



Summary presentation
showing only those
slides presented

Protecting and strengthening Kendall Square

Cambridge City Council
Economic Development Committee Meeting

June 7, 2010

THE BOSTON CONSULTING GROUP

Assessed 22 global innovation sites

Case studies

Industry clusters

Success stories

BCG case work and experience

1. Austin, TX
2. Minneapolis, MN
3. Milpitas, CA
4. Palo Alto, CA
5. South San Francisco, CA
6. San Diego, CA
7. San Jose, CA
8. Greater Philadelphia, PA
9. Seattle, WA
10. RTP, NC
11. New Jersey cluster, NJ
12. Copenhagen, Denmark
13. Hsinchu Science Park, Taiwan
14. Kista Science Park, Sweden
15. Heidelberg Tech. Park, Germany
16. Silicon Wadi, Israel
17. Singapore
18. Eindhoven, Holland
19. Lyon, France
20. Digital Media City, South Korea
21. Haidian, China
22. Electronics City, Bangalore

Detailed analysis of 7 US sites of innovation

Region/Place	Biotech firms	IT firms	Sum (Biotech + IT firms)	Square miles	Density (Firms/square mile)	Nat. Academy of Science members	Inst. of Medicine of the Nat. Academies	National Academy of Engineer'g	Sum National Academies ¹	Innovation strength (Sum firm + NA members)
Palo Alto, CA	162	278	440	12.1	36.4	125	131	92	348	788
Austin, TX	6	244	250	33.2	7.5	15	27	24 ³	66	316
Berkeley Area, CA	17	154	171	70.9	2.4	130	59	78	267	438
Kendall Square, MA	48	117	165	1.0	163.4	113	71	114	298	463
South San Francisco, CA	71	43	114	10.1	11.3	36	131	0	167	281
Harvard Square and Longwood Area ² , MA	15	59	74	3.6	20.6	164	327	20	511	585
Research Triangle Park, NC	33	33	66	64.0	1.0	36	177	16	229	295

1. National Academies includes National Academy of Sciences, Institute of Medicine and National Academy of Engineering.

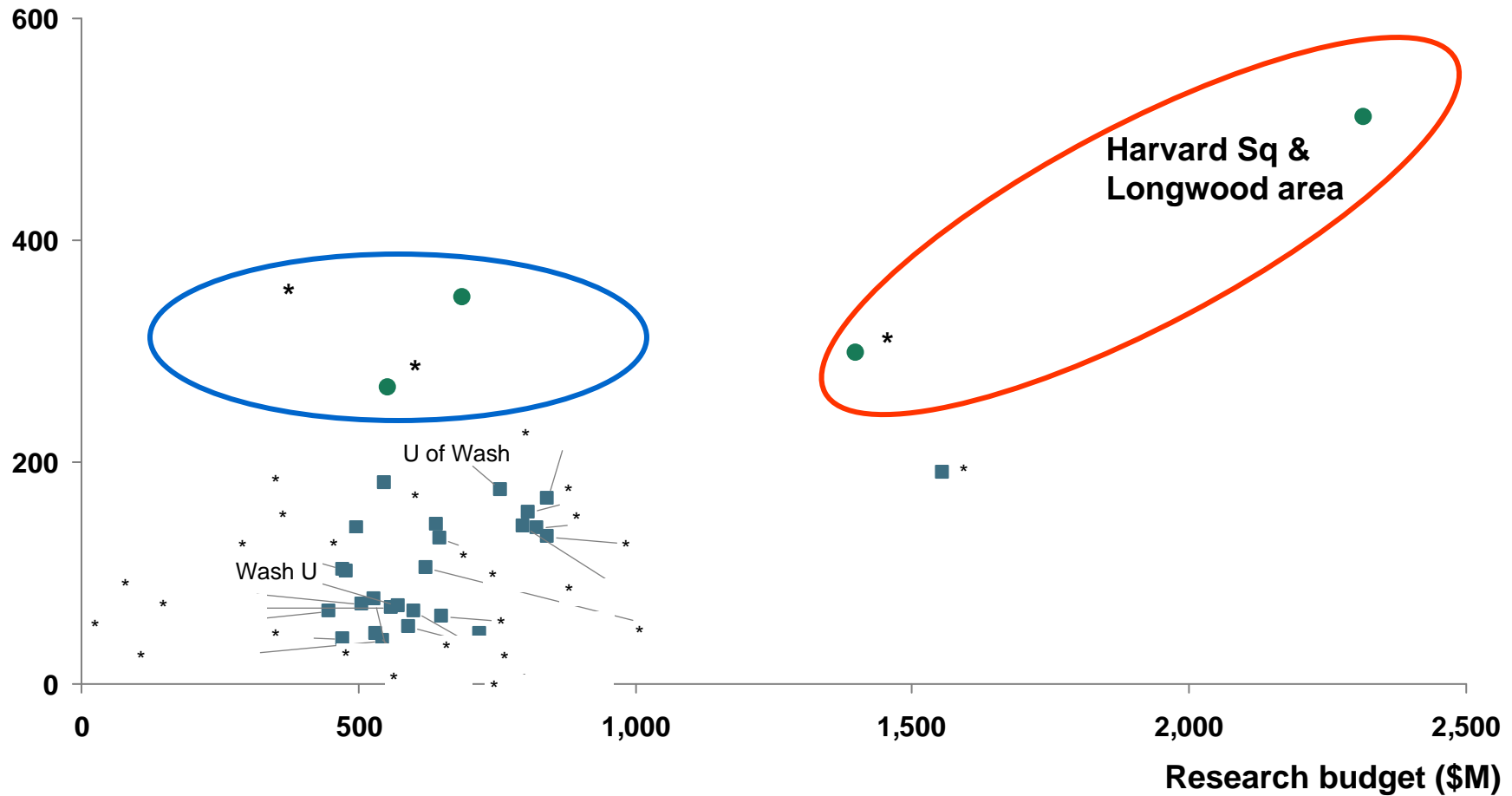
2. Harvard Square and Longwood area includes all Harvard Schools and affiliated hospitals, excluding MGH.

3. For University of Texas, NAE members are not split between U Texas Austin and other campuses, split assumed to be 50% from Austin campus and 50% from other campuses, based on NAS member split

Source: NAS, IOM, NAE databases, BCG analysis

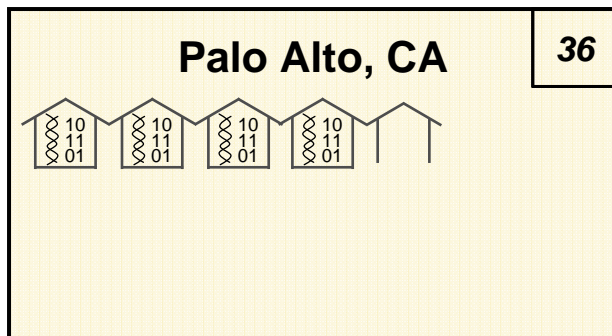
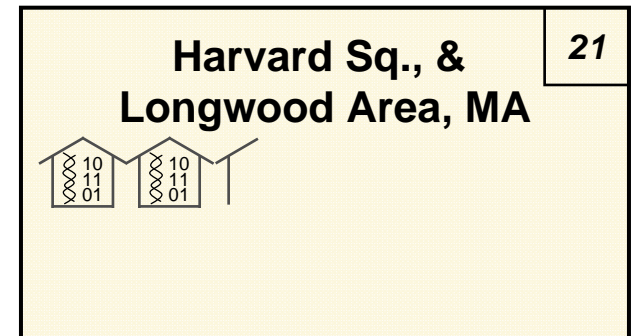
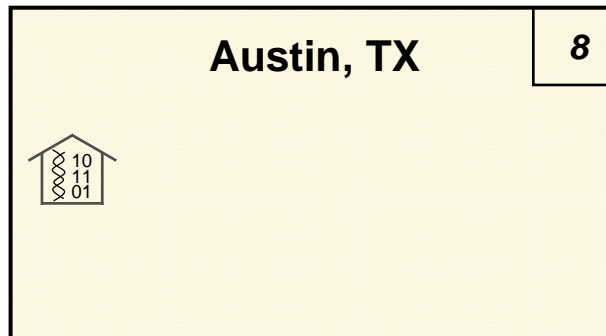
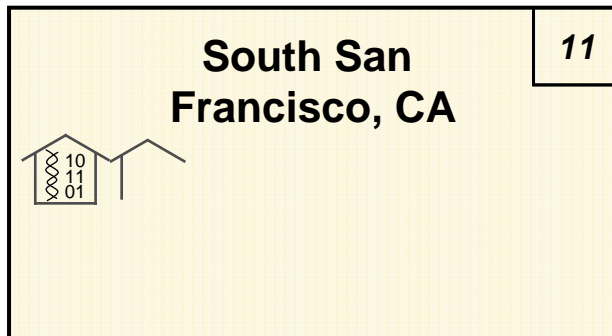
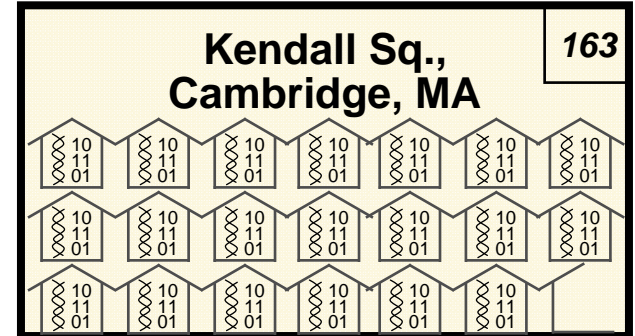
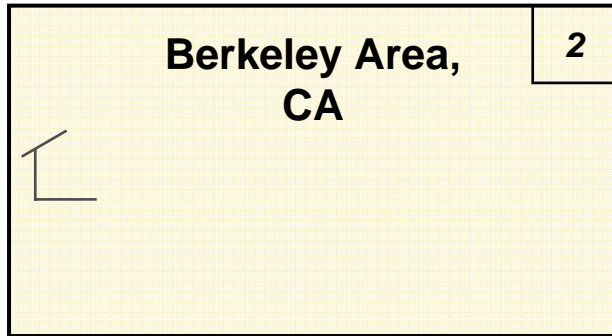
Two regions - four institutions, Berkeley, Stanford, MIT and Harvard


Members of National Academies

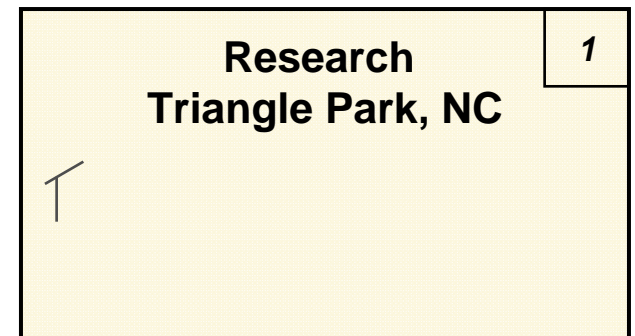


Note: National Academies includes National Academy of Sciences, Institute of Medicine and National Academy of Engineering. MIT includes: Cambridge Campus, Lincoln Laboratory, and SMART; Harvard Square and Longwood area includes all Harvard Schools and affiliated hospitals, excluding MGH. For University of Texas, NAE members are not split between U Texas Austin and other campuses, split assumed to be 50% from Austin campus and 50% from other campuses, based on NAS member split
 Source: NAS, IOM, NAE databases, BCG analysis

Density! By far, Kendall Square has highest number of biotech and IT firms per square mile



 = 8 companies per square mile



Note: Kendall Sq. does not include zip code 02139
Source: Capital IQ Database, US Census Bureau, BCG Analysis

Members of the community recognize strengths of Kendall Square

"I moved from NY and what I love the most about working here is that it has almost everything you need without the craziness of a big city."

"Talent is the magnet that pulls people here. Being close to MIT and Harvard is the biggest advantage this place has"

"I have the best commute in the world. When the weather is crappy I take a 3min T ride, otherwise I walk here."

"I moved here from Western Mass, and at first I was worried about having to drive and park; but my commute is very smooth....easy in...easy out."

"There is a lot of entrepreneurship and start-up activity going on....more and more VCs are moving to Kendall Square"

"This has to be one of the most dynamic and innovative places in the US...top scientists, some of the largest biotech...and now even Google and Microsoft are here"

"In fifteen minutes I can walk everywhere...to the movies, to Charles street; everything is so close."

But people also clearly identify what's missing in Kendall Sq

"Nobody outside of the Boston Area knows where Kendall Square is...everyone knows Palo Alto."

"You don't start or end your day in Kendall Square, I always stop on my way into work or on my way home to go to the gym, buy groceries or get a prescription"

"I lived in Philly, and there, I always knew what seminars, lectures and conferences were going on...I am sure there are tons of things going on here, we just don't know about them"

"Don't get me wrong, I am much happier here than living in NY....but, there is just nothing to do here after work...we need some pubs, more restaurants and a few shops"

"The actual 'square' is just horrible. Just walk out of the T, what do you see? Bricks, metal, crooked sidewalks, fountain that doesn't work. This should be one of the nicest looking places in the East Coast"

"I love working here... although, it does feel like an industrial park"

"If you manage to get a pharmacy here, this whole project will be worth it!"

"I don't know anybody that lives here and until you actually have people living and working here this place won't be a real community, that is the biggest risk I see"

Lessons for success excellence

Looking through a different lens

Paris
Fashion



Hollywood
Film



Wall Street
Finance



Four general principles emerge

3-5 large-scale organizations

Drive of a few spirited, pioneering individuals

Ability to remain relevant

A marquee annual/semiannual event

Austin's 'South by South West'
"A launching pad for creativity"

Marquee technology event with music and film



- ~\$100m to Austin in 2009
- 210,000 attendees, most of whom fly in
- 29,000 key industry reps
- 2,000 music acts
- 80 stages

Sources: The Economist 2. Carpe Diem, blog of Professor Mark J. Perry 3. The Mutiny 4. USA Today 5. New York State Office of Comptroller

Great vitality of innovation . . .



"Talent is the magnet that pulls people here. Being close to MIT and Harvard is the biggest advantage this place has"



"There is a lot of entrepreneurship and start-up activity going on....more and more VCs are moving to Kendall Square"

Kendall Square

278 firms and
Nat'l Acad./sq
mi

. . . needs to be matched by vitality of life

"...there is just nothing to do here after work...we need some pubs, more restaurants and a few shops"

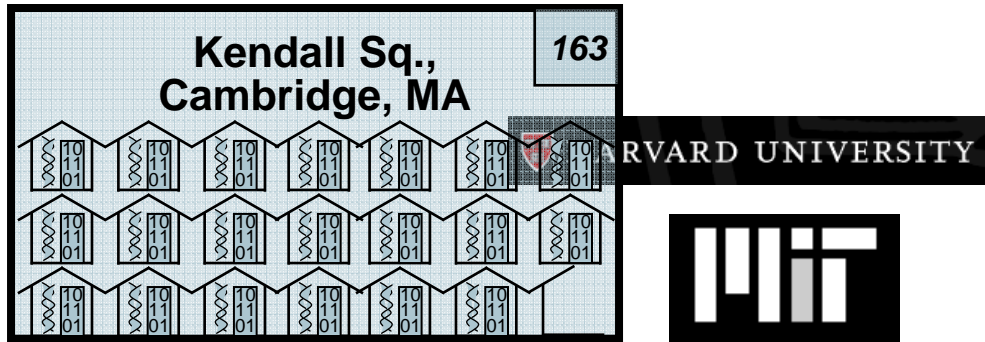
"...until you actually have people living and working here this place won't be a real community..."

"The actual 'square' is just horrible. Just walk out of the T, what do you see? Bricks, metal, crooked sidewalks, fountain that doesn't work. "

"You don't start or end your day in Kendall Square, I always stop on my way into work or on my way home to go to the gym, buy groceries or get a prescription"

We (internally) know our strengths . . .

"This has to be one of the most dynamic and innovative places in the US...top scientists, some of the largest biotech...and now even Google and Microsoft are here"



"...my commute is very smooth....easy in...easy out."

"I love that muddy water. Oh, Boston you're my home"



. . .but need an External identity

"Nobody outside of the Boston Area knows where Kendall Square is...everyone knows Palo Alto."

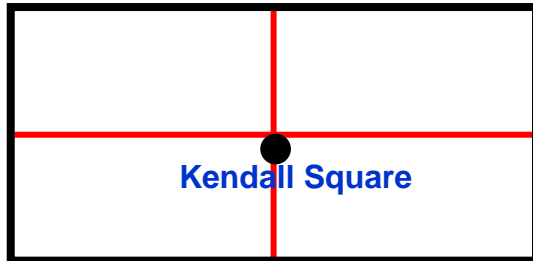
Lack of IDENTITY

- *Weak brand*
- *Weak marketing*
- *No marquee event*

"...I am sure there are tons of things going on here, we just don't know about them"

Now: Well-balanced . . .

Bio + IT firms per member of the National Academy of Sciences



Mix of IT firms vs Bio firms



Four main elements

- *Top life sciences*
- *Strong IT players*
- *Academic Center*
- *Venture Capital*



. . .but what are the right anchors to ensure balance – twenty years out?

"Kendall Square is THE world's biotech site"

"... but we need more Akamais"

Is there one area within IT where Kendall Square is seen as the world leader?

Who knows where top innovation will come next...

- Robotics?
- Nanotech?
- Bioenergy?
- Others ???
- ...all of the above!?