

MEDIA RELEASE

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Business clusters prosper in face of downturn

Engineering and environmental firms in Townsville are banding together to head off the economic downturn and create jobs.

The companies are participating in a “clustering” program run by Townsville City Council and supported by Townsville Enterprise and the State Government.

Townsville Cluster Connections is based on a business model from the Paris-based policy think-tank, the OECD, which believes industries are concentrated in particular regions and they can outperform others by collaborating on partnerships, networks and joint ventures.

Facilitator Rodin Genoff said one company estimated that joining the Townsville cluster would enable it to create \$20 million in projects.

“The take-up of local companies has been exceptional and the results surprisingly fast,” Mr Genoff said.

“Eleven engineering firms and seven environmental firms are keen on entering into structured networking partnerships for their industries. They’re now in the process of integrating and working more closely to bid for large contracts that they couldn’t otherwise consider. These are far from Townsville and even Australia.

“Companies are now choosing to think and behave differently in response to the current downturn by diversifying their markets and breaking into new ones. Providing them with a platform for clustering will grow local jobs and brand Townsville as a global player.”

Mr Genoff, who has authored three books on business topics, said clustering hinged on identifying a region’s “unique industrial DNA”.

“Clustering has been very successful in regional Ireland and Denmark by identifying agglomerations, drawing connections and activating opportunities,” he said.

“This is how Silicon Valley was formed. It started in garages – entrepreneurs forming strategic partnerships with universities. With the software breakthroughs came the venture capital and the Silicon Valley we know today.

“In Townsville many companies have shared with us their bold visions. When taken together, they could transform Townsville and its industrial landscape.”

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