

# North Dakota Centers - Making Good Headway -

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National Centers of Excellence

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# North Dakota - Out of the blocks

- ◆ \$19.9 million invested
- ◆ \$130 million attracted
- ◆ 2060 jobs
  - 922 centers related jobs
  - 1138 new jobs created
- ◆ 7 spinoff companies
- ◆ 10 companies expanded
- ◆ Overall impact to ND \$329 million

# And into the Race

From "Enterprising States" May 2010 National Chamber Foundation

"The message of Enterprising States is that the 50 'little republics' matter. State policies matter. Governors, state legislators, and local officials matter. Although the Federal government has been driving stabilization policy during the recent recession, it is the states that will lead a crucial new growth strategy in the next decade."

"Consider North Dakota, perhaps an afterthought to some, was a national leader in job growth over the last decade."

# Who Else is Running?

- ◆ South Carolina – started at about the same time
- ◆ Montana a near neighbor has some impressive results after 10 years
- ◆ Ben Franklin Tech Partners are the holy grail
- ◆ Kansas' KTEC Centers have mixed results.
- ◆ Utah has changed the game

# South Carolina Centers of Economic Excellence

- ◆ Started 2002
- ◆ 45 centers created
- ◆ \$120 million invested
- ◆ Recruited 22 eminent scientists
- ◆ 13 patents
- ◆ 11 spinoff companies
- ◆ 3200 jobs



# Montana Board of Research and Commercialization

- ◆ \$36 million invested (over 10 years)
- ◆ \$41 million match (25% required)
- ◆ \$229 million in follow on funding
- ◆ 31 successful projects featured on their website
- ◆ Up to 2 years funding provided
- ◆ \$20K to \$500K award (aver. \$100K)
- ◆ Projects must have clear path to commercialization

# Pennsylvania's Ben Franklin Technology Partners

## ◆ 2002-2006

10,000 jobs created per year

- 33% higher wages than non farm aver.
- \$8.7 billion boost to economy
- \$517 million in additional state tax
- 17 technology and industry areas

◆ Invested \$50 million in 3000 companies over a 25 year history

◆ 125,000 jobs created

◆ \$3.50 returned for every \$1 invested

# Kansas KTEC Centers of Excellence

## ◆ NIAR – Wichita State

- \$5.4 million State investment
- \$39.4 million match

## ◆ ITTC –

- \$1.1 million State investment
- \$4.2 million match

## ◆ No performance data on other 3 centers – some are focused on research excellence

## ◆ Program began in 1989



# Utah Centers of Excellence

- ✦ Legislature did not like the job growth that had come from 20 yrs
- ✦ Changed the program to a State SBIR type program
- ✦ Previous form of COE resulted in the founding several of large companies
  - Myriad Genetics – Market Cap \$4 B
  - TheraTech – sold to Watson \$160 M
  - Sonic Innovations - \$25 M mkt cap

# Is there a finish line?

- ✦ North Dakota is building a culture
- ✦ Skeptics can help you – make sure to listen
- ✦ Public relations are important
  - Governor and Legislature
  - Citizens
  - National Image
- ✦ Feature tangible results – good metrics so far
  - Jobs created and retained
  - New company successes
  - Partnership successes
  - Return on investment
  - Impact on local and state economy

# Is there a catcher's mitt?

- ◆ Qualified Mentoring
- ◆ Experienced Management Access
- ◆ Incubation facilities
- ◆ Funding – State Fund of Funds
  - Angel investors
  - Seed investors
  - Later stage investors
  - Banking relationships
- ◆ Research Parks or Technology Parks

# The best is yet to come! – make it so

- ✦ My opinion is that you are truly out in front for the time you have been in the race
- ✦ Build the culture and you will see the fruit of your efforts
- ✦ Make it competitive but do not get close minded to new possibilities
- ✦ It appears that you have great private sector buy in – keep it that way

# Time for a Federal / State Partnership ?

- ◆ US research funding \$150 B annual
- ◆ States are investing \$5 B in technology development/deployment
- ◆ "FAST" Federal Acceleration of State Technology – bill about to be filed
  - Will provide matching funds for states
  - Funds will be used for startups or tech based product launches
  - Could create 100,000 jobs a year



# GAMBIT is going regional

- ✦ Matches needs of manufacturers with available technologies/capabilities
- ✦ 650 manufacturers surveyed
- ✦ 500 manufacturing related technologies now in database
- ✦ Regional demonstration next
- ✦ National program would be part of FAST