

Mobilising for Cluster Development



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Cluster project objectives

- Stronger interaction and cooperation
- Increased innovation capabilities
- Better access to R&D and education
- Stronger international focus
- Cluster expansion
- Attracting customers, investors, expertise



➤ Improved competitiveness

Upgrading competitiveness

There is no rest!



- Developing deep, **deep competencies**
 - Local specialisations... central role of universities
- Building **local connections**, the internal buzz
 - Connectivity - Productivity – Competitiveness
 - Self-destruct task forces, collaborative alliances
- Building **global pipelines**, the external links
 - Attracting customers, new investment, new technologies, new people ... cluster-to-cluster links; value chains ...

Clustering benefits

For Governments (1)

- Positive development dialogue with industries
- Whole of Government support
 - Focus for government policies and services
 - More targeted public investment...rather than more \$
- Specialisation enabling policy
- Fosters regional innovation
- Encourages and captures technological spillovers
 - New companies, new innovations

Clustering benefits

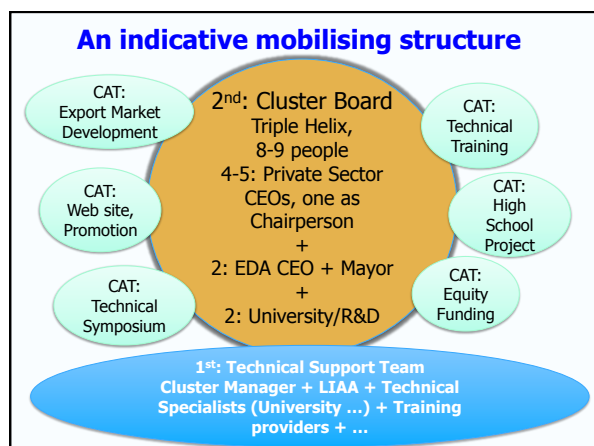
For Governments (2)

- Creating trust, linkages between firms:
 - Facilitates specialisation
 - Builds critical mass...aggregation
- Creating a commercial magnet:
 - Attracts customers, new investment, new skills, specialised infrastructure...
- Alignment of public & private investments
 - Centered on the needs of business
- Building an 'innovation environment'

Role of Government

Cluster development

- Building, not inventing, clusters
- Addressing market failure
 - Long term facilitation, coordination role
 - Focus on early gains, building a collaborative culture
- Ensuring knowledge diffusion, porous boundaries
 - Between universities + public R&D + firms
- Facilitating 'Whole-of-Government' response at a cluster level, incl Science Parks, Incubation Centers
 - Stepping over political boundaries
- Using investment attraction as a cluster 'in-fill'
- **Easy to list, difficult to build alignment!**



The clustering process

But what can go wrong?



- Capture by narrow interest groups
 - Collective myopia; old-boys-club inertia;
 - Entry of new actors blocked; Over reliance on key firms;
- Removed from private sector culture
 - Exhaustion by analysis
 - Institutional talk fest
 - Chasing politician's white elephants
 - Confinement within political borders
- Cluster definition too broad, or too narrow
- Inconsistent support from government agencies
 - Especially national agencies

Small group discussion

What makes a successful clustering initiative?

What are the key aspects?



Empower private sector leadership



- Early (and careful) establishment of the cluster's Governance Board
- Build it around the active players, not the spectators
- Build on their strengths, resources, connections
- Establish teams, self-destruct task forces
- Spread workload; avoid volunteer burn-out

Use the media as a partner

Proactively manage the information flows



- Need to provide solid information sources to the media
- Use the Board Directors
- Feature cluster successes, lead firms ... not you ... or me!



Move quickly into action

Avoid paralysis by analysis



- Move at the speed of business
- Analysis simply provides the platform for action
- Businesses, especially SMEs, seek early pay-offs
- Quickly pick the 'low hanging fruit' initiatives
- Prioritise by passion
 - Engage only when there is momentum
- Build a portfolio of initiatives, projects
 - Spread benefits and risks



Resource cluster development for the long haul



- Take a 5-10 year perspective
 - Upgrading competitiveness is not a quick fix
- Primary need is **the cluster manager**:
 - Relationship builder, broker, neutral corner
- Central to this role is knowledge of key firms and the support infrastructure
 - Extensive personal connections
 - Within & beyond the cluster
- Cluster Manager is much more than a 'Project Manager'

From clumps & clutter to innovative clusters

Five cornerstone strategies in building connectivity

1. Extensive knowledge of the key firms & people
 - Facilitator leading the initial analysis
2. Opening up communications within the cluster
 - Web site; newsletters; Cluster database (who's who?)
 - Monthly meetings (at company premises, university...)
 - Cluster workshops; Speed collaboration/dating
3. Moving early into action
 - Picking the cluster's low hanging fruit
 - Task forces, bringing competitors together
 - Facilitating commercial alliances between firms
4. Benchlearning visits to related clusters
 - Providing **data shocks**
5. Longer term agendas
 - Building 'Whole-of-Government' support
 - Cluster specific Incubators, Science/technology parks

Innovative, high performance clusters Common characteristics



Soft infrastructure alignment

Public agencies coordinating their cluster support

- National government departments/agencies
 - Economy; Trade; Export; Investment attraction; Education; Science/R&D/Technology; Agriculture; Tourism; Regional development ...
- Regional/Municipal government agencies
- Private sector organisations
 - Chambers of Commerce, Industry associations; ...
- **Not a clutter of support organisations**

Transition from public support of SMEs...to nationally competitive clusters, with S&T focus



'The public sector response has been an increased attention to ... **linking firms, people and knowledge** at a **regional** level to make regions more innovative and competitive.

This new approach is visible across different policy fields. Evolutions in regional policy, science & technology policy and industrial / enterprise policy **are converging on the objective of supporting clusters** at the regional level'

Source:
Competitive Regional Clusters
National Policy Approaches
OECD, Paris, 2007

Involving, motivating, aligning the local university

Example: Pardubice University,
Czech Republic



Three clusters under development Pardubice, Czech Republic



1. **Plasticor**, producers and processors of plastics,
 - University of Pardubice **is involved**
 - Faculty of Economics & Administration
 - Faculty of Chemical Technology
2. **Nanomaterials** in medicine
 - University of Pardubice **yet to be involved**
3. **Technical textiles**
 - University of Pardubice **yet to be involved**

Tallinn University of Technology

A proactive partner for business



Hólar University College

Northern Iceland



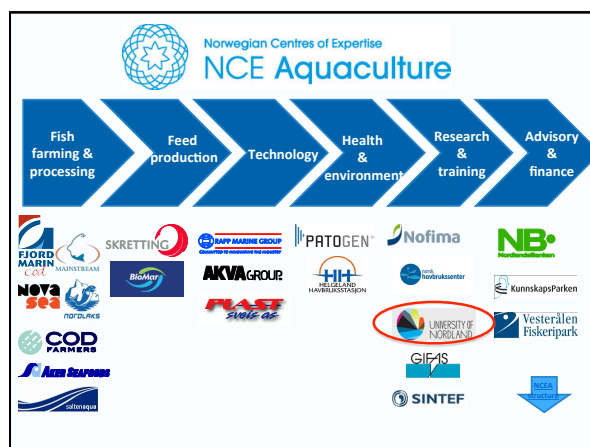
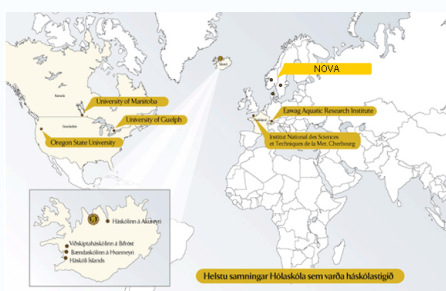
Three faculties:

- Department of Fish Biology & Aquaculture
- International Center for Icelandic Horses
- Department of Rural Tourism



Hólar University College, Iceland

Not isolated but connected globally



Bodø, Norway

Ph.D and Masters degrees **in English:**

- Aquaculture
- Marine Ecology
- Sustainable Management

Bodø, Norway aquaculture cluster

Working with local high schools

Collaboration between cluster firms and schools to ensure:

- Recruitment
- Regional pride and identity
- Knowledge about aquaculture
- 'Access to the brightest heads and the best hands'



Cluster Development
Deck 4

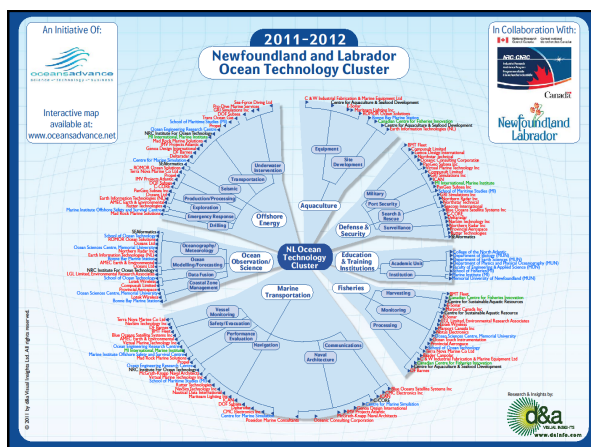
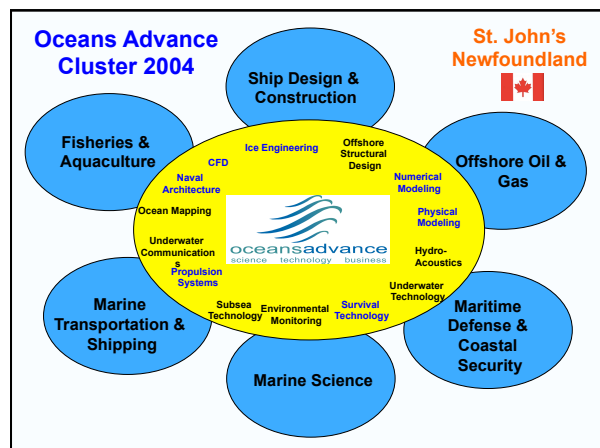
RPR, Ogre
Mobilising



People of the sea?
You bet we are!

For generations Newfoundlanders have lived and worked by the sea. This has led to the development of a world-class ocean technology cluster.

Oceans Advance is the industry, academic and government cluster initiative making our region the international location of choice for ocean technology.



Oceans advance cluster, Newfoundland
Building Whole-of-Government support

NRC-IRAP Industrial Research Assistance Program, PARI-CMRC, Canada, Newfoundland and Labrador, City of St. John's Centre of Ocean Excellence, oceansadvance science technology business, Atlantic Canada Opportunities Agency, Memorial University of Newfoundland, nati accelerating the business of technology.

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IEGULDĪJUMS TAVĀ NĀKOTNĒ!

Regional Economic Strategies

Approach (1) Top-down development

Broad, generic strategies

- Business growth; business attraction; university links; regional promotion ...
- Focus on "What do we not have?"

Generic actions

- Business & investment attraction; Support for exporting; Regional brand ...

Implications

- **Similar strategy** to other regions
- EDA as 'Project Manager'

Regional Economic Strategies

Approach (2) Bottom-up development

Focused, specialised strategies

- Emphasis on the **traded clusters**
- Building on the region's smart specialisations

Targeted actions

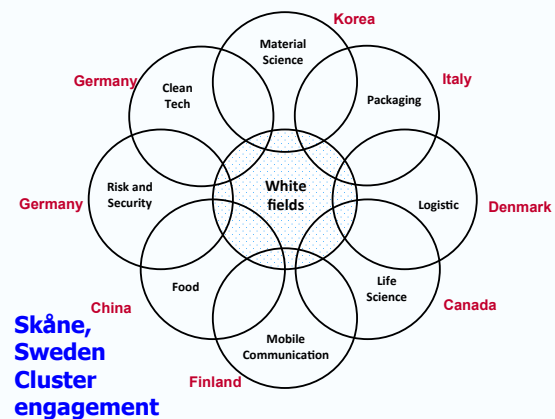
- Narrowly tailored around each priority cluster
- Addressing cross-cluster links & common issues

Implications

- Region's **strategy is unique**, differentiated
- EDA as facilitator



Developing Region Skåne's Economic Strategy

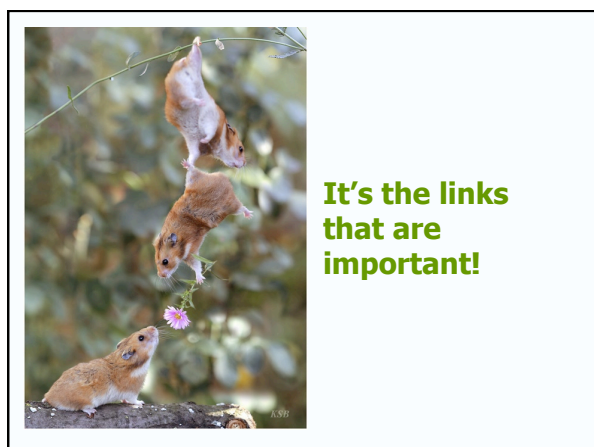
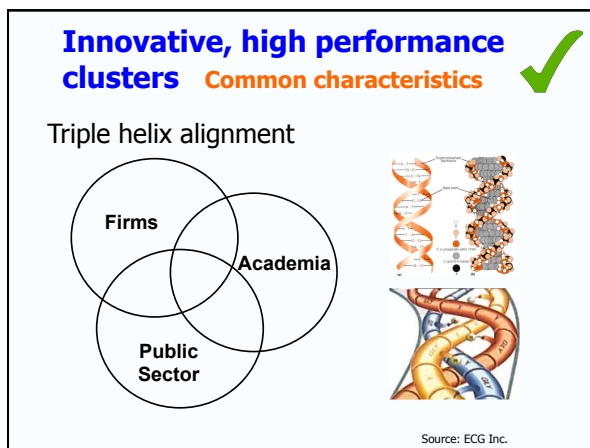
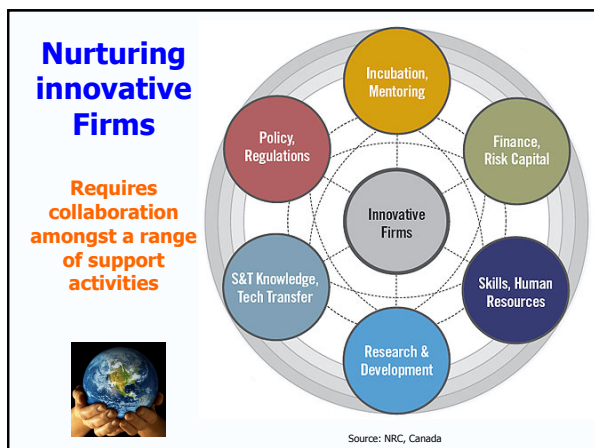
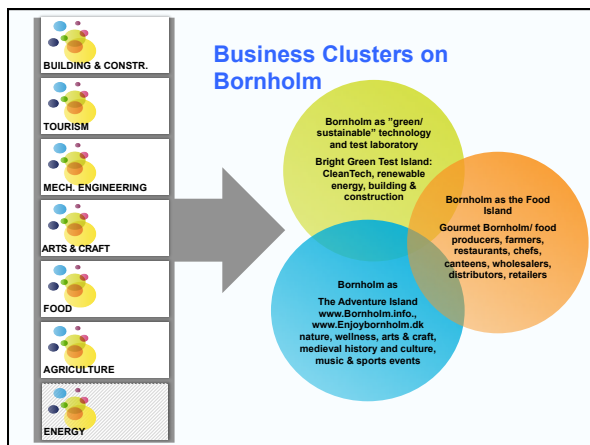


Convergence among clusters



Bornholm, Denmark





Cluster Development
Three key principles



- 1. Business in the Lead**
- 2. Public Agencies in Support**
- 3. Academic Underpinning**