



Initial Report on Collection of Best Practices

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Introduction

EXCITE aims to strengthen cluster management and facilitate exchange and strategic partnership between cluster staff and cluster members by using the ClusterXchange mobility scheme. ClusterXchange is a new pilot project to promote short-term exchanges to better connect industrial ecosystems in Europe. The project will focus on skills, processes and services related to digital transformation - both in terms of the cluster organisation itself and its members, to be able to support them in successfully accessing global markets.

This report presents notable cluster management practices of the EXCITE consortium, and general needs for improvement, at the beginning of the project. The Consortium is composed of six European digital clusters:

- Silicon Saxony, microelectronic cluster in Germany,
- DTI Cluster, digital cluster in Bulgaria,
- Business Hive Vilnius, digital cluster in Lithuania,
- Mazovia Cluster ICT, digital cluster in Poland,
- GAIA, digital cluster in Spain,
- SCS Cluster, digital cluster in France.

In the frame of the project will take place training and best practice-sharing activities, with the aim to

- ➔ Improve the clusters' practices in terms of performance and level of services,
- ➔ Reinforce the clusters' relations and have a better understanding of each-other's ecosystems, to bring cross-border matchmaking opportunities to the cluster members, through the ClusterXchange missions,
- ➔ Build synergies through the elaboration of joint-services.

Thus, this report is meant to be a basis to focus the thematic that will be dealt with in the frame of the project activities, such as the study visits and the training/capacity building activities. A second iteration will be released in M12 (January 2023), with an update of the focus practices and activities for the undertaken and future best-practice-sharing actions.

This report is based on the survey conducted in the frame of the deliverable 2.1 *Skill development plan* (internal confidential report), which provides a more comprehensive overview of the practices and challenges of each cluster.

Methodology

The assessment of the EXCITE clusters' challenges and practices was structured in five distinct cluster management areas, chosen based on the dimensions structuring the **criteria of the Gold label of the European Cluster Excellence Initiative**¹.

1. **Cluster structure.** (*Structure of the cluster*) Refers to the cluster's "identity card": key thematic focus, members' typology, concentration, geographic focus, etc.
2. **Cluster strategy.** (*Strategy, objectives, services*) Refers to the purpose of the cluster, and its strategy making, implementation and monitoring.
3. **Cluster operational organisation.** (*Typology, governance, co-operation*) Refers to the operational structure: organisation, team management, internal management processes, governance.
4. **Cluster business model.** (*Financing cluster organisation management*) Refers to the income model of the cluster: services offer definition, membership fee management, etc.
5. **Communication and reputation.** (*Achievements, recognition*) Communication to the cluster members and prospects, and to the external stakeholders (financers, policy makers, etc.).

These dimensions structured the clusters' reflexion regarding the assessment of their own practices, conducted through a workshop, and a self-assessment survey², at the very beginning of the project (M1-M3).

¹ ECEI Gold label criteria, dimensions p.5: https://eucles.be/wp-content/uploads/2021/11/130226_Public-Document-for-GOLD-Assessment-preparation.pdf – EUCLES labelling: <https://eucles.be/labelling/> ;

²More information in D2.1 *Skill development plan (internal)*

1. The EXCITE clusters

Silicon Saxony



Full name of Organisation: Silicon Saxony
Location Geographic coverage: Saxony, office in Dresden, Germany
Membership: 400 members, 80% SMEs
Key Technology focus and specialisation: Microelectronics, Industry 4.0, Software, AI
Creation date: 2000

DTI Cluster



Full name of Organisation: Cluster for Digital Transformation and Innovations(DTI Cluster)
Location Geographic coverage: Bulgaria, office in Sofia
Membership: 100, 94% SMEs
Key Technology focus and specialisation: Microelectronics, Industry 4.0, Software, AI
Creation date: 2008

Business Hive Vilnius



Full name of Organisation: Business Hive Vilnius
Location Geographic coverage: Lithuania, Baltics, office in Vilnius
Membership: 25 members (100% SMEs)
Key Technology focus and specialisation: hardware, security, block-chain, AI and enterprise software startups
Creation date: 2010

Mazovia Cluster ICT



Full name of Organisation: Mazovia Cluster ICT coordinated by Stowarzyszenie Rozwoju Społeczno-Gospodarczego „Wiedza”
Location Geographic coverage: Warsaw, Mazovia district, Poland
Membership: 402 members, 88% SMEs
Key Technology focus and specialisation: ICT, AI, IoT, Robotics and specialisation: energy management, space technologies, cybersecurity
Creation date: 2007

GAIA



Full name of Organisation: Gaia -Association of Knowledge and Applied Technologies industries in the Basque Country

Location Geographic coverage: Basque Country, Spain, offices in Bilbao and San Sebastián.

Membership: 311 members, 65% SMEs

Key Technology focus and specialisation: Electronics, Informatics, Telecommunications, Internet of Things, Artificial Intelligence, Experiential Intelligence, Cybersecurity

Creation date: 2008

SCS Cluster



Full name of Organisation: Pôle Solutions Communicantes Sécurisées (Secured Communicating Solutions Cluster)

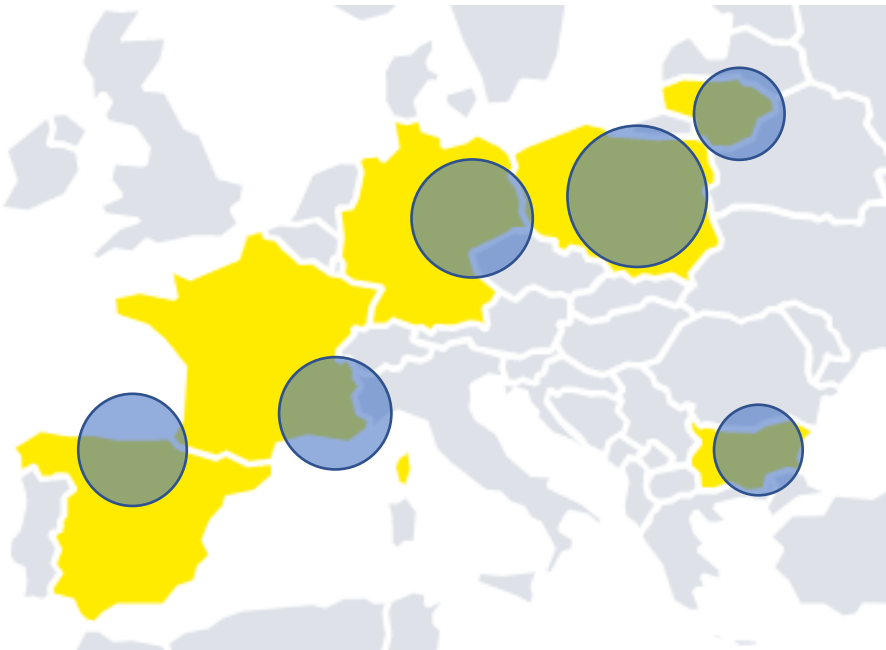
Location and geographic coverage: French Region Sud Provence-Alpes-Côte d'Azur, with 2 main offices (Rousset & Sophia-Antipolis)

Membership: 310 members (72% SME)

Key Technology focus and specialisation: Microelectronics, AI, IoT, Cybersecurity

Creation date: 2006

Geographical coverage



2. Challenges assessment for best practices collection

2.1 Cluster structure

Common challenges

Regarding cluster structure, all six partners share challenges regarding they sectorial focus. As most of them are dealing with horizontal thematic – technologies that can be applied to various markets – the first difficulty is to be able to reach and be recognized in vertical sectors and **bring new markets to their members, at local and international level**. On the one hand, communication with players of other sectors can be difficult, because of unfamiliarity in terms of technology, specific challenges, and requirements. On the other hand, clusters also meet the difficulty to address consensus-messages and to tackle the needs of all members regarding the access to market, as they are targeting various markets – digital clusters focusing on several key enabling technologies, their members are diversified, and such technologies can target a wide range of markets.

Change of the economic context entails changes in the cluster strategic focus, and sometime can reconsider its purpose. Some clusters went through restructuration to adapt to new challenges, such as digital transformation, which requires to target new kinds of members, with new kinds of needs in terms of support and of market prospects. Resulting challenges are the **building of new competences and expertise**, the **recognition of the cluster in new fields**, and **attracting and retaining new members**.

BEST PRACTICES NEEDED

- ➔ Practices linked to **cross-industrial partnerships**, which would help make connexions with market-oriented clusters and relevant company prospects for the members, **at local and European level**.
- ➔ Practices linked to **members' attraction, loyalty and engagement in the cluster activities**.
- ➔ Practices linked to **competence and expertise building in strategic technology and market fields**.



GOOD PRACTICE

SCS Cluster agrees partnerships with market-focused clusters, on calls for interest based on value chain analysis and needs for digitalisation of the market sector. The aim is to bring the members to collaborative cross-sector projects giving them access to clients.

2.2 Cluster strategy

Common challenges

As regards cluster strategy issues, the major challenge shared by all the EXCITE clusters is the difficulty to **reach an active involvement of the cluster members in the strategy making**. Thus, the strategy can be mostly formulated by a few players and not by the majority, and it may be difficult to ask members to think collectively and not only for their own interests. This results in the fact that the strategic priorities followed by the cluster reflect only the interest of a few, and in a disinterest and mistrust of the others. The ambition of the clusters is to tackle the interests and challenges of the majority of their members and appear as a consolidated strong sector.

The majority of the clusters also need to **improve their strategy monitoring processes**. From the difficulty to define reliable KPIs, the lack of time-resources to achieve an efficient and constant reporting, the multiple reporting imposed by several authorities – when the cluster is partly public-financed, to the lack of skills to efficiently use reporting tools, there is a ground for collective improvement in this field.

BEST PRACTICES NEEDED

- ➔ Setting up of a **process of strategy co-creation format involving more members**, encompassing their needs and visions.
- ➔ **Motivation skills** to better engage the cluster members and keep them active.
- ➔ **Efficient collaborative reporting processes and tools** (such as CRM) engaging team members to achieve up to date reporting easily.



GOOD PRACTICE

Due to their small-size, Business Hive Vilnius has a demand-driven strategy, based on a good awareness of their members' needs thanks to members' involvement – even if it remains difficult to build the strategy on the long-term.

GOOD PRACTICE

Gaia performs an efficient KPIs monitoring thanks a tool allowing easy data reporting (Odo).



2.3 Cluster organisation

Common challenges

The clusters have diverse needs regarding their operational organisation, mainly depending on their maturity and size. However, the majority of them expressed **challenges in the workload and time management** which is most of the time high given the cluster's resources, and staff and management skills. Thus, most of them expressed a **lack of constant training** of their team, mainly due to a lack of time. Some of them expressed challenges in keeping the **operational team motivated**; some others also noticed the difficulty to efficiently **share among the team up-to-date members' information** regarding day-to-day activities and performed services. Finally, some clusters also think of **re-structuring their internal organisation** and become able to handle general activities on the longer-term.

BEST PRACTICES NEEDED

- **Efficient internal organisation** allowing optimised workload and time management, and alignment between the departments and the cluster structure.
- Practices **increasing human resources and expertise**, such as partnerships with members
- Leadership **trainings for the cluster staff**
- **Team cohesion** practices
- Efficient **knowledge management** among the team thanks to the **CRM/other processes**

GOOD PRACTICE

Mazovia ITC Cluster organised their working teams in technology & market competence areas. In addition, they build temporary working groups for the needs of projects with experts of specific fields.



2.4 Cluster business model

Common challenges

Business model good practices generated the most interests from the partners. First, most of them are interested in **exploring new services to enlarge or even re-design their services offer** and ensure continuous incomes from private sources.

The second challenge deals with **membership management**, and more precisely with ways to ensure the memberships renewal each year. This concerns issues of members' loyalty and satisfaction of the cluster activities, but also issues of inefficient membership monitoring in terms of subscription-fee payment, and of heavy administrative processes for subscription.

Finally, some clusters also expressed a difficulty regarding the **pricing of membership and services-fees**. For some clusters, especially the ones whose public subsidies are decreasing over the years, it may be a challenge to adapt fees to the market reality, and to justify it to the members who were used to low prices. For some others, the challenges is even to establish the strict payment of the membership to their members.

BEST PRACTICES NEEDED

- Services and joint-services allowing successful **matchmaking inside the cluster and cross-clusters** via physical and virtual formats
- Services and methodologies **bringing demand and supply together**
- Organisation of **major event with entry-fee**
- **Elaboration of services offer** and price list
- Light **subscription process**
- **Payment monitoring** process and system



GOOD PRACTICE

Silicon Saxony organise B2B events with entree-fee.

2.5 Communication, visibility & reputation

Regarding communication practices, and cluster visibility and reputation, most of the clusters have challenges in optimising their **members' reach**. First, some are implementing many actions and events and have troubles in **managing their information flow efficiently** – the members are overloaded with information, which may lead them to ignore e-mails from the cluster. Second, members are more likely to actively read **targeted communication** regarding their specific focus sectors, or individual communication targeting an individual need – which is also a challenge as the more members clusters have, the more difficult it is to have a good knowledge of each individual members' needs and interests. Likewise, reaching the right entry-point-contact in the organisation is also challenging. Besides, **getting feedback from the members on their success stories** is also needed by the clusters to better assess their added value to their ecosystem, but it remains difficult to track.

Some cluster also expressed the difficulty to **be visible next to a wide range of other similar organisations**, sometimes overlapping the cluster's services. Thus, the clusters have challenges in standing out and demonstrating their added value to their members.

Member's engagement in the cluster's activities is thus a challenge depending on many factors, of which the COVID context, as many core activities like formal and informal meetings, that used to maintain and raise the members' motivation, were largely impacted – and the members' participation to such activities tends to remain lower than before, even during cooling down periods. Besides, events planning has become difficult due to the risky and changing context.

Finally, challenges were also recorded regarding the **use of communication channels**, and especially needs for skills in **using social media**.

BEST PRACTICES NEEDED

- ➔ **Targeted-communication** practices
- ➔ Communication actions **demonstrating the cluster's added value**
- ➔ Practices to **track success-feedback** from the members
- ➔ Optimised **use of communication channels and social media**
- ➔ Edition of **digital content**



CLUSTER FOR
**DIGITAL
TRANSFORMATION &
INNOVATION**

GOOD PRACTICE

DTI Cluster offers numerous formal and informal meetings to their members to keep them involved in the cluster activities – even if the COVID context restrained these activities.

Conclusion

The major challenge shared by all EXCITE clusters through the five explored cluster management areas is the engagement of the cluster members, which is at the basis of the cluster's reason for being, from the definition of a consensus strategy tackling the interests of the majority of the players, to the profitability of the performed services, through the target's reach and impacts and performance monitoring.

To achieve the improvement of their practices in all the areas which we went through in this assessment, the EXCITE consortium will exchange each other's practices which appear to be diverse, through training activities, dedicated workshops during study visits, learning tandems, and the elaboration of joint-services.

This report will be upgraded with recorded best-practices throughout these project activities in M12 (January 2023).