



The role, inter-relationships and principles of good cluster practice

Dr Nicola Watts, 21st August 2020





Purpose of today's session

- explore the role and diversity of innovation actors in the innovation ecosystem to better understand the inter-relationships of clusters
- consider seven principles which underpin clusters

What is a cluster?



Ask 10 different people and probably get 10 different answers

"A cluster is a geographical proximate group of interconnected companies and associated institutions in a particular field, linked by commonalities and externalities" (Professor Michael E Porter)

"clusters are an umbrella concept -With variations in usage across industries and across geography, and variations between academics, public agencies and private sector groups, 'clusters' are not a precisely defined term. At its simplest level, a cluster is a group of businesses that are operating in the same sector and are in close geographical proximity to each other. A cluster may also have a range of support organisations such as trade associations, chambers of commerce, technical and training institutes, government agencies, universities and schools". (Ifor Ffowcs Williams)



Why are clusters important?

- Unleash innovation
- The glue in innovation ecosystems
 - Unique gaps and strengths
- Deliver shared value – businesses, employees, regional economies, social, environmental, etc
- Can play a pivotal in creating positive futures

GII 2019 (Health – Med/Tech focus)	Australia	Ireland
Overall ranking	22	12
'Market Sophistication'	8	39
'Human Capital & Research'	10	22
'Business Sophistication'	26	13
• 'Innovation Linkages'	39	17
• 'Knowledge Absorption'	50	5
'Knowledge & Technology Outputs'	36	6
• 'Knowledge Diffusion'	88	1
• 'Knowledge Impact'	30	3
'Creative Outputs'	29	19
• 'Intangible Assets'	40	8
• 'Creative Goods and Services'	35	59



The crowded space of innovation ecosystems



7 C's underpinning clusters

- Co-location —————
- Collaboration
- Co-innovation
- Connectivity
- Capability
- Communications
- Commitment to Act




Cluster ecosystem mapping

Know the “who’s who” – the politics, capabilities, “movers and shakers” – along with strengths and weaknesses





Considerations

- Building cluster ecosystems to support innovation ecosystems
 - The importance of 'collective leadership'
 - Purpose
 - Governance
 - Monitoring and evaluation
 - Clusters as 'backbone organisations'
 - 'building' collective leadership vs 'being' the collective leadership
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Discussion

Thankyou

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