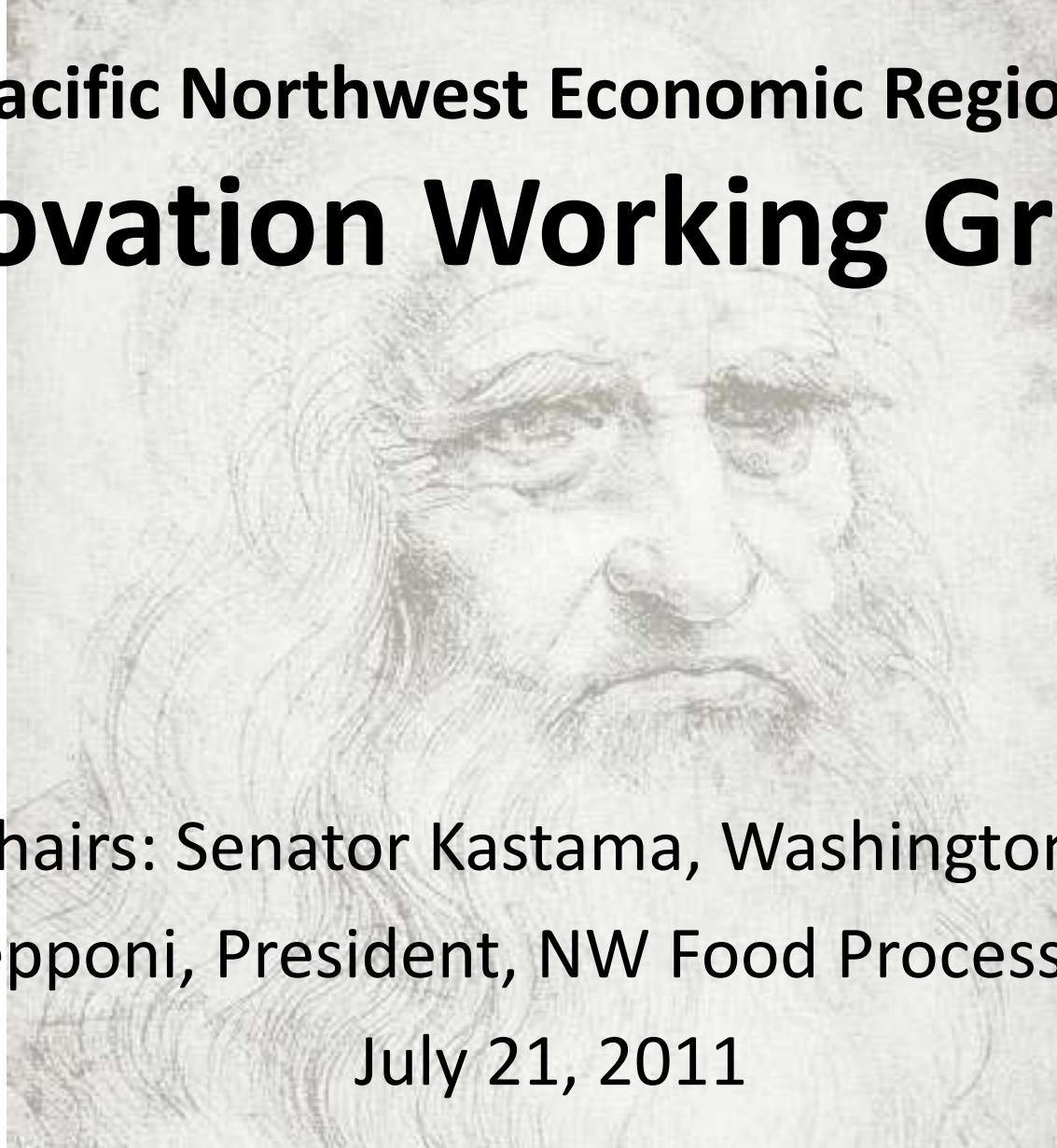


# Pacific Northwest Economic Region Innovation Working Group

Co-Chairs: Senator Kastama, Washington State  
Dave Zepponi, President, NW Food Processors Assn.

July 21, 2011



*Pacific NorthWest  
Economic Region*



# Aligning for Innovation

## The NWFPA Story

Verifying the need for a systematic approach to  
encourage a vibrant innovation ecology

David Zepponi  
July 21, 2011



# Food processor research validates the need for an innovation strategy...



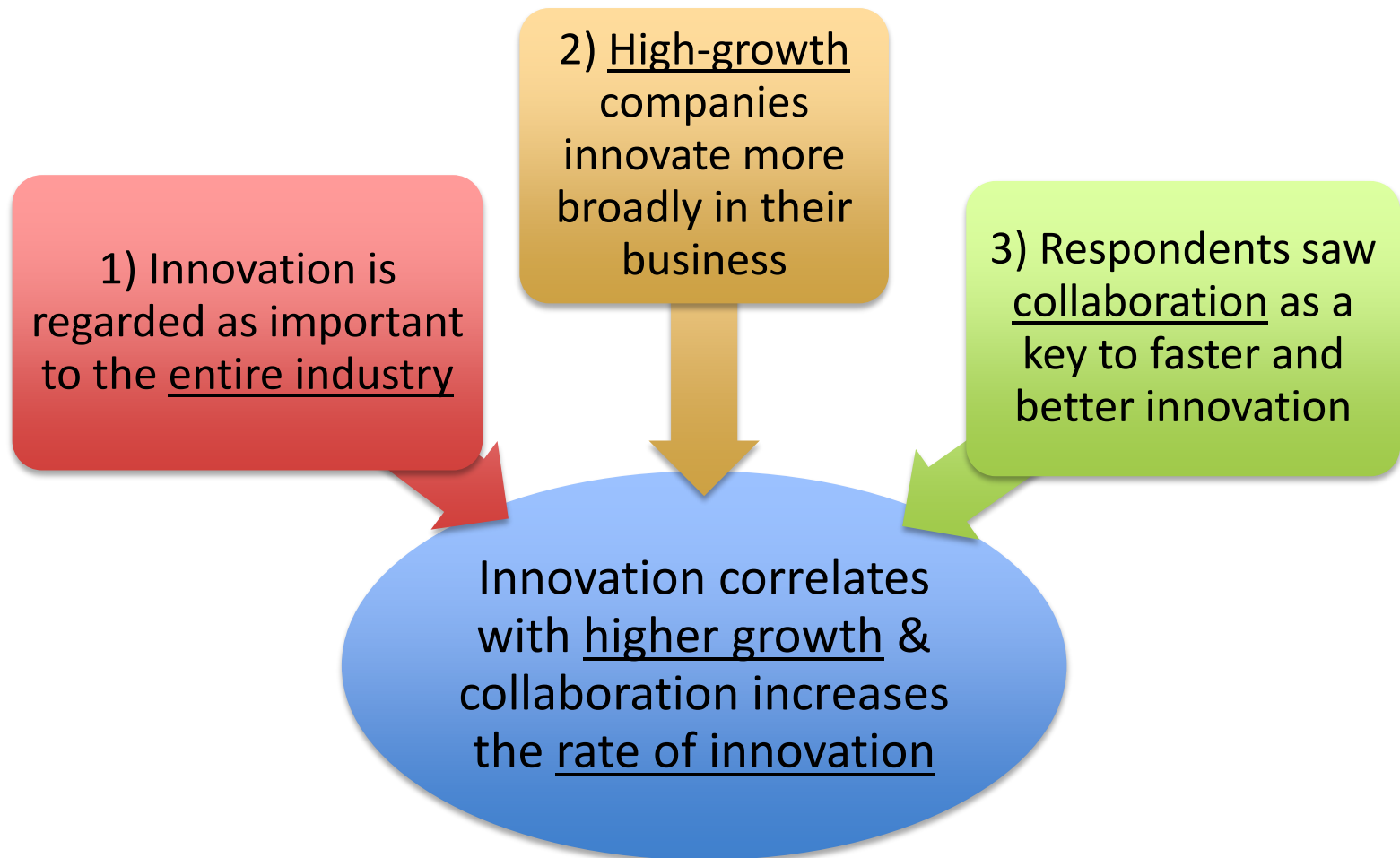
Could we improve the rate of innovation among food companies in the NW?

What do high-performing food industry companies do differently than their peers?

What role does innovation play in a food company's success?

Can we predict job creation?

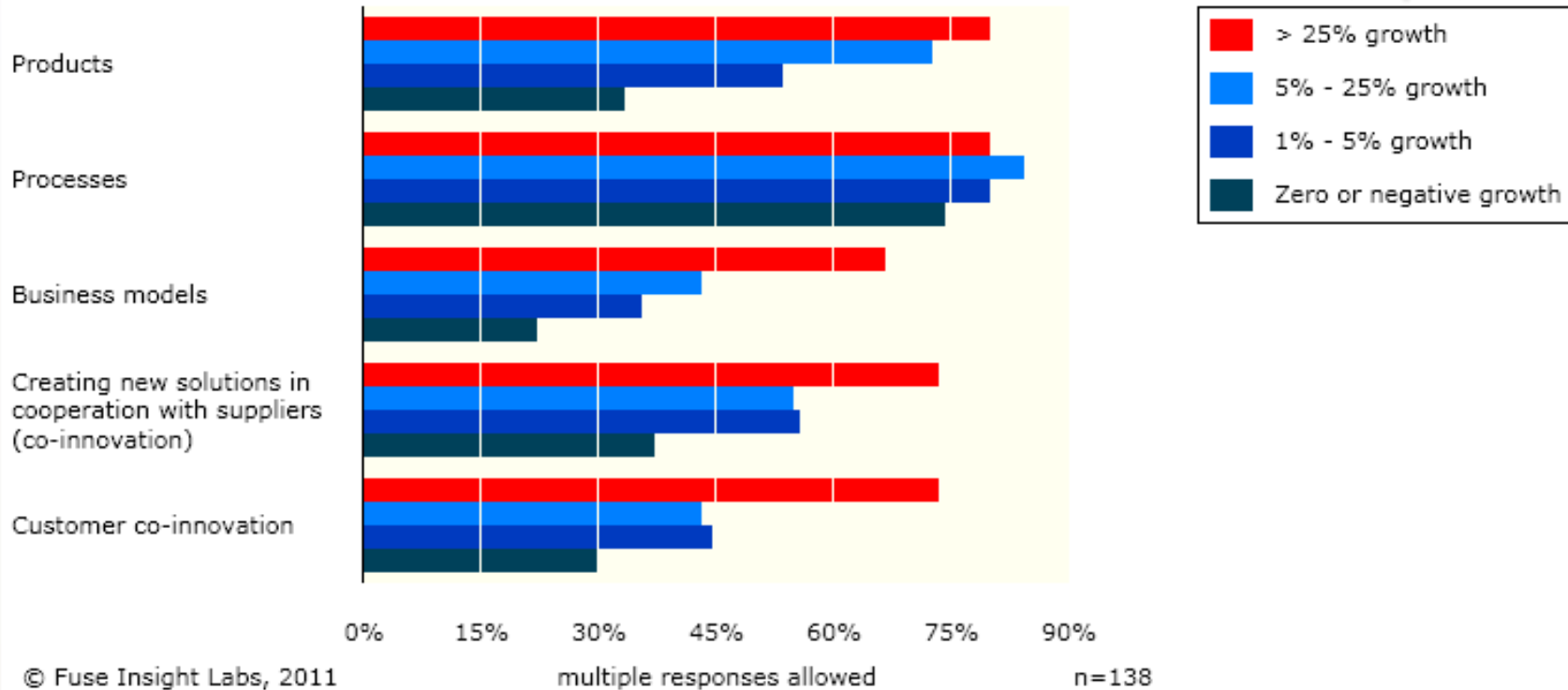
# Survey finds innovation ecology supports cluster-wide prosperity and job creation:



# We learned that innovation & company growth are clearly linked.



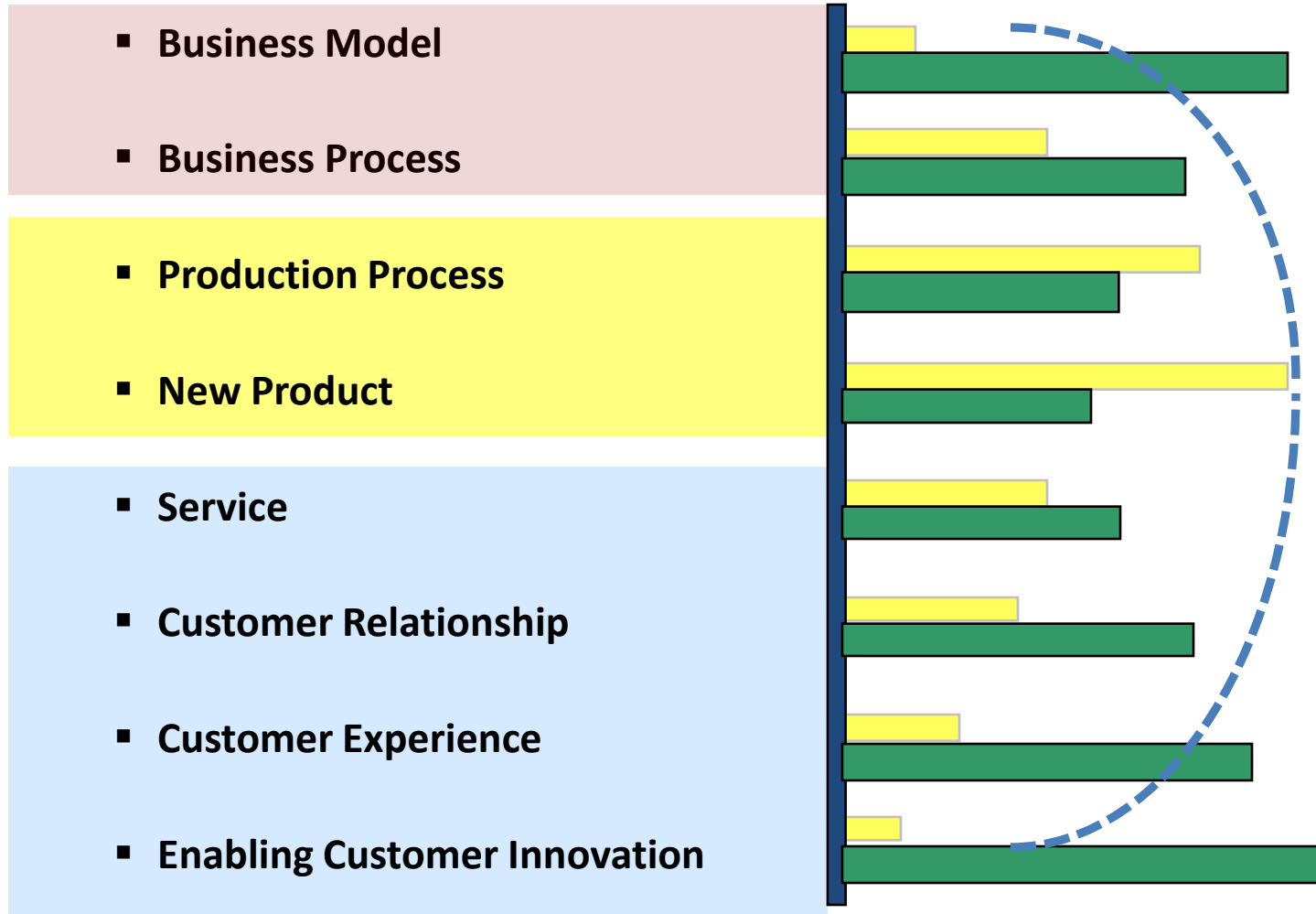
Do you apply innovation to any of the following areas?



# Investment vs Return

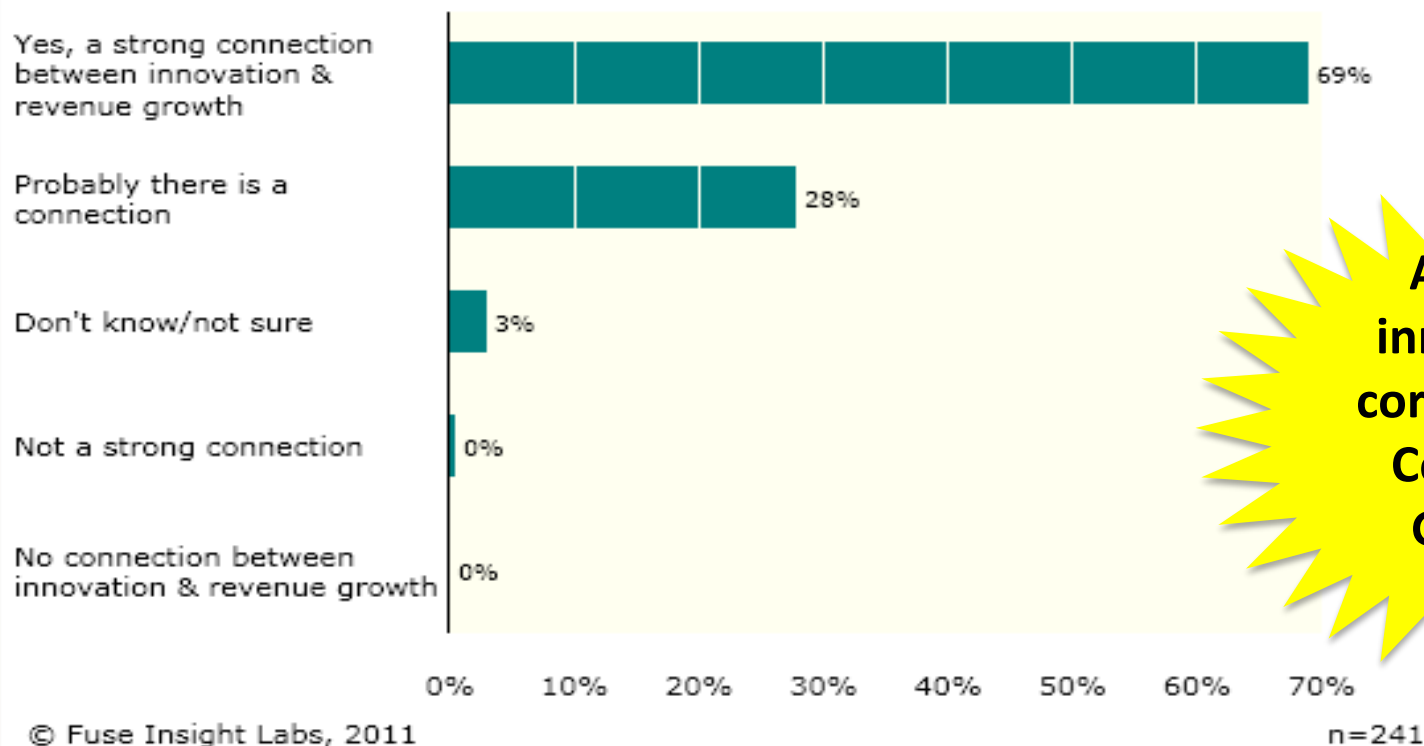
 Current INVESTMENT

 Potential RETURN



# ... and confirmed innovation practices link to revenue growth

**Based on your experience, do you think there is a connection in food industry between innovative practices and revenue growth in companies?**



**Applied  
innovation  
correlates to  
Company  
Growth**

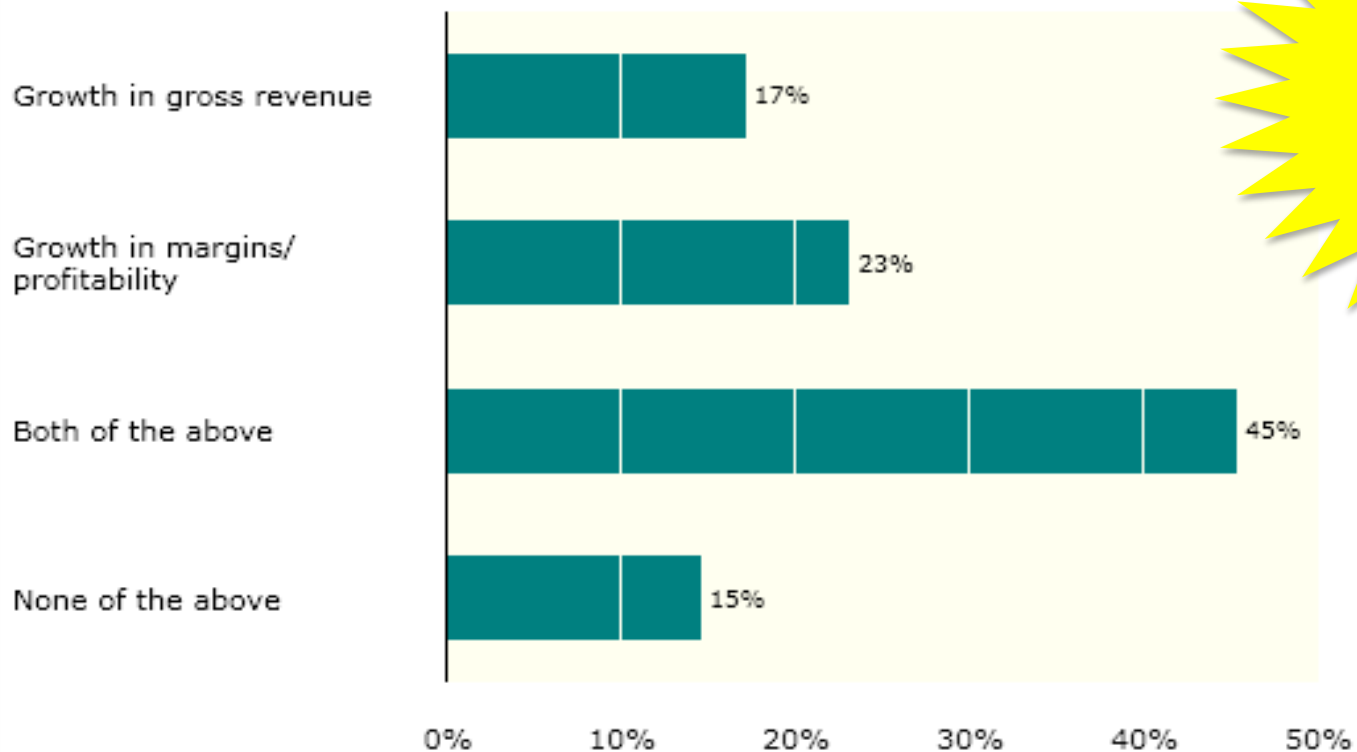
**“Innovation is the *building block* for a strong business in a bad economy.”**

**“Without innovation we would not see industry move closer and closer to being more green & we would not be able to grow without innovative ideas to help create new products, new processes, and new jobs. In short, innovation is the building block for a strong business in a bad economy.”**

**~ Survey respondent**

# Revenue growth leads to job creation and community prosperity:

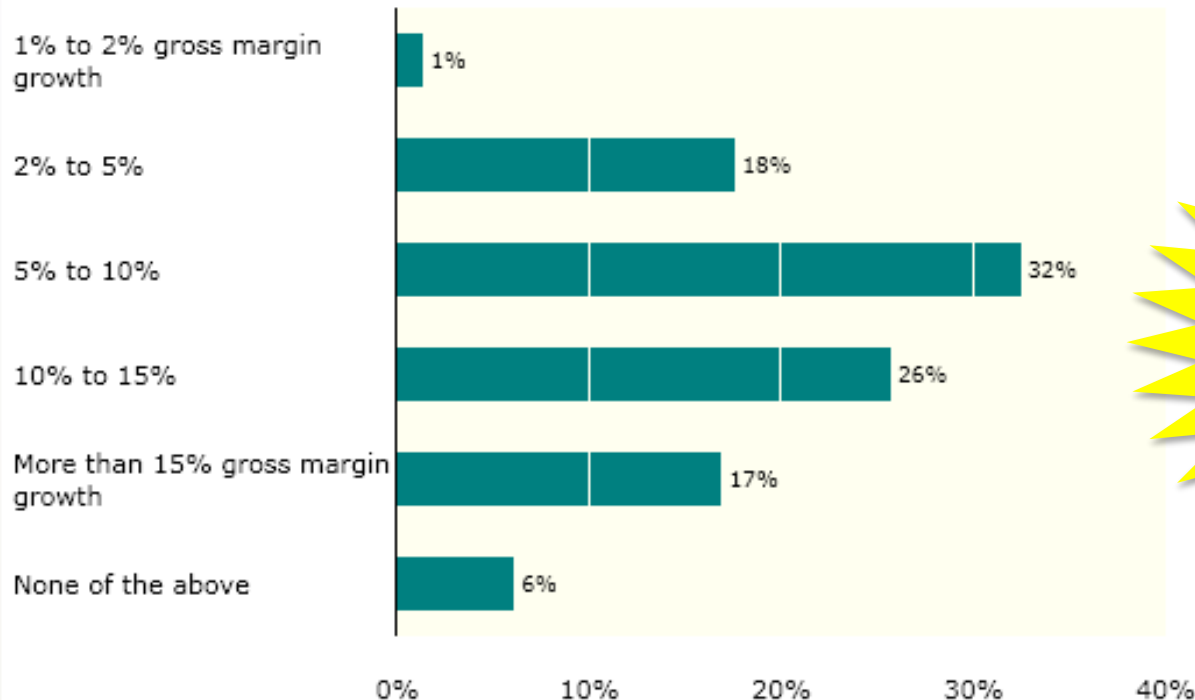
Given your current business operations, what type of growth would cause you to hire additional employees this year (2011)?



**Combined  
revenue and  
margin  
growth  
creates jobs**

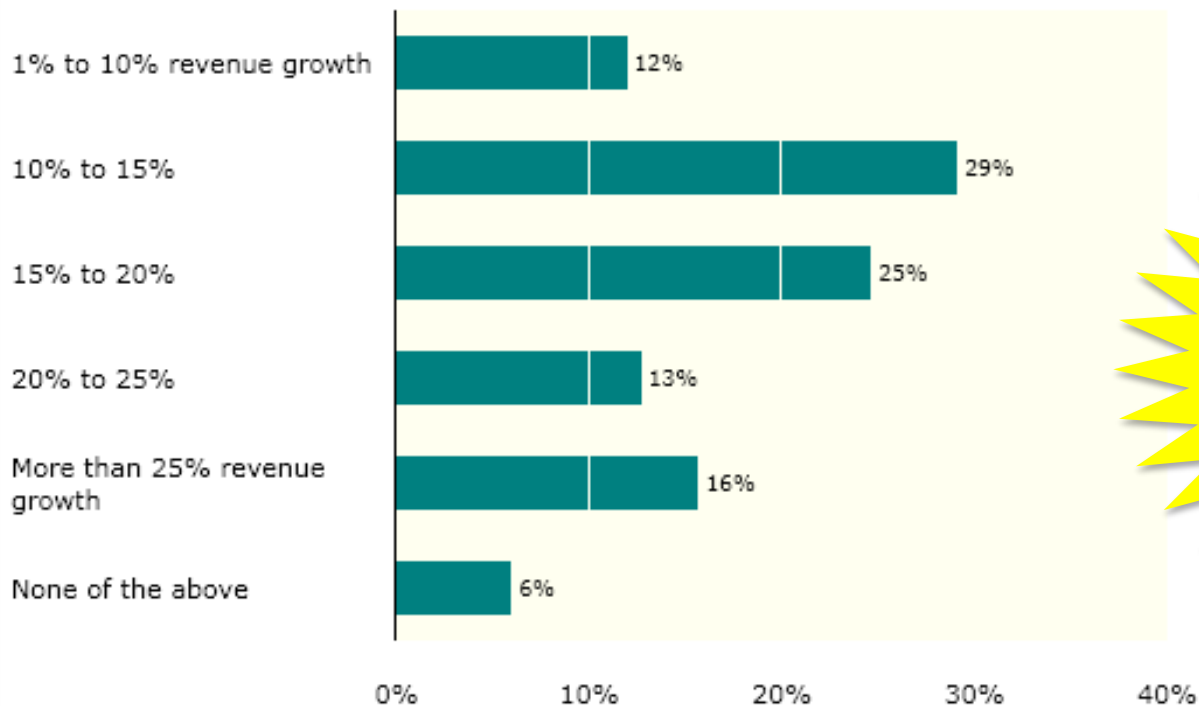
# A majority of respondents would hire additional workers with 10% growth in margins...

**What level of growth in your margins would make you start thinking about hiring additional employees?**



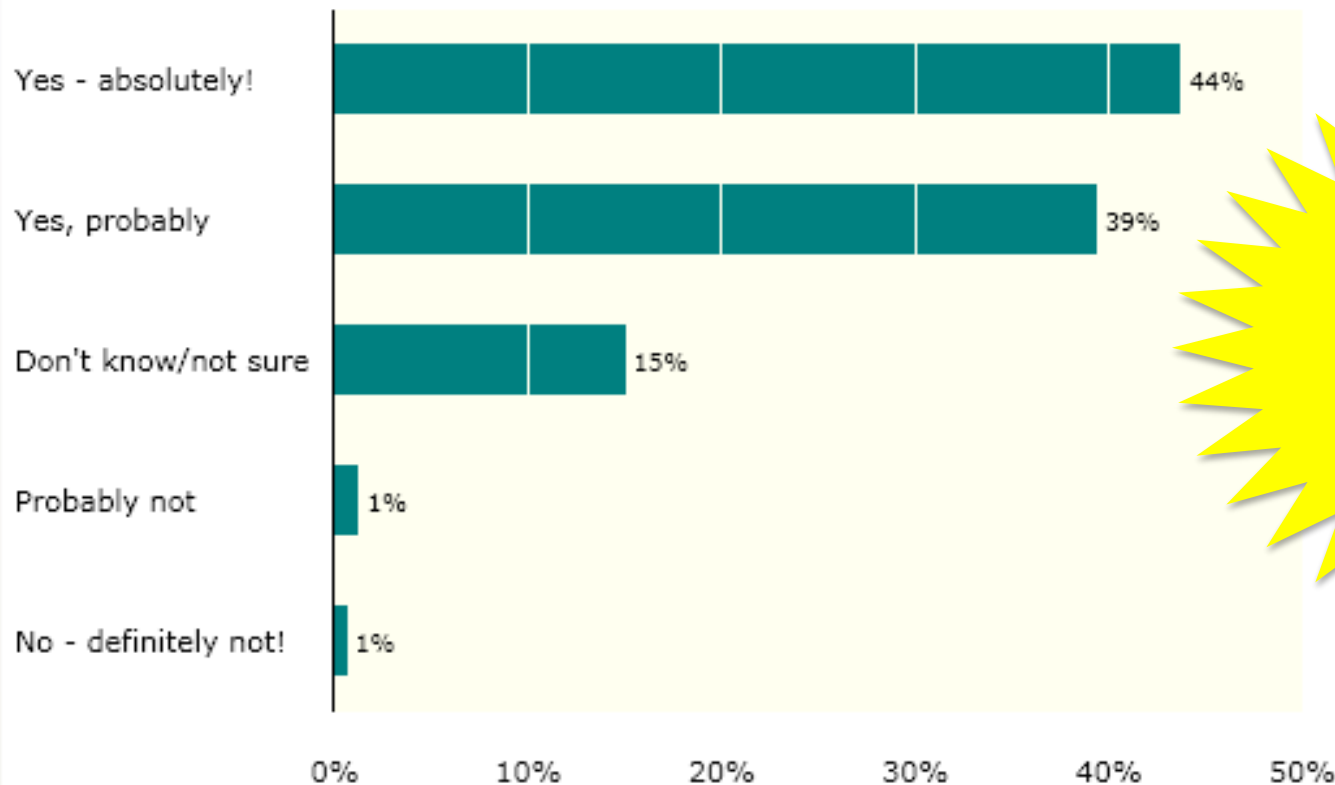
...and a majority of respondents would hire additional workers with 20% growth in revenues:

**At what revenue growth mark would you start thinking about hiring additional employees this year?**



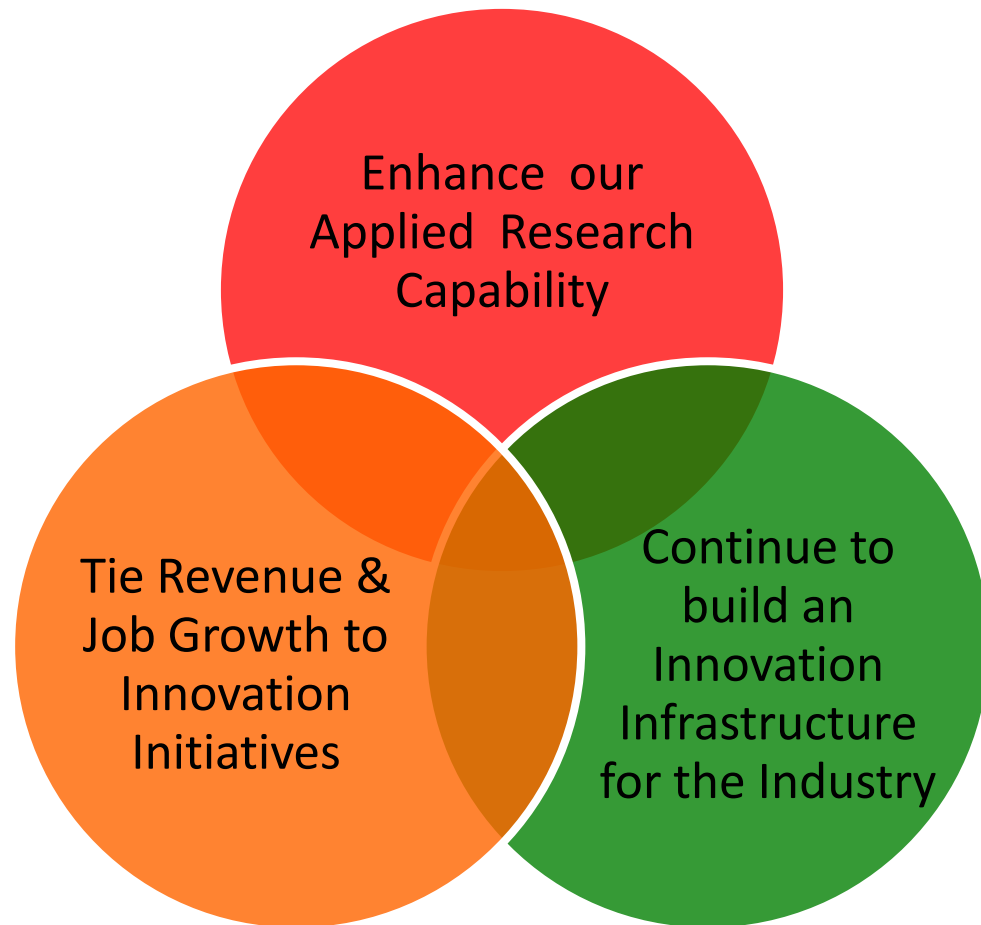
# Industry stakeholders think more collaboration is important...

**Do you think that there is an opportunity for more collaboration, information sharing and partnership among food companies, their suppliers and customers?**



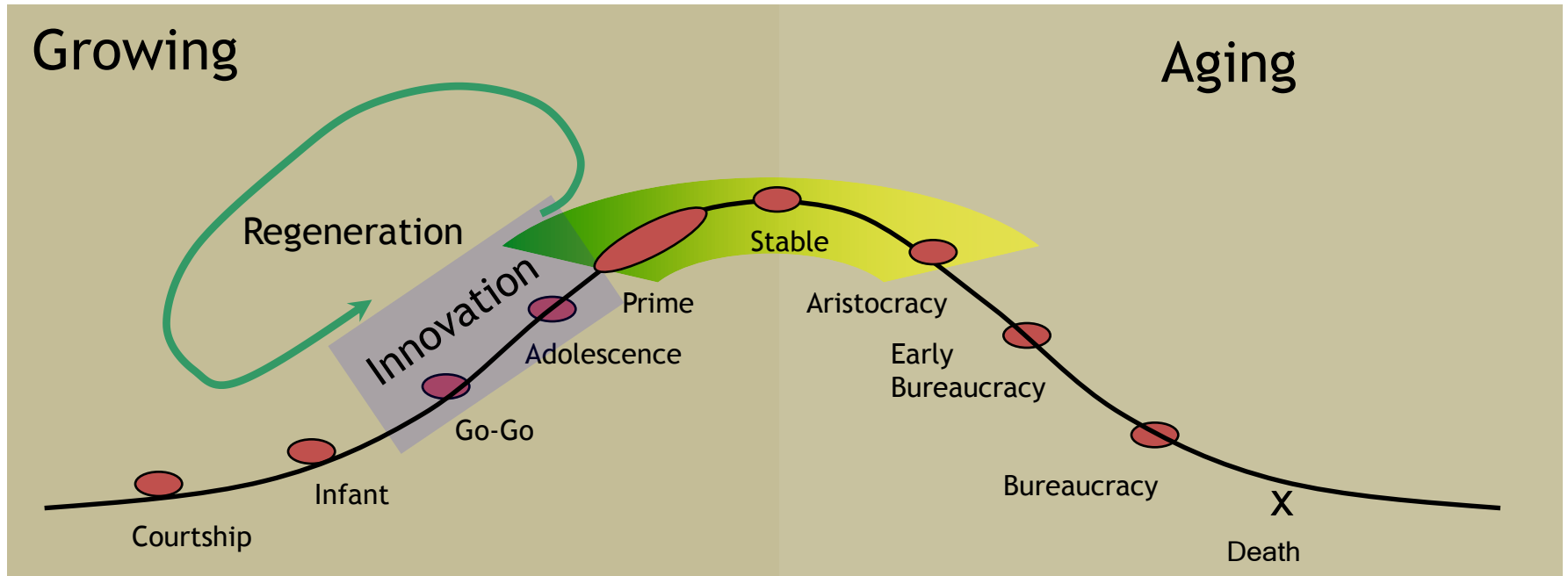
Innovative practices can be spread through collaboration

Findings enabled NWFPA to validate their investment in a regional innovation cluster strategy:



# Productivity and Innovation

Drive Economic Success & Build Acceptance  
(Adizes curve)



# PNWER's Innovation Working Group has the opportunity to develop our regional innovation ecology

Encouraging  
Global Competitiveness  
Through Collaboration and Sound Innovation Policy  
Resulting in Regional Prosperity

