Entrepreneurial Dynamics in the Galway Medical Technology Cluster

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CISC Symposium
9th June 2010
Overview

• Case study: Medical Technology Cluster in Galway
  – Lucerna database: identifying and characterising the cluster
  
  – Pertinent research questions and research design
  
  – Global-local linkages and entrepreneurship
Lucerna database: identifying and characterising the cluster

- Concentration of med tech activity in the West of Ireland
- Significant presence of large foreign-owned MNCs
- Complementary activity between MNCs and indigenous med tech companies: operating in same technology sub-groups
- Technology specialisation within the med tech cluster: Specialised surgical and medical equipment
Lucerna database: identifying and characterising the cluster

- 40 (approx) medical technology companies in Galway
- Specialisation: Specialised surgical and medical equip
- Broad areas of activity:
  - Cardiology/Cardiovascular, Respiratory, Measurement/Diagnostics, All medical technology (suppliers), Other (muscle strength, optical, tissue regeneration, orthopeadic, endovascular, gastro, wounds, veterinary)
- Product examples:
  - Catheters, Coronary Vasodilators, Cardiovascular Products, Coronary stents, Stress test apparatus – cardiac, Cystoscopes, Gas meters, anaesthesia equipment, Ophthalmic laser equip
Pertinent Research Questions: Case Study of the Galway Medical Technology Cluster

• An internationally-driven cluster: FDI and trading linkages on a global scale
  – How relevant and sustainable is geographical proximity, i.e. regional clusters, in a small, open economy?
  – Given that many start-up firms are ‘born-global’ what is the significance of proximity – geographical and relational?
  • How ‘local’ are entrepreneurs:
    – Prior work experience
    – Networks established
  • Significance of locating in a cluster
Research design

• Stage 1:
  – Interviews and questionnaire survey: Indigenous and foreign-owned firms in the cluster

• Stage 2 (ongoing):
  – 15-20 interviews with medical technology entrepreneurs in Galway, West of Ireland
Galway Med Tech Cluster: Local Entrepreneurs, Global Networks

**Global Environment**

**International Networks**
- Personal connections
- Role of local cluster: Positive Reputational Effect
- Temporary forms of proximity: Conferences/clinical congresses

**Local Environment**

**Skills Development**
- Third level degree (technical skills)
- Local MNCs (technical and managerial experience)

**Born-Global Start-ups**
- Serial Entrepreneurs
- First-time entrepreneurs

**Indigenous start-ups vs MNCs**
- Innovative
- Strong R&D base
- Flexibility
- Employment created by serial entrepreneurs

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Galway Med Tech Cluster
Entrepreneurship: importance of local networks

**Experienced Entrepreneurs**
-Serial Entrepreneurs

- Motivation for being serial entrepreneurs: scaling-up, lack of sales & marketing expertise, international exposure, personal motivation
- Motivation for mentorship role: goodwill

**Mentorship role**
- Board of Directors
- Informal social networks

**Unexperienced Entrepreneurs**
- First company established

- Establishing international networks, connections
- Establishing credibility
- Building confidence
- ‘connections, credibility, confidence’

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Med Tech Start-Ups: Significance of locating in the cluster

Galway Medical Technology Cluster

- **Labour Pool**
  - Talent in regulatory and quality affairs
  - Role of University/GMIT
  - Role of MNCs

- **Galway: International renowned hub for med tech**
  - International credibility: manufacturing devices and regulatory compliance
  - Role of MNCs

- **Quality of Life factor: Galway**
  - Importance of place for attracting and retaining engineers
Conclusions

• Presence of ‘lead’ or ‘anchor’ organisations:
  – Influence development of clusters and clustering process
  – Build positive reputational effects for region
  – Large organisations, foreign-owned MNCs

• Issue of cluster specialisation and ‘lock-in’

• Entrepreneurship and new firm formation:
  – ‘Born-global’ but significance of local cluster for building international networks

→ Clusters and geographical proximity matter in a small, open economy but their form is different to conventional theory
THANK YOU


Giblin, M. (2010) "Managing the global-local dimensions of clusters and the role of lead organisations: the contrasting cases of the software and medical technology clusters in the West of Ireland". European Planning Studies, Accepted for publication.