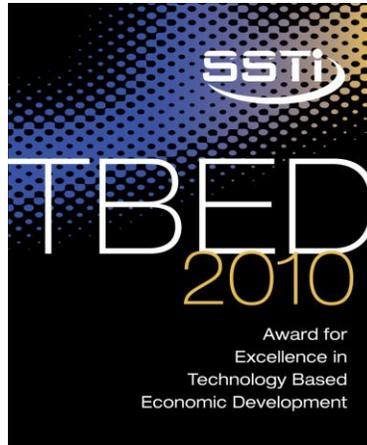


Podcast Interview



Randy Berridge, President,
The Florida High Tech Corridor Council
Interviewed by: Rob Ksiazkiewicz, SSTI

*2010 Excellence in TBED Award Winner:
Improving Competitiveness of Existing Industries*

Mr. Ksiazkiewicz: Hello, this is Rob Ksiazkiewicz with SSTI and this is the third SSTI Podcast of 2011. Today I'm speaking with Randy Berridge, President of the Florida High Tech Corridor Council, a regional economic development initiative of the University of Central Florida, the University of South Florida and the University of Florida. The Council's Matching Grants Research Program was the 2010 winner of SSTI's Excellence in TBED Award in the category: Improving Competitiveness of Existing Industries.

Hi Randy, thank you for speaking with me today.

Mr. Berridge: Rob, thank you and thank you for the kind invitation from SSTI.

Mr. Ksiazkiewicz: Well, let's start with giving our listeners some background and a brief history of the Matching Grants Research Program, and how it fits with the council's overall mission.

Mr. Berridge: Rob, thank you. Our council – now serving our 16th year – was an outgrowth of an effort of then two great universities. The University of South Florida and the University of Central Florida to help a major expansion of an AT&T operation happen in the metro Orlando area, as opposed to going offshore, though we had new state, city and county incentives to help with the expansion happening here, not enough to compete with the incentives available offshore. What made the difference was the commitment of the two universities to provide research funding. They would provide the funding; we would define the research to be done.

President Hitt, president of UCF now the second largest university in the country, and then President Castor, President of USF, now the ninth largest university in the county. It was their idea that what we did for a large company we could do for companies of all sizes. So in 1995 or early 1996 the two state universities and the state of Florida talking to each other was kind of novel and the relationship with a rather large company like AT&T partnering together with the Florida House and Florida Senate and the Governors' office to create a state funded organization called The Florida High Tech Corridor Council, with the mission of attracting, retaining and building high tech industry and the workforce to support it.

We are state funded as I indicated, we spend most of our funds on that which you've been kind to provide us the award for, and that is our

Matching Grants Research Program. We have in our first 15 years funded 1,200 research projects with close to 400 companies engaging in the process. From 1,200 as we somewhat tongue-in-cheek say 1,200 starving doctoral and graduate students, to work side-by-side with professors or associate professors serving as the principal investigator. Also side-by-side with the company engineers and technicians to do applied research projects that are all applied research projects designed to help companies in our 23 county region improve their products and services so that they will be more successful. They will stay here and grow here. In some cases decide to come here because of the potential of partnering with our two, and as of 2005, our three universities.

We've invested more than \$55 million in those projects. The companies have matched with their funds and federal funds, a total value of over \$1 billion. So as you can tell, perhaps by my voice, we're very proud of the program. You have honored us in the best possible way, by recognizing the strength of the program.

Again Rob, thank you. Thank the folks at SSTI for the opportunity to share that honor with The Florida High Tech Corridor Council and put its Matching Research Program it's what it's all about.

Mr. Ksiazkiewicz: I guess the next follow up question I would like to talk about is you discussed the fact that you wanted to transition from major companies like AT&T to small and medium size businesses. How does the council promote the Grants Program to those small and medium size businesses?

Mr. Berridge: Well several ways. Number one if I may just a slightly deviate, we have kept the visage of partnering with small companies regardless of their size. So whether it's a Lockheed or Harris Corporation, or a Repton or a Siemens or a Progress Energy or the like, we still do partner with large companies. But the majority of our grants go to small to mid-size companies. The word of mouth helps, your recognition certainly on the national level helps. The recognition we received last year about the same time from the International Economic Development Council in a similar award from a global standpoint being the best of the best. So your accolades, their accolades, recognition amongst the almost 400 companies that we've partnered with, plus the advantage we also have is that our service area is 23 counties in the central part of the great state of Florida.

So when you have a combination of the second, the fourth and the ninth largest universities partnering, and an organization that is a part of those, like The Florida High Tech Corridor Council, with state funding and they also then have promised to partner with our economic development organizations in our region as well as workforce programs, state and community colleges. It's really a concerted effort on the part of all those to let it be known in chambers of commerce, and economic development organizations and workforce organizations in our colleges and other partners that these funds exist. I think that your point it's a never ending battle to try to be the best that you can be – the best of the best. In terms of making sure that you do the best you can make aware that these funds are available.

The real key I think – if I may share with the listeners – is that unlike some programs around the country, we do not ask for our funds back. Our funds are an investment in those companies, so that they will come here, start here, grow here, stay here, but in the process hire our graduates and others looking for meaningful high paying jobs in our region.

Mr. Ksiazkiewicz: Speaking about that. What are the funds typically used for? How large is the average grant that the council provides through the program?

Mr. Berridge: Good question. We have done grants as small as \$5,000, our portion of the match. We have a very high tech formula I hope your listeners will appreciate. If you are a small company we require a dollar to dollar match. If you are a mid-size company – two to one; if you are a large company – three to one. I know your listeners are probably going to have to re-examine their formulas, but it's pretty straight forward. Our average grant is around \$50,000. We've done grants as high as \$250,000 – our half if you will – and it must be a cash match.

Early on as we were starting the program we accepted income matches as well because equipment is needed in universities as you well know. For right now we require a cash match and that in kind is on top of that. An example might be Remy Technologies. A graduate of UC Thinkubator Program – Van Remy, a doctor in engineering who started the company in the incubator, has graduated, has 13,000 sq. ft. of manufacturing space and about 35 employees, average payroll \$70,000. He has two products, he has cooling system products for a small cooling system that easily fits

inside – it’s about the size of a small bottle of water, with the tubing fits inside as uniform of a first responder. So improving the efficiency of that cooling system, either the materials used or from a materials research, or the mechanics of the little engine that drives it – what have you.

Both could be an example of some of the types of applied research projects that we would fund. Similarly with a large company perhaps like Siemens, helping them improve the viscosity of the fluids used in their turbines to make them more efficient, and therefore the companies using those turbines to make them greener in their provision of power.

Mr. Ksiazkiewicz: You’ve mentioned it, and you’ve talked about it earlier when discussing the brief history of the organization. What factors do you think are necessary for the academic private relationship to succeed? What advice would you give to other organizations looking to replicate the council’s model?

Mr. Berridge: I’ll use the Dr. M.J. Swallow explanation, and hopefully your listeners will enjoy this. If you try to force a professor to do something as M.J. indicates, they will take great strides to explain to you the meaning of the word tenure. In our world though as M.J. would then quickly hasten to add, if you put some money on the table – that is fairly accessible – we don’t make them jump through too many hoops. Of course we have an application process, but compared to going after an NIH grant or whatever type of federal grants you’re looking to go after – an SBI, SBIR grant – our grant application process is fairly simple, fairly clean and straight forward. Tell us what you’re going to do, how you’re going to engage our students, and the best estimates of your outcomes, what you need in terms of resources, and what is the science, and do you see it creating jobs downstream? That’s pretty much the guts of it.

So M.J.’s observation is: if you put that money on the table and make it fairly readily available, people will beat a path to your door, because in our world – again for your listeners benefit – we do not ask for the money back.

So we have one other ingredient I might add, and that is for the listeners who represent corporations, if you have a connection with the university – one of our three universities, that’s great. If you do not have one, we have a plan in place at each university that will help you find the right

professor to do the Matching Grants Project with you, again applied research project.

Mr. Ksiazkiewicz: I guess as we are wrapping up here, do you have any lessons that you have learned that might benefit similar organizations, other than everything that you've so greatly mentioned and talked about?

Mr. Berridge: Yes, you have to have in our world a university that is not only willing, but aggressively wants to be part of the economic development, the innovation development, the innovation ecosystem in their service area. In our world, our three presidents – I'm going to paraphrase one of their commitments, in addition to being number one universities in the country – all three of them – and graduates and research, and stream education, they all want to be partnering universities. In my world with 15 years' now of experience, you've got to have a commitment to and a track record of willing to be a very aggressive partner with companies in your region. And as well in our world, you have to have a legislature and an administration office of government – the governor of the state – that sees the value of this investment. It is an investment as you've heard me say several times – your listeners have – we do not ask for our money back.

So when I share with you 1,200 projects, 2,400 students engaged, 400 companies, \$55 million with a literal return of over \$1 billion, you can see why we do not ask for our money back when the company time after time could in fact look at that as an investment in our universities and in our companies and therefore in our state. So you've got to have a legislature of House and Senate as well as the Governor's office that are willing to step up and approve these funds on a recurring basis. To me that is the most significant lesson learned that the folks listening can learn. These funds need to be there on a repetitive, reliable basis; therefore they need to be recurring. Then let the organization – in our case three great universities that run these programs funding – let them demonstrate the success of their efforts in helping again the high tech companies in their regions again come here, start here, build here, stay here.

Mr. Ksiazkiewicz: If you could really quickly expand upon what do you think is the appeal the council brings to these politicians going through a few governors

through that time period that keeps the commitment – I mean obviously multiple legislatures – that keeps them committed to the program?

Mr. Berridge: I would submit the limited marketing dollars that we have for marketing and public relations, where again we are not a membership organization. So we do not have to deal with memberships, membership retention, membership entertainment, and membership dues. We are a funding organization designed to partner with those organizations that are membership organizations and then in return for our funding to help promote our region as a high tech region. Our Chambers of Commerce in our 23 counties, our economic development organizations, they are all here to help us tell the world our story, that we are a high tech region.

So when you have recognition coming from Thailand and the leadership of Thailand, the US Ambassador to Thailand. When you have recognition coming from South Dakota, coming from the State Science and Technology Institute, coming from Haines City Florida, as well as coming from our own legislature and our governor's office it's based on the success of our program I would submit, and the thanks to you the recognition of the success of the program. But I believe it is also based on the fact that the organizations that we are helping fund to help tell our stories are the chambers of commerce and our economic development organizations. Our state colleges and our workforce boards they are using their lobbying efforts because we're not a lobbying organization. They're using their lobbying efforts to help continue to tell our story in Tallahassee, the state capital of the great state of Florida.

Mr. Ksiazkiewicz: Well Randy, I just wanted to thank you for speaking with us today. Between all the kind words you said about SSTI and just being able to provide your knowledge to our listeners. If our listeners would like to learn more about The Florida High Tech Corridor Council and its programs they can visit your website at www.floridahightech.com. For those interested in learning more about the SSTI Awards Program, visit <http://www.sstiawards.org/>.