

The U.S. Cluster Mapping Project: Tools for Regional Economic Competitiveness

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EDA Cluster Mapping Project Partners

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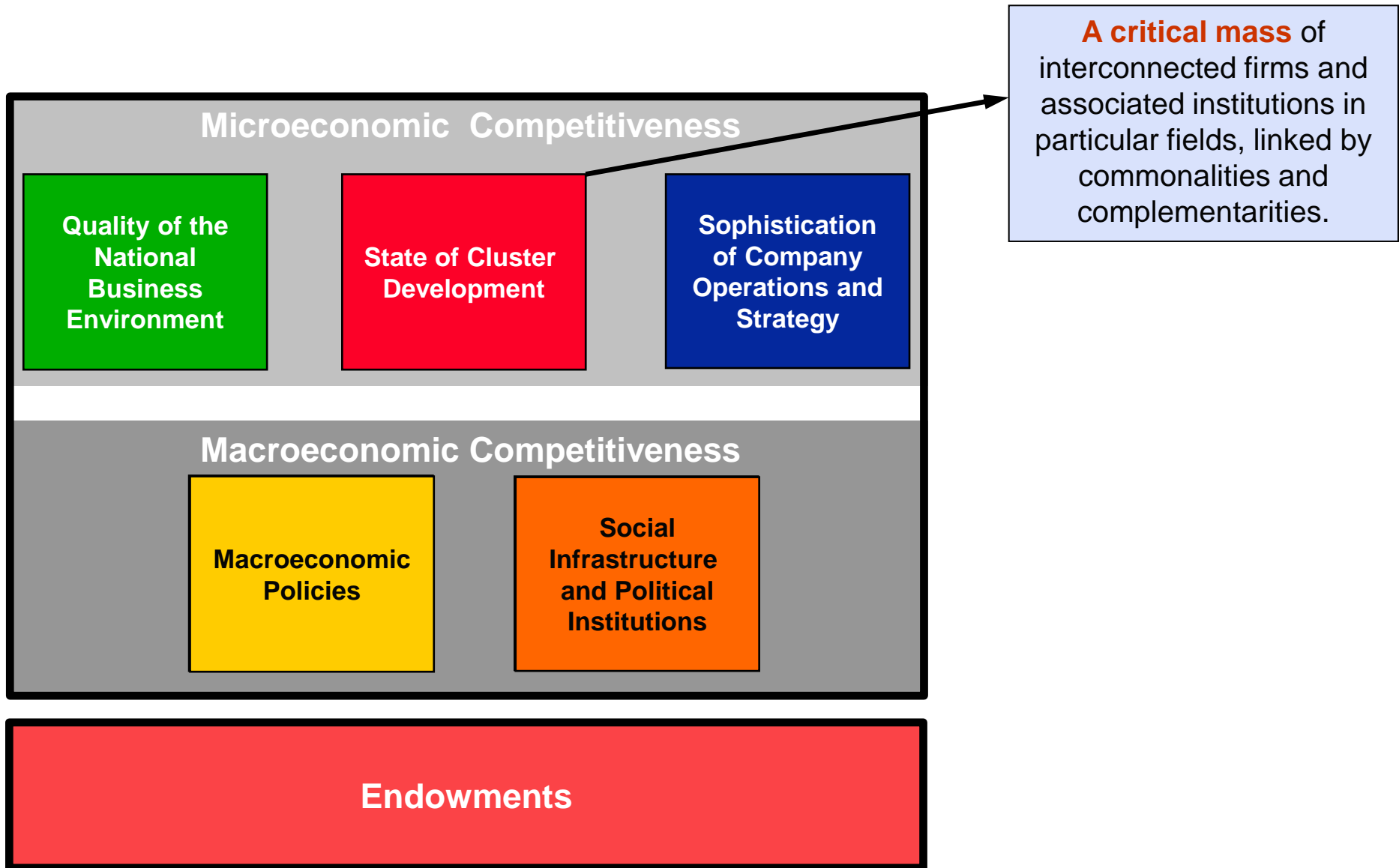


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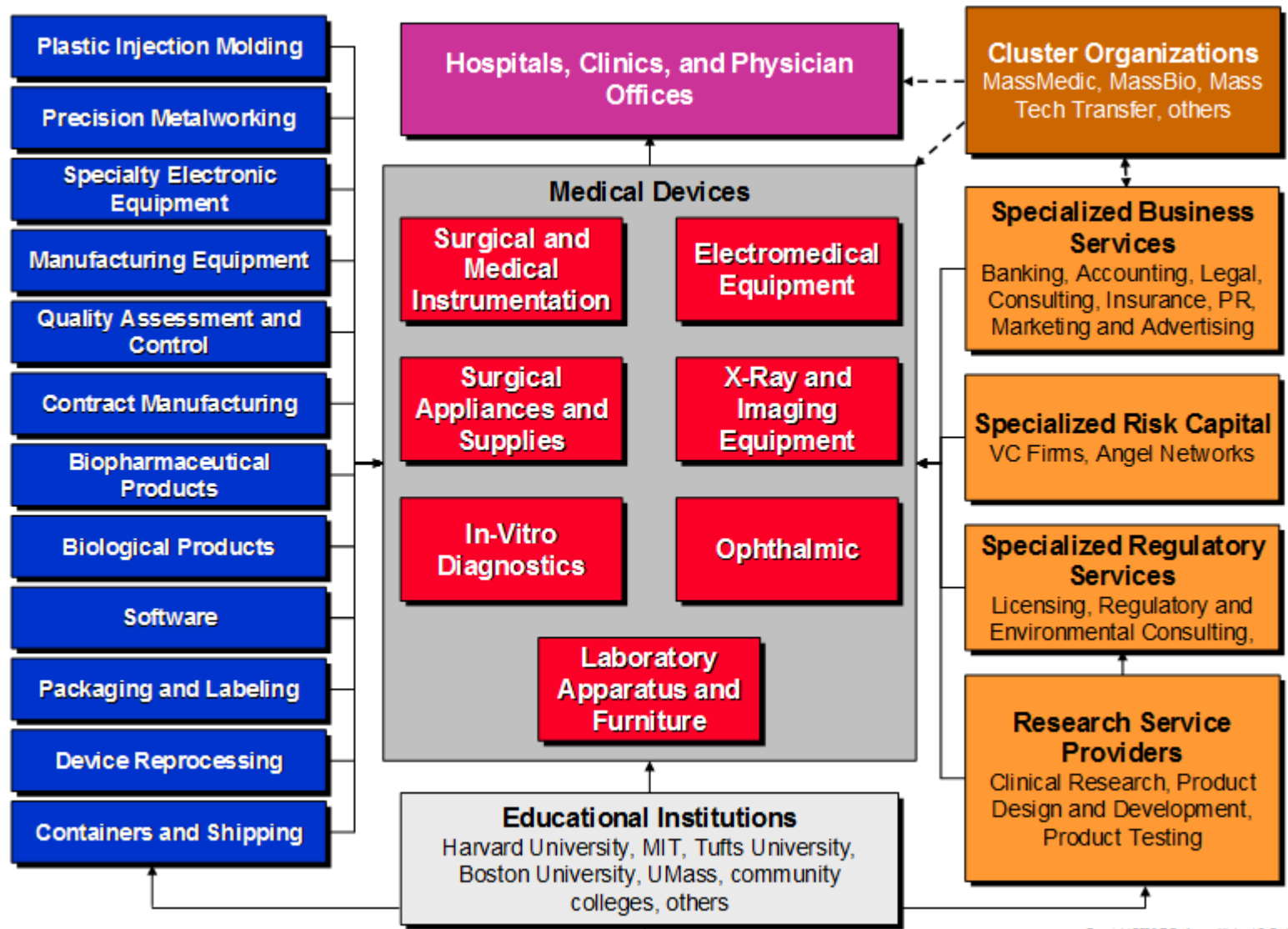


MONITOR GROUP

What Determines Competitiveness?

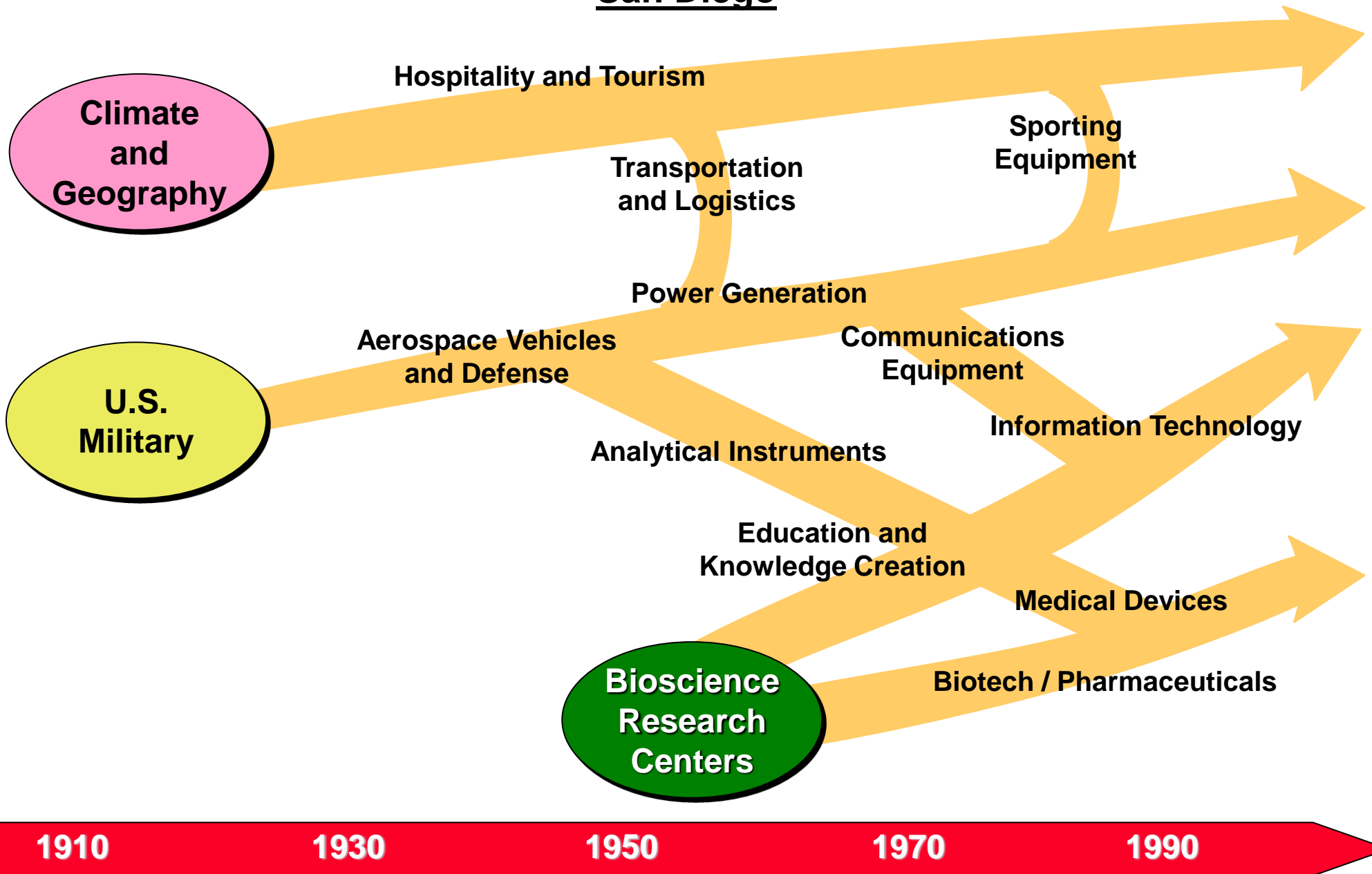


Massachusetts Medical Devices Cluster

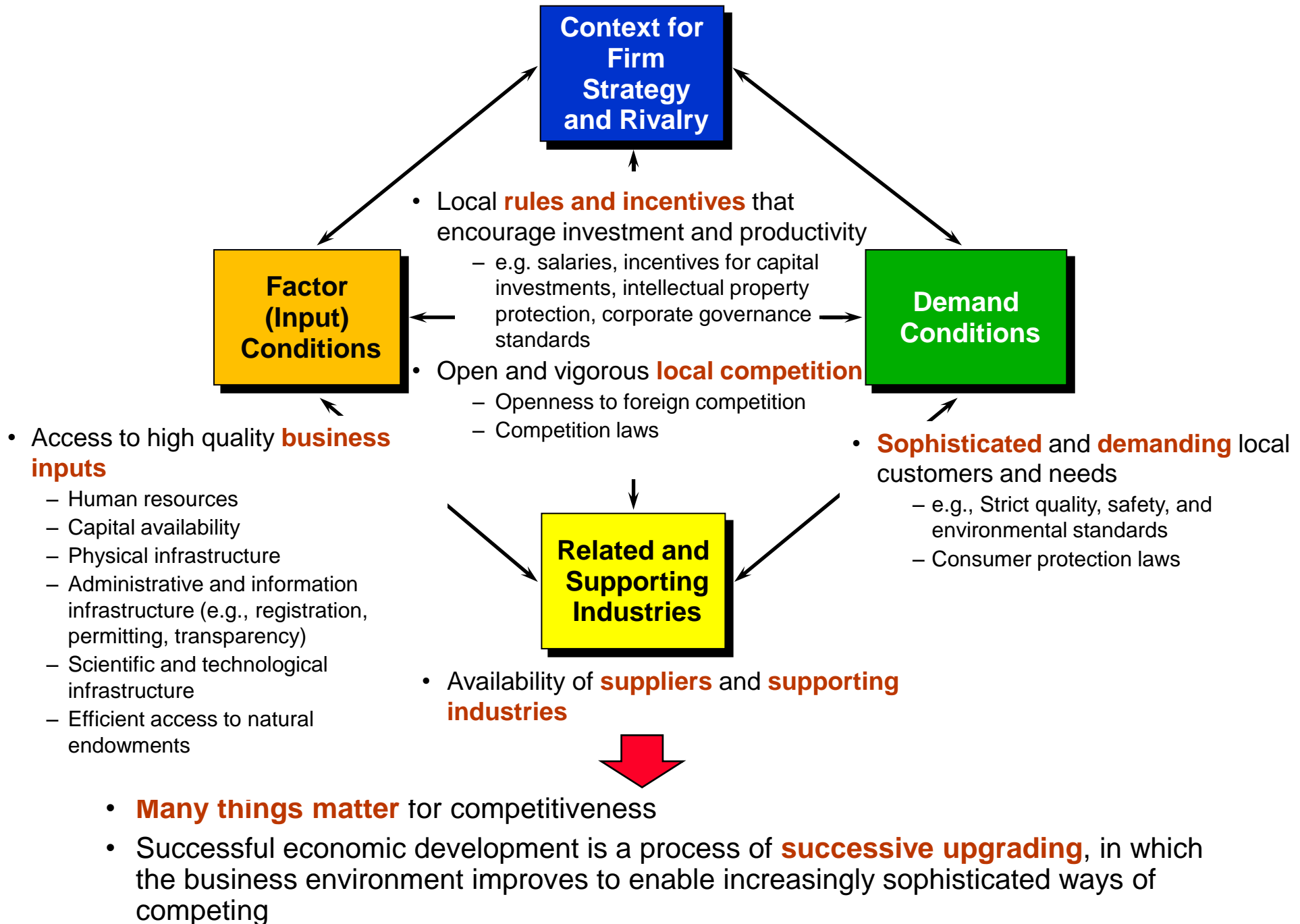


The Evolution of Regional Economies

San Diego



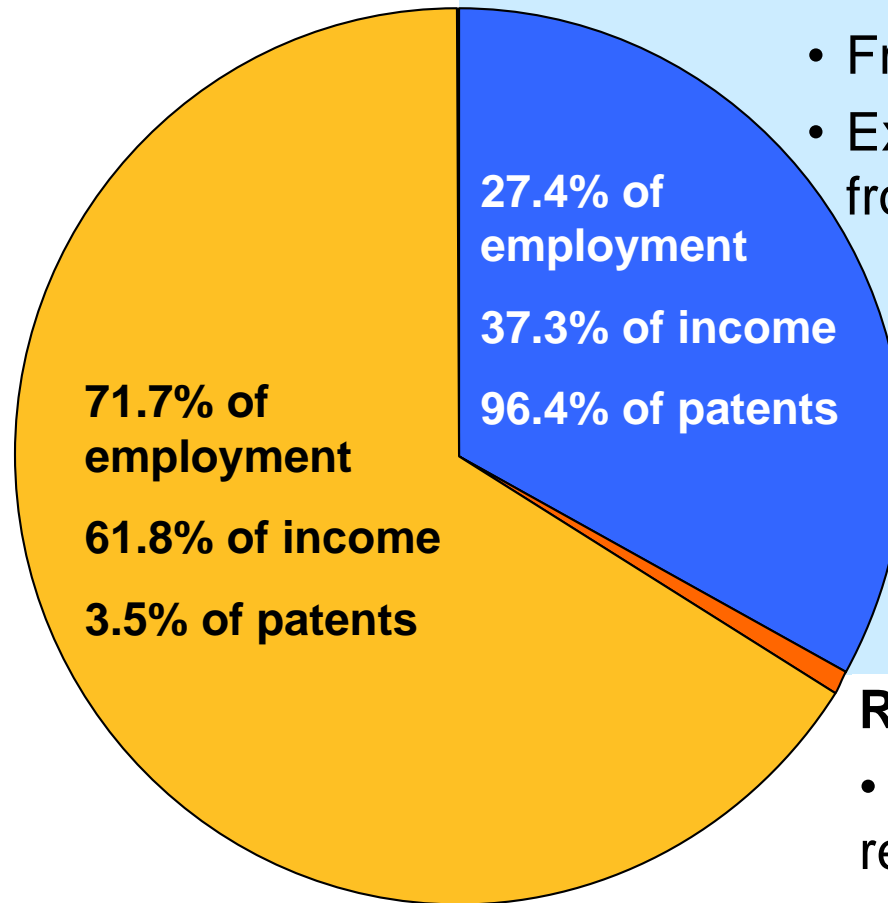
Quality of the Business Environment



Composition of Regional Economies, United States

Local Clusters

- Serve almost exclusively the local market
- Not exposed to cross-regional competition for employment



Traded Clusters

- Serve markets in other regions and countries
- Free to choose location
- Exposed to competition from other regions

Resource-based Clusters

- Location determined by resource availability
- <1% of income, employment, and patents in the U.S.

Specialization of Regional Economies

Leading Clusters by U.S. Economic Area

Denver, CO
 Business Services
 Medical Devices
 Entertainment
 Oil and Gas Products and Services

Chicago, IL-IN-WI
 Metal Manufacturing
 Lighting and Electrical Equipment
 Production Technology
 Plastics

Pittsburgh, PA
 Education and Knowledge Creation
 Metal Manufacturing
 Chemical Products
 Power Generation and Transmission

Boston, MA-NH
 Analytical Instruments
 Education and Knowledge Creation
 Medical Devices
 Financial Services

Seattle, WA
 Aerospace Vehicles and Defense
 Information Technology
 Entertainment
 Fishing and Fishing Products

San Jose-San Francisco, CA
 Business Services
 Information Technology
 Agricultural Products
 Communications Equipment
 Biopharmaceuticals

New York, NY-NJ-CT-PA
 Financial Services
 Biopharmaceuticals
 Jewelry and Precious Metals
 Publishing and Printing

Los Angeles, CA
 Entertainment
 Apparel
 Distribution Services
 Hospitality and Tourism

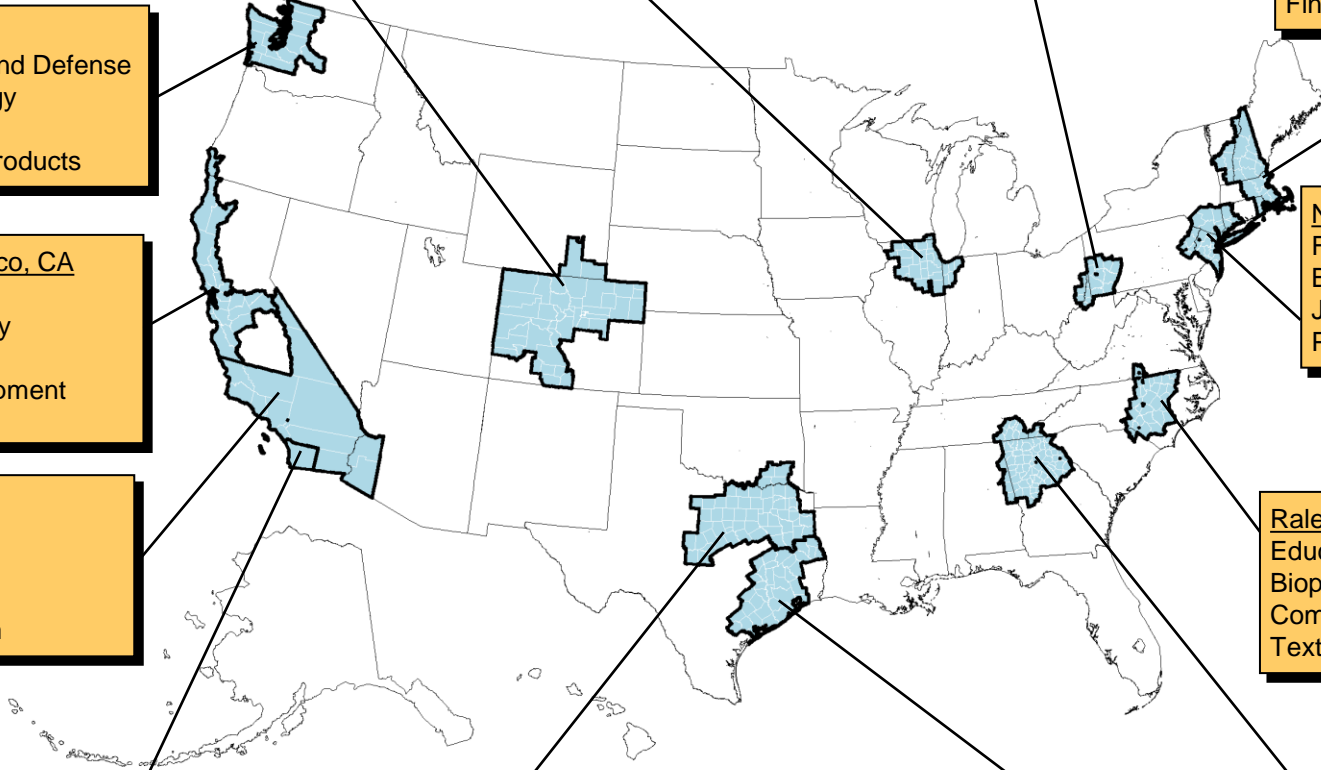
Raleigh-Durham, NC
 Education and Knowledge Creation
 Biopharmaceuticals
 Communications Equipment
 Textiles

San Diego, CA
 Medical Devices
 Analytical Instruments
 Hospitality and Tourism
 Education and Knowledge Creation

Dallas
 Aerospace Vehicles and Defense
 Oil and Gas Products and Services
 Information Technology
 Transportation and Logistics

Houston, TX
 Oil and Gas Products and Services
 Chemical Products
 Heavy Construction Services
 Transportation and Logistics

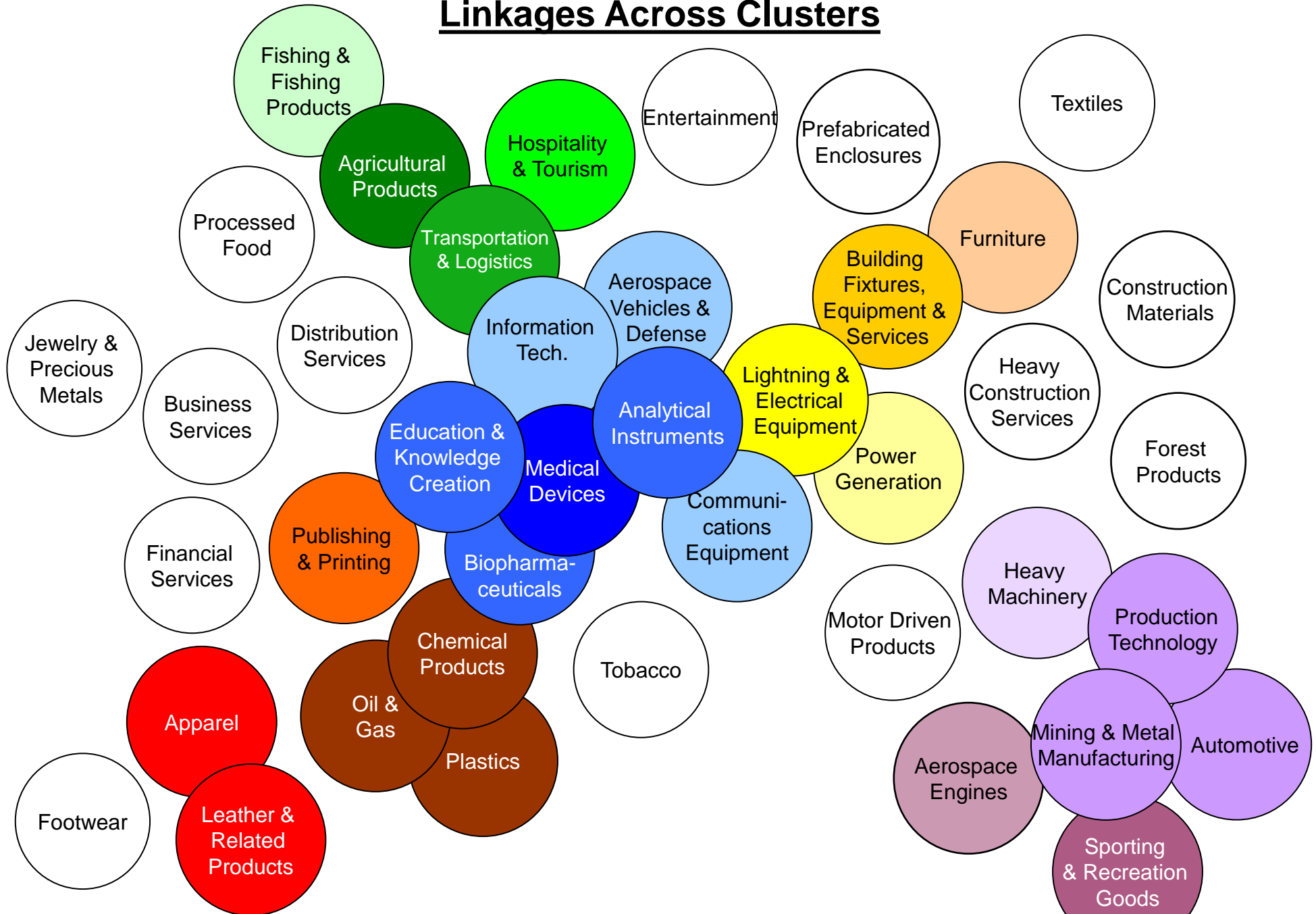
Atlanta, GA
 Transportation and Logistics
 Textiles
 Motor Driven Products
 Construction Materials



Source: Prof. Michael E. Porter, Cluster Mapping Project, Institute for Strategy and Competitiveness, Harvard Business School; Richard Bryden, Project Director.

Composition of the Economy

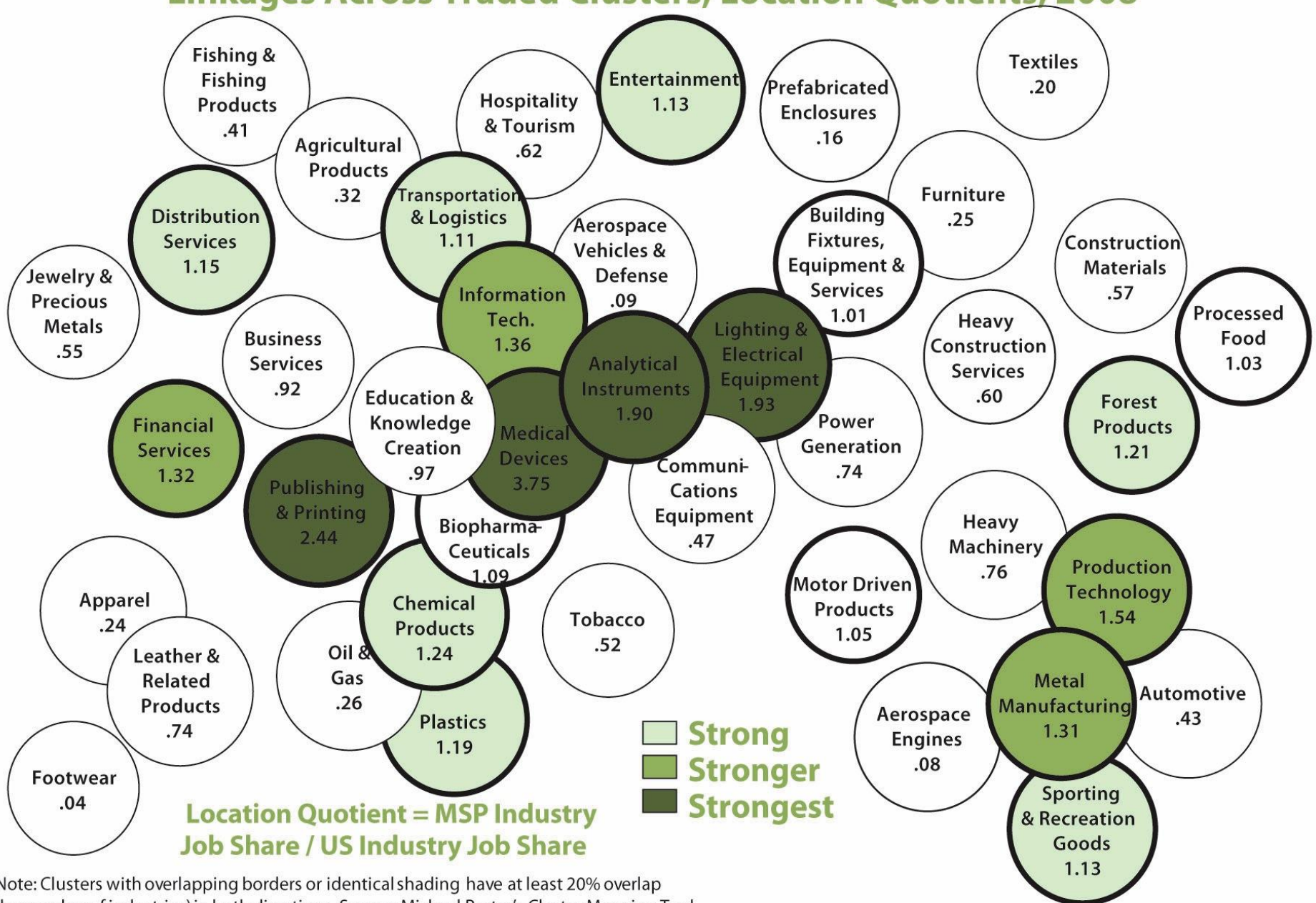
Linkages Across Clusters



Note: Clusters with overlapping borders or identical shading have at least 20% overlap (by number of industries) in both directions.

Competitiveness and Composition of MSP Metro Area

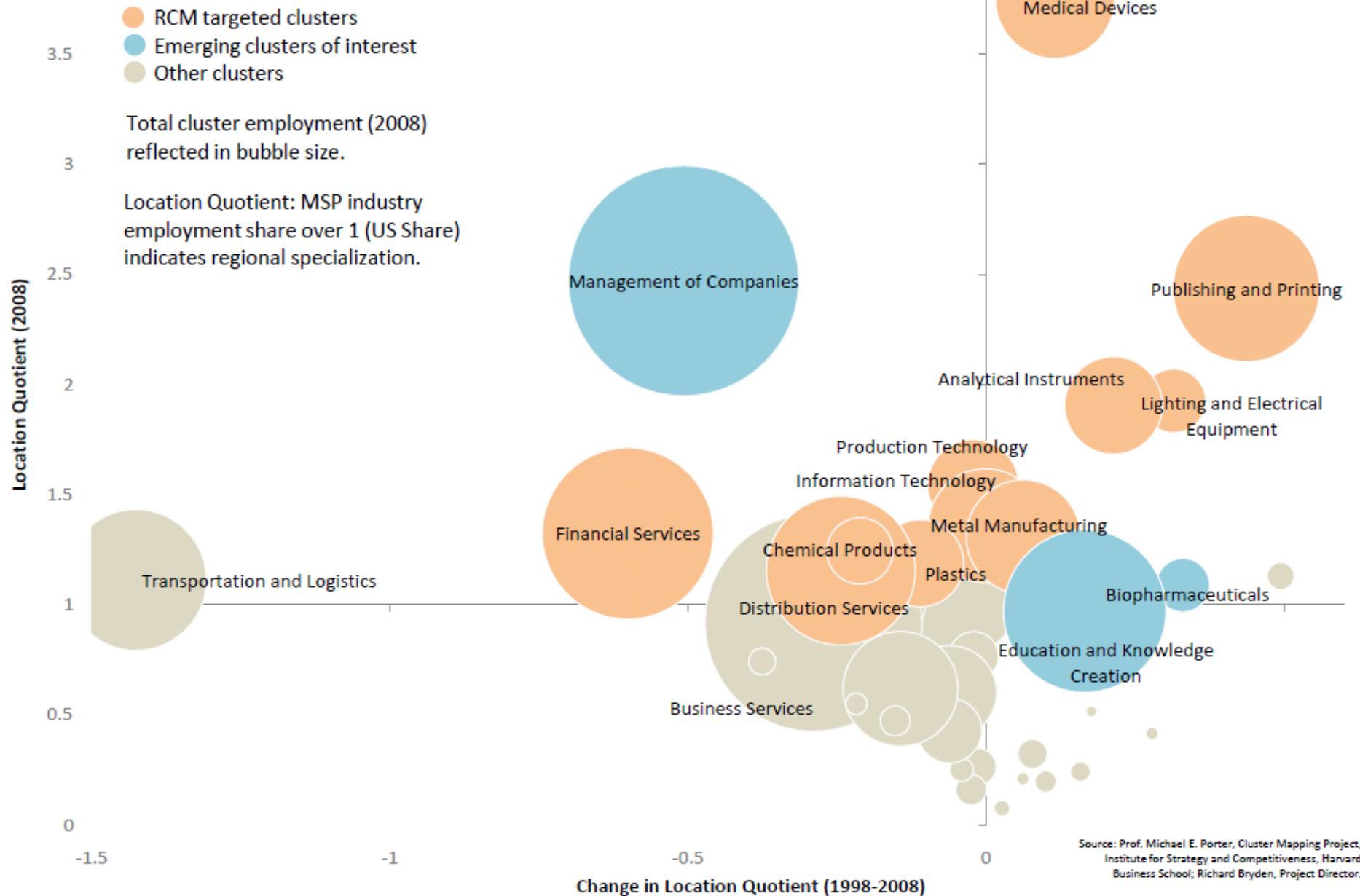
Linkages Across Traded Clusters, Location Quotients, 2008



Note: Clusters with overlapping borders or identical shading have at least 20% overlap (by number of industries) in both directions. Source: Micheal Porter's Cluster Mapping Tool

Industry Clusters in the MSP Region: A Dynamic Ecosystem

Current strengths, emergence and change, and key selected clusters (1998-2008)



Clusters and Regional Prosperity

Recent Findings

Drivers of Regional Job Growth, Wages, Patenting, New Business Formation, and Success of Startups

- Specialization in **strong clusters**
- **Breadth** of position within each cluster
- Positions in **related clusters**
- Presence of a region's clusters in **neighboring regions**

Not significant

- Positions in “high-tech” versus other clusters

Clusters as a Tool For Economic Policy

- A forum for **collaboration** between the private sector, trade associations, government, educational, and research institutions
- Brings together **firms of all sizes**, including SME's
- Creates a **mechanism** for **constructive** business-government dialog
- A tool to identify **problems** and **action recommendations**
- A vehicle for investments that strengthen **multiple firms/institutions** simultaneously
- Fosters **greater competition** rather than distorting the market



Cluster Mapping Research and Publication

- Understand interaction of business environment quality and clusters
- Measure cluster Initiative performance

The Practice of Cluster-Based Economic Development

- Learn from the successes and struggles of cluster efforts in four regions
- Assemble a toolkit of accumulated learnings

Outreach

- Support professional development for cluster practitioners

New Website

- Engage new and experienced practitioners
- Make connections and build learning community among practitioners
- Extend data, regional coverage and analytics



www.clustermapping.us