

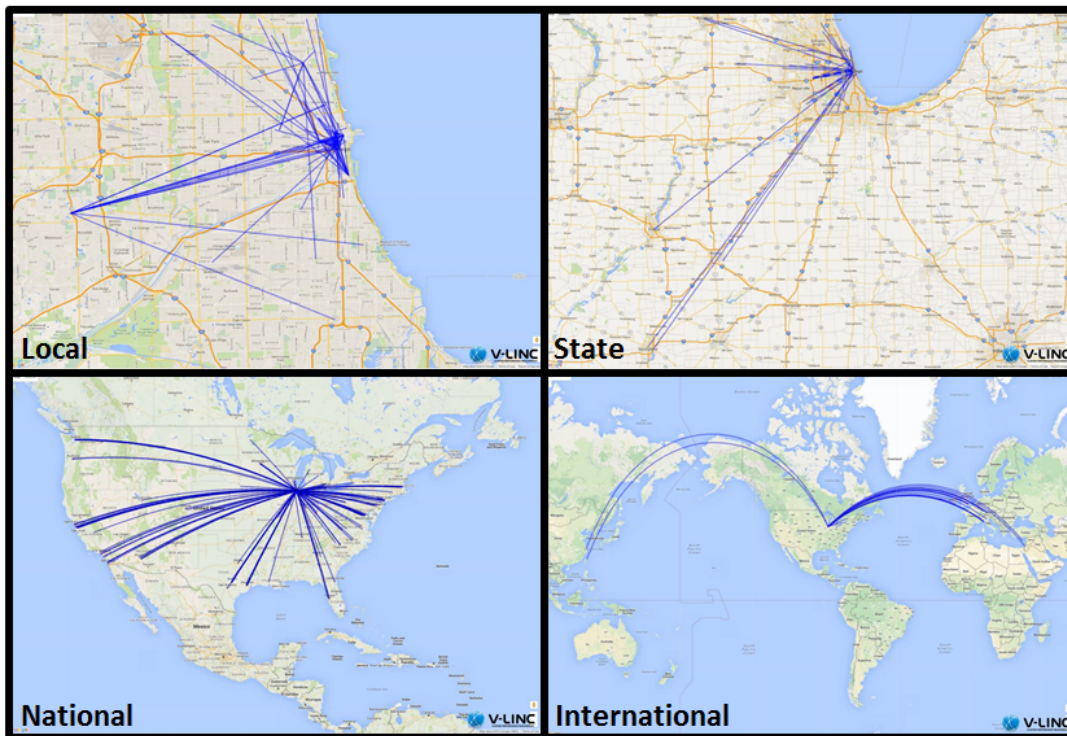
V-LINC Analysis of Linkages in the ICT Sector in Chicago

INTRODUCTION

This study applies V-LINC (www.cit.ie/vlinc) a methodology which maps, visualises and analyses key relationship data collected from clustered firms, to inform strategy and policy development for the organisations involved, as well as catering for regional and national analysis to the ICT sector in Chicago. The study makes recommendations aimed at securing and growing the ICT sector in Chicago.

The V-LINC methodology has been applied to a sample of ICT firms based in Chicago. Ten companies were chosen to participate in the analysis, a selection of Small and Medium firms (3D Printer Experience; BigMarker; CNXT; CPUrx; Gesture; HylaSoft, RICO Enterprises; SMB Helpdesk; Steadfast and YJT Solutions). Thirteen face to face meetings were held with company personnel to gather information in regard to 341 strategic relationships that the respondent firms engage in. Figure 1 displays the local, State, National and International linkages for respondent firms.

Figure 1: Chicago ICT Linkages by Geographic Scope.



Chicago has a booming tech sector, which competes with firms based in Silicon Valley's world renowned technology cluster. However, Chicago was not identified by the US Cluster Mapping Project or local economic policy organisations as having a strong ICT cluster. The ICT sector in Chicago has shown growth and dynamism, and is a significant sector not only in terms of the jobs it creates directly but through supporting other sectors in Chicago, due to ICT's nature as a key enabling technology across all segments of the economy. As the Chicago ICT sector develops and expands it is important that industry players, business support organisations and policy makers understand how the ICT ecosystem operates both within Chicago as well as its external relationships forged beyond the city, so that collaboratively, they can deliver growth and employment through supportive policy.

HIGHLIGHTS OF RESULTS

- Firstly, it is apparent that the firms in Chicago have some local suppliers of inputs and specialist services. However, the majority of inputs and specialist services are sourced from outside the State at a national level.
- In regard to demand conditions, Chicago ICT firms are focused on the domestic market, customers are predominantly local to Chicago and the state of Illinois (59%) and spread across the US (44%). Only six percent of the 113 output linkages reported in the study are recorded at an international scope.
- While a large portion of ICT firms surveyed in Chicago do compete directly with each other, there is also a large degree of co-operation through local industry peer linkages and industry associations such as the Chicagoland Chamber of Commerce, Illinois Technology Association and support for co-working spaces.
- The picture in Chicago's ICT specialisation show strong connections locally and at a State level with 49% of the 341 linkages operating across Illinois and 44% with organisations across the US.
- The lack of Government Agency linkages reported by the RFG at a local level, suggest that the SMEs involved in the study find it more difficult to make connections with Government Agencies.
- R&D linkages were the 3rd least frequent linkage category in the study, with just 18 linkages reported - a mixture of academic institutions, industry associations and firms. Eleven R&D linkages are reported within the State of Illinois, only one of these connections is of High importance to the RFG. Critically, no R&D linkages within Illinois exist with private firms.

RECOMMENDATION

Having reviewed the policies adopted in previous reports (CMAP, 2009; Brookings Institution, 2011; WBC, 2012 and CMAP, 2014) at a city and State level, the following polies are suggested to develop the ICT sector in Chicago.

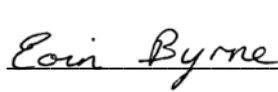
1. Develop a cluster organisation with responsibility for the ICT sector in Chicago. This would require the provision of financial supports at a City level to allow the development of the functioning cluster organisation.
2. Prioritization of facilitating research and development B2B linkages as well as with academia. There is a need to assist firms operating in the ICT sector in Chicago to innovate and develop through increased R&D activity, specifically in business to business R&D linkages.
3. Facilitate and Focus on the Internationalisation of Chicago ICT Firms through mechanisms such as the Business Roaming Agreement.

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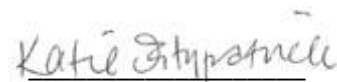
With kind regards,



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