

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) is to propose a set of 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 foreseen to be used in a process of assessing the quality of cluster management by neutral assessment through specifically trained external “Cluster Analysis Experts”. The aim 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.

The European Cluster Excellence Label working group defined a set of minimum requirements for qualified cluster organisations, as an entrance level to participate in the 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 the status “Proven for cluster 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 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.

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 partners.

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 management activities must have been started at least two years ago.

2.2.2 Qualification of the Cluster Management Team

The 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 and leadership shall be reached.

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

Within one year, the cluster management team must have been in direct contact with at least 20 % of the 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
- a joint work 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

Within one year at least 15 % of the 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 management. 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 are not necessarily committed participants of the cluster.

Financing Cluster Management

The activities of cluster management organisations can be very diverse. Furthermore very different expectations of cluster participants require very specific actions. A cluster management 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 a very important issue, the indicators related to financing are not minimal 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 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

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

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.

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.

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.

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

There shall be a controlling system in place and be used to monitor the performance of the cluster organisation on a regular basis (at least annually).

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, internationalisation, etc.).

The cluster organisation must have fulfilled at least 50 % of the targets set in the cluster organisation's performance monitoring system (see 4.1.6) or in the annual implementation plan (see 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 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. Furthermore, 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 "Cluster Management Quality Label" 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 management status. 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.

The degree of fulfilment of the cluster management quality criteria delivers a first indication of the status and/or deficits of the cluster management. However, an assessment of all of the 31 quality indicators should result in high ratings for the majority of all indicators in order to reach an excellence level being sufficient for a "Cluster Management Quality Label" and to be called "Proven for Cluster Excellence".

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 Cluster-Excellence.eu – European Cluster Excellence Initiative



How can cluster initiatives be managed professionally? And what skills do Cluster Managers need when striving for cluster excellence? These questions are being explored by the consortium around Cluster-Excellence.eu – the European Cluster Excellence Initiative. 13 Project Partners from 9 countries – all well experienced in the field of cluster management and -support – create a uniform set of cluster quality indicators and develop a quality label for professional cluster management which is accepted and recognized all over Europe. The European Cluster Managers' Club and the Cluster-Collaboration Platform are modules in the framework of Cluster-Excellence.eu to promote excellence in cluster management.

Cluster Management Excellence – Status Quo:

Get an overview of the existing quality indicators in Cluster Management, training needs as well as already available training programmes for Cluster Managers. This composes the basis for the activities and contents of the following work packages.

Cluster Management Excellence – Quality Label for Cluster Management Excellence:

The overall approach behind the Quality Label currently developed within the European Cluster Excellence Initiative is to create an independent, voluntary proof of cluster management excellence which is accepted and recognised all over Europe. The Quality label will motivate cluster managers to compare with each other and to learn from the best.

Cluster Management Excellence – Cluster Management Knowledge:

Design efficient and professional knowledge materials to train cluster managers and assist them to achieve excellence in Cluster Management. The teaching methodology will be self-explanatory with cases that cover the fields of knowledge in Cluster Management. That way cluster management trainings stop being only experience based and are enriched by a methodological approach.

Cluster Management Excellence – Promotion:

The European Cluster Managers' Club is a community for cluster managers and practitioners. Cluster Managers interested please visit www.clustermanagersclub.eu for more information.

European Cluster Collaboration Platform:

The European Cluster Collaboration Platform (ECCP) provides online information and networking support for cluster organisations – www.clustercollaboration.eu.

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