

# INCITE Initiative

First Step toward Innovation Leadership in the Southeast

**I**NCITE is a \$50 million initiative designed to support innovation across the state. The goal of the program, named for its focus on innovation, commercialization, investment, technology, and entrepreneurship, is to raise Tennessee's profile in innovation-based economic development and drive growth in the creation of knowledge-based jobs. INCITE is a component of the Jobs4TN strategy and is managed by the Tennessee Department of Economic and Community Development (ECD).

"In a global economy, a focus on innovation along with raising our achievements in education is the best approach to moving our state's economy forward," said Governor Bill Haslam. "Tennessee has remarkable assets in research and development. We need to do a better job of leveraging these assets and growing innovative new companies to reach our goal of becoming the number-one location in the Southeast for high-quality jobs."

### INCITE's Four Areas of Focus

- **Innovation Coordination**—Haslam's Jobs4TN strategy created nine distinct economic development regions across the state. ECD is working with each of the nine regions to develop a strategic plan for economic development, each containing a strategy for developing innovation using the region's unique assets. The Tennessee Technology Development Corporation (TTDC) plays a key role in assisting with the development of these plans and is partnering with ECD to hold an annual Governor's Conference on Innovation to share best practices.
- **Commercialization**—ECD will launch a series of initiatives designed to help move new products and technologies from the research lab to the marketplace faster. In March 2011, Haslam announced \$10 mil-

lion in funding for the Memphis Research Consortium to enhance commercialization partnerships as a first step in this process. ECD will work with TTDC to identify other opportunities to enhance technology commercialization activities across the state.

- **Entrepreneurship**—ECD will fund a new or existing business incubator in each of the state's nine economic development regions. To receive funding, business incubators will commit to meeting critical benchmarks, such as raising specific amounts of private sector capital for its tenant companies. ECD will also create a statewide incubator network to share best practices and support efforts to raise private capital. As part of this effort, a Governor's Award for Entrepreneurship will be awarded each year at the Governor's Conference on Innovation.
- **Co-Investment Funds**—Tennessee targeted \$30 million toward the creation of early-stage, seed, and mezzanine capital co-investment funds. These funds were designed to be self-sustaining and to complement Tennessee's existing TNInvestco and Pathway Lending programs. ECD is currently in discussions with the U.S. Treasury Department to provide funding for these programs through the State Small Business Credit Initiative. The co-investment fund became operational in fall 2011. The remainder of the investment is made up of a combination of state and federal funds.

"We feel INCITE is the best approach for the state in leveraging the energy and capital of the private sector to grow innovative companies in Tennessee," ECD Commissioner Bill Hagerty said. "Tennessee has a great entrepreneurial spirit and great innovation assets. We simply need to enhance the environment for those ideas to take root, grow, and create new jobs." ■



# TODAY'S IDEAS TOMORROW'S JOBS

## The INCITE Co-Investment Fund

**A venture capital program designed  
to stimulate the growth and development of innovative  
small businesses in Tennessee**

**T**he INCITE Co-Investment Fund is a venture capital program designed to stimulate the growth and development of innovative small businesses in Tennessee and increase the number of better-paying, high-quality jobs in our state. Backed entirely by a \$29.7 million award through the U.S. Department of Treasury's State Small Business Credit Initiative, the program is expected to spur additional private-sector investment of up to \$300 million to accelerate the expansion of Tennessee's economy.

The fund is a key component of Governor Bill Haslam's \$50 million INCITE (innovation, commercialization, investment, technology and entrepreneurship) initiative to raise Tennessee's profile in innovation-based economic development and drive growth in the creation of knowledge-based jobs. In addition to fostering job creation, the goals

of the fund are to increase access to capital for small businesses at various stages of development, accelerate technology commercialization from the state's research institutions into Tennessee companies, and minimize administrative costs of managing the program in order to maximize funding to Tennessee companies.

The fund, designed by the ECD, is administered by the Tennessee Technology Development Corporation (TTDC).

*The Tennessee Department of Economic and Community Development's mission is to develop strategies that help make Tennessee the number-one location in the Southeast for high quality jobs. The department seeks to attract new corporate investment in Tennessee and works with Tennessee companies to facilitate expansion and economic growth.*

**ECD will launch a series of initiatives designed to help move new products and technologies from the research lab to the marketplace faster.**

**Tennessee Technology Development Corporation and ECD  
will hold an annual Governor's Conference on Innovation  
to share best practices.**