LEADING PRACTICES IN REGIONAL DEVELOPMENT: THE ROANOKE-BLACKSBURG INNOVATION BLUEPRINT
The Region

- Where is Roanoke-Blacksburg?
The Innovation Blueprint

A regional roadmap for supporting entrepreneurs and turning our innovation assets into new businesses and jobs

Developed by over 100 business and education leaders
We Have Great Innovation Assets

• A top ranked research university, Virginia Tech, that has doubled research in the last 10 years; Carilion Research Institute with world class teams

• One of the highest concentration of colleges and universities per capita, awarding more than 1/3 of all STEM degrees

• Nationally ranked as a top “100 Best Places for Business and Careers”

• Leading edge technology companies

• Top 15 most affordable places for doing business; Cost of living well below the national average

• Strong work ethic in labor force

Source: Roanoke Regional Partnership
Yet, We Aren’t Turning Assets into Opportunities

• Our private sector **Science and Engineering workforce is <4%** compared to **7%** of the Virginia workforce and **5.4%** of the US workforce.

• Our high tech jobs are less concentrated and **grew 40% slower** than the State from 2002 to 2012.
  • if the region had the same concentration of tech jobs, it would equal **7,500 more high paying jobs**

• We have low rates of commercialization and thus are **missing $30-$100 MM per year** in equity investment capital.

• With a low percent of innovation jobs, **wages are also less**: $40,000 in region, compared to $49,500 for VA.
Why does this hurt our economy?

- Industry and education have a difficult time recruiting talent
- Companies tend to stay small and fail to realize their growth potential
- Startups leave the area to find funding and investors stop paying attention to the region
- There are few success stories that create the next generation of companies
We Start With A Clear Set of Outcomes

The Blueprint sees a future where

- Education and industry work together to turn ideas into enterprise, because of this
- More residents can start and grow successful innovation businesses, which in turn
- Attracts talented people from around the world to want to live and work in the region, and results in
- A reputation as an agile and responsive hub for innovation
We Take A Systematic Approach

Four Interconnected Objectives:

- Turn research concepts into new products,
- Launch more innovative companies,
- Help them through critical growth stages, and
- Support them with top tier talent.

Furthermore….it’s a scalable process that can help individual companies as well as create an overall environment for growth.
We Use Targeted Three-Year Strategies

<table>
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<th>Concept Development</th>
<th>Company Startup</th>
<th>Job, Wage and Revenue Growth</th>
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<tbody>
<tr>
<td>• Develop roadmaps linking regional industry to R&amp;D assets</td>
<td>• Establish additional seed and start-up funding</td>
<td>• Strengthened STEM and middle skill job connections to industry</td>
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<td>• Increase proof of concept funding and de-risking of technology at universities</td>
<td>• Enhance the mentoring system for entrepreneurs and growth stage companies</td>
<td>• Coordinated talent recruitment</td>
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Promote the region’s innovation assets
Support the networks and hubs that spur ongoing innovation and collaboration
What’s Unique about the Blueprint?

- First effort to link the two regions around specific ED strategies
- Led, funded, and implemented by private sector
  - Includes nearly all of region’s major business leaders
  - No public funds or staffing
- Pay as You Go Funding Approach
- To date, all efforts led by part-time volunteers
Pros and Cons of this Model

- **Pros**
  - Few turf wars
    - Business gets regionalism!
  - Flexible Mgmt. and Funding Structure
  - Results-Oriented/Metrics-Driven
  - Easy Access to Business Expertise and Resources

- **Cons**
  - Funding uncertainties
  - Limited Back Office Support
  - Challenges to engage non-business partners
  - Hard to get public and media attention
  - Project-Heavy Focus
A Viable Model for Other Regions?

☑ Yes, if . . .

- Sufficient funds are in place
- Project goals are clearly specified and limited in scale and scope
  - Timing Matters!!
- Impact expectations are reasonable and realistic
- Relevant economic development expertise is available
- Early successes can build momentum
Questions?

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