Danish Cluster Policy:
Boosting the Internationalisation and Competitiveness of Danish Regions

Adelaide TCI 2. June 2016
MY LIFE WITH TCI
WHY WAS I FED UP WITH CLUSTERS?

- Over-analysing.
- The best clusters get picked up on the radar and are strangled by bureaucracy.
- Semantics. Digressing to discuss whether it is a true cluster or not.
- The constant search for the next new policy/project/concept/buzzword.
- Counterproductive battling for territory. Regions, ministries organisations, etc.
Which countries are the LEAST corrupt?

1. Denmark
2. Finland
3. New Zealand
4. Sweden
5. Singapore
6. Switzerland
7. Australia
8. Norway
9. Canada
10. Netherlands
11. Iceland
12. Luxembourg

Corruption Perceptions Index 2013

5.5 mio. population.
5 Regions.
Part of EU.
REG LAB = REGIONAL LEARNING, ANALYSIS AND BEST PRACTICE.

"LABORATORY" GATHERING AND DISSEMINATING KNOWLEDGE AND GOOD PRACTICE IN REGIONAL DEVELOPMENT.

FOUNDED IN 2005. INDEPENDENT. NON-POLITICAL.

FUNDED BY MEMBERSHIPS. 119 ORGANISATIONAL MEMBERS. GOVERNMENT, REGIONS, MUNICIPALITIES, UNIVERSITIES, BUSINESS COUNCILS ETC.
THE INDUSTRIAL STAR – TRADEMARKS OF THE SUCCESSFUL BUSINESS MODEL

- Holistic business concepts
- Specialisation
- Integrating skills for design, production and services
- Lean, automation, digitalisation
- Co-creation with customers
Your plan

Reality
The business environment is changing more rapidly than ever

- 3 out of 5 companies says their core competitive advantage will be obsolete in 5 years. A vast majority sees this an opportunity rather than as a threat.
  
  Børsen, May 2016

- 7 out of 10 companies says they need to make radical strategic changes during the next 5 years to maintain their position in the market. This fast-moving environment calls for new skills, new partners, new work forms.
  
  Monday Morning magazine, May 2016

- Nations will be increasingly split between those that are "innovation rich" or "innovation poor", not just how big they are. It will be their capacity to put human capital to work that will make the difference.
  
  World Economic Forum; Human Capital Report, 2015
THE IMPORTANCE OF CREATING AN ENTREPRENEURIAL MILIEU

To support high-growth entrepreneurship, we need to be more accepting of firm failure and bankruptcy, and reducing the economic and social costs that go with them.


Companies founded by re-starters have higher turnover and employment growth than companies run by entrepreneurs who have never failed

Source: Setting the Phoenix Free. Boston Consulting Group, 2002

Risk of bankruptcy is what Europeans fear most about setting up a new business. 50% of Europeans agree with the statement "You should not start a business if it might fail", compared with just 28% in the US and 37% in China.

Source: Flash Eurobarometer 354, European Commission, 2012
ENTREPRENEURSHIP IS AN ATTITUDE THAT LEADS TO THE IDENTIFICATION AND EXPLOITATION OF PREVIOUSLY UNEXPLOITED OPPORTUNITIES
The 6 cultural drives of growth

- Entrepreneurialism
- Risk-taking
- Openness
- Local action
- The organisers
- Creative

*Source: Teknologisk Institut (updated by REG LAB)*
"Some places get their share of growth automatically. Others have to fight for it. I often find that it helps to know that we must do the job ourselves”

Tonny Thorup, head of business development, Aalborg Municipality
Cluster Ecosystems
value creation in clusters

NETWORK:
- Cluster organisations
- Dealmakers
- Serial entrepreneurs

Entrepreneurs
Established firms
Knowledge institutions
Risk capital
Service providers

Value creation
Value creation
Value creation
Value creation

Successfull blockbusters reinvesting back into the ecosystem

The Market
$-Capital
Talents
The cluster strategy is drafted by The National Cluster Forum, i.e. the Ministry of Higher Education and Science, the Ministry of Foreign Affairs, the Ministry of Business and Growth, the Ministry of Environment and Food, the Ministry of Energy, Utilities and Climate, The Ministry of Health, all 5 regions, Local Government Denmark (LGDK), as well as Copenhagen, Aarhus and Aalborg municipalities.

Funding for activities comes from a variety of sources and are not necessarily fully aligned.

But the intention is clear: Let’s work as a team.
Companies who are actively involved in cluster activities:

- Are **four times** more likely to innovate than similar companies who are not involved in cluster activities.
- Obtain productivity growth which is **3,6 percentage** points higher than other similar companies.
OUTCOME OF COLLABORATING WITH CLUSTERS

In general, the Danish clusters succeed in engaging many SME’s in their activities. Danish clusters collaborate with around 13,000 companies every year, HALF OF WHICH ARE actively “DEDICATED”.
50 SIGNIFICANT CLUSTERS
CHARACTERISTICS OF THE DANISH CLUSTERS

✓ They aim to **build knowledge bridges** between companies and knowledge institution and to create **innovation and growth within a group of companies** with shared interests.

✓ **They have a triple helix organisation**, i.e. both companies, knowledge institutions and public partners/civil society take an active part.

✓ They have a **formally established organisation** of the cluster and its activities with at least one fulltime equivalent and have the resources to offer services and activities to the members. The aim is a long-term, sustainable effort.

✓ They have a **minimum of 20 committed participants from private companies**.

✓ They must have a **valid label; Bronze, Silver or Gold (or be in process)** of the ECEI - European Cluster Excellence Initiative.
DENMARK

DENMARK has strong, professional clusters that create high value for enterprises and society in the form of innovation, growth and societal solutions.

MISSION

Through a cohesive cluster structure, the cluster policy must underpin Danish positions of strength, emerging growth areas, traditional industries and development throughout the country.

FOCUS AREAS

1. Clusters as bridgebuilders to research and development
2. Clusters as a driver of internationalisation
3. Clusters as a driver in the regional ecosystem
4. Development of strong Danish clusters
5. Cohesion in the cluster policy and structure
INDICATORS 2018

1. At least 2,000 enterprises have annually developed new innovations as a result of the cluster activities (status 2014: 1,600).
2. There is an appropriate regional distribution of the enterprises that have developed new innovations, reflecting that the policy benefits the whole of Denmark.
3. At least 2,500 enterprises participate annually in partnership projects with knowledge institutions through clusters (status 2014: 1,800).
4. At least 1,500 enterprises participate annually in international activities through clusters (status 2014: 900).
5. Denmark has at least 10 Gold and 10 Silver clusters (certified according to the EU’s Cluster Label system).
Carrots and sticks

”..... The Ministry and the regions will review that the international strategy and activities are based on strategic priority and analysis when assessing future applications for funding of cluster activities.”

Cluster Strategy 2.0 - Strategy for Danmarks clusters and networks 2016-2018
Check list on Strategic Cluster Internationalisation
- an easy-to-use tool for cluster managers

PHASE 1: UNDERSTAND YOUR CLUSTER
- Understand your members needs and wishes on internationalisation
- Choose the right markets and technologies

PHASE 2: GET A GRIP OF THE COMPETENCES, STAKEHOLDERS AND FINANCES
- Have the right competences within the cluster management
- Create overview of the relevant stakeholders
- Manage your finances

PHASE 3: DEVELOP YOUR INTERNATIONAL STRATEGY
- Coordinate the international strategy with the overall strategy of your cluster
- Create support for the strategy in the cluster organisation
- Do not forget milestones, key performance indicators and action plan

PHASE 4: IMPLEMENT THE STRATEGY
- Develop mutual trust with your collaboration partners
- Implement action plan through services and activities
- Measure the success
- Communicate the success

PHASE 5: SUSTAIN AND DEVELOP NETWORK AND SERVICES
- Sustain and develop your international network
- Sustain and develop international services
- Develop a global network

EVALUATION AND FEEDBACK
MODEL 3: PROCES FOR INTERNATIONAL MATCHMAKING,
INVIO - INNOVATIONSNETVÆRK FOR OLEVELSESØKONOMI

Interviews før turen

Afrejse

Workshop I
Pitch & Matchmaking

Workshop II
Præsentation af Oplevelses- teknologier (OT)

Koncept præsentation

Koncept udvælgelse

Brainstorm over oplevelses- teknologier

Workshop III
Oplæg om forretningsmodeller

Value Proposition design

Experience Innovation

Digital Experience

• Interviews med deltagere
  • Formål: T-finde kompetencer, ressourcer etc.
  • Formål: C: Danne workshop-grupper

• Præsentation af dem selv
  • Hvorfor deltagere på turen?
  • Deres problemstillinger
  • Deres kompetencer og behov

• Eksempler af forskellige oplevelses- teknologier
  • Formå: Hvad mener vi med OT

• Vise og fortælle det udvalgte koncept
  til de andre deltagere
  • Formål: Gør det eksempel for nye ideer og matchmaking

• Grupperne udvælger et (eller flere) koncepter,
  de finder interessante

• Deltagere arbejder ud fra problemstilling
  • Bruger teknologier som 'refleksionsværktøj'
  • Skaber koncepter
  • Formå: Skabe potentielle for innovative
    oplevelses- teknologier

• Fokus på innovative forretningsmodeller
  • Hvad skaber værdi?

• Fælles gruppearbejde

• Hvad er oplevelsen i produktet/konceptet?
  • Hvad er teknologien, interaktionen og
    oplevelseelementet?
  • Formå: Arbejde med værdi og forretningsmodel
    i forhold til koncepterne

• Hvile potentieler er der i en digitalisering?
• Hviloen rolle kan digita Platforme have for deres forretnings?
INTERNATIONAL CLUSTER MATCHMAKING

3RD CLUSTER MATCHMAKING EVENT SEPTEMBER 2015:

544 cluster-to-cluster meetings
292 participants
152 clusters
31 countries
40 collaborations agreed
100% would participate again.

https://vimeo.com/140051980

2016 September 19-20 in Warsaw, POLAND

https://www.b2match.eu/cluster-matchmaking-2016
IS AUSTRALIA GUILTY?

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- Counterproductive battling for territory. Regions, ministries organisations, etc.
- The Knights who say NIH (Not Invented Here)