

EP.154 - Dan Berglund

Narrator: You're listening to *BioTalk* with Rich Bendis, the only podcast focused on the BioHealth Capital Region. Each episode, we'll talk to leaders in the industry to break down the biggest topics happening today in BioHealth.

Rich Bendis: Hi, this is Rich Bendis, your host for *BioTalk*. And boy do we have a special guest for you today. This is a total departure from what we would normally do. But it's historic in nature really, because my guest and I go back about 30 years—three decades. And he's really one of the pioneers in the technology-based, economic development world. Which *includes* bio and life sciences and a lot of technologies in the life sciences and BioHealth space. But I'm privileged to have the founding President and CEO of the State Science and Technology Institute, which is now better known as SSTI, Dan Berglund with me today. Dan, welcome to *BioTalk*.

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Dan Berglund: Thank you, Rich. Good to see you.

Rich Bendis: It's been a while. We were just talking—prior to going on—that we haven't seen each other or talked to each other since COVID. So it's been quite a few years, but both of us have continued to stay the course. There's a lot of people who listen to this—I hope—that may be aware of SSTI and you and a lot of them attend your meetings. For sure, one of 'em I know is Brian Darmody who wouldn't miss anything that SSTI does and he's down at Bio in San Diego right now—so people will know when we're taping this. But everybody would like to know a little bit about your background, history, Dan for those people who don't know you. Rather than me read your bio, why don't you give a little background on Dan Berglund and how you got to where you are today?

Dan Berglund: Okay! I'm the perfect example of falling into a career that you never expected to fall into. Graduated from Ohio University in the mid-1980's.

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Was going to do a job at the Ohio Legislature starting in December of that year. Had six months to kill between graduation and the start of that job. A friend of mine had just finished up an internship with the Edison Program in the Ohio Department of Development and said, "Hey, would

you be interested in doing this?" It's like, "I need a paycheck! Sure! I'll do it!" So, worked as an intern for the Edison Program for a few months and really fell in love with the topic, the work we were doing—trying to create university-industry technology centers, encouraging the growth of technology companies. And one thing led to another, they offered me a permanent position and ended up staying there for just over six years.

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From there, did two years of consulting work in the technology-based economic development field. And one of those projects ultimately led to the possibility of the creation of SSTI. So I've been running that for the last 28 years and just recently decided, time for me to let somebody else have the pleasure of running this organization.

Rich Bendis:

Well sounds like you've been a real job hopper Dan. So—

Dan Berglund:

[Dan Laughs] That's me!

Rich Bendis:

And the reason we're doing the podcast now is this news of, sort of, Dan stepping away to work a little part time, just broke last week. Was it this week or last week Dan?

Dan Berglund:

Last week.

Rich Bendis:

Last week it broke! So I said, "We might as well get him while it's hot and the news is hot and it's very topical. And for those who don't know it yet, they're gonna learn about it when we actually release this podcast.

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But the other thing when you got involved in this, you called it TBED, Technology Based Economic Development, TERM. term. It was in the 80's and really it was when the economies of a number of states weren't really that strong and they were looking for ways to diversify their economies. And, if I recollect, the Edison Program and the Ben Franklin Program in Pennsylvania were two of the states basically trying to stimulate their economies 'cause their economies got hit very hard during the time when manufacturing was a little depressed and everything else was going on. So actually the Edison program—and when you got involved in it—was really one of the pioneers in developing technology-based economic development programs.

Dan Berglund:

That's right. So the history of the modern day tech-based economic

development program can really be traced back—for the most part—to the Ben Franklin Program in Pennsylvania, which preceded the Edison Program by a year or two.

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And then the Edison Program, legislatively created in 1992 but didn't actually start operating until 1993. Both of the programs, as you said, completely driven by the recession that hit the Great Lake States—or as some people called them, the Rust Belt States. At the time unemployment was hitting between 15 and 20% and there was total restructuring of the economy as those states were losing manufacturing. So both at the policy level, at the staff level and at the gubernatorial level—Governor Thornberg in Pennsylvania, Governor Celeste in Ohio—and at the business level there was a sense that the economy has changed; how are we gonna change to adapt to this new economy?

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And by the way, we're spending a lot of money on higher education, are there ways that we can take better advantage of that investment? And then finally, looking at what had occurred in Silicon Valley, Route 128 in Massachusetts—there was a lot of discussion at that time about the Massachusetts Miracle—and Research Triangle Park. So sort of that whole combination of factors led to: let's try something different. Rather than just going out and recruiting companies—which was the traditional economic development approach—let's think about a different approach where you're trying to create an environment where new technology companies will be created and thrive.

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Rich Bendis:

And sorta grow your own? 'Cause everybody's talking about states pirating companies from each state and going across state lines and everything else at that time. You mentioned that when you were consulting or when you were doing some of your program work, one of the programs you got involved in led to the creation of SSTI. You wanna talk a little bit about that program and really the true evolution of how SSTI came to be?

Dan Berglund:

[Laughs] Yeah, because there are lots of different stories about the true evolutions of SSTI—I forget exactly what the old saying is—success has

many fathers and failure has none or something—

Rich Bendis: Right. [Laughs]

Dan Berglund: —to that effect. And it's always interesting to me people who tell me how they created SSTI or they were responsible for the creation of SSTI.

0:08:06 And I'm happy that many people feel ownership of the organization. From my end of things, the work that we were doing was focused around a project that the Carnegie Corporation of New York had set up in the Carnegie Commission of Science Technology and Government and one of the aspects of the commission was focused on science technology in the States. That led to a report on some recommendations on what the states could be doing. That in turn led to a larger project that resulted in about a 700-page book called *Partnerships: A Compendium of State and Federal Cooperative Technology Programs*, which was—technically since economic development wasn't a term at the time and we had to come up with something, cooperative technology seemed to make the most sense.

0:09:11 Anyway, this book described every state's program in detail. At the time that we concluded the book, one of the participants, Gary Bachula at The US Department of Commerce said, "This book is great, but it's a snapshot in time. What we really need is an organization that's going to be an ongoing group of people working on the field." My compatriot, my boss previously at the state, the person organizing all of this—Chris Coburn, had tried to create an organization, wanted the states to fund the staffing of one staff person to help coordinate discussion among the states.

0:10:11 And the states wouldn't do it. But Chris saw an opportunity to go back to the Carnegie Corporation of New York, ask them for some seed funding, NASA put in some money, the US Department of Commerce Manufacturing and Extension Partnership put some money in and I stepped forward and said to Chris, "If this thing's actually going to exist, I'd be interested in running it." We then put together an operating plan. We went to a meeting of state officials, you included, and said, "Here's what we're going to do. Here's what our business model is going to look like." And one of the key turning points for us is you very politely at the

end of that presentation said, “This looks great! But where’s the money from the states? We’re gonna be the primary beneficiaries of this, we need to be putting the money.”

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And Bob Kidd, from the state of Maine, said, “Absolutely! We should do it!” And the two of you took it upon yourselves to really organize the state and raise the funding. And all of those other sources of funding have gone away, but the state funding continues. And so Rich, you are definitely one of the fathers—whether you want to be or not—one of the fathers of SSTI. And appreciate you speaking up those many years ago and everything you’ve done for us.

Rich Bendis:

Well, thank you Dan. You know how shy I am but I am not one of the people that has claimed to be the founder of SSTI. I am proud to say I was one of the founding board members of SSTI and one of the primary fundraisers in the early days.

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What's amazing about technology-based economic development—and here I am still fundraising with my hand out—and I’m sure you’ve been doing it every year as well—looking for that sustainability that we need to do for non-profit organizations. But, thank god we’re both alive today and the organizations are alive. And to be honest with you, to have a nonprofit organization with a mission that’s evolved—and we’ll talk about how yours has changed a little—over 28 years is pretty remarkable because there are a lot of nonprofits that don’t have that kind of a life span. What would you say—before we go into talking about the present, past, and future—what really has contributed to this being a sustainable organization over three decades?

Dan Berglund:

I think this is one of the things that I appreciated in the field from the very beginning—is that it is ever changing.

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And so, on the sustainability question, for us it’s been that we’re always changing. We are adapting to the new technologies, to the new actors that are coming into the field, welcoming them in. So while some of our core premises are the same as when we started, there are also differences. And we just adapted over time. And our funding model has adapted over time as well.

Rich Bendis: I was gonna say, basically, the component of state contributions to your budget today is significantly less than what it was 28 years ago.

Dan Berglund: Right, and—good point—you mentioned in the introduction that the State Science and Technology Institute—most people refer to as SSTI—our business model when we first started, it was a membership organization only of state programs.

0:14:17 And about two or three years into our operation, universities, other nonprofits started coming to us and saying, “Hey, we wanna be a member also.” And initially we said, “Well no, that’s not our mission. Our mission is just the state.” Well, when your seed funding starts running out you realize: oh, maybe this does make sense. But it was also very reflective of the field as well. When we first started it was rly all about the state agencies—the state quasi-publics—and as the field matured, more organizations came in.

0:15:04 So that’s right. State funding is still a significant portion. The dollar amount is actually pretty close to the same as it was 25 years ago. But we’ve added additional types of memberships and broadened the revenue based on it.

Rich Bendis: So basically, when you’re talking about the pivoting that organizations have to do to remain viable, you also have to be aware of what’s going on at the state level, at the federal level, at the academic level, the non-governmental organization level because SSTI really became a private-public partnership. As you look at that evolution over time, when did you really understand that there had to be a closer tie between the states and the federal government?

Dan Berglund: Oh, that was from the very beginning. Part of the outgrowth of this was a frustration on a number of states—the larger budgeted states—that they were making investments in university industry technologies centers.

0:16:17 Meanwhile the National Science Foundation was going out creating engineering research centers, science and technologies centers, and there wasn’t any coordination between what the states were investing in and what the feds were investing in. A large part of our early activity was built around the notion of opening a line of communication between the

states and federal agencies to try and promote better coordination between the two levels of government.

Rich Bendis:

The other thing that's challenging running a nonprofit—and we still run into this every day—is that there are a lot of other nonprofit organizations that're raising money to support themselves that may not be directly competitive but actually have similar type programs.

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And when we think about that, back in those days it was the National Association of Seed and Venture Funds, you had the National Business Incubator Association, you had the Association of University Technology Managers, you had the Association of University Research Parks. I mean all of these organizations were fledgling back at that time, all trying to survive, create some visions for growth, and, to be honest with you, most of them have. And I think they've all gotten their space. How have you been able to find ways to collaborate rather than compete with all of these sister-type organizations who are all trying to attract the same types of members?

Dan Berglund:

I think there are a couple things and I think this really is applicable beyond the association viewpoint.

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I think all of the associations—I know we definitely have had this viewpoint and I think the others have as well—is there's plenty of work that needs to be done out there so there is no need for competitions among our organizations. I like nothing better than when we get a question about incubators to say, "Call NBIA, they're the people who really know that. You wanna know something about tech transfer at the university level? Here's how you can reach AUTM." We don't need to duplicate that work. I think one of the lessons to us has always been identifying what our core strengths are and staying true, both to those core strengths, and our core audience as well.

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And I think that's something that I see in a lot of nonprofit organizations is they jump to where the money is rather than—a new pot of money becomes available so they run after that, even though it doesn't necessarily fit their mission or what their skill set is. And for us, we have lived by the stick to your knitting. Does that mean that we're a lot smaller

than we probably could've been?

Rich Bendis: Yeah, you probably had some board members that were encouraging you to do different things I would imagine.

0:20:00 But basically, when you have stubborn CEOs that wanna stick to the knitting and basically their vision, I guess it works huh?

Dan Berglund: It's a balancing act. The board has always done what the board should do, which is push and ask questions and probe as to whether that's the right thing. By nature I tend to be more conservative when it comes to money and less willing to take a risk. I think the core message is right, that it's really understanding: what is the essence of the organization? I have seen other organizations that've said, "We've been working in bubblegum for 20 years. But, ya know what? Steak is really hot now. So, we're now going to do steak."

0:21:02 And it's not a good thing for the steak industry, [Laughs] it's not a good thing for the bubblegum industry, and, ultimately, it's not a good thing for the organization that's trying to convert from bubblegum to steak.

Rich Bendis: [Laughs] Okay. That's a different analogy but I guess it works. You talk about core strengths. How would you define the core strengths of SSTI that have defined you over time and what is the differential advantage that SSTI offers to its stakeholders that have enabled it to survive over 28 years?

Dan Berglund: A couple things. I think that as we've written up my job description—something that we've not done for 28 years [Laughs]—as we've written up my job description, one of the things that stood out for the board and for me was we want somebody who can speak for the field and to the field.

0:22:05 And I think that sums up both this position and the organization. That we're very closely connected to our members and trying to understand what our members' needs are so we can represent them, so that we can speak for them. I think one of the things that may set us apart from other organizations is we also feel a need to speak *to* our field and say, "You're missing the boat on this point" or "Here's a significant trend that's

coming that maybe you haven't thought about but you should be aware of." Sometimes people don't like being spoken to but I think in general our membership has appreciated it.

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And we always put it as, "This is what we're observing, here are our thoughts based on our experience having been in your shoes running these programs. We understand the challenges that you've got. Do with it what you will."

Rich Bendis:

I think another thing that is interesting to look back upon is that TBED, Technology Based Economic Development organizations—when you say, "A lot of 'em chase the buck, whatever's hot now"—if you look at the evolution through your history and you look at semiconductors and semitech, you look at the biotechnology and what the states did there, then you look at nanotechnology, and now you look at artificial intelligence, machine learning and quantum—we've gone through like four major generations of technology evolution over the last 30 years.

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And it is very interesting to observe—and maybe this can be one of your books—is to see how the states reacted to these emerging technologies and what they did, who were the losers and who were the winners and why did they become the winners in this process. So running a technology-based economic development organization with changing technologies and states that have to respond to that is an interesting challenge.

Dan Berglund:

It's definitely an interesting challenge. The question of why, how and the results of what states or regions have attempted is very interesting to me. I don't know if I wanna commit to writing a book but I wanna do some writing on that. When I was with the Edison Program for the state of Ohio, one of the six original Edison Technology Centers that was funded was the Edison Animal BioTechnology Center at Ohio University.

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They had, at the time, a unique technology. And so it seemed to make sense for the state to invest in that particular center. Was that ultimately the right decision? I'm not sure. But part of what I wanna attempt to do too is put the Monday-morning quarterbacking into—those that do the Monday-morning quarterbacking, give them some perspective of, these

are the set of facts that you are confronted at a certain time and you make the best decisions that you can. And part of what has always been fun about this field is because of the new technologies and because of the way the economy changes, you have to adapt to that.

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If you think back to when you started in this field, Rich, in the mid-80's, the late 80's, the relative emphasis on investment capital and working with individual entrepreneurs was basically focused around incubators. There was no such thing as an accelerator. The public role in financing and the finance picture of the American capitalist system was minimal. And now so much of the pre-seed, seed stage is really coming from the public.

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So it all changes, evolves and that's what makes it interesting.

Rich Bendis:

Yeah. Some of the other dynamics that impacted TBED and the states were people like Michael Porter doing his cluster studies around the United States and around the world. And you can relate to that. When everybody wanted to have a biotechnology plan for their state—or nano technology or whatever it might be or semiconductor or whatever the latest thing was—it just perpetuated him and his consulting efforts around the United States. And the belief for a lot of the states were that they thought they could actually be winners when they really didn't have all the assets they needed to compete. So SSTI I think had to keep some balance there and keep a perspective that was a little different than trying to lead people to believe that they could win when they probably had a very long shot of ever being a significant competitor in some of these fields.

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Dan Berglund:

One of the biggest sources of frustration over the last 28 years is people wanting to just copy what somebody else has done. So when I did the work on partnerships, I had a running tally of the number of states that said, "We're just like the Ben Franklin Program," and most of those programs are no longer in existence because it didn't make sense to just copy what was working in Pennsylvania and putting it in X other state. You needed something unique, different. And the same can be said of

any consultant over the last 28 years. Any consultant that says, “I have the one solution,” they’re selling you a bill of goods.

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So that has been a source of frustration is people just copying. For years at the end of our annual conference I would close out and say, “There are four rules,”—these became known as Berglund Rules—“that I want you to do when you go home. Number one: I want you to do good work. Number two: I want you to measure whether you’re doing good work, evaluate your programs. Number three: I want you to tell people about the good work you’re doing and the impact that you’re having,”—in more recent years I added a fourth rule which was, “And don’t do anything stupid.” And the “don’t do anything stupid” was because of those programs that would do ethically questionable things or do things that made absolute no sense for their economy.

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Rich Bendis:

So for 2024 for when you close the comments on this year's annual conference you'll have four things—you're not gonna do that this year, you'll hopefully have a new President by that time, Dan.

Dan Berglund:

Exactly.

Rich Bendis:

Okay, we'll talk about that. One other variable I wanna talk about before I talk about another topic is that one of the things that's unpredictable in technology-based economic development relates to different administrations, either at the state or federal level and the commitment that those administrations have to technology-based economic development. And that has very dramatically with leaders at the state or local government level as well as at the federal level. So talk a little bit about how states can have continuity in programs with a change in leadership and a change in focus related to technology-based economic development.

Dan Berglund:

Yeah, those four rules that I mentioned, really were an outgrowth of an analysis I did in 2004 because in that year there were a couple things that happened.

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One, we were just coming out of the recession after 9/11 but there had

also been a major political shift in 2002 as well. So 2004 we noticed there were a number of state programs that had been around for a number of years that had got eliminated. But at the same time, there were other states where it was fine. So we looked at the difference as to why that happened and it really came down to those three things. That the programs that got eliminated, either weren't doing good work, they weren't evaluating their work so they couldn't say, "Here's the impact that we're having," or they weren't telling their story.

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Which means they weren't building the deep alliances that they needed to build across the state. They needed to have the support of the business community, they needed to have support from individual legislators. It couldn't all be built around one governor. And there are plenty of examples. The Ohio experience I know firsthand that the Edison Program came into being during this last administration; it's a real question: what is going to happen if a Republican governor takes over. And Chris Coburn did a lot of work in building support among the business community to communicate with the Republican governor about the importance of this program.

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It's having that broad depth of support, the allies that you're going to need. The flip-side is it now is a much more polarized political time than it was 30 years ago. And so you are going to run into situations where one party created something, the other one is going to automatically hate it. It's a question of having that depth of support across that spectrum.

Rich Bendis:

Well that's been real apparent at the federal level, Dan.

Dan Berglund:

Oh, absolutely! And that's the other thing is building a structure so that you're not reliant on just one pool of funding either.

Rich Bendis:

SSTI has existed through both Republican and Democratic administrations.

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And many different types of leadership styles with Bush's and Clinton's and Obama's and Trump's and everything that you have there. So talk a little bit about when TBED seems to thrive at the federal level and when there are more challenges at the federal level.

Dan Berglund: Yes! There've been ebbs and flows on the federal level and both on the executive branch and on the legislative branch. And that has been part of what's key, is being able to have the balance between the two branches. So George W. Bush, Donald Trump both presented budgets that called for elimination of a number of programs that we support. Congress saw it differently and put funding in it.

0:35:05 I think the very interesting thing for the field is going to be this upcoming election and the direction that the federal government takes. That for really the first time the federal government in the last three years has bought into the concept that the federal government should play an active role in supporting regions as they try to create a technology-based economy. So whether it's through the Build Back Better Regional Challenge, The Tech Hubs Program or NSF Engines, all of a sudden you have significant amounts of federal money flowing.

0:36:03 And most significantly with a broad *mandate* of that money. So where the feds have tended to play has been: here's a little bit of workforce money. Or from another department: here's some research money. Or from another department: here's something to do with small businesses. The difference in the last three years has been, it's more the system approach. Now the challenge is going to be: is this a path that the federal government is going to continue on or does it go back more to individual elements? Based on the vote that we saw for the CHIPS and Science Act, which created tech hubs, there's broad bipartisan support for this kind of investment by the federal government.

0:37:04 But that's one of the biggest changes this field has seen in the 28 years that I've been at SSTI, is all of a sudden the federal government *really* cares about this issue and wants to spend money on it.

Rich Bendis: So the federal government cares about it and you're walking away from it, Dan.

Dan Berglund: [Laughs] Thanks Rich! Are you calling me a quitter!?

Rich Bendis: No but I mean, are you going to do this little transition because you're in such good shape right now we don't have to do anything about it? You don't have to worry about your successor and the future of SSTI?

Dan Berglund: There are a lot of reasons that I'm doing the transition at the time that I'm doing the transition. My personal plans have been to step down two years ago. And then this initial wave of federal money came and I felt that I couldn't step down.

0:38:00 But at a certain point you just have to make a personal decision as to when is the best time for me. And I've taken this organization through three major economic downturns and it takes a lot outta ya. [Rich Laughs] I'm tired! As I've said before, I don't have your energy. If I had your energy I would do this another 28 years.

Rich Bendis: Well I have a couple programs that I wanna bring you into Dan. [Dan Laughs] We could use your advice. But as we close this edition of this podcast—we didn't get into everything I wanted to—but based on generally how long we run these podcast and what the listeners ability is to listen to these over time—we're talking to Dan Berglund, the CEO of the SSTI, the leading technology-based development association or organization in the country these days. Let's talk a little bit about your legacy.

0:39:00 What is the one thing or couple things that you're the most proud about over your 28-year history with SSTI and what're the things that you wish that you could've achieved that still are out there to be achieved?

Dan Berglund: [Laughs] I get really uncomfortable with this question about my legacy because I'm the person who is out front more.

Rich Bendis: It's a team effort but yes, someone has to lead though, Dan.

Dan Berglund: Someone has to lead but I can't emphasize enough—as I was writing my column for the digest saying that I was stepping down I wanted to go back and check some facts and we've had 66 people over the years work at SSTI. So this isn't me and it's not even those 66 people, it's all of the members, it's the board members—like you—it's every member that has contributed.

0:40:03 With that caveat, the thing that I'm happiest about is—and this just really became clear in last year's conference—the number of people that were coming up to the SSTI team saying, "I finally found my home. I found my

people.” And that’s great. Sorry.

Rich Bendis: No, no, no, no, that’s okay.

Dan Berglund: Didn’t expect to get emotional. [Chokes up] You’re pulling a Barbara Walters on me.

Rich Bendis: She gets paid a lot more than I do. Anyway, no, there’s nothing wrong with that. Actually creating an environment that people are comfortable in that talk the same language and you can actually discuss your successes and challenges and opportunities with one another and people get it, there are very few places to do that. And it’s sometimes being the CEO of an organization like this, you’ve got a board, but how many people can you really talk to?

0:41:05 So what you have is a whole bunch of practitioners coming together and they have peers that they can talk to about similar problems where they don’t really have the ability to do that within their own organizations or their own states or locations.

Rich Bendis: Yeah, perfect description. We describe our events as safe places. And I’m extremely proud of the fact that we have created that environment, the whole team has created that environment, all of the people coming to those meetings buy into that environment. One of the people who’s in the tech-based economic development field came from the traditional economic development field and her comment after being at one of our meetings years ago—her first one—was, “I can actually be honest with my peers about what I’m doing! In the traditional economic development field, I can’t do that because we’re all recruiting against each other.”

0:42:10 And here somebody from the Water Council years ago said, “Our philosophy is there are two ways to get more pie: you either steal pie from others or you make more pie.” And we’re about making more pie.

Rich Bendis: As we come to a close here Dan, is there anything you’d like to tell the listeners recognizing that this is a very diverse and broad audience? Anything about the last 28 years—which we thank you for your leadership—with SSTI?

Dan Berglund: I think one thing that I would just say is the importance of public service.

I've dedicated 40 years to a public service career in different forms and don't let anybody tell you that it's not important and that it doesn't have value.

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Rich, keep doing what you're doing. I would say to the listeners, keep doing what you're doing. And we appreciate everything that you all are doing to make this country and this world a better place.

Rich Bendis:

Well Dan, thank you for taking the time to be on *BioTalk* today. Hopefully it's not the last time that we're gonna have this, I wanna do a little sequel to it once you start your writing. But, again, I speak for a number of the listeners and a number of other people in the field and thank you for what you've done for technology-based economic development over the years and leaving it in a better place than you've found it.

Dan Berglund:

Thank you Rich. I appreciate that.

Rich Bendis:

You're welcome. And best of luck in your future.

Narrator:

Thanks for listening to *BioTalk* with Rich Bendis.

End of recording.