

Designing High-Impact Cluster Strategies

Six recommendations to drive inclusive economic growth in your city

- **1 Choose the right cluster(s)**

Identify *your* city's competitive assets through cluster analysis, and ensure target clusters create opportunities for *all* residents.
- **2 Identify appropriate cluster interventions**

Don't start with a specific intervention (e.g., an incubator). Analyze the cluster to develop effective strategies to fill gaps.
- **3 Be flexible about geography**




Clusters arise at the regional level, and don't respect political boundaries. Regional collaboration is critical to maximize impact.
- **4 Leadership needs to have relevant industry expertise**

To gain the respect of corporate leaders and inform appropriate cluster interventions, organizations leading cluster growth must have deep industry expertise.
- **5 Establish strong public-private partnerships**

Business leaders may be difficult to engage because of concerns about competition. Connect cluster strategies to company objectives (e.g., R&D, workforce, supply chains, etc.) to sustain their support.
- **6 Identify a sustainable business model**

Identify diverse funding streams from the public and private sector, and consider fee-for-service and taking equity stakes in new ventures as revenue models.

WHAT IS A CLUSTER?

-  A cluster includes closely related and interconnected industries operating within a specific geography.
-  The companies operating within a cluster are connected by a shared workforce, supply chain, customers or technologies.
-  Every cluster includes core businesses and industries, and the companies that support them, which forms a mutually beneficial business ecosystem.
-  Cluster initiatives provide a framework for aligning disparate public policies and investments directed at economic growth to maximize impact.



TO LEARN MORE:

www.icic.org/ClusterGrowthforCities