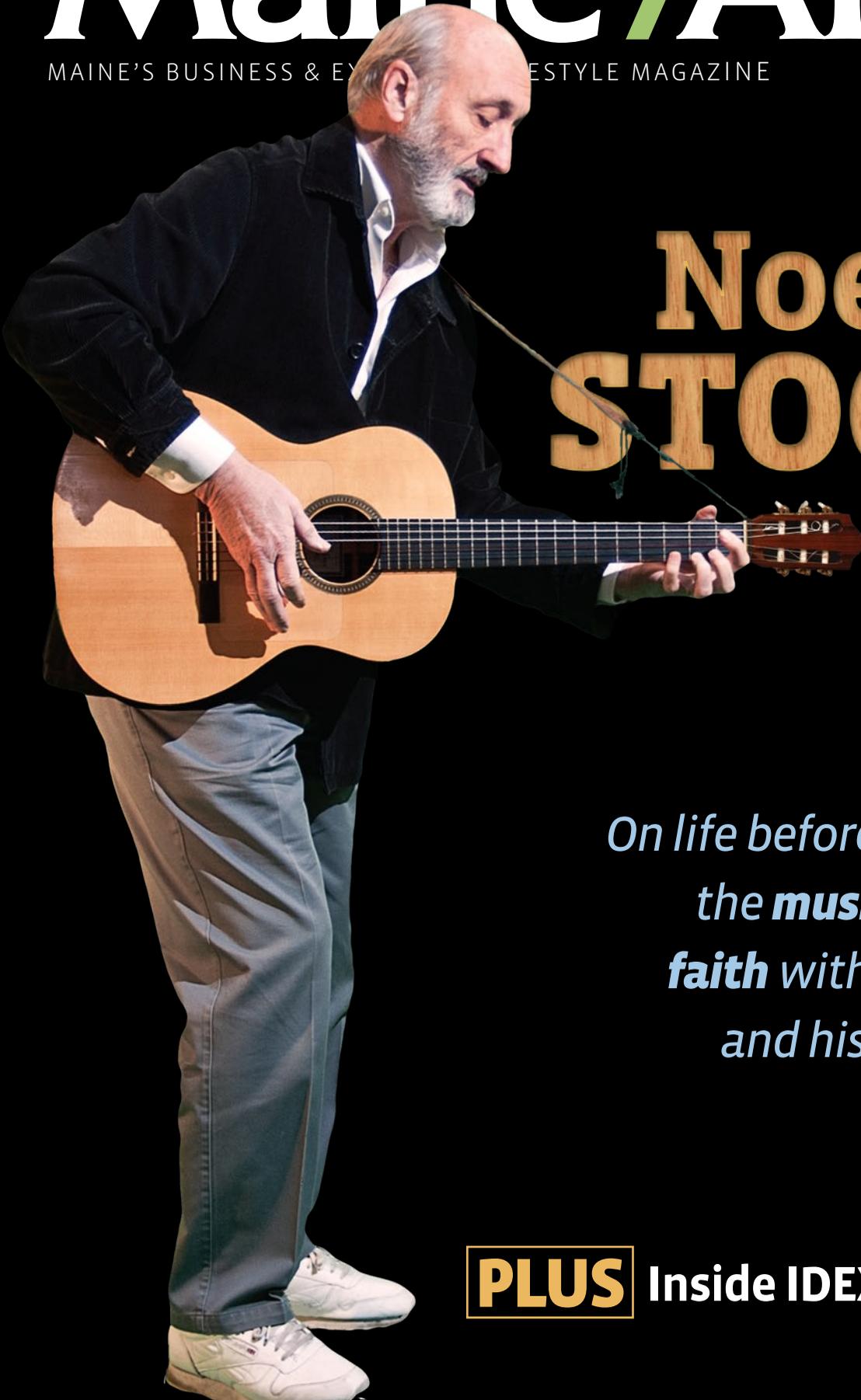


LISTEN UP ESPAÑOL 18 | YOUNG ENTREPRENEURS 38 | HOWIE CARR 10

# Maine > Ahead

MAINE'S BUSINESS & ENTERTAINMENT LIFESTYLE MAGAZINE

\$5.95 U.S. \$6.95 IN CANADA



## Noel Paul STOOKEY

*On life before **Peter, Paul & Mary**,  
the **music business**,  
**faith** without borders,  
and his hopes for **Maine** ...67*

**PLUS** Inside IDEXX ...26

APRIL 2011







# FRESH *Ownership*

Any business owner wearied by the rites of ownership will glean fresh enthusiasm from three insightful entrepreneurs under 40:

**Becky McKinnell, Jeremy Litchfield, and Heather Chandler.** BY TORI BRITTON & MARK WELLMAN

**F**acebook cofounder Mark Zuckerberg, now 26, is the new poster child for early business success. Before that, it was Sergey Brin and Larry Page, the pair who cooked up Google in a Stanford dorm room in 1998—and are still under 40 years old now. Netscape, Ning, Paypal, Hulu, Twitter—they were all founded by nerdy young guys obsessed with seeing their digital vision come to life. They just happened to get rich in the process.

High profile success stories like Zuckerberg's, however, can set up unrealistic financial expectations for young people going into business. As Becky McKinnell, Jeremy Litchfield, and Heather Chandler can attest, business ownership is more about falling in love with an idea, committing to it, doing the legwork, adapting quickly, and juggling cash flow than it is about getting rich. Atayne owner Jeremy Litchfield, for example, has yet to take a penny out of the niche apparel company he founded four years ago.

"Entrepreneurs come in all shapes, sizes, colors, and backgrounds," he says. "But I can tell you one thing that will make a quick end to your journey: Doing it to make a lot of money. There's no doubt a lot of why I'm doing this is to make money, but that's not the number one reason. You have to absolutely be driven by a passion for what you believe in and really love your product and your mission, whatever it may be."

McKinnell and Chandler, creators, respectively, of a web design firm and a publishing company, would both agree. All three are convinced that Maine has given them more business support than they would have had someplace else, and that there's no place they'd rather be. For us battle-scarred entrepreneurs passed the 40 mark, that's refreshing news.



## Jeremy Litchfield • Atayne

Founder/Chief Pacesetter

Jeremy Litchfield founded Atayne in May 2007. Atayne uses “trash” (e.g., plastic bottles, coconut shells, crab shells, old garments) to design high performance outdoor and athletic apparel. Prior to starting Atayne, Litchfield’s professional experience centered on brand strategy, consumer insights, and growing brands through nontraditional channels. He earned a BA in biology from Bowdoin and an MBA from American University. Litchfield has run six marathons in the past four years. He is the founder of the Maine Textile Consortium, and sits on the advisory board of the Foundation for Renewable Energy Education.

LITCHFIELD

### Please give us an overview of your company.

I founded Atayne in May 2007. I started it in northern Virginia, but about two years ago I moved it up to Maine, where I’m from. We make high performance apparel geared toward activities like running, cycling, hiking, Nordic skiing, but we use exclusively recycled fabrics, primarily from plastic bottles. We also do all of our manufacturing in the U.S. Our goal is to create high performing products for people who are into endurance sports, but in a way that is safe for the environment, and that presents no harm to the workers who make it or the people who wear it. Right now there are two of us who work on it on a consistent basis. The rest are contract or freelance. At any given time, anywhere between eight and 10 people are working, but they’re not full-time employees.

### What were your childhood and youth like?

I was born in Brunswick, grew up in Durham, went to Brunswick High School and then to Bowdoin. And I lived in Portland for a couple of years right out of college. My dad just retired from L.L. Bean about two years ago after 37 years. A lot of my time as a child was spent camping with him, going up to Moosehead Lake, canoeing, fishing—very outdoorsy. And I was also involved in sports. I played one or two sports year-round from the time I was in third grade.

### Now that you’re a business owner, do you find yourself or your family telling stories that foreshadow you becoming an entrepreneur?

I’ve always run before I walked. My mom swears

that when I was about 10 months old and hadn’t walked yet, we were in a store and she had put me down to grab something off of the shelf. I was just holding onto the cart and all of a sudden I took off running down the aisle.

### What inspired you to start your own business?

When I was in college, I read a book by the founder of Ben and Jerry’s called *Double Dip* about how business is one of the most powerful machines for positive change. Up until then I thought I wanted to be a teacher and change the world one seventh-grader at a time. After reading this, though, I realized that what I wanted to do was eventually start some sort of socially responsible company.

Eventually I made my way down to DC, got my MBA, and started working for a marketing agency. One day I went out for a run wearing a new red performance top that I’d recently purchased. I’d washed it probably once or twice. By the end of the run I was covered in red dye. I did some research and realized that the whole model of the apparel industry is just horrible on the environment. Everything about this was against my values. Two days later, I went into my boss, told him I was quitting my job and starting a company.

### Did he say, “Good for you”?

Actually, he was instrumental in helping me get it going, to help me transition over to a contract employee and kind of fade out and still have a little money coming in, but he also pulled together a group of people who were the initial investors in the company who helped it get off the ground.

**What was your first big stroke of fortune?**

We launched sales at the very end of August 2008, about 15 months from the time that I decided to launch the company. About a month after that, we got featured in *Trail Runner* magazine. We had been selling product for maybe a month and we were already getting reviews.

**What was the first big mistake you made?**

Literally two weeks after we launched sales, the economy tanked. I had raised about \$250,000, but people started pulling out and scaling back on their investments so we had a fraction of that to actually launch the company. One of the key things you learn is it's all about cash. You don't go out of business by being unprofitable; you go out of business when you run out of cash. The biggest mistake I've made is not realizing that someone verbally committing or even sending a contract doesn't mean it's in until it's actually in the bank.

**How have you refined or expanded your product since you started?**

We haven't been able to expand our line as fast as I'd like, but we've worked with people in the running community to help us design and develop new products. We've also leveraged some of the resources here in the state. We're working on a product right now for the outdoor athletic gear industry, and we were able to get a grant from MTI [Maine Technology Institute] to help with development. You have to think creatively. There's also been a lot of creative use of credit cards to help fund production.

**How have you financed your business since the original investment, which didn't come through?**

I have yet to pull money out of Atayne; I haven't drawn a salary. My wife has maintained a job and supports us. She's the backbone of the company. She is an investor and a cofounder at the same time. Shortly after moving to Maine, we started banking with Bangor Savings Bank, who have been unbelievable to work with. At the end of last summer we were able to get a working capital loan from them. And then, along the way, we have had small investments from friends and family and people who want to help support us.

**“In most places in the world, everyone is separated by six degrees. In Maine, people are separated by two degrees.”**

**How have web-based technologies changed how you do business, or will in the future?**

I think we're going to start to get a blending of e-commerce and a typical retail environment. Retail spaces are going to get smaller, and this recession has already changed the way that they are doing business. They're carrying less stock, they're not committing to the brands that they carried.

You might see retail environments where it's more about online kiosk buying in the store, where they have a very limited number of items that you can try on, feel them, but you're actually placing the order through a kiosk that we would fulfill as opposed to the retailers.

**What are the best and worst parts of being a young entrepreneur in Maine?**

In most places in the world, everyone is separated by six degrees. In Maine, people are separated by two degrees. If you want to connect with someone high profile in this state, you can. There are a lot of great programs out there, so many it's almost overwhelming to understand what's appropriate to you. And for us, being in Maine adds to our brand. People from all over the world really respect Maine, and we can thank companies like L.L. Bean and Tom's of Maine for that.

But there's a huge capital gap preventing a lot of great companies from getting to the next level. A program through the Finance Authority of Maine allows angel investors and VCs to get major tax credits on investments they make in Maine companies—40% to 60%—so you're eliminating almost half the risk of your investment, but there's still not a lot of capital flowing. So we need to help people get over that risk aversion a lot of Mainers have, and make it more attractive for people out of state to bring money in. When you consider that Boston is the second-largest financial capital in the country for venture funding, more of that money should be coming into Maine.