Last Updated:    4.17.2015

## PROJECT NAME

The Status of and Opportunities for Business Clustering within the Forest Products Sector in the U.S.

## ALIGNMENT WITH THEORY OF CHANGE

Value Streams

## INITIATIVE

Traditional Markets

## TYPE OF PROJECT

Knowledge R&D

## TYPE OF INVESTMENT

| Traditional | Impact |
|---|---|
| Contract | |

## FUNDING

| Endowment | Partner | External | TOTAL | Downstream | ALL TOTAL |
|---|---|---|---|---|---|
| $   125,073 | $   - | $   - | $   125,073 | | $   125,073 |

## AWARDEES

Mississippi State University

## CHRONOLOGY

| Date Approved | | Date Signed or Launched | Status |
|---|---|---|---|
| Board | CEO | 5.28.2008 | |
| 11.2007 | | 11.28.2008 | Complete |

## Project Overviews & Outcomes

The Endowment partnered with Mississippi State University to analyze existing business clusters in the forest sector and to assess the potential for cluster growth. Business Cluster refers to a group of firms and institutions located in close proximity whose businesses are interlinked through value and supply chains, labor and use of similar inputs, technology, and complementary products. The ultimate objective of a business cluster is to develop competitive advantages that make products manufactured by the cluster of special value to customers based on price, quality, service or other attributes. (View Full Report).

The basis for research was to explore the models of business clustering that have been adopted in the forest sector. To complete this detailed assessment, over 100 scientific articles, industry reports, and assessment reports were reviewed; a nation-wide online survey was conducted; geospatial and economic analyses were preformed; and phone interviews with stakeholders knowledgeable of forest business clusters in the public and private sectors were conducted. Research was used to gather information on successful cluster models, gather opinions from U.S. forest sector stakeholders, and examine socio-economic conditions and resources affecting clustering among wood-using mills in the southern U.S.

The following factors were found among all areas of study to be the most important in assessing potential for business clustering success in the forest sector:
• Collaboration Helps Gain Competitive Advantages and Builds Business Resilience
• Industry, Private and Public Sector Stakeholders are Important for Successful Forest Business Clusters
• External Support and Funding are Needed to Facilitate Cluster Development
• Integration and Diversification are Important for Improved Competitiveness

In 2009, a website for the U.S. Forest Business Clusters was created and launched. This is the "first step" in the process to begin categorizing clusters nationwide and create structure for monitoring clustering activities in the U.S. forest sector. http://www.fwrc.msstate.edu/cluster/index.asp