**GO Virginia Region 2 Innovative Cluster Scale Up Breakout Group**

**August 18, 3:30 p.m.- 4:30 p.m,**

**Roanoke Higher Education Center, Room 403, 108 N Jefferson St, Roanoke Virginia, 24016.**

Council members in attendance: Eddie Amos (Vice-Chair), Debbie Petrine

Council members attending remotely: Janice Crawford

Staff in attendance: John Provo, Julia Kell

Public in attendance: Erin Burcham, Stephen Diesel, Mary Zirkle, Ken McFadyen, Kim Henderson, Jill Loope, Tim Franklin, Kelly Hitchcock

The meeting convened at 3:30 p.m. and adjourned at 4:30 p.m.

**Proposed Industry Clusters**

Cluster scale up was only 2 % of investment in GOVA Region 2, for a total of $162,860 dollars invested.

The proposed GOVA Industry Clusters are Manufacturing, Food and Beverage Manufacturing, Life Sciences and Health Care, and Emerging Tech and IT. Eddie Amos asked, are these the right clusters for our area? Are we focusing on the correct areas or are there other things we should be growing?

Eddie Amos is working with three manufacturing companies right now that all have questions about how they can move to the next level and leverage data to tell a better story for their clients.

Cyber and IT, though large industries, can be subject to massive data breaches. Virginia Tech and the New River community college has some of the best cyber assets in the region around the Cyber Boot Camp, to help build and train talent.

Trucking and transportation companies Volvo, Mack, and Torc are moving into areas such as electrification and autonomous vehicles. It is important to look at how to invest in these areas, grow these technologies, and cross-pollinate across ecosystems.

When healthcare is brought up, there is a lot of focus on Carilion, rather than Centra, LewisGale, VA Center, and Catawba. How do you bring those five entities together and expand research?

John Provo said cluster composition is both an art and a science. How does Torc work with Daimler and other partners in the trucking sector? How does Commonwealth Care work with others in the healthcare sector?

There are collective problems in the area that multiple businesses experience and can be addressed if we articulate a vision for the emerging or growing clusters in the area.

**De-risking**

Tim Franklin said in New Jersey they spent a lot of time trying to work out ways to accelerate the innovation supply chain. The large companies were often distributers and they were looking for the smaller companies who were doing the innovation. De-risking how much time it takes for companies to connect with who they’re looking for is important. Finding ways to put players into contact with each other is something he found very helpful.

Ken McFadyen said when companies choose not to work together, it is because of trade secrets and intellectual capital they have to protect. As a strategy, he suggested creating a way for manufacturers, technology companies, and other innovators to come together using a communication system that de-risks losing trade secrets or compromising companies. The way it is done now is very much happenstance and incidentally.

In Botetourt County, they have the Corporate Family, where plant managers, HR Directors, and R&D Managers would come together to hear presentations from individuals around the region. These meetings were a casual way for people to connect and get to know each other.

Janice Crawford said that her company Framatome has looked into internships and apprenticeships to de-risk a hiring situation if there is ever a hiring freeze. Companies have opportunities to get great employees from internships/apprenticeships. Interns and apprentices can also do a strong job from wherever they are, in person or remote.

Stephen Diesel suggested putting a formula in place to help people connect and realize opportunities they have with each other. With grant proposals for example, you want a formula in place where you can replicate the same system over and over.

Ken McFadyen said small businesses have incubators and accelerators to help them grow; that sort of concept applied to manufacturing and technology and healthcare clusters could work well, but it requires a systematic approach. There needs to be capacity and structure to facilitate interactions.

Stephen Diesel said visibility of success stories is important. Everyone needs an example for them to buy in and participate as a consumer or collaborator.

Kim Henderson said a challenge is understanding what companies are faced with at the local level, with rules and regulations. It is important to help the companies to make sure they stay in the area and they’re not looking for another place where it’s easier to do business.

Tim Franklin said that often what happens with large manufacturing companies is that they need workforce to grow, so a workforce center may be necessary. You can identify cross-cutting technologies that will help multiple industries, such as cybersecurity and AI. That cross-cutting technology could help multiple companies in a cluster.

**Assets in the Area**

Debbie Petrine said Virginia Western Community College is making large efforts in the region. Region 2 has a treasure trove with their four-year universities and their community colleges. She asked if there is that kind of involvement with New River Valley Community College, and is there any way to build on that?

Eddie Amos said it is important to take full advantage of education facilities such as Virginia Tech, Radford, Liberty, Sweet Briar – if you’re a small business and you need to scale up, how do you connect those dots to leverage the students we have?

Erin Burcham said her GO Virginia grant, Stopping the Brain Drain through the Roanoke Regional Partnership, brought higher education, the four targeted sectors, and local government together in a coalition fashion. It was a business retention/expansion project. What they saw from a talent perspective was around who was automating and who wasn’t. The companies that are automating have a large amount of technical talent but companies that aren’t automating have issues getting frontline talent. She said she would love to create a meetup group or roundtable around automation and manufacturing.

John Provo said there are 34 industry consortiums inside Virginia Tech. They’re funded in different ways and have some level of industry partnership and university engagement. They meet in the middle on technology issues, but they also provide a lot of easy-to-grab talent for participating. If we have robust enough groups emerging, is there a way to incubate a cluster organization that is firm-led? Finding ways to make initiatives more company-driven is important.

Eddie Amos asked, "How do we scale up and scale out with a business extension type of program that embeds a local company, helping businesses grow and creating more jobs in the region?"

**Overall Themes Discussed:**

**Problem solving, de-risking, making connections**: Helping companies and groups of companies of different sizes with similar or interrelated issues problem-solve.

**Standardization**: Leveraging the assets we have in a repeatable predictable fashion, and automating services

**Making sure people understand the ecosystems in our region:**what are the similar issues/problems that companies are facing in the region and how can they work together to address them?

**How to create a regional corporate family:**bringing people from each of the proposed clusters together to have conversations

**Homework:**  Answer the below five questions.

What strategies have been successful so far and why?

What strategies have not been successful and why?

What strategies should we keep?

What strategies should we consider adding?

What should we do differently over the next few years?