

Architecting Innovation Ecosystems

The Entrepreneur's Point of View

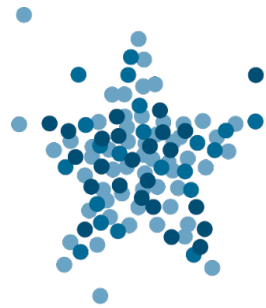


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TEXAS FOUNDATION
FOR INNOVATIVE COMMUNITIES

Larry Peterson
Executive Director

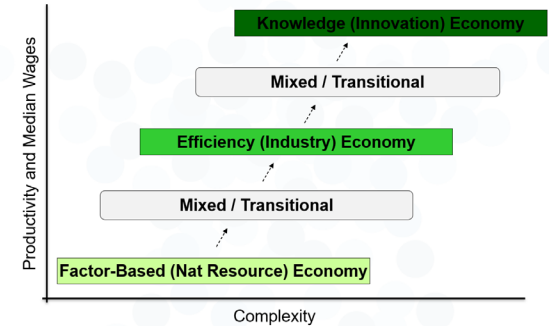


TEXAS FOUNDATION
FOR INNOVATIVE COMMUNITIES

“Think and Do” Tank

*focused on regional
economic transformation*

Economic Transformation: Stages of Development



- Based on work of Dr. George Kozmetsky

Co-Founder of F500 Teledyne, principal architect of Austin, Texas -- the only major US tech hub designed from scratch. Texas-based, worldwide focus.

- Projects

Created largest Texas technology accelerator; statewide aerospace-defense cluster initiative; statewide association of research parks and accelerators; development of Army Futures Command HQ and Army Software Factory; major semiconductor initiatives; numerous R&D and competitiveness projects

- Research and Methodologies

- Architecting and Optimizing Sustainable, Scalable Innovation Ecosystems
- Analysis and Identification of Region-Specific Differentiated Innovation Capacity
- Analyzing and Visualizing Complete Innovation Ecosystems

	Innovative Capacity <small>High Value</small>	Translational Capacity <small>Product & Market</small>	Business Formation <small>High Potential Profit</small>	Growth Support <small>High Capital Investment</small>	Cluster Scaling <small>Global Competitiveness</small>
Talent	Yellow	Red	Green	Yellow	Yellow
Ideas	Yellow	Yellow	Yellow	Yellow	Yellow
Capital	Yellow	Red	Yellow	Red	Yellow
Know-How	Yellow	Yellow	Yellow	Yellow	Red
Government	Red	Red	Yellow	Red	Red
Education / Workforce	Yellow	Yellow	Yellow	Yellow	Yellow
Quality-of-Place and other Intangibles	Yellow	Yellow	Yellow	Green	Yellow
Infrastructure	Yellow	Yellow	Yellow	Yellow	Yellow

Sustainable Entrepreneurial Ecosystem

Essentials

- Talent
- Technology
- Capital
- Know-how

Scaling

- Connections
- Customers
- Scaling Partners
- Management Talent Pool

Retention

- Industry Cluster resources
- Hyper-Collaborative, Failure-Tolerant Culture
- Supportive Local / Regional Government
- Quality-of-Place

Effective Innovation Ecosystems provide *predictable, time-efficient* resources. They do not necessarily need to be cheap or simple.



Caveats

1. Entrepreneurial Ecosystem is less than 1/3 of a regional innovation system. Think holistically.
2. Intrinsic financial sustainability should be a key design criterion for new initiatives. However, that sustainability only results “at scale”.
3. Prioritize efforts: Companies without sufficient differentiation or scaling partners are unlikely to achieve traction. Companies achieving traction, but lacking regional industry cluster resources, will relocate.
4. Align entrepreneurship with regional research and industry clusters.
5. Cultivate “Smart Money” investors, not just expansion of early stage capital.
6. Principles are universal. Models are not. Do not blindly copy successful models from elsewhere.

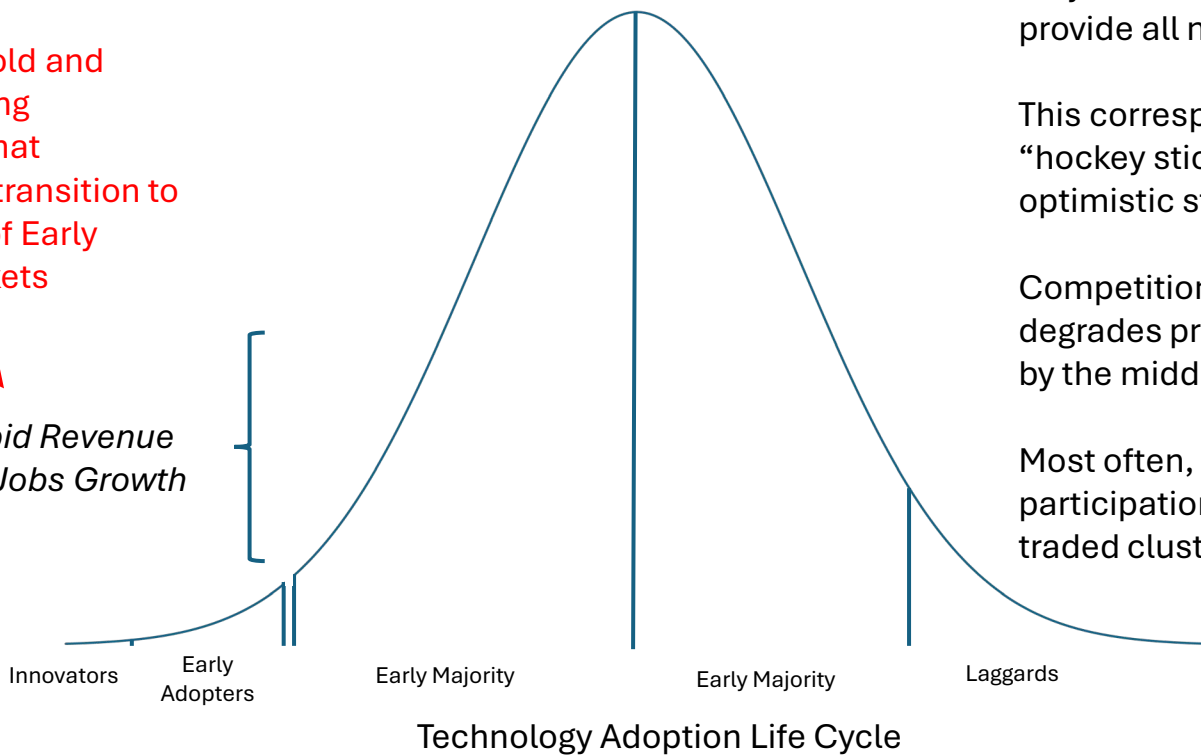


Key Prosperity Dynamic

Companies (old and new) producing innovations that successfully transition to the first half of Early Majority markets



Rapid Revenue and Jobs Growth



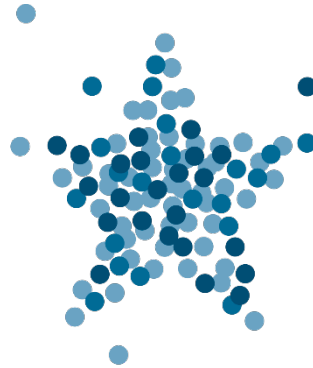
Innovation drives pricing power, rapid revenue and jobs growth. For any given year, only 5%-10% of companies provide all net growth.

This corresponds to the “hockey stick” projections of optimistic startups.

Competition typically degrades profits and growth by the middle of this slope.

Most often, requires participation by established traded clusters.

Thank You!



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