The Oxford to Cambridge Arc

Struggles in Partnership!
(A short Play in three Acts)

Dr. Nicholas J.O. Miles
Executive Director
Oxford to Cambridge Arc Ltd

'OEDC workshop on partnerships for development and diffusion on innovation’, TRENTO, Italy, 30.01.08 – 01.02.08

What is the O2C Arc Initiative?

- Established in 2003 by 3 regional development agencies (SEEDA, EEDA and EMDA)
- The ARC vision was demanding,

  “to create one of the most successful knowledge based economy in Europe, with world leading aspirations”.

- The Arc organisation works with public and private sector representative of the knowledge community (e.g. HEIs, high technology companies, government) in order to implement the vision. The Arc is a public-private partnership initiative.
- But - Budget small; two people employed (part-time) in 2003
Where is it? - Within the Greater South East region of the UK, and North of London

- Greater South East is THE economic Powerhouse of the UK and one of THE powerhouses of Europe.
- Huge assemblage of high technology companies, world class HEIs and highly skilled human capital in the O2C Arc.
- Next door to Europe’s major Global City - London

What does it do? Responding to Globalisation & Promoting the KBE by:

- Promoting collaboration amongst the stakeholders thereby aiming to:
  - Overcome the ‘critical mass’ problem by collaborating domestically and internationally
  - Secure a key position within global innovation-industrial platforms and the ‘global network of innovation regions’
- Highlighting complementarity within the Arc area – e.g. IP generating ‘poles’ (Oxford and Cambridge) and technology using / business muscle O2C Arc centre
- Building a Common Sense of Purpose for the O2C Arc area, and benchmarking against peer group.
The O2C Arc is a ‘research environment’ that is second to none in the World.
The O2C Arc’s applied research activities are second to none in the World.

Mix Superb Research and Innovation Assets and Lifestyles Advantages – get DEAL-FLOW!

<table>
<thead>
<tr>
<th>Company Name</th>
<th>Acquirer</th>
<th>Date</th>
<th>Deal Value (£m)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cambridge Antibody Technology Plc</td>
<td>AstraZeneca Plc</td>
<td>May-06</td>
<td>642</td>
</tr>
<tr>
<td>KuDOS Pharmaceuticals Ltd</td>
<td>AstraZeneca Plc</td>
<td>Jan-06</td>
<td>121</td>
</tr>
<tr>
<td>Arakis Ltd</td>
<td>Sosei Co</td>
<td>Aug-05</td>
<td>107</td>
</tr>
<tr>
<td>Active Hotels Ltd</td>
<td>priceline.com Inc</td>
<td>Sep-04</td>
<td>90</td>
</tr>
<tr>
<td>Meridica Ltd</td>
<td>Pfizer Inc</td>
<td>Sep-04</td>
<td>70</td>
</tr>
<tr>
<td>Alphamosaic Ltd</td>
<td>Communications</td>
<td>Sep-04</td>
<td>69</td>
</tr>
<tr>
<td>i2 Ltd</td>
<td>ChoicePoint Inc</td>
<td>Jan-05</td>
<td>52</td>
</tr>
<tr>
<td>UbiNetics Ltd</td>
<td>Aeroflex Inc</td>
<td>May-05</td>
<td>42</td>
</tr>
<tr>
<td>Inca Digital Printers Ltd</td>
<td>Dainippon Screen Mfg</td>
<td>Jun-05</td>
<td>30</td>
</tr>
<tr>
<td>Cambridge Biotechnology Ltd</td>
<td>Biovitrum AB</td>
<td>Mar-05</td>
<td>30</td>
</tr>
</tbody>
</table>

The Oxford to Cambridge Arc – ‘Inspiring Innovation for Britain’
The Oxford to Cambridge Arc – ‘Inspiring Innovation for Britain’

**The Script and Masterplan!**

- **Fastest Growing Business City**
- ‘Best’ Business-Facing Universities
- Increasingly IP producing MKSM-major residential development

**Centre of IP and Deal-flow**

- **Superb Quality of Life Offer within the Arc**
- **Planned EAST-WEST Rail route**
- **Upgraded/Dualled Roads Bedford–Cambridge**

**The O2C Arc Regional TRANSPORTATION SPINE**

- The O2C Arc NATIONAL and INTERNATIONAL TRANSPORTATION ‘SPINE’ includes the Cranfield business airport; Luton and Stanford and Heathrow airports

**Planned residential / and/or Hi-Technology development**

E.g. Greenway at Wilmslow & Milton Keynes ‘Technopole’

**Beyond the Incubator! - Building a Vibrant World**

**Leading Knowledge Based Economy in the O2C Arc Area**

- **Accelerate Commercialisation of HEI Research**
- PLUS More Licensing & Corporate labs / R&D FDI
- PLUS Attract key Inward Investment
- PLUS development HVA commodity chains *in situ*, and diversified sectors

**Support Collaborative HEI Research**

**THE LONGER TERM:**

- **Arc in the near Future**
- **Arc Today**

**Economic and Employment ‘Strength’**

- **Time**
A complicated (and fractious) set of Players!

- 3 RDAs – SEEDA, EEDA, EMDA
- 6 Economic Partnerships (Bucks, Beds and Luton, MK, Northampton, Oxford and Cambridge)
- 5 main Chambers of Commerce
- 4 area based professional networks and numerous sector networks /consortia
- 8 universities, and a number of colleges of further education (no to mention the schools!)
- A range of research institutes, science parks, enterprise hubs, incubation centres and business parks.
- The private sector – over 3,000 high technology / knowledge intensive companies, from ‘corporates’ to SMEs
- City and District Councils and Central Government!

A Complicated Stage!
(and not all of it can be seen by the ‘audience’!)

SREPS: Sub-regional economic partnerships. Largely funded by the RDAs

The RDAs
Main area based networks
Boundary Between the RDAs
ACT ONE: Public Sector Dominated, Area Based Partnership (2003-2005)

SREPs

Employ consultants (part-time) as secretariat of O2C Arc Ltd

Establish Themed Working Groups

- Marketing
- Land & Property
- Communications
- Commercialisation
- Skills

The Oxford to Cambridge Arc – ‘Inspiring Innovation for Britain’

Audience reception not favourable!

- Working groups replicated SREPs activities – so why bother?
- Vision too broad at start – covered everything!
- Territorial competition for funds dominated – SREPs had separate and often competing agendas
- Universities – competed more times than collaborated!
- RDA backed / public sector dominated initiative – private sector not very impressed deluged with initiatives!
- Arc initiative no powers, puny budget – so where’s the leverage?
- BUT Successful INSPITE of our actions! Due to great HEI + marked Private Sector strengths

The Oxford to Cambridge Arc – ‘Inspiring Innovation for Britain’
“The majority of those interviewed felt that there were too many public sector bodies and public-private partnerships tasked with assisting businesses and promoting the ‘knowledge economy’.... 'Who is coordinating the efforts?... I can’t see a clear structure of delivery.... There's a huge number of networks.... where's the vision and strategy that brings this all together'... were common comments”. Source: Deloitte-GHK survey of firms for the O2C Arc Company; November 2006

**ACT TWO:** Public Sector lead, Sector Driven Initiatives (2006-2008)

- **SREPs**
  - Focus on
  - ‘Place making’ - Regeneration
  - Local Area agreements (L/MAAs)

- **O2C Arc Ltd**
  - Focus on
  - Innovation-industrial platforms represented in the O2C Arc area
  - Working with sector consortia
  - International positioning, Marketing and collaboration

**Partial Success:**
- O2C Arc focus on ‘innovation’ and international connections.
- Doesn’t replicate or compete with the SREPS
- Working sector consortia – private sector interested
- Attracting corporate sponsorship (e.g. Ties that Bind – O2C Arc and India initiative)
ACT THREE: A focus on the GSE region, working with sector consortia (2008 onwards)

- Involve London
  (Major centre of finance, channels to market)
- Work with Sector Consortia
- Dovetail Actions with Technology Strategy Board
- Becomes a Major GSE initiative

The Oxford to Cambridge Arc – ‘Inspiring Innovation for Britain’

The innovation economy is characterised by and driven by the rise of a global network of some 15 ‘innovation regions’, each with distinctive and complementary specialisms creating opportunities for sustained growth through reciprocal upgrading

Europe’s and the UK’s ‘super’ innovation region – Oxford to Cambridge and London.
The ‘Golden Triangle’ is crucial for the success of the European innovation economy. This area is one of Europe’s innovation powerhouses e.g.;

- It is home to Europe’s top 4 universities
- It has 4 universities in the world’s top 10!
- It is the site of Europe’s largest health technology cluster
- It is the site of the world’s leading financial centre

In 2006 the vast majority of the 1.75 billion Euros of funds applied by Venture Capitalists in the UK found a home in the Golden Triangle (and the UK topped the rankings in Europe for the application of VC funds). The Golden Triangle is, in effect, Euro-Innovation Region No 1!
Brief Conclusions – Lessons for public-private partnerships and the innovation economy?

- Let the (local and regional) public sector focus on place making (a vital component of the innovation ecosystem – note the importance of QoL)
- Focus organisations such as the O2C Arc on innovation and the private sector - Do so with sector consortia
- Focus on innovation-industrial platforms
- And the position (current and potential) of your firms in global innovation-industrial platforms – international (European) collaboration is important.
- Remember that competitive advantages are being eroded faster than ever before and past success goes not guarantee future success
Thank you for your Attention

Nicholas J.O. Miles BA MA PhD FRGS
Executive Director
O2C Arc Ltd
1st Floor CBX11
406-412 Midsummer Boulevard
Milton Keynes, MK9 2EA, UK
T: 44 (0) 1908 353990
M: 44 (0) 7720045506
W: www.oxford2cambridge.net
E1: nicholas.miles@mkelp.co.uk
E2: njomiles@blueyonder.co.uk

The Oxford to Cambridge Arc – 'Inspiring Innovation for Britain'