

# Podcast Interview



Rebecca Bagley, President & CEO, NorTech  
Interviewed by: Phillip Battle, SSTi

*2011 Excellence in TBED Award Winner:  
Most Promising TBED Initiative*

Mr. Battle: Hello this is Phillip Battle, welcome again to the SSTI Podcast. Each episode we speak with an SSTI Excellence in TBED Award Winner to learn more about the work they do, and some of the lessons they've learned along the way. Today we're very pleased to have Rebecca Bagley, President and CEO of NorTech, a TBED organization that fosters emerging clusters in northeast Ohio. Last year NorTech's regional innovation cluster model took the award for our newest category: Most Promising TBED Initiative. Thanks for talking with us, Rebecca.

Ms. Bagley: My pleasure.

Mr. Battle: So what is the regional innovation cluster model?

Ms. Bagley: Basically, it's really an effort to reinvigorate northeast Ohio's economy in our case. The model just makes sure to involve a wide range of organizations: small, medium, and large businesses, research institutions, and universities. Certainly regional, state and federal governments play a strong role in contributing, then of course workforce and money. How we have thought about this model is really to create something that accomplishes a few different things. You really want to be able to attract members, and members that can add value to whatever industry you're focused on. Making sure that you then build relationships between the cluster members, funders, research business, creating what we call market driven roadmaps. We have a trademarked process that we call "In Seven," because it's in seven years. What's the vision of the industry and the cluster on what we can be.

So I would say that is without going into too much detail, basically creating a common vision and action plan of how you're going to get to that vision with the cluster members. I would just add, engaging with government and policy leaders to make sure that their decisions feed back into the cluster. Then of course always important: an organization's is making sure that you're collecting, reporting and utilizing data that both validates the work that you're doing, and that can also have influence over the cluster activities.

Mr. Battle: Which industry clusters have you worked with so far?

Ms. Bagley: We have two: advanced energy and flexible electronics, and we're now doing our "In Seven" road mapping process for water technologies.

Mr. Battle: What made it clear that those would be desirable industries to work with?

Ms. Bagley: I think there are indications that are really based on the strength and assets of the region, but the idea for us is emerging cluster areas. So you have some market drivers that are well known throughout the country on what a good cluster is, it comes out of people like Porter's work and others. It's areas where you have enough assets to apply a cluster development model, but you need to accelerate the growth of those areas. We really sort of have a pipeline where it becomes very informal at first, where you hear some things in the community, you start to identify multiple constituencies that are interested in this, and then that's when we kick into research mode.

So we start to research; is there a market opportunity within this particular sector? Then we look at what our assets to respond to that market opportunity. By assets, I mean what are the companies, what are the research, what's the money available to fund that type of activity. Then for us that kicks it into a board discussion. We have enough information to present to our board; is this new area where we think there is enough emerging? I would also add to that industry, participation. If you're not going to have industry spending the time, sitting in the meetings to develop the road map and the strategy, it's not worth it. That's our final step is we road map and that sort of dictates our work in that cluster area.

Mr. Battle: In general you've found them very willing to come in at those early stages of road mapping?

Ms. Bagley: Yeah, we have. I think that we have a methodology on the road map and it's clear. We have companies now, which is nice that have participated in the cluster activities in energy and flexible electronics. They can tell their stories; we make sure to really talk about what we're doing to the extent that it can bring cluster members in, but then also to the extent that it can promote the members of the cluster. We have found industry very willing to participate because they see value in aligning, and the resources and services that we can bring.

Mr. Battle: It seems like cluster development is a really complex phenomenon. It would be difficult to track development along those seven years of the road map. How do you do that?

Ms. Bagley: A couple of different things. When you're talking about actual execution, we have with the industry and through the "In Seven" process we come up with what are the action items. Then we break those action items down into what's needed to implement, what are time timelines. It's basically a plan, an implementation plan of how we get to the goals and the actions outlines in the road map. Then we have an energy steering committee actually that helps us shepherd those and make sure we're headed in the right direction when we run into problems. Of course, that's really how you're showing value back to the cluster members. So to keep them engaged, you need to be moving forward on the road maps. Then when you think about it from a larger point of view, we collect jobs, capital and payroll are sort of our highest level metrics. We also look at things that create the pipeline so commercial opportunities that we are bringing to cluster companies, funding opportunities, media placements, things like that we measure that are more activity oriented that will lead to the outcomes. But I think it's extremely important to – we do it through a survey tool, to collect the jobs, capital and payroll that your efforts and that your cluster are having an impact on.

Mr. Battle: So all the companies that work with you get involved and you keep track of them over the entire process, through that survey tool?

Ms. Bagley: That's correct. How we do it is we have a memorandum of understanding. Basically it's a fairly simple two page document that these companies sign that basically talks about our obligation to provide service to the companies, and outlines what that looks like. Then also their obligation is mostly to give us the ability to talk about them, to provide data back to us. We actually don't have a fee for service models, because our funders pay for the activity that we're doing, and that chambers are partners in that as well. So we make sure to basically have an agreement that commits them. As I mentioned, our goal is not how many members can we get in the cluster, its recruiting members that add value. Then we survey them and use that data.

Mr. Battle: If someone was going to attempt to implement this model in another region, is there a piece of advice that you could offer them?

Ms. Bagley: A couple of things I would say, lessons learned maybe. Partly advice and partly just lesson learned. Cluster development is – I would call it messy, right? There is a lot of moving parts, a lot of stakeholders. So making a strong effort to engage the region and continue to talk about successes in

a concrete way, and sort of keep on message, especially publicly is very important.

Over promising and under delivering. That's a problem with everything, but very realistic about the goals and metrics, especially with your funders, but also just generally with the stakeholders. I would say transparency is another thing that we find extremely important, and then communicating success. You need to make sure that you're the one communicating the success with the cluster, the success of your organization, and not being shy about that it really helps the regional economy, it helps these cluster companies. I think sometimes we tend to not want to look self-serving but I think if you're doing it with the right tone and with the right message, it becomes an extremely important way to continue to get support and to bring new cluster members in.

I guess I would say collaboration obviously is a very strong piece. Making sure that other economic development organizations are engaged and involved. Your board is engaged and involved and that they see themselves as ambassadors. I guess the last thing is trying to be inclusive of diverse audiences and making sure that you're throwing your net within your focus area as wide as you can to engage with the community.

Mr. Battle:

Well thank you so much, Rebecca. We really appreciate it. If our listeners would like to learn more about NorTech and its cluster initiatives, they can visit [www.nortech.org](http://www.nortech.org). To find out more about SSTI's Excellence in TBED Awards, visit [www.sstiawards.org](http://www.sstiawards.org).