



CONTACT: **Clint Pasche**
SVP, Marketing & Communications
(o) 713-844-3645
cpasche@houston.org

Ashley White
Senior Manager, Communications
(o) 713-844-3640 (c) 832-652-1173
awhite@houston.org

PRESS RELEASE

FOR IMMEDIATE RELEASE: May 15, 2017

Houston leaders launch strategy office to bolster region's innovation economy

Aims to accelerate innovation-based entrepreneurship through a more integrated startup ecosystem

HOUSTON— Today, the Greater Houston Partnership announced the launch of an Innovation Strategy Office dedicated to supporting Houston's innovation economy and boosting local startup activity. The launch of the Strategy Office represents the first step of a comprehensive strategic plan developed jointly by the Partnership and Accenture along with members of the startup community, academia, and venture capitalists, in conjunction with the City of Houston's Innovation and Technology Task Force. The primary objective of this strategic plan is to catalyze the formation of highly-innovative startups driven by new technologies and business models that will grow Houston's innovation economy.

Houston is the fourth largest economy in the U.S., but is not ranked among the top 20 startup communities across the country by several measures including venture capital investment and number of startups. Based on the Kaufmann Foundation's 2013 study of metros measuring high-tech startup density, Houston was the only U.S. city to drop out of the rankings altogether.

The strategic plan aims for Houston to be – and to be seen as – an innovation city at a world-class level. The research behind the strategic plan was designed to identify opportunities to develop Houston's innovation economy and included surveys of more than 50 Houston-area startup founders along with local business leaders, policy makers, researchers and venture capitalists. The work also incorporated key findings from the development paths of other cities.

Execution of the strategic plan will be driven by the newly-formed Innovation Strategy Office, but involves key players from across Houston's innovation economy. "This is a collaborative effort of the business community, startups, venture capitalists and everyone who has a stake in Houston's future growth. To get this right, we needed buy-in from these stakeholders," said Gina Luna, chair of the Partnership's Innovation Roundtable. "We believe the plan the community has developed will leverage Houston's strengths to foster innovation and collaborative partnerships that drive commercial success."

The strategic plan will focus on building critical mass in three key areas: Industrial Internet of Things (IIOT), Robotics, and Cybersecurity. Innovation in these three areas directly support Houston's core sectors including energy, life sciences, manufacturing, logistics and aerospace.

“Software and digital technologies are revolutionizing every industry, period.” said John Reale, Co-Founder and CEO of Station Houston, and the Chair of the Mayor’s Technology and Innovation Task Force. “A robust technology and entrepreneurship-focused community must have bridges connecting our startups, corporations, academia, investors and in short, all Houstonians. These bridges drive inclusivity for all to participate to make Houston a leading hub to birth tomorrow’s technologies and business models while leveraging the size, scale and expertise of our world-leading industries. We couldn’t be more supportive of the Innovation Strategy Office’s launch as it will help drive corporate engagement with the startup community and leverage best practice models to attract venture capital to the region.”

The Strategy Office will help coordinate the establishment of a “fund of funds” to attract more venture capital activity to Houston. The office will also work to improve the positioning of Houston’s innovation economy by promoting the progress of local startups as well as how entrepreneurs and other innovators can come to Houston to leverage a more-connected ecosystem to launch and build transformative ventures.

“The new Strategy Office will generate collaborative disruption, breed a new way of asking questions and addressing challenges, and produce a ripple effect across the various sectors of our economy where innovation is needed and required,” said Blair Garrou, Co-founder and Managing Director of Houston-based venture capital firm Mercury Fund, who will chair the Partnership’s Innovation Strategy Office Advisory Committee. “We believe that in short order, Houston will be amongst the leaders for entrepreneurs seeking to build high-impact ventures as our local corporations are actively seeking to engage and the Strategy Office will bring world-class venture capitalists to be more active in Houston.”

The Partnership noted that while Houston has a pedigree of corporate-led innovation, the region does not have a commensurate reputation as a vibrant startup community. “Houston has long been a hub of innovation, driven by the region’s major companies and institutions,” said Jeff Shellebarger, President of Chevron North America Exploration and Production Company and Chair of the Greater Houston Partnership. “Having a comprehensive strategic plan focused on bolstering innovation and entrepreneurship, including a vibrant startup community, is critical to Houston’s continued success and its ability to attract companies, talent and capital to the area.”

In late 2015, the Partnership convened a task force to develop a solution to Houston’s innovation challenge. In the summer of 2016, the organization convened an Innovation Roundtable with 20 organizations participating. These organizations include: Texas Medical Center, Houston Technology Center, NASA, Rice University, City of Houston, Accenture, McKinsey & Company, Chevron Technology Ventures, Shell Technology Ventures, Circular Board, Fannin Innovation Studio, Luna Strategies, Houston Angel Network, January Advisors, Mercury Fund, Station Houston, Unconventional Capital, and TMCx.

“Houston is a city that cultivates cross-institutional collaboration, creativity and innovation to drive our region forward,” said Bill McKeon, president and CEO of Texas Medical Center (TMC). “Innovation is critical to the work of TMC member institutions and our shared vision to transform groundbreaking research into results, positioning Houston as the third coast for life sciences. The execution of this strategic plan will support our efforts and build a culture of innovation that will bolster our entire economy.”

“Innovation is as much an imperative for Houston’s economic future as it is for Accenture and our clients,” said Brian Richards, managing director of Accenture’s new innovation hub in downtown Houston and a lead author of the strategic plan. “Our region has always been on the leading edge of innovation in key local industries including energy, manufacturing and healthcare. As the digital economy continues to mature, Houston has the opportunity to foster an even stronger ecosystem where startups and entrepreneurship thrive.”

According to the Startup Genome Project, trillions of dollars in economic value is created by the technology sector, with much of that driven by startups. Technology creates more jobs than it displaces, and advances such as artificial intelligence will improve living standards in many ways. Further, according to a recent study completed by Mass Challenge, nearly one in four corporations see interactions with startups as “mission critical.” A stronger startup ecosystem is critical for Houston to best attract and retain young STEM talent, particularly in technology.

“We are engaged and excited about the strategic plan brought forward by the Roundtable,” said Lori Vettors, president and CEO of Houston Technology Center (HTC). “The Innovation Roundtable’s work has provided a platform to align HTC and all ecosystem stakeholders in a common unified vision for Houston, which will launch the region on a new innovation trajectory going forward.”

For more information including an infographic on Houston’s startup ecosystem, visit Houston.org/innovation.

Follow along on social media using #HouTech

###

Greater Houston Partnership works to make Houston one of the world’s best places to live, work and build a business. It represents 11 counties: Austin, Brazoria, Chambers, Fort Bend, Galveston, Harris, Liberty, Montgomery, San Jacinto, Walker and Waller. With more than 1,400 member organizations, the Partnership represents approximately one-fifth of the region’s workforce. Visit the Partnership at houston.org.