

The Alvarez Group

“America’s future economic growth and international competitiveness depend on our capacity to innovate...”

Innovation—the process by which individuals and organizations generate new ideas and put them into practice—is the foundation of American economic growth and national competitiveness.”

—National Economic Council, 2011

Strategy

“The successful application of new ideas in innovations does not occur by chance; rather, it requires identifiable conditions. These conditions include large public and private investments in research and development, education and training, and an economic and political environment that promotes the creation of new firms and new investments by existing firms.”

—Hassett/Shapiro

TAG Provides

- Strategy
- Structure (Governance)
- Organization (Build management team)
 - Network
 - Business Development
- Pilots (Validate commercial viability, seed customer base)
- Funding sources

Research Triangle Park

- 1950's North Carolina's per capita income was one of the lowest in the nation and the state's economy was dominated by low wage manufacturing industries
 - "Brain drain"—graduates in the state were leaving in search of better jobs, and those attending college outside of state were not returning
 - This area not known for innovation or entrepreneurial activity
- 1956: RTP founded by collaborative partners of government, university, and business leaders—structured as private entity
- First 5 years of RTP growth was slow. In the following 40 years growth has averaged 6 new companies and an addition of roughly 1,800 employees per year
- RTP is 1 of the 5 high technology regions worldwide
 - 136 research and development; 37,600+ workers; \$2.7B in salaries
 - Average salary \$56,000, nearly 45% larger than regional and national average

Source: "Research Triangle Park: Evolution and Renaissance."

Deploying Innovation in Rural VA

“Despite volatile nature of start-ups, they are the disproportionate driver of job growth... .”

(National Bureau of Economic Research)

Business Roadmap

- Blend of large, mid-size, start-up companies
- Start-up companies create 250+ new jobs over 3–5 years; 15,000+ jobs over 30 years
- Develop/grow regional IP and IC
- Create attractive job and career opportunities with wages significantly above Region’s current median wage rates
- Create Development Hub—Industry sectors include IT, Health, Energy, Adv. Mfg.
 - Mobile internet, big data, automation of knowledge work, cloud
- Maximize opportunity and reduce risk with portfolio of companies; funding sources

Region Roadmap

- Workforce pipeline—Highly skilled, trainable workforce
- Hub: Universities; Community Colleges; Industry
- Strong infrastructure
- Business friendly growth environment; tackling bottlenecks
- Coordination/packaging of existing economic development programs and funding sources
- Network: Strong support and coordination across regional Public and Political entities; Industry partners

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"Economists estimate that innovation in its various forms accounts for 30 percent to 40 percent of the gains in growth and productivity by the American economy during the 20th century, more than any other factor."

—Hassett/Shapiro