The Austin Model 1983 - 2009

Dr. John Sibley Butler, Director &
Dr. David V. Gibson, Associate Director
IC² Institute
The University of Texas at Austin
In the mid-1980s a few visionaries representing Austin’s academic, business, and government sectors were key opinion leaders/champions who acted on the belief that Austin could be a globally competitive high tech region –

In the late 1980s Austin was most known for “see through” buildings and a depressed economy - The area was losing its entrepreneurial & technology talent.
Within 10 Years Austin was Branded as

**Austin #1 - The Best U.S. Cities for Business – Top Five Wealth Creators** *(Fortune, November 23, 1998)*

**Austin #1 - Top 15 U.S. Cities for Entrepreneurship** *(Forbes magazine, Vol 165, #13, May 29, 2000, p. 137)*

**Austin #2 - Top 10 U.S. Cities: Creativity Index** *(Richard Florida, The Rise of the Creative Class, 2002)*

**Best Place for Business and Careers** *(Forbes 2003-2005)*

**#1 for Economic Vitality** *(Wall Street Journal, 2007)*

**#3 Most inventive city due to patent activity** *(Wall Street Journal 2007)*
Major and Less Visible Wins

- **1983 MCC** (and DELL, N’l Instruments, GSDM, Whole Foods, others…)
- **1984 3M** (Major R&D activity)
- **1988 Sematech** (Applied Materials and more)
- IBM Austin transition from Selectric Typewriter (1966) to major R&D/Innovation Center
- **IC² Institute** (Thanks George, Ray, Laura, Fred, and Fellows)
  - 1987 IC² Technopolis Conference
  - 1988 IC² Technopolis publications
  - 1989 ATI and Texas Capital Network
  - 1991 Austin Entrepreneurial to Software to Technology Council
  - Many National and International Visitors to Austin and to IC2 Institute, Visiting Scholars: Russia, China, Japan, Korea, Taiwan, Brazil, Chile, Germany, France, Netherlands, Norway, (100+), etc.
City, Chamber of Commerce, and IC² Institute
& Four Strategies for Regional Economic Development –

UT-Austin central to ALL 4 strategies

Industrial Relocation  Retention and Expansion  Building New Companies

Newer Institutional Alliances/Partnerships for Leveraged Economic Development
Winning MCC was a key catalyst

- Quality of Life
  - primary and secondary education
  - affordable housing
  - low crime
  - recreational and cultural amenities

- State and local government support

- Existing high-tech industry and a supportive business environment

- Overall cost of doing business

- Public/Private Cooperation and a Can-Do Attitude

And something NEW (Admiral Inman):
A MAJOR emphasis on

- Pipeline of Talent: Attract, Grow, Retain
- Access to a local university that had the desire and potential to be world-class in targeted areas, especially
  - electrical engineering
  - computer science
Austin provided a definitive model for the technopolis framework and research. The KEY role of influencers and networks.

IC² Institute researchers continue to adapt this framework as they explore methods and practices that will transform and sustain different regions worldwide.
Knowledge/Technology Transfer & Entrepreneurship at the Regional Level

Universities, Research Institutes, Consortia
Small, Mid-Sized, and Large Firms
State and Regional Government

COMMUNITY
Talent Technology Capital Know-How

Market Need:
Established, Emerging, and New to the World

Successful Value-Added Technology Adoption
Broad-Based Regional Entrepreneurship

Three Dimensions of Entrepreneurship for Sustainable Wealth Creation & Prosperity Sharing

TECHNOLOGY ENTREPRENEURSHIP
- Talent
- Technology
- Capital
- Know-how

CIVIC ENTREPRENEURSHIP
- Academic
- Business
- Government

SOCIAL ENTREPRENEURSHIP
- Shared Prosperity
- Social Inclusion
- Foundations
Austin, We Have a Problem
(Thanks Pike – Civic Entp!)

Central Texas has lost 27,800 manufacturing jobs over last 7 years resulting in an ~$8 billion negative impact on the GDP of Central Texas & a 30% decline in manufacturing employment.

“NY Pushing for Tech Leadership Despite Budget Woes”
(AAS, Oct. 10, 2008)

"Analysts Suggest Spansion's Austin Plant up For Sale"
(AAS, Sept. 6, 2008)

“Cypress to Close Chip-making Plant in Round Rock"
(AAS, Sept. 3, 2008)

“Freescale to Cut its Worldwide Workforce"
(AAS, Oct. 31, 2008)

“AMD cutting 500 workers, 3 pct of staff "
(AAS, Nov. 5, 2008)
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Austin: Industry Clusters

- **Historic (?)**
  - Semiconductors
  - Software
  - Computers & Peripherals (DELL)

- **Emerging (?)**
  - Digital Entertainment (Games, Multimedia, Film & Music)
  - Clean Energy
  - Wireless
  - Biosciences/Medical
  - Nano-technology
The Technopolis Wheel: Gone Global & Digital – Emph. Knowledge Innovation Networks
(Thanks Debra and Dave S.)
IC² Institute: A Catalyst for Accelerated Technology-Based Growth
Past and Current

- Austin & Texas (Houston, San Antonio, Waco, San Angelo)
- NASA: Sunnyvale, CA and Houston, TX
- New Mexico: Albuquerque - Sandia, Los Alamos
- Tennessee: Oak Ridge
- South Carolina: Charleston and NOAA
- Florida: Orlando
- China: Shanghai, Beijing, and Fuzhou
- Taiwan: National Science Council
- Japan: Kansai and Sendai
- Russia: Moscow (MPEI and ISTC)
- Mexico: Monterrey, Matamoros-Brownsville
- Brazil: Curitiba, Rio
- Poland: Lodz
- India
- Canada: Moncton
- Chile
- Korea
- Egypt
- Portugal
A Continuing Regional Challenge That is Increasingly Global

- Mechanisms
- Metrics
- Process
- KT

- Education/Training
- Foundations (Old Wealth)
- Creativity
- Innovation

- Industry
- Government
Portugal: Learning Networks Based on Proportional Reciprocity
(Thanks Manuel and Pedro)
Knowledge, Innovation, and Economic Growth

Creation and distribution of knowledge

Wealth and job creation

Technological innovation and development

Shared Prosperity
IC² Institute: The New Experiments

• Tomorrow Up-Dates from
  – John on New Experiments & TechBA
  – ATI
  – MSTC
  – Global Commercialization Group
  – Portugal
Thank You

Discussion