

## Building Corporate Growth in Hampton Roads

A critical challenge for the regional economy today is replacing our dangerous dependence on declining federal budgets with accelerated growth of private companies in commercial markets. Growth can be accelerated by helping companies develop new products and services that increase their competitiveness in their markets and by mobilizing our technology resources to achieve this aim. The sources of new products and services may be found among the impressive capabilities of our universities, federal labs, and entrepreneurs.

Linking private companies with new technology resources can be accelerated through a systematic process of identifying new product and service opportunities in their markets and aligning them with potential solutions from the extensive product development capabilities in the region. When connections are made, companies can make arrangements to develop the products and take them to their markets.

Although several programs are underway in the region to support the development of entrepreneurs, programs to support the continued growth of our major employers are even more urgent. These are the companies that form the economic base of the region and characterize our competitiveness in US and international markets. It is vital for the regional economy that products and services of established companies remain competitive. By taking full advantage of our regional technology assets and innovation culture we can ensure that these companies sustain a competitive edge for the foreseeable future. Having such a support structure available would also be a major asset in attracting companies, both US and foreign, to the region to reduce the imbalance in our economy created by dependence on the federal government.

The missing link is the absence of effective communications between established companies in competitive markets and the technology base of the region. Our technology assets have largely been directed at solving problems of federal agencies. The decline of federal research and development funds coincides with the imperative to shift the economy from federal projects to commercial markets. However, a major barrier to making this transition is the fact that the ways of doing business are very different in these two markets.

Federal agencies publish their needs for new technologies and establish procedures to make sure that all qualified sources have the opportunity to compete to provide them. Conversely, private companies in competitive markets must keep their new product development plans secret until they are ready to enter the market. Federal agencies even require their contractors to have different accounting systems from those used in private commerce. It is not surprising that it rarely occurs to private companies to seek out government contractors, universities, and

entrepreneurs to help them develop new products even though they have the capability to do so.

We can lower these barriers if private companies in commercial markets are willing to share their opportunities for developing new products and services. Armed with this information, we can seek solutions in the formidable technology capabilities in the region.

Implementing a process to do this will require changing ways of doing business. Private companies will need to be convinced that 1) the region's technology resources are capable of supporting new product development, 2) that such resources are accessible, and 3) that confidentiality and ownership will be maintained. Technology sources also need to offer assurance to private companies that ownership of the intellectual property will remain with the company. They also need to be convinced that development of new products for private companies is part of their mission, and that this work can be an important new revenue source as federal research markets decline. Bridging the culture gap to make new, productive connections is needed to maintain our competitiveness and serve as a model for others.

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