Scope

Section II

Toward a New Economy

This study analyzes the Information and Communications (InfoComm) Cluster in its current form, and trends in the Internet-related segments, pointing toward a New Economy in the Greater Washington Region.
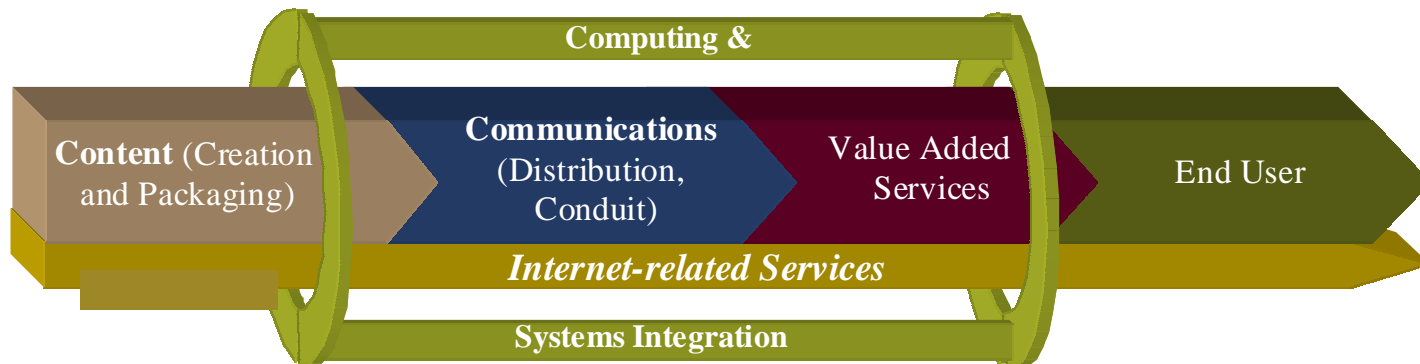
Industry scope:	**The InfoComm Cluster** – The Information and Communications Cluster includes three industry sectors with complementary and often interdependent products and services: Communications, Content, and Computing/Systems Integration, with Internet services and products spanning all of them.
Geographic scope:	The Greater Washington Region: **Northern Virginian counties of** Loudoun, Fairfax, Prince William, Arlington, Fauquier, Stafford, and Spotsylvania, **Suburban Maryland** counties of Howard, Prince Georges, Montgomery, Anne Arundel, Frederick, Baltimore, Charles, Calvert, and **Washington, D.C.**
Evaluation scope:	**Quantifying current status; qualitatively** assessing **emerging** trends, and the impact of the **Internet** on the region.
Approach:	**Secondary research; interviews** with industry representatives; roundtable discussion with executives from emerging companies in the region.

Toward a New Economy

Development of the Information and Communications (InfoComm) Cluster will drive future economic development in the Greater Washington Region.

- The different components of the InfoComm Cluster have many complementary and often interdependent products and services. The InfoComm value chain starts with **Content** creation and packaging. Different types of conduits are then used to **Communicate** to and reach the end user. **Computing** and **Systems Integration** is directly and indirectly part of this value chain -- directly in value-added services, and more indirectly in enabling content creation and communication throughout the value chain. Thus, the InfoComm Cluster has been divided into the **Core industries** - (Communications, Content) and the **Enabling industries** (Computing/Systems Integration services). The Enabling industries harness and add value to the Core industries.
- **Internet-related Services** span and impact each step in this value chain.

Information/Communications Value Chain

Computing &

Content (Creation and Packaging)

Communications (Distribution, Conduit)

Value Added Services

End User

Internet-related Services

Systems Integration

- Within this context the region's future economic growth will build on its strength as a national and global hub of the Internet and Communications industries.
- The strong presence of the InfoComm Cluster in the Greater Washington Region has spun off emerging entrepreneurial companies in the region and is changing its economic infrastructure.
- The recent growth and evolution of these industries is altering the dynamics of the regional economy as a whole.

THE POTOMAC KNOWLEDGEWAY

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This study analyzes the InfoComm Cluster in its current form and its emerging direction.

- First in a series, this study evaluates the importance of the InfoComm Cluster of industries, and in particular the emerging elements of the region, and identifies actions to spur growth in this region.

- This baseline study has as its goal to provide a snapshot of these industries, and their importance for the Greater Washington Region, as well as to look at the Internet and other emerging segments within the InfoComm Cluster, and their infrastructure needs, without quantifying them. Thus, this study focuses on the overall picture, quantifying the InfoComm Cluster in the region, while providing some initial qualitative overview of where the industry is heading.

  - **Quantifying** the InfoComm Cluster (defined as the core Content, Communications and related and enabling Computing/Systems Integration industries) regionally and nationally:

    - Internet services companies are included in the Cluster and thread across the different industries

    - Breakdown of the size and significance of each subregion of the Greater Washington Region (defined by county)

  - **Qualitative assessment** of the InfoComm Cluster regionally and nationally, highlighting emerging communications and information companies:

    - Key factors bearing on the region's attractiveness for emerging companies

    - The Greater Washington Region's perceived competitiveness (strengths, weaknesses, and trends)

- Our approach to the study focused on **secondary research**, **interviews** with key industry participants and a **roundtable** discussion with executives from emerging companies in the region.
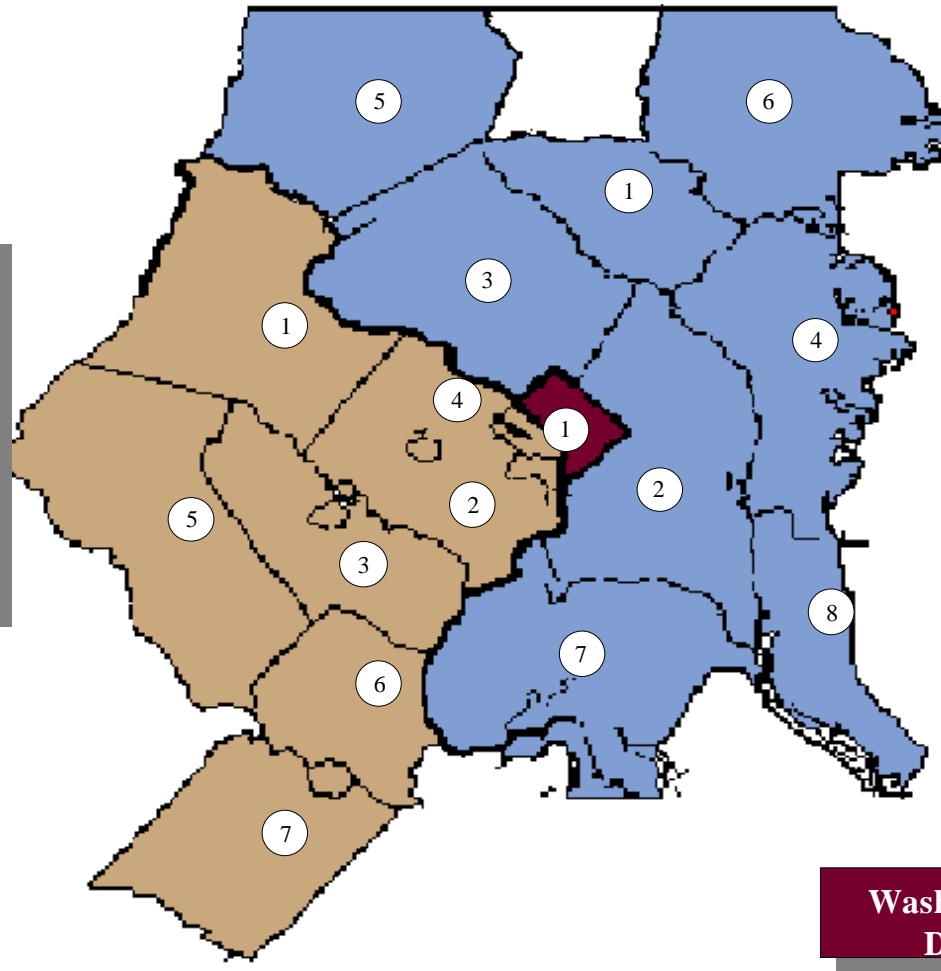
Toward a New Economy

The InfoComm Cluster consists of Core (Communications and Content) and Enabling (Computing/Systems Integration) industries; Internet services companies span the InfoComm Cluster, merging elements from both.*

CORE INDUSTRIES		ENABLING INDUSTRIES
Communications	**Content**	**Computing & Systems Integration**
• Organizations that provide communications services and access through combinations of point-to-point circuits, interface arrangements and routing switching • Organizations that manufacture and develop communications equipment	• Organizations that create, package or distribute content for commercial purposes in any format • Providers of non-commercial content, such as the Federal Government, trade associations and research organizations, have **not** been included in the quantification of the size of this industry	• Organizations that produce software and provide programming services (outside of integration services) • Organizations that develop, implement or maintain software applications • Organizations that provide integrated services for specified applications • Organizations that manufacture and develop computer equipment • This definition does **not** include pure resellers of equipment
• Wireless Telecommunications • Satellite Telecommunications • Cable • ISPs • Equipment	• Traditional content/media (print media and broadcast media) • New content (new media, digital media, internet-related content)	• Software applications & development • Systems integration & consulting • Computer services • Hardware
Internet Related Services		

* We would like to thank the Advisory Board members for their assistance in defining these industries.

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Toward a New Economy

The Greater Washington Region encompasses the counties of Northern Virginia and Suburban Maryland as well as Washington D.C.

Virginia Counties

1. Loudoun
2. Fairfax
3. Prince William
4. Arlington
5. Fauquier
6. Stafford
7. Spotsylvania

Maryland Counties

1. Howard
2. Prince Georges
3. Montgomery
4. Anne Arundel
5. Frederick
6. Baltimore
7. Charles
8. Calvert

Washington D.C.