

FOCUS: ENTREPRENEURS

By David Krotz

PRACTICING what he TEACHES

Don Salyards is an economics professor at Winona State University, but he has found time to operate a bed and breakfast with his wife, Deb, and do a little venture capital investing on the side.

Meet Don Salyards of Winona, full-time economics professor and small-time investor who has helped fund two successful start-up businesses

Venture capital companies come in all sizes, from those able to fund multi-million-dollar start-ups to individuals who invest a modest chunk of money on the side.

Don Salyards of Winona is one of the small-time investors, but he has helped fund two successful start-up businesses in exchange for a partnership role.

The ventures were definitely "on the side" because Salyards has been a full-time economics professor at Winona State University for 31 years, and he and his wife, Deb, have owned and operated Carriage House Bed and Breakfast for 19 years.

The couple also owns residential and commercial real estate in Winona and Chicago.

After years of experience as an entrepreneur and investor, Salyards describes himself as a one-man show who is sought out by those with new business ideas.

"My first deal that amounted to anything was Comfortex in the early '80s," he said.

Mike Murphy was working at Lutheran Hospital in La Crosse when he came to Salyards with an idea.

"He was a smart young guy, in his early 20s, and he was changing bed pans," Salyards said. Murphy had an idea of how a special mattress could prevent or treat bed sores.

Murphy remembers, 22 years ago, when he and Salyards "went outside to friends and family to get started." Salyards helped set up the structure of the corporation, but "we had to go outside to raise the capital. He knew people and I knew people," Murphy said.

Salyards has since sold his interest in Comfortex, which employs 25 and sells to hospitals and nursing homes across the United States, Canada and in western Europe.

Another Salyards venture was Winona Pattern & Mold Co. It has locations in Winona and Franksville, Wis., where 42 journeyman patternmakers, mold makers and designers work multiple shifts and produce permanent molds for industry out of wood, plastic and metal.

Salyards maintains a half-interest in the company.

His partner in that 1992 start-up was fishing

buddy and neighbor Steve Czaplowski.

"I was a tool-maker working at Peerless Chain," Czaplowski said. "We started a little machine shop, and he handled the business organization part of it."

They each put in money to start the business, and Salyards continued to add funds when necessary as the business grew.

"Don is a good guy to start a business with. He knows what to do, he has contacts and can line up help with financing," Czaplowski said.

Murphy has a similar take on his former partner. "Don is a truly nice person who always wanted to be entrepreneurial," he said.

Salyards modeled his life after one of his economics professors at Graceland College, Frank Hough. Besides teaching, Hough raised cattle and owned side businesses.

"I thought to myself, that would be a pretty good gig," Salyards said.

But it wasn't until he completed his doctorate at Kansas State University in 1975 and landed the job at Winona State University that he began to think along those lines.

"I really enjoyed my teaching job and my students. I always have and always will. But it was like the Peggy Lee song, 'Is that all there is?'"

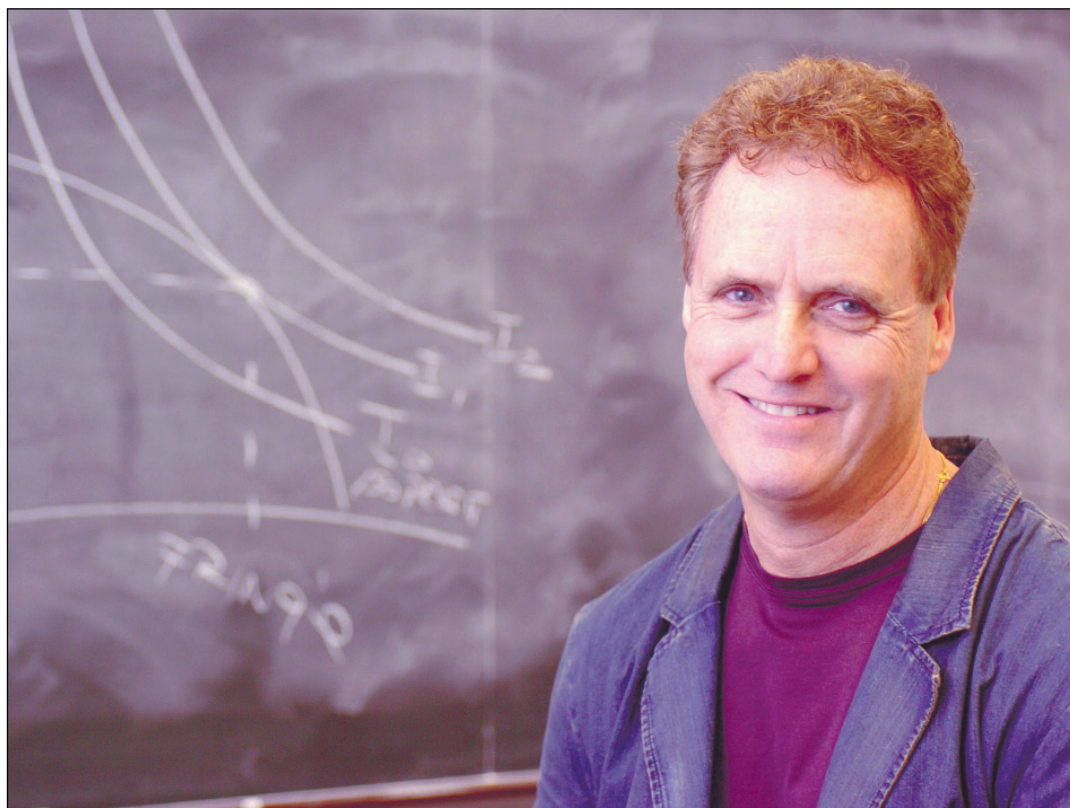
That's when he started looking for investment and business opportunities.

Salyards teaches a course in entrepreneurship at Winona State University.

"The kids really enjoy it," he said of the course, which focuses on how to finance a business, attract talent, find a product niche and create exit strategies.

"At some point, you want to get out," he said.

The most popular regular feature of the



James A. Bowey/Winona Daily News

class is the guest speaker invited from Winona's large pool of entrepreneurs.

"This is a real entrepreneurial town, and most people don't realize it," Salyards said. "I only know of two businesses that came to town: Winona Knitting Mills, which is out of business, and Watkins, which came from Plainview on a wagon."

"We've never depended on outside businesses to come to Winona. They always started here."

Even though Salyards is constantly on the lookout for a deal, he said, "I think I'll always be small time. I shouldn't even have a letter in the word entrepreneur when you compare me to people like Bob Kierlin (founder of Winona's Fastenal)."

Salyards sometimes is reminded of the impact his "twitty little companies" have on people's lives and the economy with their payrolls of a couple million dollars a year. To see the families and children running around at a company picnic "blows you away," he said.

"The people I admire are those who start from nothing, not from inherited wealth," he said. He cites a Vietnamese immigrant restaurant owner who had a simple explanation for her success.

"If you want to buy things, you've got to work," she said. ▲

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ADVICE

Don Salyards advice to would-be entrepreneurs:

- Know something about the business you're going into and have some experience.
- You will have to be able to deal with hard times because they will come.
- Do something you like and have a passion for. During the tough times, passion will carry you through.
- Most successful business people know you don't want to spend more than you have coming in.
- When things get tight, cut back.
- You need to go out and get customers. They won't just come to you.