

## **Research Study**

For:

*Innovate!HamptonRoads™*

By: *Innovate!HamptonRoads™* Research Team  
Virginia Wesleyan College

*May 12, 2011*

*Innovate!HamptonRoads*<sup>TM</sup> Research Team  
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May 12, 2011

Robert Rea and Missy Schmidt  
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Norfolk, Virginia 23510

Dear Mr. Rea and Mrs. Schmidt:

Thank you for allowing us the opportunity to conduct research on behalf of *Innovate!HamptonRoads*<sup>TM</sup>. We hope that our findings prove useful.

As requested, our research attempted to reveal what services are most desired by companies within the technology and innovation industries in Hampton Roads. These services were identified according to your fund raising document and for the purpose of this study, we focused on start-ups, early stage, and growth companies. The support of these critical-need companies will aid in the diversification of the Hampton Roads economy, in areas beyond the already existing military, port, and tourism industries.

We have maintained our initial research objectives which included:

1. To determine which services are desired by the two categories of companies: start-ups and early-stage and growth companies.
2. To determine when and how often these services need to be performed.
3. To determine which services, if any, are not desired.
4. To determine if any services may also be desired that are not already proposed.
5. To determine whether or not each company belongs to a cluster.
6. To determine which cluster each company belongs to if they do see themselves as being part of a cluster.
7. To determine other potential companies who may also benefit from the service delivery program through referrals by existing companies in sample population.

Enclosed you will find our final research report, which includes our research on economic diversification, procedures and methodology, questionnaire, survey results and our conclusion and final recommendations.

Growth companies were the largest respondents from the population that you provided us with. Out of the numerous potential services offered by *Innovate!HamptonRoads*,<sup>TM</sup> networking was the most desired service and help with finding suppliers and customers was found to be the most essential analytical tool. Almost all services were desired on a quarterly basis, with some being not desired at all. Respondents from all business clusters took part in the survey, with a few newly identified ones being revealed that were not previously identified in your fund raising document.

It has been our pleasure working with you and we wish you luck in your efforts towards diversifying the Hampton Roads economy.

*Innovate!HamptonRoads*<sup>TM</sup> Research Team  
Virginia Wesleyan College

Enclosures

## Executive Summary

This study was conducted by members of the *Innovate!HamptonRoads*<sup>TM</sup> Research Team and attempted to reveal what services are most desired by companies within the technology and innovation industries in Hampton Roads. These services were identified according to your fund raising document and for the purpose of this study, the focus was placed on start-ups, early stage, and growth companies. The support of these critical-need companies will aid in the diversification of the Hampton Roads economy, in areas beyond the already existing military, port, and tourism industries.

Growth companies were the largest respondents from the population. Out of the numerous potential services offered by *Innovate!HamptonRoads*<sup>TM</sup>, networking was cited as the most desired service. All of the proposed analytical tools that offer help with: identifying markets and growth trends, identifying and evaluating new technologies, evaluating the competition, finding suppliers and customers, and workforce development, were found to be 'important' or 'essential.' Almost all services were desired on a quarterly basis, with some being not desired at all; networking was the only service desired on a weekly basis. Respondents chose the breakfast and lunch hours to conduct CEO forums and after hours for networking events.

Respondents from all business clusters took part in the survey, with a few newly identified ones. Companies within the Aerospace and Modeling and Simulation clusters were the largest group to identify themselves as such. The following new clusters were identified which were not previously within the scope of the fund raising document: Shipbuilding and Training Product Development, Telecommunications, Energy and Transportation Efficiency, Web and Application Development, Legal.

Lastly, a few companies who could potentially benefit from the services offered by *Innovate!HamptonRoads*<sup>™</sup> were identified by the respondents from the survey population.

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## Statement of Problem

The economic situation in Hampton Roads is on the decline. The military installations, port activity and tourism industries are declining due to reductions in defense budgets. These reductions include the closure of the U.S. Joint Forces Command, international trade, and reductions in income allocated to tourism caused by continuing high unemployment. In the time of a recession and economic uncertainty, revitalization is critical to the future of Hampton Roads. There are already economic development programs in place for attracting businesses, but our “economic gardening” strategy is lacking and a strong need exists for economic diversification.

Through a program introduced by Hampton Roads Partnership, “*Vision Hampton Roads*,” steps are being taken towards this diversification. “*Vision Hampton Roads*” is “the first region-wide comprehensive economic development strategy [and] the region’s roadmap to help navigate its course to the future...” A component of this vision is appropriately titled, *Innovate!HamptonRoads*<sup>TM</sup>. This endeavor is the nuts and bolts of this vision for the future.

*Innovate!HamptonRoads*<sup>TM</sup> has already identified three areas in which diversification can be made possible. “...Over the last two decades [it] has [been] revealed that the majority of the growth of new businesses and jobs in the US has come as a result of start-ups and early stage and growth companies in technology markets” Furthermore, significant economic opportunities, beyond the Department of Defense, have been identified in the following six industry clusters. If properly supported, the companies in these clusters have the potential to achieve our much-needed diversification. They are as follows:

- Modeling and simulation
- Bioscience

- Sensors
- Robotics
- Aerospace
- Coastal Energy

Start-ups and early stage companies are defined as those that are in their earliest stages of development. They are “new business ventures,” (All Business) who often concentrate on product development and build-up of capitalization and generally operate at a loss, at least at first. Some go through a period where they have no revenue at all and most start-ups rely on venture capital or stock investments to continue operations during this phase. For the purpose of this study, start-ups and early stage companies will be defined as those with 10 or fewer employees with revenue of less than \$1,000,000 annually.

The second category of companies identified by *Innovate!HamptonRoads*<sup>TM</sup> are growth companies. Companies in this category “... have grown past the startup [and early stages] but have not grown to maturity” (Edward Lowe Foundation). A growth company can be defined as any firm whose business generates significant positive cash flows or earnings which increase at significantly faster rates than the overall economy. For the purpose of this study, we will define a growth company as having 11 or more employees with annual revenue of \$1,000,000 or more.

Growth companies require a unique strategy to cultivate their growth known as economic gardening. Economic gardening is necessary to foster the growth of these critical need companies and will be the foundation of the support offered by *Innovate!HamptonRoads*<sup>TM</sup>. It is defined as “an economic development model that embraces the fundamental idea that entrepreneurs drive economies.” The model seeks to create jobs by supporting companies that already exist within a community. The concept was pioneered in 1987 in Littleton, Colorado,

when the state was in a recession. It was based on the research of David Birch, a graduate of the Massachusetts Institute of Technology, who suggested that most new jobs in any local economy are created by that community's small, start-up businesses. The Kauffman Foundation adds that economic gardening connects entrepreneurs to resources, "encouraging the development of essential infrastructure and providing entrepreneurs with needed information."

Further explanation by The Edward Lowe Foundation asserts that the three basic elements of economic gardening are:

1. Providing critical information needed by businesses to survive and thrive.
2. Developing and cultivating an infrastructure that goes beyond basic physical infrastructure and includes quality of life, a culture that embraces growth and change, and access to intellectual resources, including qualified and talented employees.
3. Developing connections between businesses and the people and organizations that can help take them to the next level — business associations, universities, roundtable groups, service providers and more.

(Edward Lowe Foundation)

The economic gardening plan proposed by *Innovate!HamptonRoads*<sup>TM</sup> includes a service delivery program tailored to meet the needs of the local start-up and early stage and growth companies. However, their needs vary based on what stage of growth they are in.

Business clusters, such as the ones identified by *Innovate!HamptonRoads*<sup>TM</sup>, are broadly defined as "a geographic concentration of interconnected businesses, suppliers, and associated institutions in a particular field. Clusters increase the productivity with which companies can compete, nationally and globally. *Business Week* author Richard Mammone attributes this to the

physical proximity of the companies because it facilitates exchanges of information and talent among the competing firms. Mammone adds in his article “How To Take Advantage of Business Clusters” that clusters normally include highly specialized vendors, service providers, investors, analysts, students, university faculty and staff, trade association members, consultants, and other useful specialists, and industry-specific equipment is often more readily available within a cluster. A company being aware of what cluster they are in, or that they are even part of a cluster, is of great benefit to both them and the local economy.

Many companies use business clusters to drive economic growth. An example would be the Lahti Cleantech Cluster in Finland. Lahti is the fifth largest urban region in Finland, but the research institutions there are scarce and have lacked funding in past years. In 2004, Lahti launched the Cleantech Cluster in order to begin developing environmental technologies. The cluster aims to bridge the gap between small domestic pilot projects and rapidly growing global markets for environmental technology solutions. Companies must focus and develop their core businesses through new approaches and networking (Ahner). Through the support of this cluster, Lahti’s research institutions have been able to work on developing new technology that will facilitate the protection of environmental resources.

As part of Hampton Roads’ own economic gardening strategy, *Innovate!HamptonRoads*<sup>TM</sup> has proposed the following services to aid local businesses:

- Business training, counseling, and mentoring
- Supporting growth companies with CEO networking and data analysis
- Commercialization of research and development
- Product Development and market validation

- Business development
- Export market development
- Preparations for investor presentations

In order to best meet the needs of the individual companies within the two categories, it is necessary to determine which services are needed and which ones are not. *Innovate!HamptonRoads*<sup>TM</sup> Research Team has assisted *Innovate!HamptonRoads*<sup>TM</sup> by conducting a study to determine if the aforementioned services are, in fact, desired by the local start-ups and early stage and growth companies in Hampton Roads. Additional resources and services were also cited by these companies that were not previously identified. Companies also existed in hidden clusters whom could also benefit from these services. A component of this study also verified which cluster each company belongs to and also uncovered hidden clusters and hidden companies within those clusters.

## **Purpose and Objectives**

The overall purpose of this study was to determine what services and resources the start-ups, early stage, and growth companies in Hampton Roads needed in order to catalyze their development. The frequency with which the companies would like these services performed and how often they preferred the resources be available to them was verified. The business clusters these companies see themselves a part of were revealed, with a few hidden companies within those clusters also being revealed. Furthermore, a few hidden clusters were also uncovered. The results showed what services and resources are important to these critical need companies in Hampton Roads, as well as what clusters the companies align themselves with. The following objectives were proposed and followed in this study:

1. To determine which services are desired by the two categories of companies: start-ups and early-stage and growth companies.
2. To determine when and how often these services need to be performed.
3. To determine which services, if any, are not desired.
4. To determine if any services may also be desired that are not already proposed.
5. To determine whether or not each company belongs to a cluster.
6. To determine which cluster each company belongs to if they do see themselves as being part of a cluster.
7. To determine other potential companies who may also benefit from the service delivery program, through referrals by existing companies in sample population.

## **Procedures and Methods**

### **Sampling Design and Target Population**

In order to accurately measure these objectives, the *Innovate!HamptonRoads*<sup>TM</sup> Research Team administered a census survey to a population of start-up, early stage, and growth companies in Hampton Roads. This population was provided by *Innovate!HamptonRoads*<sup>TM</sup> and consisted of start-up and early stage companies who generate less than \$1,000,000 in revenue each year and growth companies who generate \$1,000,000 or more in revenue each year. The survey was sent to 398 companies.

Surveys were administered through email to all companies in the sampling frame who met the above criteria. The initial goal was to obtain 20 responses from all three categories of companies, totaling 60 responses. Forty responses were received, with 3 from start-up companies, 7 from early stage companies, 25 from growth companies and 5 from “other” stages of growth.

### **Data Collection**

Data collection for this research was completed through an online survey administered through *SurveyMonkey.com*. Participants from the population listing provided by *Innovate!HamptonRoads*<sup>TM</sup> were invited by e-mail to participate in the survey and completion time was approximately five minutes.

A link to the survey was sent to the population four times. It was initially sent on April 15, 2011 and was followed up with a reminder e-mail notification five days later on April 20. The survey was then sent again one week later on April 28 and also included a reminder e-mail

notification sent four days later on May 2. The purpose of the third sending was due to 125 rejected email addresses that were returned after the first and second sending. The research team determined it necessary to re-verify those rejected e-mail addresses and resend the survey in order to gain responses from a larger census population. Of those re-verified, 73 were successful and 52 rejected again or were unable to be verified at all.

## **Equipment and Facilities**

The *Innovate!HamptonRoads*<sup>TM</sup> Research Team used personal computers and Virginia Wesleyan College's campus computer lab for all writing, data compilation, and storage of data.

The creation and distribution of the questionnaires was conducted through the online survey software and questionnaire tool, *SurveyMonkey.com*. The link to the questionnaire was distributed via e-mail, with a brief description of the purpose and need for the study.

*Innovate!HamptonRoads*<sup>TM</sup> provided the sampling population and contact information for the participants. It was the responsibility of all group members to make sure the contact information was current. Numerous re-verifications of the contact information were necessary as some e-mail addresses were rejected due to erroneous our out-dated information.

No costs were incurred through the use of *SurveyMonkey.com* as premium account usage was permitted by *Innovate!HamptonRoads*<sup>TM</sup> gratis.

## **Personnel**

This study was conducted by members of *Innovate!HamptonRoads*<sup>TM</sup> Research Team. All members are full-time college students and Communication majors at Virginia Wesleyan College in Norfolk, Virginia. The completion of this research project fulfills a course

requirement in which all research members are currently enrolled. Mass Communication Research Methods is a senior-level course and a requirement for graduation. All members were under the supervision of course instructor, Professor Kathy Merlock-Jackson.

The research team was organized as follows:

- Group Coordinator and Proposal and Final Report Writer – Janet Boehnlein
- Questionnaire Writer, Sample and Call Sheet Coordinator, and Survey Sender – Caitlyn Worner
- Chart, Graph, and Data Coordinator – Robert Bell

The content for the initial proposal, questionnaire, and final report were created as a joint effort between all members.

## **Questionnaire**

The final questionnaire consisted of 10 main questions, with questions 4, 5, 7, 8 and 9 having further sub-questions (See Appendix A: Questionnaire). Questions varied between multiple choice, open-ended, yes-and-no, and Likert Scale.

The purpose of the first 3 questions was to determine company size and type. Questions 4, 5, and 6 focused on the services desired or not desired by the respondent, as well as an option for listing services not otherwise proposed. The purpose of Questions 7 and 8 were to determine the frequency and preferred time of day to conduct the proposed services. The purpose of Questions 8 and 9 were to determine cluster identification and uncover hidden clusters, if any. Finally, the inclusion of Question 10 was to obtain the names and contact information of other companies who could potentially benefit from the services proposed by *Innovate!HamptonRoads*<sup>™</sup>

A detailed example of the questionnaire can be found in Appendix A: Questionnaire, beginning on page 12.

## **Data Processing**

Raw data from the survey was initially processed and provided by *SurveyMonkey.com*. The *Innovate!HamptonRoads*<sup>TM</sup> Research Team then analyzed that data, calculating and compiling it into various electronic charts, graphs and spreadsheets. The data was formally presented to fellow research students on May 7, 2011. A final copy of the report was sent to *Innovate!HamptonRoads*<sup>TM</sup> following the presentation.

# Results

## Classification Questions

As stated above, the final questionnaire consisted of 10 main questions, with 5 of those questions having further sub-questions (See Appendix A: Questionnaire). The total number of respondents to begin the survey was 40, with 27 of those finishing it and a total completion percentage of 67%.

The purpose of the first 3 questions was to determine company size and type. The below chart displays the percentage of respondents to Question 1, asking to ‘Please indicate the stage of growth under which your company or organization falls’:

<b>Please indicate the stage of growth under which your company or organization falls.</b>		
<b>Answer Options</b>	<b>Response Percent</b>	<b>Response Count</b>
Start-up	7.5%	3
Early-stage	17.5%	7
Growth	62.5%	25
Other (please specify)	12.5%	5
	<i>answered question</i>	<b>40</b>
	<i>skipped question</i>	<b>0</b>

As displayed, the majority of respondents to the survey considered themselves to be in the ‘Growth’ stage, 67%, while 17.5% answered ‘Early-stage’, 7.5% answered ‘Start-up’, and 12.5% answered ‘Other.’ Those that answered ‘Other’ listed the following categories of business stages:

- Maintaining
- Stable
- Established Non-Profit
- Winding down
- Mature.

(See Appendix C: Responses to Open-Ended Survey Questions).

Forty respondents began and completed Question 1.

Question 2 examined company size based on amount of employees. The below chart displays the percentage of respondents to the question, ‘How many people do you currently employ? (Including part-time, full-time and seasonal)’:

<b>How many people do you currently employ? (Including part-time, full-time and seasonal)</b>		
<b>Answer Options</b>	<b>Response Percent</b>	<b>Response Count</b>
10 or fewer	35.9%	14
11 to 25	10.3%	4
More than 25	53.8%	21
<i>answered question</i>		<b>39</b>
<i>skipped question</i>		<b>1</b>

Companies employing more than 25 personnel were the largest group of respondents, totaling 53.8%, while those employing 10 or fewer personnel totaled 35.9%. Those employing 11 to 25 employees made up the smallest percentage of survey respondents, totaling 10.3%. Thirty-nine respondents began this question and only 1 did not finish it.

The purpose of the final question in this section was also to determine company size, this time through revenue. Question 3 asked, ‘What is your estimated annual revenue?’:

<b>What is your estimated annual revenue?</b>		
<b>Answer Options</b>	<b>Response Percent</b>	<b>Response Count</b>
Less than \$250,000	20.0%	8
\$250,000-\$999,999	12.5%	5
\$1,000,000-\$1,599,999	5.0%	2
\$1,600,000-\$2,000,000	0.0%	0
More than \$2,000,000	55.0%	22
I prefer not to answer	7.5%	3
<i>answered question</i>		<b>40</b>
<i>skipped question</i>		<b>0</b>

The majority of respondents claimed ‘More than \$2,000,000’ as their annual revenue, with 55% of respondents answering this question. Those claiming ‘Less than \$250,000’ totaled 20%, respondents in the ‘\$250,000 - \$999,999’ range totaled 12.5%, and 5% claimed ‘\$1,000,000-\$1,599,999’ in annual revenue. Those preferring not to answer totaled 7.5%.

## **Services**

Questions 4, 5, and 6 focused on the services desired or not desired by the respondents, as well as an option for listing services not otherwise proposed by *Innovate!HamptonRoads*™. The following charts best represent the data.

Question 4 asked respondents to ‘Rank the following services in order of importance to you, with 1 being not needed, 2 being useful, 3 being important, and 4 being essential.

<b>For the next series of questions, please rank the following services in order of importance to you, with 1 being not needed, 2 being useful, 3 being important, and 4 being essential.</b>					
<b>Answer Options</b>	<b>1-Not Needed</b>	<b>2-Useful</b>	<b>3-Important</b>	<b>4-Essential</b>	<b>Response Count</b>
Counseling	14	14	3	3	34
Planning	11	11	8	4	34
Training	9	13	9	3	34
Mentoring	10	13	7	3	33
Networking	5	7	12	10	34
Management Team	8	10	7	8	33
Assistance with Technology Commercialization	9	11	9	5	34
CEO Forums	12	11	10	1	34
Presentations for Equity Investors	17	9	1	7	34
Market & Data Analysis	5	16	7	6	34
Product Development	13	8	8	5	34
Website Development	12	11	8	3	34
Social Media Development	19	10	4	1	34
<i>answered question</i>					<b>34</b>
<i>skipped question</i>					<b>6</b>

Thirty-four respondents began this question and six skipped it. The most interesting items to note are that that majority of the respondents found most of the services to be either ‘Not

Needed’ or ‘Useful.’ The only service to be found ‘Essential’ was ‘Networking.’ However, all of the analytical tools listed in the Question 5 were rated more favorably than those in Question 4.

Question 5 was similar to Question 4, asking respondents to ‘Rank the following services in order of importance to you, with 1 being not needed, 2 being useful, 3 being important, and 4 being essential.’ Unlike the previous question where services were listed, this question focused on analytical tools, which respondents cited more favorably than the preceding services:

<b>Analytical Tools to Help:</b>					
<b>Answer Options</b>	<b>1-Not Needed</b>	<b>2-Useful</b>	<b>3-Important</b>	<b>4-Essential</b>	<b>Response Count</b>
Identify markets and growth trends	6	11	9	8	34
Identify and evaluate new technologies	6	9	12	7	34
Evaluate the competition	2	13	11	8	34
Find suppliers and customers	6	9	8	11	34
Develop your workforce	8	9	7	10	34
				<i>answered question</i>	<b>34</b>
				<i>skipped question</i>	<b>6</b>

Also like Question 4, thirty-four respondents began this question and six skipped it. While this question had more ‘Important’ and ‘Essential’ rankings than the previous question, there were equally as many ‘Not Needed’ and ‘Useful’ items as well. The answers to this question demonstrate that analytical tools to help businesses find suppliers and customers and workforce development were the most desired tools.

Question 6 was an open ended question, asking, ‘ Are there any services or resources not listed that your company would also benefit from? If so, please describe in the space provided below. Please also indicate how often you would like to receive them. If not, please leave the question blank.’ The responses to that question are as follows, based on 6 respondents:

- Blank
- Governance and effective use of Board of Directors

- We would like to gain an understanding of the benefits of becoming 8(a) or a woman owned company. If we were to do that we would also like to know more about what is available to help the company organize for and sustain growth.
- Sales and marketing
- Innovative Technology developed thru SBIR programs - there is need for the DOD and other federal agencies to incorporate in their acquisition programs a formal process to first evaluate for Phase II fund technologies for future technology program needs. CIT should have a business process, mentor services and gap funding for successful, growth companies to help commercialize new technologies and thereby create new employment opportunities and tax revenue for the commonwealth.
- Assistance in finding financial incentives (government and other) for business development & growth.

(See Appendix C: Responses to Open-Ended Survey Questions).  
 Thirty-four respondents began this question and 6 skipped it.

### **Frequency and Preferred Time for Services**

The purpose of Questions 7 and 8 were to determine the frequency and preferred time of day to conduct the services proposed by *Innovate!HamptonRoads*™

Question 7 asked, ‘For the next series of questions, please mark the frequency that best describes how often you would prefer each service to be provided’:

**For the next series of questions, please mark the frequency that best describes how often you would prefer each service to be provided.**

<b>Answer Options</b>	<b>Weekly</b>	<b>Monthly</b>	<b>Quarterly</b>	<b>Semi-Annually</b>	<b>Annually</b>	<b>Not Needed</b>	<b>Other</b>	<b>Response Count</b>
Training	1	4	6	4	5	6	1	27
Counseling	1	3	5	3	2	11	2	27
Planning	1	2	8	5	3	6	1	26
Mentoring	3	5	4	3	1	9	2	27
Networking	6	9	9	1	0	2	0	27
CEO Forums	1	4	6	6	3	6	1	27
Market & Data Analysis	3	4	9	3	4	3	1	27
Presentations for Equity Investors	1	1	2	3	5	14	0	26
							<i>answered question</i>	<b>27</b>
							<i>skipped question</i>	<b>13</b>

Twenty-seven respondents began this question and 13 skipped it. The above chart best represents the data. Most respondents felt the proposed services were not needed.

Question 8 asked, ‘If the following services were offered, at what time of day would you prefer to receive them?’:

**If the following services were offered, at what time of day would you prefer to receive them?**

Answer Options	Breakfast Hour	Lunch Hour	After Hours	Weekend	Other	Response Count
Networking Events	3	5	13	0	1	22
CEO Forums	9	9	4	0	4	26
<i>answered question</i>						<b>27</b>
<i>skipped question</i>						<b>13</b>

Respondents cited ‘After Hours’ as the preferred time for conducting Networking Events and ‘Breakfast’ or ‘Lunch Hours’ as the preferred time for CEO Forums. Like the previous, 27 respondents began this question and 13 skipped it.

## Clusters

Question 9 began the section regarding cluster identification. This question asked respondents to ‘Please select the cluster(s) with which your company identifies. You may select more than one.’:

<b>Please select the cluster(s) with which your company identifies. You may select more than one.</b>			
Answer Options	Yes	No	Response Count
Modeling and Simulation	15	7	22
Bioscience	6	13	19
Sensors	14	8	21
Robotics	9	10	19
Aerospace	16	6	22
Coastal Energy	5	13	18
Other (please specify)			5
<i>answered question</i>			<b>25</b>
<i>skipped question</i>			<b>15</b>

Twenty-five respondents began this section and 15 skipped it. Modeling and Simulation, Sensors, and Aerospace were the most frequently identified business clusters.

Finally, the inclusion of Question 10 was to obtain the name and contact information of other companies who could potentially benefit from the services proposed by *Innovate!HamptonRoads*<sup>TM</sup>. This was an open ended question, asking respondents to: ‘ Please provide the name(s) and contact information for other start-up, early stage, or growth companies who you feel may also benefit from this program.’ Their responses are as follows:

- REMOVED FOR PRIVACY ISSUES

Pie charts and bar graphs displaying the above information can be found in Appendix B: Charts and Graphs.

## Recommendations and Conclusions

The goal of the *Innovate!HamptonRoads*<sup>TM</sup> Research Team is that the results of this study will aid *Innovate!HamptonRoads*<sup>TM</sup> in responding to the needs of the critical need companies identified in this report, thus aiding in the diversification of the Hampton Roads economy.

The results of this research study are best interpreted as a pilot study, providing a reference point for *Innovate!HamptonRoads*<sup>TM</sup>. This survey would yield greater results if it were sent to a larger population, thus generating data from a larger number of respondents.

Since growth companies were the largest respondents in this study, they appear to be the most receptive to the programs and services offered by *Innovate!HamptonRoads*<sup>TM</sup>.

Out of the numerous potential services offered by *Innovate!HamptonRoads*<sup>TM</sup>, networking was cited as the most desired service. Help with finding suppliers and customers and workforce development were found to be the two most essential analytical tools. Therefore, these services appear to be the most desired and most worth consideration for further development.

Almost all services were desired on a quarterly basis, with some being not desired at all. Networking was the only service desired on a weekly basis. Respondents chose the breakfast and lunch hours to conduct CEO Forums and after hours for networking events. This information may prove useful in the future as the programs and services offered by *Innovate!HamptonRoads*<sup>TM</sup> are further developed.

Respondents from all business clusters took part in the survey, with a few newly identified ones. Companies within the Modeling and Simulation, Sensors and Aerospace clusters were the largest groups to identify themselves as such. Therefore, like the growth companies,

these clusters of companies appear to be the most receptive to the programs and services offered by *Innovate!HamptonRoads*,<sup>TM</sup> as well as the largest group of cluster companies.

The following new clusters were revealed that were not previously identified in your fund raising document: Shipbuilding and Training Product Development, Telecommunications, Energy and Transportation Efficiency, Web and Application Development, Legal. Therefore, it would be beneficial to further examine these clusters, ensuring that they, too, would benefit from the proposed services. They may also require services not yet identified.

Lastly, a few companies who could potentially benefit from the services offered by *Innovate!HamptonRoads*<sup>TM</sup> were identified by respondents from the original population. Their contact information can be found in Appendix C: Responses to Open-Ended Survey Questions

In order to make further, more concrete conclusions, it would be necessary to conduct a survey on a much larger scale. It is the hopes of this research team that this pilot study proved useful, valuable, and is an adequate reference point for a future study by *Innovate!HamptonRoads*<sup>TM</sup> and Hampton Roads Partnership.

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## **Appendix A: Survey Questionnaire**

For the purpose of this study, start-up and early-stage companies will be defined as those employing ten or fewer people with annual revenue of less than \$1,000,000.

Growth companies will be defined as those employing more than ten people with annual revenue of \$1,000,000 or more.

A business cluster will be defined as a geographic concentration of interconnected businesses, suppliers, and associated institutions in a particular field.

**Question 1: Please indicate the stage of growth under which your company or organization falls:**

- Start-up
- Early stage
- Growth
- Other (Please specify: \_\_\_\_\_)

**Question 2: How many people do you currently employ? (Including part-time, full-time and seasonal)**

- 10 or fewer
- 11 – 25
- 26 or more

**Question 3: What is your estimated annual revenue?**

- Less than \$250,000
- \$250,000-\$999,999
- \$1,000,000-\$1,599,999
- \$1,600,000-\$2,000,000
- More than \$2,000,000
- I prefer not to answer

**For the next series of questions, please rank the following services in order of importance to you, with 1 being not needed, 2 being useful, 3 being important, and 4 being essential.**

	Not needed	Useful	Important	Essential
	1	2	3	4
1. Counseling				
2. Planning				
3. Training				
4. Mentoring				
5. Networking				
6. Management team				
7. Assistance with technology commercialization				
8. CEO forums				
9. Presentations for Equity Investors				
10. Market & Data Analysis				
11. Product Development				
12. Website Development				
13. Social Media Development				

Analytical tools to help:

14. Identify markets and growth trends
15. Identify and evaluate new technologies
16. Evaluate the competition
17. Find suppliers and customers
18. Develop your workforce

**Question 19: Are there any services or resources not listed that your company would also benefit from? If so, please describe in the space provide below. Please also indicate how often you would like to receive them:**

**For the next series of questions, please check the frequency that best describes how often you would prefer each service to be provided.**

	Weekly	Monthly	Quarterly	Semi-annually	Annually	Not Needed	Other	
19. Training								_____
20. Counseling								_____
21. Planning								_____
22. Mentoring								_____
23. Networking								_____
24. CEO forums								_____
25. Market & Data Analysis								_____
26. Presentations For Equity Investors								_____

**Question 27: If the following services were offered, at what time of day would you prefer to receive them?**

	Breakfast Hour (7a.m. - 9 a.m.)	Lunch Hour (11a.m.-1p.m.)	After Hours (5p.m.-7p.m.)	Weekends	Other	
Networking events						_____
CEO forums						_____

**Question 28: Please select the cluster(s) with which your company identifies. You may select more than one.**

*For the purpose of this study, a cluster is defined as a geographic concentration of interconnected businesses, suppliers, and associated institutions in a particular field.*

	Yes	No
Modeling and simulation		
Bioscience		
Sensors		
Robotics		
Aerospace		
Coastal Energy		
None		
Other ( <i>Please specify</i> )		<input type="text"/>

**Question 29: Please provide the name(s) and contact information for other start-up, early stage, or growth companies who may also benefit from this program.**

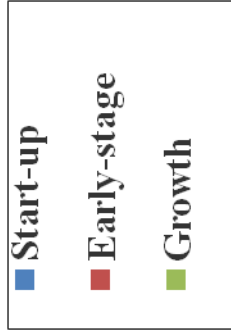
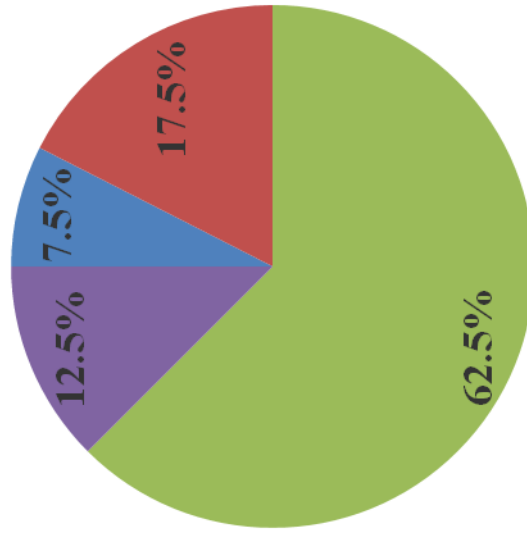
Thank you for completing this survey.

Your responses will help *Innovate!HamptonRoads*<sup>TM</sup> determine what services to offer start-up, early-stage and growth companies based on the needs of businesses such as yours. The growth and success of local companies within the technology and innovation industries in Hampton Roads will aid in the overall growth and diversification of the local economy.

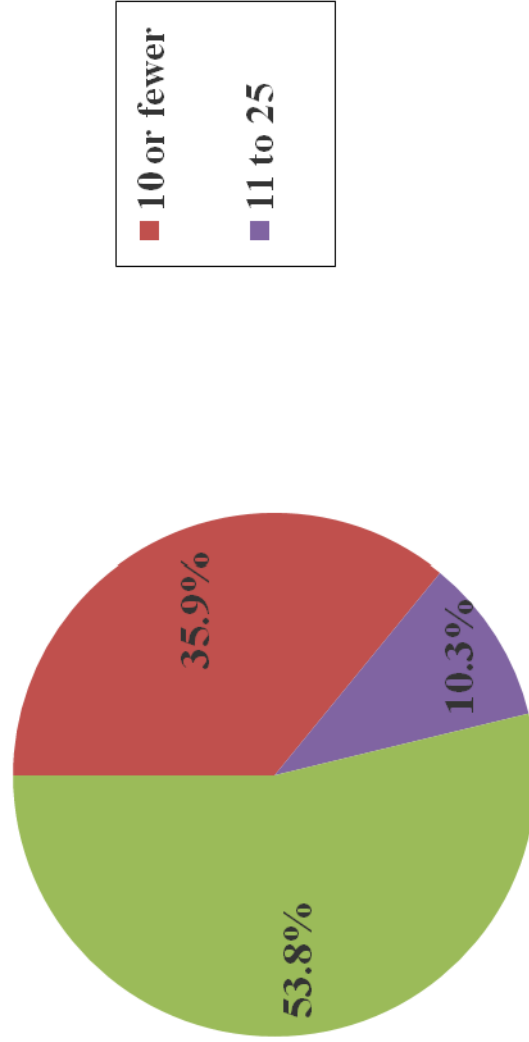
For more information on the mission and services offered by *Innovate!HamptonRoads*<sup>TM</sup>, please visit: <http://innovatehamptonroads.com/>.

## **Appendix B: Charts and Graphs**

**QUESTION 1:**  
Please indicate the stage of growth under which  
your company or organization falls:

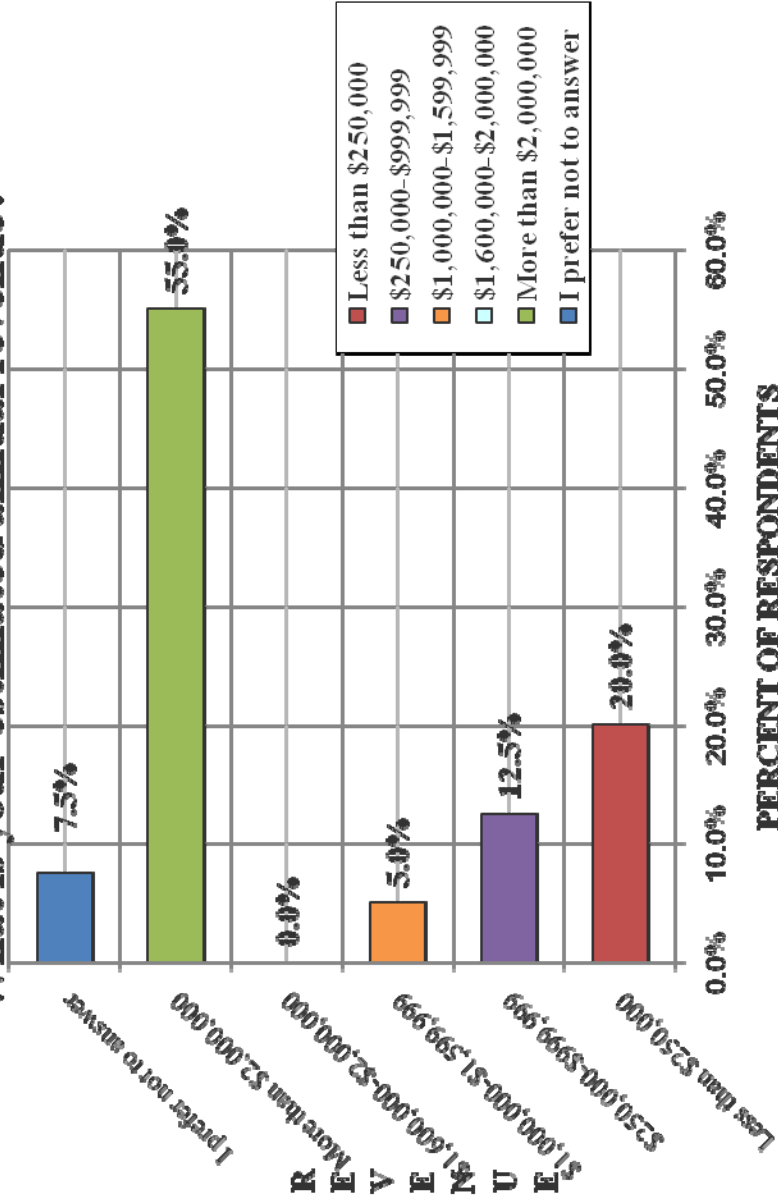


**QUESTION 2:**  
**How many people do you currently employ?**  
**(Including part-time, full-time and seasonal)**



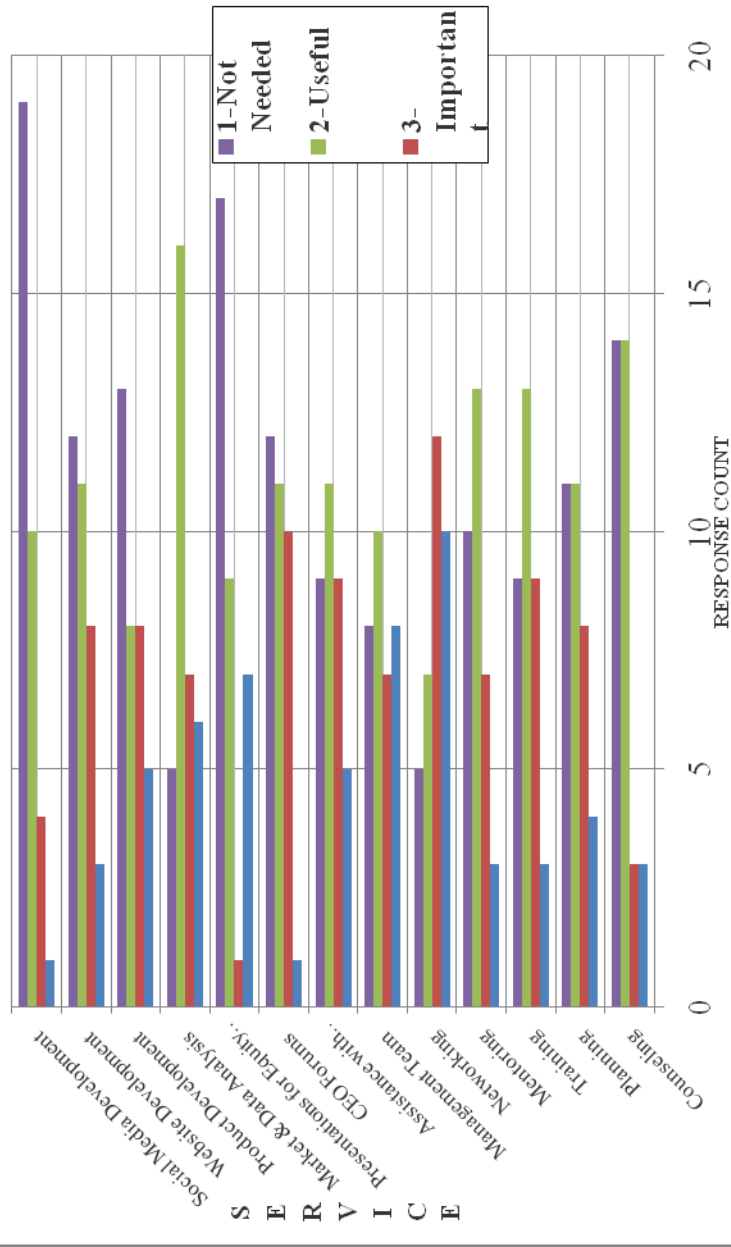
### QUESTION 3:

What is your estimated annual revenue?



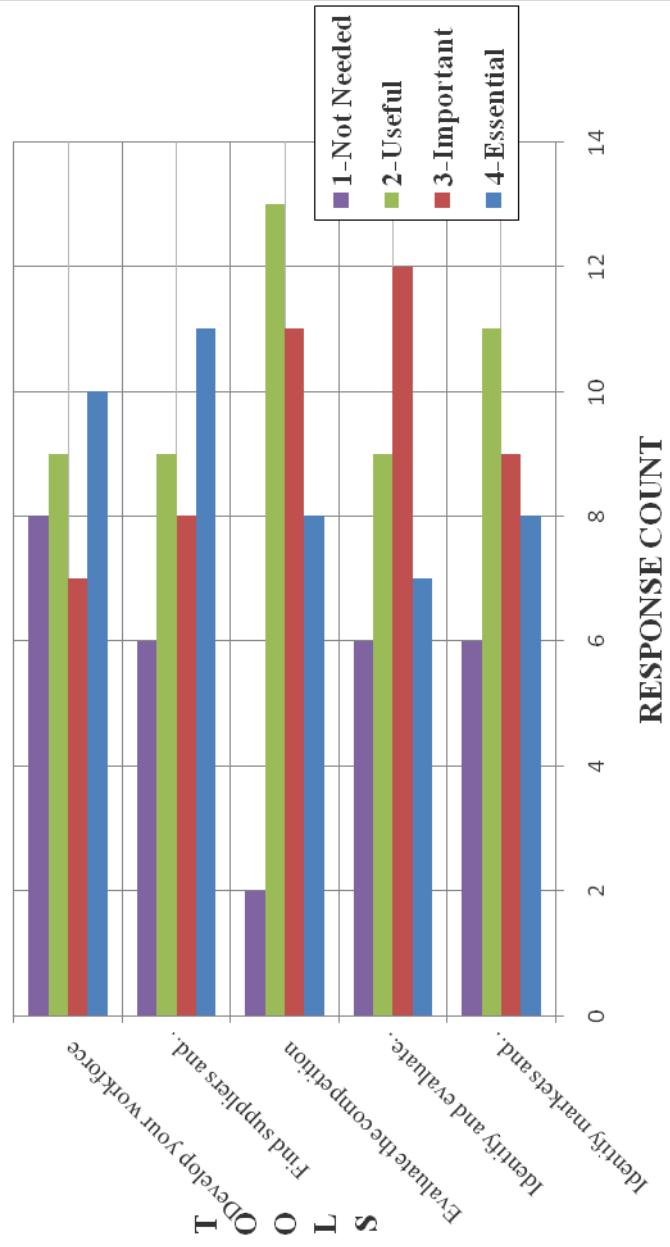
**QUESTION 4:**

**For the next series of questions, please rank the following services in order of importance to you, with 1 being not needed, 2 being useful, 3 being important, and 4 being essential.**

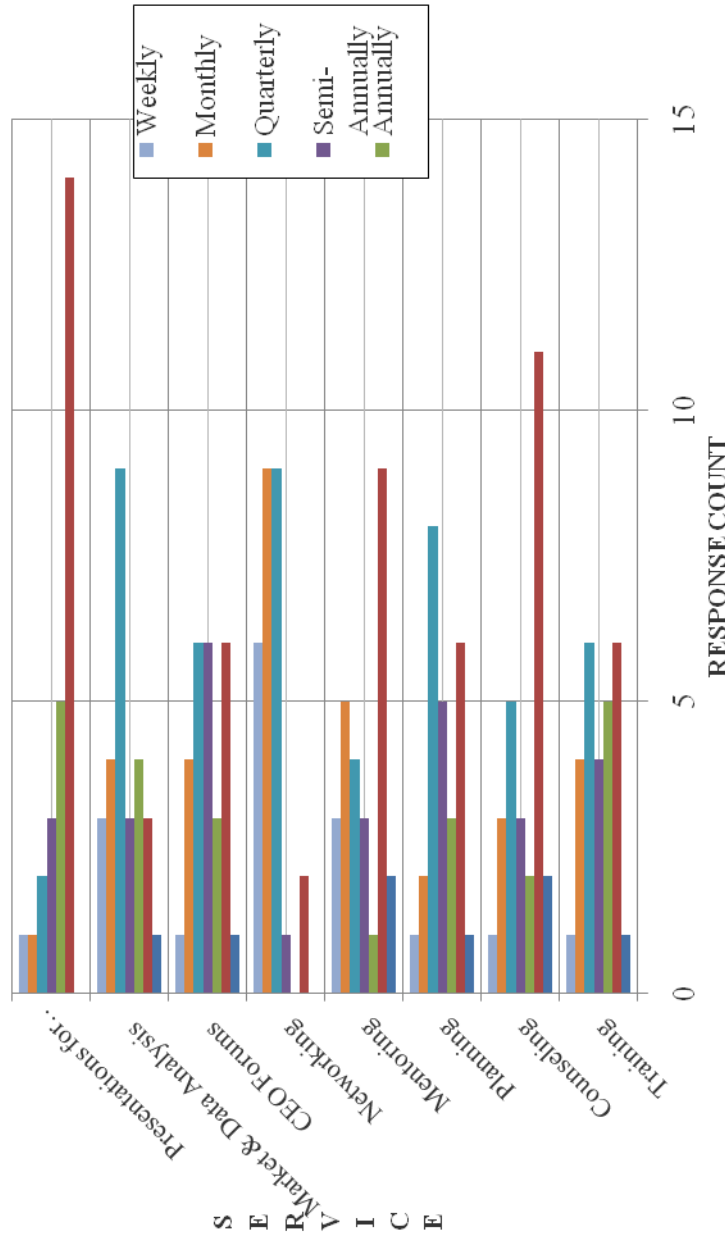


## QUESTION 5

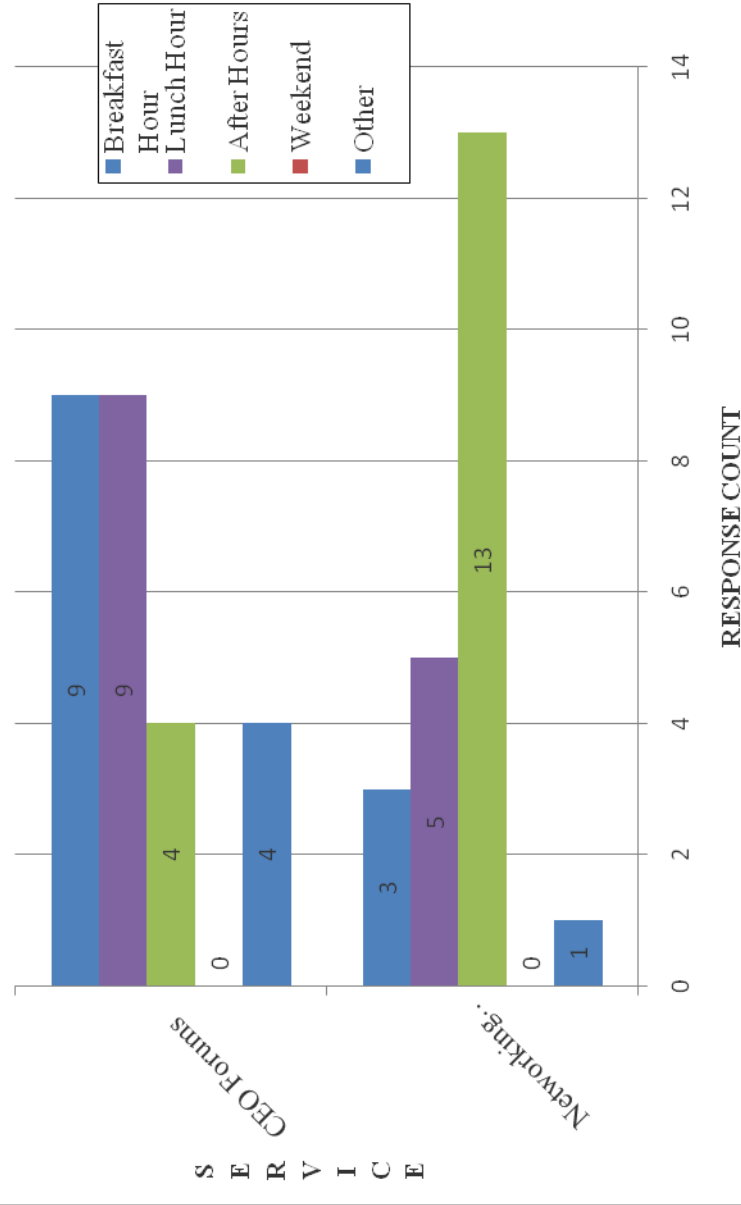
### Analytical tools to help:



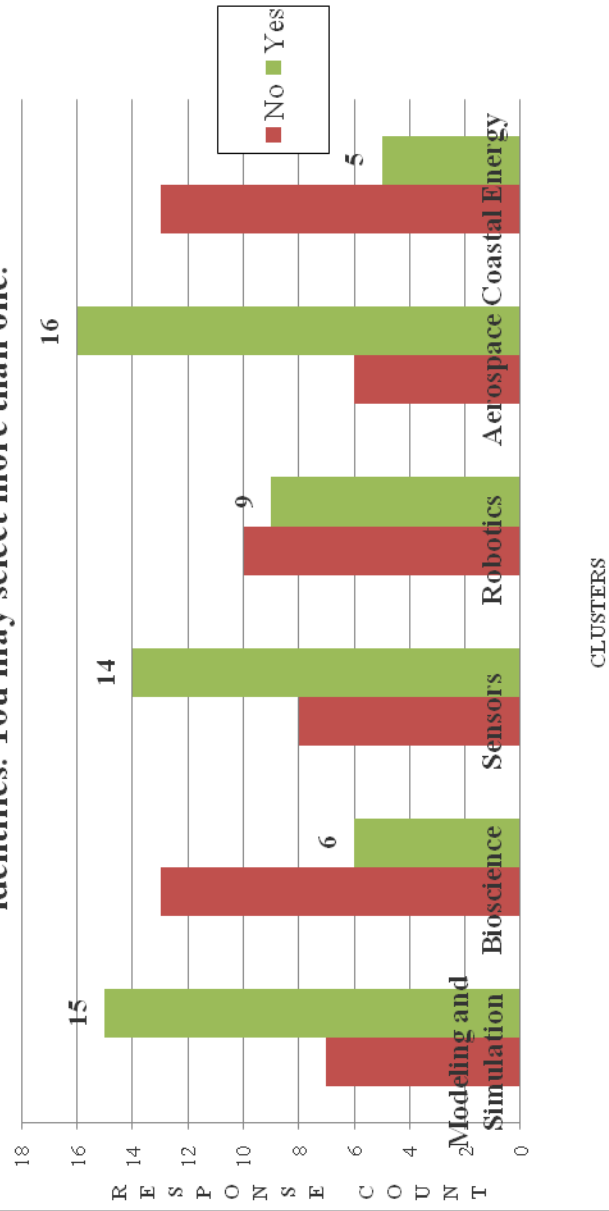
**QUESTION 7:**  
 For the next series of questions, please check the frequency that best describes  
 how often you would prefer each service to be provided.



**QUESTION 8:**  
**If the following services were offered, at what time of day would you prefer to receive them?**



**QUESTION 9:**  
**Please select the cluster(s) with which your company identifies. You may select more than one.**



## **Appendix C: Responses to Open-Ended Survey Questions**

**Question 1. Please indicate the stage of growth under which your company or organization falls. If 'Other', please specify:**

- maintaining

*4/22/11 2:59AM*

- Stable

*4/21/11 3:43AM*

- Established non-profit

*4/21/11 12:42AM*

- Winding down

*4/19/11 10:26PM*

- Mature (100+ years old)

*4/19/11 1:05AM*

**Question 6. Are there any services or resources not listed that your company would also benefit from? If so, please describe in the space provided below. Please also indicate how often you would like to receive them. If not, please leave the question blank.**

- Blank  
*4/21/11 12:52AM*
- Governance and effective use of Board of Directors  
*4/16/11 9:33PM*
- We would like to gain an understanding of the benefits of becoming 8(a) or a woman owned company. If we were to do that we would also like to know more about what is available to help the company organize for and sustain growth.  
*4/16/11 1:42AM*
- Sales and marketing  
*4/15/11 11:20PM*
- Innovative Technology developed thru SBIR programs - there is need for the DOD and other federal agencies to incorporate in their acquisition programs a formal process to first evaluate for Phase II fund technologies for future technology program needs. CIT should have a business process, mentor services and gap funding for successful, growth companies to help commercialize new technologies and thereby create new employment opportunities and tax revenue for the commonwealth.  
*4/15/11 10:08PM*
- Assistance in finding financial incentives (government and other) for business development & growth.  
*4/15/11 9:38PM*

**Question 9. Please select the cluster(s) with which your company identifies. You may select more than one.**

- Shipbuilding and training product development  
*4/22/11 3:02AM*
- Telecommunications  
*4/19/11 1:08AM*
- Energy and Transportation Efficiency  
*4/15/11 11:22PM*
- Web and Application Development  
*4/15/11 7:45PM*
- Legal  
*4/15/11 6:07PM*

- 10. Please provide the name(s) and contact information for other start-up, early stage, or growth companies who you feel may also benefit from this program.**

REMOVED FOR PRIVACY ISSUES

## **Appendix D: Population**

REMOVED FOR PRIVACY ISSUES