

# U.S. Clustering Initiatives

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*U.S. Small Business Administration*

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# U.S. Small Business Facts

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- Nearly 30 million small businesses
- 64% of new jobs created over past 15 years in U.S.
- More than half of working Americans
- Drive innovation, global competitiveness, economic recovery



# Serving 2 Kinds: “Main Street”



- Access to capital
  - \$90 billion in portfolio
- Counseling and training
  - 1 million clients per year
- Opportunities in federal contracting
  - Nearly \$100 billion per year



# Serving 2 Kinds: “High Growth”



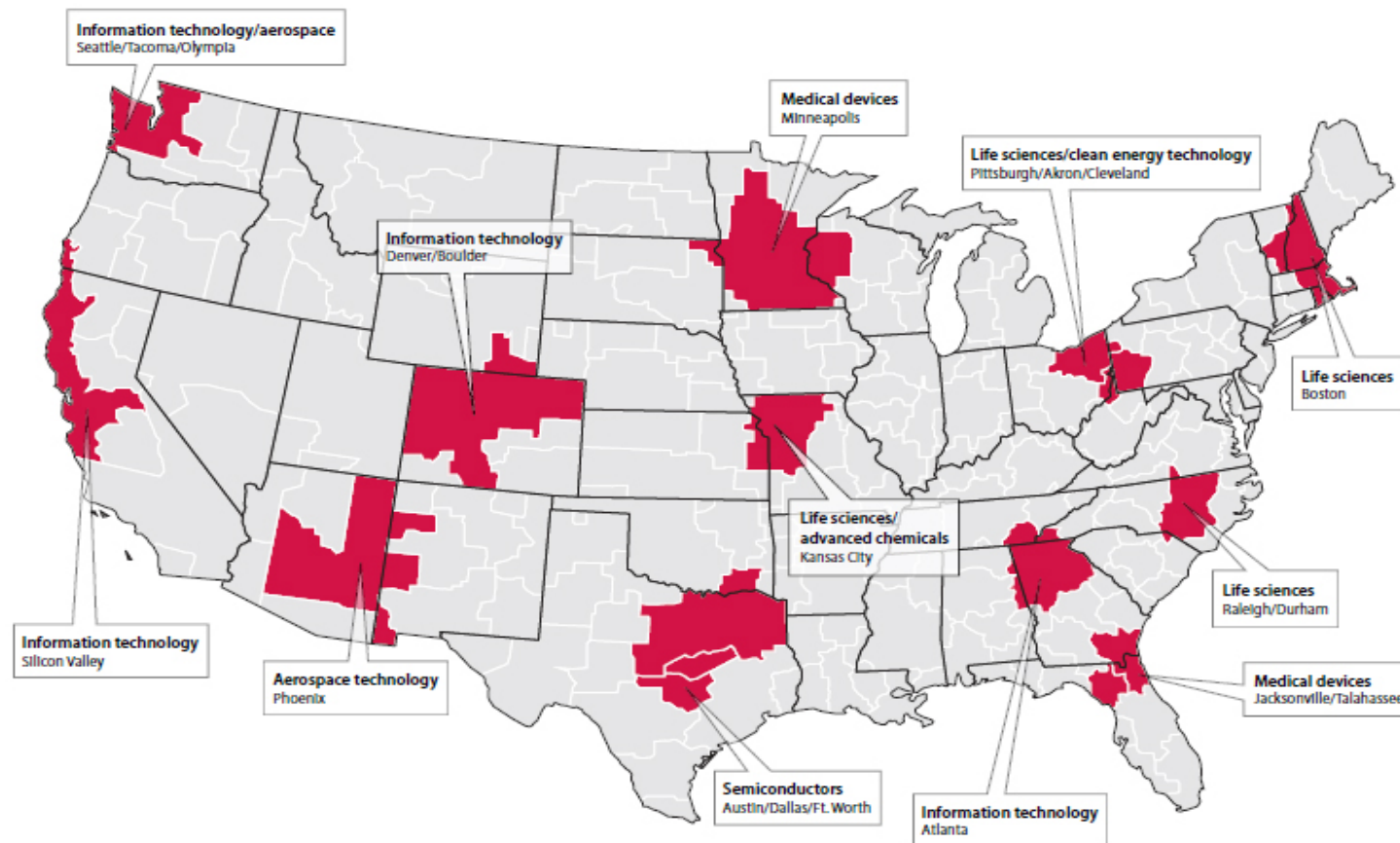
- **Create nearly all net new jobs**
- Small Business Investment Companies (330)
  - Record \$1.6 billion this year
- Small Business Innovation Research program
  - \$2.5 billion/year, 11 agencies



# Clusters Built on Regional Assets

## A SNAPSHOT OF U.S. INNOVATION CLUSTERS

*A selection of high-tech clusters in different parts of our country*



# The U.S. Approach to Clusters

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- Leverage existing research and development infrastructure, including federal laboratories, major facilities
- Strategic coordination of existing funding streams from federal agencies
- Interagency collaboration with on-the-ground cluster development activities
- Evolve existing activities (not *de novo*)



# Support Throughout Administration



## Departments and Agencies:

- Small Business Administration
- Commerce (several offices)
- Labor
- Education
- Energy
- Environmental Protection
- Defense
- Agriculture



# Energy Regional Innovation Cluster

- 7 agencies led by Department of Energy
- National hub: research, commercialization in energy efficiency in buildings
- **Grants total \$130 million / 5 years**
- August '10: Greater Philadelphia Innovation Cluster for Energy Efficient Buildings
- **90 partners:** universities, private sector, Department of Energy labs, SBA Small Business Development Center





# “Innovation 6” Challenge



- Led by Economic Development Administration (Commerce)
- Also: National Institute of Health, National Science Foundation
- Goal: medical technology commercialization and new ventures in biosciences
- **September '10: 6 winners, \$1 million each**
- Some were SBIR



# Regional Business Opportunity Grants



- Strengthen rural economies by developing clusters in:
  - Local, regional food systems
  - Renewable energy, other uses of natural resources
- **September '10: 27 grants, up to \$250,000 each**
- **19 grants support broadband for small business**



# Clean Water Cluster (2011)



- EPA federal lab in Cincinnati will collaborate with high-growth small business
- Goal: accelerate commercial development and deployment of clean water technology
- Formal announcement on January 18th



# U.S. Navy: Green Portal



SECNAV GREEN INITIATIVES

U.S. DEPARTMENT OF THE  
**NAVY** ENERGY SECURITY

Federal Business Opportunities

[Download Spreadsheet containing all SECNAV Green Initiatives](#)

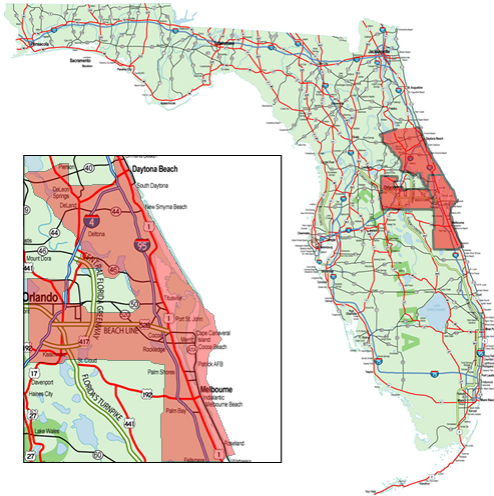
NAICS Energy Search Codes

NAICS Code - Title	Search Date	#
221111 - Hydroelectric Power Generation	11/30/2010	0
221112 - Fossil Fuel Electric Power Generation	11/30/2010	0
221113 - Nuclear Electric Power Generation	11/30/2010	0
221119 - Other Electric Power Generation	11/30/2010	0
221121 - Electric Bulk Power Transmission and Control	11/30/2010	1
221122 - Electric Power Distribution	11/30/2010	0

- Encouraging small businesses to help Navy “go green”
- Drives growth of emerging clusters in green technologies



# “Space Coast” Cluster



- U.S. Space Shuttle program transition = major impact on regional economy
- Mature cluster
- Exploring new directions that leverage existing world-class manufacturing assets and workforce expertise

# Case Study: SBA's Innovative Economies Initiative

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# SBA Innovative Economies: Competition

- Summer 2010: 2 national calls for proposals
- Up to \$600,000 each (1 year contract)
  - Regional Innovation Clusters:  
any industry
  - Advanced Defense Technology Clusters:  
industry supports U.S. defense needs
- **173 applications received,  
10 awarded in September '10**



# SBA Innovative Economies: Winners

## Regional Innovation Clusters (7)

- Agriculture Innovation Cluster (California)
- Carolinas' Nuclear Cluster (North, South Carolina)
- Connecticut Hydrogen-Fuel Cell Coalition (7 New England states)
- Enterprise for Innovative Geospatial Solutions (Mississippi, Louisiana)
- Illinois Smart Grid Regional Innovation Cluster
- Northeast Ohio Technology Coalition
- Upper Michigan Green Aviation Coalition





# Example: Nortech Flexmatters

- “Flexible electronics”: stamping electronics on flexible plastic materials
- Applications: medical implants, military, consumer products (batteries)
- Cluster emerged in Northeast Ohio *without* any local government support
- **Self-stated 7-year goal:** Add 1,500 jobs, \$75 million in payroll, \$100 million in capital



# Example: Agriculture Innovation Cluster



- Region produces 80% of U.S. fresh produce, 15% of world's vegetables
- Partners: 300 growers/shippers, local governments, universities, SBA Small Business Development Center
- Goals: strengthen small-large business partnerships, increase organic and sustainable farming methods, enhance food security



# SBA Innovative Economies: Winners

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## **Advanced Defense Technologies (3)**

- Defense Alliance of Minnesota (4 states)
  - energy generation, storage, distribution
- San Diego Advanced Defense Cluster
  - cyber security, autonomous systems
- Von Braun Center for Science and Innovation (Alabama)
  - robotics, energy



# Looking Forward

- Robust experimentation, multiple models
- Policymakers and legislators seeing job creation, success stories, economic growth
- Challenge: funding, budgetary concerns
- Challenge: long-term structural and organizational concerns, “home” for clusters
- Critical next step: mapping, analysis
- Overall: Smart, rational regional growth demands clusters approach, not silos



# Startup America

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- America's spirit of entrepreneurship is the foundation of our prosperity.
- Startup America strengthens access for firms with high-growth potential to government and private sector support
- Expand opportunities for entrepreneurs and small businesses to strengthen America's economy and competitiveness around the globe.



# Startup America Highlights

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- SBA to launch two \$1 Billion initiatives for Impact Investing and Early-Stage Seed Financing
- Entrepreneurial Mentor Corps
- Veteran-focused business accelerators
- Reducing Barriers Roundtable
- i6 Green



# Mission

The mission of Project 17 is to support the growth of the agricultural industry and technologies that advance higher-paying agricultural jobs, national food security, food and agricultural-technology exports, and investment in agriculture and advanced agricultural technologies in the tri-county region of the Monterey Bay Area, including Monterey, San Benito and Santa Cruz Counties.



## Join Us Today!

To become a member of the Ag-Tech Association or join any of Project 17's initiatives, call today at 831-582-9718.

Together we can grow your business.

Together we will grow an industry.

Project 17 is a project of Barich Business Services

## PROJECT 17

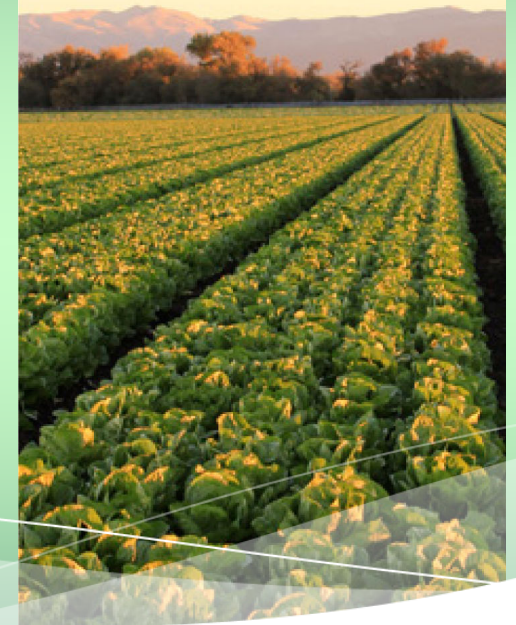
Join us! Call today  
831-582-9718

<http://www.Project17-MontereyBay.com>



## PROJECT 17

AGRICULTURAL  
TECHNOLOGY CLUSTER



GROWING BUSINESSES  
GROWING JOBS



# The Nation's Agricultural Heart

Project 17 is geographically inclusive of U.S. Congressional District 17; Highway 17, linking the region to Silicon Valley in the north; and 17 Mile Drive in Carmel, emblematic of the region's unique and sophisticated beauty. In September, 2010, the United States Small Business Administration identified the Monterey Bay Area counties as the federally designated Regional Innovative Cluster or RIC for the nation's agricultural industry.



## Creating Jobs in The World's Largest Fresh Network



The Project 17 region provides 85% of the nation's fresh vegetables, lettuces, cabbages, Brussels sprouts and herbs. It grows 15% of the world's fresh vegetables. These California growers provide 90% of the nation's strawberries.

Project 17 is dedicated to creating a critical mass of new businesses that provide technology solutions to the water, agronomy, energy, food-safety, compliance, processing, shipping, trace-ability and other challenges faced by the industry. These small and emerging businesses will create jobs for the region while helping growers and shippers to increase their bottom-line profitability – and keep California growing and green.

Project 17 Initiatives include:

- Ag-Tech Association to promote technical standards, education and knowledge exchange
- Ag-Tech Venture Fund to provide seed funding for start-up and emerging companies
- Think-Tank Sessions to discover new solutions and markets
- Inventory of regional assets and resources to provide information and support to businesses
- Coalitions of colleges, universities and business to garner grant funding
- Robotics Initiative to promote education and research into uses of robotics in agriculture
- Monterey Bay Regional Business Plan Competition to provide access to seasoned entrepreneurs and investor networks