



The Regional Innovation Strategies Program

Office of Innovation and Entrepreneurship

17 May 2016

INNOVATION. REGIONAL COLLABORATION. JOB CREATION.



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Increase U.S. **economic competitiveness** globally

Help communities become economically **resilient and agile**

Improve **quality of life** in communities across the U.S.



We create the conditions for economic growth by

- leveraging EDA's **regional** focus and **national** programs;
- investing in **ecosystem** builders;
- building **capacity** and reinforcing **culture of innovation**; and
- encouraging and supporting public-private **partnerships**.



We leverage investments, information, and connections by

- investing through **grant programs**;
- gathering, analyzing, and sharing **data and best practices**; and
- connecting community and regional **stakeholders**.

With these tools, we aim to **catalyze economic growth**.



Established by the America COMPETES Reauthorization Act of 2010

Reimagined and retooled in 2014

DIRECTOR	Julie Lenzer
DEPUTY DIRECTOR	Craig Buerstatte
SENIOR POLICY ADVISOR	Eric Smith
PROGRAM ANALYST	Andria Fisanich
ADMINISTRATIVE SPECIALIST	Chavarria Harris



- Created the **Regional Innovation Strategies (RIS) Program**
- Reestablished the **National Advisory Council on Innovation and Entrepreneurship (NACIE)**
- Created the **Open for Innovation** event series
- Participated in the **Lab-to-Market** subcommittee of the NSTC
- Helped plan the **Global Entrepreneurship Summit**
- Selected to lead the **G20 Innovation task force**



- Authorized by the America COMPETES Reauthorization Act of 2010, as amended by the Revitalize American Manufacturing and Innovation Act of 2014 (15 U.S.C. § 3722)
- Encompasses
 - the **i6 Challenge**;
 - the **Seed Fund Support Grant** competition; and
 - Science & Research Park Feasibility & Planning grants (2014 only)
- Overwhelming demand: evidence of community interest and needs

2016 RIS Program FFO **closes 11:59pm ET on June 24**



- i6 Challenge
 - Funding to help turn ideas and inventions into products and companies
 - Retooled in 2014 to be more accessible and inclusive
- Seed Fund Support Program
 - Fills gaps in early stage capital for startups
 - Created in 2014 in response to stakeholder feedback



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1. BioSTL
2. The University of North Carolina at Chapel Hill
3. Maryland Technology Development Corporation (TEDCO)
4. Innovation Works



- **Problem or Opportunity**

- Academic researchers rarely equipped to adequately assess the commercial market potential and design the necessary milestones for commercial proof of concept and business plan development
- Existing programs, like SBIR/STTR, help to advance technology readiness, but often fail to support market-based commercialization, esp. where innovators lack business expertise

- **Solution or Project Description**

- Bringing external, industry experts to the table early advances market evaluation of technologies and better positions universities and innovators for commercialization
- Two stage evaluation and experimentation process allows for continuous improvement of technologies toward market-aligned commercial milestones

- **Impact and Notable Metrics**

- 14 promising, but previously un-commercializable, technologies significantly advanced
- 5 new companies launched
- More than \$1 million in private capital attracted to new companies





- **Opportunity**

- Promising ideas abound across university system
- Great inventions need business acumen
- Technology companies across state poised for growth

- **Technology Commercialization Carolina is:**

- Patent, Market and Funding Opportunity Research to determine viability
- StartUp Consulting & Workshops to provide a solid business foundation
- Entrepreneur Technical Assistance Program to accelerate non-University high growth firms

- **Impact and Notable Metrics**

- 30 non-UNC clients from across state including Historically Black and American Indian Universities
- Series A financing; companies incorporated; patents pending; increased access to existing resources
- Flanders Filters, Shure Foods, P&A group





- **Maryland needs experienced entrepreneurs to lead medical device commercialization.**
 - Central Maryland has many unique resources that support medical device innovation.
 - However, Maryland ranks low nationally in the commercialization of its innovations.
 - There are few entrepreneurs with the experience needed to commercialize medical devices.
- **mdPACE provides early-stage companies with experienced medical device executives.**
 - The executives help inexperienced entrepreneurs obtain an FDA 510(k) clearance for a first product.
 - This creates a value inflection point for the company and better positions them for investment of capital.
 - The inexperienced entrepreneurs gain the experience needed to clear other products.
- **mdPACE is impacting the companies that are engaged with the program.**
 - Infinite Biomedical Technologies – Sensors for prosthetics
 - Sonavex – Implantable device for ultrasound imaging of vein grafts
 - Innurvation – 360 degree FoV endoscopy imaging capsule



- **Opportunity**

- SW Pa. is a top market in the US for hardware startups – AlphaLab Gear, TechShop, CMU
- Those startups need a supply chain of manufacturers
- Manufacturing is the largest economic sector in rural SW Pa., but startups are not finding local suppliers

- **Project Description**

- AlphaLab Gear is one of top accelerators in US and is the only hardware accelerator focused on domestic manufacturing – RIS supported its launch in 2013
- New RIS grant is creating IW Builds – draws local, rural manufs. to help Gear cos. with product design
- Manufacturers find new high-growth customers; startups find local, cost-effective supply chain partners

- **Impact and Notable Metrics**

- AlphaLab Gear has launched 26 companies in three years
- Those companies have raised almost \$10M in follow-on funding and employ nearly 100 people
- Expecting to engage at least 48 manufacturers with IW Builds



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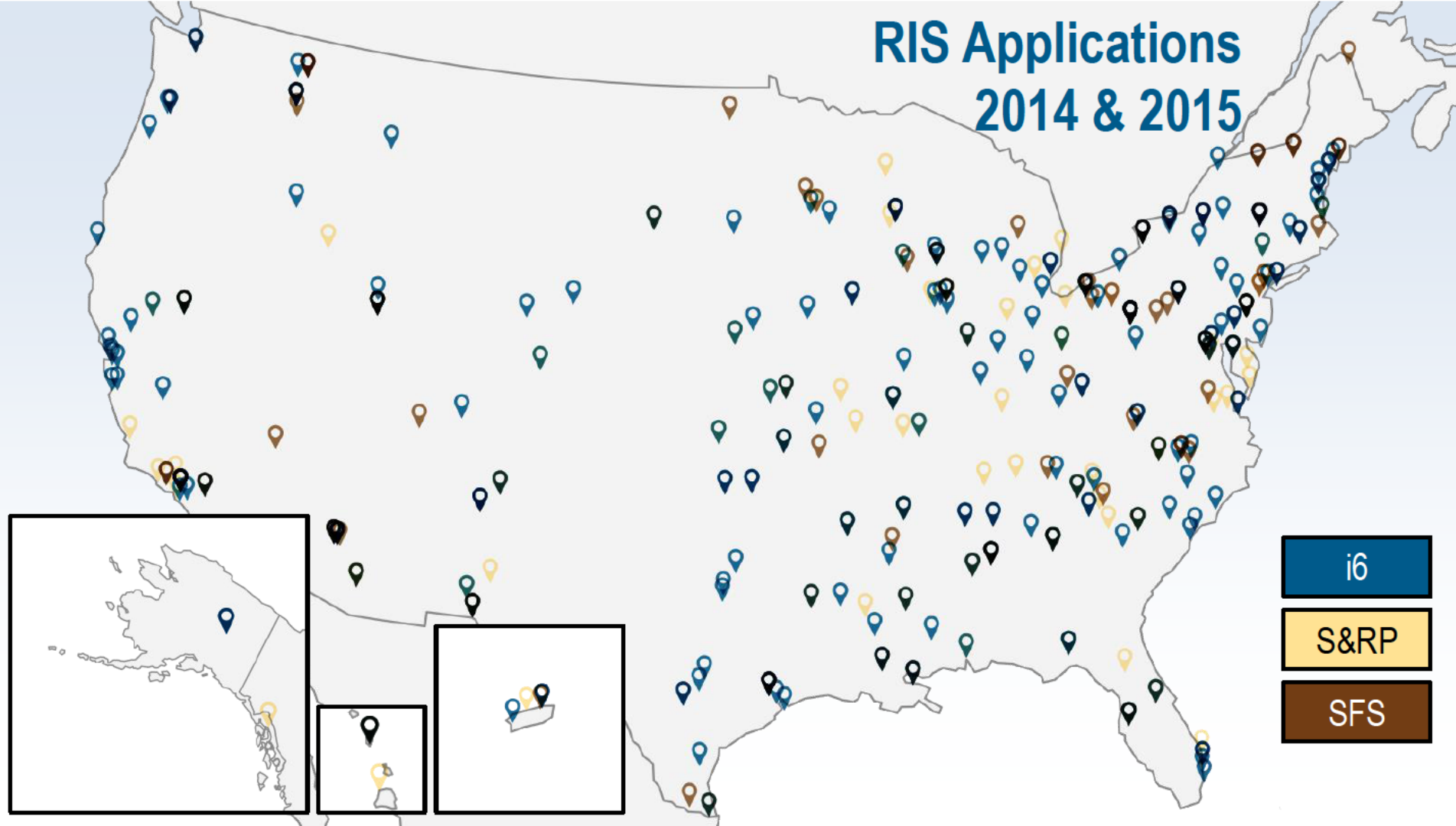
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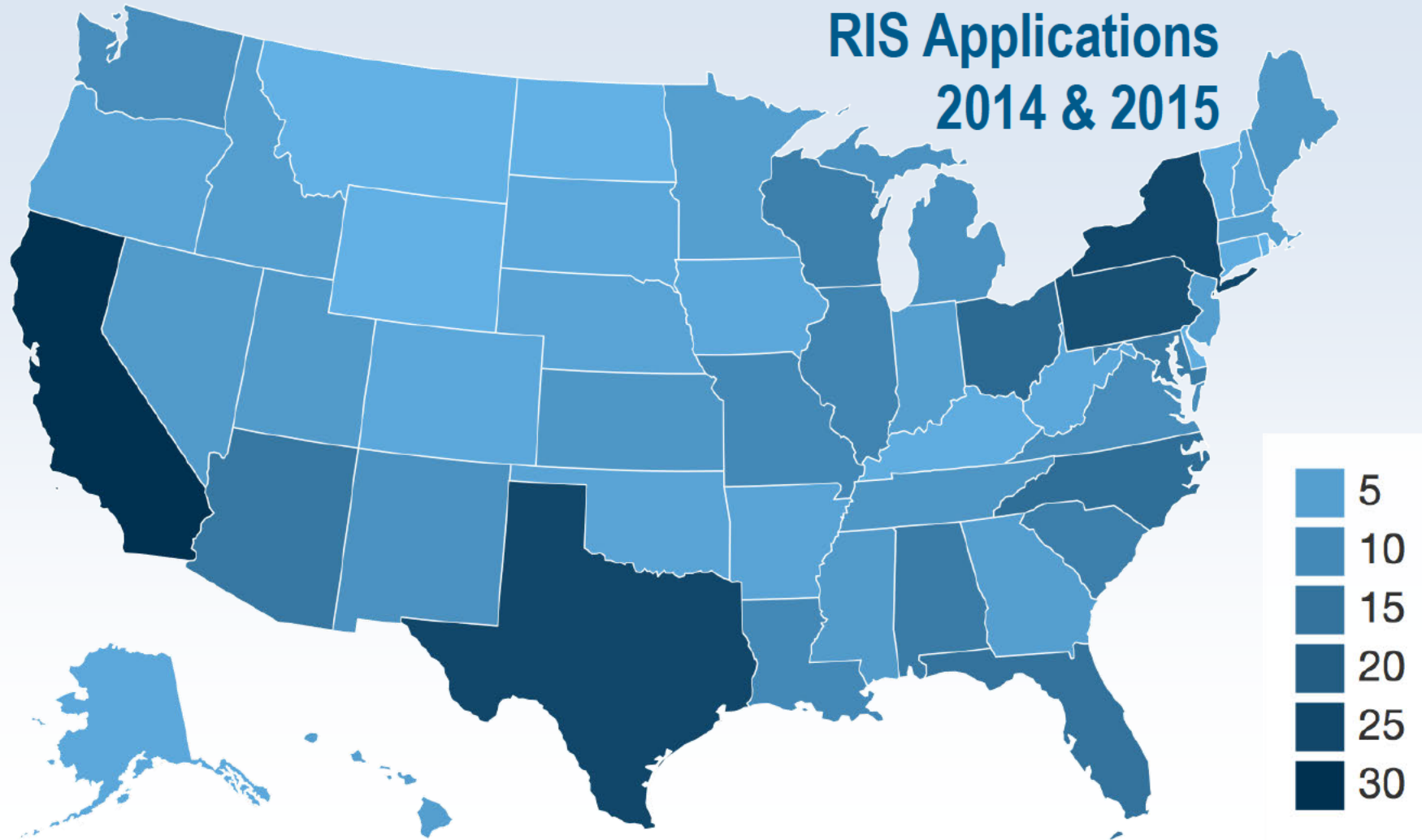
RIS Applications

The Whole Universe

RIS Applications 2014 & 2015

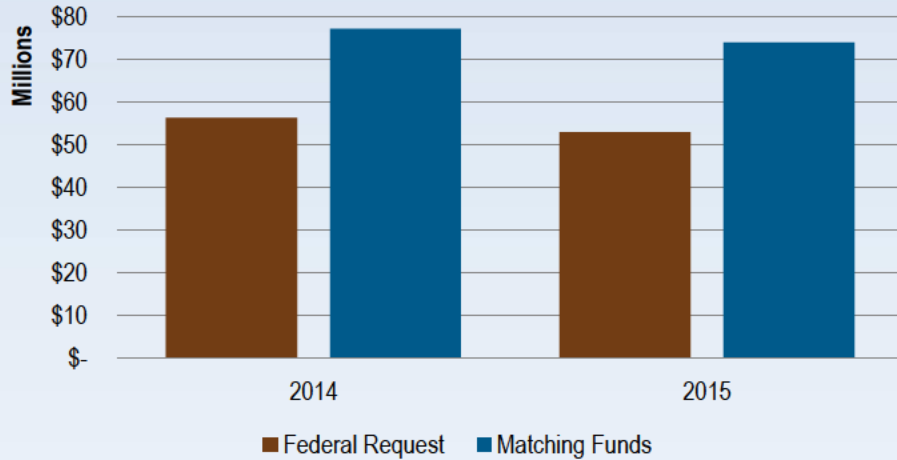


RIS Applications 2014 & 2015

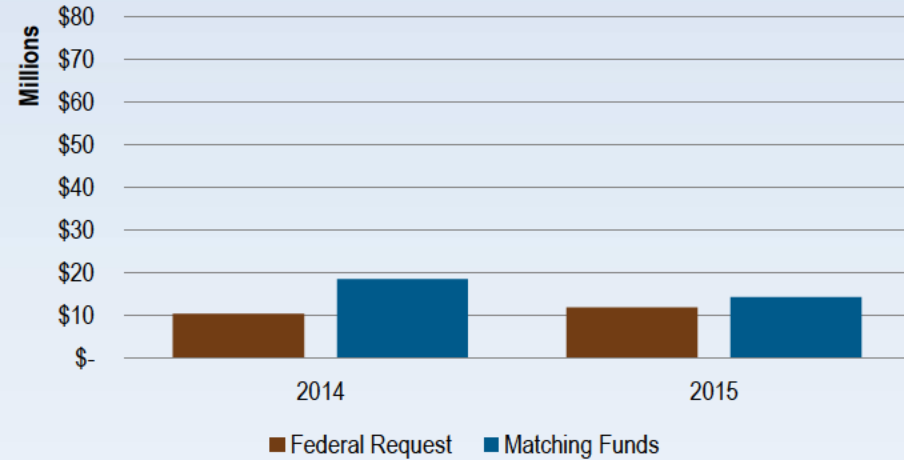




i6 Requests and Matches

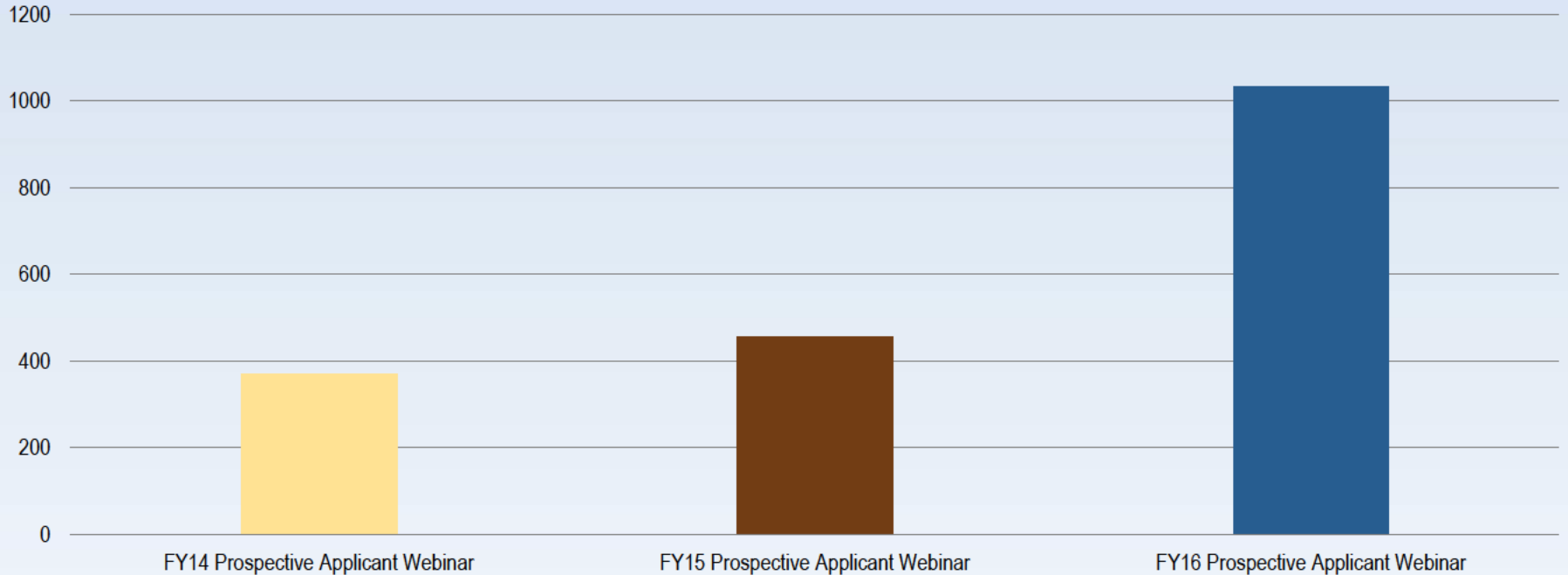


SFS Requests and Matches



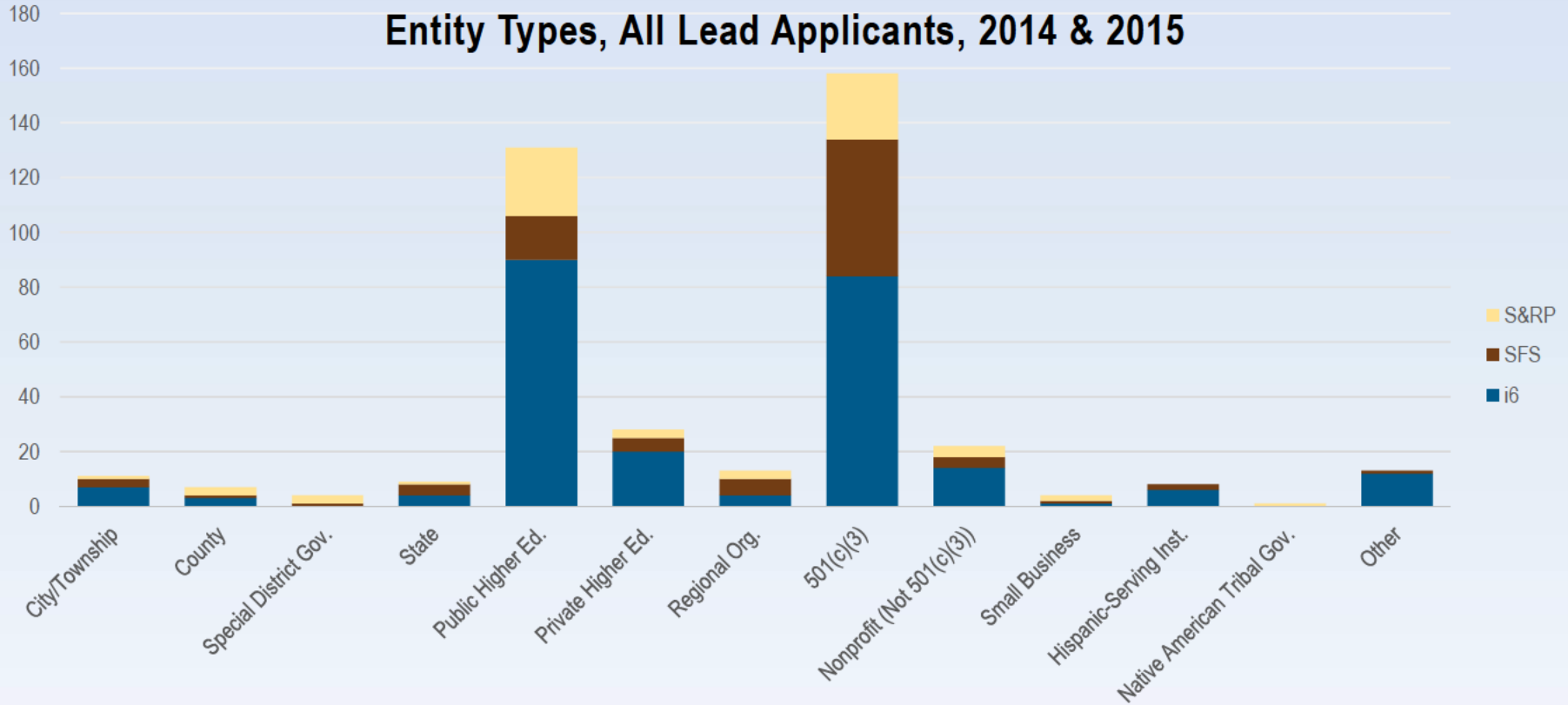


RIS Prospective Applicant Webinar Registrants, 2014-2016





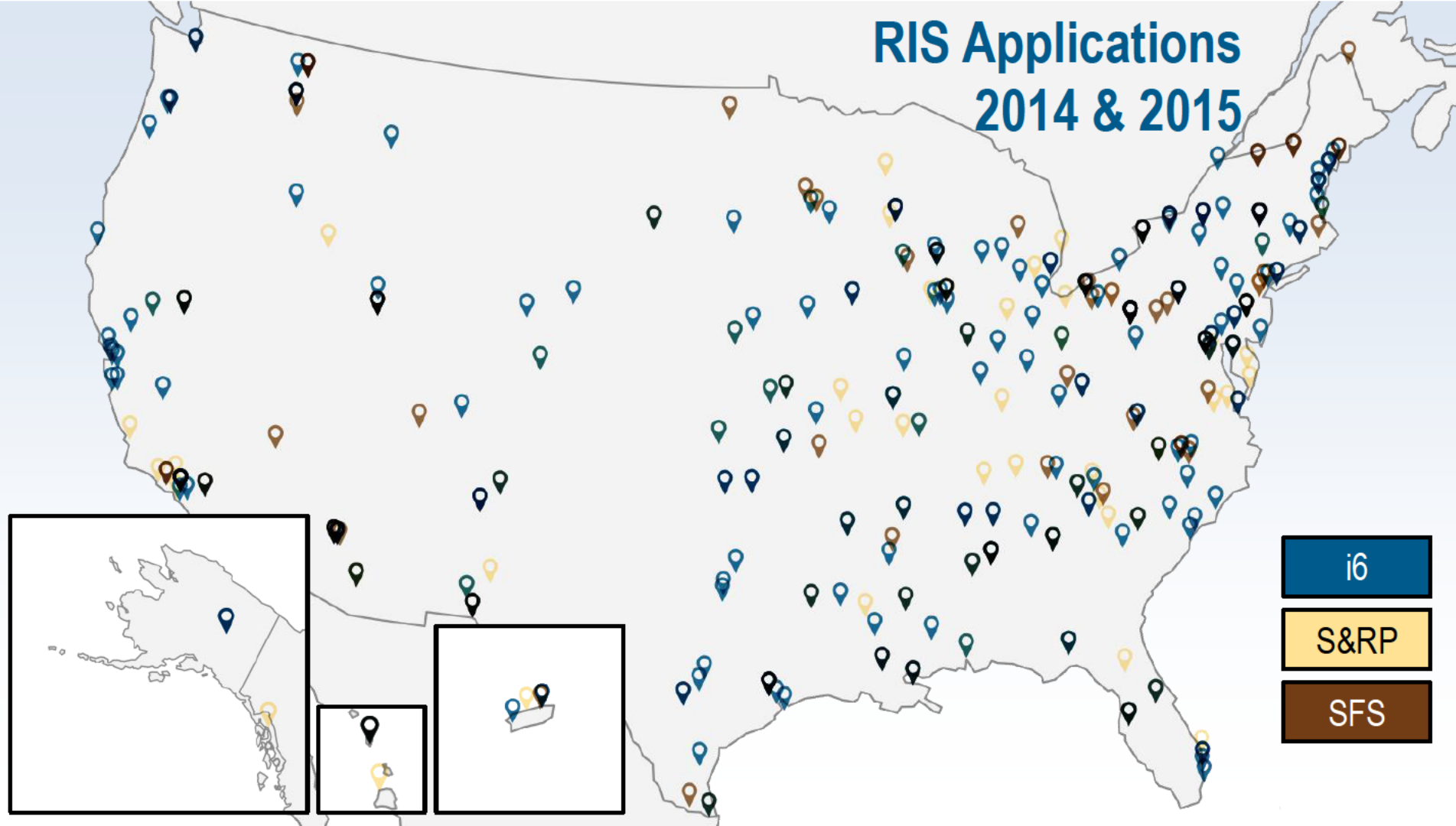
Entity Types, All Lead Applicants, 2014 & 2015



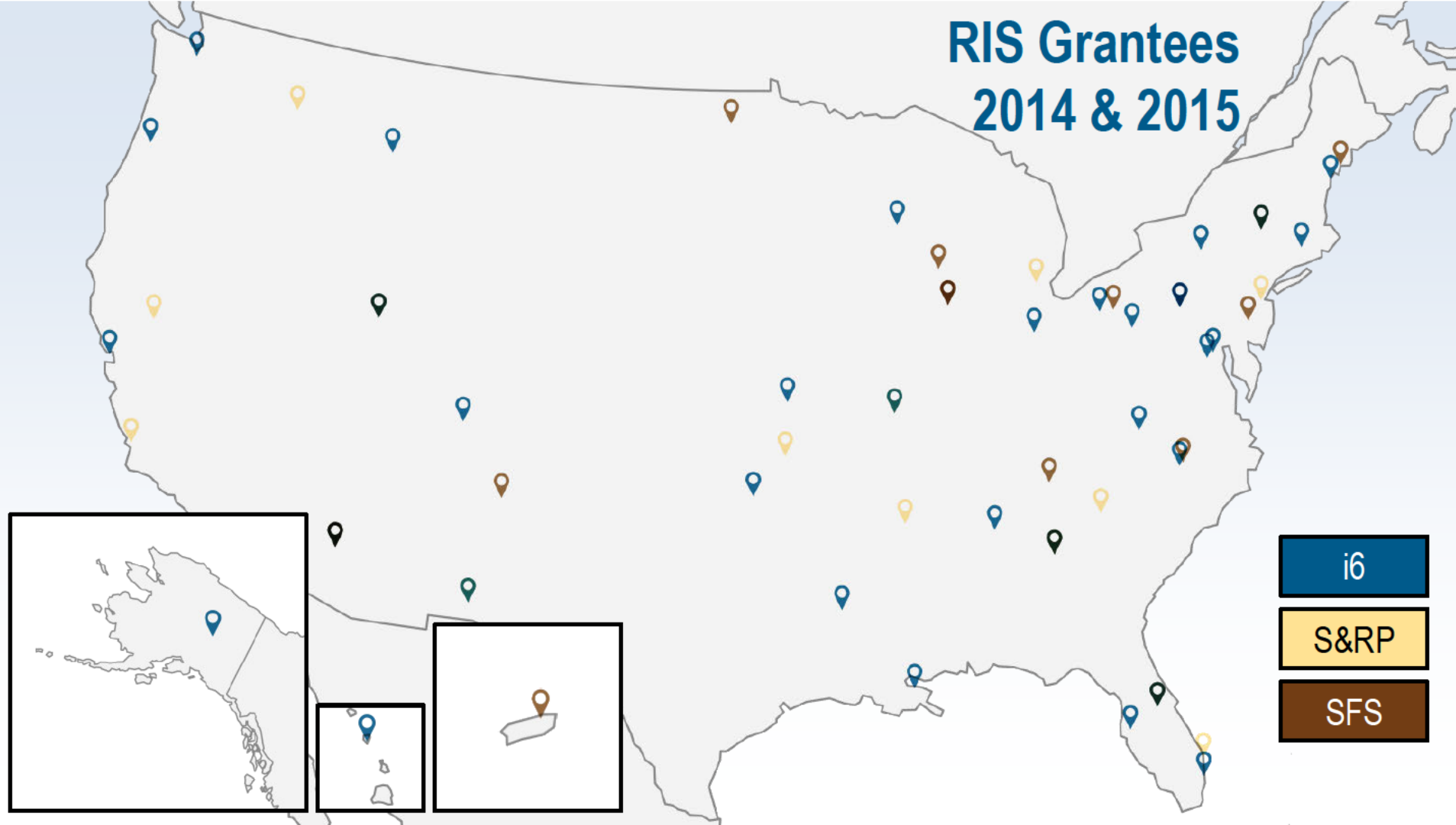
RIS Grantees

2014 & 2015

RIS Applications 2014 & 2015

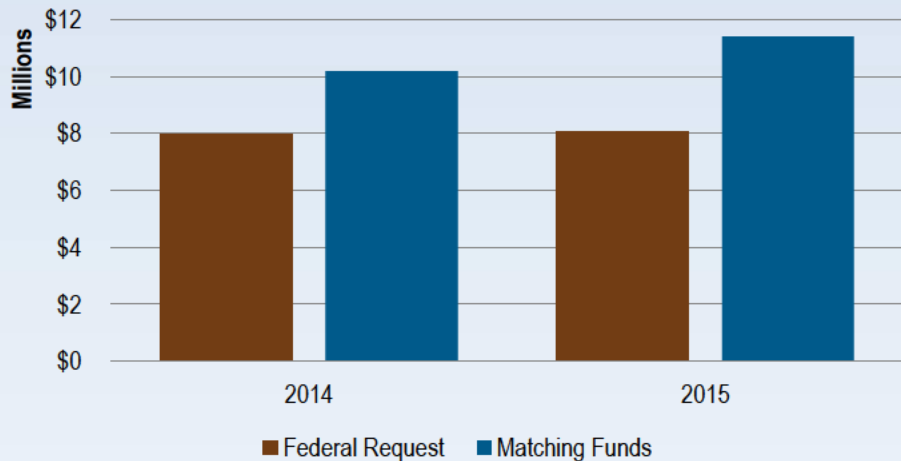


RIS Grantees 2014 & 2015

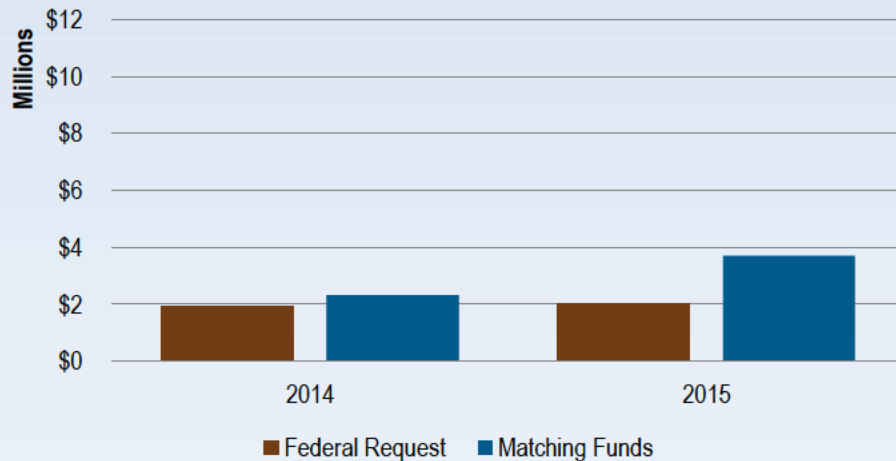




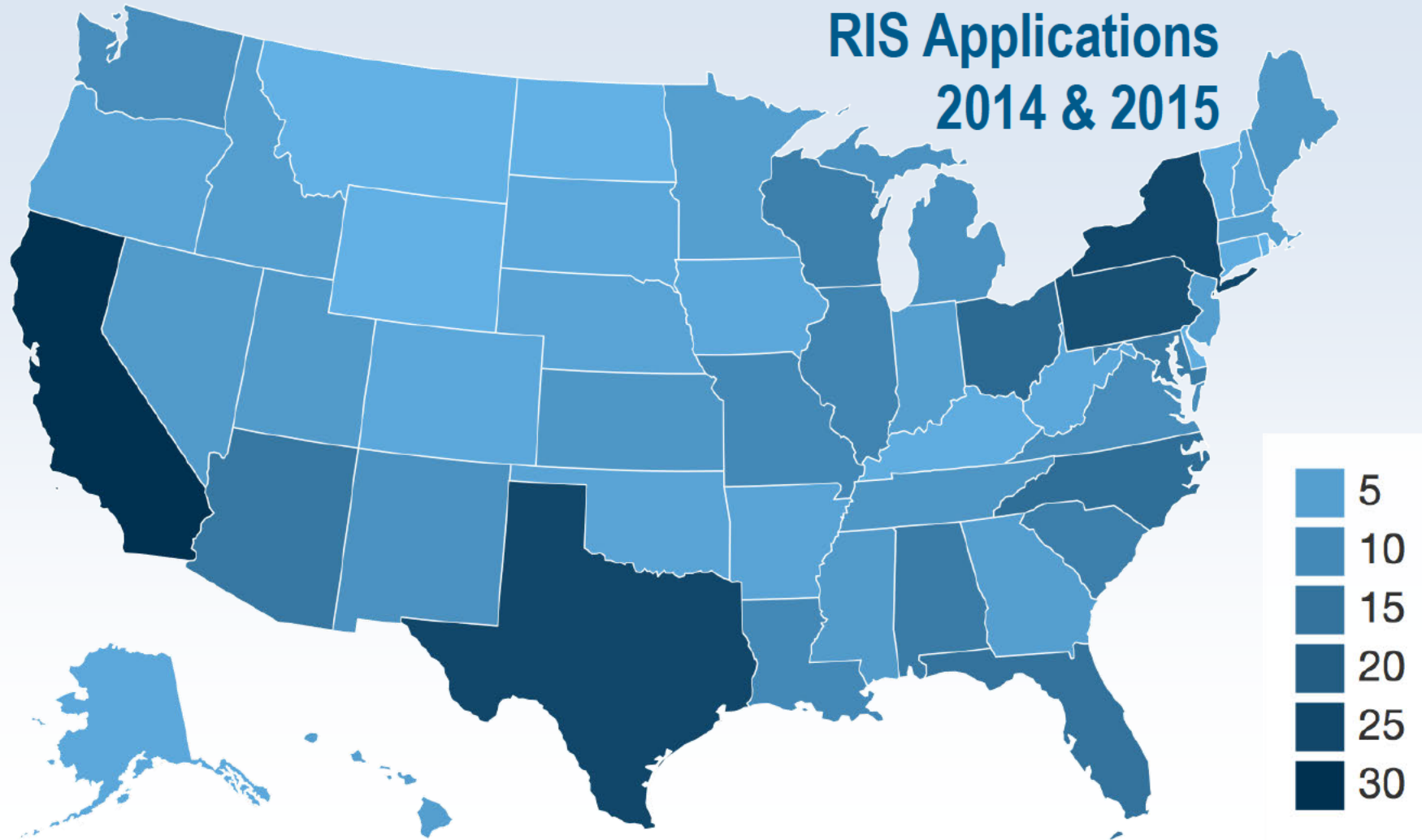
i6 Grantee Requests & Matches



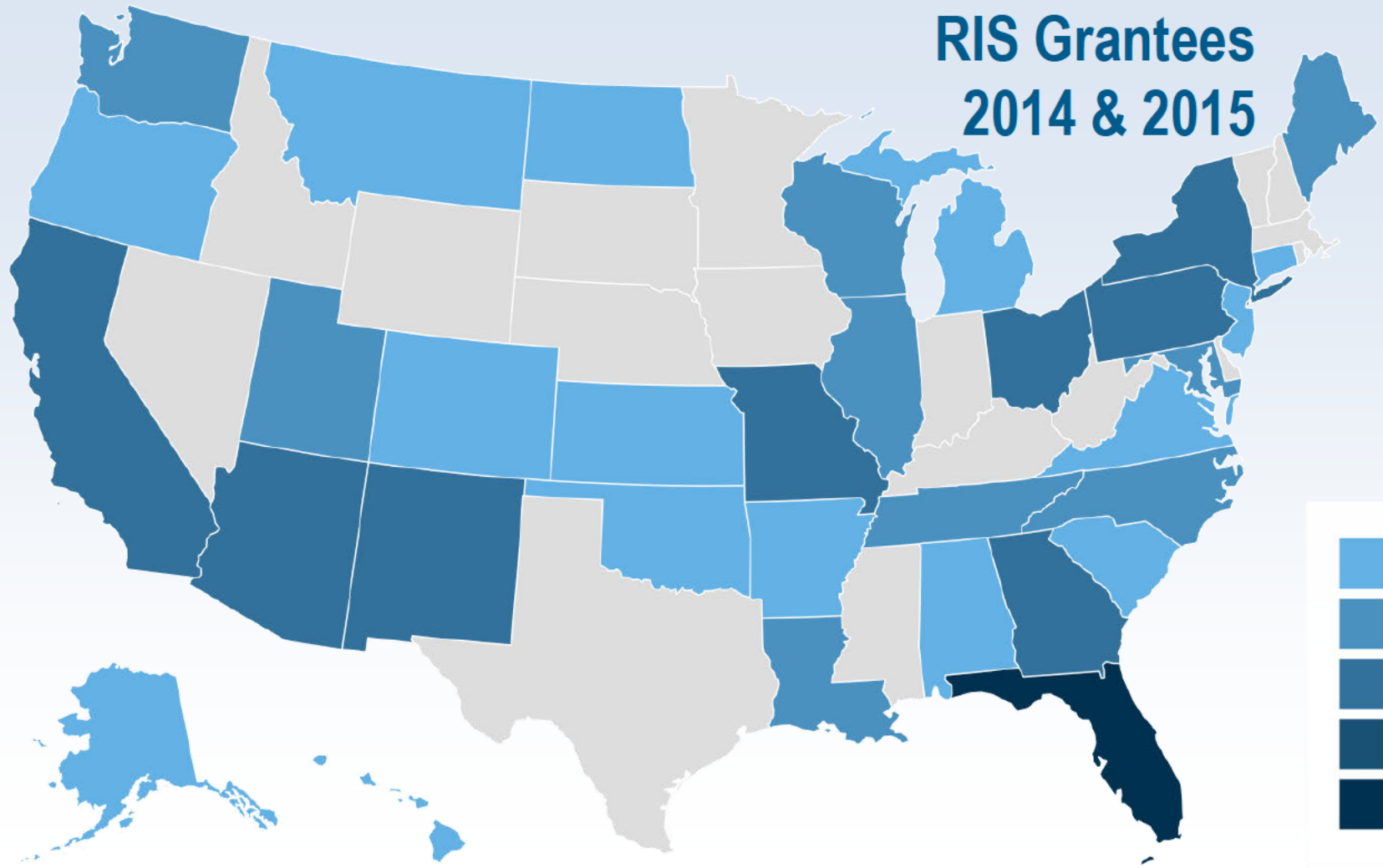
SFS Grantee Requests & Matches



RIS Applications 2014 & 2015



RIS Grantees 2014 & 2015





- **New Orleans BioInnovation Center (NOBIC) (FY14)**
 - 55 clients served, who reported creating 136 jobs, filing 115 patent applications, raising \$19.7m in funding, and reaching \$6.7m in sales
 - 175 technical assistance meetings, 45 mentoring sessions, 7 SBIR applications supported
- **Virginia Innovation Partnership (FY12)**
 - Funded 36 projects for a total of more than \$1.6m
 - 12 new ventures launched
 - More than \$4.3m in follow-on funding raised



- 83% of RIS applications (2014-2015) have been fundable.
- 15% were funded based on appropriated funds.
- 67%—or 276—applications were fundable but left unfunded.
- We've left \$128.5m in matching funds alone from fundable applications on the table.



We want your ideas.



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- 2016 RIS Program Information
- EDA Contact Information
- Additional Grantee Program Descriptions



RIS Program Website: <https://www.eda.gov/oie/ris/>

2016 RIS Program Federal Funding Opportunity: <http://www.grants.gov/web/grants/view-opportunity.html?oppld=282919>

2016 RIS Program applications are due by 11:59pm on June 24, 2016!

2016 RIS Program Prospective Applicant Webinar & Slides:
<https://cc.readytalk.com/cc/playback/Playback.do?id=8ep7xh>
<http://ssti.org/webinar/edafy16applicantwebinar.pdf>

To stay up-to-date on all things RIS, sign up for **EDA's newsletter and email blasts** here:
<https://public.govdelivery.com/accounts/USEDA/subscriber/new>



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- **Problem or Opportunity**

- Increasing awareness of regional resources for hardware focused startups.
- Connecting member companies to increased private investment.

- **Solution or Project Description**

- Serve as a convening organization of the regional hardware ecosystem and connecting it to national and global resources in the form of joint venture partners and providers of growth capital.

- **Impact and Notable Metrics**

- Held approximately 150 technical assistance meetings between startups and mentors.
- Assisted 14 startups in product development and provided introductions to investors. These startups now have a cumulative of 6 pending patents and over \$6000,000 in private investment.



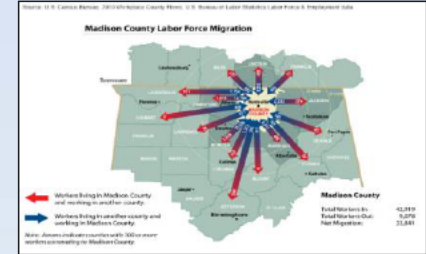
- **Current Venture Capital underperforms yet ecosystems perceive an early capital gap**
 - Throwing more money at the problem continues to drive down returns
 - Firms are consolidating into larger, later firms with larger checkbooks yet...
 - Starting a business is cheaper than ever
- **Quatere Capital is formed**
 - Specifically addresses the gap of smaller expansion capital
 - Provides a low risk solution to Community Reinvestment Act banking requirements
 - Better aligns limited partners and fund general partners
- **Impact and Notable Metrics**
 - Created in one of the nations top performing ecosystems
 - Aligns with local non profit and government initiatives
 - Is attracting the attention of top investors and entrepreneurs



U.S. ECONOMIC DEVELOPMENT ADMINISTRATION

HIGH-TECH INCUBATOR/INNOVATION TO INVENTION CENTER (I²C)

The University of Alabama at Huntsville



With the help of EDA, the University of Alabama Huntsville (UAH) has plans to build and operate a 45,000 sq. ft. Innovation to Invention Center (I²C) on campus to stimulate growth of new and existing high tech companies, and to catalyze formation of a resilient entrepreneurial ecosystem within a 15 county region that includes northern Alabama and south-central Tennessee. The I²C will play a role in increasing innovation by leveraging “shelved” technologies from defense and space that could lead to a number of inventions that can now be developed into successful commercial products, and produce start-up firms, business expansion, and economic growth initiatives. With an anticipated construction time of 24+ months (after ground breaking this calendar year), the EDA OIE RIS GAP program is designed to create a virtual Proof of Concept Center (POCC) to jump start operations in the Innovation Center by hiring a Program Director and developing processes and procedures to stream line activities within the Center. It will help to build a virtual network of relationships to engage and grow the innovation capacity within the region, engage our committed partners within the region, and establish a level of operational capacity before the building is completed.



- **Problem or Opportunity**
 - Not enough access to mentoring, funding, and technical assistance for Bioscience start-ups
 - Centralized information
 - Pipeline of talent and young entrepreneurs
- **Solution or Project Description**
 - **Skill development, education, and mentoring**
Leverage existing entrepreneurship centers on campuses to attract, train, and retain mentors who will offer actionable feedback and personalized guidance.
 - **Increase technical Assistance:**
The objective of this task is to increase the pipeline of high potential Proof of concept projects and companies. The technical Assistance to be provided includes: Scientist/student education & Training. Business Development, Project management, Team Assessment & dynamics, careful due diligence, value proposition determination,
 - **Access to business accelerator facilities and capital for company creation.**
All successful projects will be eligible for BioAccel's commercialization programs which provide seed capital, business and technical assistance, and affordable facilities for start-up companies.
- **Impact and Notable Metrics**
 - 20 student projects, teams of 5, in conjunction with UC Irvine.
 - Currently supporting 15 portfolio companies with funding and access to partners/technical assistance.
 - Impacting major universities to provide access, education, and support to young entrepreneur.



- **Problem or Opportunity**

- When you look at the transformation happening in nearly every industry and sector, startups are leading the way. Yet the public sector is one of the few remaining areas that have yet to be transformed by startups. There are a number of reasons for this but we believe one of the most critical barriers is not understanding the needs of government organizations

- **Solution or Project Description**

- STIR connects the public sector directly to innovative technology entrepreneurs to help solve challenges faced by City government, and make government more accountable, efficient and responsive.

- **Impact and Notable Metrics**

- 27 challenge statements proposed by City departments such as Economic Development, Fire, Human Services, Police, Fire, Recreation and Parks in San Francisco, Oakland, San Leandro and West Sacramento
- Streamlined the procurement process in San Francisco, so that post- 16-week program, the government agencies and startups have the potential to enter into a commercial arrangement
- 85 startups from around the world applied to these challenges
- 14 startups selected for the 2016 program
- Over 30 notable thought leaders who serve as “Ambassadors” and “Mentors”



- **Opportunities**

- Reshoring of manufacturing jobs related to metal component manufacturing.
- Reduction of current manufacturing costs and turn-around times.
- Reduction of the amount of energy required to manufacture metal components.

- **Solution or Project Description**

- Commercialization of High Velocity Metal Forming (HVMF) technologies.
- Creation of a consortium that will collectively demonstrate real world HVMF applications.
- Development of an education program describing the cost saving potential of HVMF technologies.

- **Impact and Notable Metrics**

- Make available a prioritized list of HVMF research experiments conducted at the OEAMC.
- Create a library of technical literature and promote its availability.
- Maintain a database of HVMF supply chain vendors.