

Town of Smithfield Rt. 7/116 Corridor Consulting Engagement



**MBA TEAM
BRYANT UNIVERSITY**



Agenda



- Why Clustering?
- Methodology
- Interview Highlights
- Recap and Questions

Focus Group - 2012



- Focus Group Routes 7/116 Corridor
 - Commissioned by EDC in April, 2012
- Highlights of Survey Results
 - Majority of respondents were in favor of:
 - ✦ Corporate/Light Mfg. (63% most appealing, 17% moderately appealing)
 - ✦ Mixed Use (20% most appealing, 23% moderately appealing)
 - Need for a (master) plan
 - ✦ Create long-term vision
 - ✦ Increased collaboration
 - State, Town, Business Owners, Residents

2012 Cluster Initiative



- Commissioned by EDC in Summer, 2012
 - Results delivered in Fall, 2012
 - ✦ Led by MBA Student Team
 - Led by Sam Beldona, Ph. D., Associate Dean, Graduate School Of Business
 - Led by David Louton, Ph. D., Associate Dean, College of Business

Project Objective



- Develop a market attraction/branding study for the Town of Smithfield
 - Would result in a strategic marketing plan
 - Lay out a strategy for controlled growth in the area
 - Provide insight on what the area could ultimately become with the right types of incentive and promotion

Recommendation



- **Target Financial Sector**

- Navigant Credit Union and Fidelity Investments believe pursuing financial sector businesses will not be harmful to their businesses.

Porter's thoughts on the competitive impact of clusters:

Impact Productivity

- Provide better access to employees and suppliers
- Better measurement
- Access to specialized information

Drive Innovation

- Cluster works together to learn
- Peer and competitive pressure pushes competition

New Business Creation

- Individuals in clusters can easily perform gap analysis in their sector
- Leads to new business ideas and growth

Recommendation



- Adopt a public policy strategy

International Trade Department Recommendations

- Remove entry and exit barriers in industries related to the cluster
- Remove regulatory burdens that prevent firms from functioning efficiently
- Develop institutions that cater to the collective research and development needs of firms in the cluster
- Develop institutions that offer specialized skills for competitiveness

Recommendation



International Trade Department Recommendations (continued)

- One-stop shop for dissemination of public information on products and markets
- Facilitate export promotion and FDI attraction
- Develop provisions for basic provisions such as land, labor and capital as well as advanced factors such as skilled labor, technology and equipment, faster/cheaper transportation, etc (78, *Clusters for Competitiveness*, 2009).

Clustering



- A critical mass of successful and similarly focused firms located in the same area
- Success is attributable to leveraging of:
 - Interconnected and related resources
 - The area's wealth of knowledge and motivation
 - Intense competition
- Cluster can include:
 - Related businesses
 - Governmental bodies
 - Educational institutions
 - Standard-setting organizations

Clustering



- **Benefits include:**
 - Better access to employees and suppliers
 - Access to specialized information
 - Access to institutions and public goods
 - Better motivation and measurement

Route 128, Massachusetts and Silicon Valley



- Sources of activity and growth:
 - Continuous ability to create new firms
 - Existing firms growing at greater than 25% per year
 - Fabric of institutions encourages and nurtures new firm formation
- Increased competition and interconnectedness
- Availability of resources
- Attract directly and indirectly related firms

Partnership Model: *Research Triangle Park*



“The vision was to provide a ready physical infrastructure that would attract research oriented companies. The advantage of locating in RTP would be that companies could employ the highly-educated local work-force and be proximate to the research being conducted by the state’s research universities”

(<http://www.rtp.org/about-rtp>, 2012).



Duke University

UNC Chapel Hill

NC State

Partnership Model: *Research Triangle Park*



Facts:

- 7,000 Acres
- 170 Companies
- 39,000 high-tech workers
- 22.5 million sq ft developed space
- Shared conference facilities
- Softball fields
- Volleyball courts
- Bike & Jogging Trail

Suggestion:

Eventually expand the Routes 7/116 Corridor to include universities in other areas of the state, such as Providence College or Brown University.

Benefit:

Builds synergies similar to what the RTP area businesses experienced.



facebook



Methodology



- Interviews
 - Town of Smithfield
 - Fidelity
 - Navigant
 - Land Owners
 - Prof. Beldona
 - RI EDC
- Objective – To understand critical issues and view points of existing entities in the corridor, while learning about the decisions to locate here

Methodology



- **Research**
 - Several texts on city marketing and branding
 - Internet
 - ✦ Town of Smithfield's website
 - ✦ Including Assessment of Social Media presence
 - Texts and article on clustering theory
 - 'Market Research Study' by Rhode Island College
 - Texts and articles relative to examples of city branding and clustering ideas
- **Report contains a list of all referenced material for this project**

Clustering Implementation



- Recommend an approach put forth by the World Bank with respect to implementing a clustering initiative
- Process consists of 4 stages
- Report details additional tools for use in developing an implementation plan

Clustering Implementation



Stage 1

Cluster mapping and initial engagement

Economy-wide cluster mapping; identification and engagement with key cluster stakeholders

- **Stage 1 –**
 - Marked by identifying and bringing together relevant parties and stakeholders
 - Test appropriateness of the cluster project
 - Identify Stakeholders
 - ✦ Smithfield, educational institutions, RI EDC, private companies, land owners
 - Recommend setting up a standing board or committee and consideration of M.O.U's to frame the project solidifying commitment

Clustering Implementation



Stage 2

Diagnostics and strategy formulation

Apply the 10 cluster tools to ascertain its competitive position, develop collaboration among cluster member and develop collective business strategies

- Stage 2 –
 - Goal is to have committee produce a sound strategy for moving forward
 - World Bank suggests 10 tool which can assist in this process
 - Must consider strategic direction relative to existing and potential conditions for the site and the Town.
 - Outcome of this stage is a clear strategy and direction for the effort up to and including the steps required by each stakeholder to lay the conditions for clustering to take place

Clustering Implementation



Tools to Develop a Cluster-Based Competitiveness Initiative

Cluster Definition

Tool 1: Cluster Mapping

Cluster Analysis

Tool 2: Product and Market Segmentation

Tool 3: SWOT (Strengths, Weaknesses, Opportunities, Threats)

Tool 4: GAP Analysis

Tool 5: Porter's Five Forces Analysis

Tool 6: Value Chain Analysis

Tool 7: Market Trends Analysis

Tool 8: Competitive Positioning Analysis

Assessing Institutional Support

Tool 9: Old and New Institutions for Collaboration

Controlling the Process

Tool 10: Monitoring and Evaluation

Clustering Implementation



Stage 3

Implementation
of strategic,
policy and
institutional
initiatives

Secure ownership from key cluster leaders in terms of time, ideas and cost-sharing; public-private dialogues on policy and institutional bottlenecks for implementation of business strategies on cluster competitiveness

- Stage 3 –
 - Implementation of the strategy by stakeholders
 - ✦ Includes lining up financing, altering state or town policies if required to build a better business environment
 - Should seek to remove any additional barriers to implementation of the plan
 - This phase is marked by bringing together the stakeholders in action, and the creation of the clustering competitive environment.

Clustering Implementation



Stage 4

Post-project sustainability

Ensure that cluster can handle resources independently beyond the life of the project; do due diligence and formalize the institutional structure of the cluster

- Stage 4 –
 - Stage is designed to review the progress of the effort
 - Committee should remain in tact and evaluate the progress of efforts
 - Adjustments to strategy can be made as market trends or factors change over time
 - Provides the chance to alter or expand the clustering strategy to include no opportunities
 - This is the stage where branding of the Town or Location becomes appropriate

Clustering Strategy Implementation

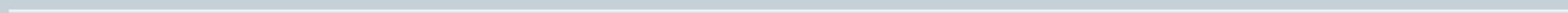


1-5 weeks

1-2 years

3-6 years

**Subsequent to
Implementation**



Conclusion



- Complete Surveys, Business and Land Owners
- Consider a cluster strategy
- Work closely with the RI EDC and universities
- Target the financial services sector
- Adopt a public policy
- Create a distinct name and brand for the area
- Utilize the benefits of social media to promote Smithfield

Questions

