

# UW-Madison: Seeding tech growth in Wisconsin's fertile ground

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Why would a global program for tech startups tackling risk decide to make Wisconsin its home? And how does a partnership with a Fortune 300 insurance company help support success for the startups?

When the Creative Destruction Lab (CDL)-an innovative nonprofit that has created programs in support of early stage startups worldwide – decided to partner with the University of Wisconsin-Madison and Madison-headquartered American Family Insurance for only its second U.S. location, it gave a nod to the ever-growing recognition that the region is fast becoming a hub for technology and innovation.

CDL is not alone in this belief. In December 2019, two national think-tanks, the Brookings Institute and Information Technology and Innovation Foundation, released a report putting the Madison area at the top of the list of regions positioned to be the next national tech hub. This thinking reflects what many in the area already know: The education level, business climate, and rich environment for innovation and scientific discovery make the region fertile ground to seed the next wave of entrepreneurs and tech growth.

Founded at the University of Toronto's Rotman School of Management, CDL's objectives-based entrepreneurship program was built to include active involvement of university students and faculty. This will support a streamlined pathway for research and discoveries at UW-Madison to more quickly find its way into industry. In addition, students will have access to an exciting experiential learning lab geared towards educating digitally aware students who will quickly become the business leaders of tomorrow.

Not including Wisconsin, CDL currently has eight locations. They are in Canada,

England, and France. The only other U.S. program is in Atlanta, Georgia, which is launching at the same time as Wisconsin.

“Students from a variety of academic disciplines will benefit from the exchange of ideas and interactions with entrepreneurs and mentors, while generating startup ideas about how digital technologies can spur unrealized opportunities in risk management,” said Vallabh “Samba” Sambamurthy, Albert O. Nicholas Dean of the Wisconsin School of Business. “In the long run, this will be another way our public university helps to create jobs and grow the economy.”he

CDL’s decision to place its ninth startup program in Wisconsin was inspired by the revelation that while early-stage venture capital was concentrated in California and a few other cities, scientific breakthroughs that seed companies have a much broader geographic distribution. Discoveries and innovations in Madison, Milwaukee, and even as far as Minneapolis, make our region ripe for accelerated growth and venture investment in tech.

Understanding that Madison is home to not just a top-ranked university but also a highly innovative national insurance company, American Family Insurance, made Wisconsin an ideal location to launch its newest stream, CDL Risk. The program will nurture high-tech entrepreneurs in the growing field of risk management. CDL Risk will leverage the expertise at UW-Madison and American Family, focusing on emerging high-tech software technologies related to identifying, assessing, preventing, mitigating, and transferring risk. The program is slated to start in November and will be entirely virtual for the time being.

“The importance of supporting entrepreneurship in tech has never been greater,” says Tom Erickson, founding director of the UW-Madison School of Computer, Data & Information Sciences. “The tech industry continues to drive economic growth around the globe, and we have an opportunity to put Wisconsin in the center of that.”

As a founding partner of CDL Risk, American Family and its venture capital firm American Family Ventures is helping identify and select startups and will provide mentors and other resources during the nine-month program. This support is part of the company’s ongoing partnership with UW-Madison, which includes The American Family Insurance Data Science institute and endowed chair of the institute among other elements.

“Now, more than ever, we can see why entrepreneurship and advancements in data science and technology applied to risk management is critical to the insurance industry and society in general,” said Bill Westrate, American Family Insurance president. “Our involvement with these innovative startups in the very early stages will provide invaluable insights for us, and established resources to help them succeed.”

This partnership with American Family, access to focused mentorship from experienced entrepreneurs who have founded, led, and sold significant tech companies, and an emphasis on objective-setting to sharpen objectives, prioritize time and resources sets CDL Risk and CDL’s other programs apart from a typical startup accelerator.

With advances in data collection, analysis, and artificial intelligence, companies and individuals are better able to assess and respond to risk leading to new products, innovations, and cost savings. The ripple effect could lead to the development of many new companies and ventures focusing on anything from the use of satellites to detect wildfires, to new technology to identify potential damage to homes to improving traffic patterns to reduce accidents.

“UW-Madison is a great choice for this project,” says Professor Joan Schmit, who holds the endowed American Family Insurance Distinguished Chair in Risk Management and Insurance at the Wisconsin School of Business. “To be able to support entrepreneurial innovation and economic growth in an area where we have a deep bench of expertise is a natural extension of our work.”

“CDL has developed a proven process for helping companies cut through distractions and focus on what’s most important, with a global network working toward our mission to accelerate the commercialization of science for the betterment of humankind,” says Sonia Sennik, Executive Director of the Creative Destruction Lab. “We are thrilled to both welcome UW-Madison to the CDL family as our newest site, CDL-Wisconsin, and to announce the launch of CDL Risk in partnership with American Family Insurance.”

CDL Risk continues seeking startup candidates and businesses and individuals willing to serve as mentors.

Applications for CDL Risk at CDL-Wisconsin are now open at [creativestructionlab.com/apply](https://creativestructionlab.com/apply). Selected ventures will begin the nine-month



CDL program in October 2020. To learn more about CDL Risk, please contact [risk@creativestructionlab.com](mailto:risk@creativestructionlab.com).