MIT REAP: Achieving Economic Growth Through Innovation-Driven Entrepreneurship

MIT Regional Entrepreneurship Acceleration Program (MIT REAP)
Martin Trust Center for MIT Entrepreneurship
www.reap.mit.edu

Program Overview – MIT REAP

The **MIT Regional Entrepreneurship Acceleration Program (MIT REAP)** is a hybrid educational, economic development and convening program at the Massachusetts Institute of Technology (MIT) to enable regional leaders to accelerate economic growth and job creation through innovation-driven entrepreneurship (IDE)[1]. Partner regions engage leaders from five stakeholder groups (government, risk capital, academia, entrepreneurs, and industry) with MIT faculty over a two-year period to leverage MIT expertise and frameworks, develop a customized IDE acceleration strategy and start the implementation process. Importantly, regional leaders, not MIT faculty, determine what needs to be done and how best to achieve their goals.

Global in focus, the program allows MIT to engage deeply with regions around the world, observe how frameworks are applied in practice, and learn from (and disseminate) ecosystems' best practices and lessons learned. Participants learn by doing and benefit greatly from both MIT and cohort knowledge and mentorship. Now in its third year, MIT REAP has engaged over 15 regions around the world[2] and is already seeing a preliminary and positive impact. Region graduates have released actionable strategic plans for entrepreneurial acceleration[3], catalyzed the development of nascent entrepreneurial ecosystems[4], and launched new IDE acceleration programs[5][6].

Key Characteristics – MIT REAP

MIT REAP's approach is different from typical educational programs or economic development consulting partnerships. Rather than isolated educational experiences, the program engages 8-10 partner regions in four action-learning cycles over a two-year period. Each partner region sends a team of 5-8 highly driven and influential members representing the region's five major stakeholder groups (government, risk capital, academia, entrepreneurs, and industry), headed by a regional champion. Each cycle involves hands-on, interactive 3-day workshops interspersed by action phases. In contrast to a consulting agreement, in which outside experts instruct a region on how to operate, MIT REAP uses frameworks built upon MIT faculty research and practice, enabling participating regions to build their internal capability to develop and implement strategies customized to their strengths and opportunities.

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[1] Innovation-Driven Enterprises (IDEs) pursue global opportunities based on bringing customers new innovations that have clear competitive advantage and high growth potential. By innovation, we mean new-to-the world ideas in the technical, market, or business model domain. IDEs are distinct from SMEs. As noted in Murray and Aulet in A Tale of Two Entrepreneurs "policymakers and pundits who use entrepreneurship as a "catch-all" phase to capture a single economic activity make an important mistake. There are two distinct types of entrepreneurship (IDEs and SMEs) with different economic roles, requiring individually tailored policies to support each."

[2] Cohort 1 members (2012-2014) included: Scotland (UK), Finland, New Zealand, Andalucía (Spain), Hangzhou (China), Veracruz (Mexico) and Istanbul (Turkey). Cohort 2 members (2014-2016) include: London (UK), Singapore, Seoul (South Korea), Qatar, Moscow (Russia), Morocco, Puerto Rico (USA) and Valencia (Spain). http://reap.mit.edu/#partner-regions

[3] Team Scotland release a report that highlights a strategy to enhance Scotland's systems for supporting entrepreneurial activity, based on results and recommendations of their participation in REAP. See here for a link to the executive summary and full report: http://www.hie.co.uk/business-support/entrepreneurship/mit-reap/default.html

[4] For example, Team Hangzhou champions, Zhang Jie and Fang Yi, were recently celebrated in the following NYT article for playing a lead role in the development of the Hangzhou entrepreneurship ecosystem: http://dealbook.nytimes.com/2014/09/18/alibaba-with-its-i-p-o-mints-millionaires-and-risk-takers/?_r=1

[5] Team Veracruz launched a successful innovation-driven program to enhance entrepreneurship throughout Veracruz. See here for a link to the iLab website: http://www.ilab.net/

[6] Team Finland launched Finland's Innovative Cities Program to create internationally attractive innovation clusters in Finland based on top-notch talent. See here for more information: http://www.tekes.fi/en/programmes-and-services/tekes-programmes/innovative-cities/

This integrated experience helps regions to:

- **Understand** the current state of their IDE ecosystem - their strengths, weaknesses and comparative advantage- through the lens of systematic MIT frameworks
- **Develop** a customized and actionable strategy to strengthen their comparative advantage and enhance their IDE ecosystem
- **Engage** with the local and global thought leaders and doers necessary to ensure successful creation and implementation of their strategy
- **Implement** programmatic and policy tools for accelerating innovation-driven entrepreneurship and job creation in their region

MIT REAP builds on MIT's extensive scholarship and practical experience in generating innovation and entrepreneurship. Not only does MIT faculty include world leaders in innovation science[7], the ability for MIT's faculty, students and alumni to generate patents and launch sustainable high growth firms is unprecedented[8].

MIT REAP provides a platform for sharing this knowledge and experience through engaging a diverse group of MIT faculty, each bringing a different set of perspectives and expertise to the table, from the economist and policymaker to the entrepreneur[9]. At the same time, the diversity and stature of MIT REAP team members empowers each team to catalyze real change. The program's design ensures that team members fully represent the stakeholders that inform and influence regional strategy. As established leaders in their communities, team members are also well-positioned to ensure

that the programs and policies that bolster the innovation-driven entrepreneurial ecosystem are effectively implemented, and sustained.

MIT REAP teaches regions to strengthen their areas of comparative advantage[10]. Taking a systems-level perspective, MIT REAP emphasizes the critical inputs to a robust IDE ecosystem, including the region's innovative and entrepreneurial capacity; its people, culture, resources and infrastructure; its linkages among stakeholders; its dominant clusters; and its legal institutions. Regions identify strengths and weaknesses across these critical inputs and then target policies and interventions where they are most needed. Interventions include programs, such as prizes, accelerators and Diaspora programs, which MIT research has shown can play an instrumental role in accelerating innovation-driven entrepreneurship[11].

The regions' experience is enhanced by the cohort model[12]. Regional teams participate in their IDE acceleration experience together as a group or cohort of 8-10 over a two-year period. At each stage of the program, they commit to a certain set of deliverables, and are accountable not only to MIT faculty but also to their cohort peers. Teams share experiences and learn from and motivate each other. By engaging with the program, MIT faculty and each other, MIT REAP regions are empowered to effect real and lasting change.

Established through many years of experience of teaching and mentoring students and

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[7] See here for a selection of innovation-focused MIT faculty and publications: http://reap.mit.edu/resources/
[8] See here for a report on Entrepreneurial Impact of MIT: http://ilp.mit.edu/media/webpublications/pub/literature/Entrepreneurial-Impact-2011.pdf
[9] See here for a list of core REAP faculty and supporters: http://reap.mit.edu/#our-team

[10] See here for a recent presentation by Prof. Scott Stern on "Investing in your Regional Comparative Advantage": http://www.slideshare.net/TCINetwork/tci-2014
[11] For example, see here for a recent publication by MIT REAP faculty on Grand Innovation Prizes (GIPs): http://www.sciencedirect.com/science/article/pii/S004873331200217X
[12] A cohort model typically refers to a group of people who enter and participate in a program together and remain together throughout its duration.

regional ecosystem leaders, the key characteristics of MIT REAP (as highlighted in Table 1), are integrated into MIT REAP by MIT faculty to ensure effective learning and implementation of regional IDE strategies. Each design element may not be unique in isolation but together form the unique foundation of MIT REAP and are core to the success of the program.

TABLE 1: Summary of MIT REAP Core Design Elements

MIT REAP Core Design Elements	
Emphasis on innovation-driven entrepreneurship (IDE)	✓
Emphasis on systems view (based on MIT framework)	✓
Emphasis on programmatic & policy interventions (PPIs)	✓
Structured 2-year journey that involves elements of education, strategy development & implementation	✓
Action-oriented approach	✓
Multi-stakeholder team and community engagement (including government, risk capital, academia, entrepreneurship community, and industry)	✓
High engagement of faculty with diverse expertise and perspectives	✓
Focus on a region's comparative advantage	✓
Use of cohort model to ensure consistency, collaboration and accountability	✓
Best practice based on rigorous academic research and practical experience of running programs	✓

ADMISSIONS PROCESS - 2015

- A regional team must first complete an MIT REAP application form (see www.reap.mit.edu). For the initial application, the team must have identified its regional champion and secured a funding source (MIT tuition: $250,000).
- 8 regional teams will be selected by MIT faculty to complete an MIT REAP cohort
- Teams will receive an admissions decision and, if successful, will sign a Letter of Agreement (LOA) to secure its spot in the next cohort.
- Team members will be assembled and finalized, and will submit a list of core members to MIT REAP. Each team must have at least 1 representative from the following 5 stakeholder groups:
  - o Academia
  - o Industry
  - o Government
  - o Risk Capital
  - o Entrepreneurship community
- Teams will submit the first tuition payment.
- Teams will hold initial local regional meetings and complete preliminary work.
- All 8 teams will attend the first workshop at MIT.

TIMELINE – 2015

We are currently receiving applications for MIT REAP Cohort 3. Application deadline has passed, but if you are still interested please contact us. Teams are encouraged to start meeting locally by early September 2015. The first workshop launches on October 21st -23rd 2015 at MIT. The tentative schedule for the remaining workshops is: Workshop 2 in Spring 2016, Workshop 3 in Fall 2016, and Workshop 4 in Fall 2017. Teams are expected to schedule local meetings and calls in between workshops and determine a timeline as necessary to meet their needs. Each team schedules 2 virtual check-ins with REAP faculty between workshops to ensure continued momentum.

For further information on MIT REAP, please visit the MIT REAP website (www.reap.mit.edu) or contact Sarah Jane Maxted, Executive Director, MIT REAP (sjmaxted@mit.edu).