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# Midtown Innovation Zone Report

*Accelerating Innovation Along the Euclid Corridor*

1st Qtr • January 2006 to March 2006

Zone Report

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## The Midtown Innovation Zone

### 2006 First Quarter Results

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The Institute for Open Economic Networks (I-Open) works in support of the Cuyahoga County Commissioner's, Blue Ribbon Task Force: Transforming Our Regional Economy Action Plan 2006. CuyahogaNext<sup>1</sup> is an initiative of the BRTF building Innovation Zones around Northeast Ohio colleges, universities and libraries.

#### **Description of Activities: Building Infrastructure for the Innovation Economy**

Midtown Innovation Zone activity began in January 2006 with "Midtown Wednesdays," civic forums hosted in partnership with Myers University, the City of Cleveland, and The Institute for Open Economic Networks (I-Open).

I-Open civic forums seed early stage network development, identify innovation and strengthen local entrepreneurship. I-Open forums engage leaders in new insights, behaviors and activities. By teaching new practices and tools for Open Source Economic Development (OSD) communities begin to build infrastructure to support the Innovation Economy.

Midtown Wednesday forums are modeled after a pilot process developed at the Case Center for Regional Economic Issues (REI) from 2003 through 2005, demonstrating unprecedented exponential growth in innovation and entrepreneurship.

Midtown forum topics focused on a variety of economic sectors: the economic value of citizen journalism; infrastructure innovations for regional sustainability; building quality, connected places; connecting the NEO African American entrepreneurial networks; creating an informatics culture; leveraging global literacy networks, strategic network development and network mapping.

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<sup>1</sup> CuyahogaNext is an open public process of leadership engagement supported by the Cuyahoga County Commissioners Office. CuyahogaNext coordinates the development of regional transformative initiatives, Innovation Zones is one of those initiatives.

More information is available at: <http://www.cuyahogacounty.us/bocc/blueribbon.htm>

Marketing, communications and meeting notes are posted to blogs, regional event calendars, sent out as weekly email announcements to the I-Open e-mail list and press releases to the I-Open media mailing list. The Midtown opt-in e-mail list has generated over 20,000 media impressions.<sup>2</sup>

Over 400 people participated in twelve weeks of forums lead by leaders representing government, business, civic, and academia. Weekly social network maps measure innovation, growth of open economic networks, and identify people who are connected to each other by idea exchange and resource sharing. Comparing social network map Week 1 (Fig. 1) with social network map Week 12 (Fig. 2) identifies growth in activity.<sup>3</sup>

This first quarter activity demonstrates how new forms of public engagement combined with open source economic development practices can build, align and strengthen social networks in communities and regions in association with existing innovation and entrepreneurship.

The Midtown Innovation Zone activity has produced eleven initiatives in twelve weeks. Each initiative is transformative by addressing distinct opportunities previously left unaddressed by government, business, and research leaders.

The Midtown Innovation Zone model is still in early development, but is already spinning off a long list of initiatives in a very short period of time.

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<sup>2</sup> Examples of social software platforms include the Midtown Wednesdays blog, <http://www.midtownwednesdays.blogspot.com>; the Djembe Project, <http://www.djembeproject.com>; PBWiki, <http://midtownwednesdays.pbwiki.com/>; Midtown Eats, <http://midtowneats.ning.com/index.php>; REALNEO, <http://realneo.us/>

<sup>3</sup> Fig. 1, Midtown Innovation Zone Social Network Map Week 1, pg. 4; Fig .2, Midtown Innovation Zone Social Network Map Week 12, pg. 5.

# Midtown Innovation Zone January 11, 2006

## Midtown Innovation Zone Social Network Map Week 1

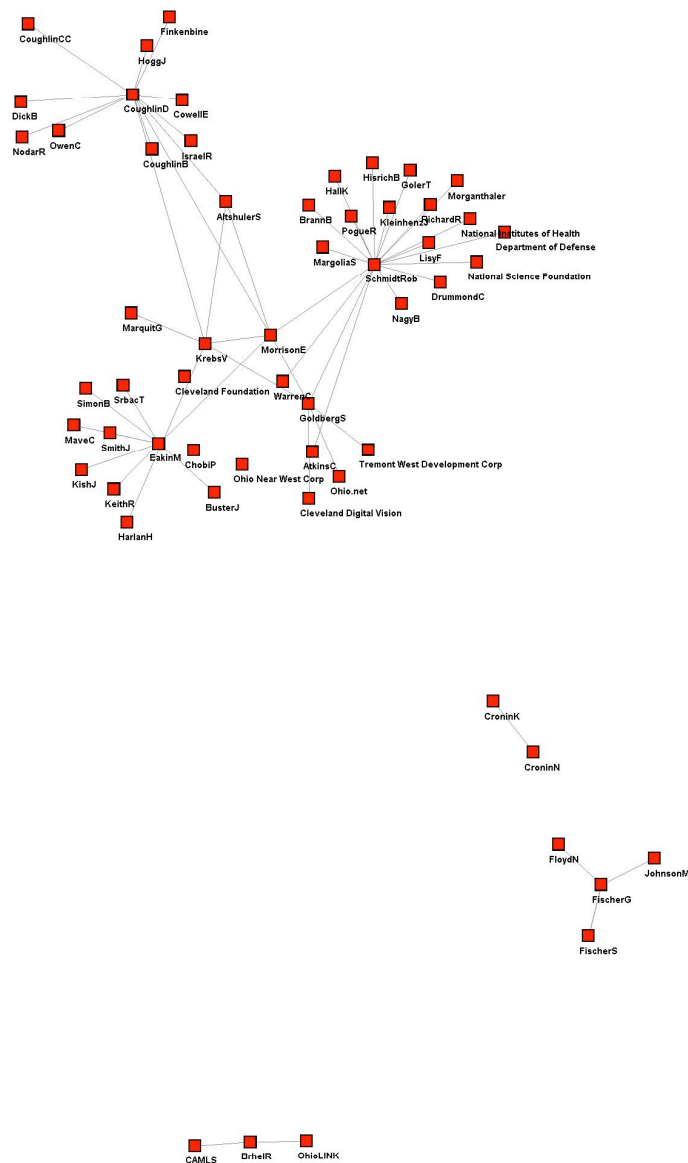


Figure 1

The Institute for Open Economic Networks (I-Open) 4415 Euclid Ave. Cleve. OH

# Midtown Innovation Zone March 29, 2006

## Midtown Innovation Zone Social Network Map Week 12

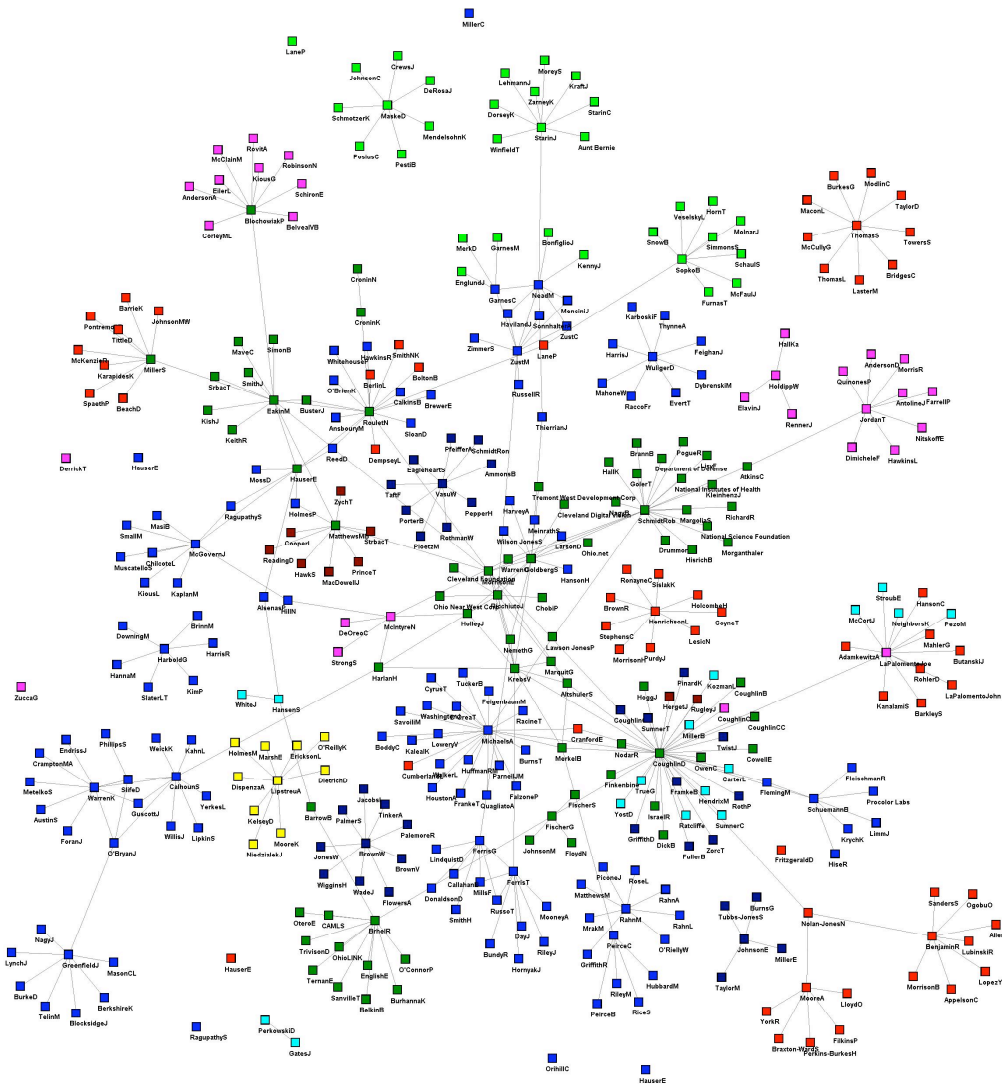


Figure 2

### Color Key for Midtown Innovation Zone Maps

◆	Jan 11: Innovation zones
◆	Jan 25: Citizen Journalism best practices
◆	Feb 08: Positive Deviance, Networking Hubs, Action projects
◆	Feb 15: Creativity, Youth Entrepreneurship & Gaming
◆	Feb 22: African American Cultural Center
◆	Mar 01: Creating an Informatics Culture: Technology, Learning & Visualization
◆	Mar 22: Marketing & Branding Innovation Zones
◆	Mar 28: DNA (Curriculum hosted at Baldwin Wallace)
◆	Mar 29: Innovation Zone Criteria

Figure 1 represents the benchmark for the first forum. Figure 2 represents the increase in size, complexity and collaborative behaviors of the Midtown forum participants over a twelve week period.

A different color-coded community of interest represents each forum topic; at this time the degree of connectivity is inconsistent. In addition to continuing to build new connections, our next step is to create new ways to engage the various communities with each other, strengthening Midtown social capital levels and increasing levels of diversity.

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## A Transformative Regional Opportunity

Open Source Economic Development invigorates research, entrepreneurship and small business

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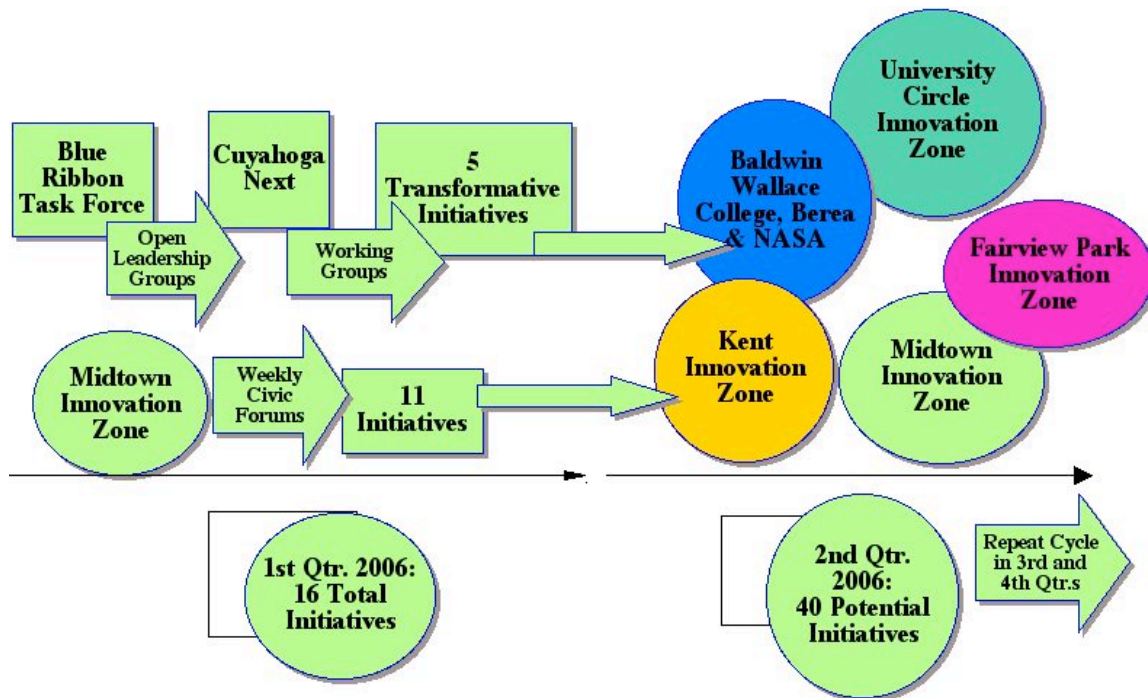


Figure 3

Our regional opportunity is to connect entrepreneurs and their transformative initiatives to Northeast Ohio colleges, universities and libraries. This will leverage knowledge research assets and skilled information professionals.

Business leaders participate by strengthening connectivity to entrepreneurs and sharing access to resources and capabilities, valuing entrepreneurs and, most importantly, practicing appreciative behavior. Social capital investments support innovation zone activities, transformative initiatives, and early stage small businesses.

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## The Midtown Innovation Zone

### Description of Strategic Activities and Initiatives

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#### Research

Research and library leaders were engaged from Myers University, Cleveland State University (CSU), Maple Heights Library and Lakewood Library to lead and participate in forums

#### Education

I-Open presented a research seminar on Open Source Economic Development at CSU for CSU faculty and PhD students and provided coaching and mentoring for Midtown students and entrepreneurs

#### Networks

Strategic activities connected entrepreneurs, and increased the number and quality of networks. (Compare social network maps Figure 1 and Figure 2 in this document.)

Figure 1: Map Week 1 (see page 4): is a benchmark of attendees for the first forum hosted at Myers University January 11, 2006.

Figure 2: Map Week 12 (see page 5) : is a progression map of attendees from all 12 forums combined. Each forum has produced a unique community of interest. Out of 12 forums presented, 11 potential initiatives resulted and these are listed below.

### Midtown Innovation Zone Initiatives: January through March 2006

- **NEO University Innovation Café:** co-operative effort of students and alumni from regional universities and colleges. The Café will provide a place for students to work together on innovative projects and initiatives. Centrally located in Midtown, it will offer innovative workspace, public WiFi access, meeting rooms and healthy food.



- **The Djembe Project:** strengthen historical African American cultural organizations in Cleveland and spearhead new projects. I-Open maps entrepreneurial networks identifying opportunities for innovation and business development.
- **Film and Movie Industry:** build a film company and movie incubator specializing in innovative product development; create workforce development training and curriculum; and produce digital film products to accelerate commerce and support economic development activities.
- **Global Literacy Networks:** build global literacy networks around the world to provide for third world children and the opportunity for schools overseas to receive books from the United States.
- **Geographical Information System (GIS) Initiative:** build social infrastructure between regional leadership investing in GIS capabilities; design training to improve efficiencies in economic development investments; standardize measurements; devise storage and process solutions; identify global models and best practices for regional applications.
- **GreenCityBlueLake:** design the economic development strategy; leverage an open source process to strengthen social capital levels, strengthening best practices and quality of relevant content posted to the community web site.
- **Business Innovation Network:** develop industry applications of open source tools and practices to teach business leaders about the value of creating an entrepreneurial climate within a corporation.
- **Ohio Conference on International Entrepreneurship:** host Fall 2006 Conference in partnership with Cleveland State University to network Ohio College and University Associate Deans; discuss how to strengthen business schools and faculty curriculum; leverage knowledge and social capital resources for collaborative opportunities to compete globally.

- **Video Game Network and Competition:** teach youth to build video games; leverage an existing and active gaming network interested in developing a public gaming center and Midtown gaming competition.

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## Anchoring Organizations

1st Qtr • January to March 2006

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## Summary and Next Steps

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Midtown civic leaders and entrepreneurs are building open economic networks by identifying new opportunities for collaboration. Participants are increasing social capital by connecting to diverse interests, resources and capabilities. Initiatives and activity beyond forums are beginning to appear and grow new opportunities.

In the second quarter I-Open will continue to support partnerships and collaborations, leverage social software, practice and teach Open Source Economic Development, identify new micro lending and venture capital opportunities, and identify resources and capabilities.

Next steps target new commercial products, strengthen and expand networks to research and education, connect local businesses, and residents, and initiate new networks to access commercial and residential real estate.

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## Introduction to I-Open Innovation Zones

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***What is I-Open's role in economic development?*** I-Open builds partnerships and collaborations with libraries, universities and local businesses to encourage innovation and entrepreneurship. I-Open teaches and encourages new behaviors in the civic space and in business relationships. Innovation Zones integrate business, research, educational and cultural assets that our region has to offer to fuel creativity and innovation.

***What are Innovation Zones?*** I-Open Innovation Zones are *small*<sup>4</sup> zones to encourage density and achieve critical mass faster by creating an entrepreneurial culture. Innovation zones provide access to business opportunities for applied research, case studies and internships.

***What is the I-Open Innovation Framework?*** The I-Open Innovation Framework<sup>5</sup> organizes social and economic investments into five quadrants: Brainpower, Dialogue & Inclusion, Innovation & Entrepreneurial Networks, Quality, Connected Places and Marketing & Branding. With the aid of new measurement tools such as social network mapping, I-Open Strategic Activities allow us to:

- 1) visualize the size and location of social and financial capital,
- 2) understand the relationship between sectors of investment, and
- 3) measure investments over time.

***How do you begin to build an Innovation Zone?*** I-Open Civic Forums are the first step in building innovation zones. Weekly forums educate future leaders in Open Source Economic Development and provide a platform for entrepreneurs to practice new behaviors and work together. Simple rules of behavior build trust by creating a safe neutral place to exchange ideas and build collaborative networks.

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<sup>4</sup> Small has an advantage over large because it allows for more collaborative communication.

<sup>5</sup> The Innovation Framework, attributed to Ed Morrison, Director, I-Open, is a heuristic map which guides investments for regional economic innovation.

***What do I-Open Civic Forums do?*** Forums correlate topics to the Innovation Framework, introduce global models and describe relationships to economic development and prosperity. I-Open Civic Forums quickly move ideas to action by promptly identifying next steps. Forums engage civic leaders, government representatives, students and faculty to exchange ideas, build networks and next steps for new business development.

***What are the building blocks of an open economic network system?*** People move in the direction of their conversations and, over time, open systems of networked activity coalesce around transformative initiatives. Collaborating individuals and organizations lead innovation with access to quality, connected workspaces, meaningful relationships, and acumen.

***What approach should be used to build open economic networks?*** Individuals and organizations practice open source economic development by behaving toward one another in ways that build trust and respect. Ethical behavior and compassionate leadership build the quality relationships needed to accelerate idea exchange and begin to seed unprecedented exponential growth of innovation and entrepreneurship.

### **The I-Open Innovation Zone Model**

#### **Shifting Paradigms in Business Development: An Evolution in Thinking**

In an open innovation system, what I-Open refers to as the “Second Curve”<sup>6</sup> innovation economy, equal opportunity reigns. The perception of value as a constant allows the potential for innovation to occur anywhere, because in a network system we cannot predict where innovation will come from and what it will look like.

Innovation is based on maturing paradigms. I-Open has developed new process and tools to implement these new business models.

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<sup>6</sup> “First Curve” economy refers to behaviors of management in the industrial age, including “command and control” typical of hierarchies. “Second Curve” refers to business relationships built on trust and open innovation.

Innovation systems require new skills in network weaving<sup>7</sup>, open economic strategy design, business value building and appreciative leadership<sup>8</sup>. With shared best practices business leaders can understand how to incubate and promote new business development in an innovation economy.

Some models of reference include: South Carolina's Charleston Digital Corridor; Michigan's SmartZones; Pennsylvania's Keystone Areas, and Northern Ireland's Science Park.

### **The I-Open Model**

The I-Open model requires process and benchmarks supported by the following strategic activities: research, network creation, education, and transformative initiative building.

### **Objectives**

- Rebuild a deep, sustained commitment to entrepreneurship and innovation
- Utilize the region's unique assets, especially knowledge-based assets such as our colleges, universities and libraries in new and different ways, creating unique value propositions that will attract and retain businesses that create high-paying, new economy jobs.
- Instill a spirit of lifetime learning in our children, and create a deep regional commitment to flexible, continuous learning.
- Learn and practice new habits of collaboration among government, non-profit, philanthropic, educational and business organizations.

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<sup>7</sup> "Network Weaving", attributed to June Holley, NetworkWeaving.com, is an invaluable practice of building social capital by connecting people and resources to accelerate "cluster" development in innovation systems.

<sup>8</sup> Appreciative Leadership, attributed to Jack Ricchiuto, DesigningLife.com, focuses on the strengths of change in innovation systems.

## Strategic Activities and Benchmarks

- **Networks**  
Develop and nurture open collaborative networks to accelerate economic development in regions  
Benchmark: number of networks supported by the Innovation Zone infrastructure.
- **Entrepreneurial Initiatives**  
Generate transformational initiatives to leverage new ideas  
Benchmark: Number of new initiatives, funded proposals, working groups and new businesses
- **Education Opportunities**  
Develop and distribute I-Open process and tools for open economic development curriculum, distance learning applications and desktop training products for academic, industry and government leaders  
Benchmark: Number of new programs developed and number of participants in educational workshops and online training
- **Research**  
I-Open is developing a research and laboratory network across Northeast Ohio to promote collaboration and accelerate innovation and entrepreneurial activity.  
Benchmark: number and quality of researchers committed to the networks.

## Criteria

- **Safe neutral environments**  
Safe, neutral environments encourage leaders to build trust and collaboration.
- **Cross-disciplinary activity**  
Open economic network development integrates of the humanities, science, the social sciences and business.
- **High volume of activity**  
Open networked systems produce a high volume of activity at any given time increasing the likelihood of social connectivity and emerging innovation.



- **Open networked hubs**  
Engage all levels of willing entrepreneurs: civic entrepreneurs (“grassroots”), employed organization leadership (“grasstops”) and senior level corporate leadership in strategic activities.
- **Capacity networks**  
Capacity networks and networks of people specializing in core skills provide the infrastructure to connect resources and support services for entrepreneurial activity. These networks help entrepreneurs gain access to lab facility and equipment, funding, social connectivity and information.

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# Our Situation Today

## Level of Activity vs. The Rate of Change

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Globalization and the Internet have accelerated the rate of how fast things change. The region's level of activity today is disproportionate to the rate of innovation happening around us.

Despite an increase in the rate of innovation, Northeastern Ohio's level of activity has remained the same, or in many cases, dropped off. Many people have a hard time dealing with new volume, speed of activity, and rate of change. The practice of working together collaboratively is of primary importance in the ability to compete in an environment of growing change.

I-Open teaches leaders about new practices and tools for Open Source Economic Development, a practice based on the Innovation Framework, Strategic Doing<sup>9</sup> and Appreciative Leadership. The Innovation Framework map that enables us to identify where we are investing and how one investment relates to another. Strategic Doing is a step-by-step process for people to work together taking ideas to action. Appreciative Leadership brings new insights about how we behave in ways toward one another to build trust and respect so we can move forward quickly.

The I-Open Strategic Process is infrastructure to support Open Source Economic Development. The process is a methodology that combines guided leadership with public participation, aligns economic development efforts, and identifies resources and capabilities in support of transformative initiatives. No two economic development situations are the same, as there is no "one-size-fits-all" solution for communities. The I-Open Strategic Process is a customized schedule of public programs, meetings, and workshops combined with new tools and project work.

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<sup>9</sup> Strategic Doing, attributed to Robert Means, Chief Employee Education Officer and Director of Research and Dissemination of Innovations, Veterans Health Administration Hospital, is a process cycle for teams to explore, focus, align and innovate, taking ideas to action quickly.

I-Open Innovation Zones are networked hubs of Open Source Economic Development activity. Open Source Economic Development practices help us to adjust our rate of activity to the volume and speed of innovation in new and different ways. The I-Open Strategic Process teaches people how to identify local innovation, envision transformative initiatives together and begin to work toward next steps.



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