SF 41: Cluster Management (Support of specialized and small businesses through networking, promotion and marketing, communication, and enabling market access)

Fr	B	C	NY	S	T	Total
7	8	6	6	1	8	36

Example:
Ota-Ku is a prefecture of **Tokyo**, which is strongly influenced by the high concentration of SMEs. The city provides various facilities to support the network of SMEs. Factory apartments are available to house SMEs and up to 40 different micro-enterprises. In addition, networks between R + D center, start up support center, and the city of SMEs are promoted.

Freiburg: Freiburg Green City Cluster – Connects/Networks Companies in the category of renewable energy, environmental technologies, etc.

Berlin: Within sub-sectors, the crosslinking is mainly with research institutions driven by the city - examples of this are the Signum network (security) or the various Open Data cloud and Berlin Capital Initiatives (ICT)

Copenhagen: detected no difference between key field 73

NYC: Unfortunately quite uncertain, in general, people trust the market economy, but it may be that there are support programs for SMEs (but I would rather think that no)

1. Differentiated description of the key field

2. Reference to sustainability:

Economic: Cluster management one of the most effective ways to organize and network industries and relevant actors in a way that allows them to take empowered action to support their regional economic competitiveness. Clustering facilitates the development of effective PPPs and the integration of private sector with R&D, educational & training institutions. Clustering enables industries to take collective, collaborative action which can overcome economies of scale or other market failures - such as investment in regional training programs, the implementation sustainable and ‚smart' infrastructure, and the development eco-industrial parks. The cluster process can also link and accelerate emerging regional industries focusing on sustainable products and solutions. Solutions developed and championed by cluster leaders could include businesses incubators, group R&D, investment attraction strategies, market access strategies, lobbying for supportive policy environment, development of regional incentive structures, development of green tech investment funds, etc.

Social: Success of regional development is directly related to the diversity and strength of both local networks and external networks. The cluster development process increases both types of networks and can facilitate the development of lasting bridging and bonding social capital.

Ecological: Using the cluster as a basis for implementing industry-wide transformations in terms of sustainability has the potential to create faster, deeper, and longer lasting change than a business by business approach. Synergies between industry actors can be capitalized on new norms and industry standards established. Ecological effects include energy savings, water savings, reduction of waste, pollution, CO2 emissions, and even regenerative or remediation strategies.

Resilience of City Systems: Strong cluster networks are linked to city resilience – ability to share information, respond proactively to market, physical, regulatory, and technological risks to a specific industry. Clustering can also take place to promote local learning systems (hive learning) and to promote local and b2b businesses clusters that are a part of the deeper "fabric of resilience" of city systems.

3. Relevance to industrial sectors?

Mobility:
Energy:
Production & logistics:
Security:
ICT:
Water infrastructure:
Buildings:
Governance:

<u>Brief description of the high level of importance:</u>
Mobility: Clusters can promote alternative mobility for employees, can transform P&L practices based on mega trends towards sustainability mobility, can re-focus product development on future mobility markets, can help access those markets

Energy: Clusters can implement industry wide incentives to reduce energy use, provide clean energy, and produce and share energy

P&L: Clusters have an advantage in taking advantage of "shared economy" solutions for P&L

Safety: Clusters can help to self regulate Environmental & Safety standards

ICT: cluster can be both consumers and producers of new ICT solutions

Water Infrastructure: In some areas water infrastructure is highly important to spcific clusters, thus they can promote policies and public projects and can be both producers and consumers of specific solutions

Buildings: Clusters can incentivize new building technologies and even reducing sq footage of built space necessary through shared economy solutions facilitated by "smart" infrastructure

Governance: Clusters can play a role in shaping regional governance through lobbying for industry wide standards and through lobbying for talent attraction via livable cities, good schools, etc.

4. Impact (positive & negative)

Enable Market Access (channeling orders to a specific business, work/customer acquisition support)-> Promoting communication between SMEs also: networking for business logistics.

5. Implementation measures:

A regional cluster advisory board should be initiated with decision makers and thought leaders related to specified industry. Relatively autonomous funding should be secured for the implementation of cluster projects. High level of regionalization and regionalized decision making is preferable to a federally centralized system.

6. Actors: Who can shape things?

Cluster process should be engaged with varied stakeholders across industry sector and strongly supported by decision makers at a regional government level.

Mayors office, economic development department, long term planning department, chamber of commerce, university department heads and lab heads, relevant PPP industry organizations.

7. Prerequisites:

no prerequistes necessary

8. Obstacles/barriers:

Obstacles to successful clustering include too much top down management (prescriptive rather than organic solutions) or not enough top down support, lack of funding for cluster initiatives, distrust of government due to corruption, lack of matching skills and talents necessary for industry growth. Poor communication of importance and value proposition to key stakeholders.

9. Indicators:

- number of cluster groups
- number of participating businesses
- number of completed cluster initiatives
- existence of cluster funding mechanisms

10. Special features/remarks:

Note: Clusters come in three forms: local, business, and traded clusters.

- Local clusters exclusively serve local markets (e.g., retail). There is very little trade across regions or across clusters in these forms.
- Traded clusters, in contrast, trade across regions and countries. They might be biotech clusters or auto clusters, for example. Traded clusters often offer much higher average wages, innovation is greater, and there is much higher trade.
- Business-to-business clusters are like local clusters but serve businesses. They include local commercial services, real estate, utilities, and the like. If an area is weak in these b-to-b clusters, the environment is eroded for traded clusters.

(source: Initiative for Competitive Inner City: http://brr.berkeley.edu/2011/10/cluster-development-as-an-economic-driver-for-inner-cities/)