

The following Action Plan provides detailed strategies and specific actions, serving as a technical guide for implementing the recommendations of The Plan. These action plans are intended to be living documents, being revised and updated as Together North Jersey works with various partners on implementing recommendations in The Plan



## FOCUS AREA 2: Enhance North Jersey's innovation and entrepreneurship ecosystem

**What and Why.** Since the Great Recession, it has become clear that regional competitiveness is a defining feature of the global economy. While national performance certainly matters, geographic regions increasingly drive growth. Competitive regions may suffer from downturns, but they recover faster, and they represent an increasing share of national economic activity. Robust entrepreneurship is vital to the long-term health of our regional economy. Communities and regions can no longer base their economic development programs on recruiting large corporate headquarters, manufacturing plants or distribution facilities. Such opportunities are rare and, even if these ventures succeed, they frequently require substantial public sector investments in the form of costly incentives and infrastructure.

In today's economy, the most vital regions are those that invest in the support systems that allow talented and ambitious entrepreneurs to succeed. North Jersey must support entrepreneurship in ways that leverage the region's existing strengths. The region should not try to recreate Silicon Valley or Seattle. It should instead look to support the talent, research and development, and industries that are already strong in the region, and create the climate and support systems needed to ensure these assets thrive.


**How.** Our region must embrace the goal of expanding innovation and entrepreneurship by actively supporting the growth of emerging companies in a wide range of industries. To accomplish this goal we should identify the technology component of every industry; put a supportive infrastructure of workspaces, financing and technical assistance services in place; and foster connections between research institutions and entrepreneurs.



### Strategy 2.1: Expand the technical assistance and networking resources available to the region's startups and second-stage companies.

**What and why.** Access to capital and expertise are critical for startups, with the type of assistance needed varying by stage of growth. Our region needs to create both depth (a large number of resources) and diversity (multiple types) of the assistance available to start-ups and second-stage companies. This means ensuring a range of financing options are available, from traditional bank loans and small business loans (debt capital) to angel investors and venture capital funds (equity capital). Our region should also facilitate improved access to expertise through activities like hosting and promoting networking events, implementing mentoring programs, creating peer networks and linking entrepreneurs with service providers in relevant fields including taxation, law, human resources, marketing and Information Technology (IT).

	<u>Actions:</u>	<u>Suggested Responsibility:</u>	<u>Timeframe:</u>
1.	Create a comprehensive inventory of the North Jersey’s key industry, entrepreneurship, small business development, and research assets.	New Ventures & Entrepreneurship group at Rutgers University (RU), NJBAC, NJBIN	Medium term
2.	Explore and assess options for establishing a regional network of angel and/or venture capital investors.	New Ventures & Entrepreneurship group at RU, NJBAC, NJBIN	Medium term
3.	Convene a task force of business finance investors and experts in the region to discuss opportunities for and challenges to improving access to capital for North Jersey businesses.	NJBAC, NJBIN	Medium term
4.	Work with state and local chambers and business organizations to identify needs and resources to support the growth of Disadvantaged Business Enterprises (DBEs), Minority Business Enterprises (MBEs), and Women’s Business Enterprises (WBEs).	AACC, SHCC, GNEC, NJAWBO, NJBAC, Rising Tide Capital	Medium term




## Strategy 2.2: Establish a regional system of virtual incubators

**What and why.** Business incubators provide technical assistance and other services to startup companies. Unlike traditional incubators, which require a physical location, our region should develop a network of virtual incubators to allow clients to access services and expertise independent of their location. The main advantage of a virtual incubator is cost: little or no capital investment is required for new facilities to host businesses. Instead, virtual incubators can utilize existing office space—of which there is plenty in North Jersey. Therefore, risk is reduced and existing space is better utilized. In addition, virtual incubators can operate anywhere in the region and do not need to be tied to specific communities or institutions. We can develop a regional network of virtual incubators by encouraging existing public, private, and non-profit business incubator programs that have physical space to expand their client-base by offering virtual programs as well that provide technical assistance, management training, and other shared services for a fee.

	<u>Actions:</u>	<u>Suggested Responsibility:</u>	<u>Timeframe:</u>
1.	Encourage local and county economic development organizations (EDOs) that manage physical incubators to offer virtual incubator programs as well.	Local EDOs	Medium term
2.	Counties and communities without a physical incubator should partner with existing private, public, and nonprofit incubators in the region to provide virtual incubation services and assistance to businesses located in existing buildings/sites or districts.	Local EDOs	Medium term

3.	Explore creating a regional virtual incubation network targeting local businesses located in strategic sites or districts.	NJTPA, Rutgers-Bloustein, NJBIN, Trade Unions	Medium term
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**Strategy 2.3: Foster other types of shared workspaces and connect them to economic development and finance programs.**

**What and why.** Co-working spaces offer an alternative to working from home (or in “third spaces,” such as coffee shops) for individuals and startups that are not ready to commit to the overhead of traditional office spaces. Though typically used by office workers, alternative workspaces should be expanded to include other types of space, such as studio spaces for artists, kitchen facilities for food-based ventures, and production equipment for manufacturers. Municipalities should encourage the inclusion of shared workspaces as part of redevelopment of urban and suburban office buildings into mixed-use development, especially where there are vacant and underutilized properties that could be re-purposed. Toward this end, plans and ordinances should be amended to permit shared workspace as a permitted use and reuse. In addition, government jurisdictions and agencies should explore opportunities to included shared workspace in new public facilities, such as libraries and other government buildings.

	<u>Actions:</u>	<u>Suggested Responsibility:</u>	<u>Timeframe:</u>
1.	Encourage the inclusion of shared workspaces in redevelopment of urban and suburban office buildings into mixed-use developments.	Municipalities, Counties	Medium term
2.	Market redevelopment sites to private firms that develop/manage shared workspaces.	Local EDOs	Medium term
3.	Explore opportunities to include shared workspaces in new public facilities, such as government buildings and libraries.	Municipalities, Counties	Medium term

**TOGETHER NORTH JERSEY** Strategy 2.4: Create and capitalize a regional innovation fund.

**What and why.** North Jersey has extensive assets in terms of research institutions and labs. Nevertheless, the benefits of the research, and even the commercialization of technologies, have not accrued within the region. The ability to transfer and commercialize technologies developed in the region’s research and development companies and higher education institutions is essential to the region’s long-term success. The state, along with institutions of higher education and research facilities in the region, should explore the idea of creating and capitalizing an innovation fund to partner promising technology developed in the region with North Jersey entrepreneurs. North Jersey community colleges can also become an important resource for aspiring entrepreneurs by becoming a partner member in Innovation Fund America, a nonprofit organization that leverages the capacity of community colleges to promote innovative start-ups.

	<u>Actions:</u>	<u>Suggested Responsibility:</u>	<u>Timeframe:</u>
1.	Allocate funding to sponsor a study to research existing innovation fund models in other states and nations and explore potential funding sources.	NJBAC	Medium term
2.	Work with existing state and regional agencies, organizations, and institutions to pilot best practices models.	NJDOLWD	Long term
3.	Encourage regional community colleges to explore becoming a partner member in Innovation Fund America.	NJDOLWD	Long term