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## GROUND LEVEL: ENTREPRENEURSHIP

### When starting a business is the only choice

by [Conrad Wilson](#), Minnesota Public Radio  
March 5, 2012

HUTCHINSON, Minn. — Until the summer of 2009, Greg Jenum had spent his entire career in engineer manufacturing, helping build everything from the scaffolding inside energy-producing wind turbines to Nordic Trac workout machines to kits for converting two-wheeled motorcycles into three-wheeled road masters. Working for a company in Winsted called Millerbernd Laser, Jenum felt he had a good grasp on how to build things and was trying to learn more about the business side of the industry. But with the economy crashing, he was laid off.

Jenum, his wife Melanie and their five children live in Hutchinson, about an hour west of the Twin Cities. They liked the schools and didn't want to move.

A few months before he was laid off, Jenum had started a small industrial sewing business in his basement making trampolines for catamarans -- the large, tightly stretched pieces of fabric that support passengers when they sail the twin-hulled boats. Jenum's not much of a sailor, but the market wasn't too competitive and his dad had run an industrial sewing business. He toyed with doing it full-time but not right away. Losing his job "forced my hand on what I needed to do," Jenum said. "It was either continue with this or get another job."



*Atomic Tarp*

He looked for work for months without success and finally decided to put all his energy into the company. He drew up a business plan, got a loan, purchased some equipment and rented office space. Today Jenum and his wife run Atomic Tarp on the outskirts of Hutchinson. The workshop is a good-sized garage full of sewing equipment and fabrics, and not long ago the company landed contract work allowing it to grow. The Jenums now have three employees and are coming up with other products, like gig bags for musicians and pads used by law enforcement for hand-to-hand combat training. Atomic Tarp's catamaran trampolines are shipped around the world. "This is the best job I think I've ever had," said Christine Wilber, an employee since last March. "I love to sew. I worked for Fingerhut for many years and they closed up where I was at. And now I'm back. It's like coming full circle. I'm back to my favorite job."

Jenum became an entrepreneur who built a company out of necessity, which turns out to be the route to success for many businesses.

Dileep Rao is a clinical professor of entrepreneurship at Florida International University and author of *Bootstraps to Billions*, a book which profiles some of the people who started Minnesota's largest companies. He says more than 20 percent of the businesses he's studied were started by entrepreneurs out of necessity. Some had children; others lost jobs or chose not to move when their companies did. Whatever the reason, Rao says it's not that unusual for people to turn to entrepreneurship for employment.

"Dick Schulze was a sales rep for many consumer product lines and he lost some of his lines," Rao said. "(He) decided he needed more control over his life and started Sound of Music, which morphed into Best Buy."

**"This is the best job I think I've ever had."**

- Christine Wilber, Atomic Tarp employee

Rao says unemployment is actually a catalyst for entrepreneurship.

"Because people after six months, nine months of struggling to find a job often say, 'Ah, to hell with it, I'm not going to work for somebody else who can fire me again ... and I don't want to repeat this process in 10 years, so I'm going to start something on my own.'"

But Rao said he hasn't seen this played out as much recently.

The loss in home values, mounting debt, tight credit and an overall reduction in demand for many goods and services are all factors working against entrepreneurs as the economy slowly recovers. Hutchinson certainly knows about the ups and downs of the economy. Hutchinson Technologies, maker of a device that helps read computer storage drives, has been a big employer for years but has lately seen employment fall from around 1,500 to about 680 or 690, said Miles Seppelt, the city's director of economic development.

"That's a big, a big change," Seppelt said. "We want to get more companies that are 50 to 100 employees rather than have one or two companies that are 1,500."

Obviously, Seppelt is glad there are large employers in the area like Hutchinson Tech and a 3M plant. But he says a diverse local economy can handle future recessions better. Having different types of businesses also gives more opportunities for the community to grow.

The trick, he said, is knowing how to support them.

Small Business Administration figures show that 60 to 70 percent of businesses don't make it to five years old, Seppelt noted. Hutchinson is trying to turn those odds around. It has a new industrial park and partners to offer coaching to business owners. It also has a \$1.2 million revolving loan fund.



Atomic Tarp isn't the city's only recent start-up. There's an exercise studio and a graphics company that specializes in custom boat designs. The city's also seeing interest from people wanting to rent space in some of the vacant storefronts along Main Street. Put together, it's a start towards the type of economic activity the city's trying to build on.

"Then you can turn that whole statistic right on its head," Seppelt said. "Instead of a 60-70 percent failure rate, you have a 60-70 percent

**AUDIO**  
▶ [When starting a business is the only choice](#)  
(feature audio)

**GROUND LEVEL: ENTREPRENEURSHIP**  
This Ground Level project looks at places in Minnesota that have been trying to foster a more entrepreneurial culture and the people and projects trying to take action.  
[More in Ground Level: Entrepreneurship](#)

*Kevlar thread at Atomic Tarp*

success rate after five years."

At Atomic Tarp, Jenum would like to grow his company but realizes the future isn't certain.

Christine Wilber is steadily building up trampoline inventory for when things should get busy this summer. While she sews, Jenum spends most of his time looking for more business. "The big question is: can you bring in enough sales," he said. "To this day, I'm struggling with that. That's the biggest, the biggest headache I have right now is making sure that I can keep the employees."

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