



Oregon's 10-Year Innovation Plan

House Economic Recovery & Prosperity Committee Hearing

March 23, 2021



10-YEAR INNOVATION PLAN PROCESS & FRAMEWORK

The Oregon Innovation Plan is a **data-driven strategy**, built on:

Previous Studies:

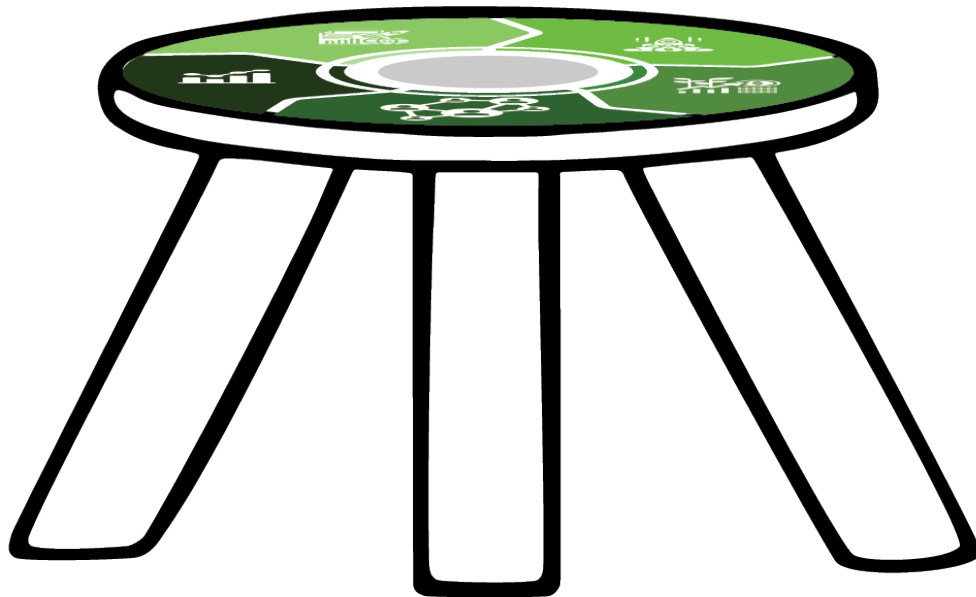
- Business Oregon's Strategic Plan (2018-2022)
- Oregon InC's Innovation & Entrepreneurship Benchmarking and Best Practices Study (2018)
- Oregon Innovation Index (2018)
- Oregon Capital Scan (2020)

Extensive Outreach:

- In-depth informational interviews with 80+ key individuals
- Focus groups with 150+ subject matter experts participating
- More than 250+ survey responses across a multiple surveys

Innovation Ecosystems Fuel 21st Century Economic Development

A **robust innovation ecosystem** serves as the foundation of the three-legged economic development stool



New Enterprise Development

Encouraging the creation of new businesses that meet global demand.

Business Retention + Expansion

Supporting established businesses with the resources they need to scale and sustain their operations.

New Business Attraction

Enticing companies from outside of Oregon to locate in the state as a result of the vibrancy of the innovation ecosystem and its clusters.



**Growing
Advanced
Industry
Clusters**



Futures Commission Members



Matt Abrams
The Abrams Group



Marcelino Alvarez
Fresh Consulting



Larry Bekkedahl
Portland General Electric



Ann Bunnenberg
Cytolmage



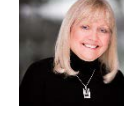
Bob Cowen
Hatfield Marine Science
Center



Piper Crowell
Nike



Chris Cummings
Business Oregon



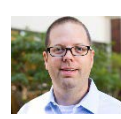
Carol Dahl
The Lemelson Foundation



Bruce Daucsavage
Ochoco Lumber



Su Embree
DHM Research



Scott Goering
Battery Ventures



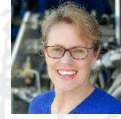
Rep. David Gomberg
State Legislature



Jessica Gomez
Rogue Valley Microdevices



Kanth Gopalpur
Kestrel Advisors



Rita Hansen
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Futures Commission Members



Julie Harrelson
Cascade Seed Fund



Paula Hayes
Hue Noir Cosmetics



Don Hendrickson
OMIC R&D, Boeing (ret.)



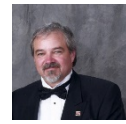
David Howitt
Meriweather Group



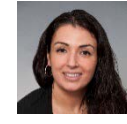
Danny Jacobs
OHSU



Sen. Betsy Johnson
State Legislature



Paul King
Ampere Scientific



Juanita Kurtin
OSRAM Opto Semiconductors



Jenn Lynch
Portland Seed Fund



Nagi Naganathan
Oregon Institute of
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Skip Newberry
Technology Association of
Oregon



Nitin Rai
Elevate Capital



Sam Tannahill
Rex Hill Vineyards



Irem Turner
Oregon State University



Pia Wilson-Body
Intel Foundation



Duncan Wyse
Oregon Business Council

Innovation Plan's Five-Part Process:

FUTURES COMMISSION

Six total meetings and ongoing participation from thought leaders throughout Oregon, including private industry, philanthropy, academia, and other sectors.

EXTERNAL OUTREACH

Opportunities for individuals from across the state to participate in the planning process through surveys and other processes.



SITUATIONAL ANALYSIS

An analysis of Oregon's innovation ecosystem based on a thorough review of previous and ongoing qualitative and quantitative research.

SIX FOCUS GROUPS

- Availability of Risk Capital
- Availability of Value-Added Entrepreneurial Services
- Connectivity of Industry Clusters
- Regional + Geographic Models
- Diversity, Equity, Inclusion Models
- Emerging Market Opportunities

STRATEGY DEVELOPMENT

Synthesizing input to develop a 10-year innovation plan with actionable short-and long-term strategies.

Understanding Oregon's Innovation Climate

Innovation Plan stakeholders were asked to assess the **importance + availability of six factors:**

Innovation Culture

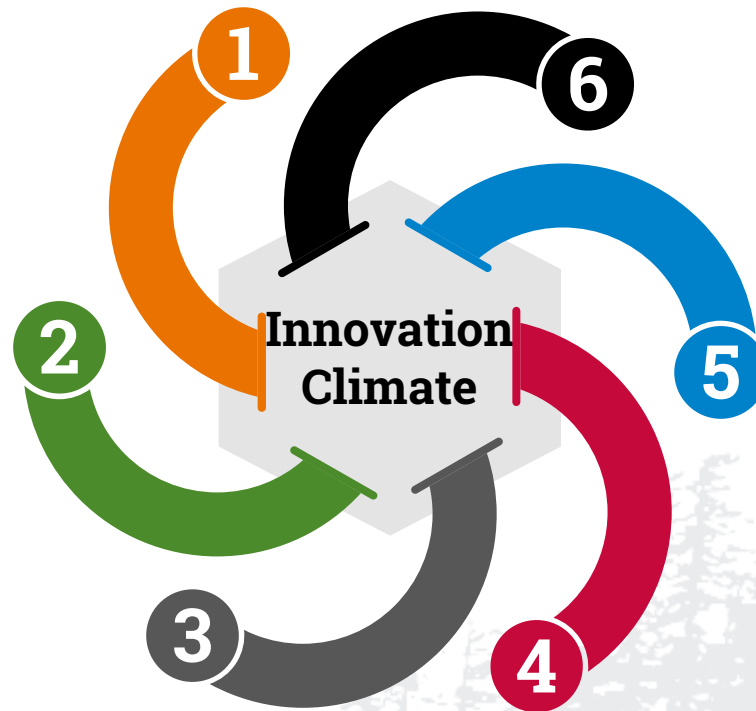
including opportunities for value-added networking, business service provider expertise, availability of entrepreneurial assistance targeted to emerging firms, and other aspects involving the mobilization of resources in support of innovators.

Risk Capital

including translational research, commercialization support, pre-seed, seed and venture capital, and other debt financing.

Infrastructure for Ideation + Commercialization

including the ability to conduct research and development and to link market-driven commercial needs to research endeavors.



Business Climate

including access to broadband and other issues specific to the overall business, tax, and regulatory climate germane to fostering innovation-based growth.

Business Acumen

including managerial talent needs and the availability of education and training programs to address these needs.

Physical Infrastructure

including needs related to innovation hubs, incubators, etc.

Outcomes of the Commission's Work

Develop a 10-Year Plan

- The Innovation Plan includes a detailed, action-oriented road map, with both short- and long-term recommendations for programs, policies and initiatives.

Identify Future Processes

- Methods and approaches to ensure the 10-Year Innovation Plan is responsive to evolving needs of the state and its innovators.

Issue a Call to Action

- A rallying cry to ensure the state prioritizes innovation in economic recovery and resiliency planning

Oregon's Innovation Vision

In 10 years, Oregon is globally known as a model for a diverse, inclusive, and resilient economy: a place where innovative people solve the greatest challenges of our times to create novel, sustainable products, processes, and companies that drive economic growth.

To achieve this Vision, Oregon, serving as a steward for all its citizens, will support investments and policies through public-private-philanthropic partnerships that:

- Create and promote a diverse and inclusive innovation ecosystem that cultivates inventors, entrepreneurs, and leaders of innovation-driven enterprises.
- Intentionally ensure that historically underserved groups are fully integrated into the innovation ecosystem and have an equal opportunity to lead and prosper.
- Strengthen Oregon's unique industrial and natural resources.
- Create an unparalleled quality of life by supporting citizens and businesses striving for economic, societal, and environmental resilience.

Economic + Societal Outcomes

Support for the Innovation Plan and its vision can positively influence a variety of factors related to a **more prosperous Oregon**.

Good, High-Paying Jobs

Orient the economy around better paying jobs with higher growth potential.

Economic Resilience

Help the state weather future economic, environmental, and social challenges.

Improved Quality of Life

Expand access to the kinds of products, services, and treatments that improve well-being.

Educational Attainment

Inspire future generations of Oregonians to reach their full potential by supporting a culture of education and building capacity at Oregon's schools, colleges, and universities.

Global Competitiveness

Position Oregon as a national and global leader in critical innovation sectors.

Access + Opportunity

Encourage participation among populations presently underserved in the innovation economy.

10-YEAR INNOVATION PLAN STRATEGIES & IMPLEMENTATION

Oregon's 10-Year Innovation Plan Strategic Framework

Foster Ideation

Foster the commercialization and deployment of new products demanded by both Oregon's existing industrial base and emerging markets.

Tell the Story

Promote Oregon as a place to start and grow an innovative company.



Strengthen the Ecosystem

Develop the requisite entrepreneurial support services to address the continuum of needs from early-stage startups to scalable enterprises.

Catalyze Risk Capital

Provide access to resident risk capital at all stages of development.

For All People...
...in All Places.

10-Year Innovation Plan Summary: 4 Strategies and 10 Actions

For all People...In all Places



Strategy 1: Foster Ideation – Catalyze the commercialization and deployment of new products/services within Oregon’s existing traded sectors as well as emerging markets

- **Action 1:** Support Centers of Innovation Excellence that leverage Oregon’s existing traded-sector strengths and emerging market opportunities.
- **Action 2:** Leverage and expand sources of nondilutive capital to catalyze the commercialization of new innovations.
- **Action 3:** Support early-stage innovation within Oregon’s university, college, and other research settings, ensuring opportunities for all people in all places to connect to resources.



Strategy 2: Strengthen the Innovation Ecosystem – Develop a systemic, regionally-based entrepreneurial service delivery system

- **Action 4:** Create Regional Innovation Hub designations that will fund and incentivize collaboration to build and advance innovation-focused ecosystems, ensuring opportunities for all innovation-based businesses throughout Oregon.
- **Action 5:** Link talent to innovation efforts.



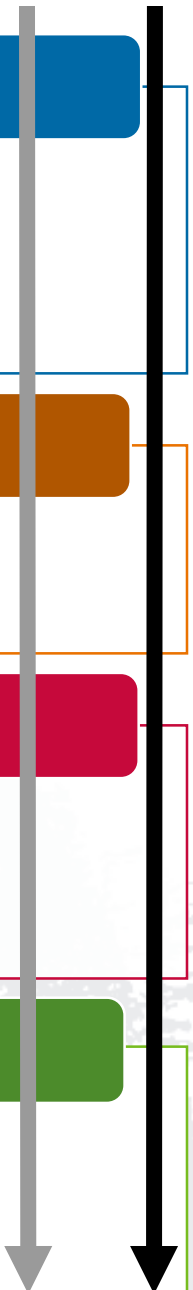
Strategy 3: Catalyze Access to Risk Capital

- **Action 6:** Foster the further development of Oregon’s risk-capital stack.
- **Action 7:** Incentivize angel investments in Oregon’s innovation-based firms.
- **Action 8:** As deal flow increases across the state, focus efforts to drive more of the Oregon Growth Account’s investments to Oregon’s businesses.



Strategy 4: Brand Oregon as *the* Place for Innovation – Tell our story

- **Action 9.** Develop Oregon’s Innovation Brand and market within the state – the brand should be aligned with and leverage Oregon’s existing strengths.
- **Action 10.** Develop an external marketing campaign that showcases Oregon’s unique identity and competitive strengths in innovation.



Strategy One: Foster Ideation – Catalyze the commercialization and deployment of new products/services within Oregon's existing traded sectors as well as emerging markets



Networks, connections, and strong relationships are critical to advancing new ideas. Ideation struggles to occur unless domain expertise is available to develop an idea/approach, conduct further applied analysis, undertake due diligence, or expose the research to people with differing perspectives. In addition, non-dilutive sources of capital, such as prototype-development and proof-of-concept funds, must be available in order to be able to advance ideas.

To foster ideation, Oregon must:

- **Build connections** among and between individuals in research institutions and industry
- Intentionally encourage the development of **multiple, reinforcing relationships** among its institutions, firms, entrepreneurs, and innovators
- **Focus its investments** and provide **discretionary funding** around its core **technology competencies, and establish means to ensure better commercialization capabilities**
- Differentiate, to the extent necessary, its approaches to support the building of emerging, new industries and improve existing industries' competitiveness

Strategy Two: Strengthen the Innovation Ecosystem – Develop a systemic, regionally-based entrepreneurial service delivery system to help diversify the state’s economy, take advantage of innovation-based opportunities, and drive broader participation among underserved communities



Based on discussions, there is a need to develop a systemic continuum of support services and assistance to support all traded sector startups throughout the entrepreneurial development process.

The planning process helped uncover **three significant challenges facing Oregon’s entrepreneurs**: the lack of experienced management talent, the lack of a cultural environment that cultivates value-added networking, and the ability to access risk capital and find new customers and markets. **These obstacles are magnified for underserved entrepreneurs**, including women; Black, Indigenous, and People of Color (BIPOC); and those outside of the Willamette Valley.

Oregon’s siloed entrepreneurial support efforts are not building a critical mass of activity. Furthermore, efforts need to be tailored to each region’s unique innovation-based opportunities, which often dictate the types of services and resources required to help catalyze scale-up. By scaling positive interactions across the state, Oregon can help to **diversify its economy, help traded sector companies grow and scale, and encourage broader participation among underserved communities in innovation and entrepreneurship.**

Strategy Three: Catalyze Access to Risk Capital

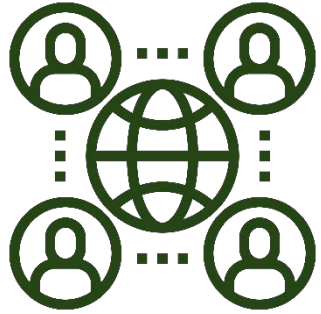


States with a limited risk capital stack may end up leaving their entrepreneurial companies on the "runway," unable to take off and reach their growth potential. States seeking to grow entrepreneurial companies are **using a variety of mechanisms to encourage investment in risk capital** and to address market gaps.

The realignment of national markets since the global recession has shifted capital markets downstream, **leaving many Oregon companies without access to early-stage investments**. This issue is further exacerbated by the perception of a "closed-network" of private Oregon funders that is difficult to access.

If this investment climate is not corrected, **the state's most promising companies are in danger of leaving** the state in pursuit of capital, weakening their ties to Oregon.

Strategy Four: Brand Oregon as *the* Place for Innovation – Tell our story



Developing an innovation-based economy requires that Oregon be perceived as a dynamic hub: a place where innovation-driven businesses flourish, and the brightest minds and entrepreneurs call home. **One approach to building this brand is a coordinated marketing campaign that communicates to key audiences, both internal and external, the depth and breadth of the state's assets and unique opportunities for advancing innovative companies.**

There was a desire among many stakeholders in Oregon's innovation economy to better communicate the uniqueness of the state to national and global audiences. Further, there was sense Oregon's inability to tell its story was a missed opportunity, especially considering the strengths of the state's marketing, branding, and communications sectors.

Importantly, there is also considerable concern that the experience of place and what this means for the innovation economy was different for segments of the population. Elevating the voices of geographically and demographically diverse innovators is critical and approaches to amplify these entrepreneurs in storytelling should be explored.

Implementation

- Roadmap with short-, mid-, and long-term goals over 10-year period.
- Implemented through:
 - Oregon Innovation Council
 - Oregon Growth Board
 - Partner organizations

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