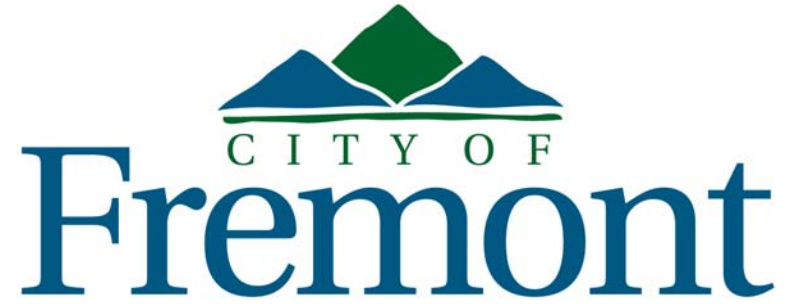




2013 Innovation Scorecard City of Fremont



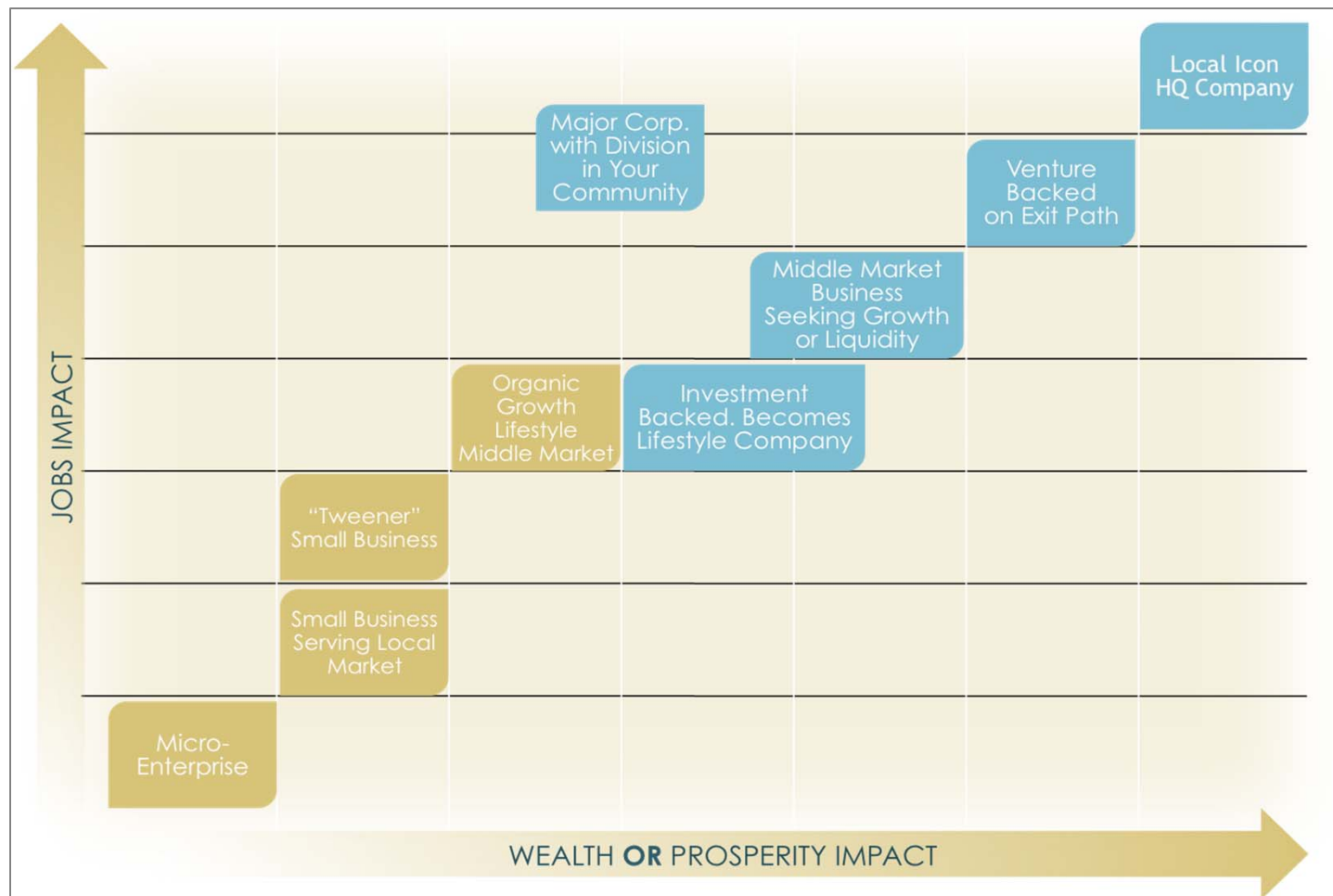


Business Innovation Drives Economic Competitiveness

- **Emerging Growth Companies** equal only 5-15% of all US Businesses, created 2/3 of all new jobs in the past 2 decades
- **Emerging Growth Companies** have created 50% of innovations, 95% of radical or revolutionary innovations
- **Emerging Growth Companies** have created entire new industry sectors, such as Biotech, Online Retail, Wireless Messaging, and others



The Local Business Taxonomy





Innovation Value Chain

- **Regulators and policymakers**
- **Media and trade groups**
- **Thought leaders**
- **Capital sources:** debt, equity, and grant
- **Industry executives**
- **Sales and Marketing professionals**
- **Universities and Federal Labs**
- **International trade liaisons**
- **M&A firms and business brokers**
- **Investment bankers**
- **Professional services providers:** accounting, legal, valuation, advertising, etc.
- **Raw materials providers, suppliers and vendors**
- **Logistics, transportation and distribution organizations**
- **Strategic business development partners and acquirers**
- **Customers and competitors**
- **Start-ups, early-stage, mid-stage and late-stage companies**
- **Market leaders and global giants**



Positive impact of innovative growth companies selling to National and Global markets



Fremont's Economic Pie



Fremont's Economic Pie when local innovative companies sell products into the National and Global market.



Negative impact of competing businesses... selling to the same market



Fremont's Economic Pie



Fremont's Economic Pie when local innovative companies sell into the same local market.



The Innovation Scorecard Process

- *Consultation with City E.D. Staff*
- *Internet Research, Review Materials*
- *Innovation Board Room Session*
- *Identification of Model Programs*
- *Inputs from City Staff and Chamber of Commerce*



The Innovation Scorecard Findings

Most Important to Innovation Capacity

- Global Connectivity, Customers
- Skilled/Technical Workforce
- Housing
- Local Connectivity, Services and Talent
- Business Development and Sales Talent
- Comparable Cost of Doing Business
- Local Advocacy
- State of California Advocacy
- Talent in the Regional Marketplace
- Banks/Corporate Finance
- Capital Raising
- Late Stage VC/Private Equity



The Innovation Scorecard Findings

Highest Regional Capacity

- Flex Space
- Available Land
- Outdoor/Recreational Opportunities
- Industry Veterans
- Airport Transportation
- Talent in the Regional Marketplace
- Access to Outdoor Activities
- Quality of K-12 School Programs
- Connections Locally
- Business Development and Sales Talent
- Web/IT and Tech Service Providers
- Banks/Corporate Finance



The Innovation Scorecard Findings

Least Important to Innovation Capacity

- Cultural Events
- Spousal Employment Opportunities
- Conference Centers
- Bike Travel
- Outdoor/Recreational Opportunities
- Youth Sports and Recreation
- Outside Versus Local Executives
- Access to Outdoor Activities
- Access to Child Care
- Trade Associations
- Spin-offs
- Alternative Debt



The Innovation Scorecard Findings

Lowest Regional Capacity

- Grants
- Cultural Events
- Entrepreneurship Programs
- Commercialization/Tech Transfer Initiatives
- M&A Advisory Services
- Federal Advocacy
- Liquidity Events
- Late Stage VC/Private Equity
- Bus Transportation
- Bike Travel
- Regulatory Agencies Advocacy
- Conference Centers



Regional Strengths:

- **Quality of K-12 School Programs**
- **Availability of Industry Veterans**
- **Comparable Cost of Living (Versus Other Locations in the Bay Area/Silicon Valley)**
- **Getting in and out of the community (Logistics and Transportation)**
- **Local Connectivity**



Local Strengths:

- **Talent in the Regional Marketplace**
- **Airport and Air Transportation**
- **Available Land**
- **Flex Space**
- **Access to Outdoor/Recreational Activities**



Fremont's Innovation Capacity Score

2013: 76

2018: 85



Four Major Impediments Affecting Innovative Companies' Growth

- 1. Access to late stage Venture Capital and Private Equity*
- 2. Successful navigation of State and Federal Government regulations and programs*
- 3. Securing large-scale global customers and partners*
- 4. Innovation and Industry linkages with higher education*



Impediment #1



Wells Fargo Commercial Banking continues to increase its business in Fremont because a growing number of technology companies have the desire and expertise to grow rapidly and become global market leaders,” said Cindy Worthington, regional sales manager for Wells Fargo Commercial Banking in Palo Alto. “Wells Fargo has a track record of identifying and growing with emerging growth companies. Many of these startups have commercialized their technologies and are generating \$10 million or more in annual sales. What holds them back is lack of growth capital, which typically comes from late-stage venture capitalists and private equity funds — not the easiest sources for local startups to find or access. Emerging growth companies also can be unprepared for the expectations that come with multi-billion dollar global funds.”



Impediment #2



Many of Fremont's leading innovative companies operate in environments in which government (particularly at the state and federal level) play a big role, whether biomedical technologies, manufacturing or clean technology. Navigating the regulations, permit processes, funding sources and business support programs within the state and federal bureaucracies is a complex and time consuming process. Most companies do not possess the internal expertise nor capacity to proactively respond to the challenges and opportunities that come with the various regulations and programs. If Fremont could develop and offer that expertise, it would a tremendous resource to the many local companies who do business at the state and federal government level." Philippe Cronet, PhD, President , AnaSpec



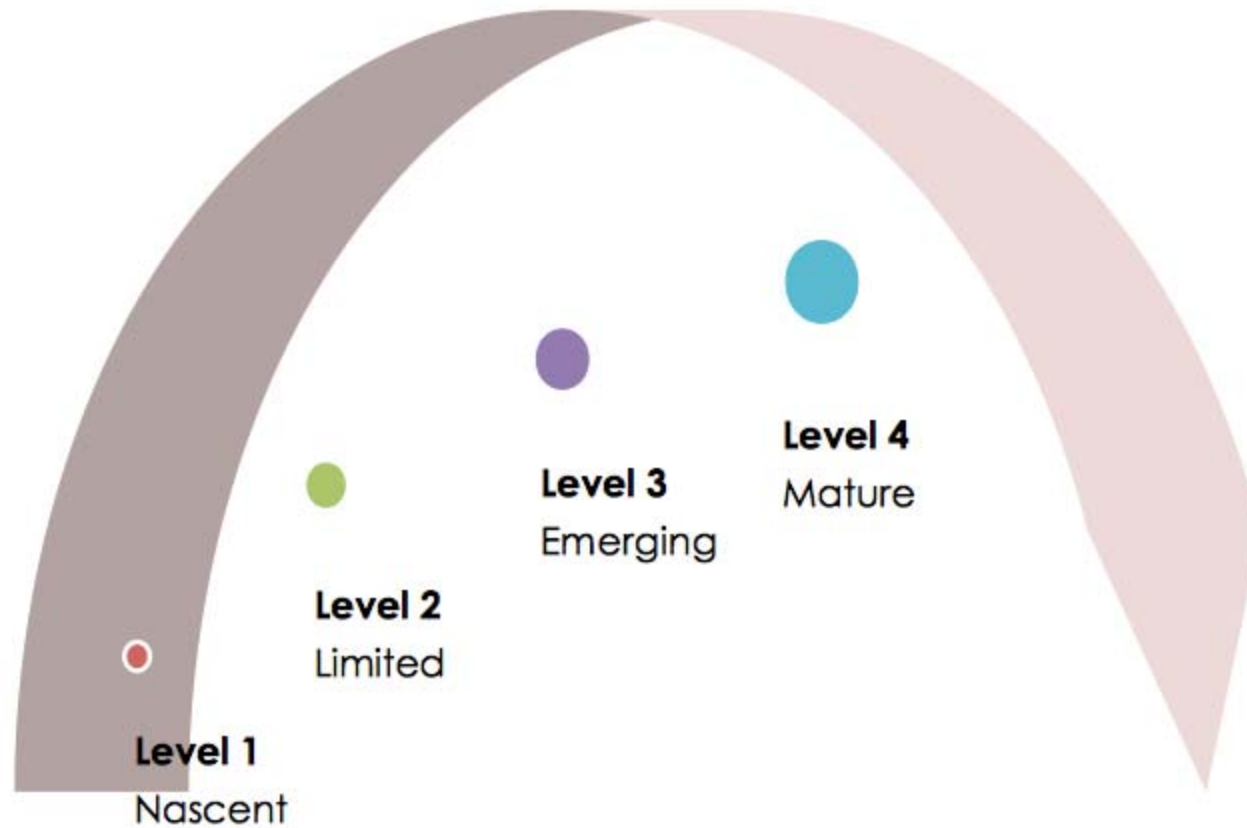
Impediment #3



“Virtually all of today’s market-leading companies have a global footprint. Many of these companies can be tremendous customers or channel partners for Fremont companies. Until companies reach a level of scale, its very difficult to maximize international trade potential with limited internal resources, expertise and bandwidth. To the extent, Fremont can initiate or facilitate programs and linkages that enhance our connectivity into Europe, South America, Africa, and Asia in particular, it will be a huge value add in helping us increase our international sales and grow our businesses and the local economy.” Sanjiv Malhotra Ph.D, CEO and President, Oorja Protonics Inc.



Innovation Maturity Model





Impediment #1 Potential Actions

- *Attend major private equity conferences, and consider exhibiting*
- *Initiate an outward-focused visitation program targeting 5-10 key meetings with private equity fund executives per year*
- *Invite late-stage and private equity fund executives to “red carpet” tours of Fremont businesses*
- *Work closely with Manex and other like organizations*



Impediment #2 Potential Actions

- *Serve as Outsourced “Compliance Liaison”*
- *Participate in and expand efforts of Fremont Chamber and City to focus on specific industry sectors and their needs*
- *Identify specific agency leaders and elected officials who influence key issues relevant to Fremont businesses*
- *Expand collaborative efforts with regional econ dev agencies and business organizations to strengthen advocacy efforts*
- *Participate in “government trade missions”*



Impediment #3 Potential Actions

- *Identify and partner with a regionally-based organization or individuals who serve as conduits to foreign markets*
- *Establish a Fremont Industry Advisory Board comprised of Senior Execs/Tech Scouts from Fortune 1000 Companies*
- *Proactively use “Advanced Search” Mechanism as a Biz Dev Advisor*
- *Attend, Sponsor, Host Major Corporate Conference or Key Global Industry-Specific Conference*
- *Participate in most relevant International Trade Mission*



By addressing impediments, Fremont can be.....

- 1. Known as a hub for private equity and later stage capital*
- 2. Known for helping growth companies effectively conduct business with Sacramento and Washington, D.C.*
- 3. One of the most globally connected local economies*
- 4. A key conduit to key higher education resources that help companies grow*