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The great innovators

Small businesses can spark Florida's economy

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Innovation has long been recognized as central to economic competitiveness. In a recent issue, The Economist cited innovation as "the single most important ingredient in any modern economy."

Bill Gates has said that "for centuries, people assumed that economic growth resulted from the interplay between capital and labor. Today, we know that these elements are outweighed by a single critical factor: innovation."

Innovation is often viewed as being scientific or technical. But it can actually be described more broadly. Innovation flows from shifts in thinking that lead to the generation of new business models and the recognition of new opportunities.

Under this broader description, innovation is weaving through all levels of society. And, it is destined to make a huge impact in Florida.

In a report released Dec. 4, 2007, New Cornerstone Revisited report, the Florida Chamber Foundation restated that for Florida and its communities to prosper in the 21st century, the state must emphasize innovation and economic diversification. Last month, Governor Crist announced a framework for developing Florida's innovation economy.

Studies and plans are important. Action is paramount.

To fulfill the vision for Florida, we must support and enhance the process of innovation. We must transform knowledge into value by taking inventions and creating businesses, jobs and economic prosperity.

A tool to aid in these efforts is the Small Business Innovation Research (SBIR) program. Created in 1982, the SBIR program awards federal research and development funds to innovative small firms. In 2006, the 11 federal agencies that administer the SBIR program distributed \$2.6 billion.

One of the program's objectives is to stimulate technological innovation and increase private sector commercialization of innovations. No federal stimulation program has received as many universally high marks from independent, third-party assessments as the SBIR program.

Yet, Florida has not utilized the program to its fullest.

The State Science and Technology Institute reported in December 2007 that on a national level, Florida ranked 10th in the number of SBIR applications submitted, 12th in the amount of SBIR awards received and 45th in overall SBIR success rates. These figures are well behind national leaders, California and Oregon.

To improve these rankings, Florida's small, innovative businesses must become more competitive. Several statewide programs are ready to provide assistance. Enterprise Florida offers its Phase 0 program aimed at firms that have never competed for SBIR funding.

This spring, the Technological Research and Development Authority (TRDA) is launching a grant program to help small businesses move their NASA-sponsored technologies to the marketplace. Later this year, TRDA will initiate a similar program for Department of Defense-sponsored companies.

New ideas, processes and products fuel innovation and attract investment. By giving our small businesses the tools and assistance they need to innovate, we can help make Governor Crist's plan a reality and strengthen Florida's economic future.

Straub is the executive director of Florida's Technological Research and Development Authority (TRDA). For more information on TRDA, visit www.trda.org.
