

Phygen: Tapping into an ecosystem to boost success

Phygen Coatings develops super-hard thin film and surface coatings for tools and components used in die-casting, metal forming, plastic injection molding, packaging and food manufacturing. These coatings help customers' equipment resist corrosion and metal-on-metal wear, resulting in greater longevity, improved productivity and quality. Founded by David C. Bell in 1994, the Minneapolis-based company now has about 20 employees. In late 2013 Phygen entered the Hennepin-Carver-Anoka-Ramsey-Scott (HCARS) Economic Gardening Program, which gave it access to the National Strategic Research Team (NSRT), quarterly CEO forums and monthly PeerSpectives roundtables.

“Economic Gardening® is like fertilizer for your business,” says Bell. “The forums, roundtables and research team work together in an ecosystem designed to help existing companies be more successful.”

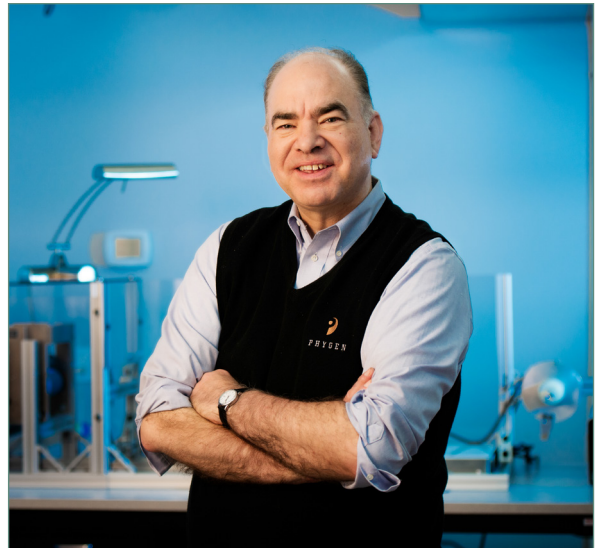
Pointing to the CEO forums, Bell says these events provide an environment for general information gathering, networking and encouragement. “They’re an opportunity to meet people that are aspiring to build successful companies the right way and share a passion for excellence,” he explains.

Many networking opportunities miss the mark because attendees are not at the same stage of development, Bell adds. Yet HCARS’s CEO forums give him the chance to “plug and play” with other second-stage business owners who share his growth issues.

The PeerSpectives roundtables offer another venue for peer learning — and the chance to dive deeper into specific challenges. “These aren’t gripe sessions but a place where you can have productive conversations about issues that are common barriers to growth,” Bell says. “There’s also a mutual respect because we’re experiencing the same kind of pain points at the same time. This is very different than talking to someone who went through it 10 years ago.”

Other aspects of the roundtable that Bell values include:

- A confidential, noncompetitive environment. Although participants have complementary interests and talents, they come from different industries and markets.
- The ability to leverage group genius. “One thing that we do too much of in business is reinvent the wheel, which impedes growth,” Bell explains. “The roundtables give you a chance to put new tires on the car and drive.”



David Bell, founder of Phygen Coatings in Minneapolis.

Case study: Phygen Coatings

- **Accountability.** After raising an issue in the roundtable, the facilitator or other members will follow up later about action taken to resolve the problem, which prevents procrastinating.
- **Presentations from experts on various topics, ranging from trends and issues in employment law to using social media.** Although Bell eschewed social media in the past, it's now high on his to-do list.

More recently Bell began working with the NSRT and has asked the researchers to analyze Phygen's marketing efforts. This includes identifying new markets and customers to pursue — and benchmarking Phygen's website with the competition. Bell plans to use this information to overhaul his website and make it a more effective marketing tool.

Due to Phygen's long sales cycles, it's difficult for Bell to quantify the direct impact of Economic Gardening. Yet he believes Phygen will generate significant increases in both jobs and revenue, doubling or even tripling revenue by 2019.

“Growing an existing business, even when it's successful, is a long-term effort,” he says. “You need a swath of resources to help you continue to scale — and that's what Economic Gardening provides.

“It's a process that disciplines you to think about where you want to go next,” he adds. “As a second-stage entrepreneur, there's always a tension between what I should do right now and what I should do next. Economic Gardening gives me a framework, along with the right tools and information, to focus on the right priorities to achieve future growth. It's about knowing what to do and how to act on that information.”



The National Center for Economic Gardening is a partnership between the Edward Lowe Foundation and Chris Gibbons. NCEG delivers Economic Gardening services and maintains national standards in training and certification for both regional and state networks. For more info, visit www.edwardlowe.org. The Edward Lowe Foundation is a nonprofit organization that supports entrepreneurship through research, recognition and educational programs, which are delivered through entrepreneur support organizations (ESOs).