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Designing a Culture of Collaboration at Lake Nona Medical City

Thad Seymour, President of the Lake Nona Institute, believed that process and governance decisions would be critical to Lake Nona's success. Seymour had joined the team to develop a 7,000-acre residential and research cluster in Central Florida following a successful career in healthcare and biotech. Like many involved in the project, he had been drawn to its potential to "move the needle" on important scientific, technological and sustainability advances. To realize the community's ambitious goals, Seymour knew that he would have to work effectively with a growing roster of partners across sectors and industries.

The Lake Nona community was spearheaded by Tavistock Group (Tavistock), an international private investment organization with a significant presence in Central Florida. The project aimed to develop a master planned community and innovation cluster focused on biomedical research, clinical care and medical education in a healthy, eco-friendly environment. Tavistock founded Lake Nona Property Holdings (Lake Nona) to develop the community and the nonprofit Lake Nona Institute (the Institute) to support this mission. By 2012, a diverse group of partners had moved onto plots of land at the development. A medical and translational research cluster, baptized "Medical City" by the local press, had risen from virtually nothing in 2006 to form a loose confederation of facilities funded by both public and private sector money. Nemours Children's Hospital (Nemours), the first new Veterans Affairs (VA) hospital to be built in decades, the Sanford-Burnham Medical Research Institute (Sanford-Burnham), the University of Central Florida's (UCF) new medical school, and the University of Florida Research and Academic Center (UF) were open or slated to open within months. Three neighborhoods had been built and residents had begun to purchase houses in a brand new one. Lake Nona was well on its way to becoming a "living laboratory."¹

One of Lake Nona's primary goals was to encourage innovation by "convening" the diverse organizations in the cluster, and the Lake Nona Institute was the "glue" that tied them together. One of Seymour's first initiatives was organizing a set of councils for the leaders of organizations to discuss ways to collaborate on technology, communications, education and operations. These gatherings allowed members of the nascent community to keep each other abreast of individual developments and to pursue ideas that could benefit from collaboration – from recruiting to PR.

Professor Amy C. Edmondson, Research Associate Sydney Ribot, and Doctoral Candidate Tiona Zuzul prepared this case. HBS cases are developed solely as the basis for class discussion. Cases are not intended to serve as endorsements, sources of primary data, or illustrations of effective or ineffective management.

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Among members of the Leadership Council, which comprised the heads of the major tenants listed above, conversations often focused on strategic decisions that would affect them all: given finite time and resources, how much should Lake Nona and its partners invest in sustaining collaboration over a long-term project?, How should they measure the results?

Both Tavistock and the current tenants wanted continued growth for the community. UCF's leaders hoped to build a dental school and an adult hospital on their campus, and other tenants wanted to expand as well.² Some expressed concern that new tenants attracted to Lake Nona might compete with the existing tenants. Seymour recognized that how the staff at Lake Nona grew the community was of great importance. Decisions about future tenants would impact multiple enclaves on the property, and it was imperative to think about the ramifications, however subtle. He wondered which decisions regarding expansion should involve input from current tenants and, if so, how? Early on Seymour had rejected the use of formal tenant by-laws, believing the formality of the process would overtake communication and trust-building. Now, he questioned whether a change would be necessary as the project expanded. While the atmosphere at present was entrepreneurial, would a formal structure be necessary to maintain momentum and community? Most importantly, how could Lake Nona sustain the culture of collaboration that helped create Medical City in the first place?

History of the Lake Nona Development

The 7,000 acres comprising Lake Nona were adjacent to Orlando International Airport, off Florida State Road 417 (see **Exhibit 1** for a map of Lake Nona).³ Tavistock Group, an international private investment organization owned by the Joe Lewis family, purchased the property in 1996.⁴ Prior owners of the land, who envisioned it as a vacation retreat, had built a well-regarded country club and a high-end residential development on part of the site. When demand for vacation homes in the area fell short of expectations, the Lewis family acquired the financially troubled development – along with 4,000 acres of undeveloped land – hoping to transform what they termed a “sleepy asset” into something more valuable.

After several years of steady residential development and much deliberation, Tavistock's leaders settled on a radically expanded vision for the development: they would build a medical research and healthcare cluster surrounded by a residential community. Rasesh Thakkar, Senior Managing Director of Tavistock and the driver of the new vision, expressed one of their main goals as “tying the concept of economic development, which is really about sustainability,” to the rest of the project: “What would the economic impact be to the region of bringing all these parties together around a shared vision?” By developing a research cluster that would create thousands of jobs, the developers hoped to generate demand for an economically and socially sustainable community on the rest of the property while positively affecting the regional economy.

The Medical City portion of the Lake Nona development was well underway by 2012, six years after its first facility broke ground. The site boasted an assemblage of healthcare, academic and scientific research facilities that Tavistock had cultivated into a \$2 billion medical and research campus.⁵ The developers had set aside 40% of the 7,000 acres to be preserved as green space.⁶ The remaining land would be devoted to other uses, from neighborhoods, schools, and office parks to a mixed-use ‘city center’ complete with restaurants and retail.

Tavistock Group

Tavistock was founded by Joe Lewis, a successful entrepreneur and philanthropist. Prior to embarking on the Lake Nona project, the organization had established itself with international investments in over 200 companies,⁷ with assets ranging from the Tottenham Hotspur football club in the U.K. to the largest fully integrated electric company in Argentina.⁸ The organization had developed several resort properties and private clubs, including Isleworth Golf & Country Club near Orlando, but Lake Nona was its first master-planned, mixed-use community. Tavistock formed Lake Nona Property Holdings in 1997 to develop the land and, eventually, the Lake Nona Institute to promote a cluster for health and learning. In 2012, about 45 people from Lake Nona and the Lake Nona Institute were working on the project.

The Beginnings of Lake Nona

Although Tavistock had owned the property near the Orlando airport since 1996, the new vision for Lake Nona was not developed until 2003. Rather than pursuing a conventional model for planned community development,⁹ Tavistock decided to pursue a job creation strategy for the site, focused on health and life sciences innovation. By promoting the economic, social, and environmental sustainability of the region, Lake Nona could diversify the economy of the region and elevate Central Florida's standard of living. To begin, they needed an anchor tenant.

Scripps: A Critical Learning Experience

In 2003, following consultation with state business leaders and Tavistock founder Joe Lewis, Governor Jeb Bush announced plans to diversify the economy and bring higher-paying jobs to Florida. The state thus began to lure biomedical research organizations with a state-managed incentive fund. San Diego's Scripps Research Institute expressed interest. Believing Scripps could become a transformative tenant, Tavistock executives worked with state, county, city and other private organizations to offer the research institute a \$579 million incentive package to come to Lake Nona. Scripps' leadership declined, deciding instead to develop their new facility in Jupiter, Florida, 150 miles south of Orlando.¹⁰

Reflecting on the failure, Tavistock recognized there was little to draw Scripps to Lake Nona aside from the land's proximity to the airport. After losing the bid, the team began to think more deeply about how to proceed. They decided an isolated approach would not work. To attract institutions that could generate jobs, they set out to create a health and life sciences cluster. This decision led to the Lake Nona team undertaking research on innovation clusters around the world. "The whole community learned a lot from the Scripps experience about what we did well and what we didn't do well," Thakkar said. "We licked our wounds and regrouped." In their next effort, Tavistock and the community "did a much better job of putting our best face forward, putting together a package that made sense."

A Cluster Begins to Form

Taking cues from Governor Bush's incentive bill, the Lake Nona team worked closely with the state of Florida. They discovered, serendipitously, that UCF, the second-largest university in the U.S. in terms of student enrollment by 2012,¹¹ hoped to build a brand new medical school. Lake Nona Property Holdings approached UCF, arguing that the best way to attract top students and faculty – and to gain local and state support – would be a cluster approach. The two institutions partnered to contact the governor after conducting a financial study that projected the economic impact of a

medical school-led cluster at over \$5 billion per year. Won over by the strength of these figures, the Governor agreed to support the project. In 2005, Lake Nona Property Holdings donated a 50-acre tract of land and \$12.5 million in a challenge gift to UCF, which became the first tenant to sign onto what would soon become Medical City. The public entity would become one of the larger stakeholders at the site. The presence of UCF would not merely signify Lake Nona's viability to other potential tenants, it solidified Lake Nona's public sector connections, local credibility and knowledge.

Armed with a persuasive incentive package emphasizing a cluster approach, the Lake Nona team approached other potential tenants of Medical City. As Cyril Doucet, Vice President of Operations for the Sanford-Burnham Medical Research Institute, Lake Nona's second tenant, reflected,

There was an incentive package that was put together to bring Sanford-Burnham here. That package included about \$180 million in operating funds and equipment funds from the state – the Office of Trade, Tourism and Economic Development. We signed a 10-year program in 2006....Part of that package was a \$90 million investment by the City of Orlando, Orange County, and the Tavistock Group to provide this site. Tavistock provided land and a cash contribution, and the City of Orlando and Orange County provided the money for the building.

With two respected tenants, Lake Nona was able to begin selling land: in 2007 to the US Department of Veterans Affairs, which would develop the country's newest VA hospital, and in January 2008, to Nemours, a prominent American pediatric health system. While the tenants developed at different paces, they found utility in proximity. Expressing the sentiments of many physicians and scientists who had come to the site, Dr. Daniel Kelly, the Scientific Director of the Sanford-Burnham Medical Research Institute, reflected on the importance of context at Medical City.

I would not have considered this opportunity if there weren't the potential for the kinds of things that are emerging in Medical City... we are in the business of, right now, pushing discovery forward and moving it to the clinic as quickly as we can.¹²

A medical research cluster had begun to form.

Four Pillars of Innovation

Lake Nona's success, its leaders believed, was dependent upon the development's collaborative spirit. In his "State of the City" speech given at the UCF College of Medicine on February 29, 2012, City of Orlando Mayor Buddy Dyer laid out the future. Lake Nona was on track to create over 30,000 jobs and to have a major 10-year economic impact on the region. Lake Nona's fusion of "clinics, classrooms and laboratories" would revolutionize the American healthcare landscape and the economy of Central Florida. Further, the living spaces, the high-tech residential neighborhoods and schools, would feature energy-efficient technologies that would reduce energy consumption and encourage residents to lead healthier lives. The projected economic impact had risen from the 2005 estimate of \$5 billion per year to \$7.6 billion. Perhaps most poignantly, Dyer promised that Lake Nona would become a beacon for a new kind of cooperation.

Realizing that we would not be able to compete for companies and jobs of the future unless we redefined the way our entire region worked together, this community committed itself to a level of cooperation never before seen in Central Florida. In fostering the partnership necessary to create the Medical City, we didn't just build a one-time project. We also created a road map

for how to get big, important things done and how to overcome the challenges that confront our community.¹³

The evolution of the site from a traditional development to a potentially transformational cluster had largely occurred as a result of thoughtful engagement with public and private organizations like the flagship tenant organizations and with state and local government. President of Lake Nona Property Holdings Jim Zboril described Lake Nona's role as "a provider of the infrastructure" for innovation. Lake Nona hoped to create an environment to attract organizations that would come together to pursue new medical innovations, research approaches, and technologies. Having seen this effort result in the emergence of a core Medical City, Lake Nona now created the Institute to focus on promoting a similar approach to the development of the entire community, which they hoped would be both sustainable and technologically 'smart'. They focused on four pillars of innovation: Sustainability, Technology, Health and Wellness, and Education.

Sustainability

Lake Nona's master plan, buildings, and residential homes were developed with principles of environmental sustainability in mind. The master plan hoped to promote environmentally conscious living: in addition to the 44 linear miles of bike and walking trails on the development, every road had a bike lane. To locate on the land, all major buildings in the community were or were on track to becoming certified as LEED Silver or higher, a certification for green building design indicating significant energy savings, according to Rob Adams, Vice President of Marketing and leader of Lake Nona's residential efforts. Ron Domingue, Program Director for Sustainability for the Lake Nona Institute, sought to achieve Lake Nona's sustainability goals by working closely with innovative companies. As one of Lake Nona's first partners, General Electric (GE) proved that collaboration could work well in providing a continuous feedback loop to design and improve new products.

The GE Partnership In 2009, Seymour approached Wayne Canner, GE's General Manager of Healthcare in Central Florida, to explore how GE could become involved with the growing development. Lake Nona and Tavistock leaders were interested in finding out whether and how GE might wish to engage the community. According to Canner, becoming a part of Lake Nona was an easy sell. Canner believed Lake Nona shared many goals with GE - most notably, a vested interest in the advancement of society via research and innovation. As a result, he saw an opportunity to deploy and test some of GE's existing and new Ecomagination™ and Healthymagination™ technologies at a significant scale in a "living laboratory". GE agreed to help Lake Nona launch the Institute as a Founding Sponsor with \$500,000 of seed funding.¹⁴

Among other initiatives, all homes at Lake Nona's newest community were certified under GE's Homes Inspired by Ecomagination™ program. This involved equipping each home with GE's Nucleus™ energy management monitor, Geospring™ hybrid water heater, Energy Star rated refrigerators and appliances, and pre-wiring for electric vehicle (EV) chargers. Integral to this program was a third-party guarantee by Masco's Environments for Living™ program that homes would be 20% more efficient than standard homes in the region. Other planned innovations included GE Water Filtration, CFL and Germicidal Lighting, and a microwave containing a MyPlate™ button to help choose nutritious meal preparation.¹⁵ To be chosen, builders had to agree to this vision, including the exclusive use of GE products.

LED Street Lights In late 2011, Lake Nona committed to 100% LED street lighting for all new street lights, generating a combined annual energy savings of 253,000 kWhs (or approximately \$27,000). At the time, none of GE's LED area lighting options were aesthetically pleasing to Lake

Nona's planning committee. Seeing the market opportunity in expanding the breadth of their LED fixtures in general, and of a 5,000-fixture deployment in particular, GE agreed to develop a new fixture for Lake Nona (see Exhibit 2 for an LED light concept sketch).

To fit Lake Nona's tight construction schedule, GE compressed its product development period from 18 to six months. After GE had shipped and installed several fixtures, testing indicated a possibility of technical issues. Rather than risk future field failures and motivated to keep working with Lake Nona, GE agreed to incur the cost of modifying the fixtures. GE produced a new product that would appeal to a growing market, and Lake Nona had 100% functional LED lighting designed to their aesthetic requirements.

Technology

Michael Voll, Vice President of Lake Nona's technology provider Dais Technologies, saw the telecommunications infrastructure as integral to the collaborative vision for the community. "Lake Nona was thinking about technology before they realized they were thinking about technology," he stated. "Just in the way they were laying out buildings, the idea of the cluster, putting people in close proximity to each other that would need to be able to collaborate, layouts of streets...when we started talking about the physical infrastructure of a network, it was a natural progression for them." In addition to holding regular meetings with technology companies like Cisco and GE to "carry that vision to the next level," Lake Nona's technology team also brought together the Medical City technology leaders in an "IT Council" dedicated to planning and promoting technology in the cluster. Joel Hartman, Chief Information Officer at UCF and first chair of Lake Nona's IT Council, explained the potential of the community:

From an IT perspective, it's an opportunity to develop what I call a no-limits infrastructure. You can't anticipate what it will want, what it will need, what it will be. But you can anticipate ways to avoid roadblocks for its growth and development.

At an early IT Council meeting, it was brought to Hartman's attention that one of the most important common interests among the tenants of Medical City was building a robust mobile network. Sifting through, as Hartman said, "an eclectic group of entities with different purchasing requirements,"¹⁶ they isolated a project that all could carry out together: a distributed antennae system (DAS).

A DAS would ensure 100% reliable cell phone and mobile data coverage throughout Medical City's buildings. Carriers could bring signals into a specific location via a large room with racks of electronics, terminate them, and thus enable communication with the outside world. It was a contrast to the more sparsely distributed cell towers that often result in dead zones for cell service. These racks would manage fiber optic cables that pass through individual buildings, connecting hundreds of tiny antennas that fill buildings so there are no extant black spots. Hartman compared the DAS to veins and capillaries in the human body, saying that ideally, "you want to run that cable in the building while the building is being constructed" to reduce cost and disruption.

Although UCF, the VA and Nemours originally intended to build their own systems, they shifted course. Members of the IT Council created a timetable and strategy to get a shared DAS installed. Of their collaboration, Hartman said, "my colleagues around the table were always willing to seek the common good on this. It was only the limitations they faced - budgeting requirements and lock-ins from contracts with previous carriers, that posed barriers, but those have been resolved in a way that's probably the best possible outcome in terms of design." Voll recalled that the Council owed

the DAS success to their desire to focus on forward-thinking innovation – a focus reinforced in their decision to install high-speed Internet at the site.

Galled by the discovery that at 4.8 Mbps (megabits-per-second) the average U.S. Internet connection speed lagged far behind Japan and Korea's average of around 61.6 Mbps, the IT Council encouraged Lake Nona's decision to install an infrastructure sufficient to deliver 1,000 Mbps. While most existing software applications might not require such speed, such a development was emblematic of the long-term vision at the heart of the Lake Nona ethic. As Hartman saw it, the "no-limits" approach to IT meant developing an infrastructure "that we would not come to regret in the future."¹⁷

Healthcare

Translational medicine was at the core of the Medical City's purpose. Defined by multiple members of Medical City as a way to move findings from "the (lab) bench to the bedside with the utmost efficiency," translational research was facilitated at Lake Nona by relationships among the various medical and research institutions. Moreover, these organizations worked together to attract the best candidates for a collaborative learning environment. Nemours partnered with UCF's College of Medicine to allow some medical students to spend 50% of their time performing research, and 50% of their time in clinical service.

The "bench to bedside" ethic at Lake Nona would not have been as meaningful without the "crowdsourcing" or "community involvement" the cluster allowed, according to Gloria Caulfield, who helped support Lake Nona's nonprofit initiatives as Program Director for Health and Wellness at the Lake Nona Institute. Convinced that innovation in health and wellness would be accelerated by a sector outside conventional hospitals, Caulfield spearheaded an alliance with Johnson & Johnson to create a longitudinal study of health at Lake Nona. As of early 2012, the Institute was examining the baseline of health in the community to create longitudinal data sets, and was considering such goals as the reduction of community members' RealAge™ by 10%. In the future, they had plans to engage other companies, to add biometrics, and possibly even include genetic testing in the research protocol. As news coverage indicated, the community was proud of such efforts and people chose to move to Lake Nona in order to take advantage of the learning and healthy living environment.

The heads of each of the institutions saw collaboration within Medical City as central to the success of their organizations. Dr. Deborah German, Dean of UCF's College of Medicine, explained that one of the reasons she was convinced of the new school's success in recruiting students and faculty was its location in the community: "Where else in the world would you find 7,000 acres of land, 700 of which are designated to be a Medical City, a stone's throw from an international airport that is a global destination, and a place where the weather is mostly good?" she asked.¹⁸

These collaborative efforts were fostered by constant communication. Dr. Kelly explained,

We can make things happen very rapidly. There is an informal nature about our interactions with our partners, whether it's with the Medical School, Nemours Children's Hospital, or the VA hospital... We collaborate as a community. Nemours would never recruit a physician, for example, without having them come through Sanford-Burnham. They want them to see that there is really a critical hub here of incredible science.¹⁹

A collaborative culture was developing among the organizations in how they worked together to help each other succeed.

Education

According to Mark Hayes, Education Program Director for the Lake Nona Institute, creating a new model of learning based on collaboration was always a central theme for Lake Nona and its partners. “Recruiting the top talent in the world is critical,” Hayes explained, and “savvy, thoughtful people in all fields of healthcare and research demand that their families have the best in education. It’s foundational, like the brick and mortar of a house.” Referring to Tavistock Group’s company philosophies, he elaborated, “the concept of lifelong learning runs deep in our culture.” Moreover, they do “not look at it as a non-profit, add-on, feel-good part of a community. Enriching the mind at all ages is truly an economic development driver.”

Those involved believed that Lake Nona could also serve as a model for educational innovation. Sandy Shugart, president of Valencia College and an active participant in the education planning efforts explained that the community had enabled Valencia to create innovative programs for the local high school. Among other efforts, Valencia had established a Collegiate Academy on the high school campus where students could earn an AA degree while pursuing their high school diploma. According to Shugart:

Lake Nona presents us with a unique opportunity to design an education model that will raise the bar for every student in ways that will accelerate their learning, engage them in real world research and development and give each learner the chance to perform at their highest level. I think in years to come, the education model we are designing for Lake Nona may be the most emulated innovation in our country.²⁰

When U.S. President Obama’s \$700 million “Race to the Top” grant was announced in 2009, Lake Nona’s involvement with Orange County Public Schools deepened: “We participated in the collaboration between five counties and several non-traditional education partners on one grant. It was truly a unique way of approaching the grant process,” Hayes continued, “and we won.”

After that, Lake Nona launched its Education Council, “where the heads of state of Medical City would come together to pursue grants, community programs and aligned curricula.” The key concept behind Lake Nona’s education initiative, said Hayes, was exploring education through work with different partners.” Despite then-low demand, Lake Nona and other area developers convinced Orange County Public Schools to build a state-of-the-art high school in 2007. Since its opening in 2009, Lake Nona High School had operated at an enrollment of about 1720 students. The Lake Nona team also wanted to bring Valencia College, one of America’s most successful community colleges, to Lake Nona, which they did. That new campus would open in the fall of 2012 next to Lake Nona High.

Additionally, Promethean interactive whiteboards²¹ had been installed in the high school’s classrooms to allow for a more collaborative learning experience across different physical spaces, and the high school’s principal, Rob Anderson, had spearheaded initiatives to define learning activities beyond the typical classroom, from seeking out ways students could participate in outside studies to personalized curricula based on learning style. Lake Nona was also working with its homebuilders to offer residents the option of installing Promethean whiteboards in their homes to enhance interaction with the schools and extend the learning environment within the Lake Nona community.

“The Lake Nona Way”

Many involved in the Lake Nona project pointed to the role of the Institute’s culture in promoting innovation. To encourage innovation, Lake Nona’s leaders had followed an approach that was unusual in the development industry. Leaders of the tenant organizations described Lake Nona as an “accelerator,” a “manager,” an “engineer,” a “conductor,” and a “builder of collaboration.” The Lake Nona team’s strategy, they stressed, was to encourage innovation by investing in a collaborative approach. Zboril reflected, “We want to be a conductor and let other people play their instruments.”

Referring to the decision of the tenants to collaborate in the installation of the DAS, for example, Thad Seymour remarked, “It’s a perfect lesson to that commonly used expression that, you don’t do collaboration because it’s easy. This is much harder. It would have been easier for us to just let each one of our partners build their own system, but it would have cost more and we would have ended up with an inferior system.” Timothy Liezert, the Director of the Orlando VA, described the role of Lake Nona’s leaders:

A crucial realization at one of our early meetings was that collaboration just doesn’t happen...you have to establish what they call a permissive platform for this dialogue to occur, where you establish times and venues to get people together and share their thoughts. That’s when the ‘eureka’ moments happen. I think too often people say, ‘We have a goal to collaborate’ and then nothing happens. Well, it doesn’t happen because you don’t have this platform that Tavistock and others have established. It has to be a conscious decision of everybody involved that you are going to spend time periodically talking about things that matter to our long-term success.²²

Although the collaborative approach took time, Seymour believed the long-term benefits would outweigh the costs. “It’s been a couple years’ slog, but it’s going to be worth it,” he said, “to create a system that could be maintained and, more importantly, expanded.” Four elements of Lake Nona’s culture were critical in enabling this approach.

“Patient Money”

Private capital afforded Tavistock – and by proxy, Lake Nona – certain luxuries. With “patient money,” as Rasesh Thakkar, Senior Managing Director at Tavistock Group, referred to the family-owned group’s resources and strategy, the company could distinguish itself through its discretion, flexibility and decisiveness. They did not need immediate profit from each project. As Thakkar noted:

We come up with an idea, and we have one phone call with Joe (Lewis). For a decision regarding millions of dollars, it takes us only a few minutes. We have a streamlined decision-making process in our company. We plan and prepare in a way that eliminates unnecessary delay. And with Lake Nona we have taken the longest view possible. We are looking out 20 to 30 years to rationalize our efforts and investment.

The investment organization’s long-term perspective was critical, and remains so. Zboril, a large-scale real estate development veteran who had been with the project since 2003, said that, “unlike most developers, we take a longer view.” This helped the company “look at things a little bit differently.” Development projects, Tavistock’s leaders often noted, require a substantial length of time to mature – and the company was willing to wait for a return. Thakkar echoed this sentiment when he remarked, “This is a marathon, not a sprint. Six years we’ve been going, \$2 billion worth of active construction, and we’re just barely scratching the surface. You really need deep pockets to take on a project like this, very patient money, and that’s where our ownership comes in. Without their

pockets, we could never pull any of this off.” Rather than focusing on short-term profits, the company wanted to develop relationships that would allow collaborative innovation, building value over time.

Lake Nona’s partners emphasized the importance of the company’s long-term perspective. Dr. John Hitt, the President of UCF, explained that, “When you look at a development like this, it’s easy to miss the importance of dealing with an entity like Tavistock. They are really masterful in creating value. And it shows when you go into Lake Nona and see what they’ve done there. I think they have done this through a combination of a longer time horizon and a really good sense for how you create value.”²³

Developing Partnerships

Seymour believed the best solutions came about through informal conversations. “Everyone shares their problems and asks for input.” Accordingly, he said, the Lake Nona Institute tried to promote a casual, conversational approach to innovation. The Institute’s goal, he claimed, was to work on projects while “promoting a sense of authorship in others; that is how the strongest, most innovative solutions are developed.” To that end, the Lake Nona Institute did not approach partners with a specific plan. Instead, the team approached organizations to generate a conversation about the possibilities. As Thakkar stated, this approach reflected the position that “collaboration has to be in our DNA.” Lake Nona’s leaders focused on attracting partners by outlining their capabilities and asking partners to reciprocate. Once they did this, members of the two organizations would sit together to think about how their capabilities could be combined to be innovative and add value to both organizations.

According to Caulfield, who helped lead Lake Nona’s strategic alliance initiatives, partnering always began with the Lake Nona team asking a potential collaborator, “how can we create new, global models together?” Based on the answer, Lake Nona and the partner customized an approach, resulting in three variations of alliances: short-term “champions,” “strategic alliances” and “founding partners” (see **Exhibit 4** for a visual representation). Lake Nona worked with partners on identifying opportunities of mutual interest within the innovation cycle: product innovation, business development, market development, and joint research.

Partners that could activate one or two innovation segments were identified as “champions.” Champion companies like Promethean, which produced the interactive Promethean boards that would connect homes and schools in the community, were those that could offer “a specific product,” or “a specific function” to be deployed in the community.

Commitment from companies with whom Lake Nona had a “strategic alliance” was more involved. Defined as a partnership between organizations with multiple aligned interests within the Innovation Cycle, the strategic alliance generally came with a broader commitment of both financial and in-kind resources.

Companies at the “founding partner” level played a significant advisory role in the development of the Institute and more broadly in the Lake Nona community. “Those that want to have a visionary role and provide overall conceptual guidance that could be the foundation for what the Institute works on long-term – that is a founding level alliance,” Caulfield clarified. Founding partners worked with Lake Nona’s team to jointly plan, deploy, and research new initiatives that would benefit the community and serve as global models. These partners provided significant resources to the Institute – the minimum commitment was \$500,000 – in exchange for this critical role in the community’s development. GE became one of the Institute’s founding partners in 2010.

Diverse Expertise

Rather than hiring traditional developers, Tavistock's leaders staffed Lake Nona Property Holdings and the Lake Nona Institute with employees who possessed a variety of backgrounds. Each executive involved in the project brought an area of expertise that reflected one or more of the four pillars: sustainability, technology, health and wellness, or education. Seymour's background, for example, did not resemble that of most developers: he had a Ph.D. in history and a career in healthcare and biotech. Zboril explained that he hired Seymour in 2008 because he was "able to communicate with partners" when Lake Nona began recruiting institutions for Medical City. In the past, communication with people from the healthcare sectors had been "stifled because we were speaking different languages when talking about the same issues." Domingue was confident the Lake Nona team's strength lay in the diverse expertise of its members. He asserted, we "never claim to be an expert on anything, but there's an incredible thirst to find who is – and bring them here." Seymour, too, stressed the importance of this approach. When asked for his title, Seymour chuckled, "I'm whatever our partners want me to be."

Facilitating Critical Connections

Seymour stressed that the innovations that could distinguish Lake Nona as a community would come about through collaboration between tenants and developer. To ensure tenants had a working familiarity with each other, Seymour brought the leaders of all organizations involved in the development – from Medical City's operations leaders to those responsible for Lake Nona's IT infrastructure– together periodically for "council" meetings. By 2012, Lake Nona was governed by five councils, each with its own focus: technology, operations, communications, education, and leadership.

Seymour saw the councils as the answer to a fundamental question: "If you're truly about collaboration, the question becomes *how do you make that happen?*" To foster collaboration between the leaders of Lake Nona's tenant organizations, Seymour set up regular meetings. "It got people to know each other better, to trust each other, to share ideas and even expose weaknesses," he recollected. The Lake Nona team wanted to keep bureaucracy to a minimum while adding councils with more specific focuses. Because "this is a greenfield," Zboril commented,

A lot of these folks are thinking about how to solve some common problem or capitalize on a shared opportunity – how do we recruit, how do we deal with communication? This provides a support group and a forum for us to think about how we can solve these issues by teaming up – easier, or in a bolder way.

Medical City's tenants originally faced a number of challenges related to recruitment of employees because of their newness, for example. Zboril added that "the agenda for the councils is organic," and their members alone determined what merits discussion. What would happen, Seymour thought, as the project matured? Some physicians and scientists worried that a tension would develop between the economic development goals and the slower-paced scientific research missions of individual tenant organizations.

While in theory, managed forms of communication like the councils were intended to assuage such problems, the project was, as Zboril had said, a "greenfield." Without much precedent for this kind of cluster collaboration, the question of how to sustain such collaboration could determine the success or failure of the project by altering the balance of organizations and the alignment of their interests in the decades ahead.

Lake Nona in 2012

By mid-2012, process questions were at the forefront of Seymour's mind. Sanford-Burnham employed about 140 scientists, and UCF's College of Medicine was admitting its fourth class of students. The leaders of Nemours Children's Hospital were in the process of hiring 600 medical personnel and researchers, and had received 5,000 resumes by early 2012. Located on 65 acres, the VA hospital was proceeding with construction, and its national center for medical simulation was slated to open in 2014. The University of Florida's (UF) Academic & Research Center would open in the fall of 2012. Construction was proceeding on a tight schedule in the residential neighborhoods (see **Exhibit 3** for new homes). Each model home in the newest, Laureate Park, would require only 45 days to construct and was priced between \$200,000 and \$400,000. Ultimately, Lake Nona's developers expected to build 10,000 homes for around 25,000 people, including housing for the more than 5,000 people employed by the first tenants. A mixed-use downtown area, modeled after the blocks constructed in downtown Orlando in the 1920's, was fast becoming a "walkable, real city."

With so many organizations in Medical City in operation or on the verge of opening, Seymour reflected on the role of collaboration in the site's progress thus far. Top-down decisions could not have resolved the collective need for a DAS solution throughout facilities, and the way GE had worked with Lake Nona to produce cutting-edge LED lights was both innovative and cooperative. Initially, Tavistock had been critical to ensure the presence of institutes, hospitals and schools at the site and to facilitate a culture of collaboration among them. But, Seymour wondered, what should Lake Nona - and Tavistock - do to ensure that this collaborative culture could be sustained? What investment would that require from Lake Nona? And how would they measure the results? How should Lake Nona and its partners ensure that unhealthy silos did not develop despite the partners' professed desire to avoid this outcome?

While Seymour felt good about Lake Nona's progress and was confident in Institute processes, he wondered what criteria should be established to determine participation on boards and councils. Did the Institute even need to bombard already-busy heads of organizations with more meetings? Should they move to a hierarchical, structured organizational process designed to ensure sustained collaboration, or would it be better to build consensus from all of the different partners through a less formal structure? What foundation would the Lake Nona Institute lay by going with a given choice?

Exhibit 2 GE's LED Light Concept Design Installed at Lake Nona



Source: Lake Nona.



Source: Lake Nona.

Exhibit 3 New Homes Under Construction in Laureate Park



Source: Lake Nona.

Exhibit 4 Strategic Alliance Matrix



Source: Lake Nona.

Endnotes

- ¹ Learn Lake Nona. <http://www.learnlakenona.com>, accessed August 14, 2012.
- ² Casewriters' interview with Dan Kelly, Deborah German, September 2011.
- ³ "Nonagraphy Map" at Learn Lake Nona. <http://www.learnlakenona.com>, accessed August 14, 2012.
- ⁴ "An historical timeline of Lake Nona." <http://learnlakenona.com/>
- ⁵ Vatner, Jonathan. "Orlando's Newest Attraction is Medical." *The New York Times*. Online. September 7, 2010. <http://www.nytimes.com/2010/09/08/realestate/08medical.html>, accessed September 25, 2012.
- ⁶ "Sustainability at Lake Nona." Learn Lake Nona. <http://learnlakenona.com/community/sustainability/>, accessed September 26, 2012.
- ⁷ Tavistock Group. <http://www.tavistock.com/>, accessed September 26, 2012.
- ⁸ "Tavistock Group Portfolio: Pampa Energia." Tavistock. <http://www.tavistock.com/portfolio/pampa-energia/>, accessed September 26, 2012.
- ⁹ The conventional model for development is often described as "build it and they will come," in which a developer anticipates demand but does not actively work with a community to change it or create an ecosystem.
- ¹⁰ Vatner, Jonathan. "Orlando's Newest Attraction is Medical." *The New York Times*. Online. September 7, 2010. <http://www.nytimes.com/2010/09/08/realestate/08medical.html>, accessed September 25, 2012.
- ¹¹ "Quality Growth: UCF is Nation's Second-Largest." <http://today.ucf.edu/quality-growth-ucf-is-nations-second-largest/>, accessed May 17, 2012.
- ¹² Casewriters' interview with Dan Kelly, September 2011.
- ¹³ State of the City speech given at UCF College of Medicine, Orlando Mayor Buddy Dyer.
- ¹⁴ Casewriters' Interview with Wayne Canner, February 2012.
- ¹⁵ "Lake Nona to rival largest Global Health and Sustainability Communities." GE Press Room. May 9, 2012. <http://pressroom.geconsumerproducts.com/pr/ge/lake-nona-to-rival-largest-global-233674.aspx>, accessed May 11, 2012.
- ¹⁶ Casewriters' Interview with Joel Hartman, February 2012.
- ¹⁷ Casewriters' Interview with Joel Hartman, February 2012.
- ¹⁸ Casewriters' Interview with Deborah German, September 2011.
- ¹⁹ Casewriters' Interview with Dan Kelly, September 2011.
- ²⁰ "Education Quotes." Lake Nona Education. <http://lakenonaeducation.webs.com/quotes.htm>, accessed September 26, 2012.
- ²¹ Promethean is an educational solutions company known primarily for its interactive white boards. See "Promethean World" for more details: <http://www.prometheanworld.com/en-us> for further details.
- ²² Casewriters' Interview with Timothy Liezert, September 2011.
- ²³ Casewriters' Interview with John Hitt, September 2011.