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## High-tech needs support to grow

'Innovation' study finds state must make changes to compete

BY WAYNE T. PRICE • FLORIDA TODAY • JULY 20, 2008

Silicon Valley is synonymous with high-tech industry. North Carolina's Research Triangle Park and Boston's Route 128 can also legitimately boast about their high-tech chops. What about -- have you even heard of --

Florida's High-Tech Corridor? Is this developing region, which includes Brevard County, on par with those upper-echelon research communities where many of the world's leading-edge technologies were developed? In a word, no. And there are changes large and small that are needed before it will be. But it's getting there, concludes "Florida's [Innovation](#) Benchmark Study," an in-depth look at the strengths, weaknesses and future opportunities associated with the state's efforts to build an "innovation-based economy."

Funded by 19 [economic](#) development groups, including the Rockledge-based Economic Development Commission of Florida's Space Coast, the study is meant to be a starting point about where Florida's leaders need to direct their attention and resources to stay competitive not only with established high-tech communities but also up and coming areas throughout the state. All are battling for a greater share of state resources and venture [capital](#) money. Florida, known for its beaches and theme parks, citrus, lack of a state [income tax](#) and, of course, weather, -- and featuring an economy anchored primarily by tourism, agriculture, real estate development and professional services - - "has made great progress and is beginning to be recognized as a place of innovation," said Charlie Sloan, one of the authors of the study, which was released July 7. But "it must undertake a more systematic, long-term, consistent and well-funded approach to diversifying its economy around innovation if it hopes to fulfill its potential and effectively compete in the 21st century economy."

Sloan and the other authors of the study interviewed 41 Floridians -- traditional economic developers, university-based technology commercialization officials and representatives from private-sector innovation-based companies. From those discussions arose areas of weakness that must be addressed, including:

- Human capital and talent development, the most cited weakness. Almost every interviewee mentioned the current lack of availability of skill sets in critical disciplines and an inadequate public education system to produce the needed talent for the future.
- A lack of state-level coordination and support.
- A lack of start-up and early-stage capital.
- A lack of legislative patience to develop a thoughtful set of solutions and then 'allow them the time pay off.'
- The fact that the vast majority of 17 million Floridians are not connected to the innovation economy.



## The report hits home

Some area high-tech representatives said there is much truth to the study. Dan Wonak, marketing director at IntelliNet Technologies in Melbourne, said that while the state offers an excellent lifestyle, "it is challenging to relocate senior-level management people to Florida for a number of reasons." One is that new hires like to have fallback employment option if an initial job doesn't work out, he said.

"A secondary issue is the perception that Florida does not really care about high technology as much it does about agriculture, tourism, etc.," Wonak said. "They feel that there is likely to be a mismatch with their expectations of a technically vibrant and innovative culture in the high technology area. There is also a concern that their spouses or partners will not find comparable opportunities here."

The 16-year-old IntelliNet, which came to Brevard from Tampa in 1995, develops technology to enable customers to use data and voice services over their home networks or other Wi-Fi hot spots using their existing mobile phones. The company now has more than 100 employees, and development centers in Chicago and Bangalore, India. "We have had to open locations outside Florida to take advantage of some of the skill sets available there," Wonak said. "We think that that state can do more to try to attract high-tech companies and try to create enough critical mass for existing companies to grow locally." Fueled by hiring workers outside of Florida, the company plans to double its employment size in the next couple of years.

Matt Solar, president of C2C LLC, a fledgling company in the Melbourne-based Technological Research and Development Authority business incubator that designs and manufactures advanced medical devices, said the success of Silicon Valley and the Research Triangle isn't an accident or, for that matter, a formula Florida could easily copy. "I think it starts with one or more anchor companies in a particular technical field," Solar said. "This spawns spin-offs and eventually develops a pool of experienced talent. The talent pool is further supplemented through the research and support of local universities. Eventually this draws venture capital, which further fuels the growth of innovative entrepreneurial companies, and the cycle begins to snowball."



CEO Matt Solar, right, and COO Craig Pagan of C2C, a company that makes medical devices in Melbourne, discuss one called a Thrombectomy. Solar says an area first needs 'anchor' companies to get a high-tech corridor started. (Michael R. Brown, FLORIDA TODAY)

## How we can compete

Chester Straub, the TRDA's executive director, outlined four things Florida must do to compete with the likes of California and North Carolina.

- Enhance science, technology, engineering and mathematics.
- Foster an entrepreneurial climate and support for home grown start-up companies through business incubation programs, virtual mentoring and technical assistance networks.



- Support commercialization of [new technologies](#). Extend state support for moving university-sponsored research and development to commercial application, and market viability to private-sector research and development. Target industry sectors such as aerospace, aviation, bio-technology, communications, digital media, life science and software development.
- Provide access to funding by capitalizing regional seed funds to support technology-focused entrepreneurship.

"By taking such steps, Florida can enhance its competitive position domestically and globally," Straub said.

Furthermore, as some U.S. work shifts to lower-cost countries, it is essential that Florida and the rest of the country create jobs built on innovation and know-how that cannot be outsourced, added study author Sloan. "In the end, wealth and the jobs associated with and derived through it results from new ideas that create new markets or more efficient means of producing products," Sloan said. "To not innovate is to stagnate and to stagnate while others innovate will inevitably result in falling farther behind."

### **Some success already**

Florida has its share of multimillion-dollar successes recently in adorning its High-Tech Corridor -- an area that stretches across 23 counties and includes support from the state's major universities, as well as Melbourne's Florida Tech -- with some crown jewels. In 2006, for example, The Burnham Institute for Medical Research, a California-based, non-profit medical research institute, announced plans for establishing a major research facility in Orlando, providing the organization with bi-coastal operations. It's working with the University of Florida and the University of Central Florida in its research. Not long after that, Silicon Valley research firm SRI International announced it was teaming up the University of South Florida to develop and market high-tech marine science products with a venture called SRI St. Petersburg. Still, there is no question among officials about the work needed for the state to develop its high-tech niche, a particular necessity in Central Florida given the 2010 retirement of the space shuttle and expected loss of up to 6,400 jobs.

"This study is straight with us about the challenges we face if we continue to limit investments in talent and technology and clear with us about the opportunities we can pursue if we are willing to increase our investment," said Tony Carvajal, executive vice president of the Florida Chamber Foundation. "It illustrates the kind of opportunities those that we are in a race against are already using to position themselves for tomorrow's competitive economy."

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