



North Carolina Technology Association

Mission

*The intersection of technology and leadership fueling
the growth of North Carolina through Executive
Engagement, Public Affairs and a Knowledge
Workforce*

BACKGROUND



- NCEITA establishes Security and Defense Taskforce to promote the advanced technological capabilities of NC companies.
- CCBC establishes a business growth and job creation strategy for the Cumberland County that will leverage the military presence.
- Both projects seeking State assistance discover opportunity for collaboration.
- Common Goal - Create quality jobs by:
 - Leveraging NC's military presence and knowledge to enhance economic development in the region; and
 - Converting NC's innovation and R&D assets into products and companies

PROCESS

- Under the leadership of the Joint Economic Development Committee, N.C. Sen. Tony Rand, N.C. Reps. Margaret Dickson and Rick Glazier, and many others, a provision was included in HB 1414 to provide fund the development of a homeland security and technology business incubator proposal
- NCTA and MCNC embarked on a six-month planning process
- Engaged the assistance of national experts in sector-focused incubation from the consulting firm Business Cluster Development (BCD).
- Completed study to identify unique assets and partnerships that will contribute to a sector focused competitive advantage for technology start-up companies
- Worked in concert with the Cumberland County Business Council, Fayetteville Technical Community College and many others.

INTERVIEWS CONDUCTED



- Roy Adams, CEO, 818 Inc.
- Mark Armstrong, CEO, Intepoint
- COL Al Aycock, Garrison Commander, Fort Bragg
- Bill Badger, President/CEO, Anne Arundel Economic Development Corp.
- Clarence Briggs, CEO, AIT
- Olin Broadway, Director eBusiness, UNCC
- Mike Buffa, President & CEO, Milcom Technologies
- Tony Chavonne, Chair, Cumberland County Business Council
- Bei-Tseng (Bill) Chu, Chairman Software & Information Systems, UNCC
- Deborah Clayton, Executive Director, Charlotte Research Institute UNCC
- Jerome (Jerry) Cuomo, Distinguished Research Professor, NC State
- Wayne Dadetto, President, Tactical Support Equipment
- David Dausch, PhD, Principal Engineer, MCNC
- Roger Debo, Director, HITEC, NC State
- Ron DiFelice, Alpha V Inc.
- Kirk deViere, Senior Vice President, AIT
- Ed diGirolo, CEO Applied Sciences International
- Scott Dorney, North Carolina Military Business Center
- Monica Doss, President, Council for Entrepreneurial Development
- John Elstner, CEO, Chesapeake Innovation Center
- Bob Ervin, Associate Vice President, Fayetteville Technical Community College
- Randy Fraser, VP Government Affairs NC, Time Warner Cable
- Joe Freddoso, Director, Site Operations, Cisco
- Chris Gilbert, Associate Director, Charlotte Research Institute UNCC
- Col. Jim Granger, USASOC
- Jon Hamm, Regional Public Affairs Manager, Sprint
- Robert (Bob) Hocken, Director, Center for Metrology, UNCC
- Rich Holcomb, entrepreneur
- Brian Kent, Program Manager C41, Joint Special Operations Command - J6 Technology
- Gen. William F. "Buck" Kernan (Retired), Former Commander, U.S. Joint Forces Command
- Brij Khorana, COO, Rose Hulman Ventures
- Gen. James J. Lindsay (Retired), Former Commander of the 82nd Airborne Division, XVIII Airborne Corps and the U.S. Special Operations Command
- Larry Mays, Future Director of the Center for Bioinformatics, UNCC
- Bill Martin, President & CEO, Cumberland County Business Council
- James Martin, Cumberland County Manager
- Warren McDonald, Special Assistant to the Chancellor, Fayetteville State University
- Bob McMahan, Sr. Advisor to the Governor for Science & Technology and Executive Director of the NC Board of Science & Technology
- Randy Moore, CEO, RLM Communications
- Mitch Mumma, Partner, Intersouth Partners
- Maj. Gen. Virgil L. Packett II, Deputy Commanding General of the XVIII Airborne Corps and Fort Bragg
- Steve Parrott, State Executive, Sprint
- Scott Perry, Director, SYTEX
- Jeff Reid, Kenan-Flagler Center for Entrepreneurship and Technology Venturing
- Dave Rizzo, President & CEO, MCNC
- Chris Sanders, Senior Account Executive, MCNC
- Roger Sanwald, Senior Researcher, NC State
- Mark Sauter, COO, Chesapeake Innovation Center
- Gen. Hugh Shelton (Retired), 14th Chairman of the Joint Chiefs of Staff
- Roger Stancil, City Manager, City of Fayetteville
- Wick Smith, President, BizToolsOne,
- Ronald Smelser, Associate Dean, College of Engineering, UNCC
- Brian Stoner, Principal Scientist, MCNC
- John Strenkowski, Assistant Dean for Research, NC State
- Laura Thiel, President, MediPak Energy Systems
- John Tuohey, Senior C41 Analyst, Joint Special Operations Command – J6
- Larry Walsh, President and CEO, Logistics Co.
- Col. Ron Watkins, Chief of Staff, Pope Air Force Base
- Erik Wells, CEO, SchoolLink,
- Ken Williams, Vice President Materials & Electronic Technologies, MCNC
- Jay Windmon, Deputy Director, SYTEX
- Barbara Wolcott, Chief, Family Support Flight, Pope Air Force Base
- Kelly Wright, Director Business Development, HueMetrix
- Oliver Wyrntlu, Installation Technology Business Center, Fort Bragg

THE CHALLENGE OF SECURITY & DEFENSE TODAY

Old model:

- Large states
- Large armies
- Much at risk



New model:

- Dispersed networks
- Emerge quickly
- Borderless
- Little to lose



- Nation is committing enormous resources
- Increased reliance and demand for technology
- Military is an important market for technology development and commercialization
- Commercial applications for security technologies open the door to much larger markets

WHY NORTH CAROLINA?



North Carolina

- **4th Largest Military Presence in the World**
 - Fort Bragg and Pope Air Force Base: Home of the XVIII Airborne Corps, the 82nd Airborne Division, the U.S. Army Special Operations Command, and is one of the largest military complexes in the world
- **Global Leader in Technology Development and Business**
 - Research Triangle Park (RTP), recognized as home to world-class innovation and achievement in the areas of advanced materials, imaging, information technology hardware, software, microelectronics, optics/photonics, sensors and telecommunications.
 - Home to many leading technology companies

A NEW MODEL – BUILDING FROM OUR STRENGTHS



- Sector focused to leverage the unique competitive advantage of the region;
- Proximity to a strategic partner to help overcome significant start-up barriers;
- Focus on services (vs. space) as critical for successful acceleration of start-up companies.

ADDRESSING THE OPPORTUNITY

The Defense Technology Innovation Center

- Bridge NC's innovation and military assets
- Develop technology solutions to security and defense problems Identified by the military:
 - Foster collaborations among the military, entrepreneurs, universities and technology companies to share ideas, understand needs, and commercialize technologies;
 - Create a network of expertise to scout technologies and companies
 - Collaborate on prototype and testing of technologies
- Accelerate the formation and growth of early stage technology ventures
 - Business start-up services
 - Flexible facilities
 - Specialized expertise, technology business assistance, technical resources, and a network of valuable relationships,
 - Early stage funding
- Create dual use applications in the security and homeland defense sectors;
- Establish successful, new technology businesses in Fayetteville;
- Create jobs for transitioning military and spouses and others in Fayetteville; and
- Serve as a model of business incubation for North Carolina.



KEY COMPONENTS



Incubator – A 12,000 to 15,000 square foot facility for 12 to 15 startup companies and up to 10 affiliate companies.

Prototype and Testing Laboratory – A space within the facility equipped with the tools and engineering expertise and workbenches to assist entrepreneurs with prototype development, testing and evaluation that will enable the rapid creation of new technology.

Forums and Networks of Expertise – Regular briefings, seminars and events to create an exchange of information on military and market needs, and to build a network of relationships among the military, universities, large technology companies and entrepreneurs.

Seed Funding – Grants of \$25,000 to \$50,000 will be available to client companies for proof-of-concept, market analysis, prototype development, and other validation work. The Center will also focus on preparing companies to raise capital through an organized process, followed by introductions to seed funding sources.

Security Clearances – one or two key staff will hold appropriate clearances

LEVERAGING LOCAL ASSETS

- The DTIC will coordinate with efforts to leverage the military presence and grow the defense and security sector in Cumberland County:
 - The NC Military Business Center
 - Cumberland County Business Council
 - Fayetteville Technical Community College
 - Fayetteville State University
- DTIC will build upon local efforts including:
 - FSU's courses, training, and applied research in defense, intelligence, and military procurement;
 - Internships with tenant companies;
 - Programs that expose students to entrepreneurship and careers in technology; and
 - Workforce development efforts at FTCC.



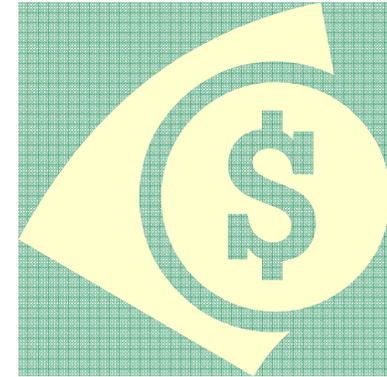
CHAMPIONS AND KEY SUPPORT



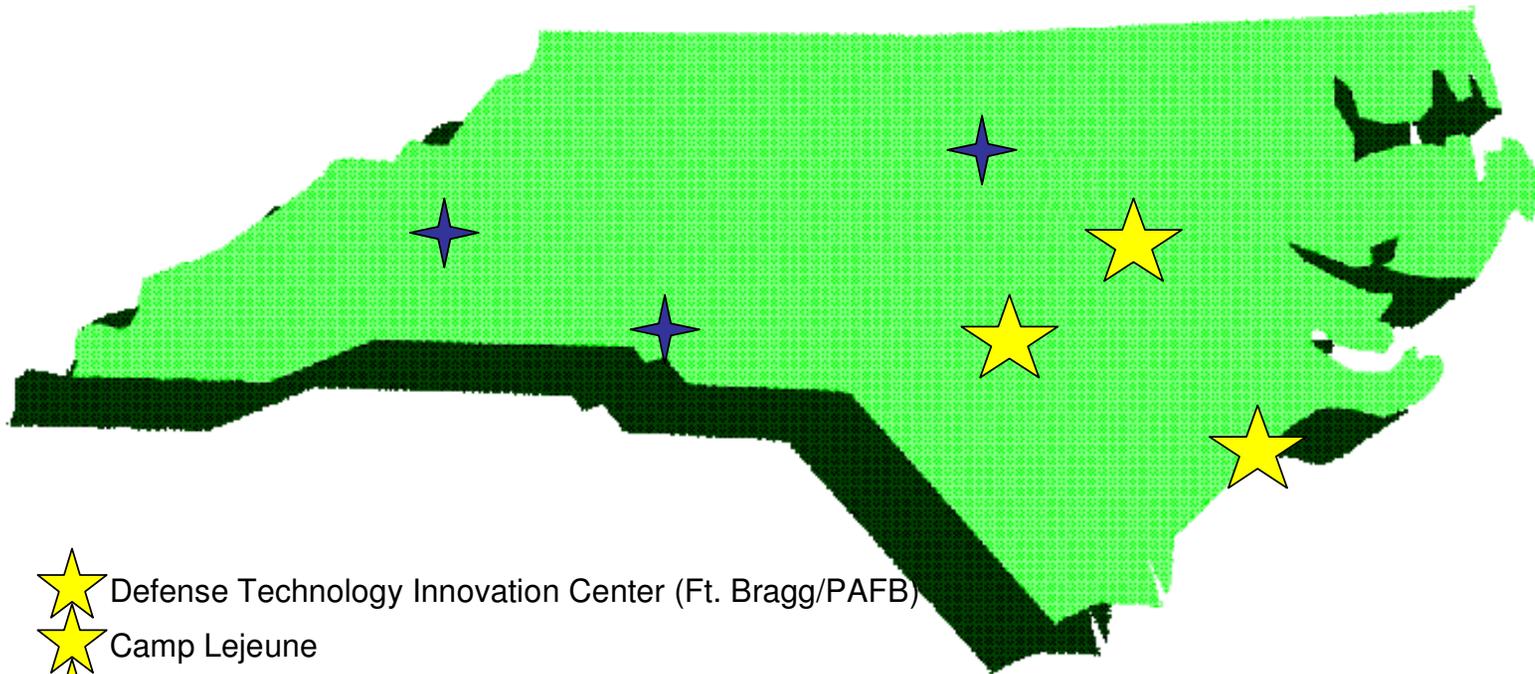
- ✓ NCTA
- ✓ MCNC
- ✓ CCBC
- ✓ FTCC
- ✓ FSU
- ✓ Cumberland
County
Delegation
- ✓ Retired Generals
 - Kernan
 - Lindsay
- ✓ Ft. Bragg
- ✓ Pope Air Force
Base
- ✓ JSOC

FUNDING

- Initial phases require public funding
 - \$5 million over three years
 - SB 1067 & HB 910
 - Appropriating \$2million in 05-06, \$1.5million in 06-07
- ROI justifies public support
- Most incubators take 5 to 10 years to reach a self-sustaining level
- Sustainability will require funding from multiple sources over time:
 - Equity participation
 - Sponsorship
 - Partnerships
 - Program grants & funding
 - Real estate arrangements



NC Defense Technology Innovation Centers and Innovation Assets



-  Defense Technology Innovation Center (Ft. Bragg/PAFB)
-  Camp Lejeune
-  Seymour Johnson Air Force Base
-  Asheville
-  Charlotte Research Institute
-  Research Triangle Park

GOAL: To build a defense/security cluster that is not geography bound

SUMMARY



- The technology needs of the military and commercial sector to meet security and defense objectives is significant;
- North Carolina has one of the largest and most technologically advanced military presence in the world;
- North Carolina is a global leader in technology development, business, and know-how;
- There is an growing Security and Defense Cluster in North Carolina;
- Business incubation programs accelerate the successful development of entrepreneurial companies;
- Cluster-based incubation has proven to be a highly effective model for achieving economic goals;
- Proximity to a strategic partner (such as the military) helps overcome significant start-up barriers;
- Services are critical for successful acceleration of start-up companies;.
- The Defense Technology Innovation Center will address these opportunities.

“There is no security on this earth;
there is only opportunity.”

General Douglas MacArthur

