Cluster management seminar: Business model and resources

Alain Tubiana
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• International expert in cluster management:
  ✓ Consultant for cluster organisations and governments
  ✓ 90 trained cluster managers since 2010
  ✓ 12 cluster initiatives activated in 8 countries

• Head of Master of Cluster Management, University of Strasbourg-
  University of Kehl (Ger)

• Member of the board of directors France Clusters

• ESCA benchmarking expert

• …and past cluster manager (9 years)
Your turn!

• Who’s cluster manager or team member?
• Who’s cluster participant?
• Who’s stakeholder?
• Other?
Agenda

• Business models
• Value Added Services
• Path to sustainability
1. What are the incomes of your Cluster?
Cluster Organisations incomes

Private incomes

• Membership fees
• Project engineering
• Remuneration on project financing
• Sale of services to members
• Success fees on new business
• Patents
• Dividend payouts via subsidiaries
• Events or exhibitions
• Creativity … in the respect of the rules

Public incomes

• Subsidies
• Project financing
• Public mission retribution
The cluster business model

• Like a start up, a cluster needs a financial seed.
• Often mixed business model:
  • Public subsidies
    • Investment of the territory
  • Project financing
• Private incomes
What is the share of private income in your cluster?
The balance in some C.O.

- Cluster Initiative Green Book 2.0 - 2013
- 356 clusters organisations in 50 countries
Self-financing is the Graal

- Must be a concern for the team and the governance
- Tend to increase over time
  - Sign of vitality
  - Credibility and professionalism index
- In France 50%
- In Austria: 75%
Kunststoff-Institut Lüdenscheid

- Nordrhein-Westfalen
- 1988 - 330 membres
- 100 employees

https://kunststoff-institut-luedenscheid.de/
Kunststoff-Institut Lüdenscheid organisation

Trägergesellschaft e.V.
- Je zu 100 %
  - KIMW-Qualifizierung
    - KIMW-Q gGmbH
  - KIMW-Forschung
    - KIMW-F gGmbH
  - KIMW-Management
    - KIMW-M GmbH
  - KIMW-Prüf-/Analyse
    - KIMW-P GmbH
  - KIMW-Anwendungstechnik
    - KIMW-A GmbH

Stadt Lüdenscheid
- 76%
  - Kunststoff-Institut Lüdenscheid
    - KIMW GmbH
- 24%
  - Kunststoff-Institut Südwest
    - KISW Verwaltungs GmbH
Réseau Mesure

- France - Metrology
- 2002 - 138 members SME’s
- 2 FTE - 0,5 M€
- Services
- http://www.reseau-mesure.com
Réseau Mesure

- Common purchase
- Financial common offer
- Market Survey
- Export - Fairs and missions
- Training
- The first French Measure Trade Fair
## Business model

<table>
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<th>Turnover in M€</th>
<th>Membership fee in €</th>
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<tr>
<td>&gt;20</td>
<td>2 600,00</td>
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</tbody>
</table>

- Chargeable Services: 80%
- Membership fees: 20%
What are the services offered?
clusters services...

**Network Animation**
Members meeting
Speed dating
Thematic conferences
Search for partners

**Communication**
Network membership (specific logo for members)
Brochure to highlight the different trades
Promotion of members
Directories - Website
Press release

**Research and Development**
Project engineering
Project management R & D
Technological feasibility study
Expertise

**Strategic intelligence**
Daily watch
Monthly newsletter
Press review

**Business development**
Collective offers
Collective purchasing
B2B matchmaking
Support to commercial development
Inter-cluster network
clusters services...

**Access to finance**
- Business angels or VC
- Public funds

**International**
- Partner search
- International missions
- Trade fairs participation
- Export training
- Initiating international projects
- Inter-cluster cooperation

**Human resources**
- Inventory of training offers and training needs
- Vocational Training
- Designing curricula with Universities
- Assistance in hiring people

**Start ups**
- Incubators
- Supporting entrepreneurs
- Accelerators

…
Services according to maturity

- **Collective Development**: R&D&I common commercial offer
- **Shared means**: human resources purchase - Strategic intelligence
- **Club**: meetings - communication
- **Self-financing**
How to build a service offer?

- Principle: collaborative approach
- members survey
- bring together a working group of a dozen members.
- Plan at least 4 meetings
Global process

1. List services
2. Evaluate
3. Describe
4. financial Impact
5. service offer

- survey

- Validate Offer
- Marketing
- resources adaptation
- implementation

Board Validation
Some tricky points

- Survey
  - depends on the cluster size
  - prerequisite or validation
- Perceived profit expected by the member
- New service offer = new business model
- HR adaptation is a key point of success
3. Towards sustainability?
6 rules to develop your self-financing

1. Strong convergence between strategy and business model
2. Chargeable service offer
3. Optimised organisation : H.R and productivity tools
4. A critical mass to generate sufficient incomes and a real social capital
5. Membership fees must be connected to a basic service offer
6. In-kind contribution must be included in your operating account
In kind contributions

• If a company give a part of a HR or an office it’s easy to calculate

• Companies give time to the cluster
  ✓ Board members for example
  ✓ The only question is to decide how much cost an hour of an entrepreneur
How to perform as a cluster manager?

- Skilled people
- Monitoring tools
- Cost accounting
- Productivity tools: time sheets, CRM software
- Identified production costs.
Key factors of success

1. Critical mass
2. Shared strategy
3. Participative governance
4. Value-added services
5. Skilled management team
6. Anchor projects
Thank you!

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