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## VentureNet Iowa leads big ideas to market

■ To create hi-tech jobs, company connects inventors with managers and money

BY KENT DARR

When Ty and Jay Stukenholtz looked into the bio-renewable future, they saw corncobs.

Problem was that the 36-year-old twin brothers saw the cobs scattered across harvested fields, pretty much going to waste.

Having grown up on a Nebraska farm where there was a constant call for do-it-yourself tinkering and repairing, they took a hands-on approach to collecting the cobs and getting them into the fuel stream.

To that end, they assembled the sheet metal, knives and other components required to build their own combine, and they built it, themselves.

After they finished the first one, they built two more, always with the necessary refinements to harvest both the kernels and the cob from an ear of corn.

The brothers called their invention a resource-recovery system and teamed up with Beth Pihlblad of Waukee to market this and other inventions through Ceres Agriculture Consultants LLC.

Ceres is among a group of people and enterprises in Iowa that can boast of big ideas and the wherewithal to get those ideas into some tangible form.

It's the kind of young enterprise that is getting attention from VentureNet Iowa, an organization that connects idea people with management people and, eventually, money people who are willing to invest in emerging technologies.

What developers of those technologies often lack is an understanding of how to turn ideas into thriving businesses.

For example, Pihlblad brings management and marketing expertise to Ceres, but the Stukenholtz brothers are primarily interested in developing and building their equipment.

She noted that for 10 years, the brothers did most of their work outside, next to a barn. They started construction on a building in which to work, but have not completed it.

"Theirs is a true story of ingenuity and perseverance," Pihlblad said. "They have invested all of their resources into keeping their farm going and building their machines."

Ceres is working with VentureNet Iowa to gain more business knowledge and translate it into working capital that will allow the enterprise to transform itself into a full-blown company.

VentureNet Iowa has been pre-

Focus Story



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Two versions of a corncob recovery system, one on the grain wagon and one atop the combine, at work during this year's harvest. Ceres Agriculture Consultants LLC is marketing the product to provide a source of renewable fuel.

“When you throw your life into something, it's difficult to look at giving pieces away. We've run our systems long enough that, when it breaks down, who do we call to fix it, us.”

— Ty Stukenholtz  
farmer and partner in  
Ceres Agriculture Consultants LLC

sented with 70 such enterprises since it launched earlier this year as an arm of Des Moines-based Emerging Growth Partners, a business incubator that was selected by the Iowa Association of Business and Industry to implement a state-funded program to help create jobs in high-tech industries.

It isn't always the big ideas that capture the big bucks.

"We're a catalyst to get them started. We're trying to get them out of the idea stage," said George Wilson, a partner in VentureNet Iowa.

Wilson and his partner at VentureNet Iowa, John LaMarche, have a mantra that goes like this: Capital invests in management, not ideas.

LaMarche said about two of the 70 proposals presented to VentureNet Iowa had a management team and business model that would allow them to seek investment capital. The other 68 are in "various stages of maturity," he said.

"We try not to become micromanagers of companies," LaMarche said. "We really try to get out of the way."

To that end, VentureNet Iowa maintains databases of people with management skills as well as potential investors.

It also guides innovators through various stages of development, translating their ideas and inventions into a workable business plan.

"We work with anybody who is willing to work with us," LaMarche said.

Ceres is one of those companies. Pihlblad said she met Ty and Jay Stukenholtz when she began overseeing the operation of a family farm in south-central Nebraska.

The Pihlblad and Stukenholtz farms were near each other, and she got to see the brothers' first

combine in operation.

Over the past two years, they have traveled the Midwest to line up markets for the corncobs, which would be used as a substitute for corn or other organic material in making biofuels.

"We became aware of corncobs as a source of energy while we were at the University of Nebraska," Ty Stukenholtz said.

The twins graduated in 1997, but the family's 400-acre farm was not large enough to support an extended farming operation.

The brothers built their special combines and started a custom harvesting operation in Nebraska, later venturing to the Des Moines area. Basically, they traveled to wherever they could find work that was also close to a market for corncobs.

Their resource-recovery system attaches to a combine and allows the farmer to decide whether to harvest part or all of any particular grain, including corn and cobs, soybeans and their pods, wheat and wheat chaff.

Along the way, they jerry-rigged another combine so that it could harvest the tiny seeds produced by wildflowers and native grasses grown by a seed dealer near Winterset.

"He does about 300 different species of plants," Ty Stukenholtz said. "That was a jump, going from corn and corncobs. The plants are all harvested at different moisture levels, different sizes. Sometimes you don't know what a machine is going to do until you get it out there."

In 2002, the brothers received their first patent after developing a collapsible extension for the grain hoppers that sit atop combines.

"Before, a farmer would have to get out of the combine and raise and lower the extension," Ty Stuke-

nholtz said. "We could just sit in the cab and push a button."

Being hands-on inventors, the brothers have been somewhat slow to mass-produce their creations.

However, the corncob-recovery system, which can be attached to a combine, caught the attention of VentureNet Iowa, with the aid of Pihlblad.

"One of the first machines that we converted was for a relative of Beth's," Ty Stukenholtz said. "She saw what was coming and she decided that she wanted to help us."

The trio formed Ceres two years ago, but Ty Stukenholtz admitted to being somewhat reluctant, at least at first, to find a manufacturing partner.

"When you throw your life into something, it's difficult to look at giving pieces away," he said. "We've run our systems long enough that, when it breaks down, who do we call to fix it? Us."

He acknowledges that it would be nice to find "somebody to team up with" to manufacture the resource-recovery system.

The brothers have seen the benefits of teaming up with another partner, Pihlblad, who can bring special expertise to the table.

They might be ready for the next step.

"We've looked at doing this on our own, but somebody is going to be able to do the manufacturing deal better than we are," Ty Stukenholtz said.

Pihlblad noted that renewable fuels are an emerging market, and new partners must have patience and a willingness to take some risk.

"We need somebody with a lot of vision," she said. "We need somebody who understands agriculture and who isn't in this just to make lots of money." □

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— Beth Pihlblad  
partner in  
Ceres Agriculture Consultants LLC