INNOVATION ECOSYSTEM IN THE US VIRGIN ISLANDS

Presentation to Growing the Caribbean innovation Economy
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OUTLINE

- HISTORY
- NEW STRATEGY
- SHOWCASING RTPARK CLIENTS
- CONTRIBUTION OF THE UVI RTPARK
- OPPORTUNITIES FOR PARTNERSHIP
UVI RTPARK: HISTORY

Section 1
The University of the Virgin Islands Research and Technology Park (RTPark) established in 2002, as a specialized economic development program to bring investment to the United States Virgin Islands by managing an incentive program and offering other advisory and technical services.

RTPark is a partnership linking the government of the U.S. Virgin Islands, the University of the Virgin Islands (UVI) and the private sector.

The goal of the RTPark is to successfully establish the U.S. Virgin Islands as a premier business destination of choice for firms in knowledge and technology intensive sectors.
- IT and telecommunication network infrastructure in the Territory (up to 200MB speeds and state-of-the-art data center connected to Tier 1 Internet peering point)
- Talent and knowledge in the University of the Virgin Islands and across the wider population
- Flagship 64 West Center building on the Albert A. Sheen campus providing state-of-the-art facilities for UVI and the business community.
- Island lifestyle, natural beauty, rich Caribbean culture and heritage.
UVI RTPARK 2.0: VISION & NEW STRATEGY

Section 2
FOCUS ON HIGH GROWTH CLUSTERS

- **Health and medicine**, including medicinal devices, personalized medicine applications, wellness and healthcare management

- **Energy** research and system deployment, including renewable and clean technology systems, energy efficiency solutions, and energy management

- **Marine science** related products, devices and services

- **Sustainability** solutions and systems

Deepening activity in high growth areas of telecommunications and information technology including:

- applications service provision
- Internet advertising
- software development
- software-as-a-service
- e-commerce
- interactive media management
- content development and
- data hosting and data management
Screen for quality and focus on impact investors

Clarify the value proposition
- Tax incentives, rule of law, US jurisdiction, stable regulatory environment
- Lifestyle advantages of the US Virgin Islands
- Opportunity to give back to society

Undertake focused search and scan

Align and partner with the Virgin Islands Office of the Governor, other economic agencies and private sector bodies
PRIMARY ECONOMIC CONTRIBUTION:
INCREASED LOCATION ATTRACTIVENESS

First Order Value & Benefits
- Indirect and direct employment
- Direct expenditure on homes, offices, operational expenditures
- Tax revenues collected
- Investment in infrastructure
- Investment in skills and capabilities

Second Order Value & Benefits
- Diversification enhanced
- Dynamic competitive advantage increased
- Technology generation
- Knowledge exchange
- Improved resource utilization and productivity
- Multipliers and backward linkages
RTPARK CLIENT GROWTH
2006-2016

Source: UVI RTPark Client Database 2016
Client Base Classification

- eCommerce: 6 clients
- Management consulting/Advisory/Investment/Venture Capital: 5 clients
- Telecom/Infrastructure: 4 clients
- Market research, business intelligence and specialist products: 3 clients
- Internet advertising: 3 clients
- Software development, design and applications: 2 clients
- Project management/Application service providers: 2 clients
- Pharmaceutical research and development: 1 client
- Intellectual Property (IP) management and advisory services: 1 client
- Health care management systems: 1 client
- Energy trading: 1 client
- Asset management and security: 1 client

Source: UVI RTPark Client Database, 2015.
SUSTAINABLE AND RESPONSIBLE INVESTING IN THE UNITED STATES 1995-2014

$ BILLIONS

1995 1997 1999 2001 2003 2005 2007 2010 2012 2014

ESG INCORPORATION ONLY
SHAREHOLDER RESOLUTION ONLY
OVERLAPPING STRATEGIES

SOURCE: US SIF FOUNDATION
INFLUENCE OF DEMOGRAPHIC CHANGE
USVI KNOWLEDGE-INTENSIVE FIRMS

- 13D Research
- Broadband Virgin Islands
- Island Time Concierge
- Intellectual Global Concepts
Committed to values based investing and giving back

13D and the University of the Virgin Islands:
Pledged $5 million to enable the University of the Virgin Islands to establish and endow the Kiril Sokoloff Distinguished Professorship in Entrepreneurship and the 13D Entrepreneurship Student Competition.

In a world of too much information, in which change is exponential and uncertainty rife, 13D seeks to:
- Interpret the “Big Picture”
- Inspire curiosity
- Filter the “noise”
- Identify market anomalies through contrary thinking

13D Research specializes in providing investment research for money managers all over the globe - with its sole office located on St Croix.
Weekly flagship research publications, “What I Learned This Week” and “What Are The Markets Telling Us?”, helps clients navigate complexity in a volatile investing environment.
BBVI was founded to provide high speed internet connectivity to the people of the U.S. Virgin Islands. The company was one of the first clients to join the RTPark program. It has grown organically to 7,500 customers across all three islands, 29 employees and 15 subcontractors.

“Broadband VI grew out of frustration of not being able to get broadband in my house. I researched and felt the need to find a better way to address the problem”. Michael Meluskey – BBVI Founder

Enterprise Class Internet Features

- Symmetrical Connectivity: Symmetrical dedicated Internet bandwidth, configurable from 2Mbps to 100Mbps.
- IP Addresses: Static IP addresses assigned based on American Registry for Internet Numbers (ARIN) guidelines and customer justification.
- Domain Name System (DNS): Includes primary and secondary DNS service – Broadband VI will assist customers in transferring existing domain names.
- Wide Area Networking (WAN): Connect multiple locations throughout the Territory.
Intellectual Global Concepts LLC ("IGC") is a Technology, Media and Entertainment company operating out of the USVI with a focus in the following business categories:

- Music
- Entertainment
- Fashion
- Hospitality
- Concert Promotions

INTELLECTUAL GLOBAL CONCEPTS LLC (USVI) LLC
Island Time Concierge, LLC (ITC) is a technology company that builds various platforms for the service, retail and transportation industry.

The first product launched is an online delivery service on St. Croix similar to GrubHub under the brand name STXDelivery.com.

Other types of retailers will be added to the online platform to include Supermarkets, Office Supply Stores, Hardware Stores, Mail Service, and Pharmacies.

ITC developers created abstractions for low-level interaction and animation, advanced effects and high-level, theme-able widgets. This contributes to the creation of a powerful and dynamic platform for ITC’s clients. The system is readily scalable and easily expandable.
In 2015, RTPark undertook a baseline study focused on narrow objectives of contribution to UVI.

In 2016, efforts to expand to define, measure and assess impact on the Territory of the RTPark program including working with UVI on a planned workplace skills survey.

Strengthening compliance, monitoring and evaluation systems in the RTPark program on the de jure aspects of the tax incentive program as well as broader objectives.

Economic Benefits

Investment in society: workforce pipeline, skills development, community partnership

Locational attraction and increased awareness of the US Virgin Islands as an investment destination

Technology and knowledge generation and exchange
RTPark clients make direct contributions to UVI and this builds a workforce pipeline, facilitates knowledge exchange

- RTPark clients make other charitable contributions
- Projects of the RTPark HQ that benefit the community
- Partnerships between RTPark and community organizations
RTPark clients have legally binding commitments to UVI. Commitments can be categorized into ten (10) partnership types for the university:

1. Student Engagement/Workplace Learning Opportunities (Internships/Fellowships)
2. Scholarships
3. UVI Graduate Employment Program
4. Faculty Engagement (e.g. Research, Medical School, Curriculum Enhancement)
5. Special Projects (e.g. Innovation Center, 13D Student Entrepreneurship Competition, Hackathon, Business Design Grant)
6. Operational Assistance / Advice (based on client expertise)
7. Participation / Knowledge Exchange
8. Distinguished Lecture Series
9. Direct Provision of Telecommunication & IT Services
10. Endowments & Gifts
RTPARK CLIENTS FOCUS ON STUDENTS

- **01. Student Engagement / Workplace Learning Opportunities**: 25%
- **02. Scholarships**: 23%
- **03. UVI Graduate Employment Program**: 3%
- **04. Faculty Engagement**: 7%
- **05. Special Projects**: 15%
- **06. Advice/Operational Assistance**: 8%
- **07. Participation/Knowledge Exchange**: 8%
- **08. Distinguished Lecture Series**: 0%
- **09. Direct Provision of Telecommunication & IT Services**: 7%
- **10. Endowments & Gifts**: 4%

Source: UVI RTPark Client Database 2015
The FUTURE of WORK

- We can't predict human behaviour
- Knowledge knows no borders
- Faster technology

...is the future here already?

- Innovation has been decentralised
- Manual non-routine jobs will survive

- Work is an enabler & a disruptor
- Workplace as an attractive experience

- Work is about people (us)
- Demand for wellbeing
- Professional hotel experience
- Empowerment of the individual

Duh! We use!

Moving towards equality throughout
The rise of the individual
Innovation Ecosystem

RTPARK CAN FACILITATE CHANGE IN COMPLEX AND CHALLENGING SETTING
RTPark clients make an important economic contribution and also invest in society and quality of life.

RTPark HQ has demonstrated financial strength and financial integrity.

RTPark program is delivering strong growth and contributing to diversification, which strengthens the economic fundamentals in the Territory.

RTPark alignment and engagement with key interest groups in society is an example of good corporate citizenship.

RTPark is a specialist FDI program that showcases the US Virgin Islands changes the perception of the Territory and significantly enhances its prospects.
PARTNERSHIP OPPORTUNITIES

Section 5
WHAT'S NEEDED

- Greater collaboration with national programs to build technical workforce including US Dept of Commerce, USAID, AAAS, NAS
- Support for curriculum renewal and strengthening UVI as a major force for innovation inputs in the USVI (talent, knowledge, equipment, laboratories, communications infrastructure)
- Recognition of the important role of the US Virgin Islands in facilitating partnership with the rest of the greater Caribbean, especially Puerto Rico, Dominican Republic and Cuba
- Making use of the USVI as an important site for policy exploration and experimentation on understanding the nature of the impact of technological change on work opportunities
- Expanding programs for community engagement with science, technology and innovation into the USVI
- Successful model of industry-university partnership that can be deepened and extended through curriculum development and other modes of collaboration
SPECIFIC OPPORTUNITIES

- Exchanges with and secondments to the RTPark from national policy making institutions, think tanks, and universities
- Financial capital as pooled funds to support onshore economic diversification in the US Virgin Islands and as an outlet for underutilized investable funds in the RTPark network
- Involvement with a national network of service providers working to promote the US Virgin Islands as ready for technology and knowledge-intensive business