

NextGeneration

News about Northeast Ohio's Emerging Economy from The Generation Foundation

NEO in the Top Ten by 2020? Here's the Plan

Have you ever wondered what the future holds for Northeast Ohio's technology businesses and industries? Which technology industries will drive our economy and allow us to compete effectively against other regions around the globe in the decades to come?

NorTech – The Northeast Ohio Technology Coalition – decided to take on this challenge and develop a regional technology strategy framework that would help guide the region's efforts to become a more globally competitive regional technology economy.

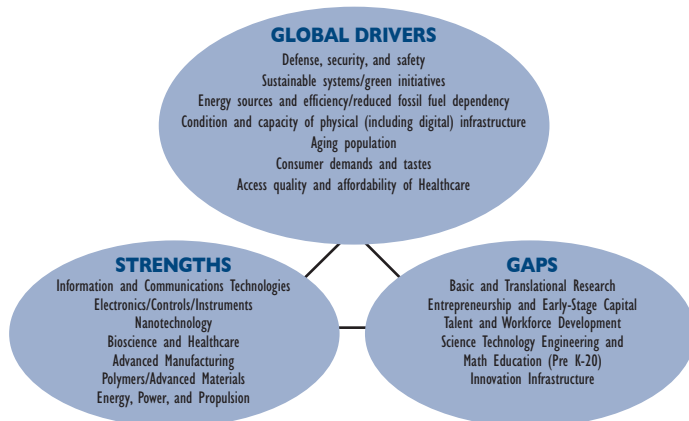
With assistance from GBN, the Global Business Network, NorTech began a series of interviews last year that led to a large-scale workshop with over 150 leaders from the region's technology and innovation communities to discuss scenario-planning strategies for the future. The work led to a series of smaller strategic planning workshops and to the creation of the TechFutures website and blog.

Emerging from this planning was a regional technology strategy report entitled ***Navigating the New Realities of the North Shore***, which proposes an ambitious vision for Northeast Ohio in the year 2020: an innovation-focused, technology-based economy that could make the region one of the top ten places in the world to live, learn, work and invest. Copies of the report can be downloaded at www.nortech.org or www.techfutures.net, the website affiliated directly with the report.

The report is designed to stimulate dialogue and participation from companies and organizations throughout the region who want to build a stronger technology and innovation economy in Northeast Ohio. Action plans developed by participating organizations will be posted on the TechFutures website.

"Northeast Ohio is poised for a new era of economic growth and prosperity," said Les Vinney, Chairman of NorTech and President and CEO of STERIS Corporation. "I'm confident NorTech's Regional Technology Strategy process will help us achieve our shared vision of making Northeast Ohio one of the top ten places to live, learn, work and invest. This is truly an exciting time to be living in Northeast Ohio."

Emerging Opportunities and Challenges



Scientists show how a screen printer can be used to produce AlphaMicon's VALiD™ liquid crystal lenses. The team wears lint-free protective clothing to preserve the dust-free, ultra-clean environment necessary for liquid crystal manufacturing. AlphaMicon, a technology start-up company, grew out of research done at Kent State's Liquid Crystal Institute. Liquid crystals are a regional strength for technology growth.

Both individuals and organizations can participate in making the regional technology agenda a reality. The recommendations are broken down into three broad sets of objectives, each of which is critical to the achievement of our vision for the region. In order to achieve our goal we must:

- Develop an end-to-end talent continuum
- Build a robust, self-sustaining investment continuum
- Develop and foster a boundaryless innovation infrastructure across the region.

NorTech was asked to create the regional technology strategy by the Fund for Our Economic Future, a collaboration of 80 philanthropic foundations, including The Generation Foundation, formed to assist in transforming the Northeast Ohio economy. A separate web site has been created to keep the report and implementation of its recommendations up to date at www.techfutures.net.

"If we invest today in new technologies, products, services, human resources, and the infrastructure necessary to tie them all together, we can indeed create innovative solutions that meet the needs of many of tomorrow's emerging global markets," said James D. Ireland III, chairman and managing director of Early Stage Partners, a NorTech executive committee member and trustee of The Generation Foundation. *"The bottom line is that our future is up to us....we are the leaders we have been waiting for."*

Visit www.techfutures.net to learn how to participate in moving forward with this strategy for Northeast Ohio. □

Waltermire Accelerates Team NEO Economic Development Strategies

Team NEO, the new regional economic development organization focused on business retention, expansion and attraction, has a simple mission: to organize the entire community to work collaboratively on economic development.

In his first 30 days, the group's new CEO, Thomas A. Waltermire, has met with more than 20 key players in the region. "These business community leaders, public officials and economic development officials are the 'Greater Team NEO,'" Waltermire says. "Collaboration is key to getting the region to work collectively. We really shouldn't have to explain why a regional approach makes sense. United we stand....the sum of all parts...you've heard all the colloquialisms."

As the former chairman and CEO of PolyOne Corporation, Waltermire brings a new energy that is contagious. He notes that there are 10,000 communities in the U.S. trying to advance their economy, while only 30 market themselves as regions.

"Do you want to be marketing yourself as one of 10,000 or one of 30," he asks. "We need to have one loud voice."

This is why you'll rarely find Waltermire in his office — he's out in the community shaking hands and spreading the word.



Thomas A. Waltermire

"What's important to Northeast Ohio's success is that we cross boundaries and work to keep a company within the regional economy, regardless of which legislative jurisdiction the company chooses," he believes. As the regional collaborator, Team NEO has brought together cities and chambers of commerce, including the Greater Cleveland Partnership, Greater Akron Chamber and Stark Development Board, to market the region.

Only a regional organization could help Northeast Ohio grow industry clusters, such as Bio Science and Information Technology, which span legislative jurisdictions, Waltermire feels. Team NEO has worked with the business community to define core industry clusters here — those with geographic concentrations of competitive industries that have close buy-sell relationships. Team NEO then works regionally to target these industries for business growth and attraction.

To accomplish the objectives of acceleration in economic development, Waltermire is looking to take the organization from the start-up position to a mature contributor in the region. It was part of a team that helped save more than 1,000 jobs at Cleveland's Defense Finance and Accounting Services, ultimately adding 500 new jobs. It helped Homesite Insurance consolidate its White Plains, NY and Boston call centers to its new national operations center at Canal Place in Akron that plans to employ 200 full-time employees within three years.

"For us to win as a region, everyone who lives and works here is needed," Waltermire asserted. "Team NEO will rely on business and community leaders to keep their eyes and ears open and alert us of potential opportunities for business attraction — and potential losses that we need to retain. We need the entire region to be a member of the "Greater Team NEO" so that we stay in the game.

For more details about Team NEO, visit their web site at www.teamneo.org □



Hundreds of foundation, business and public sector leaders attended the April 27 annual meeting of The Fund for Our Economic Future. Here, Steven Minter, Fellow and Executive in Residence at CSU, leads a panel discussion on how to measure progress in regional economic development.



Small groups of funders worked to achieve consensus on emerging issues. Left to right are Peter K. Ranney, President of the P. K. Ranney Foundation and a Trustee of The Generation Foundation; Hedy Milgrom, Director of Funds and Foundations at the Jewish Community Federation; Mitchell Balk, President of The Mt. Sinai Health Care Foundation; and Morton Epstein, Trustee of the David and Inez Myers Foundation and Director Emeritus of the Mt. Sinai Foundation.



Elected to lead the Fund's third year of operations in Northeast Ohio are (left to right) Robert A. Briggs, executive director of the GAR Foundation, Chairman; Randell McShepard, Director of Community Affairs at RPM International, Inc., Vice Chair; and Denise San Antonio Zeman, President of Saint Luke's Foundation, Vice Chair.

Fund Notes “Bright Future,” Crafts Long-term Objectives

Some 200 of the region’s philanthropic and community leaders gathered to celebrate Northeast Ohio’s economic progress April 27 at the Fund for Our Economic Future’s annual meeting, “One Bright Future.”

Discussions throughout the day – which included highlights of grantmaking initiatives, findings from the Dashboard of Economic Indicators, the most recent results of Gallup’s annual Barometer of Economic Attitudes citizen survey and an update on the Voices & Choices citizen engagement project – demonstrated the progress the region has made in the past two years by employing collaborative approaches to spur new industries and improve the region’s economic competitiveness. They also identified tough challenges that the region has yet to overcome before the Fund can achieve its goal of regional economic transformation.

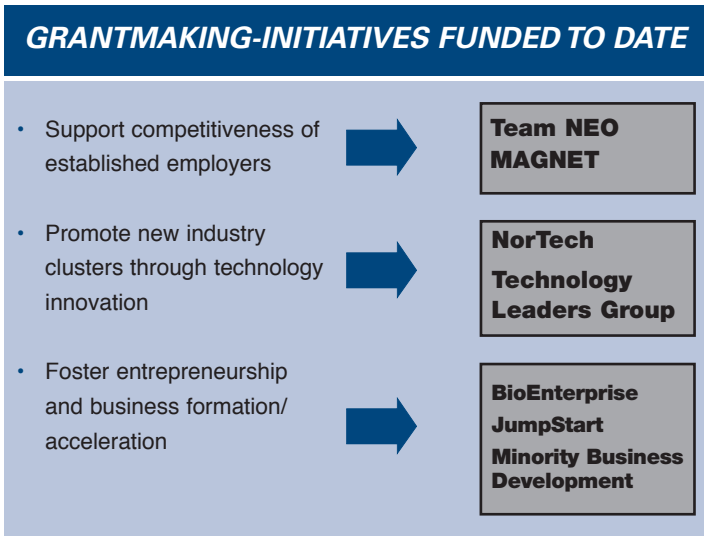
“I’m not an idealist. I don’t minimize the challenges in front of us. I’m much more pragmatic than that,” said Rob Briggs, chairman of the Fund for Our Economic Future and executive director of the GAR Foundation in his opening remarks. “In fact, it’s that pragmatist within me that gives me reason to believe our future is bright. It’s because of the facts I’ve seen, the changes that have taken place within the region over the past two years, that I see evidence of a real transformation taking place in Northeast Ohio.”

Briggs pointed to a number of regional successes in the past two years, including the growing number of venture capitalists who are now investing in the region’s bioscience industries; Northeast Ohio’s climb in the rankings of entrepreneurial cities that have put it ahead of metropolitan areas like Los Angeles, Minneapolis and San Francisco; a new collaboration among the region’s technology leaders, which has brought competing institutions together to identify ways to commercialize the region’s most promising technologies; a move by the manufacturing community to form a united approach to improving the region’s manufacturing competitiveness; and the formation of council of governments organization, called NEOSO, which aims to leverage buying power and encourage collaboration among municipalities and other government organizations throughout the region.

Randell McShepard, vice chair of the Fund and director of community affairs for RPM International, reported the Fund has deployed \$34 million to support economic development and other Fund initiatives. Primary grantees have included Team NEO, MAGNET, NorTech, Technology Leaders Group, BioEnterprise and JumpStart.

PHASE 1 GOALS AND RESULTS

Raise \$30 M for economic development	➔	✓ \$34 mm deployed
6-10 transformational grants	➔	✓ Six grants/three in pipeline
Launch public engagement initiative	➔	✓ <i>Voices & Choices</i> sets regional priorities
Implement system of regional measurement	➔	✓ Dashboard/Barometer released
Demonstrate benefits of regionalism	➔	✓ Barometer, news media and political agendas showcase regional potential




The Dashboard of Economic Indicators, a benchmark study conducted by The W.E. Upjohn Institute and Kleinhenz & Associates, with assistance from the Federal Reserve Bank of Cleveland and the Universities Collaborative, identifies eight growth factors that are present in successful regional economies. The study, intended to help measure movement in the region’s economy over time and direct economic development activity, suggests that Northeast Ohio’s top priorities should be developing a skilled workforce, encouraging diversity and improving business dynamics.

The 2006 Barometer of Economic Attitudes, an annual Gallup Survey, indicates that Northeast Ohioan’s perceptions of the economy have been consistently negative in recent years, a trend seen across the country, according to Gallup. However, the most recent Barometer indicates that citizens are open to regional approaches to solving economic challenges, including supporting a regional system to support public school funding.

“These are challenges that require a diligent, sustained effort,” said Briggs. “We have proof that what we’re doing is working. We have all the tools to turn this region around. But we need to stay the course.”

David Abbott, co-chair for Voices & Choices and executive director of The George Gund Foundation, indicated that Voices & Choices will play a critical role in helping to identify and prioritize solutions to the region’s most difficult challenges, like public school funding. More than 5,000 citizens and leaders have been engaged to date and that citizen feedback is consistent with the Barometer, indicating a desire for regional solutions. The Fund is committed to championing the implementation of the Voices & Choices agenda, Abbott said. □

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China, India Not That Far Ahead of U. S. in Graduating Engineers

With the Chinese graduating more than eight times the number of engineers compared to the United States, is our high-technology future in jeopardy?

A recent National Academies report revealed that China graduated 600,000 engineers last year, compared to 72,893 from the USA.

But look behind the numbers. In the Chinese definition of “engineer,” an auto mechanic qualifies. So do graduates of two-year technical schools.

According to a Duke University study released last month, “inconsistent reporting of problematic engineering graduation data has been used to fuel fears that America is losing its technological edge.” Furthermore, “a comparison of like-to-like data suggests that the US produces a highly significant number of engineers, computer scientists and information technology specialists, and remains competitive in global markets.”

Data from India, which reports 350,000 graduate engineers a year, is also murky. In a bulletin issued last month, the National Academies sharply revised the number downward – to 200,000. And almost half of these are three-year diplomas.



Prof. Wei Yu received her PhD from Case and is now deputy president of the Chinese Institute of Electronics.

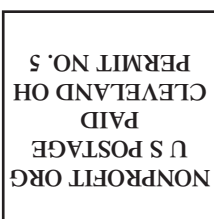
“The projects we have tried in India have not been cost effective, once you factor in transaction time,” said Timothy J. Callahan, a Generation Foundation Trustee and President of MCT Corporation, Chairman of Embedded Planet, and a Founding General Partner in Consumer Innovation Partners, L.P.

“Lower labor rates do not make up for the simple fact that the job usually takes longer,” Callahan said.

While there is no doubt that the number of US graduates engineers has declined since its peak in 1986, it has grown steadily since the late 1990s. Many experts feel that what we may currently lack in numbers is offset by superior quality. For example, only 10% of Chinese, and 25% of Indian engineers can qualify for outsourced work from the United States, according to a McKinsey Global Institute study. □

The Generation Foundation is a grantmaking public charity working cooperatively to strengthen the regional economy. 3375 Hollister Rd., Cleveland, OH 44118; (216) 371-0289; Fax (216) 321-1431; www.generationfoundation.org. Glenn R. Brown, President; Timothy J. Callahan, Nancy McCann, Katherine T. O'Neill and Peter K. Ranney, Vice Presidents; Phillip A. Ranney, Secretary; and James D. Ireland III, Treasurer. Robert Miller, Executive Director.

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1111 Superior Avenue, Suite 2000
Cleveland, Ohio 44114-2507

GenerationFoundation