

►► OULU – A FIVE STAR TECHNOLOGY CLUSTER

Silicon Valley, Dallas, Stockholm, Oxford, Oulu...

Among the world's leading technology clusters there is one that does not seem to fit in. It is far from almost everywhere else. Remote, only a couple of hundred kilometres away from the Arctic Circle. Extremely small in an international context. Cold, dark, and covered in snow during the winter. And the winter is long.

Nevertheless, it is just this curious place that pops up time after time when the leading technology clusters are being ranked.

Sophia Antipolis, Tokyo, Singapore, Boston, Raleigh, Seattle...and once again Oulu.

Oulu has developed into a top player in the league of the world's renowned technology clusters – and it is definitely worth five stars. This is how Oulu has been described: *Hot spot for high-tech, Wirtschaftswunder unterm Nordlicht, The town that thinks it's IT, A little modern miracle, Le technopôle nord, teknologiakaupunki Oulu.*

Entering the elite of technology clusters is not a bad achievement for a town that was mainly known for the forest and chemical industry until the beginning of the 1980s. A town that had last been internationally important as an exporter of tar in the 19th century. A town that twenty years ago was fighting against falling into a vicious circle of decline.

The swift development of the IT economy has given wings to the rapid growth of the region. Oulu has been rated for a long time among the best three regions in the ranking list of the most successful regions in Finland compiled by Statistics Finland. The regions were ranked by combining fifteen indicators of success and by considering them all. The indicators were the economy of the region, population, vitality, competitiveness, and well-being, among others.

The most important strength of Oulu lies in information technology, especially wireless communications. With hard work, wise decision-making, and a bit of luck the Oulu region has forced its way among the world's leading centres in wireless communications technology and applications. There is one company in particular that has to be mentioned: Nokia. The giant of mobile communications is the driving force of Oulu's IT economy employing thousands of people in its units in the region. The figure would be much higher if the people working for Nokia's subcontractors and partners were included.

In Oulu region, high-tech companies employ about 18 000 people; 20 % of all jobs are in the high-tech industry. The turnover of the production of high-tech products in the region is well over 5 billion euros. More than 9 % of the Finnish high-tech industry is located in a small area in Oulu and its surroundings.

A rich and functioning network of high-tech training, research, business, town, and municipalities has developed in the area. This network, co-operation between the operators, and the positive atmosphere in Oulu are constantly praised by high-tech companies.

"You always find collaborators using the network."

"Excellent environment."

"Stimulating atmosphere."

"Important and challenging customers."

"You always get support if you need it."

"If you can't make it here, you can't make it anywhere."

"Brilliant infrastructure."

Oulu is indisputably an example of an exceptional success story. Let us briefly look at the past: where did it all start? What kind of steps were there on the way?

Probably, the first important step was the establishment of the University of Oulu in 1958. It is self-evident that without a strong university the development of Oulu into what it is today would not have been possible. The beginning of tuition in electrical and mechanical engineering at the Faculty of Technology in the mid 1960s was crucial to the present techno-boom; the VTT Technical Research Centre of Finland and Oulu Polytechnic were also important.

The second step was the establishment of the Oulu Science Park Ltd. in 1982. Now known as Technopolis Plc., it has been and still is in the key role in developing and boosting the high-tech industry. Now, listed on the stock market, it has been an all-round success, much more so than anybody dared to expect in the beginning. There were many people who doubted the idea of a science park, and even the founders were not totally convinced: to be on the safe side, the first buildings were designed so that they could have been easily converted into apartments.

The third important step was taken when Oulu proclaimed itself a Technology City in 1984. The proclamation was courageous, audacious even, but the results achieved during the years are much better than anybody ever dreamed of. With persistent and goal-oriented work, Oulu has managed to put itself firmly on the national and even international map of leading technology. Technology City Oulu is a concept that has become well known, but it is not so much about words as it is about deeds: Oulu has gained its good reputation with its outstanding success.

What will lie ahead in the future?

The world is changing fast. Customers' preferences will change; technologies will be replaced with new ones; the competition between products, enterprises and areas will become more severe. Succeeding in the past, or even now, does not guarantee succeeding in the future. Oulu will not be able to rest on its laurels and enjoy its achievements, but it will have to prepare itself for new challenges.

The goals have been set high. Oulu will strenuously try to diversify the content of high-tech in the region. At the moment, most of the high-tech has mainly been IT and wireless communications. They will remain central, but the new areas of growth have been set to bio-, wellness, and environmental technology, as well as content creation and media industries.

The purpose is that the experience gained in developing IT in Oulu will be exploited to benefit the new branches. Similar to IT, the goal will be to launch the new branches straight into the international elite.

Growing companies in different fields of industry utilise wireless solutions, they combine know-how in an innovative way, they are internationally networked, they apply technology in everyday solutions, and they offer the Oulu region the opportunity to be a forerunner in the exploitation of technology and innovations. The people in Oulu inspire!

It is unique to Oulu that different branches of high technology will be encouraged to co-operate closely. This will result in creative collisions which in turn will result in new ideas, new products and new global businesses. For example, the creative use of IT will offer innovative opportunities for wellness or environmental technology, to mention but a few.

In the future, Oulu is also planning stimulate the growth of the enterprises as well as the founding of new ones. The environment will be improved to provide the enterprises with better service, and to match the international concept of top quality. Oulu will not be satisfied only to create and develop enterprises, but it also wants to attract enterprises from other locations.

Is the technology city Oulu nothing but technology, then?

Certainly not.

In fact, the industrial structure of Oulu and the Oulu region is very versatile. There are different prosperous branches of industry, good private and public services, tourism, agriculture. The forest industry in particular has been and will be important in the region. In terms of logistics, Oulu's location is ideal: the second busiest airport in Finland, deep-water harbour, and good rail and road connections ensure that Oulu is an excellent centre of transportation. Internationalisation and know-how in business are core factors for future success.

But is there anything else but business in Oulu?

Once again: certainly.

It is well understood that the development of Oulu and its surroundings also requires diverse high quality cultural life, among others. There are several excellent cultural institutions in Oulu, the town gives considerable support to local artists in various fields, and there are numerous cultural events.

The way we see it is that business and culture are not necessarily that far from one another. On the contrary, they support and strengthen each other.

The outstanding success of Oulu is mainly based on the good co-operation between different operators. The very same spirit has guided the building of relations between cultural and business life –and will do so even more in the future. Close co-operation between the private and public sectors is a recognised resource in the area.

Moreover, there are numerous good sporting clubs and events in Oulu, not to mention the excellent opportunities for sports and other activities. For example, the cycle path network in Oulu has been awarded recognition many times: splendid paths to cycle or roller-skate – while talking on the mobile.

Economic success alone does not make an area attractive nor competitive. It requires countless different factors put together. In Oulu, all these factors create a pleasant and enjoyable environment. And besides: even if the winter is dark, the summer is all the brighter – and often reasonably warm, too.