

Bathurst Cluster Development Seminar
11 February 2020

Clustering for Business Growth

BATHURST REGIONAL COUNCIL


Ifor Ffowcs-Williams & John Dean
11 February 2020




Clusters ... start naturally

Score, NSW
Population: 5,000


- Only Kentucky, USA has more **thoroughbred horses**
- Accounts for 80% of Australia's thoroughbred exports

NORWEGIAN INNOVATION CLUSTERS



Increased competitiveness in regional clusters through long-term internal and external collaboration




www.innovationclusters.no



France Clusters

Major clusters under development





“Clusters are powerful engines of economic development and drivers of innovation in the European Union.”



Your guidance & support partner



DANISH FOOD CLUSTER



Food & Agribusiness Network



FF FLANDERS' FOOD



PORTUGAL FOODS



Food & Fibre Gippsland



NORTHERN COLORADO FOOD CLUSTER



ONTARIO FOOD CLUSTER



Chicagoland F | O | D



VENETO FOOD CLUSTER

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**Food and Agribusiness Network (FAN)
Sunshine Coast**

A cluster of 210 farmers + suppliers + food processors + retailers + foodservice + affiliated services

Supports small and medium food producers in scaling up their operations to expand into national and international markets.

**Food Industry Australia Ltd
Competition to select cluster winners**



**CLUSTERING
ACCELERATES
GROWTH**

BUILD YOUR COMPETITIVE ADVANTAGE
AND DEVELOP INNOVATIVE SOLUTIONS
BY WORKING TOGETHER



HUNTERNET
CELEBRATING
20
YEARS OF
THE POWER OF MANY
2012

hunternet
The power of many

Hunternet
Hunting as a pack: Market development



Hunternet
Hunting as a pack: Workforce development



**Blue Mountains
Creative Cluster**



www.bluemountains.org.au

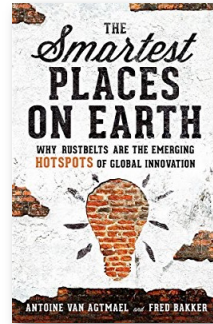
International research
The evidence on clusters is clear



- **Firms in clusters are more competitive** than similar firms located outside clusters.

Clusters generate:

- **More** employment
- **Higher** economic growth
- **Higher** wages
- **Better** productivity
- **Higher** levels of innovation
- **More** entrepreneurship
- **More** start-ups, and
- Attract **more** investment.



Specialised

“Focus on one, or just a few, particular disciplines or activities”

What are our region’s
specialisations
with high potential upside?

What are our economic **hot spots**?
...the engines of our regional economy

Points for reflection ...

- Positive after a period of uneven growth
 - Flat or contracting in many industries in first decade
 - Pick-up, then fall off in some sectors
 - Is fall-off drought related?
- Evidence of deep specialisations?
 - Beyond a regional service centre
 - What has the region got that is the basis to build a centre (or centres) of excellence
 - Lifestyle, labour costs and cheap land is not enough for investment attraction
- Food manufacturing is important
 - Is competitiveness essentially price-based?
 - Are there spin-outs and start-ups?
- Next largest sectors are public policy led
 - Education and training
 - Health care and social assistance
 - Public administration and safety

Uncovering possible hot spots ...

- **Food is important**
 - Substantial with recent high growth
 - High trade propensity
 - Mid-range knowledge economy
 - Evidence of start-ups, SMEs?
 - How anchored are the food majors?
- **Forestry and logging**
 - Strengthening downstream activities (Boards, trusses, building frames?)
- **Spatial services**
 - Spin-outs, start-ups etc?
 - Possible links with university, TAFE?
- **Scientific research/management consultancy**
 - Information on any specialities?
- **Computer systems design**
 - What do we know about this?
- **Motor racing**
 - What are the distinctive capabilities this brings?
- **Finance sector**
 - Superannuation, financial planning, auxiliary financial services
 - Servicing clients from beyond the region?

Building Bathurst regional economy

Two or three stand-alone ocean liners?



Or a hundred linked speedboats?



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Cluster development in practice

Addressing clumps of firms

- Local agglomerations of self-contained, stand alone, vertically integrated, isolated firms;
 - Little trust, limited interaction;
 - Little out sourcing, subcontracting, collaboration;
 - Geographic ... but not social proximity.

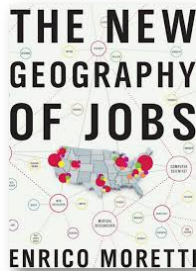


Addressing the clutter of public agencies

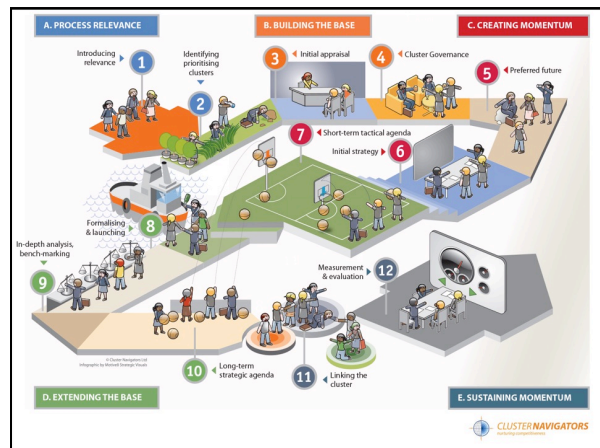
- Silos with individual (divergent?) development agendas for the cluster
 - Each seeking PR glory;
 - Absence of teamwork, alignment, trust.
- Remote from the private sector
 - Priorities set in isolation,
 - And ever changing.



Cluster development Building the ecosystem



"In innovation, a company's success ... also depends on the entire ecosystem that surrounds it."



Successful Cluster Development Key elements



- Deepening regional specialisations
- Teamwork:
 - Businesses in the lead, **CO-OPETITION**
 - Public agencies in support, **ALIGNMENT**
 - Knowledge underpinning, **ALIGNMENT**
- Cluster manager ... connector & catalyst
- Linking the clusters, C2C + B2B + A2A
 - Within Australia & beyond



Ifor Ffowcs-Williams
CEO, Cluster Navigators Ltd
22 Examiner St, Nelson 7010
New Zealand

E4@clusternavigators.com
+ 64 3 548 0606
www.clusternavigators.com

www.linkedin.com/in/clusterdevelopment
Twitter: @e4clusterguy
Skype: 'clusterguy'