



**National Center for Technology Innovation**  
*Advancing Technology Innovations for All Students*

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**NCTI 2007 Innovator's Conference**

**Date:** Friday, November 16, 2007  
**Panel:** Innovative Marketplace: Building Collaborative Funding Networks  
**Names of Presenters:** Sylvia Clark, David Ferrero, Barry Fingerhut, Al Miller, Benjamin Stokes

**Summary**

**David Ferrero**, Senior Program Officer, The Bill & Melinda Gates Foundation [[www.gatesfoundation.org/default.htm](http://www.gatesfoundation.org/default.htm)] David spoke on the various public/private partnerships the Gates Foundation worked to establish in Texas and Ohio. Creating these networks in the form of STEM (science, technology, engineering and math) secondary schools taught him some important lessons. The first being linear, rational partnerships may not be possible; there are many contingencies between business and STEM learning networks like elections and sufficient public commitment. The Battelle Memorial Institute [[www.battelle.org](http://www.battelle.org)] is one example of a thriving prototype of a STEM "hub" with the school itself working in collaboration with a local industry partner, education council, and university. David also realized that the government, philanthropic, and corporate sectors enter this issue with different "worldviews" and "languages" that must be acknowledged in order to more fully understand the critical "human" variable operating within these networks.

**Barry Fingerhut**, Managing Partner, Synconium Partners  
Barry's presentation touched on many different stakeholder connections and key events that must happen before the "undervalued" and "underserved" assistive technology field can achieve a "black swan" moment [[http://en.wikipedia.org/wiki/Black\\_swan\\_theory](http://en.wikipedia.org/wiki/Black_swan_theory)]. At the conference he represented Synconium Partners, a private equity fund with 40% venture capital. Synconium is looking to collaborate with entrepreneurial AT partners that need financial assistance with the entire risk spectrum, including startup, with a mission hoping to prove that "creating capital will create entrepreneurs." Barry believes the "black swan" moment will come when citizens outside government push for sustainable innovation and interested government actors follow-up. Referring to Al Miller's "Fourth Sector," Barry called his vision the "third-and-a-half" sector. (See notes from Al Miller's presentation at [www.nationaltechcenter.org/index.php/events-main-page/annual-technology-conference2007/session-materials/](http://www.nationaltechcenter.org/index.php/events-main-page/annual-technology-conference2007/session-materials/).) Assessment, training and staffing, service delivery, and data collection are some main investment areas Barry and his team want to invest in to make a substantive difference by creating a new market.

**Benjamin Stokes**, Education Program Officer, MacArthur Foundation [[www.macfound.org/](http://www.macfound.org/)]  
How do you get students engaged in "subjects" that may no longer be applicable to the everyday life and future of today's youth? Benjamin explained the different forms this question takes when funders decide which projects to finance. The MacArthur team realized a "paradigm shift" from education to learning as students spend most of their time outside of school using different forms of digital media with many tools focusing on social interaction and individual creativity. Traditional curriculum like "math" and "reading" become dated when today's kids need a different skill set for their future work life. Benjamin mentioned possible practical links between commercial video games and education which could effectively engage the student while he or she learns valuable skills funded through program-related investments to offset risk. The MacArthur Foundation is particularly interested in the metrics of engagement realizing that "learning" is more important than "teaching."



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**Sylvia Clark**, Executive Director, NEC Foundation of America [[www.necfoundation.org](http://www.necfoundation.org)]  
Sylvia first introduced NEC [[www.necfoundation.org/index.htm](http://www.necfoundation.org/index.htm)] as a “boutique” foundation offering smaller \$40-50,000 grants. She centered her talk on NEC’s funding strategy which mainly finances improvements to existing projects. Examples include the addition of virtual space to complement face-to-face interviews and updating content on websites like the TechMatrix.org [[www.techmatrix.org/](http://www.techmatrix.org/)]. While not assuming much of the risk spectrum, the foundation does focus on national reach and impact for potential projects that can have practical, tangible outputs.

**Discussion:**

1. *Has the panel heard of the “for-benefit” sector?*

Barry Fingerhut: One of the pieces of the fund we are establishing will be distributed out to a number of agencies in the field that will make more sense to fund that cannot be privatized. This is a way to fund them through the investment vehicle.

Al Miller: Corporations can also make contributions for the improvement of services.

David Ferrero: Battelle [[www.battelle.org](http://www.battelle.org)] is the entity that runs national research labs in engineering. They are incorporated as a nonprofit that every once in a while spins off something profitable and creates a for-profit company. Their charter requires that profits from these ventures funnel back into social benefits.

2. *Comment: This all reminds me of a nicer version of a service corp. In not-for-profit circles people do get so burned out--It would be nice to get other people involved and speak to groups of people across the country to find out their passion and then determine how they can pay it forward.*

3. *Can we use the grant process to ensure accessibility for all? Should that be a tool to make sure there is real time accessibility?*

Benjamin Stokes: I think the answer is clearly yes. In thinking of ways we can go about this in our proposal process, one idea is to help RFP applicants consider potential partners.

Al Miller: You could team up with a smaller nonprofit or a coalition. In all of this, technology is the silent partner that allows both the user and professionals to achieve more than previously possible.

Barry Fingerhut: Developing AT and dissemination through grants is difficult. It is hard running a business that is private and making decisions for the long term. I do have a certain confidence based on past experience that what we are doing makes sense. Relative to my viewpoint, thinking in a short term funding perspective does not help when it is important to have extensions of products to an entire market. This is the most underserved market I’ve ever seen. It is not going to change a lot until there are people willing to take risk. The market will not change. The inefficiencies are extraordinary. We have 20 government agencies with over 200 programs serving individuals with disabilities. We can serve more with less if we do things a lot differently.

Sylvia Clark: Grant money is fickle money. We get a lot of proposals from the blind community for training. We cannot go there because of the inefficiencies. There is a lot of self interest at stake too when we talk about consolidation and outsourcing.

Barry Fingerhut: There is a sense in partnering with the funding source. The foundation could take an area and put up some risk assumption on capital and be the first line of risk. You could utilize that to have more continuity in the program.

Sylvia Clark: Essentially isn’t that what foundations are all about?



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Barry Fingerhut: A lot of foundation work is only partially funded. We could combine your capital with risk capital.

*4. How do we make sure people with disabilities are included in the design team?*

Benjamin Stokes: Innovating is a skill we all need to have. Things are changing so fast that all of us have to innovate.

Sylvia Clark: There are some model programs; one example is the American Association for the Advancement of Science [[www.aaas.org](http://www.aaas.org)]. Their motto is, "People with disabilities solve problems everyday."

*5. Going back to Sylvia's comment on training the visually impaired, why weren't they trained? It goes back to the educational level, we are not getting it! We are being called upon to be entrepreneurs to figure out new ways to train teachers. In STEM schools—it is accessibility, not just for products, but every major new model for education must start to include people with disabilities otherwise we aren't demonstrating it is a project of worth for all students.*

David Ferrero: Accessibility is a basic requirement of all prospective school improvement grantees. At the instructional level, that is a few levels down from where we sit. We create government structures and our intermediaries focus on the pedagogy. We do evaluate whether or not the populations in our STEM schools are representative of the area populations including special needs.

*6. In this discussion, we have not discussed Fortune 500 companies as a significant group. Corporate venturing should be a hotbed of innovation similar to the space race. Where is the engagement from the corporate world?*

Barry Fingerhut: There are few corporate companies that are "special partners." Corporate America is important because they buy entrepreneurial companies that create products. It is hard for them to be innovators.

Benjamin Stokes: Learning used to be the domain of schools and universities. If you look to new learning environments, they are owned by corporations. Some examples of this paradigm shift are: Google, Second Life, and YouTube. Is there a public space here? What is the role of their user agreements? These companies are in some ways serving the roles of government with these statements of legal rights.

*7. Comment: In finding children with disabilities and working with them, we are not getting a lot of cooperation from schools. I have a child with a disability and most schools are not looking at gaming as an education tool. Companies like IBM, HP, and Microsoft are building in accessibility. I've been an AT technology writer since 1979 and teachers 24 years ago have the same problems now as they did then. Teachers do not know about AT. You should be looking at funding programs that train teachers on these technologies.*

*8. My company was recently asked by a commercial company to put their dealer training systems on cell phones to increase portability. In our RFP, we included other tools like captioning and there was no interest in accessibility. Getting back to the paradigm shift, there could not be anything more on the extreme than Fortune 500 companies making products accessible. At least there is currently an interest evidenced by their representatives asking how much does it cost. Could you give a grant to Toyota to look at accessibility issues?*

Sylvia Clark: Toyota has its own foundation. We would not consider commercial grants. It has to be a 501(c)(3).



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Benjamin Stokes: There is something to be said about incentive structures and the benefits of team diversity to solve problems. Average performers with different skills may work better than top performers with similar backgrounds. Foundations can fund this type of knowledge dissemination.

Barry Fingerhut: I don't think you will get the recognition from them until someone has a product that may be helpful in the AT area but also applicability beyond this market. Corporate responsibility will not play a large part. Innovations will come from smaller companies with a mission.

9. Microsoft [[www.microsoft.com/enable/](http://www.microsoft.com/enable/)] does describe features of resources for teachers in VISTA. In my work within Microsoft's accessibility unit, I focus on innovation while the rest of the team works on accessibility. In looking 5-10 years down the road, do you, as investors, have resources identifying factors like cost and return on investment to help decide what things to go after?

Barry Fingerhut: If I were in that position, I would want Microsoft to spin out a separate entity to think about the market in total. There has to be a way to think about real innovation and not just the market for Microsoft. When you think about developing a market, you need to be outside of that structure to do it correctly. If not, it makes it much more difficult.