



CHICAGO'S POWERFUL TECHNOLOGY SCENE IS ATTRACTING RECORD-BREAKING INVESTMENT IN WORLD-CLASS COMPANIES.

CHICAGO'S BUSINESS SCENE HAS SOME DISTINCT HALLMARKS. IT'S A MAJOR world financial center, well-known for its centrally located transportation hub. Home to 29 companies on the Standard & Poor's (S&P) 500 list, the Windy City is also known for its business diversity—no industry employs more than 14 percent of the work force. Less known, however, is Chicago's reputation as a quiet and growing force in the technology sector and its innovation-focused infrastructure for start-ups and growing companies.

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The country's third largest city has long been the home base to an enviable list of technology companies, including Groupon, Orbitz, Morningstar, GrubHub, and CareerBuilder. In 2012, Mayor Rahm Emanuel unveiled a 10-point economic plan to fuel growth, with a specific goal to build the city's technology sector. World Business Chicago, a public-private partnership (PPP) chaired by Emanuel and dedicated to Chicago's economic development, created ChicagoNEXT, a council of technology leaders spearheading multiple

initiatives to further propel the city's tech momentum. After the plan was announced, Chicago averaged 273 new technology company launches every year between 2012 and 2014. Last year, technology companies attracted a record-breaking \$1.7 billion in venture funding.

"Chicago is a global hub for innovation and industry, a place where big concepts can become big companies and provide big opportunities for the people of this city," Emanuel says. "Our record investments show that the work we do is generating returns to support Chicago's next big ideas, boosting our economy and our neighborhoods."

PROVING THEIR WORTH

But venture capitalists didn't just throw that money at any semi-promising start-up. Investors here are more conservative and want to invest in promising companies with excellent management teams and a strong plan for success, says Mark Tebbe, ChicagoNEXT chair. Tebbe, who founded two NASDAQ-listed companies and is an adjunct professor of entrepreneurship at the University of Chicago's Booth

School of Business, says Chicago investors tend to look for companies that will endure over time.

"Investors are looking beyond Silicon Valley, and they're finding a lot of opportunity in the Midwest," he says.

Some investors are from Chicago's own business community, such as venture capitalist J.B. Pritzker, co-founder and managing partner of Pritzker Group, the largest venture capital firm in the Midwest.

Pritzker was the first chairperson of ChicagoNEXT and says there are a number of factors that make

Chicago such a promising location for Web-based and mobile companies, as well as companies in clean technology (cleantech), financial technology (fintech), and bioscience.

The city is home to the renowned 1871, an incubator that was launched in 2012 in a collaborative effort among hundreds of people within Chicago's tech community. Pritzker

says the incubator became a "town square for techies," attracting the area's best entrepreneurs and engineers. The incubator currently houses approximately 425 businesses, and has been the home base for hundreds of others that



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have since moved to other locations. Since 1871's launch, the city has seen a proliferation of successful incubators and co-working spaces, growing from just three such spaces in 2012 to at least two dozen today. Among the many notable facilities is Matter, a health care and bioscience-focused incubator that attracts entrepreneurs seeking solutions to important and emerging health care issues.

THE POWER OF PEOPLE

Pritzker says Chicago's well-educated, skilled work force is another asset, making the city attractive to both start-ups and expanding businesses. Several of the world's best engineering schools are located in the region, but Illinois Institute of Technology (Illinois Tech) stands out by educating innovation-focused engineers and entrepreneurs. Illinois Tech President Alan W. Cramb says the combination of world-class researchers at Illinois Tech and their close ties to local technology companies and research institutions creates a strong network that fosters innovation.

"We educate engineers and scientists—especially computer scientists, currently our fastest-growing group—to make a difference," he says. "Chicago's industry diversity means that Illinois Tech graduates can make important contributions in virtually any field."

Illinois Tech further distinguishes itself with facilities that enable innovation. University Technology Park at IIT (UTP), one of the earliest facilities in Chicago on a university campus, has remained dedicated to advancing research, promoting innovation, and supporting technology commercialization since 2006. UTP is home to companies in materials and life sciences, green and clean technology, food safety, and information technology. UTP's success stories include Cleversafe, which IBM acquired last year.

In August 2016, Illinois Tech broke ground on the Ed Kaplan Family Institute for Innovation and Tech Entrepreneurship, which is designed to attract creative students and innovators in science, technology, engineering, and mathematics with prototyping labs, collaborative spaces, and classrooms.



SWEET HOME, CHICAGO

Chicago is also attracting health care companies seeking expansion. In 2012, Tokyo-based Astellas Pharma located their Americas headquarters just outside of Chicago to a new facility that was awarded LEED Gold certification for its environmentally friendly design. Astellas is a global pharmaceutical company committed to developing new pharmaceutical products in the areas of urology, oncology, immunology, nephrology, and neuroscience for people around the world. The company also is exploring new therapeutic areas, such as ophthalmology and muscle disease, as well as leading technologies, such as regenerative medicine and next-generation vaccines.

James Robinson, Americas president, says access to the Midwestern life sciences corridor and the excellent trained work force were both factors in the expansion decision. The proximity to nationally ranked organizations, including hospitals and universities, combined with Illinois' research and development tax incentives, help companies turn cutting-edge research into successful new products. In addition, employees have a lower cost of living than many other metropolitan areas and many amenities—considerations that are important to a company committed to improving quality of life around the world.

"Chicago checks all the boxes for employees— top-notch schools, universities, and health care; lake-front activities; world-class cultural events; and a solid public transportation infrastructure. The great quality of life draws people to the Chicago area and to Astellas," Robinson says.

In the tech world, Tebbe says that one of Chicago's key themes is "opportunity." With a strong infrastructure that includes universities and research institutions, industry diversity, a skilled talent pool, public sector focus and support, and ample resources for new and expanding businesses, Chicago offers an exceptional ecosystem in which tech companies of all types can thrive. ■

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—Mayor Rahm Emanuel, City of Chicago

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