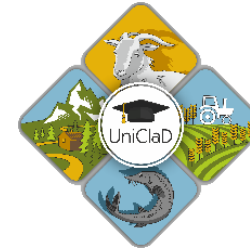




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Project “Enhancing capacity of universities to initiate and to participate in clusters development on innovation and sustainability principles” (UniClaD)

EU program Erasmus +, project KA2 n° 609944-EPP-1-2019-1-LT-EPPKA2-CBHE-JP

Clusters operationalization: lesson learnt and bottlenecks

WP 1 Preparation

Workshop 24 November 2020

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Content



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- a. The EU strategy for Clusters**
- b. The experience in Puglia (Italy)**
- c. DARE governance and business profiles**
- d. What's the future of the clusters? Some key aspects to focus on...**



The EU strategy for clusters



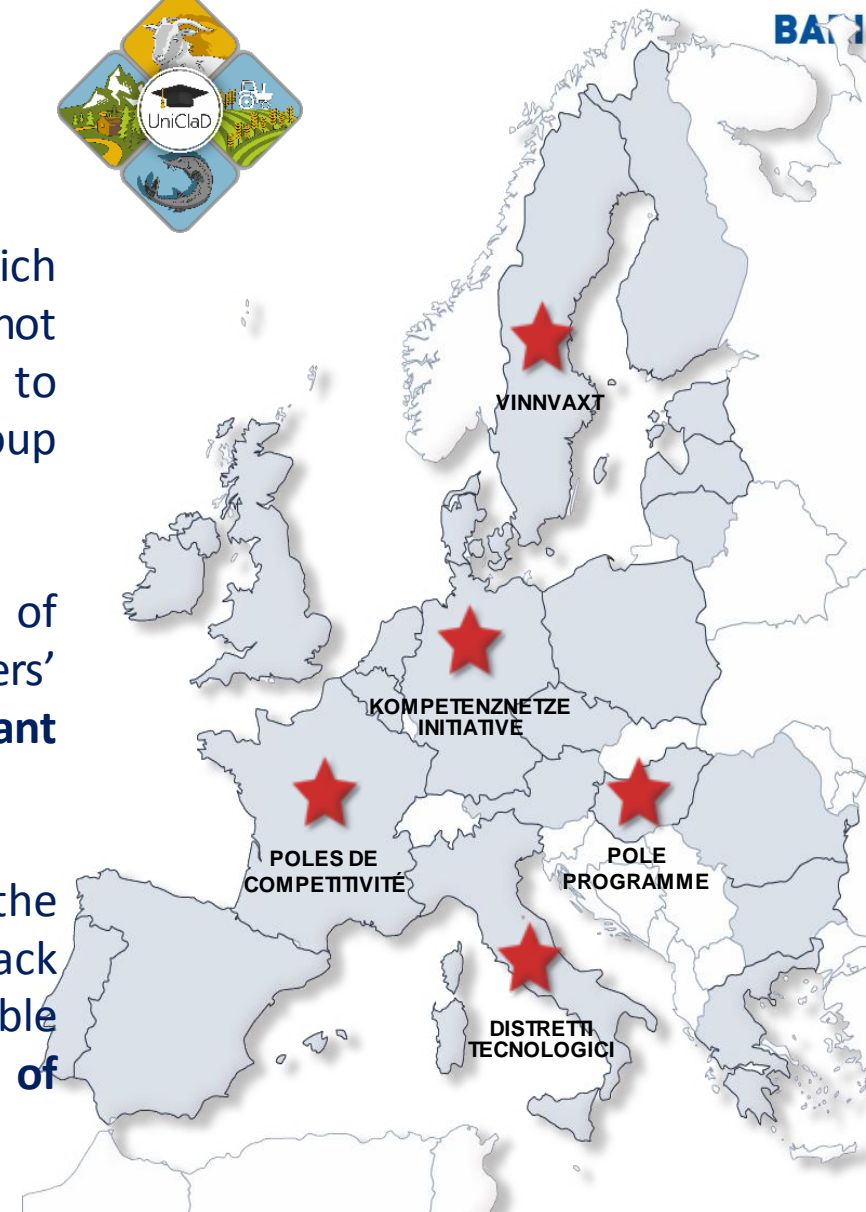
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- ❑ “clusters are of growing importance in the new global environment in which the Europe 2020 strategy has to succeed; European policymakers cannot afford to ignore their role and should actively explore their potential to modernise and improve economic policies”. European Cluster Policy Group 2009
- ❑ EU countries designed **place-based policies** (according to the concept of regional innovation system and the triple helix model) launching clusters’ policies as **tools to create and promote the innovation potential of a relevant sector concentrated in a particular area**.
- ❑ The main aim was to overcome **market** and **systemic failures** (as the innovation market is not a perfect market and local innovation systems lack from linkages among actors), by creating and promoting the favourable conditions based also on the **strategic integration of the three drivers of development – research, government, and industry**.

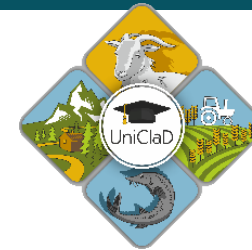




The Italian policies



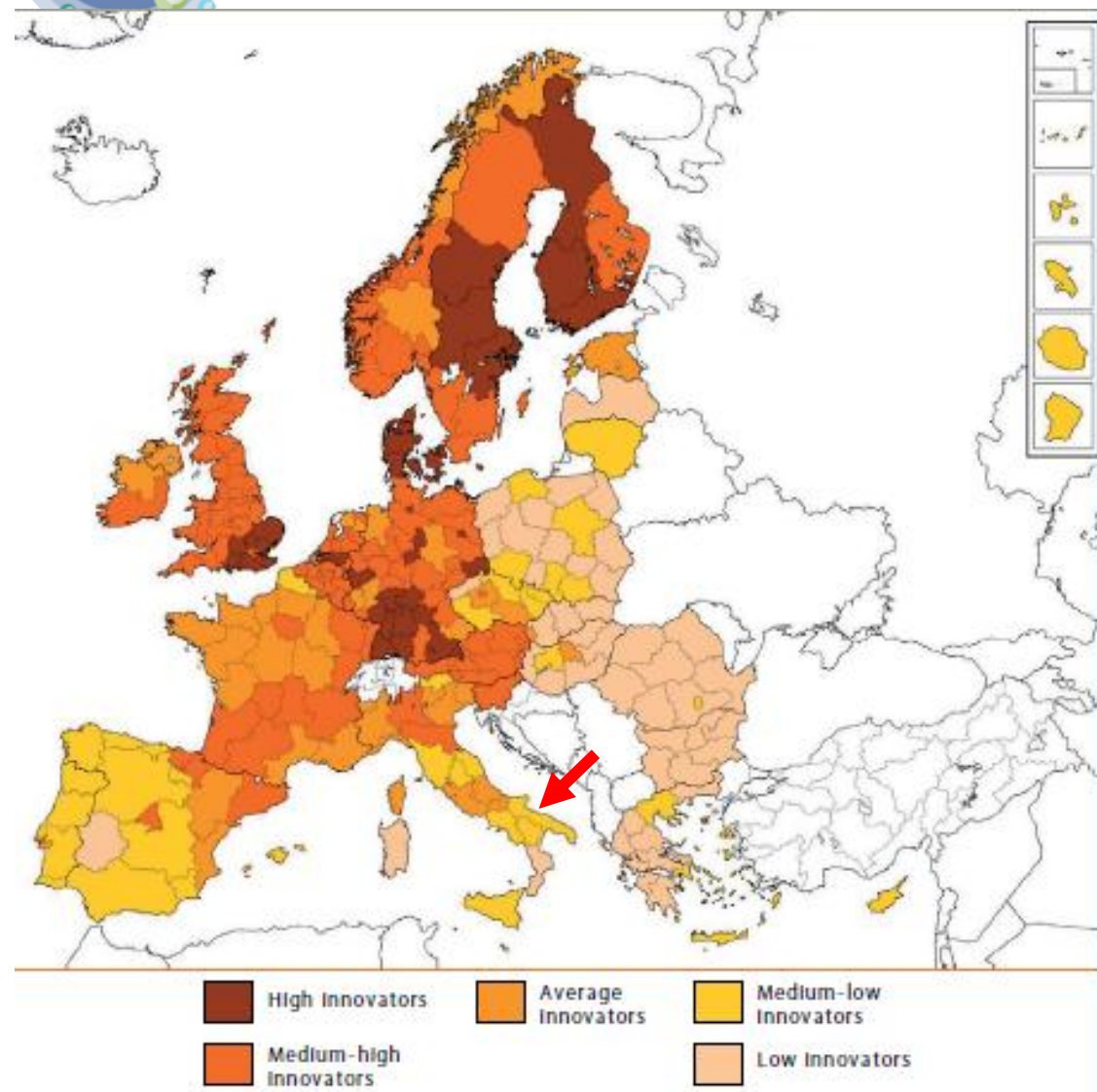
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- ☐ Following the **National Programs of Research (NPR)**, the **Italian Ministry of Education, University and Research (MIUR) defined between 2002 and 2007**, started the clusters' (technology districts, TDs) policies.
TDs are legally constituted by an act issued by the MIUR following the proposal of the Regional Government. A district is formally created by a legal agreement between the Region and the Ministry (Framework Agreement Programme)
- ☐ Clusters are defined as **local aggregations of high-tech activities, made up of geographically concentrated universities or public research centres, firms and local governments, which aim to foster firms' innovation capabilities and local competitiveness.**
- ☐ They have flourished above all in Southern Italy regions **to overcome structural weaknesses such as the low level of R&D expenditure, the small number of patents... do not contribute to the economic, social and environmental growth of the local systems.**



The framework conditions



PUGLIA	2006
RIS	MED-LOW
ENABLERS	MED-LOW
FIRM ACTIVITIES	LOW
OUTPUTS	MED-LOW

Patents	14
Projects	423
Spin-off	14
International collaborations	436

	Puglia	Italy
Agriculture added value	3,2%	1,8%
% agrifood industries /total Italian industries	16%	11%

(Fonte: Nostre elaborazioni su dati Istat, 2011)



The experience of the Apulian Technological District



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In 2006 the Technology District of the Apulian Region, D.A.Re., was created

VISION

The Agrifood Technological District aspires to become a thriving ecosystem of innovation, internationally recognized, that can **promote the common welfare through the continued growth of knowledge and the sustainable economic development of the territory**

MISSION

The Technological Agrifood District generates, shares and transfer innovations through **collaboration between public and private worlds of research, business and finance in order to promote scientific excellence, increase the competitive advantage of the production system, attract new investment and support the policy choices**



The governance



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The legal status of DAre, the entity responsible for the management of the initiatives in the district is a **limited liability consortium with a majority of public shareholders, participated in by firms, universities, research centres and other public entities.**

Its status was also designed to benefit from public funds from the European Union, and national (or regional) funding.

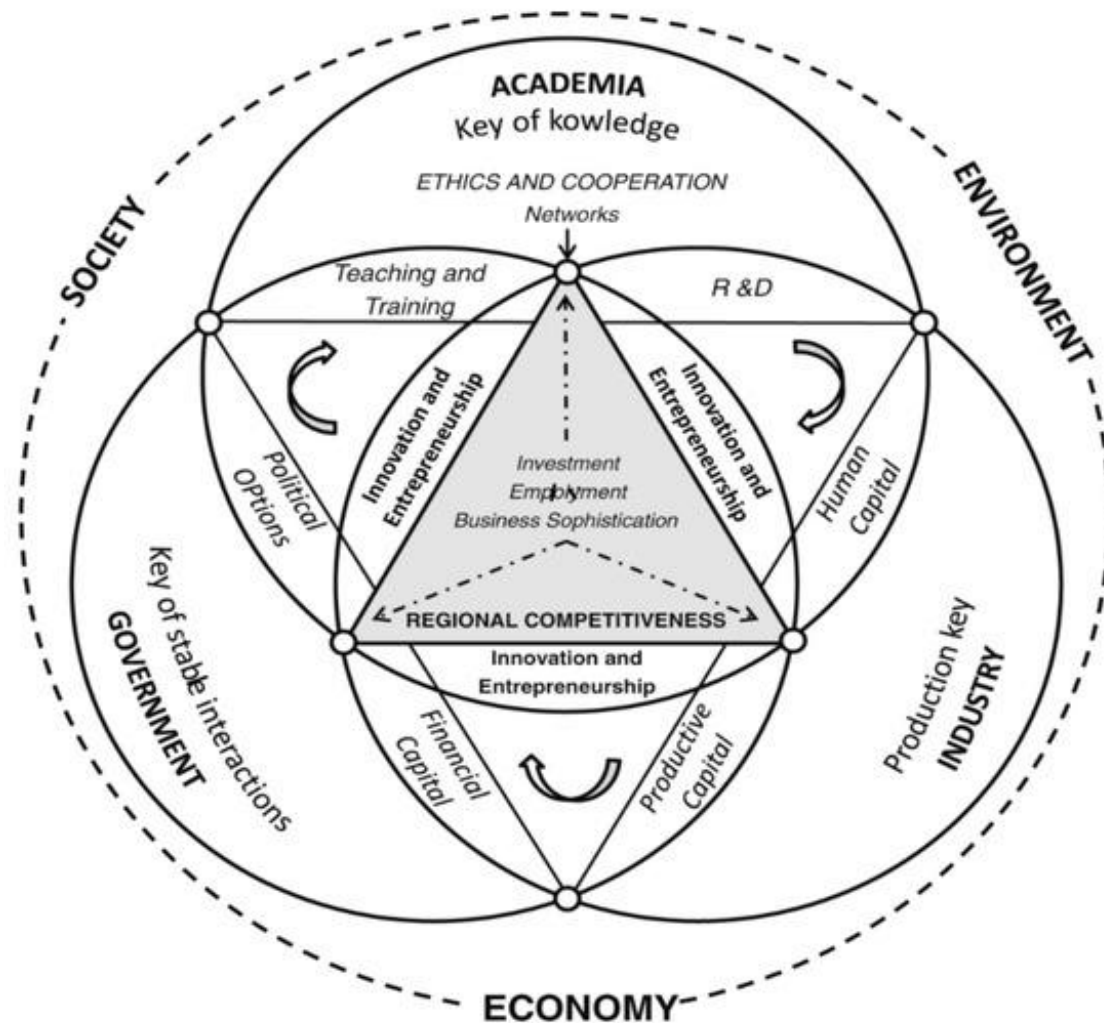
PRIVATE non-profit company

National Programme for
research and competitiveness
2007-2013

Funding measures to:
existing TDs;
new TDs
Private-public research labs

Regional Operational
Programmes (ERDF, ESF)
2007-2013

EU PROGRAMMES





The governance

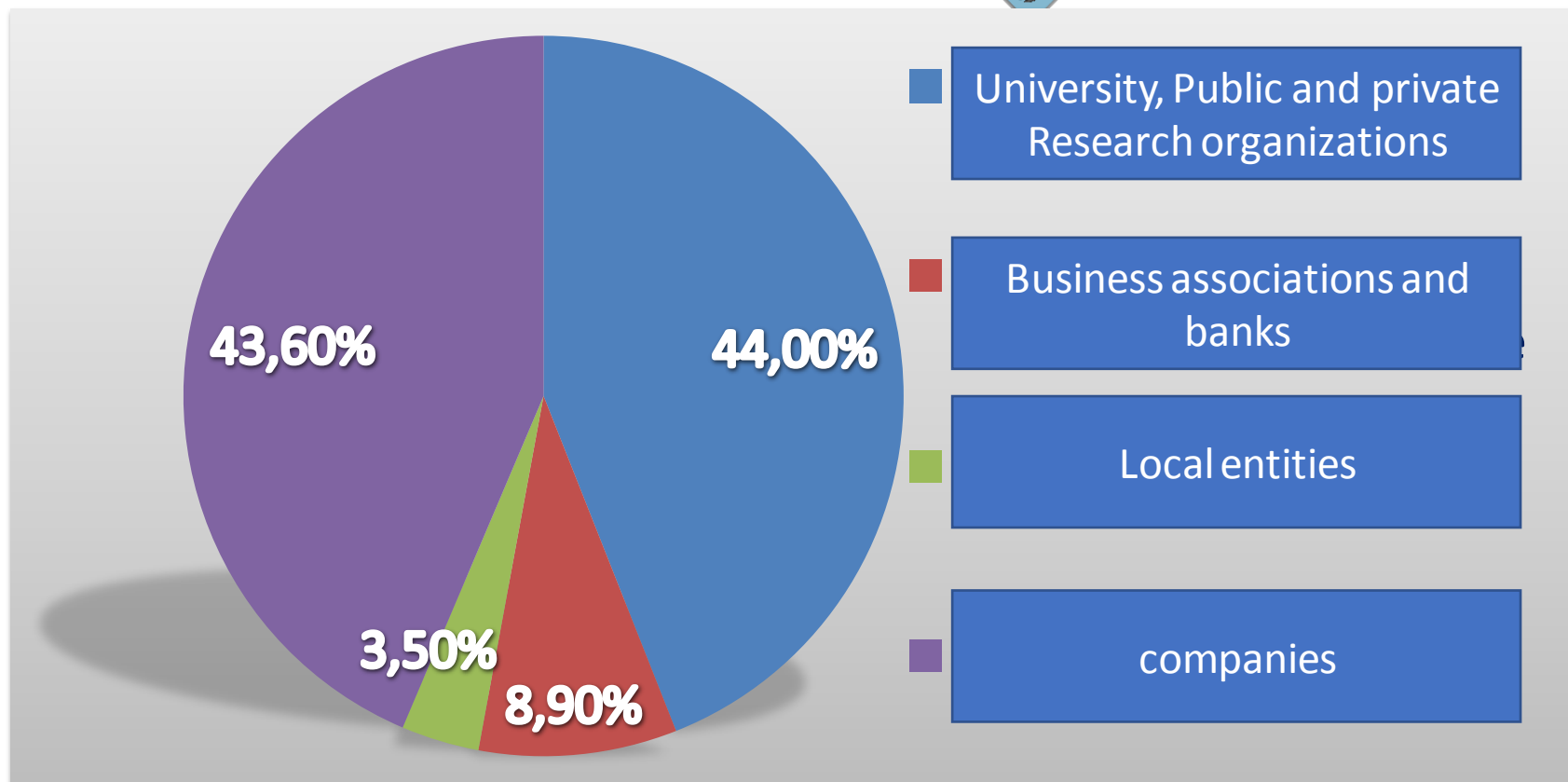


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€ 500.000
Share capital

As lump sum according
to a % defined for each
category of
shareholders

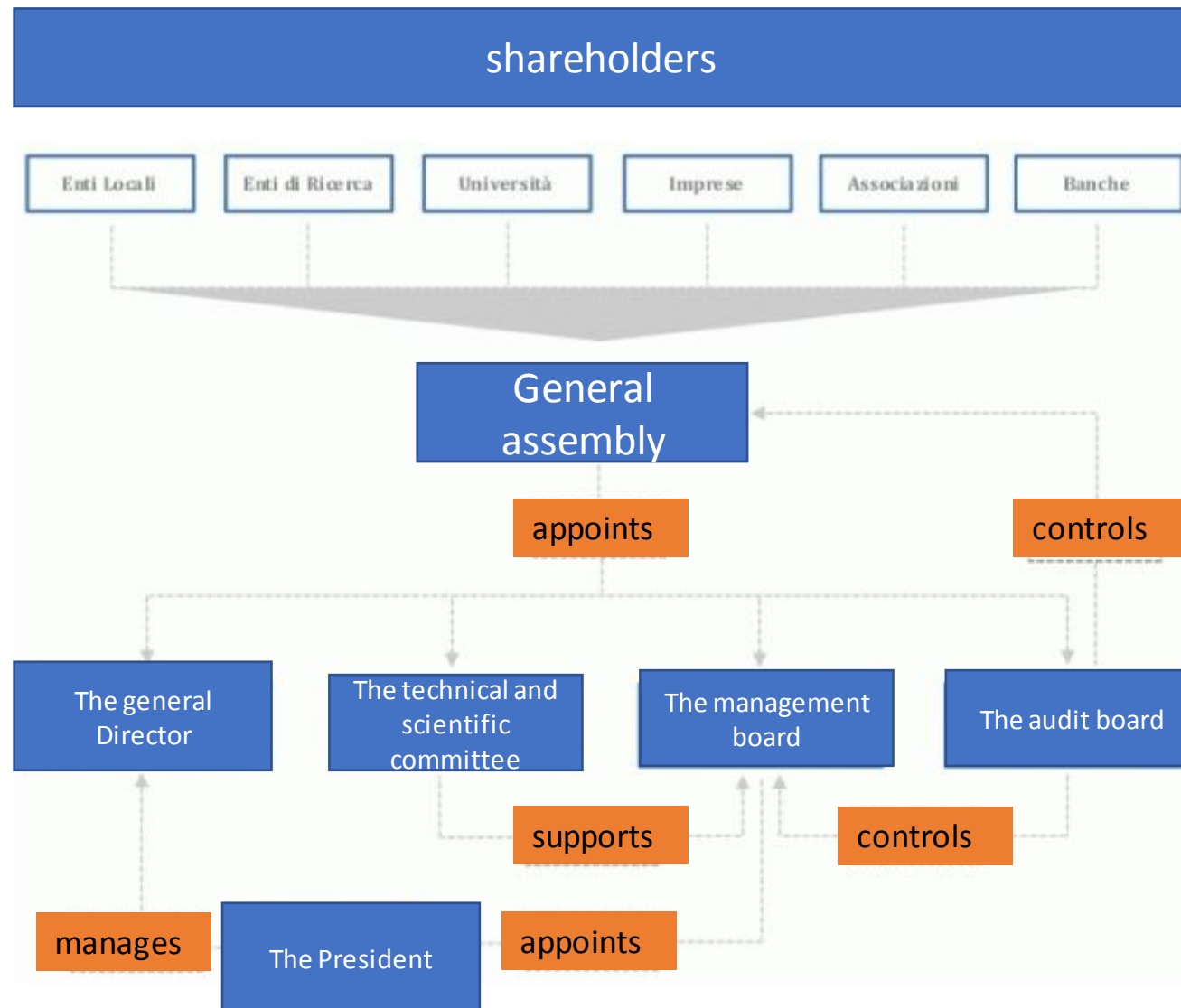




The governance



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The main achievement (2010-2015)



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**34 MILLIONS EUROS TO
MANAGE 5 NATIONAL
PROJECTS**

**Functional
food**

**Innovative
Products**

Packaging

Food safety

**Sustainable
Solutions**



What happened from 2015 on...?



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- ☐ New programming period and new policies orientations: No more sustain to regional TDs but National TDs
- ☐ Apulian regional government defined technology clusters as collaborative partnerships among public-private organizations (temporary contracts)
- ☐ Delay in receiving the national funding for the 5 projects implemented
- ☐ Lack of resources to ensure the operations of the TDs
- ☐ Shareholders' trust compromised
- ☐ Need to rethinking the cluster model and shift to a new strategy: from free of charge services to fee-based ones
- ☐ Critical aspects because of the type of shareholders: mostly public



The business model



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DARE'S BUSINESS MODEL

Key Partners	Key Activities	Value Proposition	Customer Relationship	Customer Segments
<ul style="list-style-type: none"> • Apulian universities • Major research centres • Regional administration • EU commission 	<ul style="list-style-type: none"> • Networking • Project management • Support for fundraising 	<ul style="list-style-type: none"> • Maximising the innovation of the Apulian agro-food sector in order to increase the overall wealth of people in Apulia and beyond 	<ul style="list-style-type: none"> • Fair dialogue about new market opportunities • Support for funding opportunities 	<ul style="list-style-type: none"> • Cluster associations • SMEs in the agro-food sector • R&D centres
Revenue Streams			Channels	
<ul style="list-style-type: none"> • Public funding: <ul style="list-style-type: none"> ◦ On regional/national/European level ◦ For the cluster itself/for activities the cluster will perform • Frequent membership and shareholder fees • Provision of fee-based services: <ul style="list-style-type: none"> ◦ Preparation of funding applications for members ◦ Technical consulting and services ◦ Organisation of events • Office and utilities • External contractors 			<ul style="list-style-type: none"> • Website • Meetings • Newsletters 	
			Revenue Streams	
			<ul style="list-style-type: none"> • EU funded project (80%) • National and regional projects (20%) 	



Key Activities	Value Proposition
<ul style="list-style-type: none"> • Cluster management: <ul style="list-style-type: none"> ◦ Networking ◦ Organisation of meetings and events ◦ Communication ◦ Elaboration and distribution of information ◦ Representation of the cluster and lobbying ◦ Marketing and co-branding events ◦ Participation in funded projects • Project development: <ul style="list-style-type: none"> ◦ Idea generation ◦ Technology transfer ◦ Partner search ◦ Preparation of funding applications ◦ Project management • Provision of additional services, including technical services and consulting 	<ul style="list-style-type: none"> • Help companies to grow by: <ul style="list-style-type: none"> ◦ Improving their competitiveness through innovation and cooperation ◦ Creating more B2B opportunities through networking, representation and internationalisation • Support the growth of a certain geographic region and market sector • Support companies to modernise/optimize their infrastructure and/or processes



CIHEAM Bari-Italy



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After a mentoring session in 2017we found that

*The **Dare CLUSTER** is a professional and well-managed cluster organization that provides, value but not rated services to the cluster. The Mentor resulted in a **respectable result in terms of cluster achievements, at regional, National and even European Level**. It has managed an important budget of Public funds for R&D strategic Cluster Projects. The **Cluster Management Performance is excellent in terms of expertise and sector knowledge, and the team is very well qualified**.*

*On the other hand the cluster **lacks clear Cluster Strategy, and a clear idea of its Business Model for the future. As Public funds, availability will be less and less over the time, it is necessary to rethink the Business Model of Dare**.*

*As outlined above we recommend fostering networking and identification of collaborative project ideas in the future. For this purpose, we also recommend improving **the customer relation management to maintain and further develop business relations with the cluster participants**.*



DARe rethinking strategy

Figure 6 – DARe's potential value-chain



A value chain more generalist and inclusive

To create WGs at technical and strategic level.

1. Chose the most promising trajectories to boost innovation
2. Involve SMEs in the strategy rethinking

We strongly recommend defining a Cluster Strategy for the next period 2018-2021, where it should at least treat the following points:

1. CLUSTER DESCRIPTION	2. THE STRATEGY	3. CLUSTER ORGANIZATION
1.1. Starting analysis Technological Challenges Strategic Immersion PEST Analysis SWOT Analysis	3.1. Context National and international context of the Sectors involved Socio-economic analysis Puglia Region 2.2 Strategic Framework Characterization of the Industrial base Scientific Technology Offer Strategic analysis Space of Influence Starting point of influence Current Services 2.3 Strategy General Strategy Plan of Action Project Portfolio	3.1. Management Structure Organization Structure Cluster Organization Chart 3.2. KPI Indicators Impact Progress Indicators 3.2. Budget Investments foreseen Financing Structure Operative Budget 3.4. Roadmap Short Term Objectives Short and medium Terms actions

Improve the members commitment by through direct meetings and collect needs and develop tailor made services that could be provided on a fee base



Clusters' future perspectives



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- ☐ Most clusters establish excellent networks with strong contacts, skills, and knowledge, BUT, their activities and resources are often not valued enough by the cluster members and external partners. While some cluster managers feel that **they should provide their members with everything for free, others struggle with charging fees from the partner due to various internal or external circumstances.**
- ☐ Thus, the first step to a good financial basis is to establish a clear concept for membership/shareholder fees, e.g. **Who has to pay? How often is the fee due? Are there different levels of fees (e.g. per company size or field)? What cluster services are included in the fee?**
- ☐ As soon as this is established, the cluster management can try **to identify what other services could be offered** and are also interesting for cluster members or external customers. Here, a strong match between offering and needs should be achieved. If the service it is well accepted and recognised by the market, this **can become a valuable revenue stream.**
- ☐ **Services provisions:** be careful and not try to offer a huge variety of new services at once. This can be very tough and risky for the initial focus of the cluster or even its identity. If the CMO neglects the basic services for which the members ideally pay membership fees, a loss of cluster members might be a severe consequence.



THANK YOU

For more information:

<http://www.iamb.ciheam.org/>

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