



THE CLUSTER COMPETITIVENESS REPORT

CONTEXT

The Cluster Competitiveness Report arises from the worldwide need for neutral performance data for clusters based on a consistent conceptual framework.

The Clusters and Competitiveness Foundation (Fundació Clusters i Competitivitat) is the result of collaboration between Michael E. Porter, Bishop William Lawrence University Professor at Harvard, and the Government of Catalonia in order to assist in cluster examination.

The Foundation was set up to offer and administer the Cluster Competitiveness Report. The Foundation is a non-profit and independent organization with a clear global scope. It is free of commercial interests.

The Report is based on the research and findings on the microeconomic foundations of competitiveness carried out by Michael E. Porter at the Institute for Strategy and Competitiveness based at Harvard Business School, and is supported by a robust, conceptual framework.

The Cluster Competitiveness Report was created to help alleviate the lack of cluster-specific information that has become apparent during the recent global increase in interest in cluster-based policies for economic development. This lack of information has been a disincentive to the pursuance of cluster-upgrading initiatives as it makes it difficult to set actionable, measurable objectives, and cluster policies create problems for control. The Cluster Competitiveness Report helps government officials and business leaders to better understand their clusters competitive position, acts as a guide for strategy evaluation, and provides a rich source of information for researchers of cluster theory.

Information on clusters is collected via an online survey, which is completed by companies and institutions within each cluster. This information is then analyzed and put into a report, which each client (such as governments, development agencies, industry associations or cluster organizations) receives.

This initiative has been given the full support of the Catalan Government, and IESE professor Antoni Subirà, former minister of industry of Catalonia, will chair the Foundation. A number of regional and national and governments throughout the world have all shown a firm interest in participating in the Foundation.





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CONTENTS AND PROCESS

The Cluster Competitiveness Report has been set up to generate objective and informative reports that measure the performance of regional economic clusters on a global scale.

The Survey

The survey is unique as it collects qualitative data and management opinions in addition to quantitative data, which only paint part of the picture of the position of a cluster. This type of in depth qualitative data is indispensable when evaluating cluster performance.

The survey collects information covering all aspects of a cluster to determine its competitiveness. The questions look for data on topics such as structure and performance of the cluster, company strategy and behaviour of companies within the cluster and quality of the business environment.

The survey is common to every cluster. However, within the survey, certain questions will be customized to make them specific to each cluster. The customized section collects data on aspects such as the presence of training institutions or government policies in operation.

The Process

The survey is completed by all cluster participants, including producers, suppliers, supporting institutions, and the rapporteur. The **rapporteur**, or data-gathering institution, acts as an intermediary between the client and the cluster and will answer specific questions relating to the cluster as a whole.

The outcome of the survey is a report outlining the health and progress of each cluster. It will highlight the strengths and weaknesses of the cluster and the evolution of the cluster year after year.

In the medium to long run clusters will have the opportunity to compare their current and previous performance with other clusters operating within the same industry in different regions and different countries.





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BENEFITS

The Cluster Competitiveness Report allows the monitoring of the competitiveness of clusters worldwide.

The Cluster Competitiveness Report...

- ...is an independent and objective reference.
- ...is based on a consistent conceptual framework.
- ...is web-based and automatic.
- ...will allow cluster comparisons in the long run.

Provides governments, development agencies, and cluster and industry associations with...

- ...a comprehensive understanding of the cluster's structure.
- ... a rigorous assessment of the cluster's strengths and weaknesses.
- ...an objective reference to detect areas for improvement in clusters.
- ...a guide to set specific, actionable and measurable goals for the launch of new cluster programs.
- ...the proper foundation to develop cluster-upgrading policies and to evaluate policy alternatives.
- ...an objective instrument to evaluate and measure the impact of cluster policies.

Offers individual companies and institutions...

- ...a neutral assessment of their cluster which will help them to understand the areas that require improvement.
- ...a reference to adapt their strategies and their way of doing business.
- ...an improved business environment resulting from both public and private, actions.
- ...an objective data source to support constructive communication with regional authorities and thus build a better relationship.
- ...in the long run, the possibility of cross country and cross region cluster comparisons within the same industry.





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WHO SHOULD JOIN

Every cluster is eligible to register with the Cluster Competitiveness Report. However, a number of cluster related factors determine how much benefit each client will derive from the Report.

It is advised that all clients examine the list below before beginning the subscription process. If the client meets all these conditions then it will benefit fully from the Cluster Competitiveness Report.

1. Is there any person or institution related to the cluster that will play the role of cluster rapporteur (an intermediary between the client and the cluster) in the Cluster Competitiveness Report process?
2. For the purpose of answering the survey, can the participation of companies representing at least 25% of total cluster revenues be guaranteed? If not, only very limited cluster analysis will be possible.
3. Are the cluster's firms geographically concentrated?
4. Is the concentration of firms in this area significantly higher than in neighboring areas?
5. Is there a clearly definable core activity in the cluster?
6. Does this cluster sell its products and services primarily to other regions (as opposed to within its own region)?
7. Does the cluster have a minimum of five locally based companies that are producers of final goods?
8. Does the cluster have locally based suppliers of specialized inputs or machinery or services?
9. Are there locally based supporting institutions (such as universities, government agencies, training centers, industry associations), which cater specifically to the cluster?

Also, please remember that in order to take advantage of the full potential of the Cluster Competitiveness Report, all clients must be involved in a long-term cluster-based economic program.

The higher the number of questions answered with yes, the higher the likely benefit from the Cluster Competitiveness Report. If you have any queries about the above questions please do not hesitate to contact the Clusters and Competitiveness Foundation.





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HOW TO JOIN

Subscribe to the Cluster Competitiveness Report in only three steps.

Step 1. Examine the self-assessment questions. These are not designed to restrict clusters from subscribing, only to highlight that some clusters will benefit more from it than others.

Step 2. Go to the website www.clustercompetitiveness.org to complete the subscription form. Here you will be asked for basic organization details and a contact name. This page also enables you to calculate total costs (see below).

Step 3. After you have submitted your form, a representative will contact you personally to finalize your subscription. You will be sent your login name and password via email and can begin completing the survey immediately.

The Subscription Costs

1. The client pays a set up fee of 10,000 EUR for every cluster registered. This fee is only paid in the first year and discounts are available.

Discounts

Number of clusters being registered	Registration cost per cluster
Less than 8 clusters	10,000 EUR
8 to 10 clusters	7,500 EUR
More than 10 clusters	5,000 EUR

Note: The first 100 clusters to join the Cluster Competitiveness Report will be given a 50% discount on the 10,000 EUR set-up fee.

2. A maintenance fee of 5,000 EUR per cluster registered is paid on an annual basis.

Subscribe now!

The Cluster Competitiveness Report was launched on September 2003, so you can subscribe immediately by going to www.clustercompetitiveness.org. Cluster evaluations will start by January 2004.





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ORGANIZATION

The Cluster Competitiveness Report is a product offered by the Clusters and Competitiveness Foundation and has been developed in collaboration with the Institute for Strategy and Competitiveness.

Fundació Clusters i Competitivitat

The non-profit, independent Clusters and Competitiveness Foundation (Fundació Clusters i Competitivitat) offers the Cluster Competitiveness Report to clusters all over the world.

Based in Barcelona (Catalonia, Spain) the Foundation was set up to evaluate the competitiveness of regional economic clusters worldwide. Its main aim is to promote the use of clusters as an effective tool in the economic development of regions.

The Foundation generates objective, independent reports measuring the performance of regional clusters in terms of their strategic development over time and in comparison to other clusters.

The Board of Trustees overseeing the independence of the Foundation is chaired by Antoni Subirà, former minister of industry of Catalonia, and has Michael E. Porter as a permanent member. Other governments have already expressed firm interest in participating in this initiative, and will be represented on the Board of Trustees.

For more information about the work of the Foundation see www.clustercompetitiveness.org.

The Institute for Strategy and Competitiveness

The Institute for Strategy and Competitiveness (ISC) has collaborated with the Clusters and Competitiveness Foundation in the development of the Cluster Competitiveness Report.

The Institute for Strategy and Competitiveness, based at Harvard Business School, devotes its time to the study of competition and its implications for company strategy in order to guide the leaders in the world of business, politics and education.

Michael E. Porter, Bishop William Lawrence university professor at Harvard Business School, heads the ISC. The Cluster Competitiveness Report applies the conclusions of his research on the microeconomic foundations of competitiveness conducted during the last twenty years.

For more information on the work of the Institute see www.isc.hbs.edu.

