Briefing: Catalyst Conversation at Northern Michigan University
Friday, February 12, 2016 | 1:30 – 2 p.m. | UofM – Flint (Room TBD)
Via video conference
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Purpose:
An opportunity to share the story of entrepreneurship in the Upper Peninsula; a regional conference centered around the importance of innovation for Marquette's economic development future.

High level points:

- Entrepreneurship, innovation and making things are in Michigan's DNA. Just look at our history and record.
- An essential component of the preparation for the 21st Century economy is building and strengthening the state's entrepreneurial infrastructure.
- Entrepreneurs make the small businesses that are Michigan's job creation engine.
- To find flourishing entrepreneurship and a booming tech industry, look no further than Michigan.

Agenda:

1:00 PM – 1:30 PM Guests begin arriving
1:30 PM – 1:35 AM Ray Johnson welcomes guests and introduces Dr. Fritz Erickson
1:35 PM – 1:40 PM Dr. Erickson gives remarks and introduces Governor
1:40 PM – 1:55 PM Governor gives remarks
1:55 PM – 2:00 PM Buffer Time
2:00 PM Governor's participation concludes
2:00 PM Remarks from Steve Arwood
2:15 PM Panel Discussion (Rizik, Ollila,, Frost, Nyquist, Mahaney)
3:00 PM Event concludes

Event Notes:

- OPEN Press
- RDS will be giving welcoming remarks (Steve Arwood will be delivering keynote address)
- Remarks will be delivered via Zoom, a video conferencing software
    - Jordan and Erik will be operating equipment; will be on a MacBook laptop.

Attendees: *Open to the public; no RSVP's taken

Ray Johnson, CEO of Innovate Marquette Smartzone
Steve Arwood, CEO of MEDC (Keynote speaker)
Dr. Fritz Erickson, President of Northern Michigan University (host)
Chris Rizik, CEO and fund manager, Renaissance Venture Capital Fund
David Ollila, founder and executive director of Invent@NMU
Dr. Megan Frost, tech entrepreneur, Michigan Tech Univ. faculty & MTEC SmartZone client
Dr. Jeff Nyquist, tech entrepreneur, NMU grad and Innovate Marquette SmartZone client
Robert Mahaney, President-Veridea Group; entrepreneur, angel investor & NMU trustee

Background:

Michigan Entrepreneur & Small-Business Climate:

- There are 129 venture-backed companies in Michigan, a 70% increase over five years ago.
- Michigan-based venture capital firms have $1.7 billion in capital under management, an increase of 45 percent in the last 5 years.
- Of the $4.8 billion under management in Michigan (including outside Michigan-based firms), 74% is invested in startups, and 23% is capital available for new startups.
- Diversified investments: life sciences/healthcare (53%); information technology (19%); business services (8%); alternative energy (7%); media (5%); other (5%); and, advanced materials/manufacturing (5%); other (2%) and, consumer products (1%).
- For every $41 invested in a Michigan startup company by a Michigan-based VC firm, $2.90 of investment is attracted outside of Michigan.
- Michigan has the HIGHEST RESEARCH spending-to-venture capital investment ratio in nation. For every $1 invested in venture capital in the state $149 is investment in research in Michigan.
    - $2.1 billion in R&D expenditures collectively at Michigan State University, University of Michigan, Wayne State University in 2013; up 51% since 2007.

Entrepreneurship accomplishments:

- **T3N –** The Technology Transfer Talent Network (T3N) is a collaboration of 7 universities (UM, MSU, WSU, WMU, Oakland, GVSU and MTU) supporting the commercialization of university projects into licenses and/or startup companies. Since its inception in 2011, the program has created more than 200 jobs, started 38 new companies, attracted more than $28,000,000 in follow on funding, signed 37 licenses and commercialized several products.

- **MCRN –** The Michigan Corporate Relations Network (MCRN) is a collaboration of 6 universities (UM Ann Arbor, UM Dearborn, MSU, WSU, WMU, MTU) including the University Research Corridor (URC) supporting the interaction between startups, small companies and public universities in the state of Michigan. Since its inception in 2011, the program has created more than 300 jobs, served over 300 companies, attracted more than $56,000,000 in follow on funding and received over 6,000 portal visits.

- **MTRAC –** The Michigan Translational Research and Commercialization program (MTRAC) is a funding match program that creates intense focus on translating research IP from the university into the commercial marketplace. There are currently 5 MTRAC programs across the state of Michigan:
    - University of Michigan - Life Sciences
    - University of Michigan - Advanced Transportation
    - Michigan State University - Ag Bio
    - Michigan Technological University – Advanced Materials
    - Wayne State University – Bio Medical (just beginning)
- Since its inception in 2013, the program has received 222 proposals for funding, and created 12 startups, 28 jobs, and 2 licenses, while attracting more than $18.8 million in follow-on funding.

Supporting regional entrepreneurial community
Partnership between Innovate Marquette and Invent@NMU, include efforts to support the regional entrepreneurial community in the following ways:

- **Client Cross-Referral Efforts:** Invent@NMU and the Marquette SmartZone are complimentary programs to support of inventors, innovators and entrepreneurs. The program is an efficient way to refer entrepreneurial clients based on type of business, and entrepreneurial needs.

- **Entrepreneurial Eco-System Meet-Up:** An after-hours meet-up for entrepreneurs with the focus on available resources, such as Invent@NMU, Innovate Marquette SmartZone, Northern Initiatives, LSCP, etc.

- **i-CORPS at NMU:** Marquette SmartZone is part of the NMU i-CORPS pilot program. The program offers instructors/ mentors on four NMU-based entrepreneurial teams.

- **Access to Pure Michigan Connect:** MEDC team members Trevor Pawl and Colin Dillon have spent considerable time with Dave Ollila at Invent@NMU (Colin mostly) supporting efforts to maximize their access to Michigan manufacturing sources through Pure Michigan Connect.

MEDC impact in the Upper Peninsula

- Since 2012, MEDC programs and initiatives have attracted more than a quarter of a billion dollars in private investment in the Upper Peninsula.
    - Private investment: $291,283,576
    - Jobs committed, which does not include jobs created: 1,158

- Impact projects in Marquette include:
    - A Brownfield incentive for the capture of $55.8 million in school and local taxes to help finance the expansion of Duke LifePoint's plan of the hospital and a hotel in Marquette, expected to create 150 new jobs.
        - The project is expected to generate $170 million in capital investment.
    - Community Revitalization support in 2015 for Veridea Group's mixed-used development in Marquette, which attracted $31 million.
    - Community Revitalization grant to Marquette Food Co-op, which resulted in a private investment of $3.3 million in 2014.

Invent@NMU
**Note: RDS visited Invent@NMU as part of the UP trip in August 2015*

- Invent@NMU is a complimentary program to the MEDC's mission and current programs, specifically the SmartZone's and Pure Michigan Connect.
- Through Marquette SmartZone (Ray Johnson, CEO), we are collaborating with Invent@NMU and their Founding Director David Ollila. This includes co-sponsoring entrepreneurial events/meet-ups, client cross-referrals and jointly delivering a new i-CORPS program at NMU.
- Invent@NMU is a unique and now proven concept and capability.

    - It could be replicated and scaled throughout the state of Michigan with the development and implementation of an appropriate expansion/replication strategy and the proper level of funding.
- Invent@NMU Director Dave Ollila and the Marquette SmartZone's CEO Ray Johnson have already started brainstorming on developing expansion ideas/plans starting with using their current Marquette and NMU campus locations as an a place to test ideas and plans.

Smart Zone: INNOVATION MARQUETTE

- Smart Zones provide distinct geographical location where technology based firms, entrepreneurs and researchers locate in close proximity to community assets.
- The strategic proximity to each other allows entrepreneurs and the community to create a cluster that promotes shared resources and collaborations among universities, industry, research, government and other institutions.
- Michigan has 15 Smart Zones, which are also home to incubation facilities, wet lab space and technology.

Marquette SmartZone

- The Marquette SmartZone is called Innovation Marquette Enterprise Corporation, a.k.a. Innovate Marquette.
- The ad-hoc committee worked with a range of groups, including Northern Michigan University and 906 Technologies to help jump start the SmartZone.
- The Marquette SmartZone is a satellite of the one in Houghton.