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ZONES, CLUSTERS, DISTRICTS, AND HUBS

The complete guide to building
innovation ecosystems

A strategic lever for territorial transformation

Hubs embody a collective and strategic ambition to transform ideas into tangible solutions, emerging technologies into economic drivers, and communities into centers of creativity and collaboration. Michael Porter, professor at Harvard Business School, defines innovation ecosystems as “a geographic concentration of interdependent companies: suppliers of goods and services in closely related industries; firms delivering the final product cooperate with universities and their competitors.”¹ According to Porter, when successful, these projects go far beyond mere infrastructure; they become true ecosystems that address complex challenges of our time, integrating talents, capital, ideas, technologies, and institutions within a sophisticated framework. Whether called a zone, cluster, district, or innovation hub, these concepts each have their distinct characteristics, but they share the same core principle: a collaborative territorial project, generally centered around a specific industry or theme.

Innovation hubs differ from traditional technology parks or incubators. They are complex ecosystems that combine both physical and virtual assets, where structured collaborations amplify synergies among diverse stakeholders. The goal is to create environments where ideas can be accelerated, transformed, and leveraged through continuous interactions between industry, research, government, talent, investors, and the market.

This guide, the first in a series of upcoming publications, is based on Innovitech’s 35+ years of hands-on expertise. We have contributed to the structuring and development of innovation spaces across diverse sectors, including aerospace, healthcare, and clean technologies. Through this document, our goal is to share essential principles, methodologies, and lessons learned for designing and developing ecosystems capable of generating lasting economic and social impact.



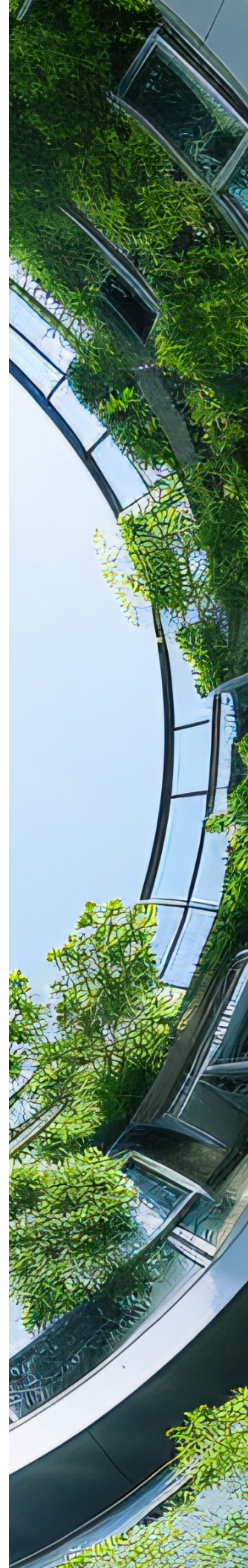
¹ PORTER Michael (1998) : On competition, Boston, Harvard Business Review Books, 1998.

Table of contents

Drivers of growth, attractiveness, and sustainable transformation	4
Launching an innovation hub	6
Building the foundations: infrastructure, governance, and funding	7
Infrastructure that promotes collaboration	7
A clear and inclusive governance	7
Diversified funding	8
Measuring impact and ensuring sustainability	9
Tangible impact through specific indicators	9
Attractiveness of innovation ecosystems	9
Adapting to societal challenges and economic priorities	11
Lessons learned and pitfalls to avoid	13
Lessons learned: what works and what accelerates success	13
Pitfalls to avoid: common mistakes to overcome	15
Conclusion	16

Note to readers:

The term “innovation hub” is used in this article in a broad sense. It encompasses innovation zones, poles, districts and neighborhoods, and does not refer solely to the concept framed by government programs in Quebec.



Drivers of growth, attractiveness, and sustainable transformation

Innovation hubs represent a strategic opportunity to address multiple fundamental needs. On one hand, they enhance business competitiveness by providing state-of-the-art infrastructure, shared resources, and collaborative platforms. By integrating these elements within an organized framework, businesses can accelerate their development and commercialization cycles while reducing costs.

On the other hand, they play a crucial role in revitalizing regional economies. Innovation ecosystems attract foreign direct investment, create high-skilled jobs, and integrate into global value chains. They enable regions to reposition themselves in emerging sectors, such as clean technologies or sustainable mobility, while increasing their economic resilience.

These two preliminary points create an especially favorable environment for the growth of local startups. In addition to accessing costly resources, such as laboratories or prototyping equipment, they benefit from direct access to investors, mentors, and strategic networks.



These examples introduce innovation hubs as catalysts for economic and technological growth across various industries worldwide. Thus, launching an innovation hub becomes a logical step, fostering an environment conducive to innovation and long-term economic prosperity.

- 1 The Tokyo-Yokohama region in Japan, as a leading center for electronics and robotics, is home to global giants such as Sony and Toyota, which are at the forefront of technological innovation. The University of Tokyo plays a key role in this field, providing essential research and fostering new talent in technology and engineering.
- 2 ZAL – Center for Applied Aeronautical Research in Hamburg – serves as a research and development network for the civil aviation industry in the Hamburg metropolitan area. It acts as an interface between academic and research institutions, the aviation sector, and the city of Hamburg, aiming to secure and continuously expand the world’s third-largest civil aviation hub.
- 3 In Canada, MaRS, the largest urban innovation hub working with over 1,200 Canadian science and technology companies and a registered non-profit organization, provides direct support to startups, builds communities of innovators, and accelerates the adoption of high-impact solutions to tackle some of the world’s most pressing issues.



Launching an innovation hub

The creation of an innovation hub follows a structured, multi-step process. It begins with a thorough feasibility study to assess the region's strengths and weaknesses, as well as sectoral opportunities and threats. This analysis must include a stakeholder mapping and a preliminary assessment of short- and long-term economic and social impacts.

Once the foundation is laid, it is essential to define a clear vision that unites stakeholders around a common ambition. This vision should be accompanied by measurable objectives and a detailed action plan, incorporating sectoral priorities and resource activation strategies.

The hub's architecture constitutes the next step. This involves structuring spaces, planning necessary infrastructure, and providing services that meet users' needs, such as collaborative spaces or advanced digital tools. Particular attention must be paid to sustainability and flexibility to adapt to future developments.

It is important to note that innovation hubs are not necessarily limited to physical infrastructures. They can also take a virtual form, such as Quebec's Sectoral Industrial Research Groups (RSRI). The RSRI's mission is to establish and support a collaborative innovation ecosystem that fosters the development of strategic sectors of the economy for the benefit of research centers, businesses, and Quebec society. As catalysts for innovation, they facilitate knowledge transfer and technological adoption by businesses, fostering synergies between research and industry. Representing key sectors of Quebec's economy, the nine RSRI were designated by the Quebec government to act as intermediaries and funders of collaborative research and development (R&D), illustrating a decentralized yet equally strategic approach to innovation.

Finally, **implementation, identification of potential risks and associated mitigation strategies, and a strong communication campaign** during the launch require rigorous and proactive coordination to attract initial stakeholders.



Building the foundations: infrastructure, governance, and funding

Creating an innovation hub relies on three fundamental components: adequate infrastructure, robust governance, and diversified funding. While interdependent, these elements require specific strategies to ensure the sustainability and economic and social impact of these ecosystems.

Infrastructure that promotes collaboration

Physical and digital infrastructure must be designed to maximize interactions among hub stakeholders. This includes collaborative spaces such as laboratories, prototyping workshops, and shared offices, as well as digital platforms that facilitate exchanges, open innovation, and co-creation. These infrastructures must meet high environmental standards (energy consumption, waste management, ventilation system efficiency, etc.) to ensure responsible development.

However, the success of an innovation hub depends on a combination of factors beyond just physical infrastructure. These spaces typically develop around specific sectors, such as aerospace, leveraging interdisciplinary interactions and local geographical strengths. The ability of a region to bring together talent, resources, and necessary infrastructure is a crucial driver for building a sustainable innovation ecosystem, underscoring the need for effective governance.

A clear and inclusive governance

Governance plays a crucial role in orchestrating interactions within an innovation hub. Effective governance is based on three key elements: clearly defined roles and responsibilities for each stakeholder, inclusive decision-making processes that align diverse interests, and regular evaluation mechanisms to adjust strategies based on results.

Governance should also encourage seamless collaboration between public and private actors while ensuring transparency and flexibility to adapt to ecosystem changes.

It is important to note that the government's role varies depending on the project, ranging from facilitator—mobilizing public funds—to a more operational role by supporting critical development phases. The designation of an official “innovation zone” by Quebec authorities can also enhance the hub's credibility and attractiveness to investors and international partners. This designation formalizes the hub's strategic intent and serves as an additional lever for large-scale funding and partnerships.

Diversified funding

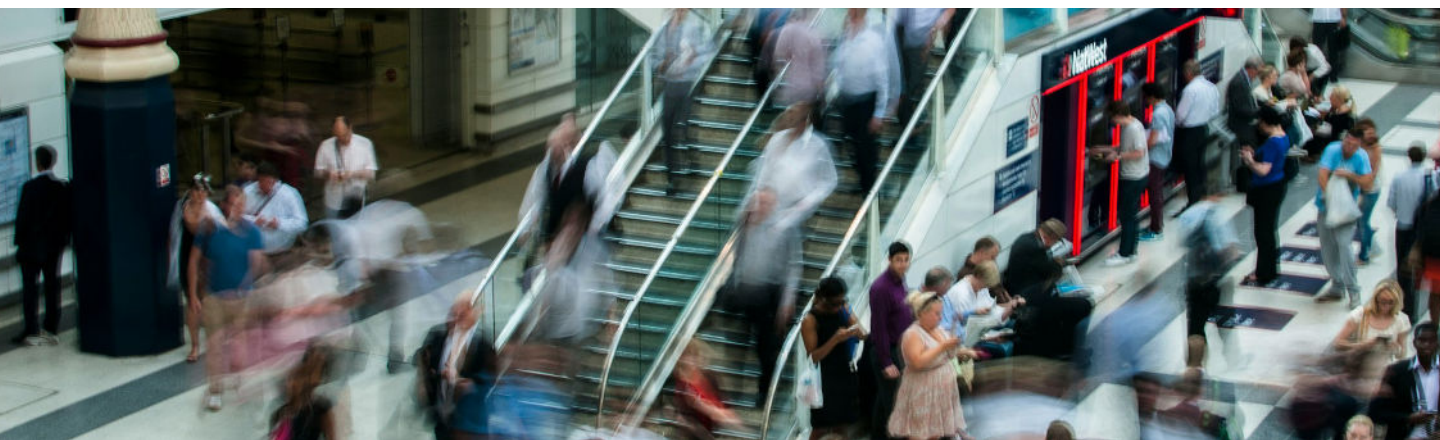
Funding is one of the major challenges in developing an innovation hub. Public intervention is essential to structure basic infrastructure and ensure territorial cohesion. These public funds also help pool services and make the zone accessible to businesses of all sizes.

The private sector's role is equally crucial to ensuring the long-term economic viability of the hub. Attracting investors, established companies, and startups accelerates ecosystem growth and diversifies funding sources. This balance between public and private funds maximizes local benefits and ensures project sustainability.

The importance of private investment is reaffirmed by former Minister of Economy, Innovation, and Energy, Pierre Fitzgibbon, who argues that launching an innovation hub without direct involvement from major industrial players is inconceivable. Boeing's example—where the company was required to reinvest in the local economy in exchange for a government contract—demonstrates how such commitments can generate significant regional benefits, strengthening territorial competitiveness while creating new economic opportunities.

Innovitech's expertise in designing innovation ecosystems further highlights the importance of private investment in ensuring the viability and growth of these projects. The case of Innovitam, an ambitious initiative launched in Quebec but later abandoned, illustrates that without substantial private sector commitment, an innovation hub's development remains fragile. In contrast, the success of DistriQ in Sherbrooke largely depends on strong partnerships with investors like IBM, which played a key role in structuring the ecosystem.

In summary, the success of an innovation hub relies on its ability to combine innovation-friendly infrastructure, clear and participatory governance, and balanced funding well-supported by private investments. By overcoming these challenges, these ecosystems become drivers of territorial transformation, strengthening regional competitiveness and resilience while creating long-term opportunities.



Measuring impact and ensuring sustainability

Beyond representing a strategic opportunity to meet multiple fundamental needs, an innovation hub must demonstrate its value by generating lasting economic impact.

Tangible impact through specific indicators

These indicators must be adjusted according to the different phases of the hub's development. In the early stages, the focus is on measuring governance process efficiency and stakeholder engagement. As the hub evolves, performance indicators such as jobs created and revenue generated take precedence. In the maturity phase, emphasis is placed on long-term value creation, economic diversification, and the hub's resilience to global transformations.

Monitoring these indicators should be accompanied by structured feedback to identify successes, correct deficiencies, and adjust strategies accordingly. The ability of an innovation hub to regenerate and adapt is crucial to its long-term success. Flexible governance, continuous evaluation mechanisms, and a clear strategic vision are essential to addressing emerging challenges while maximizing the hub's economic and social impact. By recognizing unintended side effects—such as gentrification or rising rent costs—managers can adjust strategies to ensure inclusive and balanced growth.

There is no single or precise answer on how to measure the success of an innovation hub, as it depends on the specific objectives set at its inception. However, a multidimensional approach that considers both economic indicators and social impact is essential for a comprehensive evaluation.

Attractiveness of innovation ecosystems

To make an innovation hub attractive to talent and investors, several key measures must be considered. Creating an integrated environment where people can live, play, work, and learn is fundamental, particularly to meet the expectations of younger generations who prefer urban settings where quality of life aligns with proximity.

Integrating the concept of "15-minute cities" into innovation ecosystems can be an effective strategy. This involves developing ecosystems where all essential services are accessible within a 15-minute walk or bike ride, thus attracting new talent from the so-called "new economy," which is more focused on creativity than manufacturing capacity.

The presence of these highly skilled talents, in turn, attracts large companies and academic institutions, creating a beneficial cycle where each element attracts and reinforces the other. Traditional models such as industrial parks no longer meet current demands, as they offer little flexibility and strategic interaction between companies, unlike innovation zones. These rigid and compartmentalized spaces struggle to meet the needs of transforming industries and must be reimagined to adapt to this new reality, emphasizing modern infrastructures and attractive services tailored to a dynamic and mobile workforce.



Adapting to societal challenges and economic priorities

The development of an innovation hub does not end with its initial creation. Over time, these ecosystems must be capable of evolving, adapting, and regenerating to remain relevant in the face of economic, technological, and societal priorities. To ensure the sustainability and renewal of an innovation hub, focusing on an adaptive vision, dynamic governance, and reinforced strategic positioning, several factors must be considered:

1 Realigning vision and strategic objectives

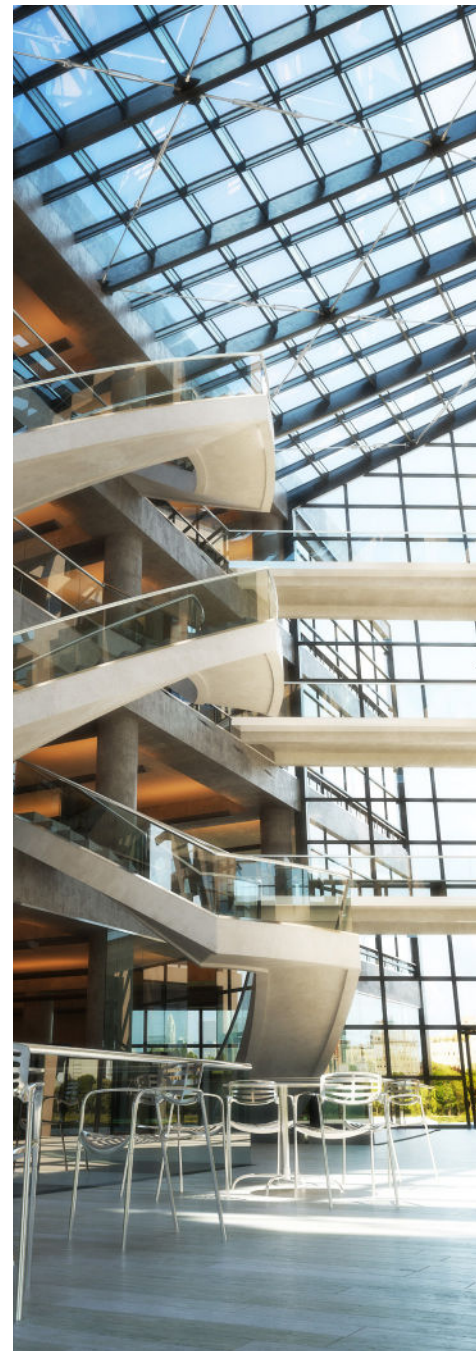
The first step is to validate the alignment of the initial vision with current market realities and stakeholder needs. An innovation hub must continuously adjust its objectives by taking into account sectoral developments, technological advancements, and new societal priorities, particularly in terms of sustainable development.

When revisiting the vision, it is essential to ensure that diversification strategies and the attraction of new complementary sectors are integrated at all levels—from business models to the themes being developed—so that the innovation zone can evolve and stimulate a new phase of growth. For example, La Cité des arts du cirque found itself at an impasse due to its failure to attract related players such as multimedia or cinema; an inclusive and broad-based approach is crucial to ensuring sustainable and dynamic development.

2 Structuring an integrated innovation continuum

An innovation hub should not operate in isolation but rather as an integrated continuum, allowing ideas to circulate and evolve throughout the value chain. This requires mobilizing a variety of support instruments—incubators, accelerators, investment funds, collaborative platforms, and international networks—to support projects from the research phase through to commercialization.

In this regard, SMEs and startups must occupy a central place in the ecosystem. These companies bring agility and creativity that are essential to energizing the hub while benefiting from shared infrastructure, such as laboratories, prototyping spaces, and shared equipment.



3 Promoting identity and international outreach

An innovation hub cannot thrive without a strong identity and a distinctive brand. It is therefore crucial to reposition its branding over time, highlighting local successes while expanding partnerships internationally. This approach not only attracts new stakeholders but also strengthens the hub's credibility in global markets

Regeneration also involves the ability to tell the hub's story, showcasing the tangible impacts it generates, both economically and socially. A proactive communication strategy around developed innovations, collaborative projects, and local economic benefits reinforces the sense of belonging and encourages new actors to join the ecosystem.

4 Ensuring flexible and effective governance

Governance plays a central role in the regeneration of an innovation hub. Effective governance must be able to orchestrate interactions among different stakeholders, align interests, and enable agile decision-making. This flexibility is crucial for adapting to change and seizing emerging opportunities.

Moreover, sustainable governance relies on continuous evaluation mechanisms, allowing strategies to be adjusted based on achieved results. The ability to question and adopt best international practices is a key factor in long-term success.

5 Establishing evolving performance indicators

Measuring the impact of an innovation hub must follow a dynamic logic. By adopting a continuous benchmarking approach, an innovation hub can analyze its performance dynamically and adjust its priorities based on obtained results. This ability to measure both direct and long-term outcomes is essential to ensuring the ecosystem's sustainability and relevance over time.

Regenerating an innovation hub means keeping it alive, dynamic, and relevant. This requires an adjusted vision, agile governance, strong strategic positioning, and the ability to measure its impact in an evolving manner. By applying these principles, innovation ecosystems can continue to play a key role in the economic and social transformation of territories, while adapting to future challenges and opportunities.

Lessons learned and pitfalls to avoid

Despite their immense potential, innovation ecosystems do not automatically guarantee success. Innovitech's experience, gained over 35 years of designing and managing numerous ecosystems, highlights common mistakes, underestimated challenges, and key strategies that truly make a difference. This chapter summarizes the main lessons learned while also warning against the pitfalls that threaten the longevity and impact of innovation ecosystems.

Lessons learned: what works and what accelerates success

- 1 Co-creation from the start**

The most successful innovation ecosystems are those that involve stakeholders from the earliest stages. Innovitech has found that a co-creation process with representatives from the public, private, academic, and community sectors helps build a shared vision, ensuring long-term stakeholder commitment.

→ **Example:** During the creation of Zone Aéro, companies, universities, and government agencies were actively involved in defining priorities and strategic directions. This collective engagement ensured broad buy-in and diversified funding.
- 2 Flexible governance**

An agile and evolving governance structure is essential. The needs of stakeholders change over time, and innovation ecosystems must adapt quickly to meet these evolving demands. A governance structure that is too rigid or bureaucratic stifles innovation.

→ **Lesson:** Innovitech recommends regular consultation mechanisms, multisectoral steering committees, and quarterly objective reviews to adjust priorities dynamically.
- 3 Clear and differentiated positioning**

Each innovation hub must offer a unique and well-defined value proposition. Many projects fail because they attempt to cover too many sectors or cater to generic needs. A focused approach enhances attractiveness for businesses and investors.

→ **Example:** The CCIAM became a cornerstone of the Aerospace Innovation Zone in Saint-Laurent, establishing a strategic niche that attracted international collaborations and targeted funding.

4 **Rapid ecosystem activation**

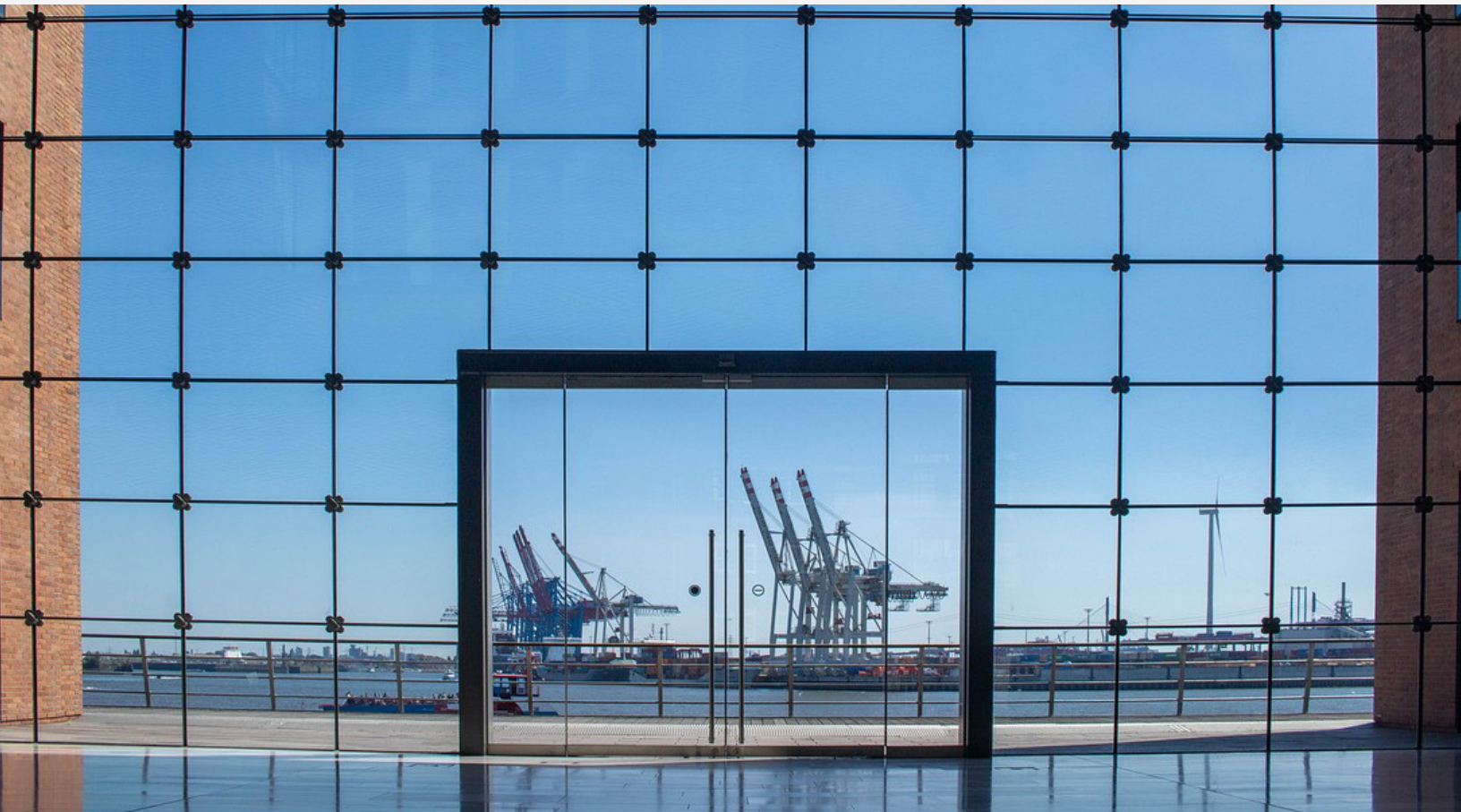
It is crucial not to wait until all infrastructure is fully developed before launching the first activities. Early interactions create momentum, attract new partners, and accelerate ecosystem growth.

→ **Lesson:** Organizing pilot events, collaborative workshops, or research projects in the early phases boosts the zone's appeal.

5 **A holistic approach to sustainability**

An innovation hub should not be limited to economic impact; it must also integrate social and environmental considerations. Initiatives promoting inclusion, local workforce training, and carbon footprint reduction strengthen stakeholder commitment and reinforce the project's legitimacy.

→ **Example:** Within the Zone Mirabel, Innovitech incorporated sustainable construction practices and facilitated local workforce training, aligning innovation with social impact.



Pitfalls to avoid: common mistakes to overcome

- 1 Lack of a shared vision**

One of the most frequent pitfalls is the absence of a clearly articulated shared vision. When stakeholders pursue conflicting objectives, the project lacks cohesion and risks losing momentum.

→ **Solution:** Facilitate strategic workshops in the initial phases to align expectations, objectives, and available resources.
- 2 Relying solely on public funding**

An exclusively public-funded model limits the hub's sustainability and capacity for innovation. Public funds can decrease or disappear, exposing the project to major risks.

→ **Solution:** Innovitech recommends a mixed approach: leveraging public funds for basic infrastructure while attracting private investors and venture capital for specific activities.
- 3 Designing spaces disconnected from actual needs**

Too often, ecosystems are built around ambitious architectural designs that are impractical for users. This results in underutilized spaces and high maintenance costs.

→ **Solution:** Adopt a user-centered approach by involving future occupants in space design. Test prototypes before finalizing plans.
- 4 Underestimating medium-term operational costs**

Projects that fail to adequately plan for management, maintenance, and space activation costs risk becoming financially unsustainable.

→ **Solution:** Integrate a detailed operational cost analysis from the planning phase and develop recurring revenue models, such as space rentals, training programs, or memberships.

5 Lack of continuous monitoring and evaluation

An innovation hub cannot rest on its laurels once launched. The absence of performance tracking leads to stagnation and a loss of relevance.

→ **Solution:** Establish clear performance indicators and regular evaluation mechanisms to adjust strategies and meet evolving needs.



Conclusion

Innovation ecosystems do more than just build infrastructure or bring key stakeholders together—they play a fundamental role in the economic and social transformation of territories. By fostering a collaborative environment, they catalyze the development of emerging technologies, attract strategic investments, and generate skilled jobs, all while enhancing regional competitiveness. Their success depends on much more than simply constructing buildings or launching programs; it involves creating dynamic, sustainable ecosystems capable of evolving and adapting to the changing needs of industries, communities, and global markets.

To maximize their impact, these ecosystems must integrate modern and sustainable infrastructure, rely on agile and inclusive governance, and mobilize diversified funding, combining both public and private resources. But above all, innovation ecosystems must adopt a dynamic approach that emphasizes continuous evaluation and regeneration to ensure their long-term relevance.

When well-designed and effectively launched, innovation ecosystems become powerful engines of territorial transformation. They enable regions to position themselves as leaders in high-potential sectors, while creating a virtuous cycle of attractiveness, resilience, and shared prosperity. By integrating lessons learned from past experiences and committing to addressing future needs, they can continue shaping a sustainable and competitive future for the regions that host them.

Discussions are currently underway to develop an innovation zone dedicated to cybersecurity in Quebec. This initiative could catalyze projects at the intersection of multiple sectors, including immersive technologies, cultural industries, and entertainment, expanding innovation horizons beyond traditional industries. By focusing on emerging sectors and fostering cross-sector collaboration, these new ecosystems could become true experimental laboratories, positioning Quebec as a key leader in the knowledge economy.



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