Converting Innovation Into Wealth

“What Works and What Doesn’t”

Richard A. Bendis
President & CEO
Innovation America
May 27, 2010
Guelph, ON

The World Has Changed

- Convergence of Complex Challenges
- Loss of Jobs
- Growing US Trade Deficit
- Greater International Competition in manufacturing and service industries
- Competitive advantages are increasingly tied to human capital and innovation
- Economic growth is closely related to education/workforce, energy, climate change, environmental, natural resource and geopolitical issues
Why Is Innovation Essential?

"INNOVATION IS THE SPECIFIC INSTRUMENT OF ENTREPRENEURSHIP. THE ACT THAT ENDOWS RESOURCES WITH A NEW CAPACITY TO CREATE WEALTH."

- PETER F. DRUCKER

"INNOVATION DISTINGUISHES BETWEEN A LEADER AND A FOLLOWER."

- STEVE JOBS

"JUST AS ENERGY IS THE BASIS OF LIFE ITSELF, AND IDEAS THE SOURCE OF INNOVATION, SO IS INNOVATION THE VITAL SPARK OF ALL HUMAN CHANGE, IMPROVEMENT AND PROGRESS!"

- TED LEVITT

What Is Technology-Based Economic Development?

- Approaches designed to encourage the creation and growth of technology companies
- Instilling technology in existing non-tech companies
- Emphasis is "growing your own" rather than recruitment, although recruitment can play a role, particularly the recruitment of talent
- Goal: create an environment in which tech firms will be created and thrive without government action
  - "Organic rather than synthetic"—Don Smith
Elements for a Tech-Based Economy

- Intellectual infrastructure
- Spillovers of knowledge
  - from universities
  - from informal networks
- Physical infrastructure
- Technically skilled workforce
- Capital
- Entrepreneurial culture
- Quality of life

Goals of Innovation-Based Economic Development

*Intervene at the margins of private sector investment flows of capital (financial and intellectual) to:*

- Address economic transition
- Capture the benefit of investments in research and development, higher education
- Build entrepreneurial cultures
- Help existing industries modernize
- Diversify both rural and urban economies
- Develop global innovation network
Implementing a New Innovation Paradigm

- Willingness to deviate from traditional and parochial perspectives
- Encourage public investment and risk taking
- Developing trust through collaboration
- Ensuring the paradigm is responsive to partners’ missions
- Building consensus of all constituents through education, participation, and positive outcomes
- Move from technology-based economic development to Innovation-Based Economic Development

Public/Private Partnership

- Progress is promoted by strong industry, government and university leadership
- Sustained by dynamic public/private partnerships
- These leaders create new, responsive models of governance
Change Is Inevitable

“ It is not the strongest of species that survive, nor the most intelligent, but the ones most responsive to change.”

- Charles Darwin

Prosperity 2020

“To be the city that makes a difference...Acting locally and globally to improve the lives of residents, the broader community and the world.”
Prosperity 2020

Our vision
To be the City that makes a difference…
Acting locally and globally to improve
the lives of residents, the broader
community and the world.

Our mission
To achieve excellence through leadership, innovation,
partnerships and community engagement.

Mayor’s Task Force on the Economy – Four Milestones

1. **Ensure** Guelph takes full advantage of its economic,
educational and cultural strengths, assets, resources
and opportunities to create an enhanced knowledge-
based economy;

   - **Identify** ways to build on Guelph’s reputation in order
to attract new businesses, diversify, build resilience for
periods of economic volatility, and position Guelph as
the place to invest when the economy recovers;

   - **Identify** strategies to recruit, retain, and develop
talented people and support entrepreneurship to fuel
our economy; and

   - **Demonstrate** a sense of urgency, bring leaders
together, and recognize that intelligence sharing is key
to our economic future.
# Traditional ED vs. Innovation-Based ED

<table>
<thead>
<tr>
<th>Traditional ED</th>
<th>Innovation-based ED</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Competitive Basis</strong></td>
<td></td>
</tr>
<tr>
<td>Natural resources</td>
<td>Specialized talent</td>
</tr>
<tr>
<td>Highways / Rail</td>
<td>Networks, information</td>
</tr>
<tr>
<td>Proximity</td>
<td>University research / professors</td>
</tr>
<tr>
<td>Costs</td>
<td>Market understanding</td>
</tr>
<tr>
<td>i.e. PHYSICAL</td>
<td>i.e. KNOWLEDGE</td>
</tr>
<tr>
<td><strong>Key values / offerings</strong></td>
<td></td>
</tr>
<tr>
<td>Business parks</td>
<td>Access to research</td>
</tr>
<tr>
<td>Incentives</td>
<td>Workforce competencies</td>
</tr>
<tr>
<td></td>
<td>Lifestyle</td>
</tr>
<tr>
<td><strong>Lead Organization</strong></td>
<td></td>
</tr>
<tr>
<td>Chambers / EDCs</td>
<td>Innovation intermediaries,</td>
</tr>
<tr>
<td></td>
<td>Economic developers</td>
</tr>
</tbody>
</table>

## What is an Innovation Intermediary?

- An Organization at the Center of the region’s, state’s or country’s efforts to align local technologies, assets and resources to work together on advancing Innovation.

*Make the leap to a whole world of new opportunities*
21st Century Innovation Intermediary

- Connectivity of Key Human & Institutional Players
  - Leverage & Alignment of Funding & Resources
  - Programs:
    - Commercialization
    - Direct Investment
    - Angel Capital
    - SBIR Programs
    - Technology Mining / Intellectual Property Programs
  - Research & Marketing of the Strengths of the Innovation Economy

Innovation Intermediary Commercialization Structure

<table>
<thead>
<tr>
<th>Investigation</th>
<th>Technical</th>
<th>Market</th>
<th>Business</th>
</tr>
</thead>
<tbody>
<tr>
<td>Proof of Concept</td>
<td>Technology Concept Analysis</td>
<td>Market Needs Assessment</td>
<td>Venture Assessment</td>
</tr>
<tr>
<td>Development Phase</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Feasibility</td>
<td>Technology Feasibility</td>
<td>Market Study</td>
<td>Economic Feasibility</td>
</tr>
<tr>
<td>Planning</td>
<td>Engineering Prototype</td>
<td>Strategic Marketing</td>
<td>Strategic Business Plan</td>
</tr>
<tr>
<td>Introduction</td>
<td>Pre-Production Prototype</td>
<td>Market Validation</td>
<td>Business Start-Up</td>
</tr>
<tr>
<td>Commercial Phase</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Full Scale Production</td>
<td>Production</td>
<td>Sales and Distribution</td>
<td>Business Growth</td>
</tr>
<tr>
<td>Maturity</td>
<td>Production Support</td>
<td>Market Diversification</td>
<td>Business Maturity</td>
</tr>
</tbody>
</table>
IBED Best Practices, Common Attributes

- Longevity
- Bipartisan Support & Champions
- Independent Organizations
- Continuous Reinvention
- Private Sector Involvement
- Understand Return On Investment
- Sustainability In Funding
- Accountable
- Innovative
- Effective Leadership

Role of Partners in Commercialization and Job Creation

- Policy Makers
- Academic Research Centers
- Industry Participants
Innovative Small Business Facts

SME’s (Small & Medium-size Enterprises):

- Generate 60%-80% of net new jobs annually over the last decade
- Employ 30% of high-tech workers, such as scientists, engineers, and computer workers
- Produce 13X more patents per employee than large patenting firms
- Proof of Concept, Start-up, and Seed stage companies lack investment support
- Most Seed stage firms need investments of $500K - $2M
- The average venture capital investment in Q1 2010 today is $8.9M

Source: PriceWaterhouseCoopers – MoneyTree©
Source: Small Business Administration

10 Reasons (Some) SME’S Underperform

1. Passion
2. Physical and mental strength
3. Self-doubt
4. Belief
5. Foresight
6. Guts
7. Failure
8. Self-discipline
9. Fairness
10. Integrity
“The Perfect Storm”

Reduced Angel Activity
- Angel investors reduced their investments in 2009 Q1/Q2 by over 27%.
- Availability of investment capital among angels decreased dramatically by 50% in 2009.

Venture Funding Moving Downstream
- The average investment by venture firms last year was $8.3 million per investment and only about 4% of the capital went to early-stage companies.
- First Quarter of 2009 was the worst quarter in 12½ in terms of total capital invested by venture firms.

State TBED Budgets Decreasing
- 44 states have budget deficits.

The Business Plan Funnel

100 business plans come in

10 are a good fit and promising — they get a closer look

Extensive due diligence

1 gets funded
Innovation Capital Valley of Death

"VALLEY OF DEATH"

<table>
<thead>
<tr>
<th>Stage</th>
<th>POC / Pre-Seed</th>
<th>Seed/Start-Up</th>
<th>Early</th>
<th>Later</th>
</tr>
</thead>
<tbody>
<tr>
<td>Source</td>
<td>Founders FFF</td>
<td>Angel Groups, TBED, SBIR, Seed Funds</td>
<td>Venture Funds</td>
<td></td>
</tr>
<tr>
<td>Demand</td>
<td>$25K</td>
<td>$100K</td>
<td>$500K</td>
<td>$2,000K</td>
</tr>
</tbody>
</table>

Supply

"VALLEY OF DEATH"

Funding Gap

Innovation Paradigm Shift

PROOF OF CONCEPT
(Technological Feasibility)
"It Works!"

PROOF OF RELEVANCE
(Market Pull)
"I'll Buy It!"

return on invested capital
- cost of capital
+ organic growth
+ m&a

economic value creation

margin
VC Investment by Fund Type in Canada & US 2005-2007

**GRAPH 2**
Venture capital investment by type of funds in Canada and the US in 2005-2007

- **Canada**
  - Corporate: 22%
  - Institutional: 4%
  - Others: 9%
  - Retail: 9%
  - Canadian Private Independent: 19%
  - Govts: 34%

- **US**
  - Corporate: 7.3%
  - Institutional: 7.8%
  - Others: 7.9%
  - Private Independent: 77.3%

Source of the data: Thomson Reuters

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US Raised & Invested by VC Funds 1968-2007

**GRAPH 1**
Amounts raised and invested in the US by venture capital funds (US$ million)

- Sales of the first PCs
- Apple II
- Creation of the web
- Clarification of ERISA
- IPO of Netscape
- Disbursements
- Commitments

Source of the data: Thomson Reuters
VC Investments as a % of GDP in Canada & US

**Graph 5**
Venture capital investments as a percentage of GDP in Canada and the US

- Investment in the US/US GDP
- Investment in Canada/Can GDP
- Investment by Canadian funds in Canada/Can GDP

Source of the data: Thomson Reuters, Statistics Canada and US Bureau of Economic Analysis

Angel Investor Market in 2009 vs 2008

- Total investments in 2009 $17.6 billion = (8.3%)
- 57,225 entrepreneurial ventures received angel funding +3.1%
- 259,480 active investors (individuals) = unchanged

- The small decline in total dollars, coupled with the increase in investments resulted in a smaller deal size for 2009 (a decline in deal size of 11.1% from 2008).

US Angel Capital Programs

Jobs! Jobs! Jobs!

Does Seed Investing REALLY Create Jobs?
### Public Investment Job Creation

<table>
<thead>
<tr>
<th>Category</th>
<th>State of PA</th>
<th>CDVCA*</th>
<th>State of UTAH</th>
<th>Stimulus Bill</th>
</tr>
</thead>
<tbody>
<tr>
<td>Funds Invested</td>
<td>$90M</td>
<td>$26M</td>
<td>$60M</td>
<td>$800B</td>
</tr>
<tr>
<td>Jobs Created</td>
<td>8,150</td>
<td>3,700</td>
<td>2,047</td>
<td>4,000,000</td>
</tr>
<tr>
<td>$ Per Job Invested</td>
<td>$11,000</td>
<td>$7,100</td>
<td>$29,300</td>
<td>$200,000</td>
</tr>
</tbody>
</table>

* Community Development Venture Capital Assoc.

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### 2001 Recession: Small Business Drives Job Creation

- In the three years after the 2001 recession, Companies of less than 20 employees created 107% of net new jobs while companies over 500 employees eliminated a net of -24%.

#### Total USA Cumulative Net New Job Creation 2002 to 2005
(In The Three Years After The 2001-2002 Recession)

<table>
<thead>
<tr>
<th></th>
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</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td>100%</td>
<td>79%</td>
<td>107%</td>
<td>124%</td>
</tr>
<tr>
<td>1-4</td>
<td>79%</td>
<td>107%</td>
<td>100%</td>
<td>107%</td>
</tr>
<tr>
<td>5-9</td>
<td>79%</td>
<td>107%</td>
<td>100%</td>
<td>107%</td>
</tr>
<tr>
<td>10-19</td>
<td>79%</td>
<td>107%</td>
<td>100%</td>
<td>107%</td>
</tr>
<tr>
<td>20-99</td>
<td>79%</td>
<td>107%</td>
<td>100%</td>
<td>107%</td>
</tr>
<tr>
<td>100-499</td>
<td>79%</td>
<td>107%</td>
<td>100%</td>
<td>107%</td>
</tr>
<tr>
<td>&lt;500</td>
<td>79%</td>
<td>107%</td>
<td>100%</td>
<td>107%</td>
</tr>
<tr>
<td>&gt;500</td>
<td>-24%</td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
</tr>
</tbody>
</table>

Source: Small Business Administration
Kauffman Foundation Reports:

Despite Recession, U.S. Entrepreneurial Activity Rises in 2009 to Highest Rate in 14 Years, Kauffman Study Shows

![Graph showing Kauffman Index of Entrepreneurial Activity New Business Creation Rate 1996 - 2009](image)

In 2009, 338,000 new businesses were created each month (0.34 in 2009). The index increased for the second straight year, from 0.30 percent in 2007 to 0.32 percent in 2008.

Emerging Innovator Programs With Seed Funding

- They assist startups through what is for many the hardest step, from idea to company which includes:
  - **Seed funding**
  - **Collaborative work space**
  - **Mentors and Advisors who have "been there and done it" before**
  - **Donated legal, accounting and administrative help to form companies properly**
  - **Introductions to funding sources (including Angel Investors, Venture Capitalists, private investors and public sources of funding)**
U.S. State IBED Programs

IBED Best Practices, Common Attributes

- Longevity
- Bipartisan Support & Champions
- Independent Organizations
- Continuous Reinvention
- Private Sector Involvement
- Understand Return On Investment
- Sustainability In Funding
- Accountable
- Innovative
- Effective Leadership
Pennsylvania’s Industry Clusters
### Technology Investment

**Technology-based Economic Development Tools Along the Continuum**

<table>
<thead>
<tr>
<th>Concept</th>
<th>Formation</th>
<th>Growth</th>
<th>Maturity</th>
<th>Reinvention</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ben Franklin Technology Partners</td>
<td>BFTDA Technology Grants</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>BFTDA University Program</td>
<td>BFTDA/TSIB Venture Programs</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Center for eBusiness and Advanced IT</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>CURE Program</td>
<td>IDea Foundry</td>
<td>Industrial Resource Centers</td>
<td>Innovation Partnership</td>
<td></td>
</tr>
<tr>
<td>Keystone Innovation Zones / Innovation Grants</td>
<td>PA Initiative for Nanotechnology</td>
<td>PA Technical Assistance Program</td>
<td>Pennsylvania Angel Network</td>
<td></td>
</tr>
<tr>
<td>Life Sciences Greenhouse Initiative</td>
<td>New PA Venture Guarantee Program</td>
<td>New PA Venture Investment Program</td>
<td>Support Services</td>
<td></td>
</tr>
<tr>
<td>R&amp;D and KIZ Tax Credits</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Technology Collaboratives</td>
<td>Pre-seed</td>
<td>Seed</td>
<td>Series A</td>
<td>Series B/C</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Mezzanine</td>
<td></td>
</tr>
</tbody>
</table>

### The Four Pillars of Innovation-based Economic Development

- **Innovation**
- **Capital**
- **Collaboration**
- **Workforce**
- **Support Services**

[Up2Connect innovation partnership for innovation]
Best Practices in IBED

Ohio Third Frontier
Innovation Creating Opportunity

The Ohio Third Frontier represents an unprecedented and bipartisan commitment to expand Ohio’s technological strengths and promote commercialization that leads to economic prosperity throughout Ohio. Designed to build world-class research programs, nurture early-stage companies, and foster technology development that makes existing industries more productive, Ohio Third Frontier creates opportunity through innovation.

"Ohio’s $700M/5 Year Third Frontier initiative is a comprehensive, professionally run effort to build world-class research capacity, promote interaction between research and industry, and commercialize R&D."

KTEC

Kansas Technology Enterprise Corporation

www.ktec.com

KTEC Mission:

“To create, grow and expand Kansas enterprises through technological innovation.”
Kansas Strategic Technology Cluster Assessment and a Plan for the 21st Century

Purpose of the Study:
• Technology revolution affecting the economy.
• We must map our course in this new innovation economy.
• Focus our resources on strategic technology clusters in order to compete.

Published by The Kansas Technology Enterprise Corporation

Linking Opportunity With Capacity

• Standardized rating system
• Determine level of capacity and opportunity for critical technologies

- Opportunity High Capacity Low
- Opportunity High Capacity High
- Opportunity Low Capacity Low
- Opportunity Low Capacity High

Low Medium High

Capacity

GPI CONNECT

greater partnership for innovation
KTEC Program Structure

Research
For Inventions, Entrepreneurs and
University & Industry Scientists

- Advanced Manufacturing Institute (AMI)
- Kansas Polymer Research Center (KPRC)
- Information Technology & Telecommunications Center (ITTC)
- Higuchi Biosciences Center (HBC)
- National Institute for Aviation Research (NIAR)
- EPSCoR

Investments
For Inventions, Entrepreneurs and
New & Existing Companies

- Small Business Innovation Research (SBIR) Awards
- SBIR Bridge Funding
- State-Sponsored SBIR
- Applied Research Matching Fund (ARMF)
- ACE-Net
- Ad Astrri Funds I & II
- Kaw Holdings (KIC)
- Wichita Ventures (WTC)
- Manhattan Holdings (MACC)
- Prairie Investments
- Quest Ventures
- KU Medical Center Research Institute Pre-Seed Fund
- Alliance for Technology Commercialization

Business Assistance
For Inventions, Entrepreneurs, Scientists
and New & Existing Companies

- Kansas Innovation Corporation (KIC)
- Mid-America Commercialization Corporation (MACC)
- Wichita Technology Corporation (WTC)
- Mid-America Manufacturing Technology Center (MAMTC)
- Capital for Manufacturers (CFM)
- Information Research Corp. (IRC)
- Kansas Integrated Commercialization Information Network (KICIN)
- Intern Program
- Business Residency Program
- Inventor Development Assistance Program (IDAP)

ICC’s Expand the Life Cycle

Innovation and Commercialization Corporations
Independent 501(c)(3) not-for-profit
Independent Board of Directors
President with commercialization experience
For Profit Seed Capital Funds

- Business Plan Consulting
- Financial Expertise
- Management & Operations Consulting
- Marketing & Sales Strategies
- Guidance in Accessing Financing
- Training
- Market Research
- Due Diligence
- Technical Review

Start-up Company
- Market Risk

General Incubator Services
Quality Investments

- Market Risk
- Management Risk
- Growth Risk

Seed Capital
- General Incubator Services
- Quality Investments
Attracting Investors

- Kansas Angel Tax Credit Program
- Kansas Angel Networks
  - Three statewide organizations

**KANSAS ANGEL TAX CREDITS 2005 – 2008**

<table>
<thead>
<tr>
<th>Metric</th>
<th>2005</th>
<th>2006</th>
<th>2007</th>
<th>2008</th>
<th>Total (from inception)</th>
</tr>
</thead>
<tbody>
<tr>
<td># of Companies Receiving Investments</td>
<td>73</td>
<td></td>
<td></td>
<td></td>
<td>73</td>
</tr>
<tr>
<td>Total Capital Raised</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>$118M</td>
</tr>
<tr>
<td>Total Revenue</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>$119M</td>
</tr>
</tbody>
</table>

*Note: Wisconsin has a model Angel Investment Tax Credit Program*

2008 State New Economy Index

- 8th in Nation for “Gazelle Jobs”
- Kansas a “Top Mover” in “Fastest Growing Firms.”
National Bio and Agro-Defense Facility (NBAF) - Kansas

- $650 million research facility
- Kansas Task Force includes a team of citizens, scientists, civic leaders, elected officials, industry leaders, farmers, and agricultural specialists working closely with the Kansas Bioscience Authority to provide seamless support to the federal government throughout the NBAF process.
- NBAF will feature state-of-the-art, bio-containment laboratories to research and develop diagnostic capabilities to assess and detect potential threats against humans and animals alike.

Best Practices in IBED

- $581 million state-funded independent bioscience TBED organization
  - $75.5 million program budget; $3.5 million operating budget
  - 18 employees (8 “deal” people)
- Investment priorities
  - Expand the quantity and quality of bioscience research
  - Focus on the commercialization of bioscience discoveries
  - Foster formation and growth of bioscience companies
  - Position Kansas for international leadership in key clusters
How the Fund Works

Set Baseline Tax Revenue for Bioscience Companies (NAICS) and Research Institutions

Measure Actual Incremental Growth in State Bioscience Taxes

Baseline to State General Fund

Increment of Growth to Bioscience Fund

Kansas Bioscience Authority
Fund Programs & Repay Bonds

Repeat annually for 15 years

The Kansas Cluster Experience - 2009

<table>
<thead>
<tr>
<th>CLUSTER</th>
<th>ORGANIZATION</th>
</tr>
</thead>
<tbody>
<tr>
<td>Human BioSciences</td>
<td>Kansas BioScience Authority (KBA) <a href="http://www.kansasbioauthority.org">www.kansasbioauthority.org</a></td>
</tr>
<tr>
<td>Value-added Agriculture and Ag Bio</td>
<td>National Agricultural Biosecurity Center (NABC) <a href="http://nabc.ksu.edu/content">http://nabc.ksu.edu/content</a></td>
</tr>
<tr>
<td>Aviation</td>
<td>National Institute for Aviation Research (NIAR) <a href="http://www.niar.wichita.edu">www.niar.wichita.edu</a></td>
</tr>
<tr>
<td>Information and Telecommunications &amp; Computing</td>
<td>Software and Technology Association of Kansas (SITAKS) <a href="http://www.sitaks.com">www.sitaks.com</a></td>
</tr>
</tbody>
</table>
**Best Practices in IBED**

OCAST helps these hard-working people create technologies that will advance our society, invent new products and discover medical treatments that will save millions of lives.

**I2E** – A 501(c) (3) private not-for-profit Oklahoma corporation that operates under contract with OCAST to administer the Oklahoma Seed Capital Fund, Oklahoma Technology Commercialization Center and the Technology Business Finance Program.

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**Tennessee Technology Development Corp**

- Provides $84,000,000 of financial capital
- Funded by deferred insurance premium tax credits
- Focused on early stage, equity investments
- Targeting high-growth companies for "transformational" outcomes
- 6 new professionally managed private sector funds
- Creates the opportunity for financial return to state government
- A New Program...... A New Approach...
Best Practices in IBED

USTAR

Created a number of research teams at the University of Utah and Utah State University.

Research Teams engage with innovators and entrepreneurs around the state of Utah

U.S. State Innovation Councils
The New Economy Initiative for Southeast Michigan (NEI)

**Founded:** 2008

**Organizational Mission:** Unique philanthropic initiative aimed at helping to restore southeast Michigan to a position of leadership in the new global economy.

**Original Funding:** $100M – 8 year initiative - 10 national and local foundations

**Goal:** Accelerate the transition of metro Detroit to an innovation-based economy.

**Partners:** Community Foundation for Southeast Michigan; Max M. and Marjorie S. Fisher Foundation; Ford Foundation; Hudson-Webber Foundation; W.K. Kellogg Foundation; Knight Foundation, Kresge Foundation; McGregor Fund; Mott Foundation and Skillman Foundation

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**The New Economy Initiative for Southeast Michigan (NEI)**

- Entrepreneurial Eco-System
- Capitalizing on Existing Assets and Resources
- Build and employ a more skilled and educated workforce
- Urban Entrepreneurial Partnership provides assistance to 150 minority automotive suppliers to diversify their customer bases to aerospace, alternative energy, medical devices, military and homeland security.
COTEC - Portugal

Founded: May 2003 - COTEC is a national innovation intermediary that supports innovative high growth SME’s and is funded by largest private corporations in Portugal.

Innovation Philadelphia’s Mission

A Public/Private Partnership created to: Grow the Wealth and Workforce of the Greater Philadelphia Global Innovation Economy.
Innovation Philadelphia: Leveraging the Resources of the Greater Philadelphia Region

3 states
11 counties
Population: 6 million

- Pennsylvania: Bucks, Montgomery, Philadelphia, Chester, Delaware
- New Jersey: Mercer, Burlington, Camden, Gloucester, Salem
- Delaware: New Castle
- City of Philadelphia 1.5 million population

How Innovation Philadelphia Started

- Blank sheet of paper
- Need for an Innovation Intermediary
- Gap analysis of all Regional-based economic development and investment programs
- SWOT analysis of all organizational programs, boards, and funding
Innovation & Entrepreneurial Index

Is our glass half empty or half full?

Churning the Greater Philadelphia Innovation Economy

A Roadmap for Regional Growth

"You can always amend a big plan, but you can never expand a little one. I don't believe in little plans. I believe in plans big enough to meet a situation which we can't possibly foresee now."

— Harry S. Truman
IP Core Products / Services

<table>
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<th>Commercialization</th>
<th>Global &amp; Regional Workforce / Economic Development</th>
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innovation AMERICA

Knowledge Industry Partnership/CareerPhilly

- The first Web site dedicated to the career development of students in the Greater Philadelphia Region.
- Provides Regional students with a search engine designed to help them find Regional job and internship opportunities.
- A calendar of events provides students with a listing of career development and networking activities.
- An advice section contains helpful information for students on the many aspects of their career development.

KIP
Knowledge Industry Partnership

onebigcampus
careerPhilly
www.careerphilly.com

ENGAGE
Campus Philly, City of Philadelphia

RETAINT
IP innovation Philadelphia

CareerPhilly
innovation AMERICA

GPI CONNECT
partnership for innovation
What Worked For KTEC and Innovation Philadelphia

- FOCUSED & INTEGRATED Science & Technology Collaboration
- PRIVATE Sector Leadership and COMMITMENT
- Organization’s function as a BUSINESS
- Successfully manage a technology investment portfolio for ROI
- Operational FLEXIBILITY
- ACCOUNTABILITY with measurable outcomes
- Experienced PROFESSIONAL team
- Focus on the ENTREPRENEUR’S needs
- SUSTAINABLE Funding

Economic Gardening

- The term Economic Gardening means ‘growing our economy from within.’

- This is accomplished by providing access to technology and business expertise for helping both new and existing small businesses, generally between 10-25 employees, located within a city/region to thrive and grow.

- Economic Gardening works by finding new sales opportunities and expanding upon old ones through the provision of free or low-cost tools and information to small businesses.

- Assistance is also provided in other areas such as market intelligence and general industry information.

- The goal is to assist businesses early on in their development so they remain viable and are prepared to overcome common obstacles.
Examples of Economic Gardening

Colorado

Economic Gardening's objective is to provide a nurturing environment to entrepreneurial companies.

Florida

Innovation Road Map Elements

1. Asset Mapping
2. Cluster analysis
3. Innovation Benchmarking (Peer 2 Peer)
4. Innovation and Entrepreneurship resource identification
5. Innovation Economic Development organizational analysis and matrix
6. Gap Analysis (programs & services)
7. Public policy recommendations
8. Recommended organizational structure, governance, budget, and funding sources (Private Public Partnership)
9. Organizational leadership and staffing
10. Program portfolio/implementation
11. Marketing, branding and success sharing
12. Economic Impact Analysis
Guelph Innovation Leadership/Collaboration

Guelph Partnership for Innovation
Guelph Chamber of Commerce
University of Guelph
Ontario

Innovation Paradigm

- Cultivation
- Collaboration
- Capital
- Careers
- Commercialization
A Call to Action

“Somebody has to do something, and it's just incredibly pathetic that it has to be US.”

--Jerry Garcia of the Grateful Dead

The US is YOU!

innovationDAILY

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