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

2001
1. GE - $406B
2. Microsoft - $365B
3. EXON - $272B
4. Citi - $261B
5. Walmart - $260B

2006
1. EXON - $446B
2. GE - $383B
3. TOTAL - $327B
4. Microsoft - $293B
5. Citi - $273B

2011
1. EXON - $406B
2. Apple - $376B
3. PetroChina - $277B
4. Shell - $237B
5. ICBC - $228B

2016
1. Apple - $582B
2. Alphabet - $556B
3. Microsoft - $452B
4. Amazon - $364B
5. Facebook - $359B
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

<table>
<thead>
<tr>
<th>TOP STATES BY NET TECH “EMPLOYMENT”</th>
<th>TOP STATES BY NET TECH EMPLOYMENT “JOB GAINS”</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. California 1,782,499</td>
<td>1. California +51,567</td>
</tr>
<tr>
<td>2. Texas 982,988</td>
<td>2. Florida +18,147</td>
</tr>
<tr>
<td>3. New York 663,295</td>
<td>3. Texas +17,855</td>
</tr>
<tr>
<td>8. Massachusetts 428,788</td>
<td>8. Georgia +11,302</td>
</tr>
<tr>
<td>10. Ohio 396,795</td>
<td>10. Ohio +9,248</td>
</tr>
</tbody>
</table>

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

Entrepreneurial Focus

University

Services

Funding
Entrepreneurship and Innovation – “Subway Map”

- University - Entry Station
- Existing Company
- New Start Up Company

21 SmartZones - Entry Station

Mentors-in-Residence (T3N)

(5) MTRAC Hubs

Gateway Grant

Proof of Concept Fund

Evaluate Model Test

Gap Funds (Market)

Translational Research

NBCC (5) MTRAC Hubs

University

New Company Formed

Pre-Seed III Fund

First Capital Fund

Federal Grant Training – SBIR/STTR

Emerging Technologies Fund

Business Accelerator Fund

SBDC Tech Team

Emerging Technologies Fund

Gateway Grant

Pre-Seed III Fund

First Capital Fund

Federal Grant Training – SBIR/STTR

Emerging Technologies Fund

Business Accelerator Fund

SBDC Tech Team

New Start Up Company

Seed

Angel

Venture

Startup

Sales

Exit

Corporate Investment

NEW for 2021: MSF Funded, MEDC Administered Programs

Current MSF Funded, MEDC Administered Programs

University

New Start Up Company

Existing Company

MICHIGAN ECONOMIC DEVELOPMENT CORPORATION
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
SmartZones

1. Houghton/Hancock SmartZone
   MTEC
   www.mtecss.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.mbani.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.bculimited.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.leanrocketiab.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 Centropolis
    www.centropolisaccelerator.com

20. Detroit SmartZone
    TechTown
    www.techtowndetroit.org

21. Huron Township SmartZone
    Pinseekle Aeropark
    www.hurontpwpfa.com

REGIONS

- Upper Peninsula region
- Northwest region
- Northeast region
- West Michigan region
- East Central region
- East Michigan region
- South Central region
- Southwest Michigan region
- Southeast Michigan 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?