



David Morgenthaler is Cleveland's quiet business visionary: Brent Larkin

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Brent Larkin, The Plain Dealer
By

For decades, many of the town's corporate and civic leaders have considered David Morgenthaler perhaps the brightest man in Cleveland.

Plenty of evidence supports that thinking. Here's just one example:

In the late 1970s, Morgenthaler concluded that personal computing was a technology of the future. So he began shopping around for computer startup firms in need of investors.

After closely examining about 25, Morgenthaler made his pick.

"We finally decided two guys were going to win," he recalled recently.

Those "two guys" were named Steve Jobs and Steve Wozniak.

And so, in 1978, Morgenthaler invested in a small, privately owned firm then named Apple Computer Inc.

When he cashed out about six years later, Morgenthaler's sizable investment had increased more than tenfold.

Having already made his mark as a corporate executive, he was now on his way as a venture capitalist.

Morgenthaler, now 92 and the owner of a mind that seems 62, has lived here more than half a century. He and his wife, Lindsay, have long been active philanthropists. And the list of charities, nonprofits and universities that have benefited from their wisdom and generosity is enormous.



David Morgenthaler

Morgenthaler Ventures

Nevertheless, precious few Greater Clevelanders have heard of David Morgenthaler.

The product of a South Carolina farm family, Morgenthaler graduated with bachelor's and master's degrees in science from the Massachusetts Institute of Technology. During World War II, as a captain in the Army Corps of Engineers, he supervised construction of airfields in Europe and North Africa.

After the war, he embarked upon a career that has seen him serve as chairman, president or director of more than 30 companies -- from multinational corporations to startups.

But Morgenthaler Ventures, the venture capital firm he founded more than 40 years ago, is most responsible for his fame and fortune. The company's remarkable success making early investments in businesses still maturing has made him one of the world's best-known and most respected venture capitalists.

People who know Morgenthaler well marvel at his intellect.

"David has one of the sharpest, most analytical minds I've ever run across," said Cleveland Clinic CEO Toby Cosgrove.

Added former Forest City Enterprises CEO and board Chairman Albert Ratner, "He is absolutely brilliant. You're never with him when you don't learn something."

Case Western Reserve University President Barbara Snyder refers to Morgenthaler -- a huge supporter of CWRU -- as "an invaluable adviser" and "one of those rare individuals who combines a powerful intellect with a deeply practical perspective."

Morgenthaler Ventures also has offices in Boston and Silicon Valley. But despite Greater Cleveland's many problems, Morgenthaler's commitment to Cleveland has never wavered.

"The automobile wave in this country lasted 60 years, but Cleveland tried to ride it for 100," he explained. "Cleveland essentially missed the electronics revolution. To a large degree, it missed the life-sciences revolution. We didn't have a semiconductor or computer manufacturer. There's no question we're paying a price for that."

Nevertheless, Morgenthaler sees the potential for a prosperous future. And history tells us his advice for that future is worth heeding:

Build strong clusters in biomedicine and medical services. Explore alternative energy. Encourage small companies investing in new technologies. Support the efforts of groups like NorTech, JumpStart, MAGNET and Team NEO. Make sure our research-based universities prosper.

If we do that, Morgenthaler believes "Greater Cleveland should have a better future than lots of other places."

And then there's all that water.

"When I shave in the morning, I look out the window and see 20 percent of the world's fresh water flowing past my house," he said. "I've thought about how we use that to build an economic future for 50 years. I haven't found it yet, but the answer has to be there."

Maybe Morgenthaler should ask Siri to help him find it.

More than four decades after he scored with Apple, Morgenthaler hit another jackpot with a company named Siri, a Silicon Valley firm that created a voice recognition system for smartphones and other electronics. Morgenthaler's son, Gary, served on the Siri board.

Last April, Siri was purchased by Apple. In fact, if you own a new iPhone 4S, tell her, "Siri, find me information about David Morgenthaler."

Seconds later, up pops all you need to know about a Clevelander who spent a lifetime seeing the future and getting there first.

Larkin was The Plain Dealer's editorial director from 1991 until his retirement in 2009. **erset= 00000**

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