Guidelines on establishing, managing, sustaining and internationalising industrial clusters

Douglas Thompson | douglasthompson@spi.pt
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Industrial Clusters and Cluster Management Organisations

- The presentation focuses on providing guidelines on establishing, managing, sustaining and internationalising organisations that manage industrial clusters.

- In this sense, it is useful to clarify Industrial Clusters and Cluster Management Organisations.

  - **Industrial Clusters**: groups of companies and institutions co-located in a specific geographic region and linked by interdependencies that aim to have an impact in economic performance through knowledge transfer.

  - **Cluster Management Organisations**: Organisations that represent the cluster and its members.
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Part I – Report Overview

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General Objective

- Report aims to analyse Industrial Clusters at the EU Level and in countries associated to Horizon 2020, developing a set of guidelines for establishing, managing, sustaining and internationalising industrial clusters.

- Report defines a set of main instruments and mechanisms for effective and sustainable development of industrial clusters in the Black Sea region, providing recommendations for enhancing their performance and results.
Specific Objectives

- Support cluster organisations on how to establish, manage and sustain industrial clusters in the Black Sea region;
- Provide examples of success cases of industrial clusters in the Black Sea region;
- Develop good practice examples of successful industrial clusters from other countries in the EU (apart from the Black Sea region);
- Provide recommendations on internationalisation strategies and its added-value to industrial clusters from the Black Sea region;
- Encourage interactions and networking between clusters and other relevant organisations.
Relevant Definitions

Cluster

- "A cluster is a geographical proximate group of interconnected companies and associated institutions in a particular field, linked by commonalities and externalities" (Porter, On Competition, 2008).

Cluster Organisations

- “Specialised institutions, known as cluster organisations, which take various forms, ranging from non-profit associations, through public agencies to companies." (EC Communication, 2008)

Cluster Manager

- The planning, management, and information infrastructures are coordinated by a single focal point in the form of the Cluster Manager, through whom discussion and subsequent decision-making is channelled (Scheer & Zallinger, 2007).
Methodology

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Selection Criteria

Consortium's Experience

International Experience

Selection Criteria

Consortium's Experience

International Experience

Good Practice Industrial Clusters at the EU Level

Good Practice Industrial Clusters at Countries Associated to Horizon 2020
In order to select the successful examples within the EU industrial clusters / countries associated to H2020, the following selection criteria is developed:

- Countries from Europe located at the Black Sea region / countries associated to H2020;
- Presence in Industrial Cluster Cooperation Activities;
- Active participation in national and international networks / relevant associations;
- Country with the highest number of Gold Label Clusters / Silver Label Clusters / Bronze Label Clusters for the cluster organization (quality classification of the cluster organization and its abilities to achieve goals common to cluster organisations).
Part II - Guidelines for Industrial Clusters
Important to highlight **studies and reports** that include **relevant Guidelines**: 

- “Let’s make a perfect Cluster Policy and Cluster Programme / Smart Recommendations for Policy Makers”
- “Overview of cluster benchmarking indicators (ESCA) – Cluster Management and Governance/Strategy of the Cluster Organisation”
- “New Approaches to Improve the Performance of Cluster Management Organisations in Europe (ESCA)”
Guidelines for Industrial Clusters

“Let’s make a perfect Cluster Policy and Cluster Programme / Smart Recommendations for Policy Makers”

- First, cluster management organisations can facilitate collaboration between the cluster participants and other players (e.g. other clusters) for the benefit of joint projects.

- Second, being well-connected with cluster participants and policy makers can serve as a node for both in terms of communicating development needs and identifying corresponding remedial measures.

- Third, the cluster management organisation can trigger a certain behaviour of a cluster participant by providing information, offering services and implementing corresponding activities, and thus having an effect on the cluster participant which reflects in the development of the cluster as such.
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The set-up process of a cluster activity involves the following tasks:

- Pre-analysis for background information – feasibility study
- Preparation of framework and internal organisation
- Financing
- Launching of the cluster initiative

The main tasks for the management of cluster activities can be divided into the following five fields:

- 1. Information and Communication
- 2. Training and Qualification
- 3. Co-operations
- 4. Marketing and PR
- 5. Internationalisation
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“Overview of cluster benchmarking indicators (ESCA) – Cluster Management and Governance/Strategy of the Cluster Organisation”

- Clear definition of the roles of the cluster manager / Implementation of a governing body;
- Number of cluster members per employee (full-time equivalents) of the cluster organization;
- Human resource competences and development in the cluster organization;
- Strategic planning and implementation processes;
- Thematic and geographical priorities of the cluster strategy.
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“New Approaches to Improve the Performance of Cluster Management Organisations in Europe (ESCA)”

- Implementation agencies must build up a trustful communication with the cluster management organisations.
- Training and support services have to be considered voluntary for the cluster managers.
- Training measures have to be of high quality, tailor-made and demand-oriented.
- Continuous process of identifying support services, in order to identify future demands.
## Guidelines for Industrial Clusters

- Report proposes a set of guidelines for each stage of the Industrial Cluster’s activity.
- Provides specific recommendations regarding the development process of the cluster management organization for:

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Guidelines for Industrial Clusters

Establishment of Cluster Management Organisation

- Management board with relevant players from the sector
- Clearly define the cluster membership criteria
- Develop an operational and sustainable action plan for the cluster establishment

Sustainability of Cluster Management Organisation

- Promote cluster management organisation among its members in order to show how effective it can be in order to justify membership
- Develop EC proposals and apply to other public funding with the participation of the cluster and its members
- Involvement of several actors for enhancing sustainability
- Support through membership fees
Guidelines for Industrial Clusters

Internationalisation of Cluster Management Organisation’s Members

- Enhance international visibility of the cluster and its members through active presence in online platforms and dissemination of capabilities to potential members
- Active presence from the industrial cluster and its members in relevant events and international missions
- Establish links with other clusters at the national and international levels
- Establish agreements with relevant international organisations

Management of Cluster Management Organisation

- Develop and implement a monitoring system of the clusters' actions and new RDI opportunities at the European level
- Establish a quality assurance team, assuring that quality standards are fulfilled
- Constant update and revision of the members' activities within the thematic of the industrial cluster
Guidelines for Industrial Clusters

Establishment of Cluster Management Organisation

Establish a management board with relevant players from the sector

- Management board should be constituted;
- Decision-making process must be very clear, focusing on the different roles that the cluster members should have, who can decide and to which extend;
- Personnel must have a specific mixture of education background, work experience and skills in management, communication and leadership;
- There are clusters that also establish Supervisory Boards, having a permanent collegial management body, consisting of companies’ representatives, local authorities, universities, among others.
Clusters should have more than 10% of committed members - the members should contribute to the clusters activities by paying membership fees, signing of a declaration of accession, a letter of intent or a partnership agreement;

Surveying the cluster membership to determine their needs and to prioritise the cluster organisation's activities;

It is advisable that more than 70% of the committed cluster participants have their premises within a distance of around 150 km or 1.5h travel time from the headquarters or any regional office (if existing) of the cluster organisation.
Guidelines for Industrial Clusters

Establishment of Cluster Management Organisation

Develop an operational and sustainable action plan for cluster establishment

- Management board should be constituted;
- A cluster plan is a roadmap to help the growth of the cluster and, therefore, it is a critical factor to its success and internationalisation. The plan should include:

  - A description of the cluster and objectives of the action plan
  - Indicators to monitor and evaluate the implementation of cluster initiatives
  - A mapping of business needs for the members
  - How to achieve an international level, namely through the participation of its members in European projects and events
  - Definition of services that the cluster organisation will provide to its members
An overall loss of committed participants of less than 5\% during the last two years of activity is considered as the maximum for a cluster being managed excellently.

In order to promote the industrial cluster among its members some initiatives should be developed:

- Creation/distribution of newsletters/press releases. It is expected that the cluster publishes more than 30 regional/national and 10 international press releases in one year period.
- Organisation of international missions for participation in events.

Promote cluster management organisation among its members in order to show how effective it can be in order to justify membership.
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Sustainability of Cluster Management Organisation

Promote cluster management organisation among its members in order to show how effective it can be in order to justify membership (cont.):

- In order to promote the industrial cluster among its members some initiatives should be developed (cont.):
  - Events where the cluster invites potential members to attend, presenting their activities and the benefits of being a part of it
  - Profile creation in general and specialized cluster platforms or networks
  - Promote events for B2B matchmaking sessions and informal meetings for disseminating of the cluster’s initiatives
  - Annual critique of the cluster organisation’s performance
Participation of Black Sea region industrial clusters in project proposals is crucial to increment their international visibility.

Range of sequential initiatives such as:

- Capacity building of the Black Sea region cluster staff and members in Horizon 2020 processes and proposal development
- European opportunities identification service
- Promotion of international visibility of the Cluster and its members
- Development of H2020 proposals with Black Sea region clusters and/or its members as partners
Guidelines for Industrial Clusters

Sustainability of Cluster Management Organisation

Develop EC proposals and apply to other public funding with the participation of the cluster and its members (cont.):

- Range of sequential initiatives such as (cont.):

  - Promotion and dissemination of the Cluster among its members

  - Development of national and international partnerships

  - Monitoring and evaluation of the Horizon 2020 strategy implementation and impact
Guidelines for Industrial Clusters

Sustainability of Cluster Management Organisation

Involvement of several actors for enhancing sustainability

- Having a **structure based on a bottom-up approach** is considered to be related with **more sustainability**;

- Having both **industry and academia players as members of the cluster and its management board** can be an effective way of **involving different actors** from both sides and reaching additional opportunities for joint projects;

- Promotion of activities such as matchmaking actions, open innovation workshops, surveys, research and commercialization projects is considered **crucial for involving a different set of players** in the cluster.
Central pillars of income generation and sustainability for clusters are membership fees;

Clusters should have at least 20% of its budget generated by private sources such as membership fees, donations, sponsoring, participation fees or commercial services.

The cluster’s services must be effective so that the cluster members agree on paying a membership fee.
Online presence is fundamental for the sustainability, improvement and internationalisation of industrial clusters;

Provide the information on the website in English, as well as in the languages of the key countries targeted for collaborations and market opportunities.

- EORDIS Partner Service (https://cordis.europa.eu/partners/web/guest/home)
- European Cluster Collaboration Platform (ECCP) (http://www.clustercollaboration.eu/)
- Enterprise Europe Network (EEN) (https://een.ec.europa.eu/)
- European Regions Research and Innovation Network (ERRIN) (www.errin.eu)
- NMP TeAm Partner Search Facility (http://www.nmpteam.com/)
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Internationalisation of Cluster Management Organisation’s Members

Active presence from the industrial cluster and its members in relevant events and international missions

- Organisation and participation in different events and international missions, promotes the interaction among cluster members, enhancing the possibilities of international deals and partnerships with other clusters, companies or entities.

- Diverse range of events that the Black Sea Region cluster might attend or organize:
  - Open events or specific ones tailored to a specific community.
  - International missions to support the cluster members.
Black Sea region clusters should establish regular meetings with other national and international clusters, promoting development and internationalisation of its members;

Cluster cooperation could be done through the participation and organisation of thematic round tables, workshops, conferences, trade shows and exhibitions;

The coordination with industrial clusters that are located in the Black Sea region is important to have a common ground.
Being part of a network of international partners well positioned as RDI providers in European projects is crucial for the cluster’s participation in Horizon 2020 and other EC funding programmes;

The development of partnerships is even more important in the beginning of the establishment of the cluster;

The expected impact of the clusters relationships is the increase in the number of international organisations that know cluster and the increase in the number of cooperation agreements signed with international organisations.
Service to monitor and identify international (mainly European) RDI opportunities for the Black Sea region cluster and its members should be developed;

Cluster should design a clearly structured protocol defining several aspects:

- **Type of information to monitor** – such as open and forthcoming calls and topics as well as partner requests interesting for the cluster members;
- **Information sources to monitor**. Sources need to include the H2020 Participant Portal, the CORDIS partner search tool, the EEN database and ERRIN, among others;
- **Definition of monitoring frequency** of each information source and responsibilities;
- **Definition of the dissemination protocol**.
Cluster should establish a quality assurance team in order to fulfil the quality standards for clusters, namely such as the ones defined in the European Cluster Excellence Initiative (ECEI).

In addition to the ECEI quality standards, the cluster management team should also implement internal quality procedures and designate people to guarantee that the management actions are being applied in an efficient way.
Guidelines for Industrial Clusters

Management of Cluster Management Organisation

Constant update and revision of the members’ activities within the thematic of the industrial cluster

- Cluster management and the team members should support the clusters initiatives in their daily work, in a cumulative process;
- Cluster should be aware of its member’s initiatives, and to do so, the management team should constantly update and revise the member’s initiatives;
- The development of a communication platform is essential for exchanging information, experience and knowledge among the clusters members.
Guidelines for Industrial Clusters

Management of Cluster Management Organisation

Constant update and revision of the members’ activities within the thematic of the industrial cluster

- It is expected that during each year the cluster have **direct contact with at least 20% of the clusters participants**, that can be done through:
  - An actual visit from the cluster to the members’ facilities or vice versa;
  - An extensive bilateral exchange of information and experience (via telephone, email or other);
  - A joint work of the cluster and its members in specific projects, working groups, and/or other joint activities.
Part III – Next Steps
Next Steps

- Receive relevant inputs and contributions from the discussions held at the Clusters Managers Workshop in Kiev;
- Presentation will be sent to all Workshop participants;
- Disseminate the Guidelines Report in the Project Website ([https://blacksea-horizon.eu/](https://blacksea-horizon.eu/)) and it will be sent to all Workshop participants;
- One-on-one virtual discussions with the Workshop participants;
- Organisation of a bi-regional cluster networking and business exchange meeting in Budapest for around 20 cluster managers from the EU and the target region to establish direct contacts.
- Two workshops on inclusive and social innovation addressing instrument designers on the one hand (workshop in Tbilisi) and companies and social entrepreneurs on the other (workshop in Sofia).
Contacts

EUROPE - PORTUGAL

SPI PORTO* AND SPI VENTURES
- Avenida Marechal Gomes da Costa, 1376
  4150 - 356 Porto, PORTUGAL
  - spipporto@spi.pt
  - +351 226 076 400
  - +351 226 099 164
  - www.spi.pt
  - www.spi-ventures.com

SPI COIMBRA
- Instituto Pedro Nunes, Rua
  Pedro Nunes Ed.D
  3030 - 199 Coimbra, PORTUGAL
  - spicentro@spi.pt
  - +351 239 909 854
  - www.spi.pt

SPI LISBON
- Avenida 5 de Outubro,
  12, 4°D
  1050 - 056 Lisbon, PORTUGAL
  - spilisboa@spi.pt
  - +351 214 212 249
  - www.spi.pt

SPI AZORES
- Avenida Príncipe do Mônaco, Bloco 5, 2º Drt,
  9500 - 236 Ponta Delgada,
  PORTUGAL
  - spiacores@spi.pt
  - +351 226 076 400
  - www.spi.pt

SPI ÉVORA
- Parque de Ciência e Tecnologia do Alentejo,
  Rua Luís Adelino Fonseca,
  Lote 1A, 7005 - 841 Évora,
  PORTUGAL
  - spiaentejo@spi.pt
  - +351 266 769 152
  - www.spi.pt

EUROPE - SPAIN

SPI SANTIAGO DE COMPOSTELA
- Centro de Negocios Costa Vella,
  Rua de Amio 114,
  15707 Santiago de Compostela,
  Galicia, SPAIN
  - spi@spiconsultoria.es
  - +34 981 535 927
  - www.spiconsultoria.es

ASIA - CHINA

SPI BEIJING
- Rm. 1626B, F16, Tower A, Top
  Electronic City, No.3 Haidian
  Avenue, Haidian District,
  Beijing 100080, CHINA
  - spichina@spi.pt
  - +86 10 5982 2143/45
  - www.spi-china.cn

SPI MACAU
- Avenida da Praia Grande,
  nº 759, 5º andar
  Macau, CHINA
  - spichina@spi.pt
  - +86 10 5982 2143/45
  - www.spi-china.cn

ASIA - SINGAPORE

SPI SINGAPORE
- 3 Science Park Drive
  #02-12/25 The Franklin,
  Singapore Science Park,
  118223 SINGAPORE
  - spisingapore@spi.pt
  - +65 677 440 48
  - www.spi-singapore.com

NORTH AMERICA - USA

SPI CALIFORNIA
- 2522 Chambers Rd. Suite
  204 Tustin, CA 92780,
  USA
  - splusa-irvine@usaspĺ.com
  - +1 714 573-4062
  - www.usaspĺ.com

SPI WASHINGTON D.C
- 1050 17th Street,
  NW - Suite 600
  Washington DC 20036,
  USA
  - splusa-washington@usaspĺ.com
  - +1 202 587-2990
  - www.usaspĺ.com

* SPI headquarters