# Designing High-Impact Cluster Strategies

## Six recommendations to drive inclusive economic growth in your city

<table>
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<tr>
<th>Step</th>
<th>Recommendation</th>
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| 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](http://www.icic.org/ClusterGrowthforCities)