



State Tech-based Economic Development: A National Perspective

Presentation by:
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State Science and Technology Institute

- **Mission**
 - Leads, supports, and strengthens efforts to improve state and regional economies through science, technology, and innovation
- **Funders**
 - Carnegie Corporation
 - Kauffman Foundation
 - MEP
 - More than 180 state, local, and university TBED organizations



What is TBED?

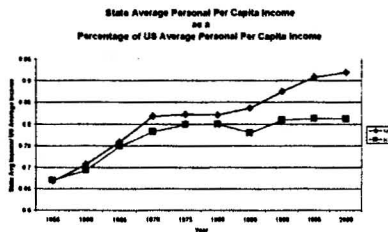
Approach used to help create a climate where firms that constantly innovate and maximize the use of technology can thrive

Emphasis: "grow your own"

Can be powerful partner with conventional economic development's recruitment of companies



Kentucky vs. North Carolina



Elements for Tech-based Economy

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



Kentucky

- Council on Post-Secondary Education
 - Research Challenge Trust Fund: \$410M since 1998
- Department of Commercialization and Innovation
 - Coordinating and strategy organization
 - Match SBIR Phase I and II awards
 - High-Tech Investment Pool
 - \$16.9M in FY2008 (some of which flows to RSTC)
- Kentucky Science and Technology Corp.
 - Kentucky Enterprise Fund
 - Kentucky R&D Voucher Program
 - Kentucky Rural Innovation Program
 - Kentucky New Energy Ventures
 - Innovation and Commercialization Centers
 - Kentucky Science and Engineering Foundation
 - Kentucky Commercialization Fund
 - R&D Excellence Program
 - SBIR/STTR Phase 0 and Phase 00 Program



Kansas

- **Kansas Technology Enterprise Corp.**
 - Investment Program
 - Angel Investor Tax Credit Program
 - Tech-based incubators
 - Five small Centers of Excellence
 - KTEC Pipeline
 - MEP Center
 - Annual budget \$12.5M
- **Kansas BioScience Authority**
 - Funded by TIF-like mechanism; sunset at \$581.8M
 - Lead agency pursuing National Bio and Agro Defense Facility
 - Recruit eminent scholars and support rising stars
 - Matching federal funds
 - Pre-venture financing to early-stage bioscience firms
 - R&D voucher program to support university-industry partnerships
 - Awarded \$86.7M as of Sept 2008



Pennsylvania

- **Department of Comm and Economic Development**
 - Ben Franklin Technology Partners- four regional centers
 - Industrial Resource Centers- seven regional centers
 - PennTAP
 - Keystone Innovation Zones- 29
 - Life Science Greenhouses
 - New PA Venture Guarantee Program
 - New PA Venture Capital Investment Program
 - Innovation Partnership
 - Technology Collaborative



Some Best Practices

- **Intellectual infrastructure**
 - Georgia Research Alliance, Kentucky's Bucks for Brains
- **Commercializing university-developed technology**
 - VentureLab, Utah's Centers of Excellence
- **Intensive work with entrepreneurs**
 - Oklahoma Technology Commercialization Center
- **Help encourage entrepreneurship**
 - KTEC Pipeline



Best Practices Cont'd

- **Internship programs**
 - North Dakota Operation Intern, Ohio Third Frontier Internship
- **Financing to companies**
 - Connecticut Innovations
- **Treat companies as part of portfolio**
 - BFTI/Central and Northern PA Transformation Services



Lessons Learned

- **Committed high-level leadership is required that understands:**
 - Economic impact further down the road than other approaches
 - Research does not always succeed
 - Significant cultural differences between actors
- **Action should be based on:**
 - Understanding of needs, capabilities, and gaps
 - Filling gaps to encourage change in private sector behavior



Lessons Learned

- **Characteristics of successful TBED programs**
 - Three hallmarks for long-term sustainability
 - Do good work
 - Measure whether they're doing good work
 - Telling people they're doing good work
 - Champions from more than one sector (ideally all three)
 - Private sector, university, government (gov or legislature)
 - Effective management and staff
 - Entrepreneurial in approach/responding to change



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