

Vision 2020: White Paper Series

Technology Development

Developed by:
Wisconsin Technology Council
455 Science Dr., Suite 240
Madison, WI 53711
Phone: (608) 442-7557
Fax: (608) 231-6877
www.wisconsin technologycouncil.com



Fast Facts :

- Since 2005, Wisconsin has created a system to provide state tax credits for investments in “qualified” technology-based start-up companies. A unique public-private effort is the Wisconsin Angel Network, which has grown to include 24 investment groups that have the ability to review hundreds of deals made available through an on-line “pipeline.”
- Wisconsin has recognized centers of research excellence in tissue regeneration, personalized medicine, error-free hospitals, genetically modified organisms, zoonotic disease control and small molecule pharmaceuticals. Its bioinformatics and medical devices clusters are strong and growing.

‘Rust Belt’ no more: Traveling the “I-Q Corridor”

Wisconsin lies at the core of the I-Q Corridor, a region rich in *ideas, innovation, investment capital* and some of the world’s most exciting *intellectual* property – especially in biotechnology, biofuels, information technology and advanced manufacturing.

The fifth “I” in the I-Q Corridor is the *interstate* highway system that binds Chicago, Wisconsin and Minneapolis-St. Paul, Minn. That corridor contains some of the nation’s leading research universities, well-educated tech workers and thriving tech-based companies at all stages of development. The region also houses significant capital to invest in early-stage companies – the job engines of tomorrow.

A distance of only 400 miles separates two dynamos of the Midwest economy, Chicago and the “Twin Cities” of Minneapolis and St. Paul. That’s a shorter distance than what separates San Diego, California’s biotechnology capital, from the “Silicon Valley” in northern California.

Strategically located between Chicago and the Twin Cities and traversed by Interstates 90 and 94 lies Wisconsin, one of the nation’s fastest-growing technology states. Milwaukee, Madison, the Janesville-Beloit area, the Fox Valley and Green Bay market, Marshfield and the Chippewa Valley acts as spokes along the hub of the I-Q Corridor.

Although some people in Wisconsin cling to the belief that economic development is accomplished by Madison bashing Milwaukee or Wausau one-upping Stevens Point, the real competition in the 21st century will take place globally. Identifiable regions such as the I-Q Corridor, where the “Q” stands for *quality of life, education, workforce and environment*, will flourish if they can produce globally competitive goods and services.

Here are some examples of Wisconsin’s high-quality ideas, innovation, intellectual property and investment strategies:

- Biotechnology and the life sciences is a \$5 billion industry in Wisconsin, making up a cluster of about 200 companies employing 28,000 people. In 2006, it was named one of the top five biotech regions in the world by FierceBiotech. The state is the birthplace of human embryonic stem-cell research and, over time, has produced discoveries in Vitamin D, DNA and RNA, Magnetic Resonance Imaging, human collagen, genomics and internet technologies.
- Wisconsin’s academic research institutions attracted nearly \$1 billion in funding for research and development in fiscal 2004, with the UW-Madison leading the way with about \$760 million of the total.
- Wisconsin provides a complete resource package, from start-up financing to manufacturing and production assistance, uniquely designed to maximize profitability and success for all tech-based ventures. The Wisconsin Entrepreneurs’ Network (www.wenportal.com) provides hands-on services to entrepreneurs from all sectors. The Wisconsin Department of Commerce has a number of coordinated programs aimed at tech-based entrepreneurs and investors.

Wisconsin has leading research facilities, growing capital markets, strong partnership organizations, a thriving cluster of science companies and a healthy climate for business, academic and government cooperation. And yet, it’s the combined power of the region that makes the “I-Q Corridor” a vibrant location for biotechnology, information technology, advanced manufacturing, biofuels and bioproducts, and more.

'Rust Belt' no more: Traveling the "I-Q Corridor"

A Brief History of Midwestern Innovation

In the Twin Cities, a long history of innovative companies and risk-taking investors has produced one of the nation's leading medical device clusters and leaders in agribusiness and information technology. The Minnesota Miracle may soon extend to biotechnology, due to the emergence of new state initiatives, cooperation between the University of Minnesota and the Mayo Clinic, and a burst of investment in research buildings.

Tech leaders in Minnesota have decided that the next wave of tech success will be interdisciplinary – with biotechnology, medical devices and IT melding into fields such as bioinformatics. That's increasingly the approach in Wisconsin, as well, where the UW-Madison, the Medical College of Wisconsin and the Marshfield Clinic are all taking an interdisciplinary approach to research and company spinoffs.

The Wisconsin Institutes for Discovery project in Madison will produce the only public-private interdisciplinary research center outside the East and West Coasts. The first phase of this project is being financed by \$50 million from the state of Wisconsin, \$50 million from the Wisconsin Alumni Research Foundation, and \$50 million from Wisconsin natives John and Tashia Morgridge, who helped build Cisco Systems.

In Chicago, the tech economy is driven by a vibrant financial sector, a strong pharmaceutical base and the presence of leading academic and research institutions, such as the Argonne National Laboratory, Northwestern University, the University of Chicago and leading medical centers. In 2006, Chicago was the site of the Biotechnology Industrial Organization's international convention, which brought nearly 20,000 people to the Midwest.

The "I-Q Corridor" is more than a branding slogan. It's a place where Midwest technology, values and people meet the global economy.

What can Wisconsin do?

A number of formal and informal connections between the Chicago region, Wisconsin and the Twin Cities metropolitan area have been established in recent years.

- The Midwest Research University Network includes the UW-Madison, Northwestern University, the University of Minnesota, Argonne National Laboratory, the Mayo Clinic, the University of Chicago and the Medical College of Wisconsin among its 20 members.
- The Mid-America Healthcare Investors Network is an association of more than 48 venture capital firms from 14 states, with more than \$2 billion under management. MHIN focuses on life science investment opportunities in the Midwest. These life science opportunities include companies involved in biotechnology, medical devices, bioinformatics, healthcare information technology, and healthcare services.
- Angel networks from northern Illinois have joined the Wisconsin Angel Network and have invested in Wisconsin deals. The Angel Network and the Tech Council have also worked with a number of tech-based groups in Minnesota.
- An "I-Q Corridor Summit" has been proposed within the June 12-13, 2007, Wisconsin Entrepreneurs' Conference in Milwaukee. Also, Milwaukee will be the site of the Mid-America BIO Venture Forum, Sept. 24-26, 2007. Those two venues will build upon the state's growing reputation for being a tech crossroads in the Upper Midwest.
- The Wisconsin Biotechnology and Medical Device Association is a leader among other Midwest BIO associations, coordinating joint projects where appropriate.
- State policymakers can begin to work with their counterparts in other states on an "I-Q Corridor Agenda" that could include pursuit of federal research dollars for major projects, such as high-speed rail and preserving the quality of the Great Lakes. More uniformity among state laws and regulations governing tech transfer and investments is another potential area of interest.

Major tech-based companies in Wisconsin include:

- GE Healthcare
- Firserv
- Metavante
- Epic Systems
- Promega
- Plexus
- Johnson Controls
- Rockwell Automation
- TomoTherapy
- Manpower

