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BUSINESS FIRST

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Dana Bowers' entrepreneurial journey leads to founding iPay Technologies – and selling it for \$300 million

Business First of Louisville - by [Terry Boyd](#) Staff Writer

Mike Bowers remembers meeting Dana Smolenski back in 1999.

Bowers, president of Netzee Inc. at the time, had come to Elizabethtown to help Smolenski integrate Call Me Bill, the company she had just sold to Netzee.

"I came up from Atlanta with a briefcase and walked in," he said. "I did one of those great things you do when you meet clients (and) said, 'What can we do for you?'"

A somewhat rhetorical question under most circumstances. But not this one.

"She had a yellow legal tablet with everything written down," Bowers said. Page after page of deal details and questions were carefully written out.

From that moment forward, Mike Bowers said, he's had an incredible respect for Dana Smolenski — now Dana Bowers, his wife and business partner — and her ability to focus like a laser on the operational side.

Bluegrass entrepreneur

Rural Kentucky has an image problem when it comes to business — the problem is, it doesn't have one.

Then there's Dana Bowers and the four companies she has founded. She and her latest company, Elizabethtown-based **iPay Technologies LLC**, are authentic products of Hardin County, and her entrepreneurial odyssey might be the greatest story never told in Louisville.

When customers log on to the Web sites of, say, Louisville-based banks such as **Stock Yards Bank & Trust Co.** to pay bills, few are aware they're using electronic bill-pay software developed by iPay Technologies.

The company is so successful that it was acquired a week ago for \$300 million by Jack Henry & Associates Inc., a data-processing equipment and services provider for financial firms based in Monett, Mo.

Jack Henry bought the company from Boston-based **Bain Capital** LLC and Spectrum Equity Investors, which owned a majority of the company, and the Bowers, who had retained a minority equity position.

In 2006, the Bowers sold controlling interest in iPay Technologies to Bain Capital and Spectrum Equity Investors in a recapitalization, a restructuring of the company's debt and equity mix.

The sale puts Bowers and her husband and co-founder in a category of super successful entrepreneurs — landing them in a business limelight far different from the rather low-profile existence they had, operating 50 miles south of Louisville.

Dana Bowers concedes that Elizabethtown might seem to outsiders an unlikely place to have a cutting-edge, nationally focused, technology-based business.

And she acknowledges that she is an unlikely person to be one of the top entrepreneurs in the United States — selected as the regional winner of the 2009 Ernst & Young's Entrepreneur of the Year competition for Kentucky, Indiana and Illinois.

But once you know the story, you understand. Early in her career, Bowers realized that she had persistent pangs of ambition gnawing at her and would never be a career employee.

"My personal opinion is, you're born with that entrepreneurial bug inside of you, or you aren't," she said "There were days when I'd say, 'Why can't I be happy and go to McDonald's and work like 50 million other people?' And you have to be honest with yourself because I wouldn't be there a week before I'd be trying to figure out how to buy a franchise. Or, if I worked at the bank, I wanted to be president of the bank.

"It's a curse and a blessing all wrapped up in the same package."

Discovering her destiny

Growing up in rural Hardin County, south of Elizabethtown, Bowers was on her way to being an elementary school teacher. Her parents, Don and Norma Adkins, both were teachers.



Ron Bath | Business First
 Dana Bowers, iPay Technologies LLC, is shown in the company board room in Elizabethtown.

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"They're as true locals as you can get," Bowers said.

They raised a daughter who was strong-willed but who fell into the "Good Kid" category.

"If they told me to be home at midnight, I'd argue till I was blue in the face. But at the end of the day, if it was midnight, I'd be home by midnight," Bowers said.

Unlike a lot of high-speed entrepreneurs, she didn't come out of high school primed for a C-level suite until she figured out what she didn't want to do: teach.

"I said, 'OK, wrong career choice. That's not for me. But I don't have clue what I want to do.'" So she quit college and went to work at a bank in 1978.

There, she found a mentor in Jim Aldridge, her late boss at Citizens Bank of Elizabethtown, now First Citizen's Bank.

First of all, Aldridge told her, get back into school.

"He said, 'I teach this economics class out at the community college. If nothing else, come take this economics class,'" Bowers said. "I said, 'OK, if you'll quit bugging me.'"

Epiphany

The course made her realize she liked business, especially the banking business. Especially one small division at the bank that did third-party transactions for active-duty military people.

It also awoke a part of her personality that Bowers said always had been there — a desire to excel.

Between the new job and Aldridge's pushing, a newly focused Bowers finished a four-year business-management degree in two and a half years at **Embry Riddle University** extension classes at Fort Knox, graduating summa cum laude while working full time at the bank.

Her job at the bank also made Bowers realize how lucrative moving around money could be.

By 1986, she was being approached by a group who wanted to start a payment business that became Military Services Inc.

"I knew the space. I knew the customers. I knew the competition. It wasn't scary to me. It just felt right," Bowers said.

In a few years, she had gone from not really understanding business to running one — as founder of Military Services, a third-party bill payment service for active-duty military personnel.

It was the startup that laid the groundwork for iPay Technologies. With a client base of 3,800 banks and credit unions, iPay Technologies has a 40 percent share of the electronic transaction market and is projected to process about \$600 million in transactions this year, she said.

"And it's right here in the big city of Elizabethtown, Ky.," Bowers said.

Not Ellie May Clampett

Kent Hatfield, an attorney with Louisville based law firm **Stoll, Keenon & Ogden PLLC** and Bowers' outside counsel for more than 20 years, met Bowers as a budding entrepreneur.

"Dana has the rare gift of seeing an industry before it exists. That's what she's done with three (businesses) she had. She's been able to take ideas, build a team around her, then convince (investors) to back the idea and let the business develop," Hatfield said.

The consensus, according to Hatfield and others, is that Bowers is equal parts charm and intensity.

"Dana is sweet, charming and tough as nails, all at the same time," Hatfield said.

Anyone thinking that she's a simple Kentucky girl does so at their peril, he said. Rather, Bowers is quick to unravel the most complicated deal "and see what's really there."

Mike Bowers described Dana Bowers as almost unnaturally detail-oriented, which makes her effective on the operations side, while he oversees financials.

"You remember the yellow tablet?" he said. "That yellow tablet never went away."

Another startup?

That deal-making ability has taken Dana Bowers through four businesses and four big sales. And she just turned 50.

For the foreseeable future Bowers will remain in management under iPay's new owners. But for most entrepreneurs, there are followup acts after successful venture exits.

"I don't know if I have another startup in me," Bowers said, sitting in her office decorated with art and photos from family beach vacations. "Maybe I do, maybe I don't."

What sounds good, she said, might be another type of startup — a nonprofit to help young people negotiate business startups with the help “of someone who’s seen the movie before.” That would be fun, Bowers said.

“Never say never,” Bowers said. “Everyone who knows me says, ‘You’re not done!’ ”

A giving nature

Dana Bowers, like most super-successful people, is all about business, all the time.

When she’s home in Elizabethtown, or when she and her husband/business partner are at their Florida vacation home, they’re still working, she said.

What many people would never suspect, Mike Bowers said, is how thoughtful his wife is. Dana Bowers loves to shop for thoughtful gifts for friends, family and employees, he said.

“She’ll come up with a unique idea for gifts that are perfect for that specific person, and I think, ‘Man, I would have never thought of that in a hundred years.’”

Dana A. Bowers

Founder and managing partner, iPay Technologies

Hometown: Elizabethtown, Ky.

Birth date: Aug. 21, 1959

Residence: Elizabethtown area

Husband: Mike Bowers (second marriage for both)

Children: Sons Eric, 31, Ryan, 26, and daughter Liz, 24; stepsons Michael, 31, and Barrett, 29; stepdaughter Shelby, 25

Education: Bachelor’s degree in business management, Embry Riddle University, 1982

Career highlights:

2003: Founded Digital Compliance LLC, a Billings, Mont.-based company that provides Internet-based compliance consulting for companies in the financial sector

2001: Founded iPay Technologies

1997: Founded Call Me Bill

1986: Founded Military Services Inc.

1978-1986: Various positions, Citizens Bank, Elizabethtown

Biggest deals:

2010: Sold iPay for \$300 million to Jack Henry & Associates Inc.

2009: Signed iPay Technology’s largest client, a deal worth \$5 million in annual revenue

2007: Signed iPay Technology second-largest client, worth about \$2 million annual revenue

December 2006: Recapitalized iPay Technology with Spectrum Equity and Bain Capital

Biggest career influence: “Being fortunate enough to have mentors and coaches at each step of my career to prepare me for the next level of challenge.”

Favorite restaurant: Stinky’s Fish Camp in Santa Rosa Beach, Fla.

Favorite movie(s): “My Best Friend’s Wedding”

Favorite digital gadget: Skype

Cell phone: iPhone

Favorite social-media site: Facebook

Favorite authors: Jonathan and Faye Kellerman, Ridley Pearson, Harlan Coben

Hobbies: Gardening, photography, interior decorating

Favorite vacation destination: Rome

Send comments to tboyd@bizjournals.com

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