

Regional Innovation Clusters

New Federal Priority



NU CBI

November 5th, 2010

This presentation will provide a briefing on regional innovation clusters

- About
- Clusters and Feds
- What it means
- What you can do

Seventeen years of professional VC experience and four years in startup roles

Late 80s & Early 90s	Business Education	 	<ul style="list-style-type: none"> ▪ BS Finance, 1984 ▪ MBA, General Mgt 1992
Late 80s To Mid 90s	Venture Capital & Private Equity		<ul style="list-style-type: none"> ▪ Hired/Mentored by Advent CEO ▪ Supported, led and co-led eight investments across stage and sector
Mid-late 1990s	<ul style="list-style-type: none"> Healthcare Software 	 	<ul style="list-style-type: none"> ▪ Launched eCommerce and catalog business ▪ Founding marketing team (Silknet); sold to Kana in 2000
2001- Present	Venture Capital (seed stage)		<ul style="list-style-type: none"> ▪ \$10M northern New England early stage fund (2003) ▪ One of six "New Markets" VC ▪ Licensed in 2003, fund is now in "harvest" mode
2009+	Venture Capital (seed stage)		<ul style="list-style-type: none"> ▪ \$50M Fund-in-Formation ▪ New England early stage ▪ Tech, consumer, health

VC fund is in harvest mode creating time for Clear Innovation Partners



SBA co-funded
Early stage venture capital fund



Cluster Development
Consulting

% of time required

50%
Until early 2013

50%
Until early 2013

* CIP is unaffiliated with CEI Community Ventures

Clear/RCA is focused on driving regional economies through clusters

- **Sector-based** eco-system development (clusters) are a federal priority
- **Benefits** of clusters include increased innovation, high wage jobs, productivity and economic growth
- **Cluster development** translates to increasing linkages between/among eco-system players
- **Eco-systems** include universities, incubators, investors, tech and trade councils, economic and community development and professional services providers
- **Venture capital** is a catalytic player in development of innovation eco-systems
- **Clear-RCA** intends to increase linkages through its proposed program (events, web-services)

Organized an i6 Challenge and two SBA RIC/ADT applicants

EDA's I6 Challenge (EDA)

- \$1M matching grant
- \$1M for NIH/NSF Phase II or Fast Track partners
- Innovative eco-systems



- Formed new trade association (RCA)
- Raised \$800K of which \$135K cash match

SBA's RIC and ADT

- \$600K per year for 1-2 years
- Contract (fee for services)
- Small business support services for existing clusters



- New England Clean Energy Council
- Mass High Tech Council's New England Defense Tech



Attracted 32 partners from 5 states in 9 weeks for 3 sectors

Universities and Colleges

- VT University of Vermont
- NH University of New Hampshire
- RI University of Rhode Island
- VT Norwich University
- VT Champlain College

Tech and Trade Associations

- NH New Hampshire High Tech Council
- VT Vermont Bio Science Alliance
- ME Biotechnology Association of Maine
- ME Maine Association of Manufacturing
- ME Maine Composites Alliance
- CT Connecticut Technology Councils
- CT Connecticut Digital Media

Regional Associations

- NE New England Clean Energy Council (NECEC)
- NE Northeast Economic Developers Association (NEDA)
- US Technology Councils of North America (TECNA)
- NE New England Venture Capital Association

Professional Services (VC, Banks, Law and Accounting)

- VT Fresh Tracks Capital
- NH Borealis Ventures
- ME Bernstein Shur
- ME Macdonald Page

Other

- ME Maine Technology Institute
- MA Jackson Laboratories
- NH Dartmouth Medical School Office of New Ventures
- ME Maine Medical Center
- VT Vermont Venture Network
- VT Vermont Manufacturing Extension Center

Incubators and Accelerators

- VT Vermont Center for Emergin Technologies
- ME Maine Center for Enterprise Development
- NH Dartmouth Regional Technology Center
- MA Northshore Innoventures
- RI Rhode Island Center for Innovation and Entrepreneurship
- CT Connecticut Center for Advanced Technologies

This presentation will provide a briefing on regional innovation clusters

- About
- Clusters and Feds
- What it means
- What you can do

RCA addresses of all forms of clusters, with priority focus on small/emerging

Innovation
and Mature
Clusters

Clusters are geographically
concentrated groups of
**interconnected companies,
universities, and related
institutions** that arise out of
linkages or externalities
across industries.

Horizontal
and **Vertical**
Clusters

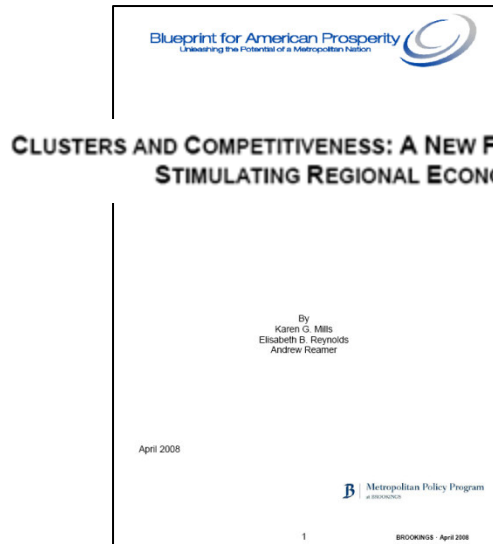
Local and
Traded
Clusters

Sustaining,
Potential and
Emerging
Clusters

Rural and
Urban
Clusters

Clusters of Distinction, Clusters
of Competence
and Clusters of Opportunity

Clusters are seeing a resurgence as an economic development framework

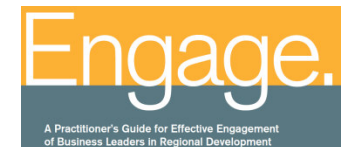


BROOKINGS

The Cluster Moment:



The Competitive Advantage of Regions



science progress

INNOVATION CLUSTERS

The Geography of Innovation

The Federal Government and the Growth of Regional Innovation Clusters



SOURCE: iStockphoto/Adam Kaz

REGIONAL
TECHNOLOGY
STRATEGIES, INC.

Generating Local Wealth, Opportunity, and Sustainability through Rural Clusters

Indiana Business Research Center
at the Kelley School of Business
IBRC **KELLEY**
School of Business
Indiana Business Research Center

Purdue Center for Regional Development
PCRD
Purdue Center for Regional Development

UNLOCKING RURAL COMPETITIVENESS

The Role of Regional Clusters

Crossing the Next Regional Frontier



INFORMATION AND ANALYTICS LINKING REGIONAL COMPETITIVENESS TO INVESTMENT IN A KNOWLEDGE-BASED ECONOMY

Obama FY10-FY11 cluster priority has funded more than \$140M to date, \$350M+ in 2011



- \$12M (May 2010) **i6 Challenge** to drive tech eco-systems
- \$1.5M (May 2010) **Cluster Mapping** Project (May 2010)
- \$75M (FY2011) Budget for **Innovation Clusters**



- \$129M Energy Efficiency **Regional Innovation Cluster** grant
- \$5.3M **Innovation Eco-System Development** Initiative



- \$14M FY 2011 for **small business cluster** support
- \$6M FY 2010 **Regional Innovation Cluster** initiative



- \$108M FY 2011 for workforce training aligned with **regional clusters**



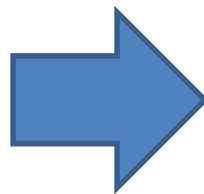
- \$12M FY 2011 for **innovation ecosystems**.



- \$135M FY 2011 for a **regional innovation** initiative to promote opportunities in rural markets

SBA's Mills catalyzed both funding and coordinated efforts across agencies

- Unprecedented effort to understand and allocate funding for clusters at each agency
- Federal collaboration structure in place—TARIC: Taskforce to Advance Reg'l Innov. Clusters
- Check out video of a key cluster summit held this past September
 - DoE: Christine Johnson
 - SBA: Karen Mills
 - EDA: John Fernandez
 - USDA: Victor Vasquez



Regional Innovation Clusters: Advancing the Next Economy

September 23, 2010, 8:45am – 3:15pm

About This Event

Click below to skip to a particular chapter

Welcome, Framing of the Day and Opening Keynote

Clusters as Job Creators Panel

Regional Actors Strengthening Clusters Panel

Luncheon Keynote and Afternoon Framing Remarks

Federal Cluster Policies and Initiatives Panel and Closing Remarks

Join state and local policymakers, members of

the Obama administration, and leaders from the business, academic, and philanthropic sectors for a conversation about the significance of regional innovation clusters to the future of the American economy.



http://www.americanprogress.org/events/2010/09/innovation_cluster/index.html

This presentation will provide a briefing on regional innovation clusters

- About
- Clusters and Feds
- What it means
- What you can do

FY 2011 budget permitting, Obama administration will continue to fund RICs

- EDA
 - Planning and feasibility grants (1:1 match) for non-profit organizations (public and/or private)
 - Other (new...TBD)
- SBA
 - Existing sector-based groups that support small businesses in sectors like life sciences and defense technology
- Department of Energy
 - Funding efforts to support ecosystems that more rapidly/effectively commercialize novel energy technologies
- USDA
 - Supports up to 5% of an array of USDA programs (grants, loans, etc) for regional innovation initiatives

Private sector led, bottom-up organized consortia stand to see fed \$

- Private market led
- Inclusive, committed consortia
- Sector focused
- Regionally defined
- Innovation centric
- Cluster informed
- “Link, leverage and align”

This presentation will provide a briefing on regional innovation clusters

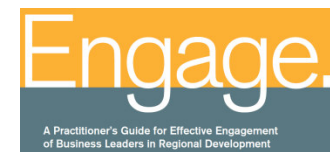
- About
- Clusters and Feds
- What it means
- What you can do

Organize and support regional, sector-based, public-private initiatives

- Understand cluster development
 - Glossary : existing-emerging, local-traded, vertical-horiz, etc
 - Asset Mapping: companies, universities, workforce, capital, support services
 - Cluster identification/selection
 - Cluster activation/acceleration
- Identify cluster leadership: individuals that can
 - Convene diverse stakeholders and “sell” the cluster concept
 - Organize and manage councils/boards that can work together
- Establish MoUs
 - Public sector: state agencies (ED), congressional support
 - Private sector: universities, incubators, risk capital providers, NGOs and Foundations, prof'l service providers (law, accounting, etc), economic and community development and specialty research institutes
- Catalyze, Grow and Sustain Clusters

For additional background....

- <http://www.compete.org/publications/idea/7/regional-innovation/>
- <http://www.brookings.edu/search.aspx?doQuery=1&q=cluster%20moment>
- <http://www.statsamerica.org/innovation/>



BROOKINGS

The Cluster Moment



home tools reports maps about sitemap contact

Innovation Index

The Index helps you understand your region's innovation performance and potential

- [View Innovation Index](#)

Cluster Analysis

Explore 15 knowledge-based occupation clusters and 17 industry clusters to uncover regional strengths

- [View Occupation Clusters](#)
- [View Industry Clusters](#)

Investment Analysis

Understand the regional development process and access tools to help guide public investment decisions

- [View Guidelines for Regional Investment](#)

Crossing the Next Regional Frontier

Investigate your region's innovation capacity.

Guide your approach to public investment.

Identify occupation and industry clusters.

Why Regions Matter

How can regions participate in and take advantage of today's knowledge-based innovation economy? This website provides tools to facilitate relevant insights and help answer the fundamental questions underlying regional development in today's changing economy.

The purpose of these tools is to help a **region** guide **strategic discussions** about **where to invest** scarce resources to build **prosperity** for the next generation. More specifically, these tools enable regional leaders to focus on 2 sets of core assets that create prosperity: brainpower and innovation.