

European Cluster Excellence BASELINE

Minimum Requirements for Cluster Organisations

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Introduction

Excellent management is considered as a main prerequisite for a cluster organisation to achieve the highest impacts within a given technological, industrial, regional, and legislative framework for the cluster participants, the industrial sector in general, or the development of regions. Furthermore, common standards for excellent cluster management also enable better mutual understanding necessary for transnational cooperation between cluster and network organisations and by this are important to promote successful international cluster cooperation for the benefit of the participating SMEs.

An important aim of the European Cluster Excellence Initiative (ECEI, phase I 2009-2012, phase II 2017-2019) was to propose a set of cluster management excellence indicators, discussed and agreed by cluster experts from all over Europe, for assessing the excellence status of a cluster management organisation and to prepare the path for a “Cluster Management Quality Label” for excellent management performance. An overall set of 31 indicators has been elaborated and is used since 2012 in a process of assessing cluster management organisations by neutral assessment through specifically trained external “Cluster Analysis Experts”. The aim of the successful assessment process is to award a label to cluster organisations that have reached a certain excellence status, but also to provide cluster managers with recommendations how to improve.

Within ECEI, phase I, as well a set of minimum requirements for qualified cluster organisations was elaborated, as an entrance level to the cluster excellence labelling process. These minimum requirements are described in this guideline for improving cluster management. It is obvious however, that only reaching minimum criteria is not sufficient for excellence, but can be considered as a very first step towards reaching cluster management excellence.

Structure of the Cluster

The cluster management should consider that the cluster is clearly structured and that the participants are committed to the cluster organisation and also confirmed their participation through some kind of written form. The cluster should furthermore represent a critical mass of companies in relation to its sector or field of activity.

1.1.0 Committed Cluster Participation:

The cluster shall be dominated by so-called “committed cluster participants”*. A cluster participant is committed if he/she actively contributes to the activities of the cluster through e.g. membership fees, signing of a declaration of accession, a letter of intent or a partnership agreement, etc. The cluster may as well have “non-committed” passive participants who show an interest in the cluster’s activities going beyond the mere registration for a newsletter or similar (e.g. through regular participation in events), but who do not want to be committed to contribute actively to any of the cluster’s activities. However, the number of “non-committed participants” shall be less than 90 % of all participants (committed and non-committed).

* Potential cluster participants are businesses, R&D organisations, universities, intermediaries, etc., individual persons are only considered in very specific cases

1.1.1 Composition of the Cluster Participants:

More than half of the “committed cluster participants” shall be businesses (industry/service providers) within the cluster relevant sector or field of technology. The cluster shall also have research organisations and/or universities among its “committed participants”.

1.1.2 Number of Committed Cluster Participants in Total:

At least 15 “committed cluster participants” should set up the cluster.

Typology, Governance, Co-operation

Clusters characteristically change over time and have to adapt their strategy and activities accordingly. The cluster management has to have structures implemented for decision-making processes with clear roles of participants and other stakeholders in order to facilitate and balance continuity on one side and change on the other side.

2.1 Maturity of the Cluster Management:

The cluster organisation must have started their cluster management activities at least two years ago.

2.2.2 Qualification of the Cluster Management Team:

The operational personnel involved in the cluster organisation, responsible for managing the cluster shall be well qualified for the required management tasks to be performed. A certain minimum threshold of a mixture of education, work experience, and skills in management, communication, leadership, and sector knowledge shall be reached.

2.4 Clarity of Roles – Involvement of Stakeholders in the Decision Making Processes:

Decision making processes shall be clear and concise. At least four of the outlined six organisational aspects shall be in place:

- Membership/Commitment documentation and bylaws
- Legal form of the cluster organisation and/or the overall cluster or cluster initiative
- Cluster manager is actively in place, managing his team, the day-to-day business, as well as the strategic longer-term aspects of the cluster; management team with clear roles
- A general meeting is held regularly, at least once a year, allowing “committed cluster participants” to express wishes and to provide inputs to the aims, objectives, and strategy
- A management group (board, high-level group, etc.), mainly composed by representatives of industrial cluster participants, elected or nominated by the cluster participants in a transparent manner, and having the decision power regarding strategic orientations, new membership requests, recruitment of cluster management personnel, budget control, etc.
- Advisory board and/or scientific board(s) with a composition complementing the composition of stakeholders in the other decision domains.

2.5 Direct Personal Contacts between the Cluster Management Team and the Cluster Participants:

During a 12-months period, the cluster management team must have been in direct contact with at least 20 % of the “committed cluster participants”, meaning

- a contact during a visit at the participants premises or a visit of the participant in the premises of the cluster organisation
- an extensive bilateral exchange of information and experience via telephone or email, or
- joint action of the cluster management team and representatives of the participant in specific projects, working groups, and/or other joint activities.

2.6 Degree of Co-operation within the Cluster:

During a 12-months period, at least 15 % of the “committed cluster participants” shall be involved in bilateral and/or multilateral co-operation activities with each other, not necessarily facilitated by specific actions of the cluster organisation. Participation in regular working groups, projects, delegation visits (incoming and outgoing), joint trade fair activities, lecturing activities, etc. shall be considered here, with a minimum effort of two working days spent. Passive participation in seminars, workshops, courses shall not be considered in this context.

2.7 Integration of the Cluster Organisation in the Innovation System:

The cluster organisation shall maintain good co-operation contacts with stakeholders and organisations of institutional innovation support and service providers, etc. on a regular basis. These organisations must not necessarily be “committed participants” of the cluster.

Financing Cluster Management

The activities of cluster organisations can be very diverse. Furthermore, very different expectations of cluster participants require very specific actions. A cluster organisation therefore requires sufficient resources for a successful operation. A secure financial situation with diversified sources for financial income allows a concentration of the core work of managing the cluster and its activities. However considered as a very important issue, the indicators related to financing are not considered as minimum requirements due to the different cluster financing approaches and patterns in Europe and worldwide.

Strategy, Objectives, Services

The elaboration and implementation of a strategic positioning of the cluster is considered as one main issue for cluster management. A clear and well prepared strategy and a strong link to the cluster participants builds the base for implementing and performing a spectrum of actions, serving the needs of the cluster participants in the most successful manner.

4.1.1 Strategy Building Process:

The involvement of companies in the process of strategic analysis is mandatory. Furthermore, a minimum of two of the following strategic instruments/approaches/methods shall be used, in the context of strategic analysis:

- Identification of the industry and market challenges, e.g. by conducting an industry analysis on the attractiveness of the strategic segments where the cluster participants compete or could compete, based on own studies and/or existing studies
- Analysis of the value chain and value systems for the existing industrial/technological sector and for the needed value system for the transformation of the cluster strategy
- Benchmarking against Advanced Buyers Purchase Criteria (locally and globally) in the new strategy, identification of key success factors to compete and benchmark the new value chain activities against best practices worldwide
- Further strategic planning tools like SWOT or similar instruments

These steps of analysis shall be performed by the cluster management team and shared with the cluster participants through participatory processes, for example:

- Integration of results of member feedbacks (by surveys, specific feedback workshops, etc.)
- Utilisation of other strategic planning workshops or similar instruments.

4.1.2 Documentation of the Cluster Strategy:

The cluster's strategic challenges shall be outlined in a documented (written format, ppt, multimedia, ...) format, describing the previous analysis, the strategic options for the participants of the cluster and the way in which the cluster organisation plans to support them in the long, medium, and short term, stating aims and objectives (qualitatively and as well quantitatively, see indicator 4.1.6).

4.1.3 Implementation Plan:

The cluster organisation shall have available and develop further a written action and implementation plan with measurable targets and dedicated budgets. The implementation plan shall be in line with the cluster strategy and the documented strategic challenges.

4.1.4 Financial Controlling System:

An easy-to-use tool for day-to-day financial controlling and reporting system for the cluster organisation's activities on at least quarterly basis shall be in place.

4.1.5 Review of the Cluster Strategy and Implementation Plan:

A process to review and update the documented cluster strategy and the strategic challenges for the cluster shall be foreseen at least every five years, either due to requirements of any public funding or due to intrinsic strategic planning cycles. The implementation plan shall undergo a respective review at least every two years. If no review of strategy/implementation plan was done during the past two years, at least a review must be convincingly planned for the near future (< 6 months).

4.1.6 Performance Monitoring of Cluster Management:

There shall be a controlling (Key Performance Indicator) system in place and be used to monitor the performance of the cluster organisation against fulfilment/achievement of the strategic challenges on a regular basis (at least annually).

4.3 Activities and Services of the Cluster Organisation:

The cluster management team shall provide a certain spectrum of services for the cluster participants with significant intensity in its 3 most important fields of activities (e.g. improving innovation capability, exploring business opportunities, fostering entrepreneurship, education & training, etc.).

4.4 Performance of the Cluster Management:

The cluster organisation must have fulfilled at least 50 % of the targets set out in the cluster organisation's performance monitoring system (see indicator 4.1.6) and/or in the annual implementation plan (see indicator 4.1.3) in the last 12 months.

4.6.2 Cluster Organisation's Web Presence:

The cluster organisation must initiate and regularly update its web presence (webpage, social networks), giving overviews and details of the cluster (participants overview) and of the work of the cluster organisation and maybe even of the industrial and/or technological sector in general, as well as important contact points in the local language. As internationalisation of clusters is regarded as an important issue, basic information and contact data shall also be accessible in English.

Achievements and Recognition

The "ECEI Cluster Management Labelling" should apply to all types of cluster organisations in all possible technological and/or industrial/commercial areas. Therefore, the direct impact achieved is only comparable on the basis of success stories and media appearance. Furthermore, tools for assessing customer satisfaction shall be in place to give an indication if the expectations of the cluster's stakeholders and participants are fulfilled.

Conclusions

The above described selected indicators for analysing the management excellence status of a cluster organisation can be perfectly used by cluster organisations to initiate a first self-assessment of their status regarding cluster management excellence. Only cluster organisations following high standards of cluster management in particular will be in the position to support their SME participants in their aims for identifying possibilities for international cooperation.

Annex: Indicators of the ECEI Cluster Management Excellence Label Assessment
Structure of the Cluster

- 1.1.0 ✓ Committed Cluster Participation
- 1.1.1 ✓ Composition of the Cluster Participants
- 1.1.2 ✓ Number of Committed Cluster Participants in Total
- 1.2 Geographical Concentration of the Cluster Participants

Typology, Governance, Cooperation

- 2.1 ✓ Maturity of the Cluster Management
- 2.2.1 Human Resources Available for the Cluster Management
- 2.2.2 ✓ Qualification of the Cluster Management Team
- 2.2.3 Life Long Learning Aspects for the Cluster Management Team
- 2.2.4 Stability and Continuity of Human Resources of the Cluster Management Team
- 2.3 Stability of Cluster Participation
- 2.4 ✓ Clarity of Roles – Involvement of Stakeholders in the Decision Making Processes
- 2.5 ✓ Direct Personal Contacts Between the Cluster Management Team and the Cluster Participants
- 2.6 ✓ Degree of Cooperation within the Cluster
- 2.7 ✓ Integration of the Cluster Organisation in the Innovation System

Financing Cluster Management

- 3.1 Prospects of the Financial Resources of the Cluster Organisation
- 3.2 Share of Financial Resources from Private Sources

Strategy, Objectives, Services

- 4.1.1 ✓ Strategy Building Process
- 4.1.2 ✓ Documentation of the Cluster Strategy
- 4.1.3 ✓ Implementation Plan
- 4.1.4 ✓ Financial Controlling System
- 4.1.5 ✓ Review of the Cluster Strategy and Implementation Plan
- 4.1.6 ✓ Performance Monitoring of Cluster Management
- 4.2 Focus of the Cluster Strategy
- 4.3 ✓ Activities and Services of the Cluster Management
- 4.4 ✓ Performance of the Cluster Management
- 4.5 Working Groups
- 4.6.1 Communication of the Cluster Organisation
- 4.6.2 ✓ Cluster Organisation's Web Presence

Achievements and Recognition

- 5.1 Recognition of the Cluster in Publications, Press, Media
- 5.2 Success Stories
- 5.3 Customer and Cluster Participants' Satisfaction Assessment

✓ = minimum requirement

Annex: Project Background – European Cluster Excellence Initiative, Phase I (2009-2012)



How can cluster initiatives be managed professionally? And what skills do cluster managers need when striving for cluster excellence?

These questions were explored by the consortium around the European Cluster Excellence Initiative (ECEI). 13 Project Partners from 9 countries – all well experienced in the field of cluster management and -support – created a uniform set of cluster quality indicators and developed a quality labelling framework for professional cluster management which in the meantime is accepted and recognised all over Europe and beyond. The labelling system is one module in the framework for promoting excellence in cluster management.

After termination of the financial support from the European Commission in 2012, ECEI project partners, holding the respective intellectual property rights over the cluster management labelling methodology and related training activities, agreed to further develop and promote an international benchmarking and labelling scheme for cluster organisations. The European Secretariat for Cluster Analysis (ESCA, www.cluster-analysis.org) was established and is hosted by VDI/VDE Innovation + Technik GmbH. A cluster-management-quality-labelling-approach featuring the three quality labels BRONZE, SILVER and GOLD was implemented as a service for cluster management organisations striving for cluster management excellence. The operation of ESCA is supported by a broad network of in the meantime nearly 200 specifically trained experts from all over Europe and worldwide conducting activities on-site at the premises of the cluster organisations or via specific video-conferences.

As a result of the recent project “ECEI, phase II” introducing some methodological updates, it is foreseen to gradually transfer the main responsibility for the entire cluster management labelling scheme system to a new international association, the European Clusters Labelling Excellence Structure (EUCLES, www.eucles.be).



European Cluster Excellence Initiative, Phase I

Project run time: 1st September 2009 – 31st August 2012

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European Cluster Excellence Initiative, Phase II

Project run time: 1st November 2017 – 30th April 2019

Funded by: DG Internal Market, Industry, Entrepreneurship and SMEs, former DG Enterprise and Industry