



VISTA 2025 Goal 4:

Establish an innovation culture that supports entrepreneurship and business growth

VISTA 2025 Goal 4 Team Meeting

December 2, 2016

Meeting Notes

Team Members Attending: Ed Breiner, Chad Byers, Guy Fardone, Terence Farrell, Lou Kupperman, Marnie McCoy, Mark Trabbold

Also Attending: Marybeth DiVincenzo, Nancy Kunkle, David Sciocchetti, Gary Smith, Marianne Stack

Terrence Farrell

Opened the meeting and welcomed those in attendance and invited all to introduce themselves. Asked for comments on the meeting notes for the September 28, 2016, Goal Team 4 meeting. None were received.

David Sciocchetti

Described the draft VISTA 2025 Progress report and indicated that comments and feedback were welcome.

Nancy Kunkle

Provided a brief background of her prior employment history as part of an introduction to her new role in guiding the innovation and technology programs at CCEDC.

Marybeth DiVincenzo

Briefly described the history and roles of the of the ITAG and i2n programs at CEDC. Noted that the current i2n had developed as a result of merging the Chester County and Delaware County Keystone Innovation Zones.

Nancy Kunkle

Described the i2n programs noting that 105 companies had been serve including 55 that had received KIZ tax credits.

Mark Trabbold

Inquired if there was a fee to participate in i2n and was advised that there was a \$250 annual subscription fee.

Marybeth DiVincenzo

Commented that it was a part of the state KIZ legislation that service providers could not charge directly for their services.

Gary Smith

Noted that the i2n program had received more KIZ tax credits than any other KIZ in the Commonwealth, adding that that had meant \$2 million to the companies and nothing to CCEDC.

Marianne Stack

Stated that the key was establishing eligibility for the tax credits, noting that last year 23 i2n companies qualified and received a combined \$2.1 million in tax credits. She added that the state had received 280 applications for the next round of tax credits and that those receiving credits would be announced on December 15th.

Nancy Kunkle

Indicated that it was important to raise awareness of the KIZ tax credits using success stories.

Guy Fardone

Characterized EvolveIP as a great success story noting that Evolve IP had received \$1 million from the KIZ program to help grow EvolveIP leading to the ability to attract a \$300 million buyer for the company and the office park.

Marybeth DiVincenzo

Commented that in Chester County, the private sector, including EvolveIP, had taken the lead in efforts to house young companies in incubators, accelerators and co-sharing spaces with 7 facilities in Chester County.

Marybeth DiVincenzo

Described ITAG noting that it was originally formed in 2,000 as part of an effort to create a pipeline of workers in response to fierce competition for tech sector employees in Chester County. Noted how state funding for industry partnerships, originally \$20 million statewide had supported the program but that \$20 million dollars had significantly diminished over time. Added that the vast majority of industry partnership funding was used to train employees.

Gary Smith

Commented that as state resource declined the need for services expanded and the response was to do more with less, including having the various boards become part of the service delivery system.

Nancy Kunkle

Added that at the present time, i2n relies completely on private sector support for the services it provides while ITAG is predominantly private sector funded.

David Sciocchetti

Briefly described the focus of VISTA Goal 3 team on identifying the competitive advantages of Chester County and building coherent and unified marketing themes around those advantages.

Guy Fardone

Commented that in the early stages of the VISTA 2025 process one comment was that there were too many logos and brands for the general public to process and the idea of merging brands was discussed.

Marybeth DiVincenzo

Commented that the i2n and ITAG boards had discussed the idea but felt that they wanted to keep the programs separate. Added that it was partly driven by the focus of ITAG on large and small businesses and the i2n focus on start-ups.

Gary Smith

Responded that there was some sentiment for merging brands but that there was a need to respond to the interest of the program funders.

Guy Fardone

Commented that the messaging in any brand is critical. Added that there was an opportunity cost when there is a conflict on the message associated with the brand. Added that i2n and ITAG are 70% the same. Suggested that funders could be persuaded to continue support with different categories under one brand.

Chad Byers

Commented that another way to do it would be to have sub-brands under one lead brand.

Guy Fardone

Argued that i2n and ITAG don't really do different things and there was no need to operate competing messages.

Marybeth DiVincenzo

Suggested that the donor funding issues was solvable and added that CCEDC had recently brought together the chairs of the industry sector partnerships in a consolidated sector strategies approach.

Nancy Kunkle

Stated that the key was to match and align the needs/issues with available capacity suggesting that a common brand was possible.

Guy Fardone

Suggested that the consumer perception was critical and a brand should help them understand where it fits not confuse them.

Ed Breiner

Commented that CCEDC was NASCAR without the branding.

Chad Byers

Asked how many brands were utilized by CCEDC.

Gary Smith

Responded that there were at least ten different brands.

Chad Byers

Questioned the value proposition in the multiple brands.

Lou Kupperman

Commented that if Guy Fardone thinks too many brands are confusing this is a serious problem. Suggested that a new look at re-branding might be in order.

Also noted that given the state of the Pennsylvania budget deficit, the issue of state funding for programs is likely to get worse before it gets better and that state funding should not be taken for granted. Suggested a renewed focus on things that add value

but don't add significant costs. Argued that a "have a beer with Guy" event would be free but could have a real impact.

Guy Fardone

Indicated that he planned to take the lead on an event that would bring together some county technology company leaders like Tim Wallace at iPipeline and Mike Carter at Biz Equity as one part of an effort to raise the profile of the county in the tech community.

Mark Trabbold

Suggested that while marketing was critical, it was important to not lose sight of the fact that funding is critical to the capacity to develop new tech companies.

Terence Farrell

Noted that the county was evaluating the potential of establishing a fund to invest in innovative companies and had recently met with representatives of the Ben Franklin Technology Partnership (BFTP) for some preliminary discussions.

Mark Trabbold

Noted that BFTP had matched \$2 million from Bucks County to create a \$4 million fund to invest in Bucks County early stage companies.

Chad Byers

Asked about the nature of the fund in terms of equity or debt.

Lou Kupperman

Responded that the BFTP model appeared to be primarily debt with an ability for some conversion of debt to equity.

Chad Byers

Commented that there were several key questions that were part of setting up a fund including debt versus equity and primary purpose of the fund.

David Sciocchetti

Suggested that in addition to generating a return on the investment, an additional purpose of the fund would be to raise the profile of the county as a destination for young entrepreneurs.

Gary Smith

Noted that Bucks County has nothing like i2n to serve as a base for supporting the growth of young companies.

David Sciocchetti

Noted that any additional thoughts on marketing themes as they might relate to start-ups and emerging sectors of the county economy were welcomed. Added that additional discussion regarding emerging sectors would be added to the next meeting agenda.

Marybeth DiVincenzo

Asked for comments on the current version of the CCEDC marketing piece and noted that work was underway on sector specific marketing pieces that would complement the general marketing piece.

Terrence Farrell

Thanked everyone for attending and adjourned the meeting.