

# Flemish Cluster Policy Workshop

## Brussels, November 12<sup>th</sup> – 13<sup>th</sup>, 2015

*The purpose of this document is to summarize the most valuable information that was shared during the interactive sessions. As such, it is not the intention to recapitulate the conclusion of the different presentations.*

### CLUSTER POLICY DEVELOPMENT

The effects of cluster support are threefold (cf. presentation Gerd Meier, slide 14):

- impact, reflected in the long term results on economy, society and environment
- outcome, reflected in the short and midterm results for the cluster actors
- output, reflected in the realization of the operational targets of the cluster organization

A successful cluster policy should on one hand set clear objectives and evaluation criteria for all three dimensions and on the other hand recognize the importance of the individual character of the selected cluster initiatives. Clear priority setting and policy focus is key to enable the clusters to define their operational objectives on the three levels. The list below sums up a number of key aspects and good practices that help to concretize a practical implementation of impact and outcome dimensions:

#### impact

- It should be clear to which governmental policy aspects the clusters should contribute (societal benefits as a return for the cluster support).
- A link with smart specialization strategy is required to identify strategic domains (for spearhead clusters).
- The ambition level for any cluster typology should be set in advance and is related to the (financial) support mechanisms; the creation of world class clusters requires equally ambitious long term and broad support from the government and, as a necessary boundary condition, a proven track record of cooperation between the actors. Let applicants explain how they are going to act as a global leader.

#### outcome

- Cluster activities have to lead to a good balance between R&D activities, valorization tracks, valorization enabling initiatives (e.g. training) and community building.
- Typical outcome dimensions are internationalization, intercluster operations, long lasting value creation, ...
- Clusters should find a balance between short term value creation and the development of a long term transformation process.

### GOOD POLICY PRACTICES

- To ensure the commitment of clusters to keep contributing to societal benefits in the long term, clusters should continue to have a motivating perspective on governmental support, beyond the support period for direct cluster organization funding. This can be done by e.g. ensuring incentives for clusters in regular funding programs, by involving clusters in an official strategic dialogue, fostering cross-cluster platforms focusing on common topics, etc. This perspective should be clear well in

advance. However, it should be noted that the Norwegian cluster program does not foresee privileged access or higher funding rates for clusters; it is assumed that clusters are strong candidates for valuable project proposals and that these proposals have more chances to be selected.

- Cluster operations should have a regional scope.
- Clusters should be supported to improve their performance. This can be achieved by cluster manager training, a regional cross-cluster platform, cluster labeling, training vouchers, etc.
- Clusters should be dynamic and should look for new opportunities. Successful clusters will therefore evolve in the long term. Cluster policy should allow clusters to adapt to the changing environment: clusters will transform and targets will evolve over time.
- Equally important as the cluster activities are the services the cluster intends to provide. Services should also change in time.

## SELECTION CRITERIA

- In order to obtain When selecting bottom-up clusters, assign higher weights to those selection criteria directly related to the set policy objectives. This enables to tune the selection to the most important initiatives.
- Selection criteria should cover both aspects related to the cluster environment (who takes the initiative, critical mass, etc.) and aspects related to the cluster initiative itself (goals, potential impact, commitment).
- The capability of the cluster to change and the transformation expertise needs to be assessed.

## CLUSTER EVALUATION

- The evaluation framework should be decided soon in the policy process:
- Target setting (e.g. cross sectorial innovation) is part of the project call preparation; the numbers are set in the different applications. The numbers strongly depend on the specific nature of the cluster (sector, size, type of member companies, ...)
- Evaluation should include elements for the three levels of cluster effect (output, outcome and impact, with focus on the first two), thereby balancing the contribution of political/policy targets and operational targets.
- Cluster initiatives should be benchmarked. It is therefore important that the evaluation is applicable for every initiative with an appropriate balance between qualitative and quantitative indicators.
- Inquiring cluster members on the benefits gained from the cluster is a valuable evaluation tool. It should be noticed in this respect that
  - It is important to know if the member was a key driver for the cluster, an active or a passive member/free rider. The opinion of the last category should not determine the evaluation of the cluster.
  - Member companies will never give exact figures of gained monetary benefits. The inquiry should therefore foresee ranges.

## COMPETITIVENESS

- Measuring competitiveness is difficult, as it is likely to change over time.
- It is important to have 'change makers' in the driver's seat of a cluster.
- Prerequisite for competitiveness increase is to create cluster goals that will result in collaboration. Common projects will be the results of the steps taken before; interaction between cluster members is key.
- Most projects are not cooperative. It is therefore important to define 'cooperative'.
- Applicants should not only explain the output, but also the envisaged outcome of cluster activities and motivate the reason why the proposed actions are expected to lead to the set results.

## VARIA

- It seems a good practice to change cluster management periodically, e.g. every three years, because this creates a new momentum for the cluster, resulting in a.o. new services the cluster provides to the members.
- The competences of the cluster manager have to be (at least) of the same level as the representatives of the industrial partners in the cluster.
- Companies do not become a cluster member because of the funding, but because they understand the importance of taking part in building a long term attractive community.
- It cannot be expected that companies only, based on their own strategy/vision, will succeed in determining the cluster strategy. Setting the operational objectives (output, outcome and impact) is therefore important.
- Cross cluster collaboration happens in Wallonia on smart specialization. This is possibly a specific example of the fact that clusters will collaborate when the added value is obvious. Clusters should start with building a roadmap to identify cross sectorial platforms; roadmapping is more effective than running R&D projects.