

HEALTH SCIENCE GETS A VOICE

BY KATIE GRASSO

When the Delaware Economic Development Office (DEDO) staff began exploring the idea to begin a Health Science Cluster, it knew the cluster would have a tough act to follow. Already, DEDO had successfully established five clusters: Auto, Chemistry, Tourism, Biotechnology, and Banking, Insurance & Financial Services. But these were traded clusters, or clusters that relied on exporting a product or service. Health Science is the first untraded cluster, and the first to face a new set of challenges.

Clusters are made up of all of the related and supporting institutions around a particular industry, explains Randall Kempner, Vice President of Regional Innovation for the Washington D.C.-based Council on Competitiveness. The goal is to create an environment where firms can succeed. "You want to not only have the core firms, but also have the suppliers, buyers, intellectual property developers, accountants and lawyers who understand what's going on in this industry," Kempner notes. In the health care industry, the cluster includes interrelated hospitals, medical device manufacturing companies and medical supply companies.

An untraded cluster does not focus on exporting a product or service, Kempner explains, but rather on identifying what it will take from the local population to make the cluster's businesses grow and thrive – and then helping make that happen.

Delaware's economy is ripe for a Health Science cluster, with 45,000 jobs attached to health sciences and \$3.1 billion in gross state product generated annually, according to Patty Cannon,

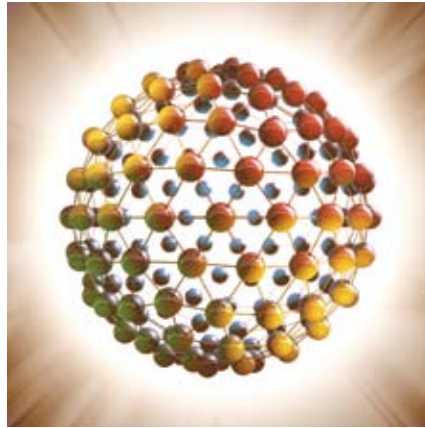
Health Science Cluster market leader at DEDO. "Health care was identified as Delaware's number one untraded cluster," she says. "We've proven this works in traded clusters. Health sciences wanted a voice, too."

"Healthcare is a local business," explains Gary Ferguson, Executive Vice President and COO of Christiana Care Health Systems and cluster co-chair. "Hospitals exist to serve the local communities they reside in, but we're not going to recruit new hospitals. Our challenge is to identify opportunities within the healthcare arena where there are appropriate resources to help those businesses to grow."

The cluster, which also includes Agilent Technologies and medical equipment and supply company Dade Behring, will work throughout the fall to develop a report identifying the cluster's strengths, weaknesses, opportunities and threats. Once they find the threats, Cannon said DEDO will try to intercede with public policy to see what they can do to help.

The goal is to "keep the money in Delaware," explains Cannon. "We'll identify where the money is going out, and work on keeping it in and get new money into the state. Delaware is so small that we have to be smart about who we want to entice to come to Delaware."

The Health Science Cluster will hold its first meeting on Sept. 6 and continue with discussions on Sept. 27 and Oct. 11. For more information about the Health Science Cluster, contact Patty Cannon at (302) 577-8485. ■



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