Regional Report
Central Indiana

The Central Indiana data collection area was composed of Boone, Hamilton, Hancock, Shelby, Johnson, Morgan, Monroe, Hendricks and Marion counties. Local economic development officials from counties in this area participated in the data collection process.

Data Collection Process

A kick-off meeting, hosted by the Indy Partnership was held in Indianapolis, Indiana on February 13, 2008. The purpose of the meeting was to provide an introduction to the project, train users on the survey instruments and officially begin the data collection process.

Four distinct survey instruments were created to facilitate the data collection process. The surveys were targeted to:

- For-profit companies doing business in the life science industry
- Healthcare providers
- Educational institutions
- Communities

For purposes of the project, the life sciences industry was broadly defined to include healthcare delivery, medical devices and equipment, pharmaceuticals, agriculture and veterinary products, private sector and university research, and support services.

Local economic development officials in each community were asked to disseminate the surveys to the appropriate parties in their community. The existing IHIF database was used as a starting point, although it was acknowledged that the database was incomplete. LEDOs were encouraged to add new companies to the list and remove any entities that should not be included.

The surveys were provided electronically in an Excel format and as an on-line application. Supporting documents, including an "About the Project" brochure, introductory letters, press releases and other public relations materials were provided by IHIF to support the data collection process.

Due to the overall project timeline, approximately one month was allocated for local data collection efforts.

Focus Groups

Because of the depth of life science industry activity in Central Indiana, multiple focus groups were held in order to reach a representative cross section of industry stakeholders. Focus groups were held at the Indiana Health Industry Forum office in Indianapolis on March 7 and 11, 2008. An additional focus group with IHIF stakeholders was held on Wednesday, April 30, 2008 at the IPL office in Indianapolis. The purpose of the focus groups was to expand upon the written data gathered through the survey process and allow for discussion of the area's strengths and weaknesses as related to growth of the life sciences industry.

Attendees at the focus group included representatives of local hospitals, universities, companies and economic development organizations.

Focus Group Findings

The focus group discussion covered a wide range of topics, including strengths and weaknesses, perceptions, education, infrastructure and business climate. Participants were asked to think about where the life science industry is going and how Central Indiana fits into its future development.

Central Indiana has a well-developed asset base of life science companies, spanning medical devices, pharmaceuticals, research, information technology, logistics and other support services. Because of the historical presence of large employers like Eli Lilly, Roche Diagnostics, Cook, Dow Elanco and Wellpoint, there is a depth of talent in the region. This talent spans research & development, production, marketing and regulatory aspects of the life science industry. Central Indiana is well-positioned to build on the talent and experience base in the region.

In order to grow and support a strong life science cluster, a community needs a high quality of life, educational opportunities at the secondary and post-secondary levels, career opportunities for highly educated workers and their spouses, an entrepreneurial environment and the physical infrastructure to support the industry (water, transportation, proximity to key partners). Central Indiana has these attributes.

Focus group participants believe that the quality of life in the region has improved dramatically in the past decade. Cultural amenities are abundant, with arts, sports and family activities the most prevalent. Housing costs are very reasonable and commutes are short compared to other metropolitan areas of a similar size. Perhaps most importantly, there is a growing acceptance of cultural diversity in the area, which is very important for attracting and keeping scientists and researchers, many of whom are not foreign nationals.

Educational opportunities at the K-12 level are improving, but the area generally lags behind the U.S. in test scores. More emphasis on the value of science and math education is needed. Efforts like STEM and Project Lead the Way are effective, but not pervasive enough to have a large impact. The biggest hurdle that Central Indiana faces is a long-standing belief that a high school education is sufficient. The manufacturing heritage in Indiana has enforced this belief.

Post-secondary education opportunities are very strong. Central Indiana has access to the research resources of both Purdue and IU, with the IUPUI campus serving as a local conduit. The IU Emerging Technology Center and Purdue's technology parks in the region encourage technology transfer in the area. The IU Medical School in Indianapolis, as well as strong nursing, science and engineering programs, provide a strong base of educated workers. Two-year degree programs for lab techs and other positions are available through Ivy Tech.

One drawback the focus group participants mentioned is the difficulty in attracting highly educated workers to the area, based on the perception that opportunities are limited if a job doesn't work out, or that a highly educated spouse will have difficulty finding work. This perception is based on the feeling that there is not a depth of life science career opportunities in the region. Participants felt that awareness of the breadth and depth of the life science cluster in the region is very low. The conservative Midwest attitude of area residents stifles marketing and promotion efforts. It also discourages risk-taking, which is vital to creating a strong entrepreneurial environment. Participants felt that education of the financial community, stronger marketing and rewards for risk-takers are needed to overcome this hurdle.

The physical infrastructure in the region is excellent. The central location of the region and the state make most areas of the country accessible in a day. The new Indianapolis Airport will provide increased air travel and air cargo opportunities. Utilities, especially water, are abundant – unlike the situation in many other regions of the U.S. The state and local governments are friendly to development. Effective incentive programs, like the 21st Century Fund and the Venture Capital Tax Credit, are in place. However, it was noted that the uncertainly in the property tax system needs to be eliminated as quickly as possible.

The hospital systems in Central Indiana are extremely strong. Research and clinical trials opportunities are abundant in the area. There are opportunities to work more closely with the healthcare providers to develop technology transfer opportunities similar to those occurring at the research universities. Hospital leaders are engaged and committed to the development of the life science cluster in the region.

The focus group participants recognized the importance of the life science sector to the future of the local economy. There was a high degree of enthusiasm regarding the opportunities for growth and development. While there are weaknesses that need to be overcome, participants felt that Central Indiana has the ability to address these weaknesses and emerge as a leader in the life science industry.

Data Collection Results & Existing Business Structure

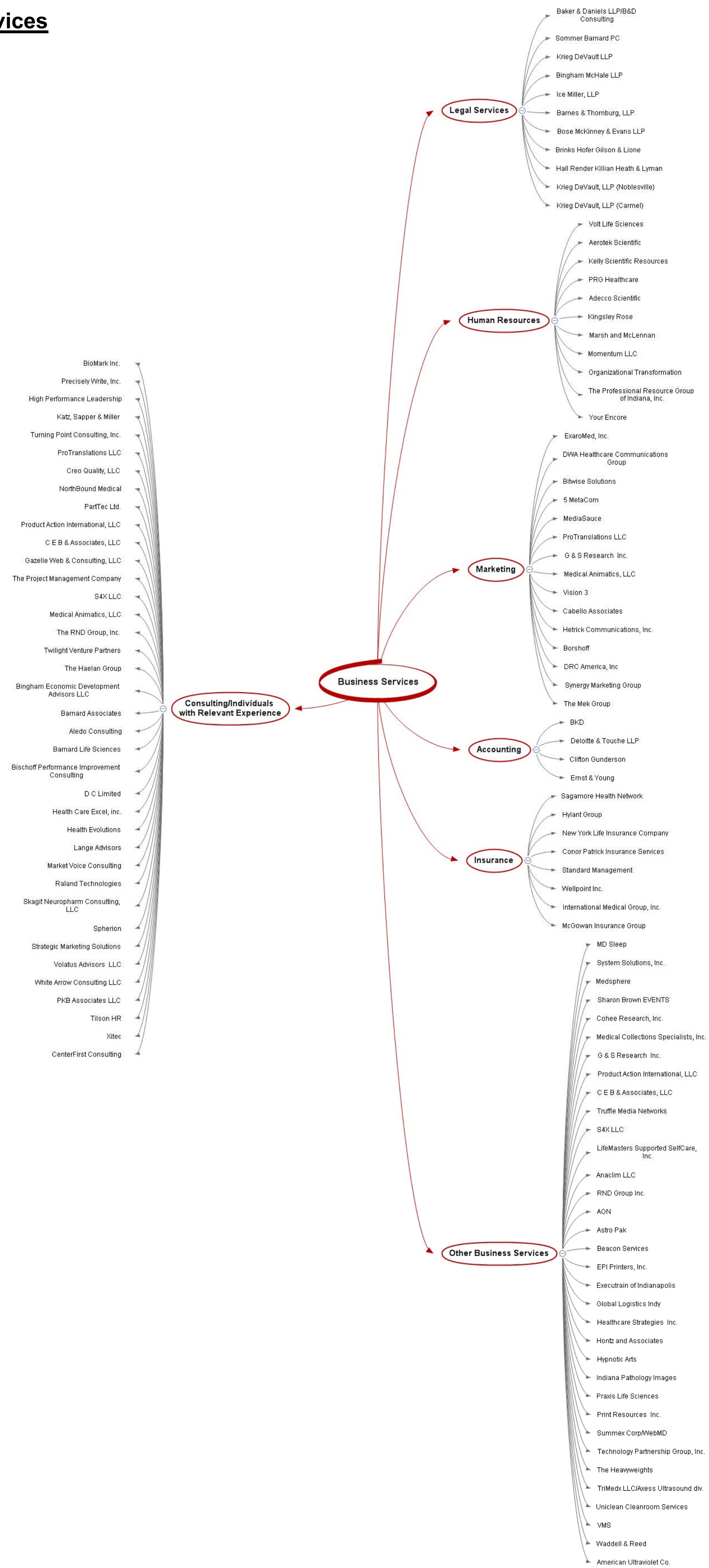
At the beginning of the process, IHIF's database contained data on approximately 704 life science entities in the 9-county region. These entities include companies, educational institutions and healthcare providers. Through independent research efforts of the local economic development offices, data was collected through public sources, surveys and existing local databases. In total, 89 new companies were added to the list and 33 companies were removed, resulting in 727 total companies in the final database. Information on these 727 companies is included in the region's asset map. The complete database of companies included in the asset map is available at www.ihif.org.

It is important to note that the asset map is not all-inclusive. The data collection process, as outlined above, was as comprehensive as possible. However, as with any survey, the response rate was not 100%. Although independent research was conducted, there is no doubt that assets are missing. The Indiana Health Industry Forum will continue to add to the database and the asset map in the future

Existing Business Structure
Asset Map

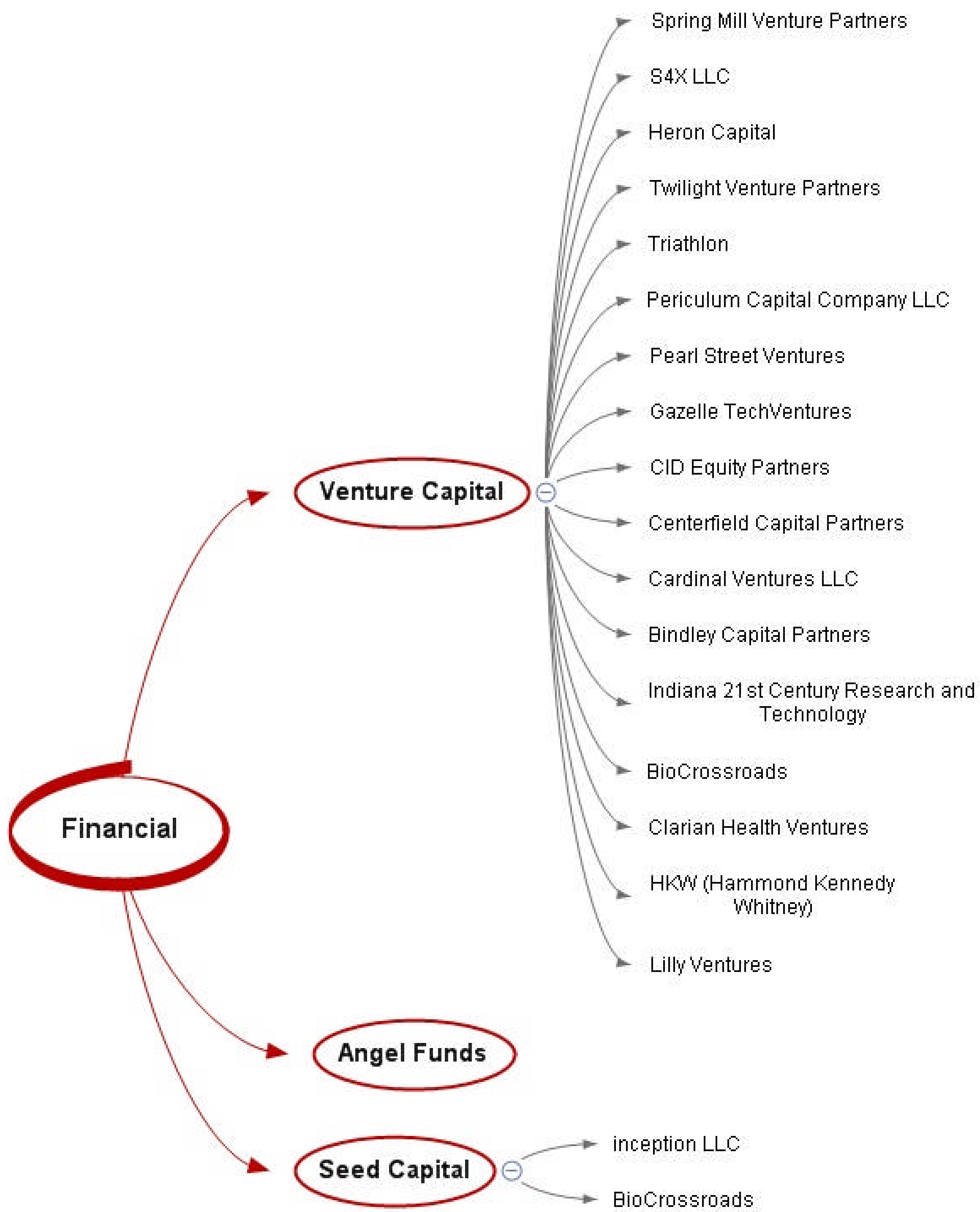
The asset map for Central Indiana creates a visual representation of the life sciences industry in the region, broken down between the service sector and the production sector. Due to the grand scale of this region's map, the full picture is not represented in this report. Please visit www.ihif.org to view the map in its entirety. The following section examines each branch of the Central Indiana map in more detail.

Business Services



The business services branch of the map represents companies that provide a variety of services specifically to life science companies. The Central Indiana region is a leader for the State of Indiana in business services for life sciences companies. Companies in this cluster provide services throughout Indiana and the Midwest. Consulting services are particularly dominant in this area, with an abundance of talent developed by large employers in the region. The availability of these services is an important consideration to companies considering a new location in the region. A complete line of business service offerings will not only reduce travel for life science companies, but it will also allow them to create important professional connections in the area, which may encourage long-term retention.

Financial



Financial services represented on the asset map are targeted to life science companies. The asset map does not include all financial institutions in the region that provide traditional banking products, but focuses on