

**Driving City and
Regional Development:
Role of International
Benchmarking**

**Seattle Trade Alliance
Innovative Regions Conference**

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Scottish Development International

Presentation Outline

- I Scotland and International Benchmarking
- II Use of benchmarking to drive city regional and industry interventions
- III Conclusions

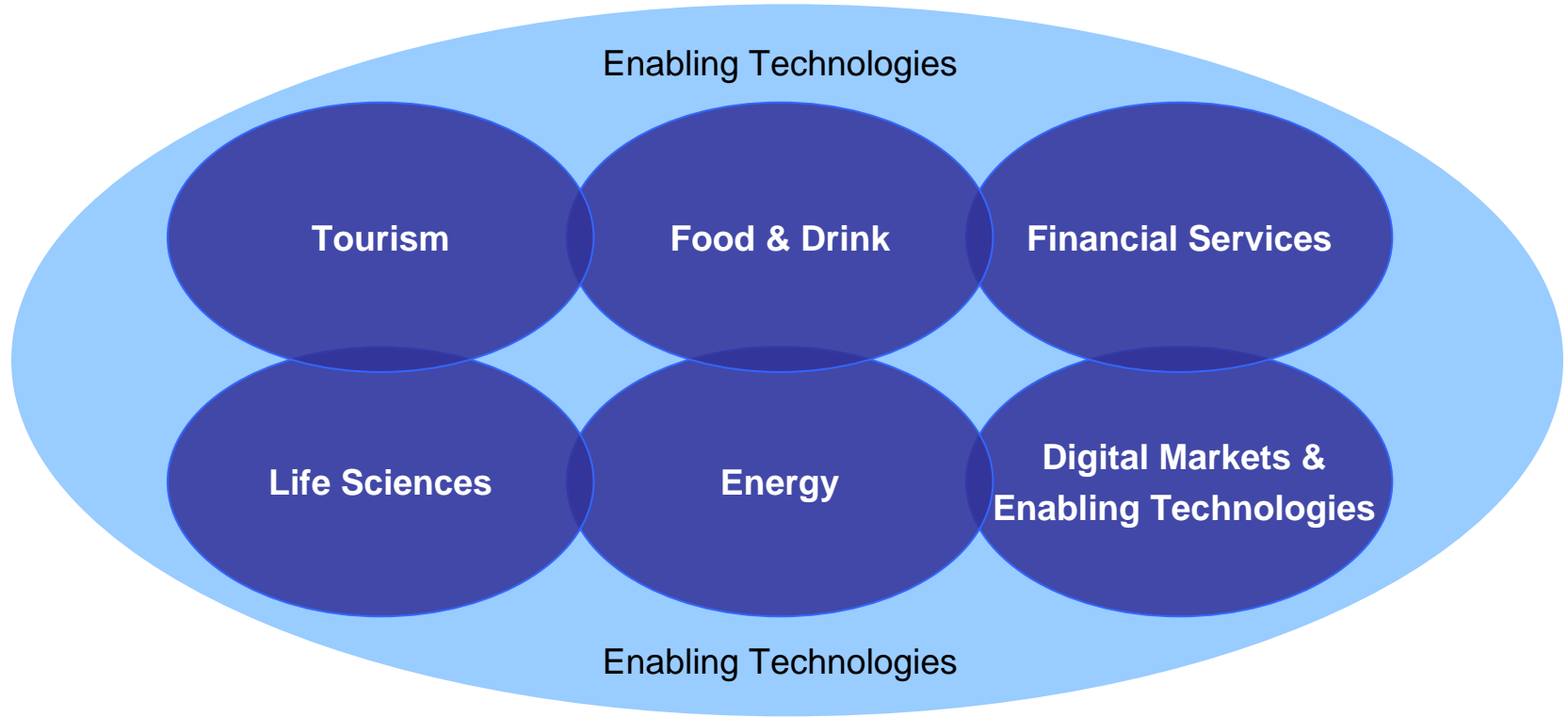
Background



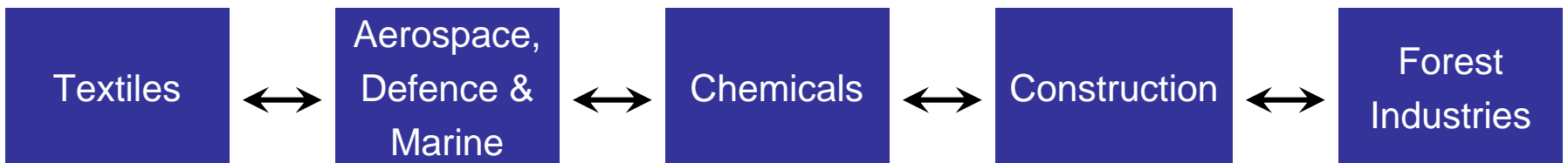
- **Scottish Enterprise (SE)** is Scotland's economic development agency
- SE has an industry-driven, innovation, investment & enterprise agenda with strong city regions
- **Scottish Development International (SDI)** is the global arm of The Scottish Government & SE
- SDI focuses on hi-value inward investment and the internationalisation of Scotland's priority industries

Industry Focus

National Priorities



Regional Priorities



Scottish Enterprise Benchmarking



International benchmarking is used at different spatial scales:

- Scotland
- Glasgow Edinburgh
- individual city regions (Glasgow, Edinburgh, Aberdeen etc.)

...and for different industries

- Life Sciences
- Digital Markets
- Energy
- Financial Services etc.

... and for different reasons!

Scottish Enterprise Benchmarking



At national (Scottish) level to track Scotland's macro-economic / innovation performance for **policy**

- Sources: OECD (country data), Global Entrepreneurship Monitor (GEM), Eurostat etc.

At Glasgow Edinburgh city region / city regional levels to inform **city / city regional economic strategies**

- Sources: BAK Basel Economics International Benchmarking Programme, European Urban Audit (EU)

At industry level to support the development of **inward investment propositions** for priority industries

- Sources: IBM-PLI

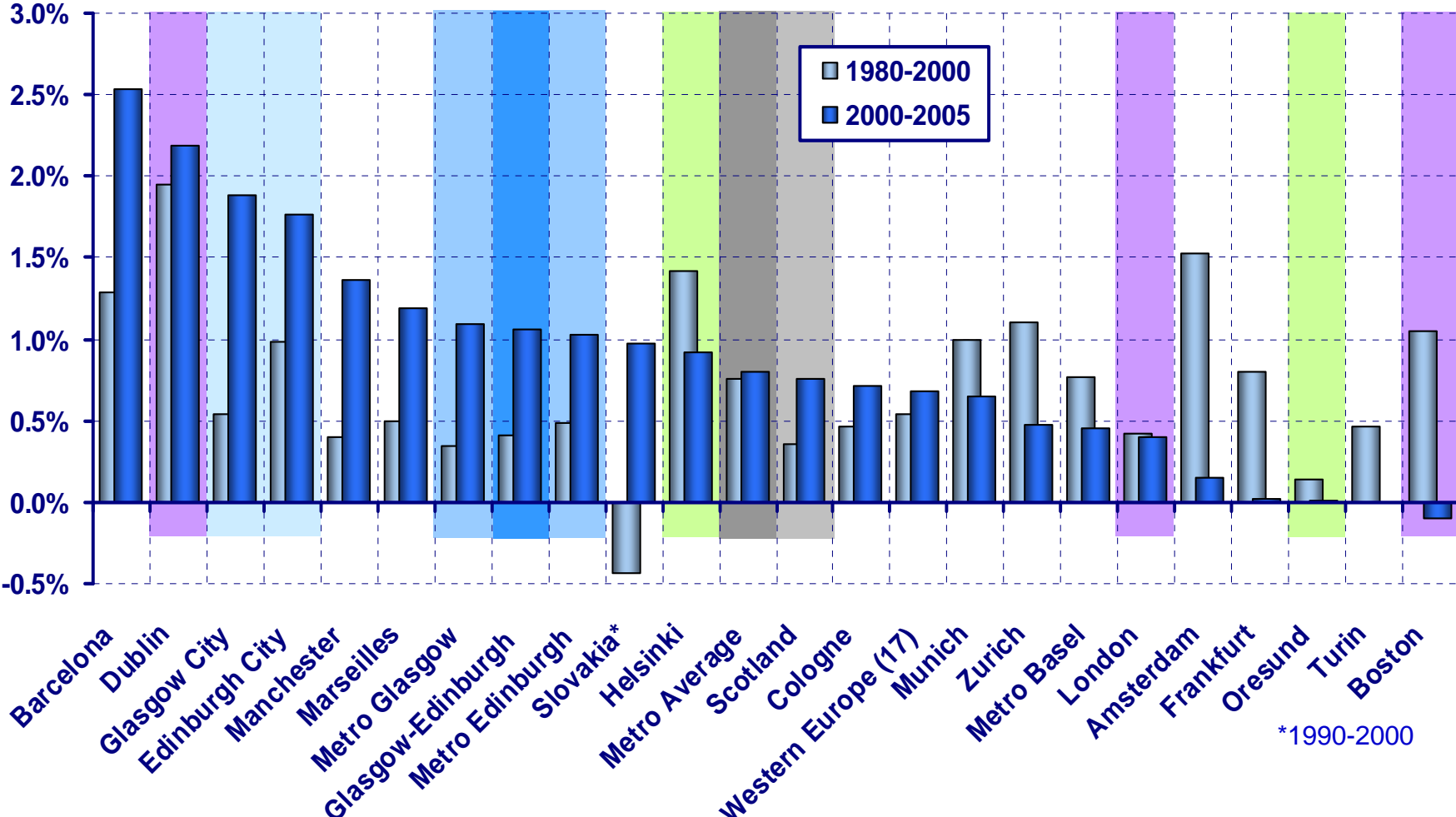
OECD quartile rank

Scotland & small EU countries

Indicator	Scotland	Austria	Denmark	Finland	Iceland	Ireland	Lux	Norway	Portugal	Sweden
GDP growth - 10 year annual average	4	3	4	2	1	1	1	3	4	2
GDP per head	3	2	2	2	1	1	1	1	4	2
Employment rate (15-64 yr olds)	2	2	1	2	1	2	3	1	3	1
Productivity	2	2	2	2	3	1	1	1	4	2
Entrepreneurial activity	3	NA	3	3	1	2	NA	1	NA	4
Total R&D as % GDP	3	2	2	1	1	3	3	3	4	1
Business R&D as % total R&D	4	2	2	1	3	2	1	3	4	1
Graduates as % of the population (aged 25-64)	2	4	1	3	1	2	3	1	4	2
Population growth (1999-2006)	4	3	3	3	1	1	2	2	2	3
Net migration as a % of the population	2	1	4	3		1	1	2	2	3
Export sales growth -3 yr annual average	4	2	3	3	2	3	2	4	3	1

Glasgow-Edinburgh

Real GDP growth (US\$ at 2000 prices and 1997 ppp)

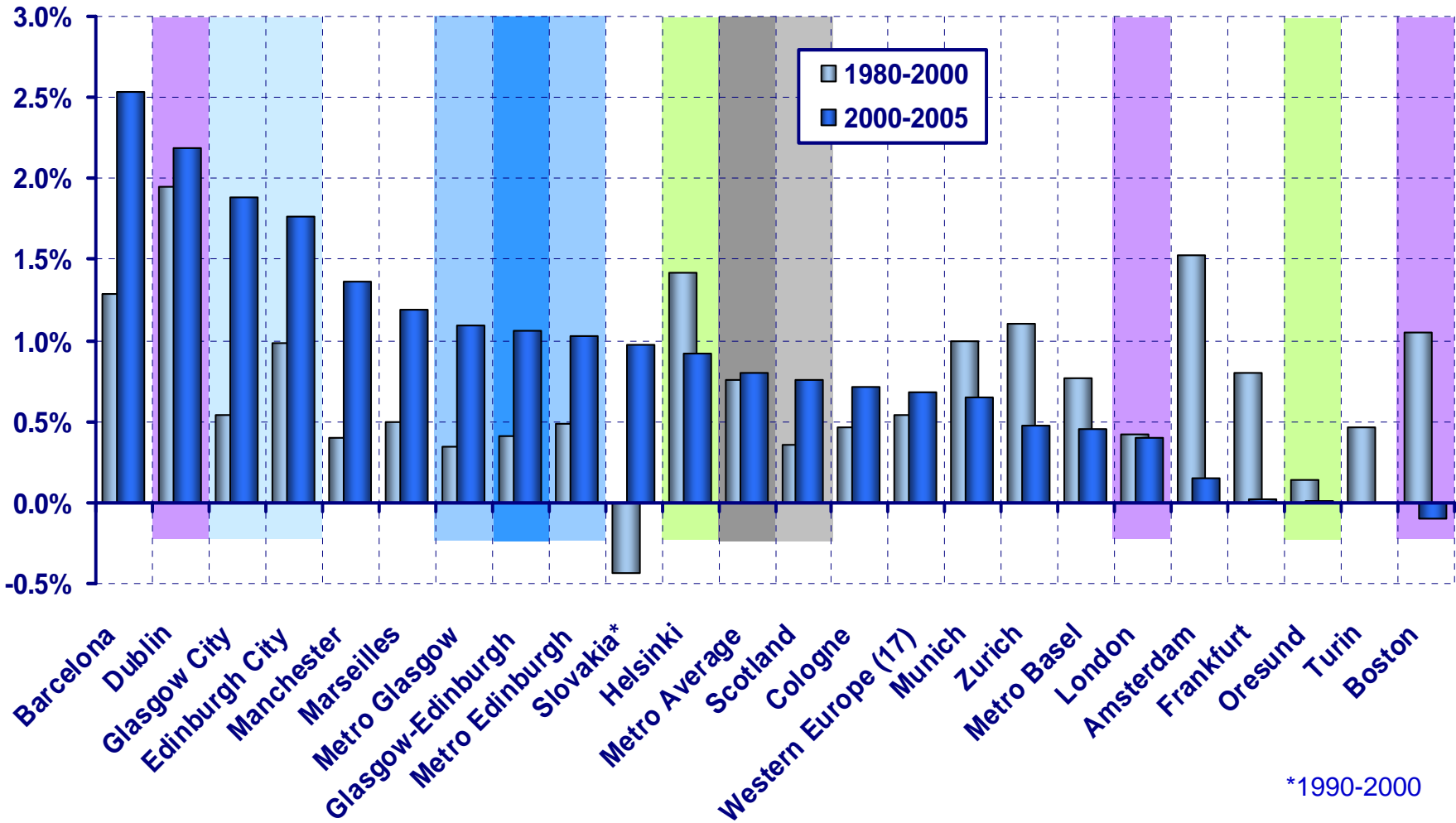


*1990-2000

Source: BAK International Benchmarking Database 2006

Glasgow-Edinburgh

Success in Employment Creation (Employment changes in % p.a.)



*1990-2000

Industry Benchmarking



To enhance development of **inward investment propositions** for priority industries

Construction of a **bespoke benchmarking tool**

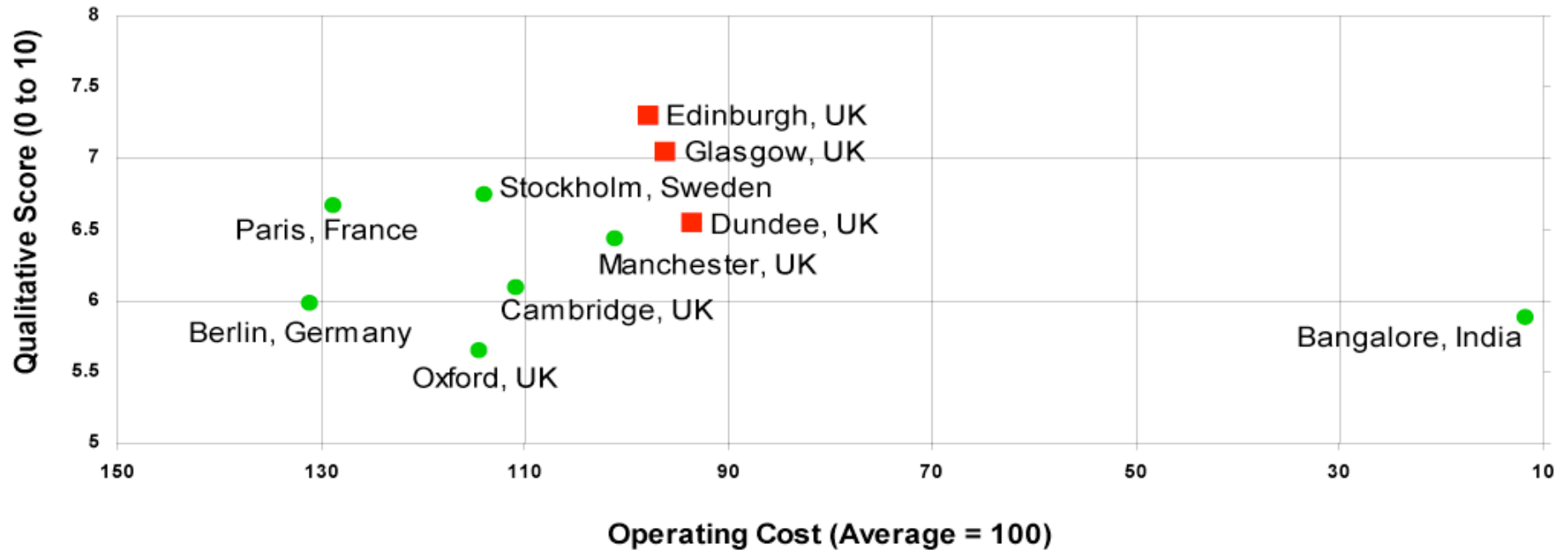
Benchmarking 7 key industries against 10 competitor locations

The tool provides **cost vs. quality** competitive analysis for 7 key industries against competitor locations

Competitive Position – Bioinformatics



Bioinformatics

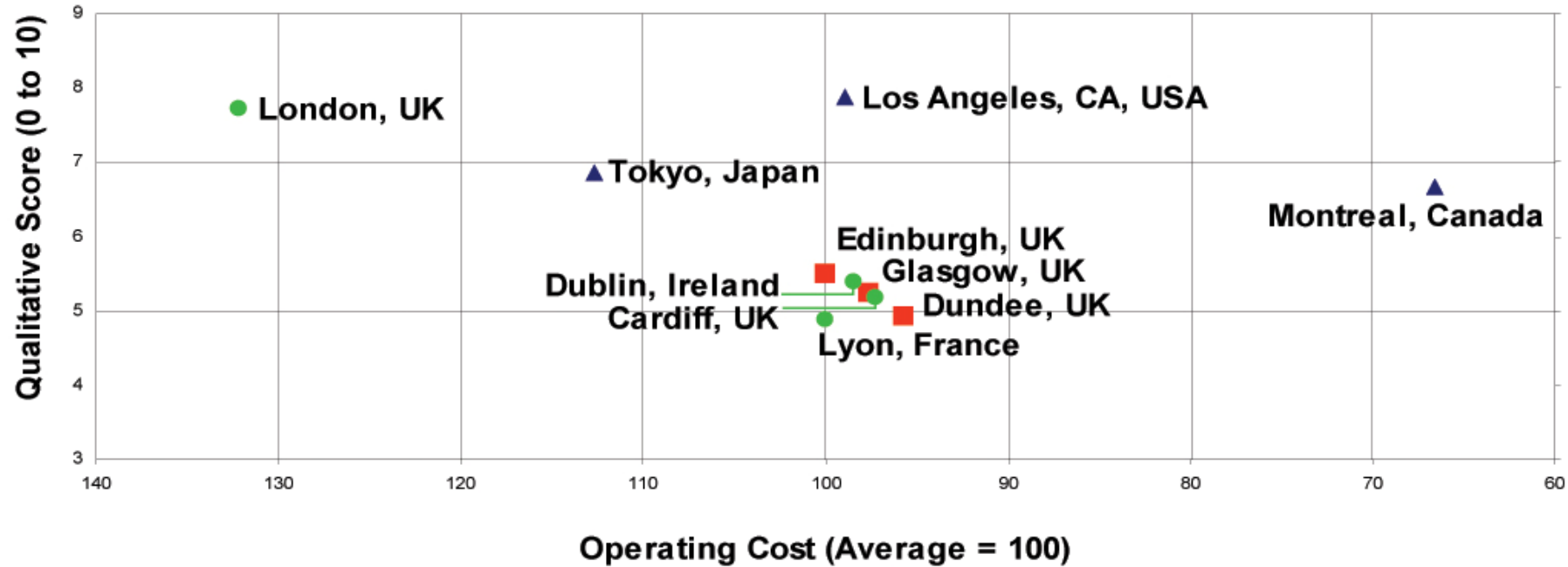


Competitive Position – Computer Games



Games

Including source locations ▲



Industry Benchmarking



Additional data **reinforces graph information**

Qualitative – general environment, skills, clusters, political risk

Quantitative – labour cost, property cost, tax / fiscal regime

Key selling messages are identified

7 key industries have been benchmarked across 50-60 sub-sectors

Industry Selling Messages – Bioinformatics



Scotland's competitive position

High quality at a competitive European cost level. Within Europe, Edinburgh and Glasgow offer particularly high quality environment.

Key strengths

Specialized, experienced staff

Pool of students/recent graduates in specific degrees

Bioinformatics research

Scottish Bioinformatics Forum

Within Europe, competitive cost

Bioinformatics companies in Scotland:

Aneda, Formedix Ltd

Bioinformatics research and education:

National E-Science centre, University of Glasgow, University of Dundee, Heriot-Watt University,

Industry Selling Messages – Games



Scotland's competitive position

Overall good second tier alternative at a competitive cost level

Key strengths

Track record of developing a number of top selling games ('State of Emergency', 'Grand Theft Auto', 'Roller Coaster Tycoon')

Access to high calibre university graduates – c. 5,000 students in creative industries related subjects.

University R&D into HCI, video compression, on-line multi-user gaming and voice synthesis/recognition

Games development companies in Scotland:

VIS Entertainment, Visual Sciences, Chris Sawyer, Rockstar North, Steel Monkeys

Research institutes at Scottish universities:

International Centre for Computer Games and Virtual Entertainment (IC CAVE) – Abertay Dundee

Multi-Modal and Ordinary and Extra-Ordinary HCI – Dundee

3D matic laboratory – Glasgow

Edinburgh Virtual Environment Centre

Conclusions



- **Benefits – Policy & City / City Regional benchmarking**
- Helps track impact of Scottish *Government Economic Strategy*
- Helps inform City Region Strategies (eg *Step Change for Glasgow, Metropolitan Glasgow*)
- Monitor progress against targets

- **Benefits – Industry Benchmarking & Proposition Development**
- Location benchmarking and competitive positioning analysis
- Inform development of investment promotion strategies
- Independent verification analysis valued by customers

Impact on Scotland

- **Very strong innovation location in Europe**
- Edinburgh & Glasgow universities in Top 100 Shanghai Index
- More university research per capita than any other OECD country
- One of Europe's strongest academic citation locations

- **Hi-value UK location for mobile knowledge investment**
- R&D inward investment is 33% higher than the EU average

- **Strategy**
- Strengthens industry led growth strategy

- **Financial Times Region of the Future 2008**

www.sdi.co.uk