

Annual Conference Executive Summary

The Future Is Now: How Massachusetts Technologies Are Shaping the World

June 2, 2017 –Newton Marriott Hotel, Newton, MA

Moderator: Curt Nickisch, Senior Editor, *Harvard Business Review*

Featured Speaker: Dan Isenberg, executive director of the Babson Entrepreneurship Ecosystem Project, professor, investor, and author

Panelists (see Appendix for more information):

- Chris Gahagan, CEO, [Symbotic](#) (Wilmington)
- Emily Reichert, CEO, [Greentown Labs](#) (Somerville)
- Ana Maiques, CEO, [Neuroelectics](#) (Boston)

Perspectives on Growth Culture in Massachusetts

Dan Isenberg

Dan Isenberg commenced the conversation at this year's [MassEcon Annual Conference](#) by highlighting key factors for sustainable economic growth within the Commonwealth. Overall, Isenberg sees the Massachusetts economy becoming too reliant on start-up “unicorns”* and lacking a focus on economic “workhorses.” Isenberg outlined three key principles for prosperity in Massachusetts.

- *Growth at Existing Firms can Happen Rapidly and Make a Difference.* “The causal driver of sustained prosperity is the growth of existing companies,” he said. “Growth year over year of even 5, 10, or 15 percent among multiple companies can make more of a difference in a region’s health than startups and newer, innovative companies,” he said, even though more attention is paid to fresh entrepreneurs. “There is more growth potential in existing business than is normally believed,” Isenberg said. “Unicorns are rare, beautiful, mythical.”
- *Growth has to be Recognized and Communicated.* According to Isenberg, making growth decisions as an independent company can be a lot like “going out on a boat and fishing in the fog.” Isenberg asserted that in order to promote a healthy state economy, companies need to become more transparent about their growth stories. By creating an honest, collaborative business environment, Isenberg believes that companies based in Massachusetts can bolster the Commonwealth’s economic standing and benefit business across the state.
- *The Importance of Continued Growth Should Be Understood by Public Officials and the Community.* The key to sustainable economic growth is making sure that not only businesses, but the community at large understands the importance of growing existing companies. “We all need to put growth back in the driver’s seat,” Isenberg stated.



Key Topics and Responses

U.S. Withdrawal from Paris Climate Accords

Emily Reichert was quick to express her profound disappointment in the U.S. withdrawal from the [Paris Climate Agreement](#) which occurred just the day before the conference. As the CEO of a company aiming to support the clean energy sector, Reichert reassured the audience that although the federal government failed to commit to environmentally sound practices, corporate leaders, such as GE CEO Jeff Immelt, have taken the lead on encouraging green initiatives in the private sector. “[Now] it’s a matter if we as the United States, as a nation, want to lead or we don’t,” Reichert declared. “And I think that states, cities, regions, as well as global corporations will be picking up the slack.”

*Unicorn – A start-up company that has a paper value of more than \$1 billion

Chris Gahagan reiterated Reichert's points by indicating that most funding for green technology comes from venture capitalists and not the federal government. Although withdrawal from the Paris Accords may result in less capital invested in green technology, Gahagan was hopeful about the future of green initiatives. "It could have the opposite effect," Gahagan said about the impending reduction in federal funding, "because [private investors] might double down to prove that we don't need the federal government to do the right thing."

How Technological Innovation Affects Jobs

When asked how Symbotic's automated technology would affect job growth in warehouses, Gahagan reassured the audience of more than 100 public and private sector leaders, that although the technology might temporarily displace manual labor jobs, it will improve higher-end job development in the future. "It's a much higher skill level than what would be a normal, manual, warehouse job," Gahagan stated. "It pays at least three times as much as the job it would take away and will last much longer."

Why Companies Choose Massachusetts

For Gahagan, Symbotic's location in Wilmington was perfect place for recruiting the talent that the region has to offer. "You have Massachusetts as a real hub of a lot of great universities," Gahagan stated. Gahagan went on to say that location decision making was between Massachusetts or the West Coast, and that, in comparison, the Massachusetts environment "is more conducive to long-term growth." Gahagan's perspective is that there are too many people on the West Coast focused on chasing the IPO unicorns. In contrast, the Wilmington location gives Symbotic access to both the younger demographics in Boston and the older demographics that commute from Southern New Hampshire into the Commonwealth.



Neuroelectrics CEO, Ana Maiques, had a different perspective on being based in Massachusetts. Although Neuroelectrics is based in Boston for its strong community of life science researchers, Maiques has adopted a more global mindset for the company. "We are there and here," Maiques responded to a question about the company's presence in Boston versus its presence in her home city of Barcelona. Maiques went on to explain that she does not see her company as strictly tied to any one country or region. "I want to be here, in the United States, I want to be in Europe, and I want to be in Asia," Maiques asserted. "Founders like me; we need to move according to our markets."

For more on why businesses choose to locate in Massachusetts, read this MassEcon-UMass report: ["Choosing Massachusetts For Business: Key Factors In Location Decision-Making"](#)

How to Continue Attracting International Talent

When the panelists were asked about the potential economic effects of U.S. travel bans, Isenberg began the discussion by addressing the significance of the 2016 election. "Political processes are legitimate," Isenberg said. "But as entrepreneurs...it's just life. We just have to move forward and plow ahead." Although Isenberg expressed his disappointment in the voter turnout of the election, he was still optimistic about the entrepreneurial future of both the Commonwealth and the nation as a whole. "I think we have a long way to go downward before we become an unattractive place for companies," he concluded.

Reichert reaffirmed Isenberg's points and added her own. In lieu of the federal government's leadership on the matter, Reichert explained that, "It's up to the cities, regions, and states to put forth that welcoming message [to international entrepreneurs]." The Greentown Labs CEO went on to express her confidence in Massachusetts and its ability to remain attractive to international talent. "What happened yesterday doesn't change the fact that Boston and the Massachusetts region probably have the strongest clean technology ecosystem in the entire country and perhaps the world," she stated.

Maiques provided a different perspective. As an international entrepreneur, Maiques expressed concern over recent political developments. "I have an investor visa so I have put money into this country," she reminded the crowd. On top of the uncertainty, Maiques detailed the ways in which travel bans affect her hiring process. "... as an entrepreneur, as a CEO," Maiques said, "I cannot afford to spend so much time and money to deal with immigration [when hiring international employees]." Unsure of how future political decisions might affect the way she conducts her business, Maiques commended the U.S. as being a "bottom-up" society and urged everyday citizens to fight for the change they believe in.

Hurdles for Economic Growth

When asked about what he sees as the main hurdles for economic growth, Isenberg reiterated some points from his earlier remarks. According to Isenberg, the greatest hurdle for economic growth is a lack of communication about growth stories that happen in “normal places” outside of the Greater Boston area. “[The solution is] to be aware that it’s much more normal to grow in places [outside of Greater Boston] than people think and to encourage that growth,” he said. Isenberg also talked about the need to continue cultivating talent in Massachusetts, working off a point raised earlier by Gahagan. “There is no doubt whatsoever that capital follows talent more than the other way around,” Isenberg stated. “That talent, I think, should be extraordinarily high on the public agenda.”

Predictions for the Next Generation of Business

The panelists exchanged knowing grins at one another when asked about their predictions for the future of business and technology in the Commonwealth. “I guarantee you that we can predict that we can’t predict,” Gahagan began. The Symbotic CEO went on to say that the best thing Massachusetts can do to prepare for the future is to incorporate more STEM curriculum in classrooms. “I believe [the future] will be more technical... and you need that foundation much earlier in the education system.”

Citing her experience in the life sciences industry, Maiques asserted that the future in healthcare was definitely going to be digital. “It’s going to be data driven business,” Maiques declared. “Every pharma in Boston has created digital therapeutics divisions. ...they know the future is going to be digital.” Maiques concluded her response by discussing the integration of new products, such as Amazon’s Alexa, into the way people approach healthcare at home. “We are going to be speaking in our homes and getting healthcare through voice recognition... [The future of healthcare] is data and how to deploy close to your consumer at home through things like Alexa.”

“I think in general we are headed towards a low carbon economy,” Reichert responded. According to Reichert, “the big challenge that [is] before us and one that Massachusetts is really taking a leadership role in is energy storage.” Reichert detailed the importance of focusing future efforts on refining energy storage and said that innovators were “right on the cusp” of major breakthroughs in that field.

How can Different Regions of the State Build Relationships with Incoming Companies

For Reichert, connecting incoming businesses to resources across the Commonwealth requires a little bit of work on her end. “What we’ve done is try to set up a hub in the Western part of the state that’s allowed us to connect to the manufacturing resources out there,” Reichert said. “That takes the companies that might start out in Somerville and helps connect them into a supply chain that extends across the state.”

Isenberg soon chimed in with his opinion on the matter. “So I think there’s a huge opportunity for the ‘normal cities’ in Massachusetts,” he said. Isenberg reiterated that the best thing companies can do is learn and practice the language of growth that he mentioned previously in his speech, and went on to say, “the need companies have cannot be satisfied [in Boston] because of costs,” pointing out the vast business potential in areas across the state.

How Education Can Change to Prepare Graduates for the Real World

When asked how universities can prepare students for the real world today, Maiques highlighted new majors such as “data mining” and “smart cities” as movements in the right direction. Maiques stated that by assessing the current state of the world and adapting curriculum accordingly, universities can give their students an edge when they enter the corporate world. “[Making these majors] more attractive for students, I think, is really key,” she concluded.

Gahagan followed up on Maiques’ comments by discussing a common issue he sees in recent college graduates. “A lot of times they miss that connection of what they’re doing with the value that they’re delivering to the customer, and the engineers that can make that connection are often much more successful,” he said. Gahagan went on to stress the importance of balancing a rigorous technical education with the development of a business sense to succeed in the tech industry.

Obstacles that Massachusetts Can Help With

The panelists were all asked a concluding question on how Massachusetts and the current administration can enable them to be even more competitive. Reichert began the discussion by addressing a point brought up earlier about difficulties in

recruiting talent from outside the country. “One that we’ve recently been talking about with several Massachusetts agencies is how do we bring entrepreneurs here from other parts of the world,” Reichert said. “We haven’t found yet the process or the partner that would allow us to bring companies that are small [into the state].” Reichert went on to explain that Greentown Labs has received a lot of interest from foreign companies that they could not help due to size. “We’ve had over 30 countries come through and express interest,” she continued, “but, unless you’re big enough to generate tax revenues, there’s not really a good program to bring those entrepreneurs here.”

Maiques agreed with Reichert’s statement, but added that Massachusetts also needs to figure out which international entrepreneurs are the right fit for the Commonwealth. “Selecting what kind of talent comes to Massachusetts I think is very important,” she added, “but we also have to help entrepreneurs understand what do you have to do in the Commonwealth and [whether] it’s worth the expense and the effort and the hardships to come all the way [here].”

Gahagan took a different approach with his response and began with an anecdote about C&S Wholesale Grocers, a company founded in Worcester. “C&S left Massachusetts when it was a relatively tiny company because the business environment was unfriendly,” he said. “They moved to New Hampshire and it now is the largest wholesale grocer in the United States.” Gahagan went on to say that the most important thing the Massachusetts government can do is maintain a welcoming and workable business environment in the Commonwealth. “The thing I would tell the governor is: Don’t make it hard for companies to stay in Massachusetts.”

Isenberg concluded by drawing from the Mass High Tech Council. “Look at the Mass High Tech Council’s mission statement... they say government shouldn’t worry about what the private sector should worry about,” he said. According to Isenberg, government should worry about education, infrastructure, and governance while the private sector should focus on what it does best. Isenberg added that he does not believe that government has to make it easier for new entrepreneurs to move into the state; rather government should make it easier for all businesses to prosper. “I think we have to make it easier for them to grow...”

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Appendix

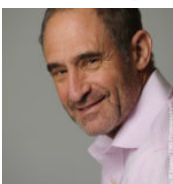
Moderator:



Curt Nickisch

Curt is the Senior Editor at the *Harvard Business Review* and was the business and technology reporter at WBUR for 10 years. He has received various journalism accolades, including national Edward R. Murrow and Scripps Howard Radio Awards and was a Knight-Wallace Fellow in Education Journalism and Fulbright Journalism Fellow.

Featured Speaker:



Dan Isenberg

Dan is the founding executive director of the Babson Entrepreneurship Ecosystem Project, teacher, angel investor, and author. He is a pioneer in the development of entrepreneurship ecosystems, and he launched and directs Manizales-Mas, Scale Up Milwaukee, Scale Up Rio, and ScaleratorNEO. He is the author of *Worthless, Impossible and Stupid: How Contrarian Entrepreneurs Create and Capture Extraordinary Value* and has been featured in the *Economist*, *Forbes*, *NPR*, and the *Wall Street Journal*.

Panelists:



Chris Gahagan

Chris Gahagan serves as Chief Executive Officer of Symbotic, a robotics and warehouse automation company that has developed proprietary, innovative robotics and software to deliver an advanced automation solution to make the supply chain faster, more efficient, and more profitable for manufacturers, distributors, and retailers of all sizes. Symbotic is based in Wilmington, Massachusetts. Gahagan joined Symbotic from Avid Technology, Inc., where he served as senior vice president, product and technology.



Emily Reichert

Dr. Emily Reichert serves as Chief Executive Officer of Greentown Labs, the largest clean technology startup incubator in the U.S. As the company's first employee, Emily has spearheaded the rapid growth of Greentown Labs into a global center for clean technology innovation, attracting visitors and partners from around the world. Emily started her career at Arthur D. Little as a Ph.D. scientist and progressed into R&D, business development and general management roles.



Ana Maiques

Ana Maiques is the Chief Executive Officer of Neuroelectrics, a company aiming to change the way we interact with the brain, developing innovative technologies to monitor and stimulate the brain to help many patients in need. She was nominated by IESE as one of the most influential entrepreneurs under 40 in Spain (2010) and received the EU Prize for Women Innovators from the European Commission EC in 2014 and one of the Most Inspiring Fifty Women in Europe. Neuroelectrics received the Best Start-up in Health 2015 by *Wired UK* magazine. Neuroelectrics was also recognized as one of the Best Entrepreneurial Companies in America by *Entrepreneur* magazine's Entrepreneur 360 List. She spends her time between Barcelona and Boston.