

MICHIGAN ECONOMIC
DEVELOPMENT CORPORATION

PURE *M*ICHIGAN®

Fred Molnar
Entrepreneurship and Innovation

Entrepreneurship and Innovation – *Why does the MEDC invest ~\$16M annually?*

The Kauffman Foundation has found that “without startups, there would be no net job growth in the U.S. economy.”

MEDC Entrepreneurship and Innovation Directive?

**Diversify the Michigan Economy with
More and Better Jobs**

How? Focus on Home Grown, High-Tech Start-ups

Definition: *High-Tech*

- Advanced Automotive
- Advanced Manufacturing
- Advanced Materials
- Information Technology
- Agricultural Processing Technology
- Alternative Energy
- Homeland Security and Defense Technology
- Life Sciences
- Other Innovative Technologies



Section 125.2088a of the MSF Act, as amended, and as approved by the MSF Board



Top 5 Publicly Traded Companies (by Market Cap)

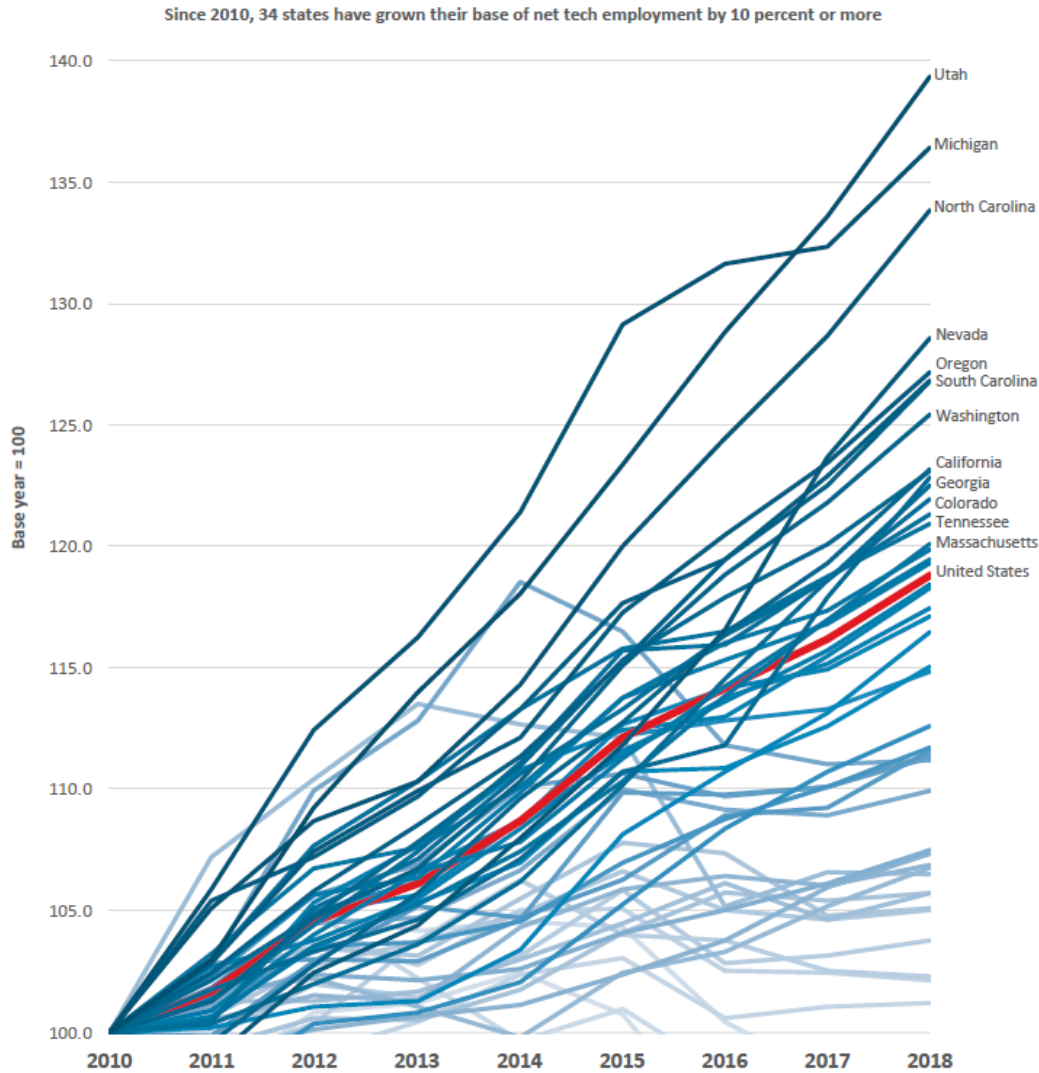
 Tech  Other



MEDC Entrepreneurship and Innovation

**How is the State of Michigan doing in
the Tech Space ?**

Show some results and statistics



Michigan #2 State for Tech Industry Growth 2010-2018

Entrepreneurship and Innovation: *State of Michigan High-Tech*

TOP STATES BY NET TECH “EMPLOYMENT”

1. California 1,782,499
2. Texas 982,988
3. New York 663,295
4. Florida 567,862
5. Illinois 439,541
6. Virginia 436,545
7. Pennsylvania 435,170
8. Massachusetts 428,788
- 9. Michigan 409,406**
10. Ohio 396,795

TOP STATES BY NET TECH EMPLOYMENT “JOB GAINS”

1. California +51,567
2. Florida +18,147
3. Texas +17,855
4. North Carolina +13,773
5. New York +13,732
6. Washington +12,864
- 7. Michigan +12,354**
8. Georgia +11,302
9. Massachusetts +11,175
10. Ohio +9,248

Source: CompTIA Cyberstates Research Report, 2019

Entrepreneurship and Innovation: *State of Michigan High-Tech Impact*

ECONOMIC IMPACT



7.8%

Estimated direct contribution of the tech sector to the Michigan economy: \$37.4 billion

Primary data sources: EMSI | U.S. Bureau of Labor Statistics | U.S. Bureau of Economic Analysis | Burning Glass Technologies Labor Insights. All data are estimates covering the 2018 time period, unless specified as earlier | See Appendix for full methodology and data tables

Tech Workers in Michigan Average Salary: \$92,000

– **77% higher than the “non-tech” average wage of \$51,790**

Source: CompTIA Cyberstates Research Report, 2018 and 2019

Entrepreneurship and Innovation: *State of Michigan Impact*



\$6.33 for every \$1.00 of
annualized 21st CJF
investment

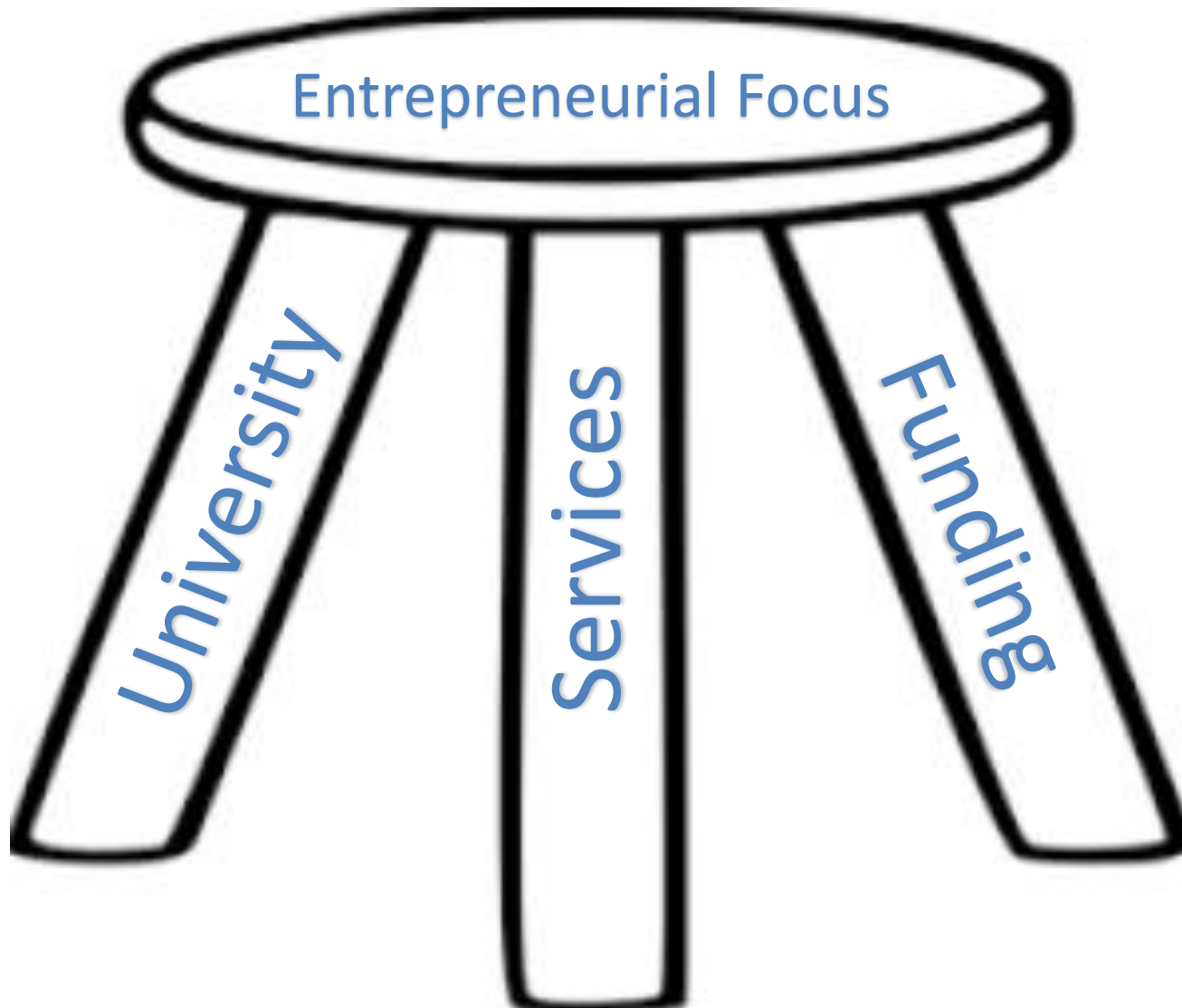
Direct effect: 6.33:1 ROI

\$22 for every \$1.00 of
annualized 21st CJF
investment

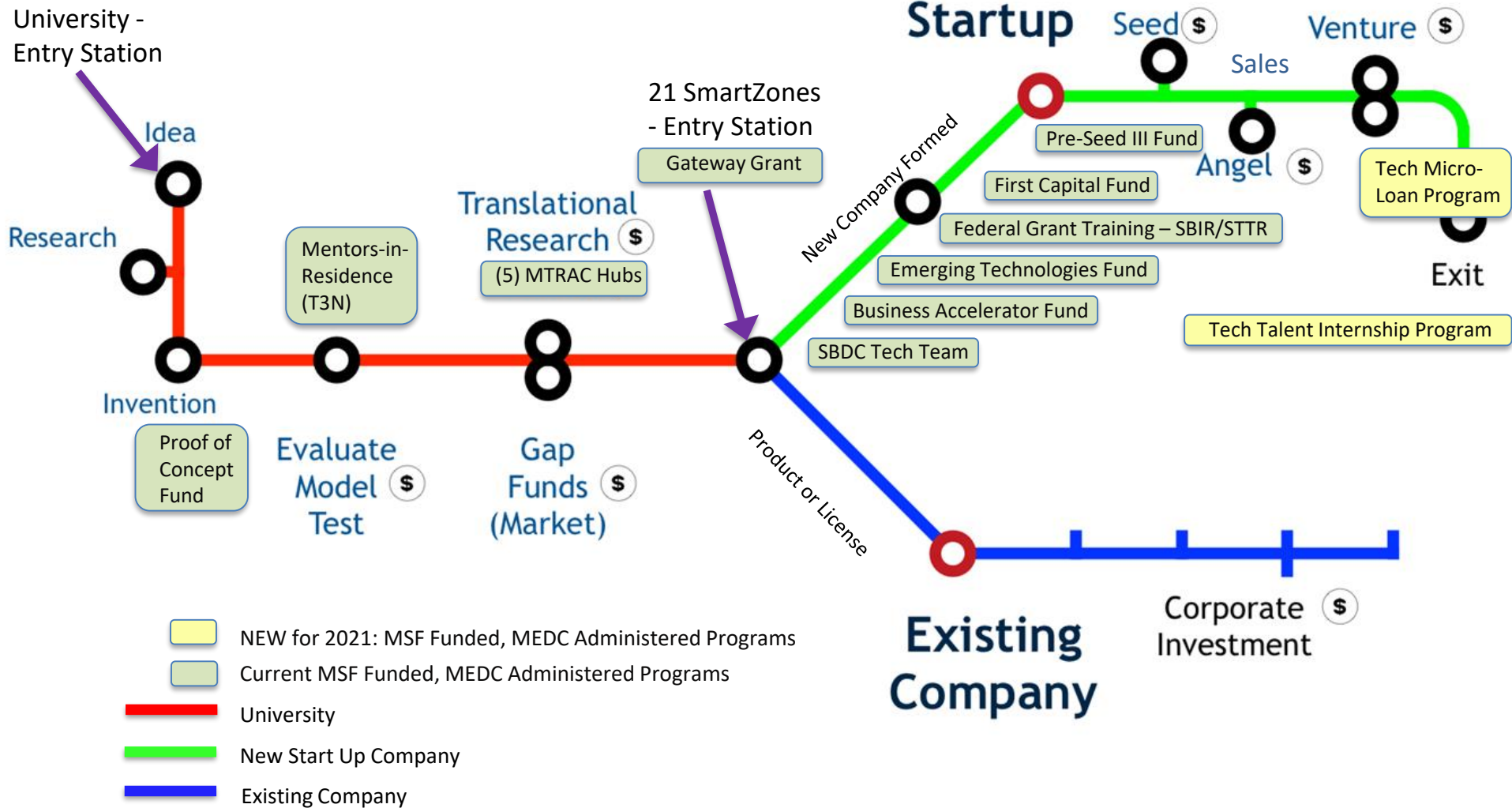
Indirect effect: 22:1 ROI

Source: Battelle/Techonomy Report 2016

Three Areas of Entrepreneurial Focus at the MEDC



Entrepreneurship and Innovation – “Subway Map”



SmartZones – Free Support Services for Early-Stage Tech Companies

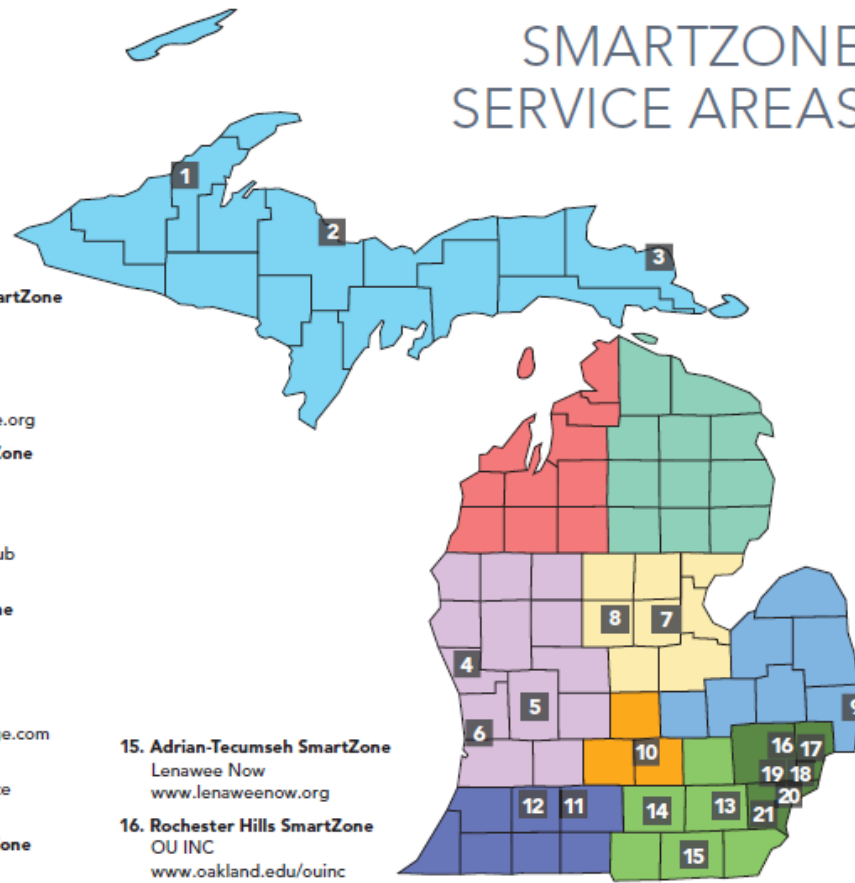
Business accelerator services include, but are not limited to:

- Business development mentoring
- Networking events
- Business feasibility studies
- Business planning
- Coaching
- Entrepreneurial training
- Grant writing
- Incubator and wet lab space
- Management recruitment
- Market analysis
- Product development
- Small Business Innovation Research (SBIR) assistance
- Small Business Technology Transfer (STTR) assistance
- Technology assessments
- Technology mining
- Venture capital preparation and introductions

SMARTZONE SERVICE AREAS

SmartZones

1. **Houghton/Hancock SmartZone**
MTEC
www.mtecsz.com
2. **Marquette SmartZone**
Innovate Marquette
www.innovatemarquette.org
3. **Sault Ste. Marie SmartZone**
Sault Ste. Marie EDC
www.saultedc.com
4. **Muskegon SmartZone**
Muskegon Innovation Hub
www.gvsu.edu/mihub
5. **Grand Rapids SmartZone**
Start Garden
www.startgarden.com
6. **Holland SmartZone**
Lakeshore Advantage
www.lakeshoreadvantage.com
7. **Midland SmartZone**
Midland Business Alliance
www.mbami.org
8. **Mount Pleasant SmartZone**
CMURC
www.cmurc.com
9. **Port Huron SmartZone**
St. Clair County EDA
www.startunderground.com
10. **Lansing SmartZone**
Lansing Economic Area Partnership (LEAP)
www.purelansing.com
11. **Battle Creek SmartZone**
Battle Creek Unlimited
www.bcunlimited.org
12. **Kalamazoo SmartZone**
WMed Innovation Center
www.med.wmich.edu/node/373
13. **Ann Arbor SmartZone**
Ann Arbor SPARK
www.annarborusa.org
14. **Jackson SmartZone**
Enterprise Group of Jackson
www.leanrocketlab.info



15. **Adrian-Tecumseh SmartZone**
Lenawee Now
www.lenaweenow.org
16. **Rochester Hills SmartZone**
OU INC
www.oakland.edu/ouinc
17. **Sterling Heights SmartZone**
Macomb-OU INCubator
www.oakland.edu/macombouinc
18. **Troy SmartZone**
Automation Alley
www.automationalley.com
19. **Southfield SmartZone**
Southfield Centrepolis
www.centrepolisaccelerator.com

20. **Detroit SmartZone**
Techtown
www.techtowndetroit.org
21. **Huron Township SmartZone**
Pinnacle Aeropark
www.hurontwpdfa.com

REGIONS

- | | |
|---|--|
| ■ Upper Peninsula region | ■ East Michigan region |
| ■ Northwest region | ■ South Central region |
| ■ Northeast region | ■ Southwest Michigan region |
| ■ West Michigan region | ■ Southeast Michigan region |
| ■ East Central region | ■ Detroit Metro region |

Entrepreneurship and Innovation – Success Story Example

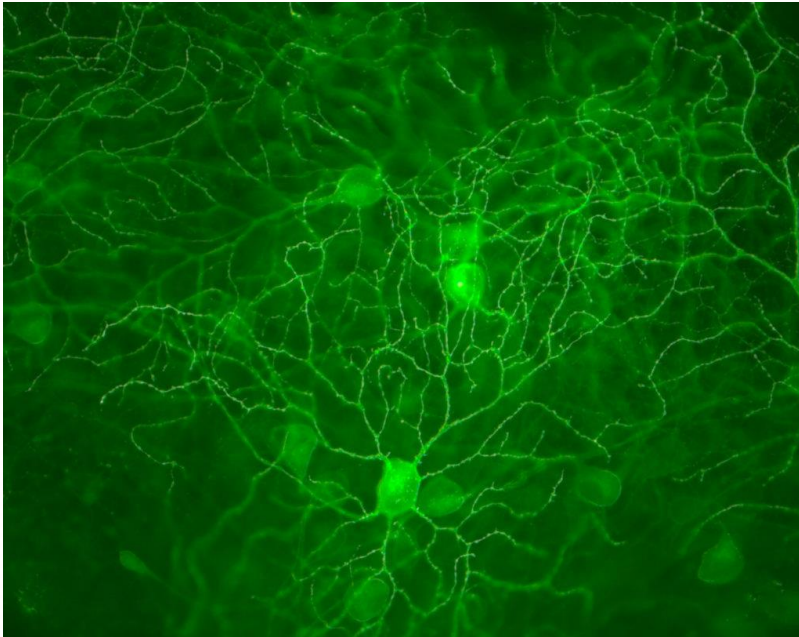
Delphinus: Breast Cancer Detection System Without Radiation



Time Frame: 15 Years

Entrepreneurship and Innovation – Success Story Example

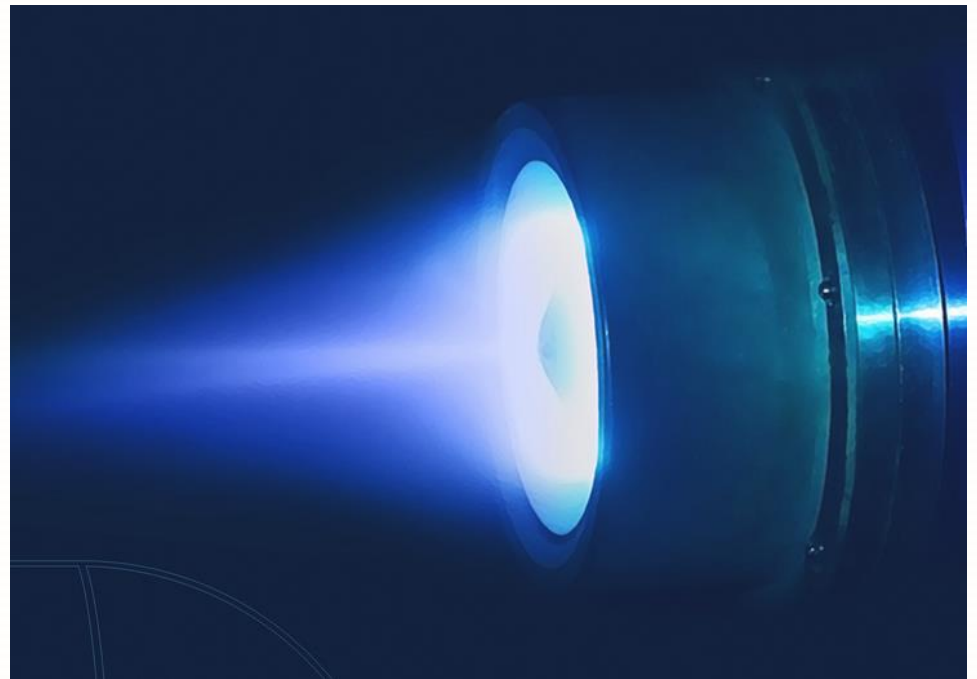
RetroSense: gene therapy to restore vision in patients suffering from blindness due to age related macular degeneration



Time Frame: 14 Years

Entrepreneurship and Innovation – Success Story Example

Orbion Space Technology: UP based, Satellite Hall-effect propulsion system



Time Frame: 3 Years

Entrepreneurship and Innovation – Where do you start?

Tech Entrepreneurial Services and Funding Opportunities:

- Nearest SmartZone

University Services and Programs:

- Office of Technology Transfer at University

Traditional (non-tech) Startup Services:

- SBDC Regional Centers

www.michiganbusiness.org/entrepreneurship

End of Presentation

Thank you for your time and attention!

Any Questions?