



**IPZ Designation
Teleconference
6/16/2015 Q&A**

Introduction

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The key to innovation is building the “innovation eco-system” bottom up. It is all about strengthening the innovative capacity of different regions around the state. The IPZ concept is designating collaboration at the local level as having a compelling innovation story. Not only that it’s important locally but also it helps from the stand point of branding and image making, etc. across the globe.

Applicants are encouraged to read the 2012 IPZ legislative report, as well as the 2014 Legislative Report, available on the IPZ website. It will give you a sense of the maturity, composition and status of the existing zones.

There is no one model for IPZs. We believe there are common themes and elements in many of the IPZs that seem to be making a lot of headway, but the technologies differ, the composition and leadership varies. We are not trying to standardize a model. In fact, we want to learn from the diversity of the models. The antecedent for success is putting together the right leadership, the right strategy, and the right partnerships. You need to find your DNA to move forward.

- RCW 43.330.270 mandates the Department of Commerce designate IPZs every odd numbered year. Designations for this designation round will be made October 1, 2013. The next designation opportunity will be in 2015. IPZ designation carries for four years.
- Eligible applicants are cities, counties, ports, workforce development councils and economic development councils.
- Suggested volunteer time/man hours dedicated to the formation and administration of an IPZ be leveraged as in-kind and measured for its financial value.

Eligibility

Is participation in the applicant teleconference required to apply for designation?

No, participation is not a requirement. The teleconference was scheduled to afford potential applicants the opportunity to ask questions and hear questions posed by others. Questions can be asked of program staff at any time. Jaclyn.woodson@commerce.wa.gov

If an applicant doesn't notify program staff by July 15 of their intent to apply, are they still eligible to apply for designation?

Applicants must submit their intent to apply and threshold application by July 15, 2015.

Partnerships

Who are the required partners?

The three primary partners are workforce, university research capability, and the private sector globally competitive company(s).

Does the globally competitive company(ies) have to be within the IPZ zone?

Yes.

Does the research university capability need to be located in the zone?

No. There has to be a connection with a Washington university/community college BUT you can also enlist another research entity outside of Washington which could provide the primary research capacity (and the Washington university/college supplements). The intent is for there to be some beneficial information flow with a Washington research entity.

Can partners be from outside the zone, state, or internationally located?

The three primary partners need to be Washington based. These are the partners that need to be part of the MOU. There can be secondary partners that strengthen the IPZ that are not within the state.

Crossing state boundaries and global boundaries are fine. We believe a collaborative model that goes beyond the IPZ geography is desirable.

Can a new proposal duplicate an existing IPZs cluster focus?

No. We'd encourage you to partner with an existing IPZ with the same cluster focus. We are encouraging regions across the state to work together to develop these clusters.

Why is there emphasis on collaboration or partnership with ISO 9000 or 1400 certified companies?

The legislation specifically refers to ISO 9000 or 1400 certified companies. It also refers to "... or other recognized evidence of international success". This definition is somewhat subjective and we recommend you demonstrate that the private sector entity(ies) with whom you partner is selling its products overseas in ideally more than one international market and/or a significant percentage of sales (e.g. over 15%) are sold to overseas markets. The point of the ISO certification is to demonstrate reliable international capability in order for a company to gain international customer(s). The certification reflects the company has rigorous internal standards for manufacturing their product which also includes a view of process and management.

IPZ Proposals and Oral Presentation

What will the designation review team be looking for in the IPZ proposals?

- 1) A compelling story or purpose for the zone;
- 2) Whether there is a clear demonstration that there are relationships in place that will help realize that purpose or vision; and
- 3) A good understanding of what it is going to take to build, and enhance the innovation capacity of the zone.

Here are some other suggestions to strengthen your proposal:

- Engagement of the end user
To show forward thinking, demonstrate the degree to which the IPZ will be working with end users of the innovation or technology. The team will be interested in the commercial potential of the IPZs.
- Complementarities when it comes to technology
Other IPZs are opportunities for complementarities to what you want to do; and the other IPZs might have complementary technologies that fit what's going on in your region. This is a way of speeding up the innovation process by getting one IPZ cooperating with another IPZ. It's a win-win situation. Look at the synergies that are going on—not at the competitiveness.
- Financing plan (not from the state)
If the proposed IPZ has a financial plan for building the IPZ going forward, that is a very attractive element or success factor. The federal government is one source of funding. If you've identified a potential federal partner, from a financing standpoint, that always helps.

Who should the oral presentation team consist of?

Your primary team of partners. That would show the strength of leadership and governance which is an enormous factor in making an IPZ successful.

Can you explain the expectations around reporting?

You do have to report on the legislatively mandated metrics. The current IPZs have some challenges relating to reporting. Again, refer to the 2012 Legislative Report as it takes an intimate look at each of the IPZs and the challenges they face. They aren't always in touch with the job creation piece or are they able to track it in super robust IPZs. There are different approaches and mindsets about reporting on the hard metrics. The hard metrics are going to reveal themselves over time. Commercialization of technologies takes a while.

The point of the business plan in this application allows the applicants to create some context in a frame of reference going forward. And there is a question about metrics and measurements of how you want to measure yourself. Each IPZ is somewhat unique. For example, there might be some initiatives or campaigns that are really important to growing and making the IPZ successful that will ultimately lead to the hard metrics of investment and job creation. This question gives you an opportunity to describe that.

This is about measuring the performance of the IPZ as you define it. You are trying to capture a lot of organic activity. How the zone is performing . . . The health of the zone . . . Is it generating intellectual properties? Is it generating jobs and private investment? Is it leveraging? How much is being commercialized? How many new products are being developed? It's up to you to decide those measures. What you will be trying to measure is the health of a very organic activity. It's not easy, but if you can figure out how to do it within your zone, you will have a tool that will help you optimize the future performance of the IPZ.

What do you gain from the application process?

Whether you receive designation or not, the value of the process is in finding and developing new relationship capital, establishing new contacts, and looking at economic development for your region through a different set of lenses, etc. The work also positions jurisdictions well for seeking other grant dollars.

What if we don't know all the answers?

You aren't going to know everything. This is all uncharted territory. Your business plan needs to tell us what you are going to do and how you are going to do it. You need to recognize some of the challenges that may exist going forward and tell us how you anticipate dealing with that.

Is there funding for the IPZs?

Currently there is no state funding. The federal government is also looking at this new economic development model and there are approximately 14 or more federal agencies that are focused on cluster growth. IPZ designation positions you very well for federal grants.

Another opportunity is to look at the new RIAN (Regional Innovation Acceleration Network) portal that was released in June. This is a joint effort between the US EDA and the SSTI (State

Science and Technology Institute). They track most of the federal funding opportunities that relate to state economics. <http://www.regionalinnovation.org/content.cfm?article=funding>

Q: Define "IPZ boundary".

A: The IPZ boundaries can be as big or as small as you need it to be. The boundaries must encompass the private sector and workforce partners. The exception is the research university.

Q: King County has a financial planning IPZ. What is that?

A: The King Co. Financial Services Collaborative IPZ organizes and strengthens the county's financial sector.

Q: Can community colleges be the research partner?

A: Yes.

Q: Can more than one university be a part of the IPZ?

A: Yes.

Q: Can a neighboring city be a part of the IPZ?

A: Yes. It was suggested that including the neighboring city in the MOU would strengthen the application.

Q: Define "end-user".

A: An end user is either the consumer or beneficiary of the product of the IPZ.

Q: Can an FTZ be a designated IPZ?

A: Yes. From RCW 43.330.270 "Identifiable boundaries for the zone within which the applicant will concentrate efforts to connect innovative researchers, entrepreneurs, investors, industry associations or clusters, and training providers. The geographic area defined should lend itself to a distinct identity and have the capacity to accommodate firm growth;"

Q: Can the research institute be the workforce development partner?

A: Based on RCW 43.330.270 2.a.iii: Training capacity either within the zone or readily accessible to the zone. The training capacity requirement may be met by the same institution as the research capacity requirement, to the extent both are associated with an educational institution in the proposed zone.

Q: Can a center for entrepreneurial development be considered as a workforce development partner?

A: Answer coming soon....