

**Enterprise Innovation Institute  
Annual Report of Institutional Progress  
FY 2007**

During fiscal year 2007, Georgia Tech's Enterprise Innovation Institute (EII) saw continued growth and increased success for its many initiatives. Highlights include:

- Using process improvement techniques originally developed for the manufacturing industry, the Enterprise Innovation Institute's Industry Services began helping hospitals reduce costs and improve service through its "lean health care" initiative;
- VentureLab, the Enterprise Innovation Institute's initiative to create new companies from Georgia Tech intellectual property, celebrated continued success with a roster of 20 new companies that have raised nearly \$100 million in funding since 2001;
- Companies associated with the Advanced Technology Development Center (ATDC), Georgia Tech's science and technology incubator, have raised more than \$1 billion in venture capital since 1999;
- The Enterprise Innovation Institute played a key role in formation of the Georgia Tech Edison Fund, which provides seed funding for early-stage technology companies that have a close association with Georgia Tech;
- The Enterprise Innovation Institute's Industry Services began offering a national program – "Eureka! Winning Ways" – which helps industrial companies with the difficult process of developing new products;
- A study conducted by the Enterprise Innovation Institute's Community Policy and Research Services on nanotechnology in the Southeast ranked Georgia Tech third in the United States for the number of nanotechnology researchers that are "highly cited" in peer-reviewed journals;
- The Enterprise Innovation Institute's Strategic Partners Program helped Baltimore-based GSE Systems and the Georgia Tech Global Learning Center launch a new simulation training center that will help the utility industry train new employees.

The mission of the Enterprise Innovation Institute is to help enterprises of all types and sizes improve their competitiveness through the application of science, technology and innovation. EII serves industrial companies, entrepreneurs, Georgia Tech faculty, local government agencies and economic development organizations.

The most comprehensive university-based program of business and industry assistance, technology commercialization and economic development in the nation, the Enterprise Innovation Institute provides programs that:

- § Help entrepreneurs launch and build successful companies;
- § Improve the competitiveness of established companies;
- § Commercialize technology developed in Georgia Tech research labs;
- § Help local and state governments adopt innovative practices;
- § Assist economic developers with innovative approaches;

§      Serve as a bridge to Georgia Tech resources.

The Enterprise Innovation Institute seeks to redefine the service role for universities and how they support local, state, regional and national economies. This effort is part of Georgia Tech's overall goal of defining the technological research university of the 21st century.

There are five major units within the Enterprise Innovation Institute:

**Industry Services**, which focuses on industrial customers around the state. This unit includes (1) the Georgia Tech Regional Office Network; (2) Atlanta-based product centers that focus on such strategic issues such as new product development and overall competitiveness, as well as productivity improvements such as quality, lean enterprise, energy and environmental management; and (3) federally supported programs such as the Manufacturing Extension Partnership and Georgia Tech Procurement Assistance Center.

**Commercialization Services**, which focuses on moving technology out of the laboratory and into the marketplace. Commercialization Services identifies Georgia Tech innovations with potential commercial value, works with faculty to determine the best path for commercializing the technology, and – where appropriate – involves experienced entrepreneurs in forming new companies. Now part of Commercialization Services, the SBIR Assistance Program for the State of Georgia helps companies win federal R&D grants.

**Entrepreneur Services**, which focuses on meeting the needs of emerging companies around the state. The unit includes the Advanced Technology Development Center (ATDC) incubator, the Georgia Statewide Minority Business Enterprise Center, and the Centers of Innovation program operated under the direction of the Georgia Department of Economic Development.

**Community Policy and Research Services**, which brings innovation to local and state government entities while conducting technology-based research and policy projects that help communities provide a supportive environment for business and industry. The group is best known for (1) WebFIT, which helps communities anticipate the results of land-use decisions; (2) LOCI, which assess the economic impact of development; (3) TechSmart, which helps communities with information technology; and (4) the Science, Technology and Innovation Program operated with the Georgia Tech School of Public Policy.

**The Strategic Partners Office** assists companies seeking to develop Georgia Tech relationships, serving as bridge to a broad range of campus-based people and resources. It provides strategic and comprehensive assistance to these companies that are forward-thinking and interested in innovation.

Highlights from these units include:

Commercialization Services: During FY 2007, Commercialization Services evaluated 195 Georgia Tech innovations for their commercial potential, assisted in the formation of 35 new startups based on these Georgia Tech technologies, and helped the new companies attract nearly

\$13 million in investment.

- Two of the first companies launched by Georgia Tech VentureLab graduated from the Advanced Technology Development Center (ATDC) in the spring of 2007. Jacket Micro Devices, a maker of small RF modules for wireless and broadband, now has 33 employees. Qcept, which markets quality-inspection systems to chip makers, has 24 full-time employees. Ten companies formed in VentureLab are now members of the ATDC.
- Georgia Tech's Commercialization Services played a key role in creation of the Georgia Tech Edison Fund, which provides seed funding for early-stage technology companies that have a close association with Georgia Tech. The Fund was launched by a multi-year grant from the Charles A. Edison Fund, named for the inventor's son, a successful businessman and former governor of New Jersey.

Entrepreneur Services: During calendar year 2006, Entrepreneur Services assisted a total of 188 entrepreneurs. Georgia Tech's Advanced Technology Development Center accepted 12 new companies into the incubator program and graduated six companies. Revenues of companies associated with the ATDC (both current members and graduates) totaled \$1.5 billion. Capital activity (venture investment plus the value of mergers and acquisitions) totaled \$176 million.

- At its annual Open House and Showcase in May 2007, ATDC celebrated a significant milestone: companies associated with the incubator had raised more than \$1 billion in venture capital since 1999. In 2006, ATDC companies accounted for 10 of the top 25 venture deals in Georgia, including the two largest. At the event, the ATDC graduated six early-stage firms – three Internet companies, two semiconductor firms and a developer of homeland security technology – that together had raised more than \$50 million while in the incubator.
- The Georgia Minority Business Enterprise Center, part of Entrepreneur Services, won renewed funding from the U.S. Department of Commerce to continue its efforts to expand the number of minority-owned businesses and strengthen existing companies. Since its inception three years ago, the GMBEC has helped its clients secure nearly \$70 million in financing.
- The Advanced Technology Development Center has launched a new effort to bring formal education programs to the state's entrepreneur community. In the fall of 2006, ATDC offered FastTrac® TechVenture™, a comprehensive business training program that addresses the needs of startup technology entrepreneurs. The 12-week program, licensed from the Kauffman Foundation, was attended by 17 companies – many of them not current ATDC companies.
- The Advanced Technology Development Center (ATDC) hired a new director for its expanding operations in the Savannah area. Jason Burr, who has nearly a decade of experience as a venture capitalist, is helping to re-launch the ATDC operation in Savannah, which currently has six companies.

Industry Services: During fiscal year 2007, Industry Services completed 958 projects and served more than 2,400 companies. Assistance to companies led to more than \$890 million worth of increased sales or new contracts, and either created or saved more than 17,000 jobs. Productivity improvements made by companies with help from Industry Services produced operating cost reductions of more than \$15 million.

- Using process improvement techniques originally developed for the manufacturing industry, Industry Services began helping hospitals reduce costs and improve service through its “lean health care” initiative. Working with management and staff at Meadows Regional Medical Center in Vidalia, Georgia Tech helped the hospital reduce the average amount of time non-critical patients stay in its emergency room by nearly 50 percent, while increasing the number of patients treated – and maintaining a high level of patient satisfaction.
- For the second consecutive year, the U.S. Manufacturing Extension Partnership (MEP) has named a Georgia Tech business assistance specialist as a “practitioner of the year.” The award went to Ed Hardison, a principal research associate with the Enterprise Innovation Institute office in Albany. Part of the U.S. Department of Commerce’s National Institute of Standards and Technology, MEP is a national network of centers that helps U.S. manufacturers compete globally by strengthening supply chains and increasing productivity. The practitioner award, one of only five given out for the year nationwide, recognizes individuals whose leadership and contributions have made a significant impact on small and medium-sized manufacturers.
- After setting a new record for the amount of new contracts won by its customers, the Georgia Tech Procurement Assistance Center received the 2006-2007 Outstanding Center Award from the Association of Procurement Technical Assistance Centers. GTPAC helped Georgia companies secure more than \$1 billion in government contracts during 2006, besting its previous record of \$350 million. Those contracts translate to 20,023 jobs, according to the U.S. Defense Logistics Agency, the center’s sponsor.
- To help Georgia companies develop new strategies for growth, Industry Services has begun offering “Eureka! Winning Ways®,” an award-winning three-step process that includes idea engineering, success screening and action-plan coaching. The program is offered through the national Manufacturing Extension Partnership. In 2005, Georgia Tech’s Manufacturing Survey found that Georgia companies which competed on the basis of new products or processes performed substantially better than companies relying on other strategies.
- In a conference hosted by Industry Services, Georgia manufacturers had an opportunity to hear from companies that have won the Shingo Prize, also known as the “Nobel Prize of manufacturing.” The goal of the event – called the Georgia Operational Excellence Conference – was to encourage state manufacturers to adopt new process improvement

techniques – and to apply for the Georgia Shingo Award, which Georgia Tech will administer.

Community Policy and Research Services: Community Policy and Research Services assisted 63 Georgia communities during FY 2007, made 22 assists to policy-makers and projects, conducted 14 TechSmart projects, and taught training courses attended by 535 economic development professionals.

- A study conducted by Community Policy and Research Services, in collaboration with the School of Public Policy, found that Georgia Tech ranked third in the United States for the number of nanotechnology researchers that are “highly cited” in peer-reviewed publications, and in the top 10 for the number of first authors publishing in such journals. Overall, the study found that Georgia Tech was among the nation’s top 25 institutions for National Science Foundation nanotechnology support.
- Georgia has considerable potential to realize economic development gains from attracting retirees, but it lags behind neighboring states in doing so, according a study done by the Enterprise Innovation Institute for the Georgia Rural Economic Development Center at East Georgia College. While Georgia ranked sixth nationally in the total number of in-migrating retirees from 1995 to 2000, the study found that the state had a net loss of retirees to Alabama, Tennessee and South Carolina.
- The Basic Economic Development Course, presented by the Georgia Tech Enterprise Innovation Institute and accredited by the International Economic Development Council, celebrated its 40<sup>th</sup> anniversary in 2007. Since its inception in 1967, the course has helped more than 2,500 economic developers from the across the United States take their first career steps.

#### Strategic Partners

- The Enterprise Innovation Institute’s Strategic Partners Program worked with Baltimore-based GSE Systems and the Georgia Tech Global Learning Center to help launch a new simulation training center that will help the utility industry train new employees. As utility company executives make plans to meet the growing electricity needs of the Southeast, they are watching their most experienced personnel approach retirement age. By combining traditional classroom training with hands-on experience using advanced computer simulations of complex industrial plants, the new facility can train workers faster.
- Georgia Tech and Sorman Information and Media AB – a Swedish company that provides technology for managing complex systems – signed an agreement to collaborate on research and development, education and training in areas of interest to both organizations. The collaboration is expected to result in the establishment of an Atlanta facility for Sorman, which provides product lifecycle management information systems

that help manage complex electronic and mechanical systems.

- The Strategic Partners Office was involved in numerous economic development activities, serving a coordinating role in connecting outside agencies and companies with appropriate resources at Georgia Tech. The office took a lead role in presenting Georgia Tech's life sciences resources at the BIO Conference in Boston, coordinating development of a display, brochure and Web site to highlight resources of interest to companies attending the conference.

For more information, please visit our Web site: ([innovate.gatech.edu](http://innovate.gatech.edu)).