallen trees and lots of large, decaying logs.

Trees in BRV’s old-growth plots are relatively young — about 125 years old, compared to conventional old-growth forests where trees are
300 to 800 years old. To encourage old growth at BRV, trees competing with larger, healthy ones are selectively thinned; then felled trees are left lying in the old-growth stands. The decaying logs help keep the area moist and create the right conditions for fungi, lichens, mosses and insects that are important for proper ecosystem functioning.

To compare forest management styles, the foundation has created demonstration plots (ranging from 10-15 acres in size) that represent four different practices: old growth, environmental diversity, no management and high timber production.

Within each demo plot, trees in one-fifth acre areas are marked and periodically measured for volume, woodlot density, basal area, canopy cover and species diversity. “The plots are a great educational component for land managers or individuals with woodlands because they show the long-term response to different management styles,” says McCuistion.

Supporting wildlife

BRV is home to more than 700 varieties of plants, 115 types of birds and 30 kinds of amphibians and reptiles, with many species listed as endangered, threatened or of special concern. In addition to habitat enhancement initiatives that help nurture these diverse populations, the foundation’s land stewardship team also creates a number of wildlife structures:

- Hibernacula made out of rocks and tree rootballs.
- Piles of lateral logs, brush and stumps, along with other structures that serve as refuge for wildlife.
- Vernal ponds, which provide a safe haven for many amphibians to reproduce in.

In 2017 the team began experimenting with a new structure to protect turtles from predators while they build nests and then continue to shelter eggs and hatchlings.

Turtle nests are particularly vulnerable to raccoons, opossums, skunks and foxes, explains Jon VanSchoick, manager of building maintenance. “In fact, researchers estimate that more than 80 percent of nests are destroyed, with the vast majority ransacked within 48 hours of eggs being laid.”

Of the seven turtle species found at BRV, six are aquatic, so the experimental structure was located on the banks of Sharkey Lake, a small lake on BRV’s northeast side.

The shelter features a wire-covered 10-foot by 50-foot nesting area on shore, with a 16-foot by 16-foot extension that protrudes out into the lake and then drops 16 inches below the surface. “Turtles can easily swim under the fence and get into the structure, but it keeps predators out,” VanSchoick explains. “A 1.5-inch slot around its
outside edge on shore enables turtle hatchlings easy access both in and out.”

In addition to conservation initiatives on undeveloped portions of BRV, the foundation also incorporates good environmental management in and around its buildings. For example, many landscaped areas are planted with native plant species. The headquarters building and retreat center both feature geothermal HVAC systems, and the retreat center has been LEED® certified by the U.S. Green Building Council.

Research at BRV

The foundation also makes BRV available to academic researchers and environmental organizations.

Among current initiatives is an ongoing study with the Eastern Massasauga Rattlesnake Species Survival Plan (EMR SSP). A consortium of more than 20 zoos, the EMR SSP has a dual mission: to enhance the captive population of massasaugas (which became a federally threatened species in 2016) and promote the snakes’ conservation in the wild.

Each May the EMR SSP holds its annual planning meeting at BRV, and members review breeding practices for their zoos’ snakes, which are managed collectively. They also spend considerable time outdoors, searching for massasaugas and taking detailed measurements of the snakes and environments in which they are found.

Nine years into the project, the researchers have collected data from more than 800 unique individual massasaugas at BRV. The data is being used to build population models to enhance conservation management practices. “This is important data because BRV is at the center of the snakes’ range, whereas most long-term studies have been conducted at the outer edges,” points out McCuistion.

Among other recent projects:

• Researchers from Michigan State University (MSU) and Eastern Michigan University led by Emily Grman have been studying plant communities at BRV and other sites to gain insights about restoring prairies and maintaining their diversity.

• Another group of MSU researchers, led by Bill Wills, studied the influence of ant populations in grasslands at BRV and potential consequences of reduced populations, which could occur if grasslands are converted to croplands. They also looked at ants’ impact on seed dispersal, decomposition and herbivory.

• Researchers from Western Michigan University led by Kathryn Docherty are investigating how soil bacterial communities in restored prairies can be amended to better sequester carbon.

For more information about our conservation and land management best practices, visit www.edwardlowe.org.
Big Rock Valley (BRV) has a unique sense of place that is part of our founders’ legacy and reflects their personalities and ingenuity.

Ed Lowe was a big proponent of pondering. During times of quiet contemplation, particularly at BRV, he got many of his best ideas for new products and processes. In fact, one of Ed’s favorite pondering spots was a wooden caboose that he purchased and brought to BRV in the late 1960s.

Envisioning BRV as a meeting place where other entrepreneurs could engage in both introspection and peer learning, Ed bought five boxcars from Detroit’s Grand Trunk rail yard in 1990 and repurposed them into creative housing for overnight guests. The main space of each car was divided into a sitting room and two bedrooms, with additions built for bathrooms and entryways. Wood was harvested and milled at BRV to create tongue-and-groove paneled interiors, and the original floors have been refinished.

The boxcars are part of Billieville, the foundation’s educational conference center, which is named after Darlene Lowe’s middle name. To help spark innovative thinking, Ed and Darlene’s idea was to transport guests not only to a different place but also a different time. Thus, much of Billieville has been designed to look like a turn-of-the-century town.

BRV also reflects the Lowes’ penchant for historic preservation. As Ed purchased land to expand BRV’s boundaries, some of the parcels included farmhouses that dated back to the 1800s. Ed and Darlene renovated these into guest quarters. While adding modern conveniences, they retained as much of the original work as possible. These houses are named after the families who once lived there.
Two renovation projects served as homes for the Lowes: the Cabin, which overlooks a quiet pond and sits on the first parcel of BRV land that Ed acquired in 1964; and the Barn House, an old hay barn now transformed into a rustic, albeit elegant, residence.

Another historic structure at BRV is the Penn Church. Originally known as the Penn Friends Meeting House, the Quaker church was built in 1880 by a group active in the Underground Railroad and located two miles east of BRV in the small community of Penn. In 1987 when the congregation wanted to remove the structure to build a new sanctuary, Ed offered to move Penn Church to BRV.

Adjacent to Penn Church, a memorial walk has been created to honor individuals who have been important in the history of our organization and the lives of our founders. This includes family members, foundation employees and past employees from the many businesses Ed operated.

“Regardless of the lens you use to view Big Rock Valley (as employee, guest or retreat attendee), there is something special about this place,” says Penny Lewandowski, the foundation’s senior consultant on external relations. “Ed’s love of nature and Darlene’s sense of style roll into something magical that creates not just a beautiful place to work, learn and reflect, but an experience that resides in your heart long after you have left.”

For more information about our founders, visit www.edwardlowe.org/ed-lowe-timeline. And if you’re in the neighborhood, stop by our Information Center. This mini-museum is located at BRV’s entrance and is open to the public on weekdays from 9 a.m. to 4 p.m.
Ed Lowe invented Kitty Litter, the country’s first cat-box-filler, in 1947 and went on to develop Tidy Cat and other brands. This simple product led to the creation of an entirely new industry, one that now generates more than $3 billion in U.S. sales. By the time Ed sold Edward Lowe Industries in 1990, the company had grown to about 600 employees and $165 million in annual sales.

Darlene Lowe, Ed’s wife, was also a successful entrepreneur. A talented artist, Darlene operated an interior design business, along with Haymarket Antiques and Designs Inc., a retail business that sold antiques and home accessories. She is responsible for creating the distinctive look at Big Rock Valley, the foundation’s home in southwest Michigan.

Wanting to provide greater support to entrepreneurs, together Ed and Darlene launched the Edward Lowe Foundation in 1985. Upon Ed’s death in 1995, Darlene assumed leadership of the foundation as chairman and CEO.