



## ATTACHMENT C

### Business Plan

#### Executive Summary

Today, there are more mobile phones than there are toothbrushes in the world.<sup>1</sup> The impact of that statement on the future of the global economy should not be underestimated. The way in which we interact with each other and the world is rapidly changing. In less than eight years, many of us have gone from not knowing what Facebook was to, now, not even knowing how to develop a marketing strategy for our businesses without including it. In that same amount of time few, if any, could predict that we would be watching movies, ordering home products, and video conferencing with our friends on objects called "tablets." The impact of digital technologies has resulted in whole industries, like mobile app production, emerging as one of the fastest growing job sectors in the country. This influence is felt in all aspects of our lives and will only continue to grow. Specifically in Southwest Washington successful digital technology and software application development continues to grow and collaboration between business, education, and government leaders is strong. The Innovation Partnership Zone designation will accelerate the region's success to date and build a strong platform for continued economic viability.

While Washington State is best known for its business pioneers to the north such as Boeing, Microsoft, Amazon and Costco, today this type of pragmatic, yet pioneering effort is just as likely to be found in Southwest Washington with businesses such as Woobox, Sharp Laboratories of America, Wacom, Immersive Media, Epoch, nLight Corporation and others leading the way. Developing a recognizable and powerful brand for the region will serve as a recruiting tool to attract entrepreneurs, world-class researchers, and talent and build influence with local leaders and investors. "Land Here, Live Here" is an extensive grassroots effort aimed, in part, at promoting Vancouver and Camas to future employers. Through the creation of a Digital Applied Technology Accelerator, the City of Vancouver and its partners will build a culture that inspires students, researchers, and entrepreneurs to also "Invent Here."

#### Mission

*The mission of the proposed IPZ is to grow the need and market for applied digital technologies in areas such as business, education, health and medicine, and communication by fostering education, research and economic partnerships.*

The City of Vancouver has assembled a multi-disciplinary management team to oversee this proposed zone. City government, top-tier research, workforce training, successful global firms, innovative start-ups, and regional economic development organizations are working together to meet the growing demand for these new and promising markets. The emergent energy and opportunity is focused in the Vancouver downtown core and the 192<sup>nd</sup> corridor on the border of Camas, the boundaries of the proposed Innovation Partnership Zone (IPZ).

#### Goals

Partners have agreed to the following early goals for the IPZ. Specific measures will be established. See Measuring Plan and Reporting section on page 43:

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<sup>1</sup> 2010 Mobile Marketing Association Forum Asia Pacific conference

## Technology

**Accelerate leading-edge research that is primed for commercialization and will spin off new businesses**

1. Foster collaboration between world leading manufacturers in applied digital displays and interface technologies and other forms of digital delivery with programmers and designers who will utilize and innovate new technologies
2. Foster new innovations within the private research and development sector through higher-education collaboration
3. Enhance the ability to carry out research and development projects in partnership with regional technology-driven industries

## Human Capital

**Train a nimble and flexible workforce who will pioneer the technology careers of the future**

1. Train the workforce of the future for new business sectors where digital technologies are at the core
2. Enhance on-site and remote education opportunities to craft a workforce for the future

## Infrastructure

**Create a results-oriented, entrepreneurial climate in which businesses have access to the space, resources, and capital to succeed**

1. Encourage entrepreneurial growth of applied digital technology and software companies locally
2. Develop robust infrastructure to incubate new technologies that are not yet envisioned and build new industries correlated to digital technologies that realize job growth

(See appendix page 86 for Strategic Roadmap)

## Leadership and Governance

The IPZ Management Team comprises one or more representatives from each partner organization who will meet quarterly to monitor progress, check in on reporting, and support relationship building and a collaborative culture within the IPZ (See bios listed in Appendix, pg 86). Representatives of organizations not on the management team will be invited to ad-hoc meetings of larger stakeholder groups to cast a wider net as well as increase engagement of more community members and organizations in support of the IPZ. Executive sponsors (e.g. signing authority for the Memorandum of Understanding) will be asked to provide direction to the management team as needed. Developing a charter and defining roles and responsibilities will be among the first steps the management team will undertake.

## Management Team and Roles

### Executive Sponsors

Name	Title	Organization	Role
Eric Holmes	City Manager	City of Vancouver	Executive Sponsor
Scott Higgins	Mayor	City of Camas	Executive Sponsor
Robert Knight	President	Clark College	Executive Sponsor
Lisa Nisenfeld	Director	Columbia River Economic Development Council	Executive Sponsor
Mel Netzhammer	Chancellor	Washington State University Vancouver	Executive Sponsor



## Management Team

Name	Title	Organization	Role
Chad Eiken	Community and Economic Development Director	City of Vancouver	Zone Administrator
Sandra Towne	Planning and Policy Manager	City of Vancouver	Zone Administrator
Phil Bourquin	Community Development Director	City of Camas	Administrator
Kevin Kussman	Associate Vice President Corporate and Continuing Education	Clark College	Workforce Development
Bonnie Moore	VP of Business Growth & Innovation	Columbia River Economic Development Council	Economic Development
Jeanne Bennett	Director	Southwest Washington Workforce Development Council	Workforce Development
Doug Little	Senior Public Relations Manager	Wacom Technology Services	Commercialization & Partnerships
Dene Grigar	Director and Associate Professor	Washington State University Vancouver	Research & Commercialization
Paul Dennis	President	Camas Washougal Economic Development Association	Economic Development
George DeCarlo	CEO	Woobox	Commercialization & Partnerships

## Anticipated Partner Involvement and Investment

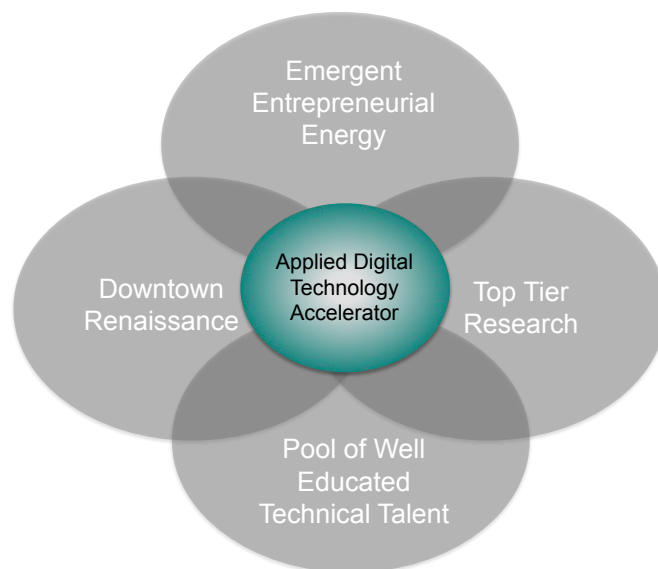
As the Zone Administrator, the City of Vancouver has invested financial resources and significant staff time to steward this proposal for official designation. If the IPZ is awarded, the City of Vancouver will continue to provide in-kind management resources to this effort. Management team partners will be asked to attend standing meetings to update and review progress on identified initiatives to support networking and collaboration with the IPZ and work to develop a sustainable financial plan for this effort. Partners will also be required to develop and commit to a more comprehensive charter that will be developed in the initial phases of the effort. (See Attachment A, pg 9 for list of current responsibilities.)

## Sustainability Plan

The proposed IPZ management team is currently considering a variety of options to sustain the work contemplated in this plan including: meeting location and resource support at partner locations; in-kind leasing of commercial space for the creation of an incubator; and sponsorship of IPZ-endorsed events and activities. If the designation is awarded, the management team will commence a startup phase to establish an operational plan that will include an estimated budget and potential revenue sources to pursue.

## Strengths of the Applied Digital Technology Accelerator

The selection of Downtown Vancouver and the 192nd corridor as the proposed boundaries for the Applied Digital Technology Accelerator was a natural choice, because they sit at the nexus of activities that are already building momentum for new technology industries (see diagram on right). Geographically, the area is also big enough to allow for growth with vacant land around the downtown waterfront and available industrial land at 192nd, but small enough to focus in on a targeted industry and collaborative research opportunity (see IPZ Zone Map, pg 89). The proposed zone is also well regarded for livability and is supported by 400 route miles of fiber, proximity to an international airport and a non-landlocked port, as well as a nascent downtown renaissance.



Companies are viewing the region as a place for success: Vancouver-based nLight was named in the middle of the pack of Inc. Magazine's 500 fastest growing companies, while new social media businesses like Woobox are locating in downtown. Others such as Integra Telecom (a network and communications services company with over 500 employees) and Compound Photonics (a firm that is developing HD projection for mobile devices) are arriving or expanding in the region. With access to a top tier research institution at Washington State University's Vancouver (WSUV) campus and innovative workforce development programs at Clark College, digital technology entrepreneurs and students can also build businesses and careers that haven't even been imagined yet.

Woobox is just one example of how downtown Vancouver is becoming a thriving location for the small digital and software workforce. These employees increasingly gravitate to the urban core – affordable, mixed use and walkable places with character. This environment is becoming the preferred location for start-ups and smaller firms to attract talent and investors. The renaissance of downtown Vancouver is occurring at the same time that entrepreneurial energy is emergent throughout the area. The PubTalk™ events that link investors and entrepreneurs and draw over 600 attendees annually, from Seattle to Salem, are just one example of the support that local economic development organizations are providing. Other activities include: the hosting of expert luncheons, assisting businesses with finding resources to bring their products to market, and working with stakeholders to create a diversity of building stock.

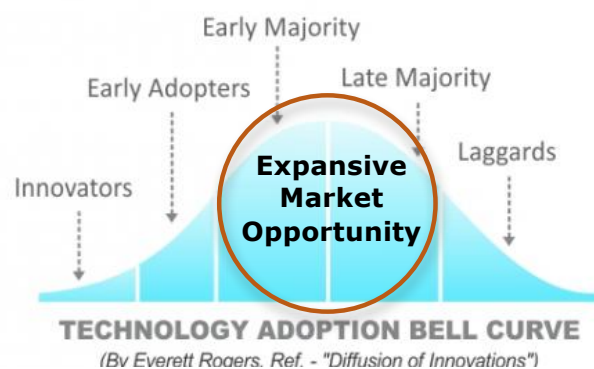
In addition, the Washington Employment Security Department/May 2013 projects an annual position increase for the Portland/Vancouver metro service area in occupations including: Graphic Designers, Computer Programmers, Software Engineers, Web Developers, Information Security Analysts, and Network Architects (see Appendix, pg 90). The table below lists the strengths of the Applied Digital Technology Accelerator by category.

Technology	Human Capital	Infrastructure
<ul style="list-style-type: none"> <li>• 8 commercial research labs located within the zone</li> <li>• “Top Tier” research institution within boundaries <ul style="list-style-type: none"> <li>◦ Commercialized technology pilots from WSUV in progress with private sector partners</li> </ul> </li> <li>• Diversified technology industry (hardware, robotics, mobile apps, web software, etc.)</li> </ul>	<ul style="list-style-type: none"> <li>• Relevant occupations projected to increase higher than national average</li> <li>• Pool of technical talent <ul style="list-style-type: none"> <li>◦ 3 STEM high schools within zone</li> <li>◦ Clark College trained and certified students</li> <li>◦ Interns and graduates from WSUV’s research labs</li> <li>◦ Senior “silicon forest” talent from firms such as HP and Intel</li> </ul> </li> <li>• Award-winning researchers</li> </ul>	<ul style="list-style-type: none"> <li>• International gateway with close proximity to an international airport and non-landlocked port</li> <li>• Vacant industrial lands in downtown Vancouver and the 192<sup>nd</sup> Corridor</li> <li>• 400 route miles of fiber</li> <li>• Streamlined permits and business assistance</li> </ul>

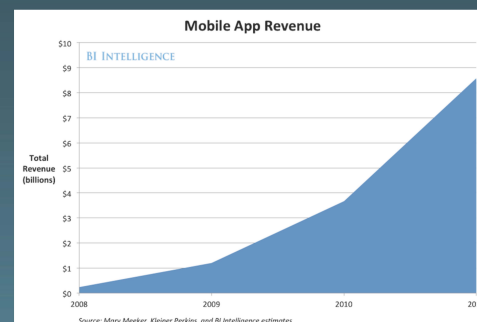
## Long-term Market Growth in Vancouver-Camas

A recent article in The Atlantic underscored the significant growth potential of “the data economy” stating, “...new applications and uses are coming out of app developers, online game and entertainment companies, web companies like Facebook and Google, content providers, electronic health record providers, and “Internet of Everything” companies that connect the physical world with the data world.”<sup>2</sup>

For example, it took Apple just two and a half years to sell 100 million iPads — 8 million of those iPads being purchased by education institutions worldwide. CEO Tim Cook was quoted in an October 2012 article on TechCrunch saying: “One of the things that is so rewarding to us is how quickly the iPad has been received in education.” The opportunity Cook describes in the education field can be replicated across a broad array of industries in the proposed IPZ, including health and medicine and business services. As smart phone and tablet technology adoption moved beyond early adopters, the types of applications and experiences demanded by consumers shifted (see chart on the right). The integration of iPads and tablets into every day life (e.g. checking out at the coffee shop or e-signing a waiver at the doctor’s office) is ushering in a new



Apps are now a ~\$10 billion market, growing at ~100% per year



BUSINESS INSIDER

<sup>2</sup> Mandel, Michael. "The Data Economy Is Much, Much Bigger Than You (and the Government) Think. The Atlantic., 25 Jul. 2013. Web. 31 Jul 2013.

wave of innovation as more consumers experience the technology and provide feedback into the market. As adoption of these devices grows exponentially (in less than 3 years, US tablet ownership jumped from 2% to 29%, see Appendix, pg 91), so does the market for new ways to use them.

Proposed IPZ partner Wacom Technology Services (see case study below) has experienced this first hand as their initial technology was adopted and then adapted to uses beyond their original target market. Wacom is also currently launching two new products. nLight, a leading supplier of high-power semiconductor-based lasers was named a top 500 fastest growing private company by Inc. for the past four years. The launch of their element™ product line for fiber lasers reset the industry price point which will drive growth in this market that outpaces the overall laser industry rate. Another example is Vancouver's own Immersive Media, the inventors of Google StreetView, which allows users to find specific locations around the globe on a map and view them as if they were standing in front of them. The firm was hired in 2012 to provide an "I was there" experience to people around the globe who wanted to "Follow the Flame" for the Olympic Torch Relay for the London Games. This "immersive" experience yielded 3.6 million "torchview" images and became the world's most tagged piece of content ever, winning a coveted Cannes Lion award for "Best Use of Social Media." (See video link, pg 92)

For applied digital technologies, the world really is Vancouver-Camas' stage. The timing is right to build markets as well as to create new markets as illustrated by the previous examples and supported by economic data. According to data compiled for the most recent Clark County Economic Development plan (see Appendix, pg 93), government, healthcare, and retail trade are the largest employment sectors in Clark County. Finance/insurance, professional services, and personal services sectors have actually added more jobs in Clark County during the recession than during the previous expansion, which represents a growth opportunity for applied digital technologies — adding a technology layer to support the region in industries where it is already strong. Where occupations like construction and manufacturing suffered losses during the recession, small gains have been seen for jobs in business, education, health care, and information and communication technology. This incremental growth can be leveraged within the IPZ as a focus for investment of resources to surface and connect applied digital concepts to homegrown commercial opportunities.

## Case Study: Wacom Technology Services

"We want to combine our technology expertise with other partners in the region."

— Douglas Little  
Wacom Technology Services

Founded in 1983 to develop a technology to read Japanese characters on a computer as an input device, Wacom could never have known that one day their technology would have such broad application. But shortly after the Macintosh computer was introduced in 1984, software like MacPaint, Fractal Design and CorelDRAW helped to identify a new application for Wacom's digital pens — creative design. Wacom's development of the first pressure-sensitive pen fueled a new way for professionals to interact and create with technology, which has led to its now-ubiquitous presence as a component in Samsung's Tablet PCs. Developing the technology is just the first step in creating a new market. Once creative professionals got their hands on Wacom's technology, they were able to apply it to new uses, which eventually spun off new commercial offerings impacting the daily lives of consumers, where the opportunity can really scale (e.g. use of interactive pens in electronic medical record adoption). Wacom's 120 employees in the Vancouver office are primarily responsible for developing driver software and engineering components. Doug Little says, "We want to be recognized as a local technology leader and combine our technology expertise with other partners in the region."







## Entrepreneurial Climate in Vancouver-Camas

Entrepreneurs are quickly learning what firms like Wacom, Sharp, Integra and nLight have already discovered about Vancouver and Camas — it's a great place to do business. With attractive highlights such as: high-quality available talent, vacant industrial land, close proximity to an international airport and non-landlocked port, quality of life for employees, and excellent schools, this area is starting to attract more digital startups. For example, the aforementioned Woobox, which recently located in downtown Vancouver has experienced 400% growth in the last 2 years. Vancouver-based Epoch (a video processing and workflow automation company that supports media production professionals) just recently announced \$2 million in venture capital. The company has 15 employees and hopes to double in size. CEO David Barton was quoted in *The Columbian* saying, "We are at the deep end of the scientific pool. Hard core science is brought to bear on this. People don't realize that the Vancouver area has a world-class wealth of experts in video imaging processes."<sup>3</sup>

Visitors to this dynamic region can also observe local startup founders pitching their technology ideas at events like the standing-room-only Pub Talk™ networking event or connect with the growing tech workforce at GeekDrinks. Vancouver, with partners WSUV and Clark College, also recently launched a community-wide pilot, #nextchapter, a reading and conversation program designed to stimulate innovation and opportunities to support the emerging digital economy. Due to the successful pilot, partners will continue the program into its second year and expand the 2014 #nextchapter events to include specific events with technology businesses, students and the community (for more information on #nextchapter, see Appendix, pg 95).

There are three primary factors that contribute to a successful entrepreneurial climate: access to high-quality talent, proximity to other entrepreneurs, and business support such as access to capital and ease of permits/licensing. Vancouver-Camas performs well in each of these areas.

### Access to Talent

Both higher education institutions, Washington State University Vancouver (WSUV) and Clark College are partnering with the K-12 system in Vancouver to develop a training continuum that will train a workforce to meet the needs of entrepreneurs and existing technology firms.

WSUV is a four-year R1 research institution that graduates nearly 1000 students annually. Three of its five signature programs center on STEM research. WSUV is home to a branch campus of Clark College and iTech Preparatory, a STEM-based high school. Also housed at WSUV is the Southwest Washington Math, Engineering and Science Achievement (MESA) program that "provides enriching educational opportunities that help build a pathway to college and careers in the STEM fields for middle and high school students."

Clark College reaches 26,000 students per year and is the largest institution of higher education and the largest workforce development organization in Southwest Washington. With close ties to industry and excellent working relationships with organizations, such as the Southwest Washington Workforce Development Council, the Columbia River Economic Development Council and the City of Vancouver, Clark College tracks a broad array of emerging digital workforce needs.

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<sup>3</sup> Oliver, Gordon. "Vancouver video-editing firm Epoch raises \$2M for product launch." *The Columbian* Vancouver, WA 22 Mar. 2013. Web. 31 Jul 2013.

## Proximity to other Entrepreneurs

The cities of Vancouver and Camas, in partnership with regional economic development organizations, private developers, and business owners, are working to create an inventory of available space, especially to attract them to locate in the downtown core. A critical mass of businesses moving into downtown will create a buzz among entrepreneurs who want to be part of an emerging movement (see Woobox case study below). In addition, the management team will be exploring opportunities to create incubator space through in-kind or reduced rates to assist digital companies in the seed phase. Networking opportunities like those mentioned earlier (PubTalk™, GeekDrinks, and the Innovation Showcase) also help entrepreneurs connect and interact with other like-minded businesses.

## Business Support

The City of Vancouver has created a Business Service Center supported by 1 full time employee to streamline the process to start a new business. This center provides a list of resources and steps to follow when applying for a business license, as well as a contact person who will follow up on specific issues businesses are facing. The Columbia River Economic Development Council is working with partners to develop an Innovation Eco-System where various private and public organizations are providing support “to advance entrepreneurship and innovation in Southwest Washington.” (See Appendix, pg 96) CREDC is also in the process of completing an Entrepreneurship 2.0 Strategic Plan that will support the development of a strong digital technology hub and nurture entrepreneurship.

Access to capital is another critical business support that defines the health of an entrepreneurial climate. Vancouver-Camas benefits from regional organizations that support entrepreneurship. CREDC partners with regional & state organizations such as OEN, Innovate WA, and angel groups. In recent years, a Southwest Washington company has been a finalist for Angel Oregon each year and Kereitsu Forum, a global angel investment networking group, is active in Clark County entrepreneurial events and programs. Of the over 62 companies featured at Clark County PubTalk™ since 2009, 13 of them have been partially capitalized.

## Case Study: Woobox

“Entrepreneurs like to be around other entrepreneurs. It attracts the right talent.”

— George DeCarlo  
CEO, Woobox

When entrepreneurs like George DeCarlo are looking at where to place or move their companies, the ability to track talent is at the top of the list. DeCarlo says, “Woobox was started in Longview, but attracting the right talent became a challenge. It was a necessity to move where the talent was.” Downtown Vancouver provided the complete package: an attractive tax rate for the company and its employees and an urban work environment desired by technology professionals. This urban core not only provided the aesthetic DeCarlo desired (“a place with a lot of character”), but also the daily work life he wanted. “When I walk to lunch, I am starting to come across other professionals. The more entrepreneurs that can start companies in a pretty tight area, it’s going to breed more entrepreneurial companies just from the networking.” Recently celebrating its tenth hire and doubling its workforce, Woobox is looking to expand its Facebook marketing product line so they can keep growing and keep hiring right in the heart of Vancouver.





## Commercialization Plan

Washington State University's significant number of research labs in a wide variety of engineering and technology disciplines positions the proposed IPZ well for commercialization opportunities. But the key ingredient, according to a March 2012 *Harvard Business Review* article, must be providing links between these entities and activities.<sup>4</sup> This summer (2013) Instructional Technologies, Inc. funded \$37,000 in fellowships to WSUV's Creative Media and Digital Culture (CMDC) Program faculty and students to work with the company to develop software for iPublishing, a multimedia interactive environment, dubbed AppBook. The project that became the student's "test case" was a publication for Pearson Education, who joined the partnership in order to innovate its online book offerings. Buoyed by dramatic projected growth in eBook sales (see Appendix, pg 97), ITI and WSUV are looking to house an iPublishing center in Vancouver.

Wacom Technology Services' recent tablet donation to WSUV's CMDC program has also led to practical application of research concepts at a national exhibit at the Library of Congress as well as an interactive educational exhibit for visitors to Oregon Museum of Science and Industry (OMSI). Proposed IPZ partners are already taking the first steps to more closely collaborate between commercial labs and enterprises with the work taking place at the Washington State University Vancouver campus and through local economic development organizations. These initial connections, though informal and nascent, have established important relationships that will be further supported through coordinated IPZ activities and pilots, such as the Innovation Showcase that brings higher education and private sector partners together to share their ideas and concepts amongst their technology peers. The management team of the IPZ will also implement a digital strategy, including a branded hub for all entrepreneurial and research activities related to applied digital technologies, that will serve to highlight innovative and commercial ideas and encourage connections between partners. See the case study below to see the early wins from this relationship building.

### Case Study: Washington State University Vancouver

"Give our Digital Technology & Culture majors an object and we will think of 20 different ways to use it."

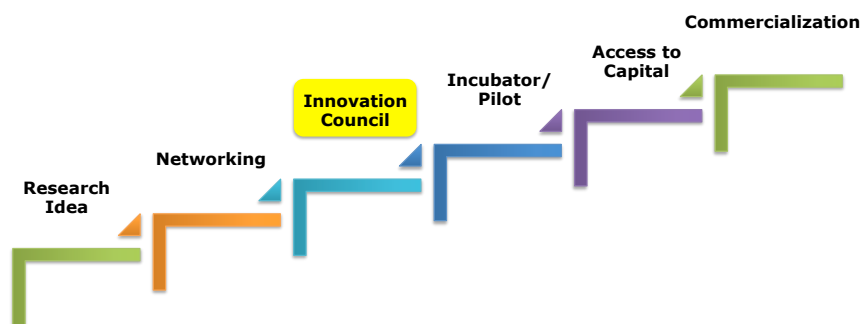
— Dr. Dene Grigar  
Creative Media and Digital Culture Program

Dr. Dene Grigar used to give her creative writing students a ball of string and ask them to come up with 20 different uses for it besides its intended purpose. The tension those writing students experienced is exactly what Grigar wants her (DTC) majors to hold today as they interact and experiment with existing technology. When partner Wacom donated one of their tablets to her program, Grigar was able to integrate this commercial technology into an experimental exhibit, as part of her spot as a guest curator for the Library of Congress. Using this tablet, guests were able to create and draw their own literary works as part of the exhibit. Grigar's program challenges students to take existing technology and dream up new applications for it. Students invent through this experimental, but practical learning environment that also matches them up with future employers. "Hollywood is already using Wacom tablets to draw," Grigar says, "we want to invent new ways to use technology like Wacom's and expand the potential market for their products beyond conventional uses."



<sup>4</sup> Kanter, Rosabeth Moss, "Enriching the Ecosystem," *Harvard Business Review*, March 2012.

While public-private partnerships exist throughout the region, an overarching vision and plan is needed. The IPZ management team will seek to surface and scale more opportunities through an Innovation Council (see appendix, pg 98), which will be a standing forum at regular management meetings aimed at connecting



innovative research labs training tomorrow's workforce with global firms in the zone (such as Wacom Technology Services), or entrepreneurs growing tomorrow's global businesses (like Woobox). The goal of the Council will be to launch one to three prototype projects per year creating a platform for bringing new and commercially successful technology to market.

## Measuring Plan and Reporting

Without an official designation umbrella, partners are already integrating the work of their peers and counterparts as key success factors for their long-range planning efforts. Upon designation, the management team will work to set initial benchmarks and shape an inclusive program that both monitors progress over the four years of designation and builds a collaborative culture to encourage business growth. There are a number of initial ideas of how to measure progress and the management team would like to participate in the statewide work group forming to develop a common set of core measurements to track IPZ progress.

Initial ideas for reporting include:

- Number of IPZ management/partnership meetings
- Number of events that help expand collaboration between research, workforce, and private sector
- Number of additional IPZ private business partners
- Number of students receiving degrees and/or certifications related to applied digital technologies
- Creation of a branded hub within the zone and a digital strategy to highlight activities, events, and successes
- Future applied digital technology occupation projections
- Number of businesses sited due to IPZ research and/or other activities
- Amount of available incubator space
- Evidence of commercialized research

## Conclusion

In short, the partner applicants meet the requirements of the Commerce Department's IPZ program. We have committed leadership, a working management team, willing partners, and the market timing is right. The formal IPZ designation would provide Vancouver-Camas with a vote of confidence to continue the work it has already started. With the right talent, a growing network of entrepreneurs, and research labs exploring new ways to enhance technology experiences, the call to action for this region will not just be "live here," but "invent here."