

## CLUSTERS3 – IWS Highlands & Islands

“Leveraging Cluster Policies for Successful  
Implementation of RIS3”

Inverness – June 19 – 21<sup>th</sup> 2017



## NOTES FROM QUESTIONS TACKLED AT LEARNING WORKSHOP ON CLUSTER EVALUATION AND MONITORING

**You invest €100,000 in a cluster initiative: What results do you want to see after 3 years?**

### Economic impacts

- Return on investment, in terms of:
  - o Increased sales
  - o Increased exports
  - o Financial leverage(?)
- Increased private investment (in relation to public investment)
- Jobs (created and safeguarded)

### Qualitative outcomes

- Increased innovative capacity and leveraging of new knowledge (# of cooperative projects)
- Strengthened firm competencies
- Increased entrepreneurship (start-up/growth)
- Strengthened internationalization (sales/competitiveness in new markets, visibility)

### Changes in collaborative dynamics/behavior

- Dynamics/evolution of the cluster membership
- Quality of the cluster initiative and its strategy/action plan
- More willingness to collaborate
- Faster rate of change/collective action

**Also need to consider:**

- What indicators can show these aspects
- Choice of indicators that won't "skew behavior"
- What approaches to use for data collection

### **Is there a trade-off between evaluation to show impact and to facilitate learning?**

- Need both! A balance between hard/economic data and softer aspects
- The qualitative aspects supplement/strengthen the quantitative aspects and vice-versa
- A trade-off in terms of timing...most focus of monitoring/evaluation of qualitative aspects/outcomes early; more focus on economic impacts later
- General difficulty in evidencing causality between (or contribution of) cluster results (qualitative outcomes above) and economic impacts (be careful in communication)
- Important that policymakers understand the value of the softer elements (that they are not only focused on the economic impacts)
- The “voice of the users” (the companies) plays an important role in communicating the importance and value of collection action.

### **What indicators should be compulsory when monitoring/evaluating clusters?**

#### Quantitative / Hard

- Critical Mass
- Growth (but attribution – assess from baseline upwards or outwards)
- Visibility of cluster in the media
- Number of projects
- R&D capacity / expenditure
- Private sector contributions to cluster
- Turnover
- Exports
- Added Value
- Rate of return on investment
- Jobs created

#### Qualitative / Soft

- Network improvements / connections between cluster members
- PPP relationships
- Visibility
- Cooperative projects
- Project meetings
- Knowledge transfer
- Story-telling
- Skill development within companies
- Degree to which expectations of members are met by the cluster

- Change in behaviour in stakeholders: what do they do differently, faster, more efficient
- Equality and diversity on cluster boards
- Sustainability issues – orientation to sustainable production

**Also need to consider:**

- Timescale issues: hard indicators need longer to show results
- Where to focus in flow of logic model
  - o First three phases easier to capture (and should be compulsory)
  - o Impact desirable, but more difficult to capture (e.g. how to determine which new products were a result of the cluster activities)

**What are the key success factors in cluster evaluation?**

- Start by knowing what it is we want (from the policy, therefore from the measurement)
- Know who the audience is
- Continuity to data collection and monitoring – real time monitoring (action research)
- Common understanding & dialogue with cluster practitioners (rely on them for self-evaluation & data, need to create win-win situation)
- Realistic & user-friendly demands on information from clusters (don't exhaust them!)
- Design of indicators – should design monitoring & data collection to fit the evaluation requirements
- Position the evaluation as a learning process to engage the companies/stakeholders
- Make sure that evaluation feeds into change/action, so results are visible (if you ask, you must follow up with actions)

**Also need to consider:**

- How to facilitate the convergence of initiatives so that they can achieve critical mass