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# The TCI Cluster POLICY ROADMAP

Learnings from the **TCI Network** on  
How to **build the right Cluster Policy**





**Merete Daniel Nielsen**

President, TCI Network

With this **TCI Cluster Policy Roadmap** the aim is to share **experiences** and **learnings** from across the world on how to build the best cluster policy framework.

As a global network we know that the world is very different and complex. Hence **specific cluster policies** will need to respond to unique strongholds, challenges and opportunities.

It is also clear for us that there are some **common denominators** that all those working with a cluster policy program need to consider.

In this roadmap we synthesize core advice into the **basic building blocks of a policy framework**. When you have the fundamentals right then you can always refine by bringing in more elements or push further to expect more from your cluster organisations.

The strength of **clusters as a pillar** of competitiveness is only growing. More and more stakeholders understand the value of organising collaborative and innovative clusters around the challenges of tomorrow.

The **transition to greener, more socially responsible and more digital** societies is driving the global cluster agenda in 2021. Here cluster policies are powerful **instruments** to support businesses and eco-systems to adapt and transform.

We hope you will find the roadmap useful for your daily work. Please reach out to us for further dialogue.

Enjoy the reading

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# WHY DO CLUSTER ORGANISATIONS MATTER

The focal point for cluster development in practice



**Activate an agile strategy through collaboration.** With Green/Social/Digital components.



**Guide complex collaboration to accelerate innovation and change at the right speed.** A collaboration that goes beyond the cluster and includes international connections.



**Facilitate new specializations, new skills, new dynamics and takes strategic leadership.** Both for the cluster and beyond for the business and innovation ecosystem.

To fulfil the potential of a given cluster there is a need for people to **organise, facilitate, manage and lead** the cluster. In many places this is called the cluster organisation.

The importance of the **cluster organisation** and the cluster **managers** leading these complex efforts, also need to be considered when setting up a cluster program.

Depending on the specific challenges – innovation, business development, skills, green transition – the cluster organisation will have to adapt and set up a **unique set of activities** to match these challenges.



**ÁSTA KRISTÍN SIGURJÓNSDÓTTIR**  
Iceland Tourism Cluster

*Clusters have the potential to be the engines to drive many government actions across different areas in a well implemented policy. One of our first steps in Iceland to implement a new national cluster policy, has been to make clear the cluster approach and the opportunities ahead to all stakeholders.*



**SEPTI BUKULA**  
Seeza Tourism Growth Network South Africa

*When SMEs collaborate, growth happens. Our intention is to spearhead a continental conversation among various economic role players in Africa (governments, policymakers, industry, academia and research institutes, economic development agencies, industrial development zones, business organisations, existing clusters, etc.) about collaboration on the ground and how collaborative and cluster initiatives are contributing to Africa's economic dynamism.*



Cluster policy is a purposeful coordinated intervention to support and resource multiple cluster initiatives.



The clusters that merit public support may be selected through an open competition process.



A cluster development program is a partnership between the clusters and the public agencies that goes beyond funding.



Finding the right direction and balance can take time.



**IFOR FFWCS-WILLIAMS**  
Cluster Navigators Ltd.

*Cluster development is bottom-up. Regions need to build on their existing assets and develop effective cluster support interventions that extend beyond policy cycles. And not dream of creating new clusters top-down!*



**ANUKAL CHIRALAKSANAKUL**  
NIDA – National Institute of Development Thailand

*Developing emerging cluster initiatives further may require a different focus than developing established and well-run clusters, especially in places like Asia where it is difficult to establish cluster organizations.*



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# The TCI Cluster POLICY ROADMAP



## CHALLENGE 1

Set the right objectives.  
Preparation is key



## CHALLENGE 3

Offer different types  
of support



## CHALLENGE 5

Strengthen connections  
around the clusters



## CHALLENGE 2

Consider the interaction  
between the clusters  
and support agency



## CHALLENGE 4

Highlight the role  
of clusters



## CHALLENGE 6

Monitor and evaluate  
the impact of the  
cluster work



**PATRICIA VALDENEPRO**  
TCI Network

*I'm often being asked, where are the best clusters in the world? Best performing clusters are embedded in strong innovation ecosystems supported by a robust and adaptive cluster policy in place where they can take collaboration to its full potential and tackle together the challenges ahead.*



## CHALLENGE 1

# SET THE RIGHT OBJECTIVES

- ▶ You will get what you ask for. Keep focus, make clear choices on what clusters can do.
- ▶ Keep the framework flexible and adapt as clusters evolve over time.
- ▶ Include relevant regional stakeholders. Then everyone understands (better) what a cluster is all about.
- ▶ Clusters are bottom-up initiatives – build on what you have got instead of creating new clusters.
- ▶ Consider what kind of cluster organisations you want to create and support.



## KEY ELEMENTS OF A GOOD CLUSTER ORGANISATION



**PÉTER KELLER**

Hungarian Ministry of Finance

*After some years of cluster work, we are now more aware of the importance of further developing our cluster strategy in Hungary. We want to strengthen Hungarian clusters to consolidate their critical mass, be more internationalised and with excellent cluster management teams.*

# KEY ELEMENTS OF A GOOD CLUSTER ORGANISATION



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## A strong professional cluster team

- CEO and staff with clear roles and mandates.
- A project-oriented team with the right skills.



## Good governance for impact

- A board with triple-helix structure (at least) and majority of companies.
- A chairperson from the private sector.
- Board members with leading positions in their own organizations.



## Financial stability

- Clear financial commitment from companies that pay membership fees and/or pay for services.
- Long-term public co-funding from multiple sources, that may include local, national and international agencies.



## A unique mission, strategy and roadmap

- Own strategy and roadmap: focus on what really matters for the cluster and what can only be achieved through the cluster.
- A plausible action plan: focus cluster activity on action and results.
- An independent mission: a hosting organization can help in the early days, but to ensure development clusters needs to be independent.



## The right service portfolio

- Identify difficulties, unlock assets, and turn them into opportunities to develop the cluster.
- Combine paid services and services offered for free.
- Embrace a dynamic process: the needs of companies change, and services will need to evolve.
- Open the initiative to relevant industry stakeholders as active partners.



**CECILIA CARRILLO**  
Index Nuevo León

*Cluster organizations are lean, efficient and effective management organizations, always looking for challenges to be transformed into opportunities for the companies and to develop further the cluster.*





## CHALLENGE 2

# CONSIDER THE INTERACTION BETWEEN THE CLUSTERS AND THE SUPPORT AGENCY

- ▶ A successful cluster program extends beyond policy cycles.
- ▶ The agency accompanies the clusters hand in hand as they grow and develop without interfering in their strategic plans.
- ▶ Long-term engagement from the funding agency is a hidden but important factor in the cluster performance.



**DAVID FERNÁNDEZ**

SPRI - Basque Business Development Agency

*The longstanding Basque cluster policy is based in a partnership between the clusters and the government where both go together as allies in the policy design and implementation. It is a private-public relationship beyond funding, that was established from the beginning and has been developed over time.*





### CHALLENGE 3

## OFFER DIFFERENT TYPES OF SUPPORT

- ▶ Offer long-term funding but not everlasting.
- ▶ Encourage a sustainable business model for the clusters coming from multiple sources: public, private and international funding.
- ▶ Go beyond the money, provide training for cluster teams, share learnings and best practices across the clusters.



**WERNER PAMMINGER**  
Business Upper Austria

*The public-private partnership for innovation through collaboration, along with a long-term vision and a suitable mix of public and private funding, has been key to success in our cluster model in Upper Austria.*



## CHALLENGE 4 HIGHLIGHT THE ROLE OF CLUSTERS

- ▶ Promote clusters as legitimate intermediaries between business and policy, and as an important tool for economic development and innovation.
- ▶ Make sure to share the good stories – films, articles, infographics – on different media to showcase the importance and impact of clusters.
- ▶ Cluster branding helps clusters to extend their international reach.



**ANNIE RENDERS**

VLAIO - Flanders Innovation and Entrepreneurship

*Clusters are becoming more and more important in innovation ecosystems. In the search of the best policy mix, in Flanders we are looking at how clusters can play a more prominent role in areas like transition and internationalization, and working with incubators and accelerators.*



## CHALLENGE 5

# STRENGTHEN CONNECTIONS AROUND THE CLUSTERS

- ▶ Help the clusters to engage with a wide range of local, regional, and national authorities.
- ▶ At the policy level help to broaden the interaction with different types of policies (digitalization, innovation, internationalization, green transition).
- ▶ Facilitate inter-cluster collaboration opportunities by offering matchmaking, workshops - perhaps with some flexible funding to kick-start the collaboration.
- ▶ Bridge international connections.



**MERETE DANIEL NIELSEN**  
Cluster Excellence Denmark

*All Danish clusters are now delivering innovative solutions to help with the green and digital transition. This is both a political requirement and a response to challenges in their respective eco-systems. The strong point is that the clusters have organised all leading players and are delivering fast results.*



## CHALLENGE 6

# MONITOR AND EVALUATE THE IMPACT OF THE CLUSTER WORK

- ▶ Be specific about what you want as an outcome and transfer this to simple measurements. Don't overcomplicate.
- ▶ Try to complement indicators with qualitative understanding and include stories, cases and quotations.
- ▶ Evaluate to learn and implement the learnings into the cluster program.



**JAMES WILSON**

Orchestra - Basque Institute of Competitiveness

*Evaluation is too often seen as a threat, whereas it is actually a rich source of learning opportunities. Embedding monitoring and evaluation within the day-to-day of cluster practice provides real-time strategic intelligence that is valuable for cluster members, cluster management and cluster policy-makers alike.*



## LOOKING FOR MORE INSPIRATION?

TCI Network hosts global webinars with the purpose of sharing of best practices, experiences and learnings. If interested here are more materials to dive into:

On core learnings from Flanders, Belgium and Basque Country, Spain on cluster policy [https://www.youtube.com/watch?v=T9tcv3fTgzc&list=PLNGmFMmWf5oJ\\_uoanMFOYl1qxmPFQcZMt&index=3](https://www.youtube.com/watch?v=T9tcv3fTgzc&list=PLNGmFMmWf5oJ_uoanMFOYl1qxmPFQcZMt&index=3)

On how to start and refine a cluster program with examples from Iceland and from Hungary <https://drive.google.com/file/d/1caFH-zrfuDZBJ7PrmzvXYjnIYlLqux-C/view>

On how to build a more sustainable model for cluster organisations with examples from Mexico and Austria [https://www.youtube.com/watch?v=u8zOFIQZVBc&list=PLNGmFMmWf5oJ\\_uoanMFOYl1qxmPFQcZMt&index=2](https://www.youtube.com/watch?v=u8zOFIQZVBc&list=PLNGmFMmWf5oJ_uoanMFOYl1qxmPFQcZMt&index=2)



## A PUBLICATION BY TCI NETWORK

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