Impact Insights: Measuring and Optimising Cluster Performance

Summary

EU Clusters Talks
18 September 2024, 8:30 – 9:45 CET

An initiative of the European Union

An initiative of the European Union

Impact Insights: Measuring and Optimising Cluster Performance

The European Cluster Collaboration Platform, on behalf of the European Commission, organised the **EU Clusters Talk "Impact Insights: Measuring and Optimising Cluster Performance" on 18 September, 8:30 – 9:45 CET**, to open the dialogue on how to assess a cluster's impact and discuss approaches for measuring the true value of clusters in Europe's economy.

Agenda of the meeting
Moderation: Zivile Kropaite
1. News from the European Cluster Collaboration Platform
   Ángela Negrete Benedí, team member of the European Cluster Collaboration Platform
2. Introduction to Cluster Impact Measuring
   Maurits Pino, Senior Expert, DG GROW, European Commission
3. Panel debate
   Dr. James Wilson, Research Director, Orkestra – Basque Institute of Competitiveness Teaching Faculty, Deusto Business School
   Dr. Gerd Meier zu Köcker, Executive Director, RegioClusterAgentur Baden-Württemberg
   Kristiina Jokelainen, CEO, SmartNorth Ltd.
   Gabriela Macoveiu, Director Communication, Innovation and External Cooperation, ADR North East Regional Development Agency
4. Funding opportunities
   Ángela Negrete Benedí, team member of the European Cluster Collaboration Platform

Key messages
- The 2024 *Single Market and Competitiveness Report* includes 19 KPIs covering critical EU competitiveness areas like investment, energy, and innovation, focusing on EU-wide data instead of individual member states.
- EU-wide trends, such as declining educational standards, high energy costs, and limited venture capital, indirectly impact clusters, especially those reliant on skilled labour or affordable energy.
- The *Single Market Scoreboard* serves as a valuable supplement, providing quantitative data on trade, regulatory compliance, and circularity to help clusters monitor market health and integration.
- Balancing economic value with collaborative innovation was highlighted as key to clusters' long-term success, as both aspects drive regional competitiveness and impact.
- Clusters should **define specific objectives** for their evaluations to ensure they are actionable and aligned with strategic goals, rather than measuring an excessive range of indicators.

Strengthening the European economy through collaboration

EUROPEAN CLUSTER COLLABORATION PLATFORM

1. News from the European Cluster Collaboration Platform

Ángela Negrete, team member, European Cluster Collaboration Platform

After the introduction by moderator Jennifer Baker, the following news items were presented:

1. Invitation to register for the next Cluster Booster Academy, 3-4 March 2025 with previous online sessions.
2. Save the date for the upcoming Clusters meet Regions in Chisinau, Moldova, on 10-11 October, Palma de Mallorca, Spain, on 24-25 October, Heilbronn, Germany, on 13-14 November and Charleroi, Belgium, on 27-28 November.
3. Invitation to participate in the Survey on the funding experience under STEP Portal.

2. Introduction to Cluster Impact Measuring

Maurits Pino, Senior Expert, DG GROW, European Commission

Maurits Pino introduced the "**2024 Annual Single Market and Competitiveness Report**," which aims to assess and monitor the EU's competitiveness with a particular focus on aggregated data rather than individual member states. In his presentation, he spoke about the addition of **key performance indicators (KPIs)** developed in consultation with industry representatives and EU member states. These 19 KPIs cover nine critical areas or "drivers" of competitiveness: single market functioning, private and public investment, research and innovation, energy, circularity, digitalisation, education and skills, trade, and open strategic autonomy.

While the KPIs offer a high-level perspective across the EU, Maurits Pino noted that some trends might **indirectly impact clusters**, which are more specialised and regionally focused. For example, declining educational standards in reading, maths, and science among 15-year-olds could limit clusters' access to a skilled workforce, essential for future growth. He also highlighted energy costs as a particularly heavy burden for energy-intensive industries, with direct consequences for clusters operating in those sectors. Additionally, he pointed to the **EU's constrained venture capital environment**, which hinders the expansion of innovative companies and startups in clusters, especially compared to the more developed venture capital markets in the US and China.

Maurits Pino referenced the recent report on competitiveness by former Italian Prime Minister Mario Draghi, which emphasised the need for a robust venture capital ecosystem within the EU. Draghi's report underscores how limited venture capital options in the EU put emerging companies at a disadvantage, especially when competing globally. His recommendations include completing the Capital Markets Union and enhancing **funding sources**, including alternative pension systems, to strengthen the overall investment climate. Pino echoed these concerns, noting that the limited availability of venture capital is a significant barrier to scaling innovative clusters in Europe.

In addition, the speaker discussed the role of the **Single Market Scoreboard**, a key supplementary document to the report, which provides quantitative data on the state of the single market. The Scoreboard includes metrics on trade between member states, regulatory compliance, and circularity, offering a valuable resource for monitoring the market's health and integration.

When asked by the presenter to summarise how these broader competitiveness indicators relate specifically to clusters, Maurits Pino answered that, while his knowledge of clusters was limited, some trends might be relevant to the clusters. The aggregated nature of the data meant that **each cluster might experience these impacts differently** based on its specific industry focus and location**.** For example, clusters in sectors dependent on advanced education and skills or affordable energy might feel the effects of these broader EU challenges more acutely.

Maurits Pino concluded by pointing out that while the report's KPIs provide a high-level view of competitiveness trends, the actual impact on clusters would vary. He reiterated that challenges like declining educational standards, high energy prices, and limited access to venture capital could pose significant hurdles for clusters, especially those relying on skilled labour or operating in energy-intensive sectors. He ultimately suggested that while these trends are relevant at an EU-wide scale**, clusters themselves are best positioned** to assess which metrics matter most to their performance and impact.

3. Panel debate

James Wilson shared insights from 25 years of working with clusters, primarily focused on evaluating the Basque Country's cluster policy. He pointed out the importance of assessing clusters not only on economic indicators but also on their capacity to foster collaboration. Wilson noted that **collaborative infrastructure** within clusters is crucial to understanding their true impact and that surveys and social network analysis can provide valuable insights into the effectiveness of these collaborations.

Gerd Meier zu Köcker emphasised the economic impact of clusters from a policy perspective, especially in Baden-Württemberg, where regions co-finance about 100 cluster initiatives. He stressed the importance of demonstrating measurable economic value to secure continued funding for clusters. The speaker described a practical method of assessing cluster impact by **comparing the performance of cluster participants with non-participants,** noting that engaged companies often show higher economic returns. He also referenced an impact indicator system developed with the European Commission for cluster excellence labelling, which he suggested could be a valuable tool if implemented.

Kristiina Jokelainen spoke about her experience in Finland, where **cluster policy is regionally driven.** She illustrated her points through the Finnish mining cluster, which is led by SMEs in response to strategic needs like sustainable resource extraction. Jokelainen underlined the need for a structured framework to support clusters and foster collaboration across SMEs in various stages of the value chain. She highlighted that the **sector's social acceptance hinges on demonstrating sustainable economic value**, aligned with environmental goals, which has helped gain public support and SME engagement.

Gabriela Macoveiu discussed the role of ADR Northeast Regional Development Agency in facilitating cluster development in Romania. Her organisation monitors cluster impact through a combination of economic metrics and policy indicators tied to **smart specialisation strategies**. She emphasised that clusters should **balance economic goals with collaborative innovation** efforts, as illustrated by clusters in healthcare and digital innovation. She also stressed the need for a robust monitoring

EUROPEAN CLUSTER COLLABORATION PLATFORM

system to track cluster progress against strategic goals, making it easier to assess regional impact and ensure alignment with funding programmes.

From the interaction with the audience, the topic on **best practices** for cluster performance measurement was raised, as well as the importance of having **independent evaluations** to ensure unbiased assessments. Wilson and Meier zu Köcker both agreed on the need for personalised engagement with cluster members to obtain accurate data. Jokelainen added that storytelling and sharing success stories have proven effective in attracting cluster participants, referred to as "*positive jealousy*" where companies are inspired to join after seeing peers succeed), while Macoveiu noted that a monitoring system should be integrated into the cluster strategy itself to avoid the perception of evaluation as a mere external requirement. On this behalf, Gerd Meier zu Köcker also stressed that companies ultimately base their decision to participate on tangible economic returns, which he believes should be quantified through direct, monetary impact assessments.

Another point of debate was the discussion between **standardised indicators versus customised, region-specific metrics**. Gabriela Macoveiu advocated for customised indicators that reflect both economic and policy impacts relevant to the region, as rigid standardisation may not capture the unique contributions of different Clusters, while Gerd Meier zu Köcker noted that standardised impact indicators, such as those proposed for the European Commission's cluster labelling, could facilitate benchmarking across regions but are yet to be widely adopted.

The panel concluded with Wilson advising clusters to define their **evaluation purpose** carefully—identifying why they are measuring impact—and to design their assessment accordingly. The debate underscored the need for diverse evaluation methods, regional support, and a clear focus on both economic value and collaborative potential within clusters.

4. Funding opportunities

Closing the EU Clusters Talk, Ángela Negrete shared the following examples of funding opportunities:

1. [Experimentation and exchange of good practices for value creation](); deadline 25 September 2024.
2. [Teaming for Excellence](); deadline 10 April 2025, 20 January 2026.
3. [Accelerating uptake through open proposals for advanced SME innovation](); deadline 20 November 2024.
4. [Zero-pollution cities](); deadline 11 February 2025.
5. Opportunities for SMEs: Calls from Euroclusters; published on [European Cluster Collaboration Platform.]()

Strengthening the European economy through collaboration

EUROPEAN CLUSTER COLLABORATION PLATFORM