



# **A scenario for Success**

## Case study of Manchester City Region

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# 1. Introduction and Economic context

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This paper describes a foresight exercise conducted under the auspices of a science park which explored the innovation strategy for the City Region in which it is located. The aim of the exercise was to create a joined-up vision for the development of a framework branded as “Knowledge Capital”. Impacts of the initial exercise are described together with past and planned future follow-up work continuing the application of foresight in this context.

Manchester is a City Region (MCR) that encompasses most of the natural economy’s travel to work area and includes the cities of Manchester and Salford, plus the adjoining metropolitan boroughs of Stockport, Tameside and Trafford (GM South) and Bolton, Bury, Oldham, Rochdale and Wigan (GM North), together with its rural hinterland including High Peak (encompassing a National Park) and some surrounding towns, Congleton, Macclesfield, Vale Royal and Warrington. The economic geography of the MCR has a number of permutations reflecting housing markets, business linkages, travel to work patterns, administrative areas etc.

The MCR, with Manchester Airport in its midst, is the primary international gateway to the North of England. With a population of just over 3 million, it is the economic centre of the UK North West. Between 1998 and 2007, the City Region economy performed strongly, with the annual average rate of GVA output growth in the period (2.3%) exceeding that of the North West (2.2%), although local performance rates were still some way behind the UK average (2.6%). In 2007, the City Region generated an estimated £50 billion GVA output, representing just over half (51%) of the North West’s total GVA output and 5% of the UK total<sup>1</sup>.

The MCR features geographical areas of very high economic performance and affluence alongside areas with lower levels of economic activity/output and high levels of deprivation. This mix gives the City Region a unique profile and set of challenges in driving economic growth. To address the issues Partners within the City region have worked together to achieve the scale of growth required by the UK government.

The MCR aspires to be: “A world class City Region at the heart of a thriving North” by 2025, i.e.:

- One of Europe’s premier City Regions, at the forefront of the knowledge economy and with outstanding commercial, cultural and creative activities;
- World class, successfully competing internationally for investment, jobs and visitors;

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<sup>1</sup> Manchester Independent Economic Review, November 2008

- An area where all people have the opportunity to participate in, and benefit from, the investment and development of their city;
- An area known for, and distinguished by, the quality of life enjoyed by its residents; and
- An area with GVA levels to match those of London and the South East.

It is only through a comprehensive approach that the City Region will achieve long term, sustainable growth and positively contribute to the overall performance of the North of England. Partners within the Manchester City Region are clear on the way forward and have a shared goal in terms of the future economic and social positioning of the City Region.

In 2003, MCC articulated its vision for Manchester as “A City securing success out of a highly competitive combination of assets including a major international airport, world-class universities, high growth businesses and knowledge intensive industries, all feeding off widespread and vibrant intellectual capital.” and the Manchester:Knowledge Capital<sup>2</sup> (M:KC) initiative was formed to drive and enable the knowledge economy of the city region. This was explicit recognition of the importance of the universities in the economy of the region and was shortly followed by the merger of the Victoria University of Manchester and UMIST (University of Manchester Institute of Science and Technology) to form the new University of Manchester which received its royal charter in 2004.<sup>3</sup>

Taking advantage of the changing dynamics in the local innovation system in 2003 Manchester Science Park (**m<sub>sp</sub>**) initiated a foresight exercise as a part of its review strategy to build a shared vision of the role of the science park and other organisations involved in business-university linkages.

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<sup>2</sup> A strategic partnership driving innovation and economic transformation across the Manchester city-region.

M:KC is intervening in four areas:

- Stimulating and supporting increased business innovation from research, science and knowledge;
- Engaging with the people of Manchester in securing this future, through dialogue, debate, education and employment (e.g. project with local businesses to identify innovation needs);
- Supporting the growth of a city-region environment which facilitates business success, provides an outstanding quality of life and is open to all;
- Championing and trying new ideas and new ways of living and working.

M:KC identifies opportunity for its partners, shows them directions for the future and develops an innovation ecosystem that nurtures knowledge-based businesses. It looks for project opportunities and innovation led activities (e.g. Science City, Manchester is My Planet, Innovation Manchester).

[www.manchesterknowledge.com](http://www.manchesterknowledge.com)

<sup>3</sup> An account of the merger and ensuing University strategy is available in Georghiou, L., (2009) Strategy to Join the Elite: Merger and the 2015 Agenda at the University of Manchester, in McKelvey, M. and Holmen, M., *Learning to Compete in European Universities – from Social Institution to Knowledge Business*, Edward Elgar: Cheltenham, pp48-65

The Science Park is home to 92 companies and is jointly owned by the City Council, the universities whose campuses it adjoins and five private sector companies. **msp** delivers its strategic aims of economic development and knowledge exchange to the satisfaction of its shareholders whilst generating a commercial return on capital employed. Though run as a company it reinvests all of its profits to enhance the economic and technological wealth of Manchester.

It delivers added-value services to its tenants that encourage and support innovation and the development of appropriate linkages with the knowledge base. It is an important player in knowledge commercialization and job creation.

As a result of the strategic review **msp** agreed to sponsor a scenario workshop in order to play a more proactive role both in the development of linkages with universities and in terms of local and regional policy-making.

The workshop took place in June 2003 and was a pioneering exercise of this scale at Manchester City level. The five-year horizon has been chosen to get beyond short-term considerations and to allow immediate actions to follow. The idea was also to mark the halfway point in the ten-year vision of Knowledge Capital.

The two objectives of the foresight were:

- To develop a shared vision of the future of business– university linkages in the city-region of Manchester. The aim was to link the strategies of the universities in the area with the city's own self-vision of its future as a 'Knowledge Capital'.
- To move towards a shared vision among senior stakeholders such as local political leaders, heads of universities, heads of key intermediaries and industry associations, of what success in this area would look like in five years time and to begin the process of developing a road map to get there.

## 2. Foresight exercise – an action based approach<sup>4</sup>

The Success Scenario Workshop used was an action based approach, with the shared vision among senior stakeholders of what success in the area would look like being specified in terms of goals and indicators which began the process of developing a road-map to get there. The discussion and debate involved develops mutual understanding and a common platform of knowledge that helps to align the actors for action.

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<sup>4</sup> A full account of the success scenario approach in this context can be found in Cassingena Harper J and Georghiou L, Foresight in Innovation Policy: Shared Visions for a Science Park and Business–University Links in a City Region, *Technology Analysis & Strategic Management* Vol. 12, No. 2, 147–160, June 2005

The overall design of the process is shown in the following diagram. It was based on three plenary sessions, interspersed with two rounds of facilitated break-out groups (the first on regional drivers and the second on modes of linkage), articulating elements of the scenario. Initially a list was compiled of key individuals who could be seen as shaping and driving the future of business–university links in Manchester. These came from business and commerce, national, regional and local government, intermediary organisations and the city’s four universities.

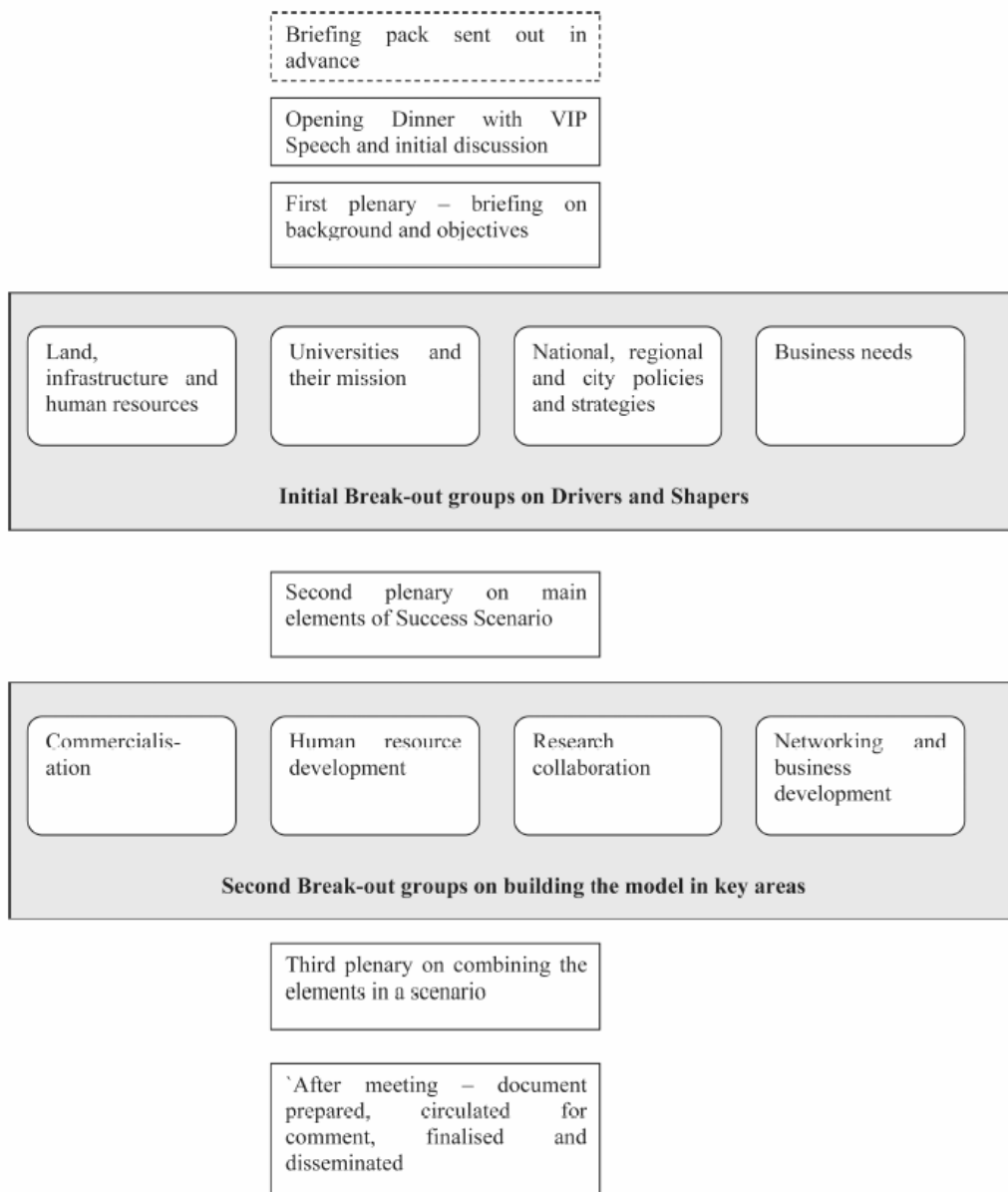


Diagram 1. Structure of the Workshop

The drivers were in themselves a part of the outcome. For example, in the first set business needs represented the demand side and issues such as the balance between individual customized collaboration and collective frameworks were explored in the light of changing needs. In considering universities and their mission, the relative positioning of a range of institutions between vocational training and research-led missions was considered. Land, infrastructure and human resources encompassed the ingredients from which a strategy could be resourced, with concerns raised about the ability to supply sufficient graduates, especially with entrepreneurial skills. Finally, the influences from and tensions involved in multi-level governance (European, national, regional and city) were considered.

The areas for development were structured by considering four modes of collaboration. Commercialization of knowledge developed in universities is concerned with founding new firms or licensing knowledge to existing ones. In this area the main incentives for universities are contributing to the community, attracting good staff and providing the conditions for educating students in entrepreneurship. For the broader benefit of the national and regional economy it was seen as vital that a high-quality supporting infrastructure exists for young and growing firms. For most companies the most visible and immediately valued contribution of universities is human resource development, including the supply of trained graduates and the knowledge transfer that comes with them. The key in this area was agreed to be in maintaining the quality of the intake, especially in science and engineering, and then in channelling graduates into productive careers.

Research collaboration normally means a company either directly sponsors research in a university or else works within the framework of a government sponsored collaborative programme. In either case the payoff for the company is access to new knowledge in the context of an area of its interest, and access to skills and capabilities it does not possess itself. For universities the benefits include additional income and contact with real-life problems and in some cases company facilities. Barriers to successful collaboration include mismatched expectations about timescales and research directions, ownership of intellectual property and lack of an adequate interface to identify and manage collaborations.

Networking and Business Development includes a wide variety of personal and institutional contacts, formal and informal, many of which represent the only channel to the vast population of existing firms with knowledge deficits. Providing an interface for such activities and incentives for academics to take part both represent important challenges.

The outputs of the five-year foresight workshop have been summarized as a Scenario for Success in 2008. This brings together the key drivers and shapers

identified by the participants and highlights the different but related dimensions of the successful outcome.

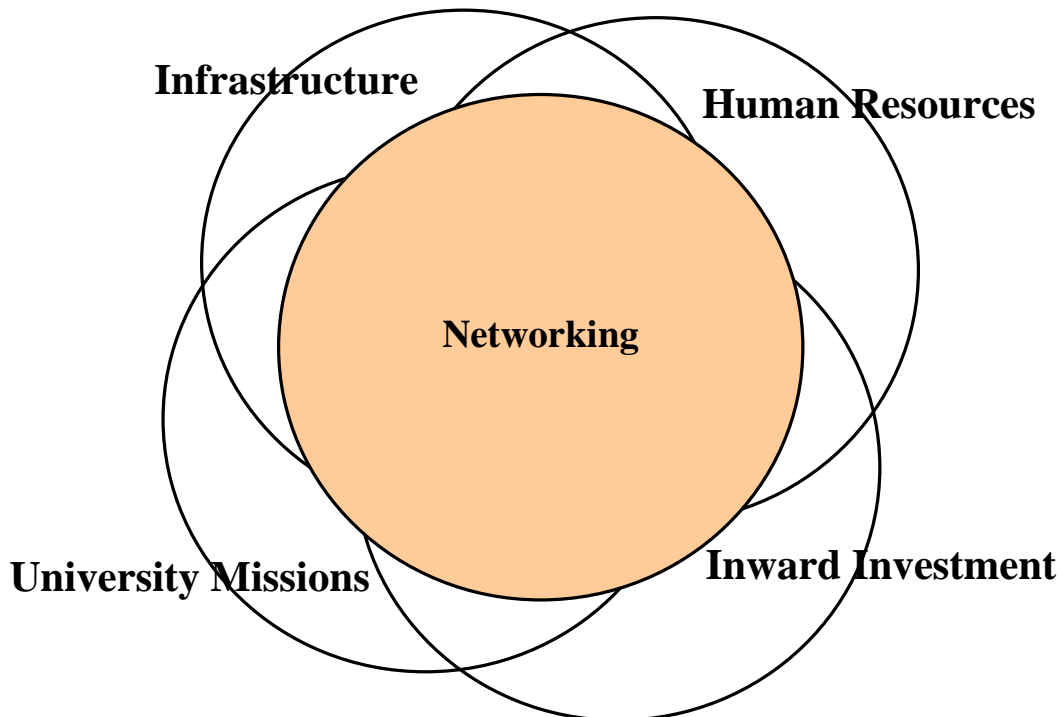


Diagram 2. Five Dimensions of Success

**Infrastructure:** The Reach of the Knowledge Producers Spreads to All Parts of the City–Region: A network of hotspots of university–industry interfaces has spread away from the campuses across the city-region. Entrepreneurs are attracted by the combination of café culture and easily located specialized spaces for innovation. The Manchester Science Park brand defines the quality level.

**Human Resources:** Manchester becomes a Net Importer of Graduates: An exodus of graduates to Southeast England has been reversed as high quality jobs in small entrepreneurial firms attract the best. Rising teaching quality has pervaded the entire Manchester education system with mentoring one of its hallmarks. Highly qualified and entrepreneurial immigrants are actively sought.

**University Missions:** Each Manchester University is recognized as World Class in Terms of its Mission: Following the emergence of the new University of Manchester as a world-class research-driven institution, Manchester’s other two universities achieved similar levels of excellence within the context of their own missions. All three treat reach-out as an integral activity but approach it with distinctive and complementary styles.

**Inward Investment:** Integrated Policies Attracting Massive Investment by Multinationals and Entrepreneurs: Integrated packages combining land-use, infrastructure and academic linkages have attracted huge investments by multinationals in the region, providing a natural market for start-up firms. Regional resources are used to gear and attract national and European investment.

**Networking:** Firms of All Sizes and Ages in Manchester Sourcing Knowledge and People and Meeting Development Needs from the Universities: Networking is seen as the key to businesses understanding how universities can help them. Much better interfaces now allow medium-sized firms to work with academics, while business joins city government in securing and supporting centers of excellence.

The advice to policymakers (the senior stakeholders mentioned above) emerging from this foresight exercise was encapsulated in **ten key actions:**

1. Target and build-up centres of excellence in universities,
2. Bring business and HEI cultures closer by ensuring that business and academic leaders network and that this is matched by networking at middle rank.
3. The universities should develop concerted strategy for interacting with business networks and helping to create new ones where they do not exist. They should also be prepared to drop those that have outlived their purpose.
4. The City-Regional Development Agency along with businesses and universities should consider mapping and evaluating their networks as first step to broader proactive strategy. More systematic use made of existing networks to get access to prime movers and shakers nationally and worldwide.
5. Universities provide physical space for networks at their entrepreneurial interfaces such as incubators.
6. Engage locally based business education in developing leaders and managers equipped to work in networked knowledge capital.
7. Engage business in mentoring university staff in terms of understanding the business environment.
8. Focus on a knowledge-based inward investment strategy
9. Promote the 'Knowledge Capital'.
10. Foster a 'can-do' culture.

### 3. Key Impacts and follow up

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The exercise was successful in highlighting the issues raised and in putting them on an action agenda. It was reported in national as well as regional journals and the City Council agency responsible for Knowledge Capital adopted its recommendations as a checklist for agenda for action and more recently as an input to metrics of progress.

Individual participating bodies have taken up relevant points and there is evidence of resulting actions (successful merger of universities<sup>5</sup>, increased research income from industry, creation of additional university start-up and spin-out space such as Core Technology Facility, etc.).

**m**sp successfully followed the branding strategy. It is has become a multi-site operation with a large property options portfolio for high-technology companies across MCR. The Park includes now **m**sp's main site, Technopark and One Central Park. Also, in 2006 **m**sp has commissioned a new foresight exercise with more global look at science parks. The main objective of the workshop was to define the next stage of development for mature science parks also called 'third generation science parks'.

The 2003 workshop had an impact on creation an inward investment initiative in Manchester. In March 2005 Manchester City Council (MCC), Manchester Inward Investment Agency<sup>6</sup> (MIDAS) and Manchester Science Park came together to form a partnership, branded as SinoVentures in the UK. The scheme, with funding from the North West Regional Development Agency (NWDA), was launched as a pilot project aimed at attracting and supporting overseas science and technology businesses, mainly from China, wishing to establish a base in the UK. Through the project the firms were based at Manchester International Innovation Centre (MIIC) located on **m**sp site. As a result of the project in 2008, 27 companies soft landed in MIIC. This included 17 companies originating from Greater China and 10 from other countries all over the world including the USA, India, Germany, Japan, Sweden, Australia and Norway. Of these 27 companies, nearly three quarters have remained within the North West region. Moreover, the project supported 70 overseas companies, created 84 full time jobs (FTE) and 32 net additional FTE jobs up to February 2008<sup>7</sup>. The inward investment project generated a gross GVA of £4.8 million.

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<sup>5</sup> The new University of Manchester has been the highest mover in the Shanghai Jiao Tong Academic Ranking of World Universities, now occupying 6<sup>th</sup> place in Europe and 40<sup>th</sup> in the World.

<sup>6</sup> <http://www.investinmanchester.com/>

<sup>7</sup> See MIIC evaluation study by CPC

Since 2003 new networks have been promoted and created. They became one of the most widespread categories of initiatives to foster the innovative potential of the new knowledge economy. e.g. BioNow, Medilink, Nowgen, TrusTech, etc. Valuable work had also been done under the Manchester:Knowledge Capital initiative that had brought together a large group of the movers and shakers, mainly from the private sector to create Innovation Teams. These were organised on a sectoral basis to share their action plans which were then combined or augmented to produce a list of initiatives, most of which required multi-sectoral participation to deliver, e.g. a smart, integrated ticket for events, transport and hospitality.

Further follow-ups can include the creation of “the Corridor” in Manchester. It is a partnership between The University of Manchester and neighbouring academic and healthcare institutions: Manchester Metropolitan University, the Central Manchester and Manchester Children’s Hospitals NHS Trust and the Royal Northern College of Music which are all in close proximity on a single arterial road. The Corridor stretches from the City Centre to the City South. It is estimated that just under 37,000 people (12 per cent of the city centre’s workforce) currently work in the area and there is a high concentration of knowledge workers. The Partnership’s core objective is to maximize the economic potential of the area by harnessing the investment currently being made by key institutions (Universities, the Health Trust and the Private Sector); by stimulating future improvement and growth at key locations within the area; and by capturing economic benefit from this investment for disadvantaged local residents in the wards surrounding the area and in the city as a whole. The Partnership is a wonderful opportunity to work together in pursuit of a common agenda to deliver a ‘world class’ centre for technology, science and innovation. Moreover, to encourage more cross-sector interaction within the Corridor it has recently been proposed to establish ‘Innovation Networks’ that will encompass different networks within the Corridor and operate as a network of networks.

In November 2009 **m**sp in collaboration with University of Manchester and The Commission for New Economy<sup>8</sup> (previously known as Manchester Enterprises)

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<sup>8</sup> The role of the Commission is to deliver the implementation of Manchester’s Multi Area Agreement (MAA); Manchester Independent Economic Review (MIER); City Strategy; and the Manchester Economic Strategy.

The work of the Commission includes research, developing strategies and implementing policies, commissioning and managing projects as well as providing support to those seeking funding opportunities. The Commission advises those who influence the economy on the best ways to use investment to improve the wealth and well-being of Greater Manchester to benefit businesses and the people who live and work here and support Manchester in realising its vision to be a ‘world- class city at the heart of a thriving North’.

<http://www.manchester-enterprises.com/>

plan to lead a new foresight workshop to further enhance innovation, complement the common agenda and overcome the global economic decline.

## 4. Conclusions

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The success scenario was not a prediction or even a plan of action. However, it painted a picture of future that could be achieved if sufficient drive and resources were mobilised by the stakeholders.

The 2003 foresight workshop was proven to be a successful exercise which brought public and private organizations to work together in a light of delivering a common agenda. The workshop had an impact on developing further infrastructure, networks and partnerships and enhanced business-university linkages.

The exercise was effective in highlighting to senior policy-makers and stakeholders the effectiveness of 'organized' networking within the context of a workshop however short the exercise, as a stimulus for sharing, dovetailing and implementing individual visions.

All contacts, ideas, networks, links, visions, scenarios and actions generated through the exercise cannot be fully tracked or exploited for reasons of timing and establishing attribution.

Broader implications for other regions across Europe lie both in the method and the outcome. For the method the conclusion is that a 24-hour workshop can be effective if the senior stakeholders are fully engaged and supported by preparatory material and briefing. Also, substantial effort was put into producing a user-friendly report with a design concept embodying the original objectives. From the perspective of outcome many of the policy recommendations are in general transferable, though of course with context specific adaptation.

The use of foresight to produce a unified regional vision is a helpful approach to developing university–industry links in a knowledge economy.