

Presentation to the Hampton Roads Planning District Commission

The Hampton Roads Economy -Analysis and Strategies -

Part 2: Hampton Roads Cluster Study

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Purpose of Grant:

**Develop Strategies to Strengthen the
Regional Economy**

Work Elements

- Regional Overview – Done
- Regional Benchmarking – Nearly Done
- Identification of Clusters – Nearly Done
- Encouraging Entrepreneurship – 2005
Product
- Encouraging Existing Business – 2005
Product

Project Coordinated With

- **Office of Economic Adjustment**
- **Hampton Roads Partnership**
- **Others**
 - **Regional/Local Economic Development Alliances**
 - **Regional Workforce Agencies**
 - **Chambers of Commerce**
 - **Virginia Modeling, Analysis, and Simulation Center**
 - **Others**

Cluster Study

Cluster have Two Primary Characteristics

- They contain strong inter-industry linkages in the community
- They are export oriented (bring in “new” money)

Communities Promote Clusters Because they are a Source of Economic Strength

Synergies between firms increase
profits and regional growth

Methodology

(Two Step Process)

- HRPDC developed list of **candidate clusters** by scanning for opportunities
 - Assess each opportunity using criteria
- HRP selected **target clusters** from HRPDC candidate clusters
 - HRP panel of experts convened to select targets from candidates

Criteria Used to Identify Clusters

- **At least one thousand workers**
- **Results possible in 3-5 years**
- **Competitive in HR**
 - Lower costs
 - Relative growth rates
 - Presence of regional resources
- **Benefit entire region – not just one side or one community**
- **Established technology**
- **Positive economic impacts (especially wages/incomes)**

HRPDC Candidate Clusters

- **Information Technology**
- **Electrical Equipment Mfg.**
- **Technical Services**
(engineering/research/testing)
- **Shipbuilding**
- **Port/Distribution**
- **Modeling and Simulation**
- **Tourism**
- **Sensors**
- **Truck and Part Mfg.**
- **Senior Industries**

Activities Not Selected as Clusters

- **Homeland Security/Back Office Operations/Defense Contracting/Military Outsourcing/Nanotechnology**
 - An economic development theme
 - » Several excellent industry targets
 - Not a cluster (no strong forward and backward linkages among firms)
- **Retail/Commercial Construction**
 - Not export oriented
- **NASA/Motor Sports**
 - Activities on one side of Hampton Roads

HRP Target Clusters

(Selected from HRPDC Candidate Clusters)

Port/Distribution

Information Technology

Modeling and Simulation

Technical Services

Tourism

The Next Step

**Meet with HRP cluster
representatives to develop
recommendations and a
plan of action for their
Strategic Plan**

The End