



PRO INNO EUROPE

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LEARNING PLATFORM

**Good practice Identification –
Advice for transferability
United States –
Clusters
WIRED**

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EUROPE

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CHAPTER I: Good practice identification

1 General description of the good practice

Launched in November 2005, the WIRED Initiative focuses on improving the integration of education and workforce development with regional clusters. It brings together state, local and federal entities; academic institutions (including K-12, community colleges and universities); investment groups; foundations; and business and industry to address the challenges associated with building a globally competitive and prepared workforce. Each “region” (usually sub-state regions) has developed different types of efforts designed to bring innovation awareness, create partnerships, and build entrepreneurship, innovation and a technical workforce often with a cluster focus. The intent is that WIRED regions will create new partnerships, approaches and programs to remain competitive in a global economy.

The WIRED Initiative was launched by the Employment and Training Administration (ETA) of the U.S. Department of Labor. The total program cost authorized by the U.S. Congress is \$325 million over about four years (2006-09). There are currently 39 wired regions selected in three waves between 2006 and 2007. The “first generation” of 13 regions received \$15 million each for a three year period beginning in 2006. The second and third generation received awards in 2006 and 2007 of \$5 million each over three years. The Initiative is administered at the federal level by ETA and is supported by ETA’s six regional offices.

DOL issued requests for proposals in order to select the WIRED regions. Proposals had to be submitted by state Governors, and Governors were permitted to submit only three proposals from each state. Proposals were from consortium that included public and private partnerships including economic development agencies, state/non-profit technology programs, universities and colleges, Workforce Investment Boards, foundations, etc. Lead organizations could be non-profit organizations, public agencies, universities/colleges, and others. Selection criteria included (a) identification of the regional assets, (b) regional labor market and economic landscape (the economic need and opportunity), strength of the partnership established for the WIRED Initiative, (d) strategies for transforming the region, and (e) leverage – contributions from regional foundations, corporations and others to the effort.

Regions that receive awards are expected to conduct a common set of activities: (a) identify the regional economy’s economic assets; (b) form a core leadership group; (c) conduct strengths, weaknesses, opportunities and threats analysis; (d) create a shared regional vision for the regional economy; (e) devise strategies; (f) leverage resources and implement strategies. A critical part of the process is to create the leadership team that brings together disparate entities from public and private sectors and from employment and training, education, economic development, technology programs, entrepreneurial programs, business and cluster associations, and others. The act of bringing together these various entities and achieving a consensus on a regional vision for future employment and economic development is in itself an achievement. Strategies to achieve the regional vision differ from region to region and depend on the regions strengths, resources, leadership and others factors. Some regions focus on developing and supporting an entrepreneurial culture, others on developing resources to fill economic development gaps, and most involve targeting and “re-gearing” education and workforce development to meet future employment needs in emerging clusters. We describe here the “Wall Street West” Initiatives, which generally is considered to be one of the top four or five initiatives, and then briefly describe several additional WIRED regions to show the variety of initiatives.

Wall Street West – This initiative focuses on developing a financial services cluster that is intended to transform the region from heavy traditional industry (mining, timber, and manufacturing) to high-tech and services. The regional initiative combines federal WIRED funding and state of Pennsylvania funding to support a variety of activities centered around the

creation of a fiber optic network connecting New York city with North-eastern Pennsylvania. Wall Street West was formed as a not-for-profit partnership to conduct these activities. It is composed of more than two dozen local, regional and statewide economic development agencies, technology investment groups, workforce development organizations, educational and research institutions and experts from the private sector. The group secured a \$15 million WIRED grant from the U.S. Department of Labor to help fund its effort to attract New York City-based financial institutions to establish their back-up operations in the Northeast Pennsylvania region. The program's Innovation Investments support Wall Street West's goals of building a stronger financial services sector in the region through a qualified workforce. Innovation Investments encourage collaboration, action and investment from workforce development organizations, education, economic development partners and the financial services industry. Recipients of the first round of Innovation Investments' funding include:

- Originate Ventures Internship to provide internships at a start-up fund to students.
- Bridging the Gap to create an online, modular financial services career awareness program.
- Wall Street West Academy, developed by a Community College, to provide a comprehensive career and academic program for high school students, which can be replicated at community colleges across the region.
- KIZ Intern Program to offer internships focusing on financial services and business continuity/information technology in five Keystone Innovation Zones (special zones authorized by the state of Pennsylvania offering tax incentives for technology business location).
- The Financial Literacy Institute for Junior and High School Teachers and Students, to create consistent programming and incorporate the use of Internet to provide education opportunities for teachers and students.
- Workforce Development Program for Financial Services, developed by the Lehigh Valley Workforce Investment Board and Lehigh University, is a multi-phased program designed to retrain engineers and others in graduate studies in quantitative financial analysis for engineers.

Similar to the Innovation Investments, the Workforce Investment program is also bolstering the workforce pipeline to financial services and information technology occupations. It is providing individual grants to north-eastern Pennsylvania residents that seek to increase their educational attainment levels, including associate degrees (two-year technical college degrees) or equivalent coursework for bachelor's or master's degrees. A collaboration of the five Workforce Investment Boards in the Wall Street West region, the program establishes a common individual training account allocation and outreach materials. This collaborative model has drawn national recognition as a WIRED best practice from the federal ETA, U.S. Department of Labor.

Other WIRED Initiatives support other clusters in various ways. The following provides some additional examples of activities to build and promote clusters:

Maine's North Star Alliance – is launching a strategy focused on one of Maine's major clusters – the marine industry including boat building, marine and waterfront infrastructure, building products, sporting goods products, and marine-related services. Their approach involves a four-tiered approach focused on building the marine-industry: workforce development, research and development (R&D), market development, and capitalization and infrastructure development.

North Carolina Piedmont Triad Region – is implementing a strategy to focus on leveraging its university and corporate resources to make the region an international hub for (a) transportation, (b) advanced manufacturing and (c) bio-medical industries by building up and integrating workforce development, education, cluster-focused economic development and entrepreneurship. Their goals are: (a) build visionary leadership capacity and the broad community engagement; (b) accelerate the capacity to create new, high skill, high wage jobs through demand-driven services to targeted industry clusters, and to strengthen the entrepreneurial and innovation culture across the entire region; and (c) leverage all of the region's educational and training resources to transform and create a best-in-class workforce training delivery system.

Northern California – The economy of Northern California (located North of San Francisco) has relied on jobs relating to the extraction of natural resources, particularly timber. Over the past couple of decades, the downturn in the timber industry has resulted in a depressed regional economy. In order to turn this around, a partnership led by the Northern Rural Training & Employment Consortium (NoRTEC) is creating a private-sector network of local investors to provide capital for local entrepreneurs to expand to a larger market. These efforts are supported by the region's Workforce Investment Boards (WIBs), Small Business Development Centers (SBDC) and regional economic development organizations. Rather than focus on one or two clusters, they are focusing on stimulating “entrepreneurship” more generally throughout the region. Using a phased approach, NoRTEC is organizing and seeding nine regionally linked, locally based angel investment funds to area businesses; leveraging a minimum of \$32.5 million in private sector capital; and recruiting 35 high growth, regionally based companies receiving seed-stage investment capital, and providing in-depth advice and technical support to help these companies navigate the product launch and early expansion phases. Its goal is to create 2,000 jobs through these high growth companies, along with additional jobs from transitioning companies in the region.

Florida's Great Northwest WIRED Initiative – focuses on creating high wage jobs in four clusters: (a) Aerospace and Defence, (b) Life Sciences, (c) Information Technology and Electronics Engineering, and (d) Construction Services. It has developed a governance council and industry council for each of the four clusters. Each council incorporates membership from the regional partners, including businesses, which represent at least 50 percent of the councils' membership. Florida's strategy includes a package of activities focused on (a) entrepreneurship development through a grant program designed to enable start-up companies to secure seed capital; (b) grants enabling job training for new and existing businesses within the targeted clusters; and (c) various education and training programs and outreach mechanisms designed to meet the workforce needs in the targeted clusters.

Denver WIRED Partnership – The Denver WIRED Partnership is focusing on supporting Metro Denver Economic Development Corporation's (a non-profit corporation) to grow industry clusters and build a pipeline of workers for high-demand occupations. The Partnership targets four clusters: (a) aerospace, (b) biosciences, (c) information technology, and (d) energy. It is conducting in-depth analysis of each targeted cluster to understand supply chains, global markets in relations to the region and benchmarking of the educational and training capabilities and standards of competitor regions and countries. It is creating a uniform vision across various educational levels (vertical) and within those levels across institutions (horizontal) geared to support cluster industries.

2 Please describe the selected good practice¹ in terms of:

2.1 Uniqueness:

Measure Name:		Workforce Innovation in Regional Economic Development (WIRED)	
General description/rationale:			
The WIRED Initiative is intended to catalyze regions to coordinate regional leadership, create a consensus toward a common vision, and develop and implement new approaches to become more competitive in a global economy. Most regional initiatives focus activities on supporting specific clusters.			
Innovative characteristics as regards:			
Methodology	Organization	Function	Results
<p>WIRED's blueprint for economic and workforce transformation involves a six step methodology:</p> <ol style="list-style-type: none"> 1) Identify the Regional Economy's Economic Assets. 2) Form a Core Leadership Group. 3) Conduct SWOT Analysis. 4) Create a Shared Regional Vision for the Regional Economy. 5) Devise Strategies. 6) Leverage Resources and Implement Strategy. <p>(These methodology steps are described in detail in the narrative description below. See Methodology Addendum.)</p>	<p>The WIRED Initiative was passed by the U.S. Congress as a legislative "line item" appropriation in a way that permits multi-year funding (3-years in this case).</p> <p>The Initiative is administered by the Employment and Training Administration (ETA) of the U.S. Department of Labor. Six ETA regional offices play a direct role in managing and assisting awardees. Thirty-nine regions were selected through a public, competitive solicitation that were reviewed and selected at the federal level by ETA. All 39 WIRED Regions are supported by managers from ETA's six regional offices and a WIRED resource team at the federal level. The team at the federal is composed of high ranking (Senior Executive Service) professionals – 1 assigned for each of the regions and 1 more junior professional; there</p>	<p>Each region has a different focus to support various economic competitiveness needs and to reflect the region's specific resources.</p> <p>Core leadership groups composed of leaders representing various public and private key stakeholders develop a strategy to be carried out by a regional team. The activities revolve around the six step methodology including conducting an economic analysis that identifies and targets clusters, identifying and assessing resources to support these clusters, and devising strategies that involve education and workforce development, and often entrepreneurial development services and linkages among workforce development, economic development programs, and cluster</p>	<p>There have been no results to date. Generation I (the first awardees) were awarded grants in 2006 and have been operational for about 18 months. DOL has contracted two evaluations (one for the Generation I Initiatives, and one for Generations II-III Initiatives). The University of California at San Diego, which is conducting the first evaluation, is expected to complete its work mid-2008 (probably June).</p> <p>DOL has standard metrics that it uses for all programs such as employment creation, retention and earnings. However, DOL's Employment and Training Administration (ETA) allowed each of the 39 WIRED Initiatives to set their own performance measures. This was done because</p>

¹A technique or methodology that has proven to reliably lead to the result that has been aimed for; An activity or procedure that has produced outstanding results in another situation and could be adapted to improve effectiveness, efficiency, ecology, and/or innovativeness in another situation.

	<p>are a total of about 80 professionals at the federal level dedicated part time to the WIRED Initiative.</p> <p>Lead agencies with management and financial responsible for the 39 regional WIRED Regions include (about evenly):</p> <ul style="list-style-type: none"> - universities - non-profit industry associations - economic development organizations - state economic development agencies - community colleges - Workforce Investment Boards (local level boards that are public-private partnerships) <p>In some cases, regional consortiums that combined various public and private entities have incorporated as a separate non-profit organization for the purpose of proposing and managing the WIRED Initiative in their regions.</p>	<p>related resources (universities, federal laboratories, associations).</p> <p>In the narrative above we provided some examples of the various types of activities being carried out at the regional level.</p>	<p>each of the 39 Initiatives differ, some substantially, regarding their goals and strategies. Moreover, ETA believes it is not only difficult but also potentially misleading to compare results in Montana (a very rural state) with those of New Jersey or New York, as well as pinning down short-term results on an Initiative that by its nature is intended to show long-term, structural changes. Contracted evaluators are likely to take a broad and flexible view on performance in the short-term.</p>
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METHODOLOGY

WIRED's blueprint for economic and workforce transformation begins with a six step methodology:

1) Identify the Regional Economy's Economic Assets – human and financial capital; research & development institutions; infrastructure; business & policy culture; industrial base; legal and regulatory environment; and others.

2) Form a Core Leadership Group – Once a region assets are identified, the awardees identify and organize a core leadership group representing the major regional assets to lead the effort. This includes employers, economic and workforce development professionals, state and local governments, foundations and also education entities such as K-12 (pre-college/university) education systems, community colleges and research and development laboratories. The successful leadership group involves at least (a) senior level commitments from stakeholders; (b) shared financial and resource contribution; (c) collaborative responsibility for Strengths, Weaknesses, Opportunities and Threats (SWOT) Analysis, Asset mapping and critical self-assessment activities; and (d) collective access to products, tools, resources and expertise.

3) Conduct SWOT Analysis – The core leadership group must measure the strengths, weaknesses, opportunities and threats in a region before developing a comprehensive regional economic strategy. This analysis is intended to thoroughly consider a region's attributes including existing assets, natural resources, current business climate and demographics, such as educational attainment levels of workers in the region. Additionally, regions are expected to evaluate existing infrastructures (physical, virtual, governmental and educational) and cultural environment (collaboration, innovation and entrepreneurship) that will be critical to success. These elements for evaluation are measured against benchmarks such as graduation rates; SAT & ACT scores; Census, NSF and BLS data; quality of High Education (media rankings and endowments; and also investments made in educational institutions that nurture talent.)

4) Create a Shared Regional Vision for the Regional Economy – The core leadership group is expected to develop a shared vision for regional “identity” and vision for regional economic growth that will drive new regional behavior. This vision is intended to be the driver for future regional strategies and new investments as well as (re)alignment of current investments.

5) Devise Strategies – The next step is to develop the strategy for regional economic and workforce development. ETA expects the strategies to be "SMART" -- Specific, Measurable, Achievable, Realistic and with a Timeline. Additionally, a region's strategy must account for a region's (a) infrastructure (including roads, buildings, and technology such as broadband); (b) investment (availability of risk capital); and (c) available talent. In developing strategies that spur transformation, regions should focus on:

- Building innovation (through R & D and intellectual property formation);
- Bringing innovation to market;
- Identifying new industries;
- Developing new markets; and
- Creating new initiatives for capital creation.

6) Leverage Resources and Implement Strategy – After a strategy is in place, the region is expected to leverage resources from private, non-profit and government sources in support of those common goals. These resources are used to:

- Bolster small businesses;
- Promote sustainable entrepreneurship; and
- Fund job training programs at education centers like community colleges.

Public resources include programs from various federal agencies such as the National Science Foundation and U.S. Department of Commerce, and state and local agencies in technology, training, and economic development; and private resources such as venture capitalists and angel investors.

2.2 Relevance:

Problem	Solution that was provided
Programs in regions continue to have the same focus they have had for years. They are not sufficiently responding to changing resources and often are not aware of regional strengths and opportunities.	The WIRED Initiative requires a SWOT analysis, and developing and implementing activities geared to leverage economic strengths, fill gaps, etc. Most WIRED Initiatives identify and focus activities on specific clusters.
Programs at the local and state levels are not coordinated – education and training, workforce development, economic development, technology, entrepreneurial development, often do not have a shared vision, and sometimes work at cross purposes.	THE WIRED Initiative requires organizing a leadership team that includes disparate entities. Leaders from different, but related public and private programs must come together to form a consensus on a common vision, and develop strategies to bring various resources to support a shared vision.

Sub-state regions usually operate individually and do not coordinate across city and county (prefecture) borders, and rarely across state lines.	The WIRED Initiative favors strategies the involve regions, beyond city and county (prefecture) borders, and several cross state lines.
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2.3 Effectiveness:

As we discussed under “results,” the program has not yet been evaluated and the first generation (of three generations) only started in 2006. After speaking with staff and consultants, there seems to be emerging mixed results. Some regions such as Northeast Pennsylvania, Denver, Piedmont Triad (North Carolina), and NW Florida are moving quickly to achieving regional goals. Others are further behind.

One early achievement comes from just developing the proposals since it requires different entities to partner and develop a shared vision. The organizational partnering benefited some regions even before the program was awarded. For awardees, the benefits are greater as ongoing partnerships and leadership meetings are necessary to develop and carry out WIRED initiatives.

Although the strength of the Initiative are based on its flexibility and long-term nature, the concern at the national level is that short-term quantitative measures that will be captured in the next year or two may not reflect the true value of the program over the longer term. The U.S. Department of Labor (DOL) focuses on traditional job measures, and has not developed broader types of performance measures. Moreover, DOL functionaries may not recognize or accept some of the performance indicators being used by individual WIRED Initiatives. Performance indicators developed in individual WIRED initiatives include seed/venture capital raised in a region, increases in educational test scores, numbers of people trained in emerging clusters, number of new start-ups in a targeted cluster, etc. A non-traditional program such as WIRED requires new, broader and longer-term measures.

2.4 User satisfaction:

User group	Primary target group (yes/no)	Feedback provided	Explanation for feedback
Regional public an private programs in employment and training, education, entrepreneurship, technology, etc.	yes	No feedback to DOL (that is public). We would have to complete a brief survey of WIRED Initiatives to adequately respond to this (which was outside the scope of this project)	

2.5 Recognition:

WIRED has received substantial attention in U.S. employment and training and economic development communities. We are not aware of specific awards (which would be given to specific Regional Initiatives).

2.6 Context dependency:

Much of the success of a program such as WIRED will depend on (but are not limited to)

- 1) The leadership at the local/regional levels;
- 2) History of working relationships between various programs;
- 3) Economic threat perceived and (to a lesser extent) opportunity perceived at the regional level; and
- 4) Availability and involvement of private funding sources such as private foundations to carry on activities after the initial public funding has terminated.

The emergence of a strong, well-networked, well-respected leader and lead agency or organization is critical to the success of WIRED and similar programs. It takes a strong leader to pull together various leaders across a region and across different program functions and to establish a consensus strategy. This is probably the single most important factor. Secondly, a perceived economic threat to a region tends to catalyze a shared vision and working partnerships to turn around an economy or to fight against a common economic “enemy.” Thirdly, programs such as WIRED that have a major infusion of funding upfront sometimes fall apart after the funding has terminated. Other funding sources from private or local and state sources often are necessary to continue program activities.

Total funding for WIRED is \$325 million from FY 2006-09.

In February 2006 ETA announced 13 regions that were awarded \$15 million over three years. In April 2006, ETA added 13 additional regions, then known as the Virtual Regions. These regions received \$100,000 planning grant, were invited to participate in all WIRED related activities and were given access to the tools and resources developed. In January 2007, these regions became the second generation regions and received an investment of \$500,000. This investment supported the development of a comprehensive implementation plan. Upon completion and acceptance of this plan, each region will receive an additional \$4.5 million investment over a three year period. In June 2007, ETA selected 13 additional applications to become the third generation of WIRED regions. Each will receive a \$5 million investment over a three year period.

After speaking with several experts, it is generally believed that \$15 million was too much funding and several regions have not spent their funds as expected; however, \$5 million may be too little. Funding between about \$7-10 million was considered about right.

2.7 Replication:

The WIRED Initiative has a good chance of being replicated in other environments because of its flexible nature. The program is designed to allow each region to identify and leverage strengths, and develop partnerships and strategies that reflect the needs, vision and goals of an individual region. The central program provides the framework and financial resources but do not prescribe, except in the broadest sense, the specific actions of the program. We believe that some aspects could be done better and may be important in replication. Those aspects include the availability of professional (most likely contracted) technical assistance and training for regions on identifying regional strengths and competencies, SWOT analyses, etc. (Not all regions may need this type of instruction and technical assistance, but some will.) In addition, a package of performance measures could be developed and applied, as long as they are carefully interpreted to reflect the differences in individual regional initiatives.

Many of the original WIRED “Tools and Resources” that DOL “advertised” as available to WIRED regions from the national level (DOL) were never made available and should have been. These included (a) development of a national network of foundations interested in investing in regional economic development, (b) linkages to angel/seed and venture capital networks, (c) partnerships with

state universities, etc. to help establish linkages with incubators, entrepreneurship programs and other resources. These and other resources should be made available and also may increase the chances of sustainability.

As we mentioned under Context Dependency, sustainability is an issue in these types of programs. Although a “matching” requirement was not part of the WIRED program, matching from state resources that might be extended beyond the initial centralized funding might add to the chance that the program would be sustainable over the long-term. A special provision might waive matching requirements and provide longer-term funding for certain priority regions where the state may not be able to provide a match.

Although the WIRED Initiative strongly favored an employment and training focus (because the funding agency was the U.S. Department of Labor), it could easily have a different focus. That emphasis could be services in innovation, a specific cluster focus (bio, etc.), or other using the same framework and methodology. That strategy is: organizing and partnering leaders from different but related programs/organizations; developing consensus on a common vision and strategy to increase regional competitiveness; leveraging, “re-gearing” and coordinating existing programs, and potentially developing new programs to implement the consensus strategy. The program allows the flexibility for each region to select its own lead agency/organization, leverage its indigenous strengths, and develop initiatives in a way that best suits the specific region.

3 Additional information sources

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CHAPTER II: Advice for transferability

4 Introduction to the proposed action

4.1 What are the main actions to be promoted to meet the objective?

The Workforce Innovation in Regional Economic Development (WIRED) Initiative is a U.S. Department of Labor (DOL) program that focuses on improving the integration of science and technology education and workforce development, including entrepreneurial development, with regional clusters. It brings together state, local and federal entities; academic institutions (including K-12, community colleges and universities); investment groups; foundations; and business and industry to address the challenges associated with building a globally competitive workforce. The DOL objective is for WIRED regions to create new partnerships, approaches and programs to remain competitive in a global economy.

Most WIRED regions focus on building specific clusters and each region is using a different approach. Regions that receive WIRED awards are expected to conduct a common set of activities: (a) identify the regional economy's economic assets; (b) form a core leadership group; (c) conduct strengths, weaknesses, opportunities and threats analysis; (d) create a shared regional vision for the regional economy; (e) devise strategies; and (f) leverage resources and implement strategies.

4.2 What is the general status of the recognition in the market of the necessity to invest in the proposed policy theme?

There is wide EU recognition and support for building clusters as an important part of a European innovation strategy to enhance global competitiveness and job growth. "Implementing the Community Lisbon Program" (COM 2005; 488) calls for fully backing the implementation of the Partnership for Growth and Jobs and to that end suggests that a broad range of innovation-related actions may be funded such as regional and trans-regional clusters. The EU INNOVA Regions of Knowledge Initiative is intended to support trans-national learning and cooperation for regional clusters. The Communication states that in order to put research and innovation at the heart of business, the EU will take several actions to promote innovation poles and knowledge-driven and industrial clusters. There is also recognition of the importance of education as part of enhancing the innovation process. In "Ten priority actions to achieve a broad-based innovation strategy for the European Union," (MEMO/06/325, September 2006) Action 1 calls for developing "innovation-friendly education systems" as part of the overall innovation strategy.

4.3 How is the main policy theme communicated in the market/which guidance material is already available?

In the U.S., the WIRED Initiative is intended to address current and future competitiveness gaps, mainly in education and workforce development, through activities that support innovation and cluster development. Since each region has different strengths, weaknesses and opportunities, each WIRED Initiative supports cluster development in a slightly different way. In Florida, for example, the Initiative focuses on four clusters (aerospace, life sciences, IT and construction) and supports entrepreneurial development in these clusters through a grant program designed to enable start-up companies to secure seed capital; it also provides grants for job training for new and existing businesses within the targeted clusters. Other regions focus on different clusters and conduct different activities aimed at supporting those clusters. WIRED Initiatives share their experiences mainly through "best practice" and other information exchanges at DOL-sponsored conferences.

4.4 What is the expected outcome of the proposed actions?

The WIRED Initiative is designed to produce long-term, sustainable results aimed at improving the innovation “infrastructure” through improved, innovation and entrepreneurship-directed education, workforce development and related activities. Expected intermediate outcomes include: (a) improved partnerships among regional education, academia, business and innovation-related industry; (b) enhanced infrastructure for supporting innovation growth; and (c) increased support for entrepreneurs in specific clusters. DOL expects that in the long-run WIRED regions will show greater job growth in innovation-related businesses.

5 The innovation policy measure and its context

5.1 National and regional governance: please provide a description of the modalities of implementation of the proposed actions. Examples of elements to be taken into account are the role of the institute, the nature and characteristics of that institute that are important for a successful implementation of the good practice.

The WIRED Initiative is a three-year, congressionally mandated program that is administered by the DOL Employment and Training Administration (ETA). Thirty-nine WIRED Regions were selected to participate and those Regions are supported by managers from ETA’s six regional offices located across the U.S. and a WIRED team at the federal level composed of about 80 professionals who devote part of their time to the WIRED Initiative.

The important factor concerning the organization and management of the WIRED Initiative is that it allows each Region to select a lead organization that makes the most sense for the specific Initiative and the specific region. These lead organizations include: (a) universities, (b) non-profit industry associations, (c) economic development organizations, (d) state economic development agencies, (e) community colleges and (f) Workforce Investment Boards (local level boards that are public- private partnerships). In some cases, regional consortiums that combined public and private entities incorporated as a separate non-profit organization for the purpose of managing the WIRED Initiative in their regions.

The WIRED Region’s core leadership group is considered to be the linchpin (the critical element) in the Initiative’s potential success. The successful leadership group is expected to involve senior level commitments from key stakeholders in the region and they are expected to contribute financial and other resources to the effort. The core leadership group is composed of (but not limited to) employers, economic and workforce development professionals, state and local governments, foundations and also education entities such as K-12 (pre-college/university) education systems, community colleges and research and development laboratories. These stakeholders come together to develop and drive the regional strategy that is carried out by a regional team.

5.2 National and regional economic structure of the region where the practice has been developed. We are looking for the main factors for success for implementing the suggested measure.

The Initiative is nation-wide; it involves 39 regions throughout the U.S. Because the Initiative’s “First Generation” started in 2006, it is difficult to determine the specific regional factors that may influence the Initiative’s ultimate success. However, DOL assumed that the WIRED Regions needed some existing infrastructure, particularly R&D&I resources that could be leveraged to support cluster development and DOL considered these factors as part of the selection process. DOL also assumed that the regions needed strong lead organizations and the ability to develop public-private partnerships

through core leadership groups. Evidence of the region's strong organizations and public-private partnerships include past performance on technology-based economic development, entrepreneurial development and technology-related employment and training activities as well as the region's ability to come together and develop a consensus regarding a proposed WIRED strategy. DOL also considered these factors as part of the selection process since the factors were expected to affect the WIRED Region's ultimate success.

5.3 The policy measure itself: what was it all about? Who were the actors involved, what actions have been undertaken and which result and impact has been achieved?

DOL/ETA WIRED's "blueprint" for regional economic and workforce transformation involves a six step process conducted by each WIRED Region: (1) Identify the regional economy's economic assets; (2) Form a core leadership group; (3) Conduct a strengths, weaknesses, opportunities and threats (SWOT) analysis; (4) Create a shared regional vision for the regional economy; (5) Devise strategies to support the regional vision; and (6) Leverage resources and implement the strategy.

As we mentioned earlier, the core leadership group is considered key to the WIRED Initiative's process (See section 5.1) The group is expected to develop a shared vision for regional "identity" and vision for regional economic growth that drives new regional behavior. This vision also is intended to drive future regional strategies and new investments as well as (re)alignment of current investments.

DOL/ETA expects the 39 individual, regional WIRED strategies to be "Specific, Measurable, Achievable, Realistic and within a Timeline." Additionally, DOL/ETA expects the region's strategy to take into account (a) infrastructure (including roads, buildings and technology such as broadband); (b) investment (availability of risk capital); and (c) available talent. Strategies are expected to focus on:

- Building innovation (through R & D and intellectual property formation);
- Bringing innovation to market;
- Identifying new industries;
- Developing new markets; and
- Creating new initiatives for capital creation.

Regional teams composed of public-private organizations carry out the individual regional strategies. The region also is expected to leverage additional resources from private, non-profit and government sources to implement the strategy. (For specific examples of WIRED Regional Initiatives see Section 1, pp. 2-4)

6 The adaptability and transferability of the proposal

6.1 Why is it worthwhile to invest in the proposed action/tool? Did the feasibility study and good practice identification demonstrate substantial added value?

Although the outcomes from an initiative such as WIRED will be known only several years from now, we believe that these types of initiatives have intrinsic, long-term value. Their value comes from:

- Promoting public-private partnerships;
- Bringing together various key stakeholders in a region to develop a shared vision and strategy for technology-based economic development involving clusters;
- Assessing current resources that can be leveraged to support the shared vision/strategy and identifying gaps that the region needs to address; and
- Tying together in a common strategy employment and training, workforce development, economic development, entrepreneurial development and innovation.

6.2 If there is to be decided to invest in the proposed action/tool, what are the main factors to pay specific attention to?

The main factors that should be considered are (but not limited to):

- Does the region have sufficient infrastructure to develop and sustain a program?
- Is there sufficient incentive to bring together key stakeholders from various sectors (academic, business, financial, entrepreneurial, etc.) to develop a common vision and strategy?
- Are there strong, proven organizations in the region that can take the lead and carry out a unified strategy?
- What are the other regional resources that can be leveraged to sustain a program?
- Is the overall program design sufficiently flexible to allow for regions to capitalize on their different strengths, address different gaps and achieve somewhat different goals (within the general conceptual innovation/cluster framework)?

6.3 What is the expected impact of implementing the proposed action/tool?

We would expect, over the long-term, that a well-designed, well-executed regional initiative would support the growth and retention of technology-based enterprises that will add to and retain high-tech employment.

6.4 Based on the insights gained in the feasibility studies and good practice identification, what is the judgement/advice on the support that already has been created by stakeholders?

Total funding for the nation-wide WIRED Initiative is \$325 million over a three-year period (FY 2006-09). The 13 “First Generation” regions were funded at \$15 million each year for three years. The next two “generation” regions were funded at \$5 million each year for three years. It is our opinion that \$15 million per year for a region is too high. Based on early experience, it would appear that funding of about \$7-8 million per year should be sufficient for most regions. We suggest that a funding range of \$5-10 million per region be considered and that the funding agency determine the specific amount based on the proposed activities and corresponding budget.

6.5 What is the advice on how to disseminate the action/tool?

It may be possible to “piggy back” the proposed initiative onto an existing EU innovation, employment and/or education effort. Therefore, in order to provide advice on the most effective way to implement/disseminate the proposed effort, we would need to identify current EU programs with a similar purpose to insure efficient leveraging and added value.