Economic Development 2.0: Sparking the Innovation & Entrepreneurial Economy in Your Community

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Entrepreneurship & Innovation in Maine

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What is this “creativity”? • The ability to transcend traditional ideas, rules, patterns and relationships. • Genius, imaginativeness, ingenuity, inspiration, inventiveness, originality, resourcefulness, talent, vision

What is “innovation”? • The process of solving an existing or new problem from a new and different perspective. • Change, alteration, revolution, metamorphosis, upheaval, transformation, breakthrough, modernization, novelty, creativity, originality, ingenuity, inspiration, inventiveness

What is a “startup”? • A startup is NOT a phase of company, a startup is a company with an attitude of high-growth or high-impact over a compressed period of time (i.e. Ave. of 40% growth of 3 years)
**A Tale of Two Entrepreneurs**

<table>
<thead>
<tr>
<th>SME Entrepreneurship</th>
<th>IDE Entrepreneurship</th>
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<td>Focus on addressing local and regional markets only.</td>
<td>Focus on global markets.</td>
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<td>Innovation is not necessary to SME establishment and growth, nor is competitive advantage.</td>
<td>The company is based on some sort of innovation (tech, process, business model) and potential competitive advantage.</td>
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<td>“Non-tradable jobs”—jobs generally performed locally, e.g. restaurants, dry cleaners, service industry.</td>
<td>“ Tradable jobs”—jobs that do not have to be performed locally.</td>
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<td>Most often family businesses or businesses with very little external capital.</td>
<td>More diverse ownership base including wide array of external capital providers.</td>
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<td>The company typically grows at a linear rate. When you put money into the company, the system (revenue, cash flow, jobs, etc.) will respond quickly in a positive manner.</td>
<td>The company starts by losing money, but if successful will have exponential growth. Requires investment. When you put money into the company, the revenue/cash flow/jobs numbers do not respond quickly.</td>
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**SME Revenue, Cash Flow, Jobs over Time**

- Revenue / Cash Flow / Jobs
- Time

**IDE Revenue, Cash Flow, Jobs over Time**

- Revenue / Cash Flow / Jobs
- Time
Mission:

Diversify and grow Maine’s economy by encouraging, promoting, stimulating, and supporting innovation and its transformation into new products, services and companies, leading to the creation and retention of quality jobs in Maine.
Funding Opportunities

We fund new ideas, devices, or methods with the potential to grow and diversify Maine’s economy and increase the number of quality jobs throughout the state through direct support of innovators and through funding support of programs and infrastructure that encourage innovation.
$$ is not Enough
Enter Entrepreneurial Ecosystem Concept

✓ Collection of elements that support the probability of success of individual entrepreneurs

✓ Culture matters

✓ You can’t always tell the flowers from the weeds

✓ Founding and growing companies is a team sport
Focus on health of system of supports for high growth entrepreneurship

Evolution of Network in Maine Supporting Entrepreneurs & Innovators

Source: On Distributed Communications Networks, Paul Baran, 1962
We build the connections…

...between each other and with entrepreneurs.

By strengthening the social web supporting the community.
UPSTART MAINE

POWERING THE BANGOR REGION'S ENTREPRENEURIAL ECONOMY FROM WITHIN!
Q. What’s the missing piece for a growing economy in the Bangor Region?
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A. High concentration of export companies
Take a Look at the Future of the Bangor Region Economy:
MEET SUSAN & KARL

6 Patents
$1.9 million Raised
MEET ANDREW

Raised $400,000

4 International Patents
MEET BRIAN & MATT

>100,000 Users

Accepted into Premier Ed Tech Accelerator
MEET TODD

2 Patents
Sales in 25 States
And more....
What do they have in common?

• High growth potential
• Export markets
• Innovation-Driven: new-to-world ideas
Why are innovation-driven businesses important?

Up to 50% of a region’s job growth.

(Kauffman Foundation)
How do you get innovation-driven businesses?

Grow them from within a region

- They originate from regional industry and institutions
- Tend not to relocate
Small metro areas can do it.

- Ames, Iowa (pop. 94,000)
- Grew 100+ innovation-driven businesses in 30 years
- 80+ in research park today, 1,700 employees
- 2,500 more employees elsewhere in region
What was the impact in Ames?

- High tech job growth 20% higher than U.S. average
- Exports 24% higher than small metro area average
- 25-44 year old age group growing
The Bangor Region “ecosystem” is newer & smaller, but we can do it, too!
How do we know? It’s already starting

- UMaine R&D & Industry Transfer
- Broadband
- Urban Hot Spots
- Support Programs
- Angel investors
- Husson Dyke Center, NESCOM
- EMCC
Above average startup job creation rate in 2014

• 47th out of 366 metro areas
• 2.8% of total employment vs 1.9% metro areas

Source: U.S. Census
What still needs to happen?

• Higher rate of *Innovation-Driven* Business formation
• More opportunities for *home-grown talent*
• Region-wide promotion of “*culture of innovation*”
Key Programs in the Bangor Region

- Networking & pitch event
- Seed Accelerator
- Business Incubator
- Foster Center for Student Innovation
- Business Accelerator
- Coworking Space
- Production Incubator
What do entrepreneurs need from our community?

1. Community
2. Capital
3. Connections
4. Customers
How can you help?

- Mentor & Coach
- Support experimentation, spin-outs
  - Share your story
  - Internships
  - Host meet-ups
- Advise & shape the programs & coalition
  - Referrals
- Be a start-up’s customer
  - Financial support
- Spread the word
Community Innovator and Entrepreneur Support Worksheet