Bloomington is famous for many things: music, basketball, bicycle racing, and as the birthplace of Hoagy Carmichael, to name a few. But cutting-edge, high-tech startups? Not so much. Or, at least, not quite yet. But that’s changing because, for those in the know, Bloomington is an emerging technology hot spot.

“We’re absolutely headed in that direction,” says Chris Borland, founder and managing partner of local online gaming startup WhimMill. “In the next five years, we’re going to see some major changes—more young tech entrepreneurs staying here instead of heading for the coasts, and even entrepreneurs from around the country and the world coming to Bloomington to start businesses.”

Why, you may wonder, would any ambitious tech wunderkind choose to remain here or gravitate toward Bloomington instead of Silicon Valley, New York, Boston, or other larger, wealthier tech hubs? There are a number of compelling reasons. First, a small but rapidly growing network of organizations, conferences, and competitions has evolved in Bloomington to support tech entrepreneurship. Among them are Building Entrepreneurs in Software and Technology (BEST), a competition cohosted by the IU School of Informatics and Computing and the Kelley School of Business that annually invests in idea-stage, student-led tech businesses; Bloomtech, a meet-up group for tech entrepreneurs organized by Bloomington Technology Partnership—a public-private initiative funded by the city of Bloomington and the Bloomington Economic Development Corporation; and The Combine, an annual tech entrepreneurship conference.

This infrastructure, combined with a steady stream of highly skilled IU graduates plus an expanding number of innovative and already successful startups, has put Bloomington squarely on the tech map. The town has earned recognition from such publications as Inc. Magazine, which ranked Bloomington as a top city for doing business and specifically mentioned its success with tech-related startups, and Wired magazine, which called B-town an “emerging epicenter of high-tech industry.”

Another important reason: Many young entrepreneurs with ties to Indiana and to IU like it here and want to stay. That bodes well for the city’s tech startup prospects, says Donald F. Kuratko, the Jack M. Gill Chair of Entrepreneurship at the IU Kelley School of Business. “Bloomington is very much an innovative community, where musicians and artists have always felt free and encouraged to create,” he says. “Now tech innovators are starting to emerge, and it’s important that they have a place in the community.”

The following stories profile some—but by no means all—of Bloomington’s innovative young tech entrepreneurs, whose drive, focus, and creativity are at the heart of the city’s burgeoning tech startup economy.

A SAMPLING OF THE CREATIVE MEN AND WOMEN DRIVING BLOOMINGTON’S EMERGENCE AS A HUB OF HIGH-TECH INNOVATION

1. Andrew McKinney, founder and CEO of Bloomingsoft.
2. Marc Guyer, founder and CEO of CheddarGetter.
3. Russell Conard, chief technology officer and head of research for Ornicept.
4. Brad Wisler, cofounder and managing member of SproutBox.
Brad Wisler and his team invest in startup companies, which has directly led to Bloomington’s “technology hub” status.

While registering for the technology section of the SXSW (South by Southwest) conference in Austin, Texas, last March, Brad Wisler encountered Duncan Niederauer, CEO of the Exchange, if he could wear them. “Is it part of your brand?” Niederauer asked. “Yes,” Guyer replied. “Then I’d do it,” Niederauer said.

Marc Guyer, founder and CEO of CheddarGetter

Today, CheddarGetter has hundreds of paying subscribers, with dozens more signing up every month. Like many ambitious tech entrepreneurs, Guyer could probably find more funding and programming talent in a larger city. But he prefers Bloomington. “It can be hard convincing talented people that Bloomington is a great place to start a tech business, but it is,” he says. “In the past few years there’s been a real sense of excitement and a drive to make things happen. It’s sometimes difficult to explain what makes Bloomington’s tech scene so exciting, but when you’re doing it here it’s totally obvious.”

Brad Wisler, cofounder and managing member of SproutBox

Wisler had good reason to smile. As cofounder and managing member of SproutBox, a long-term venture capital firm that invests in tech startups, Wisler has had a direct hand in putting Bloomington on the high-tech map.

The initial seed that became SproutBox was planted when Wisler and his business partners, Mike Trotzke and Marc Guyer, were developing Resite Information Technology, a web-design and e-payment portal business that they started in 2001 in Bloomington. Although he loved Bloomington and appreciated the town’s reasonable cost of living, Wisler and his partners were frustrated by the lack of local startup equity in the companies it helps build.

“Our goal is to accelerate the startup process for the future, Wisler says, while he’s confident Bloomington will retain its unique character. “Everybody wants to know, what can we be for the future?” Guyer says, while he’s confident that SproutBox will continue to help grow the local startup community, he also hopes that the Bloomington tech scene will retain its unique character.

“The goal is to accelerate the startup process by helping entrepreneurs move quickly from the idea stage to creating products that generate revenue,” Wisler says. “So many businesses that get millions in venture capital end up with products in perpetual beta mode. We try to help companies build simple, focused products that add value and make money.”

Since opening to the public in 2009, SproutBox has been inundated with hundreds of proposals from around the world. In 2011, when Guyer was helping to develop SproutBox, he began working on a web-based billing platform as a tool for future SproutBox companies. “Most web-based businesses end up building their own system,” Guyer says. “But rather than reinvent the wheel every time, I wanted to create something that we could just plug into other companies and that they could adapt as their billing needs changed.”

When word of Guyer’s in-house project leaked to the wider tech community, it suddenly began attracting potential customers—especially small software startups in need of a simple, adaptable billing system—and Guyer was compelled to build a new company around this project, launching CheddarGetter in August 2009.

CheddarGetter began as a practical solution to a common problem. In 2009, when Guyer was helping to develop SproutBox, he began working on a web-based billing platform as a tool for future SproutBox companies. Most web-based businesses end up building their own system, Guyer says. “But rather than reinvent the wheel every time, I wanted to create something that we could just plug into other companies and that they could adapt as their billing needs changed.”

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Ilya Rekhter, founder and CEO of DoubleMap
Waiting for a bus is typically not at the top of anyone’s list of enjoyable activities. Will the bus arrive on time? Is the schedule bolted to the bus stop sign accurately? If only there was some way to track the bus. Well, now there is. Like any reunions, there is always a special someone who suddenly has more information on when and where certain buses were idle, potentially leading to better route design. Rekhter conceived DoubleMap tracking system in his head while studying computer engineering at the University of Iowa. After graduation, he and his team developed a tracking system using tablets running specially designed software. Testing on university buses revealed that the system was useful not only for riders but for transportation administrators, who suddenly had more information on when and where certain buses were idle.

Rekhter’s scheme, he refused to abandon the idea and began devising a plan to rig university buses with GPS-tracking capability. Using cellphones, though, turned out to be a dead end, as AT&T, Verizon, and other carriers were not willing to negotiate the special rates needed to make the system viable. “At the end of the day (Rekhter and his business partners) realized that if we were going to do this seriously, we would have to re-engineer the system from scratch,” Rekhter recalls.

By 2011 he and his team had developed a new system using tablet computers running specially designed software. Testing on university buses revealed that the system was useful not only for riders but for transportation administrators, who suddenly had more information on when and where certain buses were idle, potentially leading to better route design. Since its official rollout in 2011, the DoubleMap tracking system has been adopted by IU-Bloomington, Butler University, Illinois State, Notre Dame, and IU-South Bend. This summer the company plans to finalize deals with the State University of New York at Cortland and George Mason University. While DoubleMap is not the only real-time bus-tracking system on the market, Rekhter takes pride in having built one that’s affordable. “Previously, only very wealthy schools could afford this type of system,” Rekhter says. “We’re like the Toyota Camry of vehicle locator systems, providing solutions for state schools and smaller schools.”

Russell Conard, chief technology officer and head of research for Orncept
Russell Conard is an inventive, dedicated computer programmer who loves nothing more than being out in the woods, watching birds. Fortunately, while doing graduate work at the IU School of Informatics and Computing, Conard, 23, found a way to combine his passions for writing codes and his birding. Working with IU computer scientist David Crandall, Conard developed an algorithm that enabled a computer to identify birds captured on video. Then, channeling his entrepreneurial instincts, Conard began seeking a way to commercialize his invention.

“I was talking to a Ph.D. student in biology at the University of Minnesota, and she asked me if my software was able to identify eagles,” Conard says. “I said, ‘Sure,’ and she suggested that my technology could be useful for the wind-energy industry, which struggles with how to protect birds—eagles included—from turbine blades.” Conard contacted a wind-energy insider and learned that the industry typically addressed the problem by hiring biologists with pickup trucks and binoculars to go to remote locations and record where birds are flying. Conard believed he could do better. “I knew my system could collect high-quality data and get biologists out of the field and back in the lab where they could actually analyze the information.”

Partnering with Justin Ottani, who recently earned a J.D. in business law and intellectual property at the IU Maurer School of Law and an M.B.A. at the Kelley School of Business, Conard took a leave from his graduate work and founded a company, Orncept, in mid-2011. Over the past year, Conard and Ottani have been working closely with wind-energy developers and have several projects in the works to deploy Orncept’s technology.

Unlike many caretaker startups, Orncept is well beyond the idea stage, with technology—both software and hardware—close to fully developed. Nevertheless, the School of Informatics and the IU Kelley School awarded Orncept funding as one of four winners of the inaugural Building Entrepreneurs in Software and Technology competition. “I appreciate that Bloomington is starting to develop a tech startup culture and think there’s great potential to keep it going,” Conard says. “I’d love to see the tech community and the university community work even more closely together to push innovation and to give Bloomington its own, unique identity as a technology hub.”

Russell Conard has combined two loves—computers and birds—to help protect birds from wind turbines. His research takes him to WildCare Inc. to study local birds, such as this red-tailed hawk.
Hilary Elmore Cage has revolutionized the communication between programmers by making their interaction instantaneous.

Hillary Elmore Cage, CEO of Code Together

The majority of tech startups are staffed—from CEOs to interns—by males in their 20s and 30s. Women, while not nonexistent, are a decided minority. Young female CEOs are a downright anomaly—a fact of high-tech life of late. "When you’re the only woman in the room, you awkwardly defer to you, or just ignore you," says Cage, 28, CEO of local tech startup Code Together, "Before Squad, if you were a programmer working on a tricky bit of code and you needed help, your best option was to log into an online forum and wait to hear from other programmers. Although the company had essentially lain dormant since its founding in 2009, Cage recognized Squad’s potential. "Squad changes that because now programmers can work on code together and get immediate feedback." Squad is also useful for freelance programmers with tech-savvy clients who want to view and comment on the work in progress, and for salaried programmers who are part of a team but who work from home or at multiple offices.

Over the past year, Cage, working with a developer, has set about revamping the business by redesigning the website, finding and fixing bugs in Squad’s computer code, and developing new marketing strategies. Squad currently has around 50 monthly subscribers and many more potential customers trying the free version.

Despite the often daunting challenges of being a young woman in a mostly male environment, Cage has grown to love being a tech entrepreneur. "Running a startup business is fascinating because there are so many interconnected spheres—billing, marketing, managing employees," she says. "And then there’s the technology itself, the challenge of how can we make it do what our customers want, how can we make it better?"

Andrew McKinney, founder and CEO of Bloomingsoft

While working as a consultant for Walt Disney Animation Studios, local software developer and IU alum Andrew McKinney had a revelation. It was possible, he realized, to build useful, practical apps that were also fun and easy to use. "At Disney we would often throw previous designs off the table and try to come up with something new, like an animation process-management app that used a fish tank as an interface and had dead fish float to the top when a process likelihood of crashing. He sold DrivingBuddy in 2011. The next project, and most successful to date, was a simple "to-do list" app called Droplist. "I had a real problem with most project-management, productivity, and to-do apps—the problem being that they were almost always too complicated and hard to use," McKinney says. "Droplist was designed to be very simple and more engaging." The strategy worked, as the app was featured on the front page of Apple’s App Store. Droplist sold more than 40,000 units, allowing McKinney to quit his freelance work and focus full time on Bloomingsoft.

McKinney’s current and most ambitious project is Speechhero—an app that helps children with autism and other communication-related conditions learn to interact socially. "For a lot of these kids, they say ‘yes’ when they really mean ‘no’ and can’t even point to the word ‘yes’ on a screen," McKinney says. He’s been working with local speech therapists to build this game-like app. As for why he chooses to remain in Bloomington instead of lighting out for either coast, McKinney, like many local tech entrepreneurs, values the local scene’s emphasis on quality over riches. "Bloomington has a different energy than other tech hubs. In places like Silicon Valley and New York the energy feels rushed, and people work around the clock to go big and make as much money as fast as possible. Here it’s more about craftsmanship. People really care about making something good."