



**EXPANDED
NATIONAL
DESTINATION**

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Confidential

Prepared for
“Uncommon Friends”

by

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Intersection 2040

A vision big enough for... "A National Destination"

Introduction...

DESIGN ALLEY → *"IP" CORRIDOR*

2030 DESIGN ALLEY → 2040 "IP" CORRIDOR

Most of us live within a defined period of history. Only some live in a transition-point of history.

Our time is such a time!

A season of crossover!

A Global-Shift of history!

When historians write about the 1st half of the 21st century, we will be recognized as the generation that shaped the future. It will be seen as a turning point that shaped all that follows.

Is there a vision big enough to excite us even as it frightens us? Can your city leapfrog the leaders in job and headquarters creation including Boston's Route 128 & California's Silicon Valley? Can we expand our reach as a national destination?

Strategic Focus...Inward versus outward focused. Organizations & cities often atrophy when they become solely inwardly focused. To become a national or international destination, a city would have to provide technology, products, solutions that benefit organizations and even cities beyond their borders. An essential component of a viable "Economic Development Strategy" for any city would focus **outward** not just inward.

Talent & Distributed Systems So how does a city benchmark and then leap-frog Silicon Valley and/or Boston's Route 128? Richard Florida, based at the University of Toronto and The Heartland Forward, observes that cities thrived because they had a concentration of human intellectual capital. While there are exceptions in the 20st century, there is some truth to Florida's observations and recommendations.

However, Florida's **aggregation of talent model** might **not** allow a city to leapfrog either Silicon Valley or Route 128 over the next twenty years. Why? Each city has well-entrenched systems that are far too competitive to replicate. So, what is the alternative? In the vernacular of software, it is about organizing and accessing a **"DISTRIBUTED SYSTEM."**

https://en.wikipedia.org/wiki/Distributed_computing

- Organize a clearinghouse for hidden and integrated intellectual property based upon a question with not answer but lots of opinions,
"Patents represent what percentage of the total intellectual property in the U.S.?"
- Build a virtual distributed network of human intellectual capital to create integrated solutions and systems for the 21st century based upon the \$5.8 trillion R&D investment by the U.S. since 1976.

This framework that would allow a city develop the infrastructure to become an international destination for integrated solutions of intellectual property...a key driver in all 21st century national economies.

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A city should **not** abandon its past and core competencies associated with the 20th century. We embrace the past as we embrace a paradigm to include a new S curve. Major cities are doing well; therefore, now is the best time to shift. Intellectual Property ("IP") as a value-added asset is the cornerstone to catapult a city as a destination for owners and leaders of small and large companies in America's 21st century supply chain. Three cities could dominate in the 21st century.

The "IP" Corridor...A Destination for Intellectual Property

Integrated intellectual property in its value-added state is the fuel or accelerant that justifies a 21st century clearinghouse for intellectual property. The Kaufman Foundation, founded in 1966, with only a \$2+ billion corpus in 1992, rallied the U.S. around entrepreneurship. A major city could rally the U.S. around intellectual property for America's 21st century supply chain.

Create it

Value it

Develop it

Commercialize it

License it

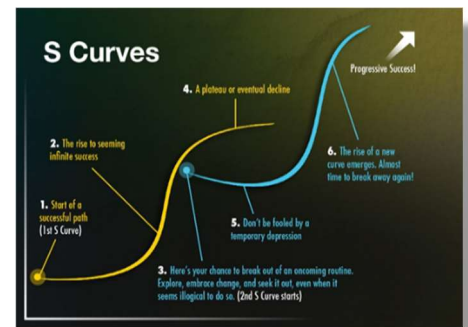
Manufacture it

Market it

Deliver it

Consume it

Recycle it



Commercialization of Intellectual Property

We don't need to replicate Austin or the University of Texas. R&D as well as emerging intellectual property can be extracted from the top research universities and national labs in the U.S. We need to find, integrate and transfer the intellectual property that will accelerate a city's role in shaping the products and systems oriented to an **International Economy**. **Re-design** of Walmart's products is one interesting component, but industrial design is also a force that supports a **Design Alley**.

SME Product Manufacturers: There are 330,000+ MFG companies with less than 500 employees in the U.S. Approximately 20% or 66,000 SME companies with 100-500 employees are well suited for scaling with new integrated intellectual property. Walmart's supply chain could help return manufacturing as a percentage of U.S. GDP to 20+% as contrasted with 9%-12% today.

Primary Jobs & the Middle Class: "A product or service sold to a national market where the profits come back home to the headquarters" will make any city a hot bed for talent. **Roy Williams and Primary Jobs:** <https://youtu.be/MsbqbCJyZYY>

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The 21st century influencers should...

- **Respect & Build** upon structures and systems transitioning to the 21st century.
- **Benchmark & Replicate** successful structures and systems from other regions.
- **Find & Scale** the new 21st century structures and systems to leapfrog other regions by allocating capital to expand income generating assets and IP for the future.


1 Talent Matters...

- **Catalyst:** Essential outsiders are often necessary to accelerate progress exponentially.
- **Destination:** Three cities will become a destination for national solutions much like Silicon Valley has become a destination for venture capital.
- **Virtual:** Accessing talent should **not** be limited to local or state talent pools.

2 Primary Jobs Matter...Scale Existing MFG Companies

- **Primary jobs** are products or services sold to a national market where the profits come back home to the headquarters.
- Given limited resources entrepreneurs that organize start-ups creating secondary jobs are necessary but **not** sufficient for an expanded and sustainable economy.
- Prepare for the reality that several of you national headquarters could be acquired.

3 Innovating...Design Matters

- "Location...Location...Location..."  "Design...Design...Design..."
- Design principles impact all industries and professions including industrial design.
- "*Innovating*" by MIT Professor Luis Perez-Breya...a contrarian model.
- Regions that help shape the emerging 21st century "IP Economy" will thrive.

4 Intellectual Property Matters...SME Job Creators

- A trustworthy clearinghouse accesses the hidden reservoirs of intellectual property.
- Entangle and/or integrate IP into niche value added commercial opportunities.
- SME MFG companies with 100-500 employees scale with IP and minimize risk.

5 Collaboration Matters...Leverage Walmart's Supply Chain

- Suppliers need access to emerging technologies, e.g., AI, Cybersecurity, Robotics, etc.
- **Top-Line** growth & bottom-line profits from licensed and integrated IP.
- **MFG companies** need to generate 20%+ of U.S. GDP for the U.S. to be competitive.

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Intersection...2040

Distinctive. A legacy seldom replicates...it innovates. What regions in the U.S. other than Seattle, Boston or Silicon Valley are investing in intellectual property for 2040? It is too risky. No one can answer all the questions before decisions need to be made. Nevertheless, sharing ten questions and five reasons why **not** to invest might help decision makers. We understand that talent, complexity, and a system's perspective are necessary to create a sustainable national destination for 2040.

Emerging categories for expanding a city's reach:

1. **AI & Machine Learning (Mathematics and Cryptography)**
2. **Industrial & Product Design (Materials and Engineering)**
3. **Feed the World with Tyson (Genetics, Biology & Distribution)**
4. **Intellectual Property (Patents and Trade Secrets)**
5. **A Special Trade Secret (It reshapes the global logistics industry)**

Ten unanswered questions...

1. How can we convince emerging leaders that we can plan for 2040?
2. What are the barriers or major issues that are missing from this proposal?
3. Does it make financial or economic sense to invest in building assets for sustainable American cities in the 21st century?
4. Is there a viable strategy for primary job creation as well as headquarters creation?
5. Will intellectual property be a major driver for economic growth in the late 21st century?
6. Is the "INTEGRATION" of hidden intellectual property a key element in value-adding and commercializing as well as elongating a product life cycle?
7. With limited financial resources to subsidize start-ups, what should be a city's criteria?
8. Which privately held niche companies should be encouraged to scale & create primary jobs?
9. Could a national clearinghouse of hidden intellectual property in the U.S. be profitable?
10. Should local communities create "great companies" or companies to be flipped by venture capital?

Five reasons why not to invest...

1. We do not have all information we need to make major financial commitments.
2. We do not know the ultimate cost to create 21st century organizations and systems.
3. More importantly, we do not know what incentives are required so that serial inventors, universities, and U.S. labs will collaborate and build integrated solutions.
4. We don't know whether organizing high impact talent in skunkworks will produce solutions and 21st century organizations in a timely manner.
5. There are no guarantees that this investment can produce a net positive result or positive cash flow.

"WHICH SANDCASTLE...?"

Nations large and small are still constructing sandcastles alongside the ubiquitous information highway. Dreams and visions are cast in the shape of a sandcastle only to be washed away with each recurring tide or impending storm. But among the grand and magnificent sandcastles on the beach are a few that will withstand the incessant beating of the surf and tide. But which sandcastles should a nation invest in for the 21st century?

Experts are clear, "The information highway is still incomplete." Then why all this fuss? Are there any real opportunities? Where are they? In the infamous words of the frustrated little ole lady on the Burger King fast food restaurant commercial, "Where is the beef...in the hamburger?" Great fairy tales or visions alone do not make viable investments.

At the beginning of the information economy, we all thought the opportunity was computer hardware. We treated it as an end in itself. Only after the industry began making higher profits in software did most of us recognize that the emerging opportunities lie elsewhere. Microsoft demonstrated that control of the future lies with the operating systems. A battle is now ensuing and we, the marketplace, have still not decided yet whether Microsoft's installed base will in fact dictate the future or not.

But where will the next generation of opportunities lie? Like every child with a dream, corporations and nations will build castles in the sand. Then policy makers will wait with anticipation to see which are washed away with the tide and which remain.

But still the question remains, "What is the public good that justifies the allocation of scarce human and financial resources to a Consortia and specific projects rather than so many other worthy programs?" The simple answer for participating is...

the creation of higher paying primary jobs and headquarters results in...

- **Enlarging America's middle class.**
- **Increasing discretionary income of the middle class.**
- **A viable economic engine for city and state tax revenue.**
- **A National Destination for the 21st century.**

Along with each of these benefits, the risk of failure is still real to the U.S. as well as many states. So how can we reduce the risk associated with creating higher paying primary jobs? Is there a new way of thinking about how to create primary jobs?



EVOKE A RESPONSE...IP-LOGISTICS



Why...

We engage 24/7 to access high impact talent, shape and scale their hunches toward innovations which accelerate a city's and America's capability to craft sustainable economies and resilient 21st century democracies amidst diverse cultures.

How...

Expanded National Destination

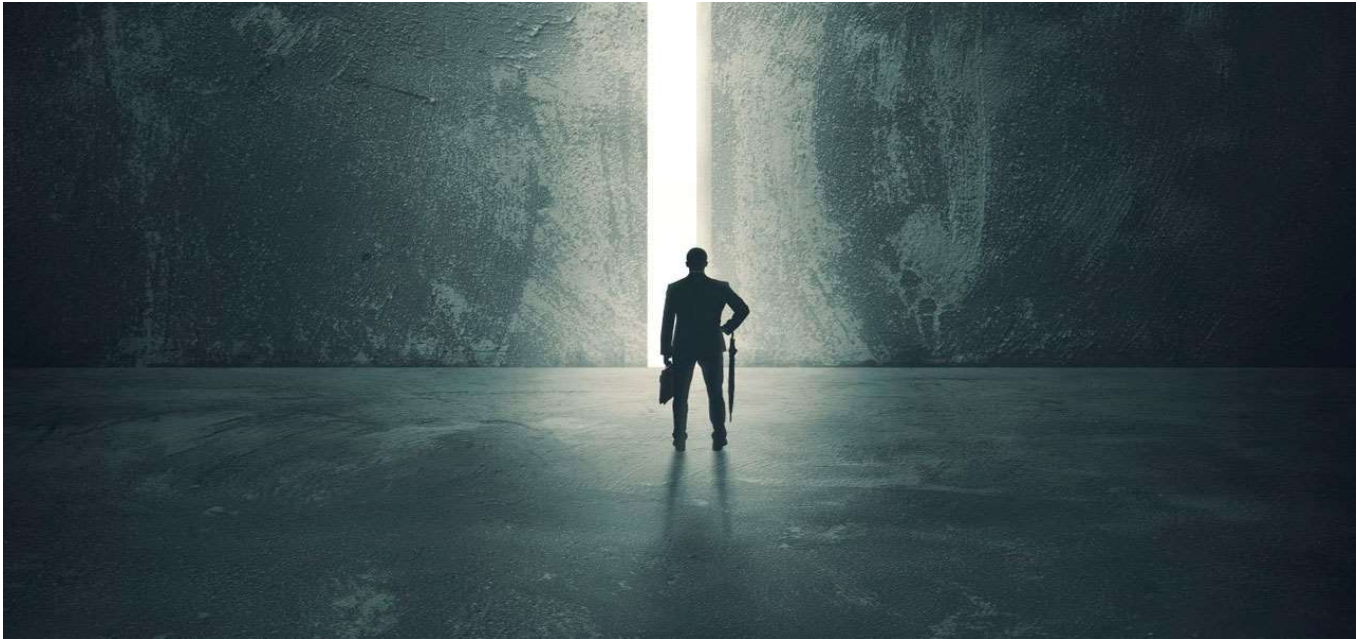
- **Outward Focus** complementing an inward focus.
- **Access "High Impact Talent"** through a distributed system.
- **Influence versus Control...** "Invisible yet Influential".
- **Initiate but collaborate** with next generation innovators.
- **Invest & leverage** sustainable economic assets locally.

What...

"Let...the legacy begin!"

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**LET' ENGAGE WITH
THE VISION FOR...!**

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