# Council on Competitiveness: Clusters of Innovation

Georgia Tech President G. Wayne Clough

Georgia Research Alliance December 16, 1999

# Project Objectives

- Identify, map and compare development of clusters nationally using a common methodology
- Identify factors and dynamics that contribute to strong regional clusters and overall regional innovation performance in 6 pilot regions
- Develop insights and recommendations to help each region spur innovation and successful cluster development
- Create actionable tools and recommendations to enhance competitiveness that are accessible to national, state and local policy makers

# Target Audience

Regional and national policy makers, including:

- Corporate leaders
- Federal state, local government leaders
- Academic leaders
- •Economic development leaders

### Benefits to Atlanta as Pilot Region

- Highlight sources of innovation using consistent and comparable benchmarking tools
- Provide recommendations to strengthen our capacity to foster and attract dynamic industry clusters
- Include us in a national network of key regional leaders to develop an action agenda for universities, industry and government that will identify impediments to fostering innovation

### Conceptual Foundation

- **Productivity** and productivity growth determine prosperity.
- Innovation is a key driver of productivity growth.
- Clusters are central to both productivity and innovation.
- Innovation networks within and between clusters in a region are a mechanism to develop, share and apply resources that spur innovation

#### The California Wine Cluster

Grapestock

Fertilizer, Pesticides, Herbicides

Grape Harvesting Equipment

Irrigation Technology

California Agricultural Cluster State Government Agencies (e.g., Select Committee on Wine Production and Economy)

Growers / Vineyards

Wineries / Processing Facilities

Educational, Research, & Trade Organizations (e.g. Wine Institute, UC Davis, Culinary Institutes) Winemaking Equipment

Barrels

Bottles

Caps and Corks

Labels

Public Relations and Advertising

Specialized Publications (e.g., Wine Spectator, Trade Journal)

**Tourism Cluster** 

**Food Cluster** 

Sources: California Wine Institute, Internet search, California State Legislature. Based on research by MBA 1997 students R. Alexander, R. Arney, N. Black, E. Frost, and A. Shivananda.

# Project Structure

National Cluster Mapping and Profiling

Quantitative analysis and mapping of regional clusters using country- and state-level SIC and patent data

Responsibility of Professor Porter and Harvard Business School Team Regional Cluster and Innovation Assessment

Assessment of innovation environment in 6 pilots:

Atlanta San Diego

Austin Seattle

Pittsburgh Washington, DC



Responsibility of the Council together with consulting partners

### Regional Innovation Assessment

- National Clusters Map
  - Use a consistent methodology that can be applied to any region
  - Compare the relative position of clusters and regions
- Surveys
  - Conduct 200 surveys per region
  - 50 cluster respondents/50 non-cluster respondents
- Interviews
  - Conduct 20-30 interviews
  - Target regional leaders: universities/R&D, industry, venture capitalists, business service providers, business associations, economic development organizations