



Identifying the main Objectives and Activities of Cluster Programmes

PRODUCED BY THE CEE – CLUSTER NETWORK –
EUROPEAN CLUSTER ALLIANCE CONSORTIUM OF PARTNERS

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www.proinno-europe.eu/cee-clusternetwork

This report was written by the coordinators of the Inno-Net project “CEE-ClusterNetwork” and the European Cluster Alliance working area “Identifying the main objectives and activities of European Cluster Programmes – with Emphasis on the Internationalisation”.



Oberösterreichische Technologie
- und Marketinggesellschaft m.b.H., AT

www.tmg.at

CLUSTERLAND
OBERÖSTERREICH GmbH

Clusterland Oberösterreich GmbH, AT

www.clusterland.at

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1

CEE-ClusterNetwork

Clusters have become an effective instrument to promote and foster innovation, co-operation between SME and R&D-institutes as well as technology transfer. In the past clusters have mainly operated at a regional/local level and recently started to facilitate cross-border co-operation on a case-by-case project basis.

The CEE-ClusterNetwork project involved eleven neighbouring cluster regions in Central and Eastern Europe who are keen to mobilise and support national and regional innovation policy actors to carry out and design co-operation activities together with other competent public authorities.

CEE-ClusterNetwork Partners:

- **Austria** – Lower Austria / Salzburg / Tyrol / Upper Austria
- **Hungary** – West Pannon
- **Czech Republic**
- **Italy** – South Tyrol
- **Poland**
- **Slovenia** – Region Podravje
- **Slovakia**
- **Croatia**

The project aimed for a coherent development of innovation and cluster policies at three levels:

- 1 Policy level;
- 2 Administrative level;
- 3 Level of regional development agencies and cluster initiatives.

The involvement of these three levels and taking into consideration their experiences and knowledge was the red thread throughout the project lifetime.

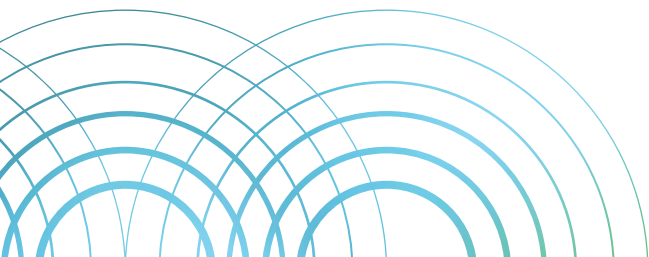


1 KEY ACTIVITIES

- Analysing existing innovation and cluster initiatives and programmes;
- Quality Guidelines: agreement on a common understanding and common criteria;
- CEE Cluster Agreement commitment on common future strategies and objectives;
- Bringing together political and administrative policy makers;
- Operative Cluster Action Plan on basis of the CEE Cluster Agreement;
- Planning, implementation and evaluation of two to three cross-border pilot actions;
- Development of trans-regional programmes for innovation and cluster activities;
- Establish close links with existing and planned European innovation programmes within the framework of the PRO INNO Europe initiative and the European Cluster Alliance.

2 MAIN RESULTS AND ACHIEVEMENTS

Contribution to the European Cluster Memorandum	→	Delivered a detailed overview on clusterwide needs of CEE regions and countries in regard to future strategic points of interest.
Quality Guidelines Analysing existing cluster and network programmes	→	3 reports examine policy frame work, the nature of industrial clusters in Central and East Europe (CEE); Agreed Quality Guidelines for effective cluster management
CEE Cluster Agreement commitment on...	→	... common strategies and objectives for the future innovation & cluster policy signed by politicians representing all CEE CN countries and regions, Brussels Nov. 2007
Intensive involvement of the administrative governmental level	→	E.g. "speed-dating" in a 3-step workshop to increase cross-border cooperation as basis for setting up concrete & Sustainable cross-border cooperation
Cluster Action Plan jointly identified fields of future co-operation	→	13 trans-regional project ideas, 4 selected for implementation: Cluster Manager Qualification, Information & Communication Platform for cluster initiatives, FORINT - Fostering non-technological innovation, Future Cluster Skills
Drafting of a trans-regional Innovation Support Programme	→	Preparation of 2 different drafts: a. European Cluster Mentoring Programme b. Methodology Proposal for "Developing a Trans Regional Innovation Support Programme for NMS in CEE



3 EXAMPLES OF PILOT ACTIVITIES - IMPLEMENTED

“CLUSTER MANAGER QUALIFICATION”

- Aiming at a better understanding of cluster management challenges and preparing the ground for future training programmes for cluster managers, CEE-ClusterNetwork conducted a large-scale survey on tasks, necessary skills and training needs of cluster managers.
- Summary report of a comprehensive survey on tasks, skills & training needs of European cluster managers is published on the PRO INNO Europe homepage.
www.proinno-europe.eu/extranet/NWEV/uploaded_documents/CMQ-summary-report_CEE-CN_090428.pdf
- The Cluster Manager Qualification pilot and its results could be successfully embedded into the strategic PRO INNO Europe project “Cluster Excellence.eu – the European Cluster Excellence Initiative” where several CEE-CN partners participate (ecoplus/Lower Austria, Clusterland/Upper Austria and CEA NCC/Croatia). This project started in September 2009 and will last until August 2012.

“CLUSTERBRAIN” – A COOPERATION PLATFORM FOR CLUSTER ORGANISATIONS AND COMPANIES” ► EUROPEAN CLUSTER OBSERVATORY

- All CEE-CN partners agreed on the common and urgent need for an information & communication platform. This idea was summarized and brought forward in a proposal for the Europe Innova call for the second phase of the European Cluster Observatory, where Upper Austria acts as consortium partner. A particular attention will be given to the involvement of the CEE ClusterNetwork regions, as well as other new CEE regions, towards a visible Meta-region Central and Eastern Europe.

“SCINNOPOLI – SCANNING INNOVATION POLICY IMPACT”

- Discussing and planning started at CEE-ClusterNetwork workshop on coherent policy development in Oct. 2008/Bratislava.
- Overall objective: To improve continuously the effectiveness and efficiency of the regional innovation policy through an effective impact scan system in order to increase the firms’ and regional competitiveness, create new high quality jobs and thus and increase the regional welfare.
- The proposal was submitted as an INTERREG IVC project in January 2009 and approved in November 2009.
- Partners involved: ecoplus (LP) and WPRDA – West Transdanubian Regional Development Agency, among others.

“DESIGN WEST” – EVENT SERIES

- Cooperation between Salzburg, Tyrol and South-Tyrol in the design sector
- Design was identified on administrative level as a common strategic issue to foster trans-regional cooperation and to raise awareness for the importance that enterprises implement "Design" in their innovation processes.

“AC CENTROPE 2009+”

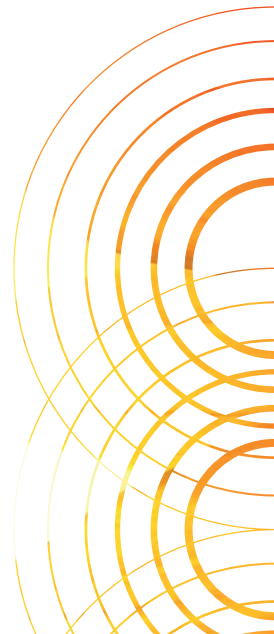
- Goals: Common establishment and implementation of cross-border benchmarking club in automotive and supply industry in Centrope area and the cartographic mapping of cluster members.
- Partners involved from Lower Austria and Slovakia (cross-border cooperation). Implemented through Interreg.

“AUTOCLUSTERS”

- Goals: To increase the innovation activities in the universities and the creation of space for the implementation of innovation in the region, to set up a common education policy and to create a strategy for innovative parks.
- Partners: Slovakia, Croatia among others. Implemented through Interreg SEE.

“ENERBUILD – ENERGY EFFICIENCY IN BUILDINGS”

- An Interreg IVB Alpine Space project where the partners from Tyrol and South Tyrol participate was approved. The involvement of the Slovenian and Croatian partners is still in preparation as potential associated partners.



“CEBBIS – CENTRAL EUROPEAN BRANCH BASED INNOVATION SUPPORT”

- ➔ The project will be addressed to enterprises with an ambition to innovate their products but without sufficient resources for that. The project is especially suited for clusters as they are branch oriented.
- ➔ Partners involved: ARP- Polish Industrial Development Agency and West Transdanubian Regional Development Agency, among others. The proposal has been positively evaluated and approved for financing within the frames of Operational Program Central Europe. The work on the project will start in March 2010.

“FUTURE CLUSTER SKILLS”

- ➔ Goals: Development of training seminars, know how exchange activities for the clusters in the area of sustainable construction and metal manufacturing industry.
- ➔ Partners: Slovenia, Croatia, Tyrol, Upper Austria, among others. Still in preparation.

“FOSTERING ORGANISATIONAL AND MARKETING INNOVATION OF SMES”

- ➔ Objective: To develop innovation competencies of SMEs by using a new organisational and marketing toolkit. Partners: West Transdanubian Regional Development Agency, ecoplus and Clusterland, among others.
- ➔ Submitted under INTERREG SEE in spring 08 ▶ rejected ▶ continuing looking for new possible calls for a renewed, improved application.

DRAFTING OF A TRANS-REGIONAL INNOVATION SUPPORT PROGRAMME

As final task the CEE-ClusterNetwork developed 2 very different programme drafts supporting the trans-regional cooperation.

“European Cluster Mentoring Programme”

- ➔ Developed to ensure a long-term and intensive continuation of the know-how transfer initiated during the project lifetime – at the level of cluster organisations.
- ➔ The mentoring concept is not new, but its application in the cluster management environment would be.
- ➔ Intention to further actively pursue searching for implementation possibilities for the programme in the near future.

Methodology Proposal for “Developing a Trans Regional Innovation Support Programme for NMS in CEE”

- ➔ The clusters are supported either on the national or regional or on the European level. There is no multilateral cluster support system developed so far, the only exceptions are the interregional projects. The aim of this study is to propose a methodology for the development of trans-regional support programmes for trans-national cluster support. The proposed methodology aims at increase of trans-national cluster cooperation, transfer of technologies and know-how, costs cutting, market access and finally competitiveness increase of the cluster companies.

5 CONTRACTORS INVOLVED



TMG - Oberösterreichische Technologie
- und Marketinggesellschaft m.b.H.
Hafenstraße 47-51, 4020 Linz, Austria
+43 732 79810-0 • info@tmg.at



Czechinvest Investment and Business Development Agency
Stepanska 15, 12000 Prague 2, Czech Republic
+420 296 342 500 • info@czechinvest.org



ecoplus - The Business Agency of Lower Austria Ltd.
Niederösterreichring 2, Haus A, 3100 St. Pölten Austria
+43 2742 9000-19600 • headoffice@ecoplus.at



BIC Bratislava spol. s r.o.
Zochova 5, 811 03 Bratislava, Slovak Republic
+421 2 5441 7515 • bic@bic.sk



West-Transdanubian Regional Development Agency
Non-profit Limited Liability Company
Csatkai u. 6, 9400 Sopron, Hungary
+36 96 526-005 • titkarsag@westpa.hu



ARP - Agencja Rozwoju Przemyslu
(Agency of industrial Development)
Woloska 7, 02-675 Warszawa, Poland
+48 22 4603-786 • Zygmunt.Wons@arp.com.pl



Innovations - und Technologietransfer Salzburg GmbH
Südtiroler Platz 11, 5020 Salzburg, Austria
+43 662 8042-3141 • info@itg-salzburg.at



TIS innovation park
Siemens-straße 19, 39100 Bozen, Italy
+39 0471 068000 • info@tis.bz.it



Tiroler Zukunftsstiftung
Kaiserjäger Straße 4a, 6020 Innsbruck, Austria
+43 512 57 62 62 • office@zukunftsstiftung.at



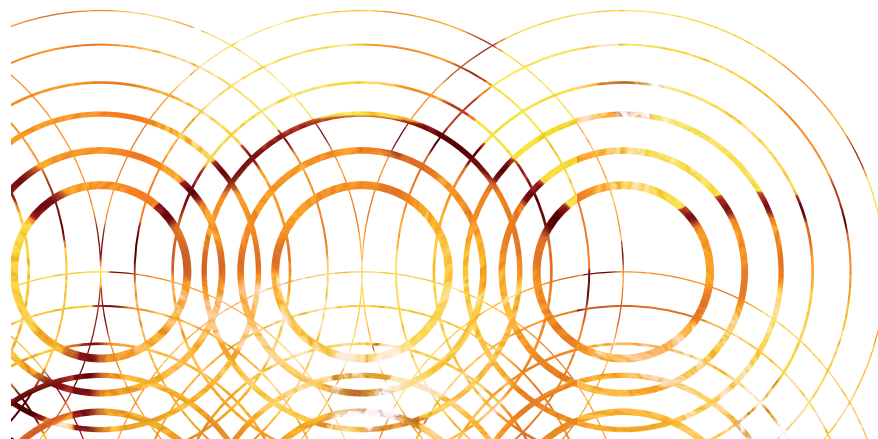
Croatian Employers' Association National Centre for Clusters
Ulica Pavla Hatza 12
10000 Zagreb, Croatia
+385 1 48 97 555 • hup@hup.hr



Maribor Development Agency/Euro Info Center Maribor
Pobreska cesta 20, 2000 Maribor, Slovenia
+386 2 333 1302 • een@mra.si



Clusterland Oberösterreich GmbH
Hafenstraße 47-51, 4020 Linz, Austria
+43 732 79810-5118 • info@clusterland.at



2 Identifying the Main Objectives and Activities of Cluster Programmes – with Emphasis on the Internationalisation

The key goal was to get an overview of the main objectives and activities of cluster programmes across Europe, with an additional focus on the internationalisation process. In order to receive a broad input, it was decided therefore to involve not only the partners assigned to Working Area 4, but also different other partners from the European Cluster Alliance, in order to get a larger representativeness for Europe.

The analysis is based both on desk research as well as on direct approach of the partners through a set of 2 questionnaires:

- One dedicated to the cluster programmes – so to say, the airplane perspective;
- The other one was dedicated to the identification of activities regarding international cluster cooperation in relation to the cluster programmes – so to say, the bird's eye perspective.

Additionally, two international workshops were organized:

- One focused on the CEE region;
- The other one gathering representatives of the European Cluster Alliance from all Europe.

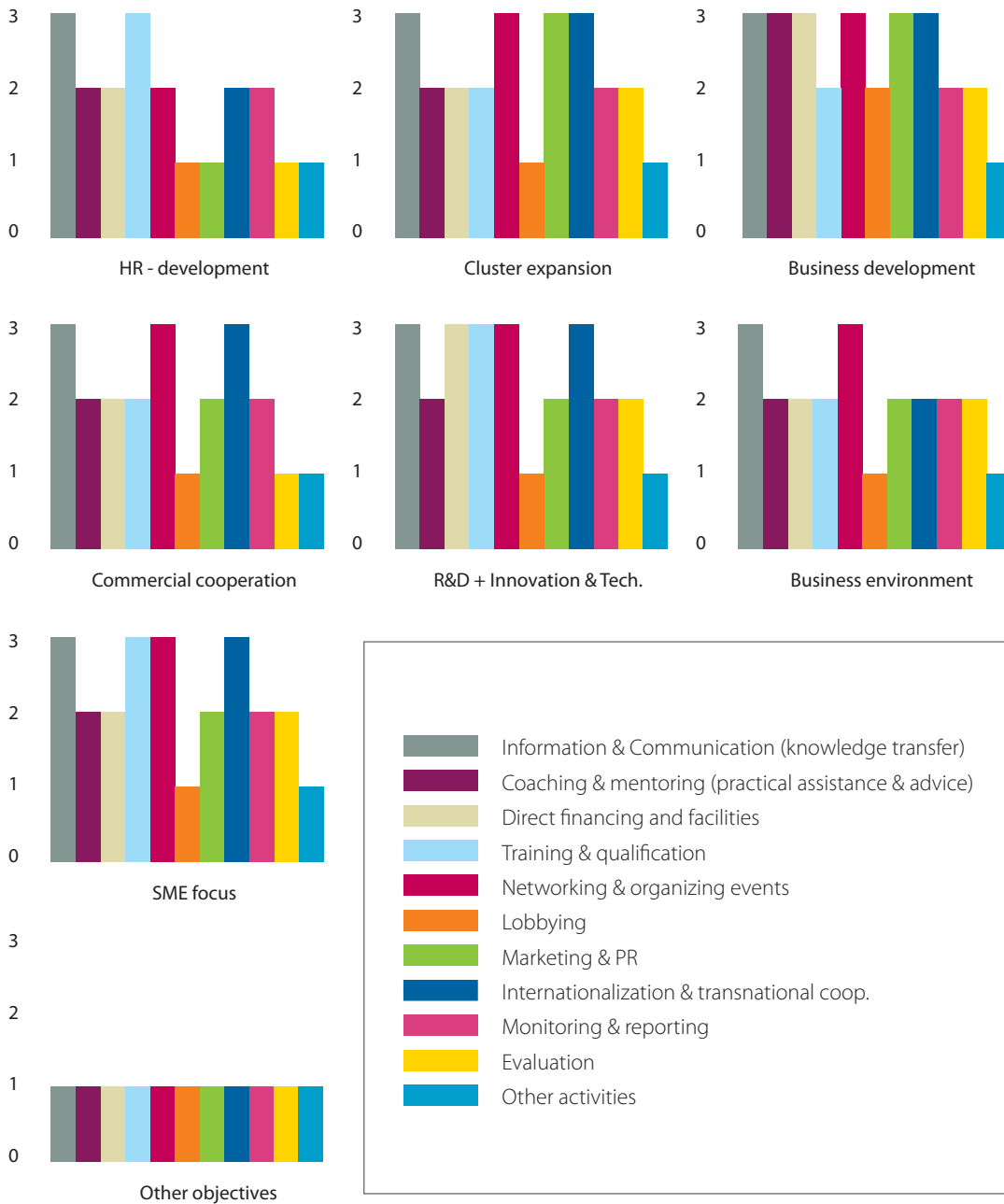
The main sources of information for the desk research were the European Cluster Observatory, the study "Internationalisation of Networks – Barriers and Enablers" by VDI/VDE Germany, as well as other materials provided by the interviewed partners.

The questionnaire related to the objectives and activities of cluster programmes was answered by 24 organisations that provided data about 48 European national or regional cluster policies and programmes.

The following countries are represented in the survey: Austria, Belgium, Croatia, Czech Republic, Estonia, Finland, France, Germany, Greece, Hungary, Iceland, Italy, Norway, Poland, Slovak Republic, Slovenia, Spain, Sweden, Turkey and United Kingdom.

It is important to mention here the commitment of certain European Cluster Alliance partners to collect information not only from their own region or country, but to extend their investigations also to other regions and/or countries to which they have good contacts.

A graphical representation of the general output can be seen below.



On the horizontal line the objectives of the cluster programmes are depicted, while the vertical coloured columns show the activities used in order to achieve the objectives.

- 1 → mentioned by a low number of programmes (1 - 9)
- 2 → mentioned by a medium number of programmes (10 – 19)
- 3 → mentioned by a high number of programmes (over 20)

One of the goals of the Working Area 4 was to validate a table showing both objectives and activities – see below. The activities related to internationalisation and trans-national cooperation as well as evaluation are new in the table. An additional objective included is the SME focus in the cluster policies and programmes.

24 reporting institutions 48 programmes analysed								
	HR - development (to ensure the future supply of a skilled workforce)	Cluster expansion (increase in the no. Of cluster players and the efficiency of clusters)	Business development (Including internationalisation)	Commercial co-operation (aiming to support business)	R&D, I&T technology (Increase innovation through cooperation between companies & R&D institutions)	Business environment (Improving the infrastructure for business)	SME focus (Strengthen the regional/national competitiveness, with focus on SMEs)	Others
Information & Communication (knowledge transfer)	***	***	***	***	***	***	***	*
Coaching & mentoring (practical assistance & advice)	**	**	***	**	**	**	**	*
Direct financing and facilities	**	**	***	**	***	**	**	*
Training & qualification	***	**	**	**	***	**	***	*
Networking & organizing events	**	***	***	***	***	***	***	*
Lobbying	*	*	**	*	*	*	*	*
Marketing & PR	*	***	***	**	**	**	**	*
Internationalization & transnational coop.	**	***	***	***	***	**	***	*
Monitoring & reporting	**	**	**	**	**	**	**	*
Evaluation	*	**	**	*	**	**	**	*
Other activities	*	*	*	*	*	*	*	*

The table above shows that after information & communication (knowledge transfer), networking and organisation of events, internationalisation and trans-national cooperation are activities with the highest importance towards the achievement of the objectives defined in the cluster programmes.

Internationalisation for clusters seems to be an activity taken into account for each objective (rather a high presence) and reflects the fact that no economy – be it at regional or national level - can afford to ignore the international factor. A special attention is given to develop activities (tools) at international level for the business development and commercial cooperation for R&D, innovation & technology and award a special focus to the SMEs.

The questions regarding international cluster cooperation addressed to the ECA members who provided inputs to the general questionnaire were targeted to provide answers regarding:

- 1 The existence of an internationalisation strategy in the cluster policies and programmes;
- 2 International and trans-national activities foreseen in the programmes and/or carried out by cluster stakeholders;
- 3 International and trans-national activities foreseen in the programmes and/or carried out by cluster organisations;
- 4 The geographical focus of these activities (Europe/outside Europe);
- 5 Success stories – if available.

Eleven ECA members provided valuable answers to these questions. They represent countries/regions with a strong cluster background as well as those with a rather young history in cluster development.

Going into detail on each point mentioned above, the following conclusions can be drawn from the answers received in the survey:

1 THE EXISTENCE OF AN INTERNATIONALISATION STRATEGY IN THE CLUSTER POLICIES/PROGRAMMES

In most cases studied there is an international strategy embedded in the cluster programmes. In certain regions, where cluster programmes are under further development, there is the awareness for the need of such a strategy.

The declared aims of an international strategy in the cluster programmes were:

- To enable the development of world-class clusters;
- To develop internationally competitive sectors and to maximize the international potential of the region's science & innovation, RTD and education assets (as in Northwest, UK, where close cooperation with the UK Trade & Investment plays a key role);
- To increase the international competitiveness of entrepreneurs;
- To develop the framework for strong research and innovation environments in order to work more systematically and strategically on international challenges (as the Global Links programme within the VINNVÄXT programme, Sweden);
- To create a large pool of international cooperation in neighbouring regions like the Mediterranean region (as in France);
- To support the intensification of international cooperation among business players (as in Upper Austria).

2 INTERNATIONAL AND TRANS-NATIONAL ACTIVITIES FORESEEN IN THE PROGRAMMES AND/OR CARRIED OUT BY CLUSTER STAKEHOLDERS (THE NATIONAL OR REGIONAL CLUSTER POLICY LEVEL)

The following activities mentioned by the interviewed ECA partners cover a wide spectrum ranging from:

- The organisation of study trips for the regional stakeholders;
- The organisation of trainings for cluster managers and executives;
- The identification and intensification of active complementarity between export oriented policy measures and SME support for international activities;
- The involvement of cluster organisations in activities related to trade development and inward investment;
- The promotion of clusters at international level and support of linkages with similar organisations (act as international gateway for the clusters, provide information on international platforms/conferences, etc.);
- The institutionalisation of cluster evaluation through international panels;
- The participation in EU-programmes and practice international cooperation at this level, putting their international structures already developed for enterprise support on foreign markets (permanent business missions, commercial attachés, office representatives, etc.) at the disposal of the cluster for better targeted support for SMEs;
- The creation of new structures for transnational cooperation in RDI (call for proposals and funding);
- The signing of agreements, MoUs, etc., with peers where international cluster cooperation plays a central role.

3 INTERNATIONAL AND TRANS-NATIONAL ACTIVITIES FORESEEN IN THE PROGRAMMES AND/OR CARRIED OUT BY CLUSTER ORGANISATIONS

From the perspective of the cluster organisations the activities undertaken are categorized in: activities focusing on supporting cluster members and activities aiming to increase cooperation among cluster organisations. The second category is to be seen only an intermediate station – cluster organisations should cooperate with peers for different reasons, but all these reasons are to be seen as subordinated to the main goal of the cluster organisations, namely to best service its members.

Hereafter are some examples of international activities focused on the service of the cluster members (in particular SMEs):

- Study trips with companies;
- Joint participation at international fairs (joint exhibition stands);
- Technology presentations (e.g. suppliers to the original equipment manufacturers (OEMs));
- International events (match-making, forums, workshops, speakers to/from abroad);
- Supporting cooperation projects of cluster members with international impact;
- Initiation of participation in collaborative EU-funded projects;
- Training and support of cluster members with know-how needed for international activities (like IPR/franchising issues), strengthening the positioning on foreign markets;
- Trend scouting.

At the level of cooperation with peers (between cluster organisations) the following activities were mentioned:

- Initiation/participation in EU projects (the INTERREG/CIP/FP7 frameworks are well used in this direction);
- International networking of cluster managers (participation at events of all kinds, keeping evidence of past/present developments for the future, etc.);
- Signing cooperation agreements;
- Study visits;
- Joint activities (organisation of joint events, common projects, etc.);
- International cluster trainings;
- Strengthening the regional cooperation among cluster organisations within a country in order to get "economies of scale" and have more potential for cooperation with peers at international level.

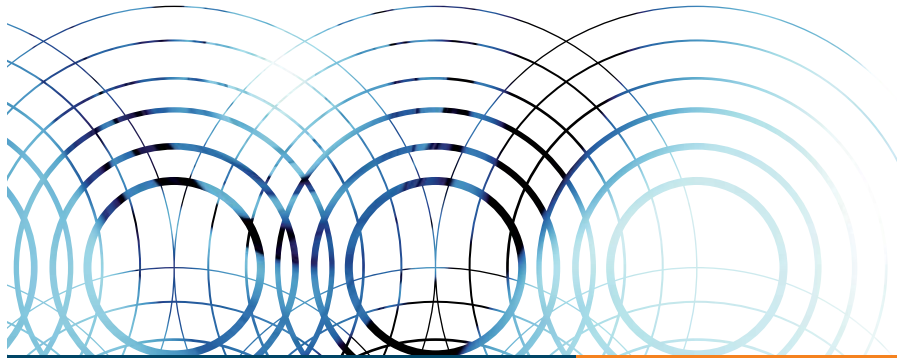
The measures to support the cluster internationalisation are different from cluster organisation to cluster organisation, depending on the maturity stage or specific needs of the industrial sector, although in the same region. For example, the Automotive Cluster in Upper Austria largely represents the supplier firms and puts a particular emphasis in bringing these enterprises to the OEMs located abroad; the Wood & Timber Construction cluster or the Food Cluster represent sectors where the market is rather regional or national. The Plastics Cluster is technology oriented and strives for bringing international know-how into the region.

The activities mentioned above are part of the pilot "innovation express initiative" launched within INNET and to be strengthened through the ECA in the frame of the new TACTICS project. (For details on first results see ANNEX I.)

It was interesting to see that both the cluster stakeholders at regional and/or national level (like ministries, regional governments or development agencies, other bodies at the programme level) are involved in international activities foreseen in the cluster programmes, as well as the cluster organisations. The fact that both levels are active in international activities is positive and brings synergies despite the fact that they have different perspectives. While the cluster stakeholders often act as international gateways for clusters, the organisations focus on the implementation and provide feed-back for the further development of the cluster programmes, based on their own (positive) experiences.

4 THE GEOGRAPHICAL FOCUS OF THESE ACTIVITIES (EUROPE/OUTSIDE EUROPE)

The general focus for the cooperation lies without doubt in Europe, but trans-continental orientation is becoming an increasing issue and plays a strategic role. The main countries outside Europe mentioned are USA, Canada, Japan, India, China, Malaysia and Russia.



3

Success stories

1

AUSTRIA

LOWER AUSTRIA

Good experiences have been acquired in Lower Austria with collective research projects (supported by the CORNET programme (ERA-Net) or FP7 Research for the benefit of SME associations), where SMEs can be involved in international research. Cluster organisations play a crucial role in defining the research task for the benefit of a larger group of companies, building the bridge between SME and R&D, managing the projects and disseminating the results to a broader community. INTERREG programmes also play an important role, but here the involvement of the companies is rather difficult.

UPPER AUSTRIA

The Technology Presentations ("Automotive Cluster Suppliers Day") is one of the most important international services of the Automotive Cluster in Upper Austria. This cluster, as an intermediate agent, looks among its cluster members for potential suppliers to large OEMs and offering them the chance to present themselves, their products and know-how to potential customers.

The cluster organisation set up this service as a method to collect supply and demand offers in a very efficient way. The benefit for the cluster members is that they overcome entry barriers to large potential customers and become „fit“ for the automotive business. The advantage for the customers (large OEMs like the big German car manufacturers) is that the cluster management pre-selects the best suppliers (in line with the OEM demands) and the process of finding the most suitable supplier increases in efficiency and quality.

The success of this activity is measured by the extremely high satisfaction of the cluster members (especially SMEs) who managed to start cooperation with car manufacturers in Germany - something that is merely impossible if they try to do this on their own, without the cluster support. The success of this activity is measured as well by the excellent feedback received from the German car manufacturers concerning the ideas/projects developed through this activity.

2

CROATIA

In 2007 the Croatian Special Garment Cluster has opened its own representative office in Kuala Lumpur, Malaysia, with the task of importing low-priced raw materials for textile related industries and presentation and exports of Croatian products to the Asian countries. In November 2007 the cluster organized a very successful joint participation at the INTRADE fair in Malaysia, followed soon by the first requests for participation in tenders for supplying military and special equipment. At the moment gray fabrics /loom state/ for the needs of Croatian textile industry are imported, as well as finished fabrics which are used in exports- oriented production. At the same time, via the representative office in Malaysia, the cluster opened a representative office of a large Indonesian corporation in Croatia, with the target to supply high quality textile materials for the Croatian market with the perspective of an accelerated participation in green-field investments in the region.

3 FRANCE

The poles de compétitivité are involved in many bilateral and trilateral cooperation processes (like for example those partnerships where the System@TIC pole is involved) supported by the new "Innovation express initiative" (from PRO INNO project INNET) with partners from Flanders and Netherlands.

Some other initiatives, with the support of "Regions of Knowledge" demonstrate a strong commitment of the French clusters (Pôles Mer Paca and Bretagne, Plastipolis, etc.) to develop international strategies for the benefit of companies.

In order to sustain the active complementarity between export oriented policy measures and SME support for international activities a specific French initiative supported by the French national authorities has been launched in France between UBI France and OSEO.

For the promotion of clusters at the international level, new initiatives were developed, especially by the Paris Ile DE FRANCE authorities to favour transnational activities, e.g. the PRITT conference (Nov. 2009) attended by 70 European clusters, out of which half are linked to the INNET project and the European Cluster Alliance (ECA) network.

For the purpose of participation in EU programmes, a French public initiative was launched in 2007 by the Ministry of Industry and involves more than 15 "pôles de compétitivité" in order to increase the involvement of French organisations in FP7 through cluster governance.

4 GERMANY

The BalticNet PlasmaTec represents a network involving 40 members coming from different sectors and from 10 different countries aiming to strengthen the networking in RDI as well as in education, to ensure cooperation and support for SMEs and to increase the international visibility of the members through joint marketing activities (www.balticnet-plasmatec.org).

5 GREECE

Corallia organises with the microelectronics and embedded systems cluster every year an international road show targeting the large Greek diaspora with view to:

- Attract (repatriate) engineers, scientists, academics, professionals and entrepreneurs, of Hellenic origin, with the aim to increase the business activity in Greece, either through relocating businesses from abroad, or through establishing new businesses and start-ups in Greece, or through their employment in existing high technology businesses in the country;
- Raise awareness among foreign financial circles with the aim to attract private equity through venture capital or other forms of quality (direct) investments to assist in the establishing and growth of businesses and start-ups in Greece.

Through this activity and follow up communications during the year many qualified scientists and entrepreneurs have been repatriating during the last years and contribute in reducing the brain and wealth drain overseas.

6 HUNGARY

Of course we greatly make use of the experience we gain from the CEE-ClusterNetwork project. The West Transdanubian Regional Development agency keeps focusing on the cross-border co-operations, especially in case of the AT-HU and the SK-HU collaborations. We have three ongoing ETC projects (IRIS, RECOM, HUSKI) now in which we stimulate and support the formation of several long term strategic partnerships. The methods both of network building and project generation are gained mostly from the CEE-ClusterNetwork project.

For instance in case of the border region of Slovakia and Hungary there are several new project proposals in the active project development phase conducted by cluster managers in thematic fields like plastics production and tourism.

Also with our partners we want to foster and strengthen more the fundamentals of the cross border innovation system between Austria and Hungary.

As a new trend cluster managers more and more would like to use the services of the Brussels Representation of the West Pannon Region run by the West Transdanubian Development Agency. The Representation can arrange some training programmes on e.g. EU industry or EU SME related policies for the cluster managers and cluster members in Brussels. They have also requests for regular and thematic information services on EU level of project partnership searches and new regulations offered by the Brussels Representation.

7 SLOVAKIA

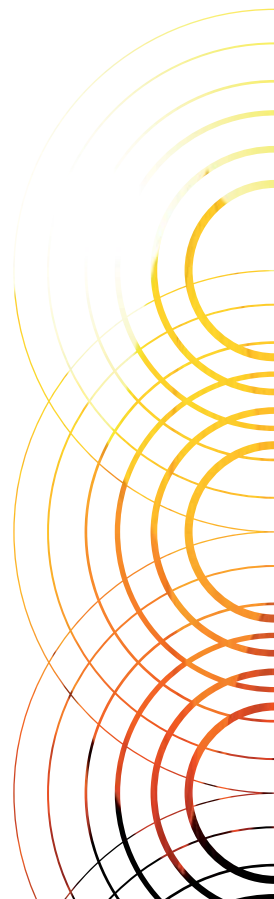
Here cooperation is focused mostly on cross-border cooperation being initiated through the special cross-border programmes.

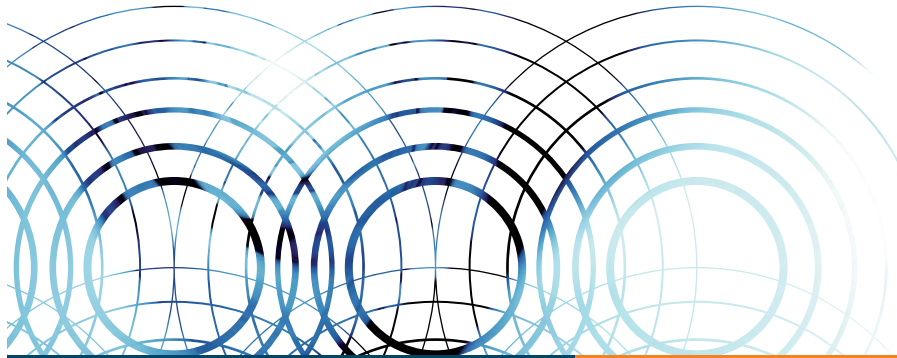
8 SWEDEN

In the VINNVÄXT-programme there are lots of examples of international cooperation and contacts, at EU level, as well as, special cooperation activities between clusters in Sweden and for example Norway, France and Scotland etc.

Some examples of international networking are:

- BSR-InnoNet: two VINNVÄXT-clusters (Food Innovations and the Bio refinery) are active in the pilot programme together with other clusters from the Baltic-Region (Networks of Clusters);
- Furthermore the cluster Fiber Optic Valley attended the TCI conference in Cape Town and went home with 7 leads to work further on;
- Smart Textiles got international contacts all over the world to study how an old declining industry could innovate with a high potential of renewal;
- In the north Process IT Innovations has a very close cooperation with Finland and the cluster is also taking part in many EU-programmes.





4 The output summary of two international workshops

1 THE CEE-CLUSTER NETWORK WORKSHOP, BOLZANO, MARCH 2009

During the steering committee meeting, hosted by TIS Innovation Park in Bolzano, S-Tyrol/IT we opened the discussion on the cluster internationalisation topic: trying to find answers to questions like:

- Why internationalisation;
- The role cluster organisations play in this process: pro-active or accompanying;
- Strategies:
 - Is international cluster cooperation integral part of the cluster programme or not;
 - Do cluster organisations have an international strategy themselves or not.
- Tools and instruments currently used in international cluster cooperation;
- Barriers and how to remove them;
- Financing – role of the region, country, EU;
- Geographical focus: trans-national vs. trans-continental or both;
- Success stories.

Below there is a short summary of the output of the discussions:

- ➔ Internationalisation depends to a certain extent on the sector/size of the firms. If the firms are very small, the focus for cooperation remains within the regional or national level, while internationalisation activities serve rather for giving a perspective.
- ➔ Experience shows that internationalisation activities depend sometimes on the individual capacity (know-how, motivation, interest) of the cluster manager to engage in such activities. The example given was that of the Slovakian automotive cluster involved in strong activities with the Ukrainian market (with large benefits for the cluster members), just because the cluster manager had the contact/network and the will to cooperate with Ukraine. It is certainly not a systematic approach, but a random one. The more pro-active the cluster manager is, the more international cooperation takes place; this is also the Czech experience.
- ➔ An issue brought up by Slovenia was the relation between EEN and cluster organisations, since the authority coordinating both is the same. In this way, they have to serve all the firms, not just the cluster firms. A wish has been expressed for more cooperation between EEN and cluster organisations. The Hungarian example of the wood cluster is similar.
- ➔ The need for a strong international network at the cluster organisations level – be an (active) part of such an international network – is seen as a prerequisite for international cluster cooperation.
- ➔ Concerning barriers: based on the example of an attempt for cluster cooperation between the region of Salzburg and Bavaria in the field of food & beverages, it turned out that the differing legal frameworks are an issue and can hinder the cooperation. Another statement was that the smaller the enterprises are the bigger the barriers for cooperation are.

- ➔ Additional barriers mentioned:
 - Lack of trust;
 - Compatibility of partners;
 - Lack of strategic thinking in terms of internationalisation of the cluster Management.
- ➔ The speed for developing international cooperation at company level is an important factor:
 - The companies do not have time to wait for months/years until cooperation becomes possible;
 - They want quick – and measurable - results.
- ➔ Concerning the definition of “internationalisation”, three areas have been identified as important in the process:
 - Technology transfer;
 - Know-how transfer;
 - Marketing.

As such, internationalisation is perceived to be more than just networking. It is rather about building up international partnerships, whereas the complementarity of the cooperating clusters is seen as crucial.

- Whether the cooperation is in the same sector or cross-sectoral, there is a definite need for flexible clusters in order to cope with the international processes;
- There is a need to explore more the approach of thematic focus vs. sectoral focus in the cooperation;
- Trend-scouting (finding out where special know-how is available) has rather a global dimension, beyond European borders and is considered to play an increasing role in the coming years for the cluster organisations as a special service, in particular for SMEs which cannot get otherwise such knowledge;
- The demands for and expectations from internationalisation differ between the cluster management level and the political level.

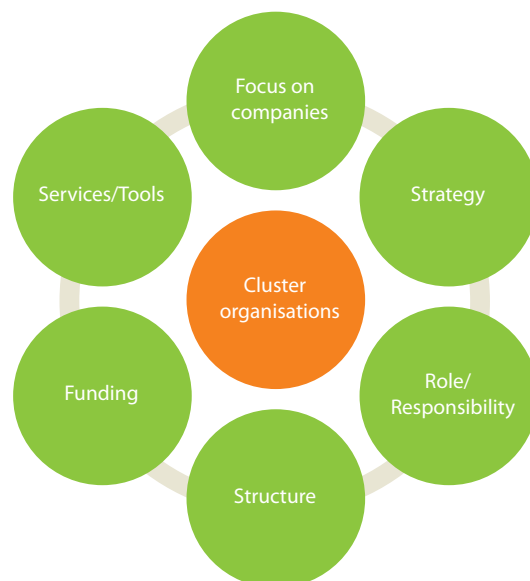
2 WORKSHOP WITH REPRESENTATIVE OF THE EUROPEAN CLUSTER ALLIANCE, VIENNA, APRIL 2009

The next step the activities within the Working Area 4 was to organise a workshop with representatives of the European Cluster Alliance from all over Europe to discuss this input and work on recommendations for measures to support the process of international cluster cooperation.

A particular attention has been given to the role cluster organisations play in the internationalisation process as they are the intermediaries between the policy makers and the beneficiaries of the policies – the enterprises and the other cluster members.

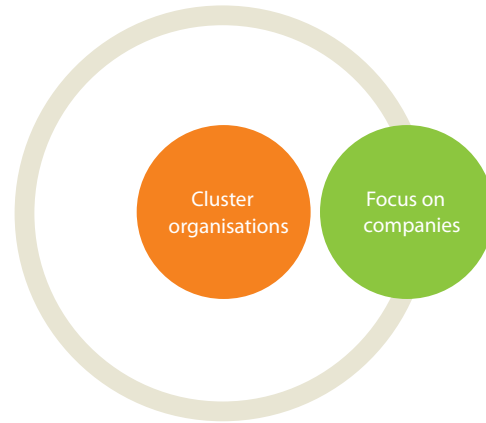
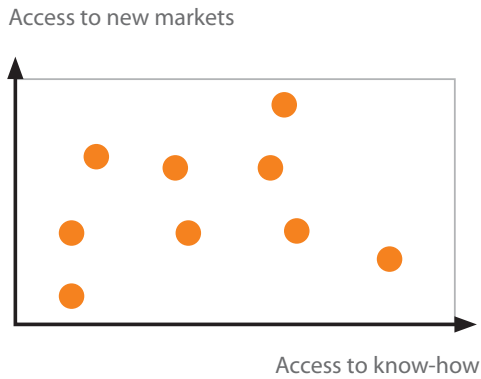
At the above mentioned international workshop with ECA members, 5 aspects were discussed in this regard: the focus of cluster organisations, their international strategy, their role/responsibility, their (needed) structures, their funding and services/tools offered or to be developed; those are graphically represented here.

The following part of the paper will go into detail on each of these 5 topics of interest.



THE FOCUS OF CLUSTER ORGANISATIONS ON CLUSTER MEMBERS IN THE INTERNATIONALISATION PROCESS

The main reason for the existence of cluster organisations is to professionally service their cluster members. Among the cluster members count of course companies, research entities, universities. When it comes to international cooperation, it is a well-known fact that universities, research centers, large research facilities as well as large companies are already active at international level, they are embedded in research networks, have undergone partnerships and have the know-how and resources to get involved in such activities. Whereas SMEs or small-sized research units lack to a large extent all these “ingredients” to engage in international co-operation.

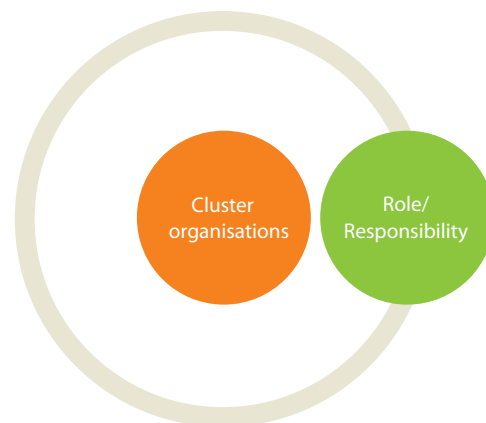


Especially for the companies there are only two main drivers for going international: to get access to know-how/ technology or access to international (new) markets. Cluster organisations (should) focus their support on these directions through various activities/services and even the international cooperation with peers (other cluster organisations) is subordinated to this ultimate goal. Co-operation among two or more cluster organisations is successful only if there are activities that serve those needs and that bring benefits to the cluster members. In other words, the Return on Investment (ROI) on international activities should be seen from the perspective of the cluster members, in particular the companies.

The illustrations above visualises the fact that all activities undertaken by the companies to go international, for example collaborative projects (in research, marketing and distribution), attending international events like a fair, a study trip, a conference/workshop, etc. are finally subordinated either to the ultimate goal of accessing know-how/technology or accessing new markets.

CLUSTER ORGANISATIONS AND THEIR STRATEGY REGARDING THE CLUSTER INTERNATIONALISATION PROCESS

This issue has a lot to do with the first part of the analysis within the Working Area 4, namely with the fact of finding the international cooperation on the agenda of the cluster policies and programmes. The first question discussed was whether the strategy for international cooperation – in case that it exists – should follow a top-down, a bottom-up approach or even a combination of these two. It was clear from the analysis that a top-down approach would not be the right way, since internationalisation cannot be imposed at the level of industry and there has to be a genuine motivation for the companies to go international, based on business reasons, be these of strategic nature or not. On the other hand, cluster organisations should not concentrate their efforts to exclusively benefit an individual member, and has to foster synergies and define internationalisation strategy with its board of advisors to serve the cluster as a whole.



Ideally, the internationalisation strategy of a cluster should be a common denominator of the strategies of cluster members and should follow a bottom-up approach (since the focus lies on companies).

THE ROLE CLUSTER ORGANISATIONS PLAY IN THE CLUSTER INTERNATIONALISATION PROCESS

Questioning the role cluster organisations play in the internationalisation cluster cooperation process and taking into consideration the fact that the industry is the driving force in this process, it is entailed that the cluster management is a supporting player but with a crucial role. The cluster management is supposed to know cluster members

competences, needs, relationships between the different actors, correlations between the sub-sectors of the industry and should be supportive in the cooperation processes. This particular know-how enables the potential to enable either finding cooperation partners through its international peers or bringing specific technological know-how to them or taking over the management and administration of international activities (like fairs, study trips, etc.) A prerequisite for this is, however, that the cluster organisation itself has a good international network and knows the (sectoral) "scene" beyond its national borders.

The cluster management should act as a pro-active coach for the companies in a sector, but should not be made responsible for the implementation of the activities carried out. How companies engage in cooperation should remain entirely in their responsibility. The cluster organisation should only bring them together and assist its members in this process. An interesting input for reflection is given in the graph below that shows the answers to the question: "Who is responsible for the internationalisation activities within a cluster?"

If by activities it is meant international cooperation between companies, it is right that these should be responsible for it themselves. If by activities it is meant the cooperation between cluster organisations, then the cluster managers are the ones responsible. If by activities it is meant the international strategy of a cluster, the management board should be the responsible body. Given the complexity, the perspective is here an important aspect.

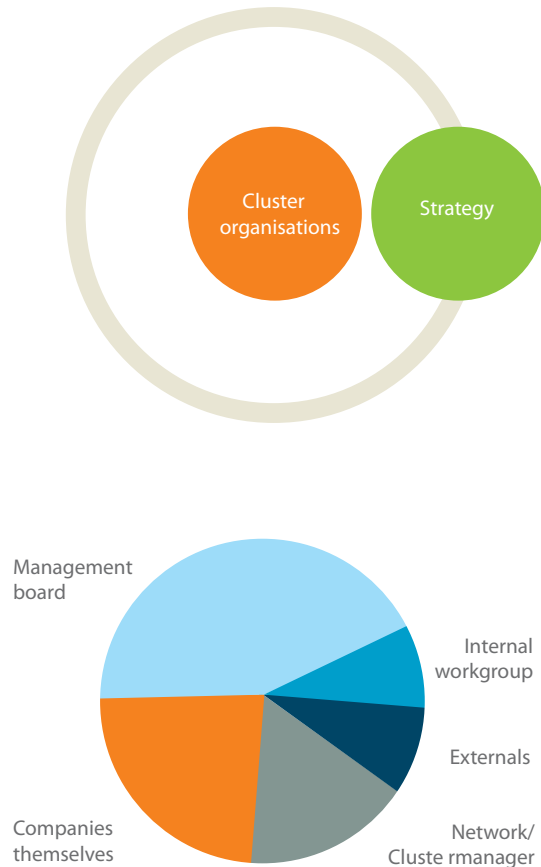
The possible roles cluster organisations may play in the cluster internationalisation process were described as:

- Pro-active (taking the initiative, probing the international environment, accompanying the members in the process in most of its phases, offering very complex services related to internationalisation);
- Being a catalyst, focusing in particular in bringing together members for cooperation;
- Acting supportive (if opportunities come along, they support them);
- With a least intervention – or with other words, being rather indifferent (not against the internationalisation, but also not getting really involved).

Closely related to the intensity of the involvement of cluster organisations in the process is their available financing for these activities. The more (specialised) services they offer as in the pro-active role, the higher their need for financial – and human - resources.

THE STRUCTURE CLUSTER ORGANISATIONS NEED IN THE CLUSTER INTERNATIONALISATION PROCESS

If a cluster organisation has/wants to play a role in the cluster internationalisation process, it needs an internal structure to support it. In Europe there are large cluster organisations with a particular dedication to internationalisation (globalisation) employing a large number of staff in this activity. On the opposite side, there are many cluster organisations with a staff of 1-2 persons. It is obvious that in the latter case, cluster organisations do not have the resources for an intensive international activity. If international cluster cooperation becomes a strategic part of the cluster programme, then the cluster organisation should have the necessary qualitative and quantitative resources over a longer period of time for its implementation.

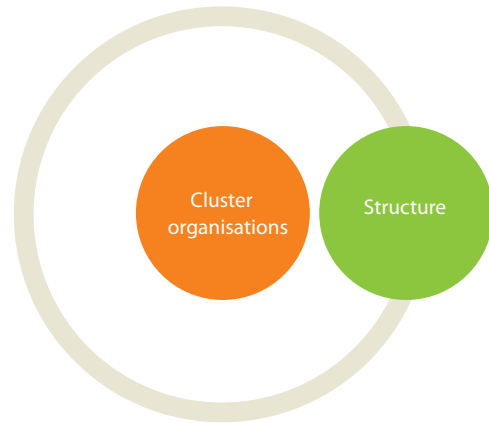


Very often however, internationalisation is not really among the top three priorities. In that case, the availability of respective resources remains low.

The Medicion Valley Alliance employs 16 people (including 5 student assistants) with top experts (ambassadors) for key foreign markets. Similarly, in the Logistic Initiative Hamburg and the MINALOGIC pôle, internationalisation remains of high priority, and appropriate resources are engaged.

The qualification of the cluster staff is also an important factor: their sector and regional know-how, their international cooperation culture, being open-minded, are all prerequisites for successful international activities.

If the cluster management is to become increasingly a promoter of international cluster cooperation for the benefit of their cluster members, European support is needed in two directions:



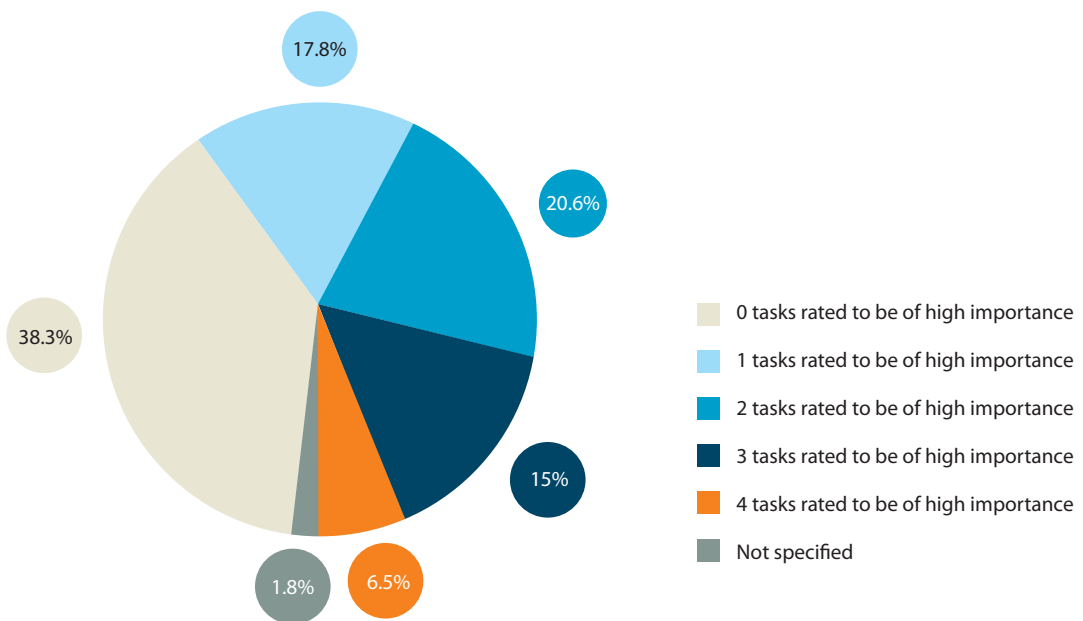
QUALIFIED STRUCTURES FOR NETWORKING:

Identification of potential partners and of know-how (trend scouting), learning about cluster competences, performance, regional embedding and opportunities for interaction with each other. The networking can take forms ranging from networking assisted by web-based cooperation platforms as it is planned to be developed within the second phase of the European Cluster Observatory up to concepts based on personal involvement like mentoring/twinning between cluster managers or more complex “ambassador” schemes (requesting special mobility /funding programmes).

QUALIFIED TRAINING STRUCTURES FOR THE CLUSTER MANAGEMENT, AIMING TO INCREASE ITS PERFORMANCE TOWARDS EXCELLENCE.

During the CEE-ClusterNetwork INNO net project, a comprehensive survey on tasks, skills & training needs of European cluster managers was carried out (CMQ – Cluster Managers Qualification). One of the main findings of the survey is related to “the importance of tasks and duties regarding internationalisation issues”:

- Development and implementation of the internationalisation strategy of the cluster;
- Initiation, development and supervision of international cooperation projects of cluster members;
- International cooperation with other clusters in Europe;
- International cooperation with other clusters overseas.

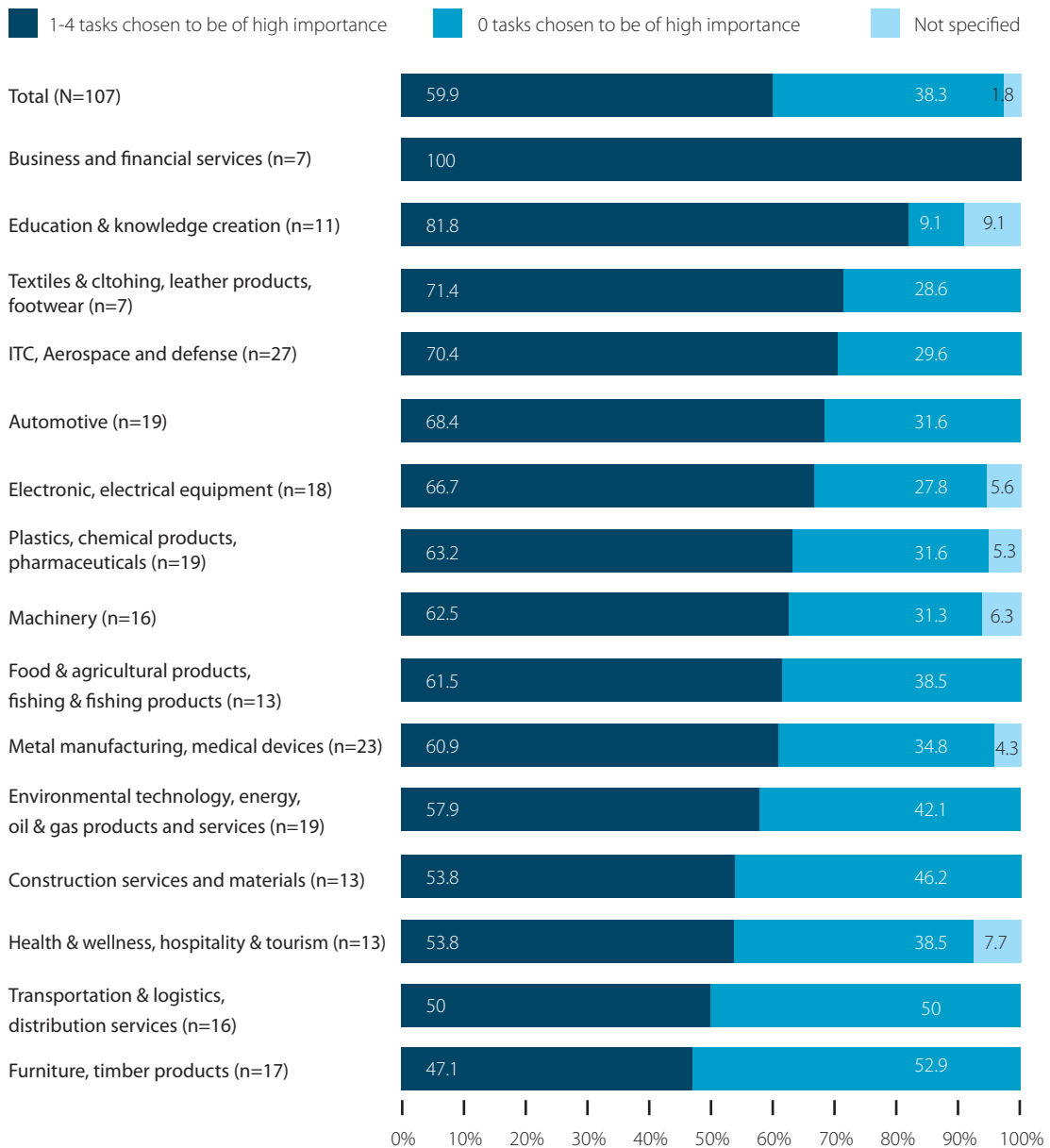


Number of internationalisation-related tasks which are of high importance in the cluster managers' current position.

Nearly one fifth of the cluster managers (17,8%) stated that one of these four internationalisation tasks would be of high importance for their work. A slightly higher proportion (20,6%) of cluster managers said that two of these four internationalisation tasks are of high importance. 15% rated three tasks to be of high importance, while 6,5% rated all four tasks to be very significant for their work.

In total, 59,9% of the cluster managers think that at least one of these four tasks is highly important in the context of their work. By contrast, more than one third (38,3%) did not rate any of the four internationalisation tasks to be high of importance.

As already mentioned, internationalisation activities tend to be more important in new Member States and accession country Croatia. While 59,9% of respondents in total rated at least one of the activities to be highly important, it was 56,3% in EU-15 but 62,5% in Croatia. Comparing the answers by size of the cluster shows a higher ranking of internationalisation activities for smaller clusters (< 25 members: 65,6%, 25-74 members: 60%, >75 members: 55,6%).



Number of internationalisation-related tasks which are of high importance in the cluster managers' current position (by sector of cluster).

Whether internationalisation issues form an important part of a cluster manager's work also depends on the economic sector of the cluster (see graph 12). All cluster managers in the sector "business and financial services" rate at least one out of four internationalisation tasks to be of high importance. This is followed by the sector "education and knowledge creation" where 81,8% of the cluster managers state that one or more internationalisation-related tasks are of high importance. Furthermore, also in the sectors "textiles and clothing, leather products, footwear" (71,4%), "ICT, aerospace and defence" (70,4%) and "automotive" (68,4%), the proportion of cluster managers with important internationalisation tasks is higher than for the overall total (59,9%)."

It was also very interesting to see the skills and areas of competence where cluster managers consider important vs. have interest in:

- International cooperation and networking (48,6% vs. 50,5%);
- EU/international subsidies (50,5% vs. 49,5%);
- English as a working language (64,5% vs. 45,8%);
- EU/international cluster policies (41,1% have interest in);
- Knowing other clusters (organisations) in Europe and overseas (40,2% consider as important).

"CMQ-Cluster Manager Qualification" – results of a comprehensive survey on tasks, skill & training needs of European cluster managers can be downloaded at PRO INNO Europe homepage

www.proinno-europe.eu/extranet/NWEV/uploaded_documents/CMQ-summary-report_CEE-CN_090428.pdf

Closely related to the performance of cluster organisations is the international benchmarking, which increasingly becomes an issue. Benchmarking could be a useful instrument to identify peers, cluster organisations with a similar interest in internationalisation and thus increasing the chances of implementing the desired activities.

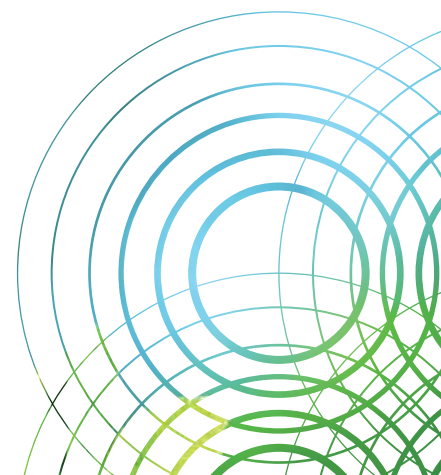
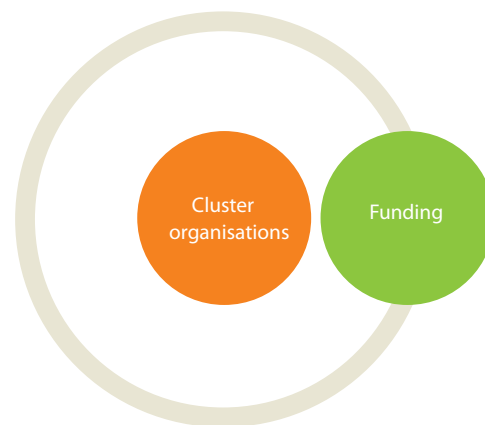
The time framework is another factor to be considered. The challenge lies in the fact that setting up the framework for international cooperation usually takes longer and it is more complex than at regional/national level. However, when it comes to the real implementation of the cooperation between companies, this has to happen rather fast, especially regarding the funding. Companies do not have time to wait for months or years; they want quick – and measurable – results.

THE FUNDING FOR INTERNATIONAL COOPERATION FROM THE PERSPECTIVE OF THE CLUSTER ORGANISATION

From the aforementioned analysis it is exhibited that funding for the cluster internationalisation process and transnational cooperation is vital.

The related discussions can be summarized in the need for:

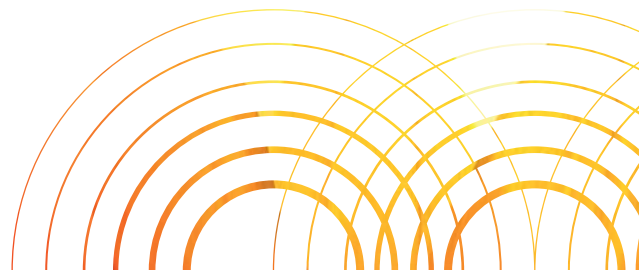
- More integration of clusters in the existing funding schemes;
- Funding schemes for supporting the gap between first contacts and starting the real business cooperation (the whole process of initiation of the international cooperation);
- Creation of more flexible, smart funding schemes for the internationalisation;
- Fast procedures for the funding of cooperation at company level.



TOOLS/SERVICES RELATED TO INTERNATIONAL COOPERATION

Of particular importance are the tools/services related to international cooperation offered or to be developed by cluster organisations for their cluster members. A selection of the tools/services for the companies mentioned during the workshop is listed below:

- ➔ Creation of databases
 - Of foreign/international studies/papers;
 - Of best practices (coordination).
- ➔ Technology presentations at major customers (e.g. Automotive Cluster in Upper Austria)
- ➔ Marketing services:
 - Organisation of international fairs & exhibitions;
 - Training or consultancy for international markets on product development, design, packaging, etc.
- ➔ Networking services:
 - A broader network especially on the net;
 - Intermediating partnerships in international projects;
 - Creating links to overseas offices for sales, marketing, etc.;
 - Work with the chambers of commerce, inward investment agencies, EEN network, EUREKA;
 - Connection to existing SME supporting organisations;
 - Offering social network analysis based on intelligent systems.
- ➔ Human Resources services:
 - Attracting experienced and foreign language speaking well educated professionals;
 - Foreign experts/specialists (supporting in the process of getting tax benefits, work permits, etc.);
 - Training;
 - Coaching;
 - Social capital building.
- ➔ Financing
 - Access to special government funding for exports or internationalization;
 - Venture capital for export activities.
- ➔ Access to know-how:
 - Study trips to spot the production environment of competitors in foreign countries;
 - Seminars with foreign experts AT HOME;
 - Open innovation vs. IPR;
 - Access for SMEs to FP7 through cluster organisation participation.
- ➔ EXPECTED SERVICES:
 - Initial scouting & filtering;
 - Mapping the interaction of “practitioners” from the beginning till the end;
 - Useful match-making (systematic, goal-oriented);
 - International exchange of state-of-the-art-knowledge;
 - Active project development;
 - Link internationally active companies with local SMEs.



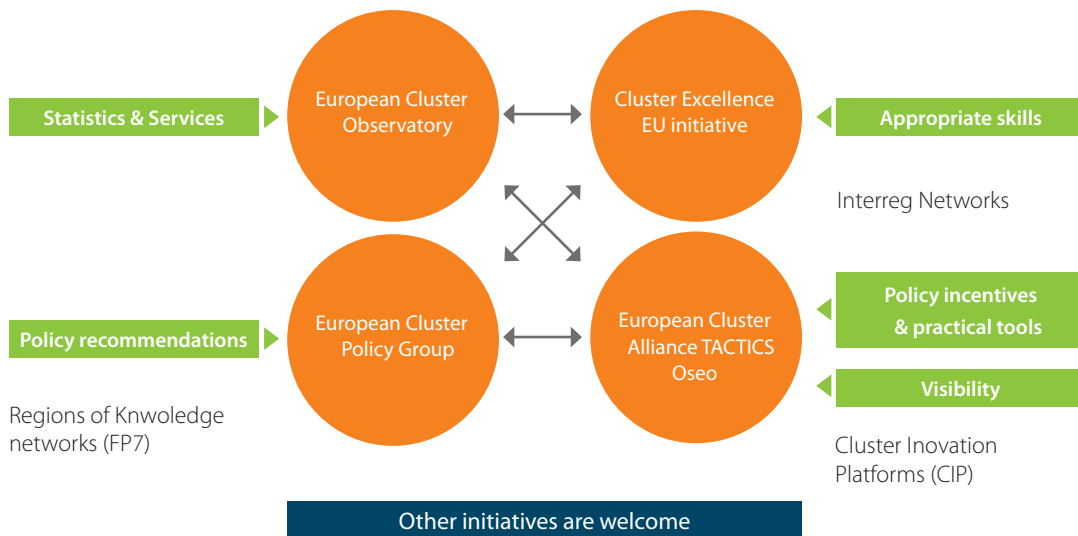
ADDITIONAL RELEVANT DEVELOPMENT AT EUROPEAN LEVEL TO FOSTER THE CLUSTER INTERNATIONALISATION PROCESS

More and more clusters in Europe have now reached a certain level of maturity and international cooperation will become a priority towards strengthening their competitive edge and improving their performance, striving for a level of excellence that secures the regional development and their position on the global markets.

Following to this development mentioned above the European Commission established four important initiatives with one overall goal: supporting clusters in their internationalisation process.

- 1 **European Cluster Policy Group**
www.proinno-europe.eu/index.cfm?fuseaction=page.display&topicID=512&parentID=511
 PRO INNO Europe initiative, April 2009 – September 2010
- 2 **Cluster Excellence.eu – the European Cluster Excellence Initiative**
www.cluster-excellence.eu/index.php?id=3554
 PRO INNO Europe project, 2009 – 2012
- 3 **European Cluster Observatory Phase II**
www.clusterobservatory.eu/index.php?id=78&nid=
 Europe Innova project, 2009 -2012
- 4 **TACTICS – Transnational Alliance of Clusters Towards Improved Cooperation Support**
www.proinno-europe.eu/index.cfm?fuseaction=page.display&topicid=564&parentid=560
 PRO INNO Europe project, 2009-2012

HOW TO BETTER SUPPORT CLUSTERS AND INTERNATIONAL COOPERATION AT EU LEVEL?



5

Closing Words

A lot of cluster cooperation takes place already – at different levels: policy level, cluster organisation level and cluster members' level as well as at different paces and degrees of complexity. The awareness of the cluster actors concerning the importance of international cluster cooperation is increasing and so is the pressure to speed-up and to simplify the whole process from conception to implementation across Europe and at trans-continental level.

In this spirit we invite you to read below the "ICL's "Do's" for successful collaboration" as presented in the book "The Borderless World" by Kenichi Ohmae² which can also be regarded as suitable views for international cluster cooperation.

Although developed by a large international corporation (International Computers Ltd. or ICL), these "do's" find also their justification for clusters, taking into consideration the different cluster actors involved (cluster organisations, cluster policy makers, the administrative level involved in the funding schemes of cluster activities) but also the heterogeneous conditions given by a variety of regional or national political frameworks. When reading them, try to think not from a market, but from a cluster perspective.

- 1 Treat the collaboration as a personal commitment. It's people that make partnerships work.
- 2 Anticipate that it will take up management time. If you can't spare the time, don't start it.
- 3 Mutual respect and trust are essential. If you don't trust the people you are negotiating with, forget it.
- 4 Remember that both partners must get something out of it. Mutual benefit is vital. This will probably mean you've got to give something up. Recognize this from the outset.
- 5 Make sure you tie up a tight legal contract. Don't put off resolving unpleasant or contentious issues until "later". However, once signed, the contract should be put away. If you refer to it, something is wrong with the relationship.
- 6 Recognize that during the course of a collaboration, circumstances and markets change. Recognize your partner's problems and be flexible.
- 7 Make sure you and your partner have mutual expectations of the collaboration and its time scale. One happy and one unhappy partner is a formula for failure.
- 8 Get to know your opposite numbers at all levels socially. Friends take longer to fall out.
- 9 Appreciate that cultures – both geographic and corporate – are different. Don't expect a partner to act or respond identically to you. Find out the true reason for a particular response.
- 10 Recognize your partner's interests and independence.
- 11 Even if the arrangement is tactical in your eyes, make sure you have corporate approval. Your tactical activity may be a key piece in an overall strategic jigsaw puzzle. With the corporate commitment to the partnership, you can act with the positive authority needed in these relationships.
- 12 Celebrate achievement together. It's a shared elation, and you'll have earned it!"



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www.proinno-europe.eu/eca