

CASE PART C

(Draft version end nov 21)

«HEALTHY NUTRITION VALLEY SOUTH TYROL»?

In late summer of 2021, Ladurner looked down from his office in Merano to his native Etschtal valley with its sun-drenched apple meadows and vineyards. He appreciated its Vernatsch wines much more today than in his youth. Reason why way back he had started an innovative initiative aiming to raise the autochthonous South Tyrolean wines of the Vernatsch variety from their low-price points to a higher, for winegrowers much more attractive level. In doing so, the Vernatsch should not become a top wine, but be authentic, South Tyrolean, emotional and unique in its simplicity. At that time, he had initiated and promoted an informal cooperation of the Vernatsch winegrowers' cooperatives with oenology researchers and practitioners, wine merchants, the local press, consumer organisations and annual award ceremonies [1]. All this with an appreciable success - to his own satisfaction, that of many consumers and no less, financially speaking, to the local wine industry, and its employees.

In that moment, one of his disruptive idea flashes crossed his mind. Wasn't this possibly the recipe to give a push to his still unsatisfactory Medical Nutrition business? Further down the valley, at the University of Bolzano under Rector Prof. Paolo Lugli and at the Laimburg Research Centre, food research capacities were being built up and Dr. Schär was already involved. There was also the EU Re-Cereal project, which Dr. Schär had been promoting for some time. In addition, he had his own and other research capacities in the Innovation Park in nearby Trieste. Furthermore, there were already cooperation projects of his company with the Faculty of Economics of the University of Bolzano (as well as of the University of Innsbruck). He was wondering whether there was a sort of "Healthy Nutrition Valley South Tyrol" sprouting here, hardly visible at first glance, somehow faintly similar to the early days in Silicon Valley, which was originally also apple country (and still is)?

(<https://visionarymarketing.com/en/2021/03/innovation-silicon-valley/>
<https://www.rainews.it/tgr/tagesschau/video/2019/04/tag-uni-bozen-wissenschaft-lugli-labor-robotik-noi-0364fc6d-4802-478a-98e1-84230a56777e.html>).

Could, in such a case, higher-quality, "Special Health Nutrition" products with higher margins be "grafted" into the strong agricultural sector? South Tyrolean apples, wine, bacon, dairy products etc. had a long tradition and a good reputation as delicacies and represented a solid basis [3]. Might local agriculture, food processors and marketers raise themselves to a higher level of quality, margins and incomes? Would the traditional Wellness & Spa Hotel Industry [4] with its imperial K&K past (Empress Sissi) also profit from this, as could the growing Medical Tourism Industry? While, at the same time, creating opportunities for Dr. Schär? And could his own wellness hotel Vigilius Mountain Resort near Merano profit as well from all this? Ladurner also recalled the initiative in autumn 2019 of the South Tyrolean governor A. Kompatscher to support innovative networks for both agricultural and food technologies and medical technology with EUR 5 million

(<https://www.voxnews.online/artikel/15-millionen-euro-startkapital-fuer-innovative-start-ups>) (<https://www.tageszeitung.it/2019/09/30/foerderung-fuer-innovation/>). In addition, since

[3] The IDM stated » South Tyrol can score highly as a producer of unique agricultural products and foodstuffs, as we are in first place among the regions of comparison in both countries: In Italy, 79 percent of respondents named South Tyrol as a place of origin they knew for high-quality agricultural products and foodstuffs, while in Germany the figure was 64 percent.«<https://www.idm-suedtirol.com/de/pressemitteilungen/238-suedtirol-brandkampagne-gepruefte-wirksamkeit.html>

spring 2020 there had been the economic stimulus programme "Restart Südtirol" to lead the economy out of the Corona crisis

Ladurner knew that the day-to-day business as well as the strategic challenges in the core business were in good hands with his new CEO. Being now "only" President of Dr. Schär, did he have the time and the chance to once again set a disruptive and decisive course for the future of Special Nutrition (or Healthy Nutrition?) and to innovate for the benefit of his company and, indeed, for the whole of South Tyrol? With his own disruptive version of the Swiss Nestlé accelerator, as a key player in the new "Healthy Nutrition Valley South Tyrol"? With his contacts with the Chamber of Commerce, Business Development and Government? Wouldn't that also be an inspiring call for action, for departure to new shores at the occasion of his upcoming anniversary celebrations? For Dr. Schär, for all of South Tyrol? For the whole of "Terza Italia"?

Could possibly the development agency with its expertise, together with the University of Bolzano, develop a draft concept?

ASSIGNMENT FOR STUDENTS (HIGHER SEMESTERS, ACCORDING TO PLANS/REQUIREMENTS OF LECTURERS): DEVELOP BRAINSTORMING IDEAS

1. What could a value proposition for the "Medical Nutrition Valley Südtirol" Cluster look like according to this scheme: Target groups (who should participate, benefit?), vision (desired outcomes, goals, what will be achieved in 5-10-20 years, e.g. number/type of new companies, added value?), competition (what would/could authorities/companies do instead of cluster participation?), competitive advantage of participating in the cluster over these alternative activities?)

2. What could the associated value chain look like? Product (what does the cluster organisation produce in terms of services?), Price (what do the services bring in terms of revenue, what does it cost companies to participate?), Place (where are the activities?), Promotion/Communication (how/what messages to communicate to whom?), Processes/Organisation (formal/informal? Permanent/ad hoc? Authority? Staffing? (An IDM (?) Manager plus company delegates?). Capital Equipment (premises, Finances?), SWOT (strengths, weaknesses, opportunities and problems of the cluster project, performance benchmarks and evidence of performance?)

Use the tried and tested concepts such as "Cluster" and "Diamond" by Harvard Professor Porter (see below) and outline suggestions as to what Mr. Ladurner and other business leaders as well as the University of Bolzano, the South Tyrol Economic Development Agency, the South Tyrol Chamber of Commerce etc. could do.

3. Work out a catalogue of tasks of what a "Cluster Manager" could/should do.

For instructions, see pages 1-9 Excellence in Cluster Management,

https://www.pwc.com/gx/en/psrc/pdf/cluster_management.pdf

Domenghino, Mike <https://www.thecasecentre.org/educators/products/view?id=74006>
Toolpoint for Life Science: Generating Benefits with a Cluster Initiative

Ketels, Christian <https://cupdf.com/document/the-cluster-initiative-greenbook-20.html>

Gull, Isabel (2015): The management of innovation clusters: Pages 1-5
<https://www.econstor.eu/bitstream/10419/106948/1/817703551.pdf>

https://en.wikipedia.org/wiki/Cluster_manager,
<https://de.wikipedia.org/wiki/Exzellenzinitiative>, <https://de.wikipedia.org/wiki/Diamanten-Modell>, [Beschreibung von Porter's Diamond \(en\)](#) (PDF-Datei; 94 kB)

Harvard Business School Cluster Examples:

- [Italian Tourism Cluster](#)
https://www.isc.hbs.edu/Documents/resources/courses/moc-course-at-harvard/pdf/student-projects/Italy_Tourism_2011.pdf
- [Belgian Chocolate Cluster](#)
<https://www.isc.hbs.edu/Documents/resources/courses/moc-course-at-harvard/pdf/student-projects/Belgium%20Chocolate%202016.pdf>
- [Live Sciences Cluster in Munich](#)
https://www.isc.hbs.edu/Documents/resources/courses/moc-course-at-harvard/pdf/student-projects/Germany_Munich_BiotechCluster_2007.pdf

1[4] <https://www.idm-suedtirol.com/>