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Firm finds niche helping communities realize potential

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When the Legislature cut funding from international programs at the Texas Department of Commerce a little more than a decade ago, Tom Stellman knew the state still needed someone to do what he had done there -- bring foreign investment to Texas.

So he left the public sector and went private, launching a new company in 1995 to attract international business to the state. What he found later was a much larger opportunity to help communities across the country realize their economic development potential in ways not previously explored.

"Our approach to economic development morphed from one focused on what it takes to bring a company in, to a more holistic approach on what it takes to achieve overall economic vitality within communities," he says.

That approach has benefitted Stellman's company, TIP Strategies Inc., allowing it to branch out into new arenas in recent years. The Austin-based firm has doubled its staff to 13 during the last 18 months and doubled its revenue since 2004. TIP expects to grow sales another 30 percent in 2007.

In 2000, Jon Roberts joined TIP as a partner and managing director, bringing with him his expertise in economic development consulting. The company increasingly focused on looking at the biggest opportunities cities, states and regions have -- from revitalizing downtowns to seeking new housing opportunities -- and not just on what they need to do to lure new companies.

In recent years, TIP has worked on local projects such as the economics component of the Envision Central Texas plan, the city of Round Rock's economic development strategy and a regional economic development cooperative between the cities of San Marcos, Seguin and New Braunfels. And that's just locally. Nationally, the company is doing work for clients such as the eight-state Delta Regional Authority and the state of Florida.

"The people at TIP Strategies have been instrumental in convincing us ... to think differently about how to achieve a better economy for this region," says Pete Johnson, federal co-chairman of the Delta Regional Authority. "This new way of thinking is driving the development of a strategic plan that hopefully will be a guiding document for federal, state and local government agencies."

While economic development consulting is TIP's dominant focus accounting for 50 percent of revenue, the company is quickly rising in two other fields: entrepreneurship and land-use analysis. Last year, TIP brought in Jeff Erramouspe, a practiced entrepreneur who has launched his own companies and run divisions of others, to lead the entrepreneurship strategies portion of the business. On the land-planning side, the company helps clients determine the best use for a piece of property, and how to go about realizing it. Land use comprises 30 percent of TIP's business, with entrepreneurship accounting for the remaining 20 percent.



Brett Buchanan | ABJ
TIP Strategies founder Tom Stellman (left) and company partner Jon Roberts look over plans for an upcoming project.

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Stellman, a University of Texas graduate, says he was lucky to get the chance to build his career here. But now, he says, he can't imagine his company being anywhere else.

"Communities around the country want to model themselves on Austin, so our experience here has really helped us," he says.

With more and more of TIP's clients wanting to learn firsthand what Austin is doing right, Stellman has decided to relocate and expand the company downtown to become more enmeshed in the local scene. The company is likely to double its offices to about 5,200 square feet in a Central Business District office building in coming months.

While communities across the country talk about quality-of-life issues, Roberts says TIP stresses quality of place, which is more about examining the needs and expectations of those coming into a community.

"In many cases, when you're talking about quality of life, all you're doing is reinforcing the values of the existing base of people, and that often doesn't tell you the whole story," Roberts says.

Stellman says four years ago the company was working with about a dozen clients annually; now that figure is up to 60 or 70 a year -- and about 50 percent of that business comes from repeat clients who retain the company to work on various projects. Going forward, he says he'd like to increase the company's work in the private sector, which currently accounts for only 20 percent of overall business.

"We really understand the link between the public and private sector," he says, "so I think we're more valuable for the private-sector client who wants to be able to position themselves with the public sector."

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