

## Are Economic Developers Asking Universities to Participate in the Development of Their State's Economies?

By Joel "Rick" Duke, CEcD, EDFP

### SELECT SOUTHEAST U.S. UNIVERSITIES ARE DEMONSTRATING WHY THEY SHOULD

Each university likely has numerous business engagement relationships, which would be of interest to economic developers. There are two big opportunities presented by this common interest in private sector businesses. One, a university can create a coordinated strategy for robust business engagement among what are now likely disparate efforts across their campus.

Next, economic developers can leverage a university's relationships with businesses toward their own desired outcomes. There are some excellent examples of universities around the country taking strategic steps to engage the business community. As universities elevate efforts to engage businesses they create opportunities to present to those businesses how a closer proximate relationship could benefit both parties.

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# are economic developers

## ASKING UNIVERSITIES TO PARTICIPATE IN THE DEVELOPMENT OF THEIR STATE'S ECONOMIES?

By Joel "Rick" Duke, CEcD, EDFP

One of the most insightful reports on the need and responsibility for university involvement in state economic development was written by a group of participants in the 1986 Class of Leadership Mississippi. At the time, none in the group was an economic developer nor employed in higher education.

This adult leadership group presented their findings in a report entitled, "University Expertise and Economic Development: Where Do They Meet?" Fundamentally, they explored the extent to which Mississippi universities had an active commitment to **public service or community engagement** in addition to providing "an education." They concluded that "there is no doubt the potential for utilizing universities to intentionally generate jobs, invent new products, improve manufacturing processes and market Mississippi resources is far greater than the very limited accomplishments our (Mississippi) universities have made in the past."

As some of the early thought-leaders for what is now called **technology or knowledge-led economic development**, these leaders acknowledged that universities are "hotbeds of expertise and brain power-the most fundamental building blocks for economic development."

Others including Shaffer and Wright (see below), the Association of Public and Land-Grant Universities, the International Economic Development Council, the Southern Technology Council with *Innovation U.*, and Tornatzky & Rideout in *Innovation U. 2.0* have highlighted technology or

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knowledge-led economic development and some exceptional universities. The Louisiana Economic Development agency even developed a "Higher Education Economic Development Playbook" demonstrating the ways their colleges and universities can contribute to economic development success.

At its most central focus, economic development is about engaging, developing relationships with, and growing businesses, as well as developing communities. Each university, if we look across the campus, likely has numerous business engagements and various community relationships, which would be of interest to economic developers.

There are two significant opportunities presented by this common interest in communities and private sector businesses. First, a university can create a coordinated strategy for robust community and business engagement among what are now likely disparate efforts across their campus. Next, economic developers can leverage a university's depth of knowledge of and relationships with businesses and communities toward their own desired outcomes.

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### SELECT SOUTHEAST U.S. UNIVERSITIES ARE DEMONSTRATING WHY THEY SHOULD

Each university likely has numerous business engagement relationships, which would be of interest to economic developers. There are two big opportunities presented by this common interest in private sector businesses. One, a university can create a coordinated strategy for robust business engagement among what are now likely disparate efforts across their campus. Next, economic developers can leverage a university's relationships with businesses toward their own desired outcomes. There are some excellent examples of universities around the country taking strategic steps to engage the business community. As universities elevate efforts to engage businesses they create opportunities to present to those businesses how a closer proximate relationship could benefit both parties.

## ENGAGED UNIVERSITIES

Shaffer and Wright in their March 2010 report, "A New Paradigm for Economic Development: How Higher Education Institutions Are Working to Revitalize Their Regional and State Economies," noted that "engagement" is the watchword for creating a 'new kind of university,' but it is also an animating mission with deep historical threads for public universities. These include the traditions of 'cooperative extension' arising from applied knowledge delivered by land grant colleges to the agricultural sector, as well as more recent emphasis on service learning to round out and ground the educational experiences of college students and civic service efforts to produce an effective citizenry."

The land grant universities certainly view public service and engagement as central to their mission, but other universities have a long history of the same. Shaffer and Wright highlighted universities in both categories in their report, including the following Southeastern universities: North Carolina State, Georgia Tech, the University of Georgia, the University of Missouri-St. Louis plus local partners, Virginia Commonwealth University and the University of Memphis.

The authors conclude, "although the examples described in this report offer an extraordinary range of potential models for universities and university systems to draw upon, the process of thinking through the goals and how they can be met in specific circumstances appears to be the key to creating strong and mutually useful relations among states, academic institutions, local economies, and communities."

## APLU AND THE ECONOMIC DEVELOPMENT ROLE OF UNIVERSITIES

Also in 2010, the Association of Public and Land-Grant Universities' (APLU) Commission on Innovation, Competitiveness and Economic Prosperity (CICEP) launched their "Institutional Self Assessment Tool to Enhance Regional Innovation and Prosperity." The tool is contained in a report called "Assessment Tools for Examining the Role of Universities in Economic Development" and can be accessed via the APLU website under the Commission's menu option.

According to APLU, "the tool was developed through extensive consultation by and among university personnel from a broad range of perspectives - including economic development, technology transfer, research, engagement and outreach, academic affairs, continuing education - pilot testing, feedback sessions at CICEP summer meetings, and program sessions at an APLU Annual Meeting.

In July 2014, APLU recognized the second class of universities, which achieved the *Innovation & Economic Prosperity University* designations. From the Southeast, Georgia Tech, North Carolina State, Texas Tech University, and the University of Houston were among the class of 14 recognized institutions. From the first class of 16 in

2013, the University of Central Florida, the University of Georgia, the University of Memphis, and the University of Missouri were recognized.

## A UNIVERSITY PRESIDENT'S VISION

Mary Sue Coleman, president of the University of Michigan, emphasized that universities like hers should aim to be more entrepreneurial in a changing economy. "It's time for higher education to be the innovators we are teaching our students to be," she stated to members of the Detroit Economic Club, according to Matthew Buccelli's April 2014 article for the International Economic Development Council (IEDC).

Buccelli suggested that Coleman may be urging a broader strategic shift in the higher education mindset to one of more relevance and even greater impact. He also suggests there is more economic developers can do to work with universities to encourage these strategic partners and their own organizations to be more innovative. He recognizes opportunities from both perspectives. Each can make an even more concerted effort to explore just how complementary their common community development and private sector business interests really are.

## AN EARLY VIEW

*Innovation U.: New University Roles in a Knowledge Economy* was authored by Tornatzky, Waugaman, and Gray and published in March 2002 by the Southern Technology Council and Southern Growth Policies Board. The book's Forward discusses an engagement model in existence for several years prior to 2002.

Walter Plosila, Ph. D., with the Battelle Memorial Institute in Cleveland, wrote the book's Forward. Dr. Plosila wrote, "The American university has set a world-class standard for fundamental basic research." Not as well known is in the past 10 to 15 years (prior to 2002), a new model for the American university as a partner in its regional and state economy has also emerged. "Business-higher education partnerships have emerged from the 'grass roots' and have demonstrated a very pluralistic and individually tailored approach to the evolution of their practice of partnering."

The authors state two objectives for the book. They wanted to describe how a small group of research universities use their technical strengths to engage industry (business) and other external partners as well as to highlight approaches to external partnering which can enhance regional, state-focused economic development.

Among the 12 universities profiled in the 2002 book, the Southeast region included Georgia Tech, North Carolina State University, Texas A&M University, and Virginia Tech. In the most recent version, *Innovation U. 2.0: Reinventing University Roles in a Knowledge Economy* by Tornatzky and Rideout, universities that were highlighted included Clemson University, the University of Florida, Georgia Tech, and North Carolina State University from the Southeast. Georgia Tech and North Carolina State University made both lists.

## HOW UNIVERSITIES ORGANIZE FOR INNOVATION

For *Innovation U. 2.0*, the authors focused on a new “set of key problems or opportunities related to major organizational subsystems that universities need to address in order to be more effective in technological innovation.” They were:

- University Culture: Goals and Aspirations
- Leadership
- Boundary-spanning Entrepreneurship (i.e., **campus groups working together** and with external stakeholders)
- Boundary-spanning Industry and Community Partnering
- Boundary-spanning Technology Transfer

An important concept to reinforce for universities and economic developers is the emphasis on collaboration across disciplines and functions on a campus. Every faculty member and researcher can be thought of as an “entrepreneur” and every campus center or institute is focused on their sponsors and missions. To date, there have not been many incentives for collaboration across disciplines. *Innovation U. 2.0* highlights campuses, which have used innovative approaches to encourage such collaboration internally and externally with economic developers.

**The Playbook provides a roadmap for developing the organizational structures necessary to enhance industry and economic development relationships and for conducting industry needs assessments to determine how to provide value to industry. It is through the demonstration of value that relationships with industry are developed and maintained.**

## HIGHER EDUCATION-BUSINESS ENGAGEMENT BEST PRACTICE

An excellent example of “boundary-spanning” can be seen in the Louisiana Economic Development “Higher Education Economic Development Playbook.” From the Executive Summary, “the Higher Education Economic Development Playbook is intended to convey the role of post-secondary education in economic development.

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While this process is institution driven, the resulting relationships should benefit institutions, students, AND industry. The playbook is designed to be a guide for institutional leaders in developing economic development strategic plans for their organizations. The best plans will encompass a regional perspective with input from economic development leaders, workforce development professionals, industry, and surrounding institutions.”

The Playbook cites several “big business recruitment wins for Louisiana and institutions.” Among the list for this state’s universities are:

- Louisiana Tech and CenturyLink
- Louisiana State University (LSU) and EA Sports
- University of New Orleans and GE Capital
- LSU Agricultural Center and ConAgra Foods
- LSU and IBM

With recognition of the benefits to both universities and economic development, the Playbook states, “developing and maintaining relationships with industry is done through the demonstration of value, whether that be through the provision of skilled employees meeting a company’s needs, innovations that lead to process improvements thus increased profits, or services to support small business development. However, this is not a one-way street, it is a mutually beneficial relationship.” The mutual benefits are:

- Those employees are graduates that now have jobs, are earning money, and contributing to their communities.
- The university that develops a process improvement is likely to have an ongoing relationship with the company that benefitted from the improvement, which could result in future sponsored research or the development of professional-in-residence programs, among other relationships.
- The successful start-up company that began operations in a university business incubator and received services from a Small Business Development Center associated with the university may employ future graduates, provide support for up-and-coming companies, or even donate to the institution.

The Playbook is meant to help post-secondary institutions create internal structures that support these activities.

## THREE SOUTHERN UNIVERSITIES MOST RECOGNIZED

From these various sources, several universities in the Southeast have been recognized. Three universities, **the University of Georgia, North Carolina State, and Georgia Tech**, have appeared most frequently. In addition to looking at the totality of the programs, there is also benefit to be gained from best practices at other universities in this region.

## HOW TO FIND UNIVERSITY BEST PRACTICES

Using a simple methodology of keyword searches from university websites reveals best practices worthy of highlighting and emulation. The following keywords are suggested:

- Strategic plan
- Economic development
- Corporate engagement

The search using “economic development” will likely be very revealing not only in terms of economic development programs but also in terms of “leadership” (*Innovation U. 2.0*) or who at each university has a title, which contains “economic development.” For example, “Vice President for Research & Economic Development” is not uncommon.

The keyword search using “strategic plan” will likely reveal the most current plan usually created early in a new administration with a look five years or more out. Contained in the plan will be clues to the value the administration and the campus places on economic development, public service, community engagement, corporate relations, etc. The plan is a strong indication of “University Culture: Goals and Aspirations” (*Innovation U. 2.0*).

For the Southeast U.S. region focus of this article, using the methodology described above reveals best practices in university corporate engagement. Items below were extracted directly from the respective university websites. The best practices are:

- The University of Florida’s College of Engineering’s Office of Research & Facilities has a robust corporate engagement function. This College conducted \$7 million of sponsored research last year. The contact is the Director of Industry Programs. ([www.eng.ufl.edu/industryprograms/](http://www.eng.ufl.edu/industryprograms/))
- The University of Georgia’s Corporate Connect has a one-person staff and a mission to engage the Atlanta corporate community, offering access to university knowledge and facilities as well as encouraging corporate philanthropy to the university. ([www.research.uga.edu/corporateconnect/](http://www.research.uga.edu/corporateconnect/))
- Within the Office of University Relations, the Office of Corporate Partnerships is the front door to the University of Kentucky. ([www.uky.edu/universityrelations/departments/corporate-partnerships](http://www.uky.edu/universityrelations/departments/corporate-partnerships))
- The University of South Carolina in 2013 created an Office of Economic Engagement. (<http://engageusc.com>)
- The University of Tennessee, Corporate and Foundation Relations connects and fosters faculty relationships with private foundations and corporations for the University of Tennessee, Office of Research & Engagement. (<http://research.utk.edu/corporate-foundation-relations/>)
- The University of Alabama Center for Economic

Development serves as a gateway to the university in providing economic development resources. (<http://www.uaced.ua.edu>)

- The Auburn Research & Technology Foundation has entered into a partnership with Auburn University, the Auburn Industrial Development Board, and the city of Auburn to facilitate knowledge-based economic development. (<http://www.auburnrtf.com>)
- Division of Economic Development is located in the Louisiana State University (LSU) College of Business and their Stephenson Entrepreneurship Institute promotes and fosters entrepreneurial practices through education, outreach, and research. (<http://business.lsu.edu/Economic-Development/Pages/Division-Economic-Development.aspx>)
- Mississippi State University recently created a position called, “Associate Vice President for Corporate Engagement and Economic Development.” (<http://www.msstate.edu/web/media/detail.php?id=6654>)
- The University of North Carolina at Charlotte has a significant focus on university-industry-community engagement. Examples include the Charlotte Research Institute, the Charlotte Urban Institute, a new facility to house PORTAL (Partnership, Outreach and Research to Accelerate Learning) and an array of entrepreneurship-related facilities and programs in the new PORTAL building. (<http://cri.uncc.edu/business-partners/portal>)

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## BEST PRACTICES AROUND THE COUNTRY

Though outside the Southeast region, two other universities’ “boundary-spanning” initiatives are worthy of recognition. **Kansas State University** has recently created an Office of Corporate Engagement as the culmination of efforts dating back to at least 2010. Their Task Force Report uses terms like “holistic” and “single portal approach” in their recommendations for what has become this new Office of Corporate Engagement. In addition, The **University of Oklahoma** established a Corporate Engagement Office (CEO). CEO is a comprehensive program from economic development relationships to strategic corporate relations to research campus tenant relations.

## HOW TO FIND STATE ECONOMIC DEVELOPMENT BEST PRACTICES

Also important is a keyword search of the state economic development organization's website using the name of the specific university of interest to attempt to determine the degree of recent collaboration. A look at some Southeast U.S. state economic development agency websites reveals these examples of collaborations with universities:

- The Enterprise Florida website specifically mentions two University of Florida (UF)-related collaboratives—the Innovation Hub at UF under the life sciences section, Shands at UF and several life sciences companies in the Gainesville area. In addition, the Florida Energy Systems Consortium is mentioned in the Cleantech section. (<http://www.enterpriseflorida.com>)
- The Georgia Department of Economic Development's site mentions the University of Georgia's Director of Economic Development position appointed in July 2013 and co-located with the Department. (<http://www.georgia.org>)
- The South Carolina Department of Commerce site has a link to "Research & Innovation" under the SC Advantage menu. Particular emphasis has been given to each of the three research universities, which are Clemson, the University of South Carolina, and The Medical University of South Carolina. (<http://sccommerce.com>)
- The Louisiana Economic Development site highlights the university-new company locations noted in the "Economic Development Playbook" section above. (<http://www.opportunitylouisiana.com>)

- The Texas Economic Development & Tourism website highlights their Biotechnology & Life Sciences target industry and information on each university involved is available. For example, Texas A&M's Center for Innovation in Advanced Development & Manufacturing is profiled. (<https://texaswideopenforbusiness.com>)

The relative lack of university-specific content on Southeastern state economic development agency websites represents a yet missed, but significant opportunity to promote and collaborate from both the university and state perspectives.

## SEIZE ENGAGEMENT PARTNERSHIPS

In conclusion, there is still a gap between what economic developers are asking from their universities in the Southeast region, but the gap seen by the Leadership Mississippi group in 1986 is certainly showing signs of narrowing. There are some excellent examples of Southeast universities and others around the country, taking strategic and "boundary-spanning" steps to engage the business community, though those steps are, at this point, university-focused and not necessarily recognized as potentially serving broader economic development goals.

As university efforts to elevate business engagement for research, placing graduates, philanthropy, and other desired outcomes escalate, so, too, are universities creating the opportunity to present to those businesses how a closer proximate relationship could benefit both parties. It is that opportunity for a new proximate relationship that economic developers should not only be very interested in, but can help facilitate. ☺

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