

CLUSTERIX 2.0
Interreg Europe



European Union
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Development Fund



La Région
Auvergne-Rhône-Alpes



ACTION PLAN

CLUSTERIX 2.0 NEW MODELS OF INNOVATION FOR STRATEGIC CLUSTER PARTNERSHIPS

AUVERGNE-RHONE-ALPES REGION
AUVERGNE-RHONE-ALPES REGIONAL COUNCIL

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Part I – General information

Project: **CLUSTERIX 2.0 - New Models of Innovation for Strategic Cluster Partnerships**

Partner organisation : Auvergne-Rhône-Alpes Region

Country: France

NUTS2 region: Auvergne and Rhône-Alpes

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Part II – Policy context

- The Action Plan aims to impact:
- Investment for Growth and Jobs programme
 - European Territorial Cooperation programme
 - Other regional development policy instrument

Name of the policy instrument addressed:

Auvergne-Rhône-Alpes Economic development, innovation and internationalisation regional scheme/ Sector policy

INTRODUCTION:

▪ Challenge

Auvergne-Rhône-Alpes is a very diversified industrial region. It is the 2nd French economic Region and has the 8th highest GDP in Europe. This is also reflected in the number of national and regional clusters in the region. Auvergne-Rhône-Alpes currently counts 12 competitiveness clusters (“pôles de compétitivité”) among the 56 national clusters labelled by the national government in February 2019 (around 20%) and 10 Auvergne-Rhône-Alpes clusters (regional clusters) covering the regional sectors of excellence.

The French cluster policy distinguishes between competitiveness clusters with a strong technology and research & development orientation and international visibility and regional clusters with a more market and innovative oriented approach.

In a more and more competitive global economy, France launched its 4th call for proposals to support competitiveness clusters in order to mobilize key factors of competitiveness: innovation, growth and employment in July 2018. The number of national clusters labelled decreased progressively from 71

in 2005 to 56 in 2019. The aim of the national government is to have fewer but stronger European level clusters.

A smart specialization strategy based on 8 domains

In order to be competitive in a global economy where competition is very strong, Auvergne-Rhône-Alpes Regional Region built its **economic strategy** for 2017-2021 on **8 smart specialization domains**:



- Industry of the future and industrial production;
- Construction and public works;
- Digital technologies;
- Health;
- Agriculture, agri-food, forestry;
- Energy;
- Mobility and intelligent transport systems;
- Sports, mountain, tourism

The focus on these strategic domains enables the Region to have clear priorities and be more efficient.

Clusters, key players in the implementation of the smart specialization strategy

As they bring together actors from the industry and the innovation field, the Region particularly relies on clusters to achieve 3 objectives:

- To boost collaborative innovation projects : the region is already very well positioned and wants to further develop collaborative innovation as is it a key factor of performance in innovation ecosystems at European level

- To foster start-ups/ SME's growth : because they have a deep knowledge of the value chain in their domain, clusters play a key role in implementing regional policies in favour of firms in their sector.
- To strengthen the links between big companies and start-ups /SME's : as they bring together 3 000 SMEs and 400 big companies in the region, clusters are in a position to develop partnerships between them, so that it benefits the competitiveness of the whole sector.

A new approach for monitoring clusters

To give politicians more visibility on clusters' actions

In 2016, the newly elected regional government decided to launch an important plan for investment, without increasing taxes (about 950 million investments in 2019). Therefore, it decided to do an important cost-saving plan with an important decrease of operation costs (300 million euros for 3 years). Most of operation costs have disappeared or have been decreased. At the moment, operation costs for clusters are not concerned but politicians must have a perfect view of this policy and its effect for economic development. Indeed, they could decide to decrease or remove the grant for clusters in the coming years.

To improve the technical monitoring of clusters and the way to challenge them

The Economy Department must improve its technical monitoring of the cluster policy. At the moment, the "sector action unit" composed of 11 officers doesn't have a shared and well-structured tool to monitor clusters and challenge them. Each project manager in charge of one excellence domain monitors some clusters and monitors their actions plan, but there is no common tool to challenge clusters and have a global vision.

To have a tool to build a long-term cluster policy and tomorrow a cross sector policy

Cluster policy must be built in a long-term vision and it is important to monitor and challenge clusters in order to also develop a cross sector policy (smart city, circular economy ...).

To involve clusters in the regional policy

There are important differences between clusters : some of them are well ahead and in a capacity to monitor their action, the number of companies involved, the added-value of their action, ... but others have to be made aware of the importance of monitoring and develop skills in that field. Involving this type of clusters will be interesting in order to develop shared actions.

▪ **Brief description of policy instrument addressed**

Auvergne-Rhône-Alpes Economic development, innovation and internationalisation regional scheme/ Sector policy

The Region supports clusters through 3 types of actions :

1. Clusters' action plan

- Annual action plans for the general operation of clusters: governance, development of their network, innovation projects support, international and economic development, skills development for their members, especially SMEs.

- The aim is to:
 - increase the number of start-ups and SMEs within the regional excellence sectors involved in clusters network
 - generate world-class European clusters (encouraging merging)
 - increase the number of innovation and economic projects which have an impact on employment
- For these actions, clusters and companies receive a grant from the Region (going from 6% to 90% of the costs).
- 12 national clusters and 10 regional clusters are concerned
- Budget : around 6,6 M€ per year

2. International Development Plans

- Action plans consisting in international actions (fairs, interclustering activities, trade missions, B2B meetings etc.) that involve clusters themselves and/or their SMEs members.
- The aim is to:
 - Increase the number of start-ups and SMEs within the regional excellence sectors willing to internationalise their activities
 - Encourage regional companies to adopt the cluster's approach in the conquest of new international markets by benefitting of a greater visibility
 - Promote the regional excellence sectors abroad
- For these actions, clusters and companies receive a grant from the Region (going from 40 to 80% of the costs).
- 19 international action plans
- Budget : 3,2 M€ per year

3. Specific calls for proposals

Support to innovation projects or sector structuring projects led and supported by clusters, where clusters or their members are involved. 4 calls for proposals have been launched.

The Auvergne-Rhône-Alpes Regional Economic Development, Innovation and Internationalisation Scheme identified 8 excellence sectors the Region must concentrate its efforts on to become a leader in Europe. Clusters are the backbone of this sectoral policy and ensure the development and promotion of these 8 excellence sectors. To do so, the financing provided to them by the Region must be more closely linked to their actual contribution to the regional policies. For this reason, their activities must be monitored and common and comparable criteria must be defined. It is also essential for the Regional council to set ambitious objectives to clusters and to ensure that these objectives are met, particularly in a context where regional funds are rarer and rarer for operation costs.

- **Why did we change from the Policy Instrument initially addressed in the CLUSTERIX 2.0 Application Form to another Regional Policy Instrument**

The policy instrument initially targeted in the application form (Regional Operational Programme Auvergne ERDF-ESF 2014-2020, Axis 1: "Reinforce Research, Technological Development and Innovation", Investment priority 1A: "Enhancing research and innovation infrastructure and capacities to develop R&I excellence and promoting centres of competence") only concerns the former Auvergne part of the Region. Since the merging of Auvergne and Rhône-Alpes, a new "Economic development, innovation and internationalisation regional scheme" for Auvergne-Rhône-Alpes has been approved by the Regional Council with 8 smart specialisation domains valid for the new larger Region. This new scheme and more specifically the section addressing the sector and cluster policy is the new policy instrument addressed by the project. It finances clusters and some sectoral actions. This policy instrument is owned by the Auvergne-Rhône-Alpes Regional Council.

Part III – Details of the actions envisaged

The action plan consists in 4 different actions all related to the topic of a better monitoring of the cluster policy:

- Improve the clusters' management organization database
- Set up a clusters' members database
- Set 4 operational objectives in the short term to clusters to challenge them
- Set strategic objectives in the long term to clusters

Some background elements are common to these 4 actions.

Due to the merging of the 2 former regions Auvergne and Rhône-Alpes and the elections in 2016, the internal organization of the Region has completely changed since the beginning of the CLUSTERIX 2.0 project and a lot of staff have changed as well. Officers in charge of the project in the Auvergne part of the Region left and it has been difficult for some time to involve new officers also representing the former Rhône-Alpes part of the region.

However, the Economy Department with a new head of unit in charge of sector and cluster policy has been actively involved in the project since the last months of 2018.

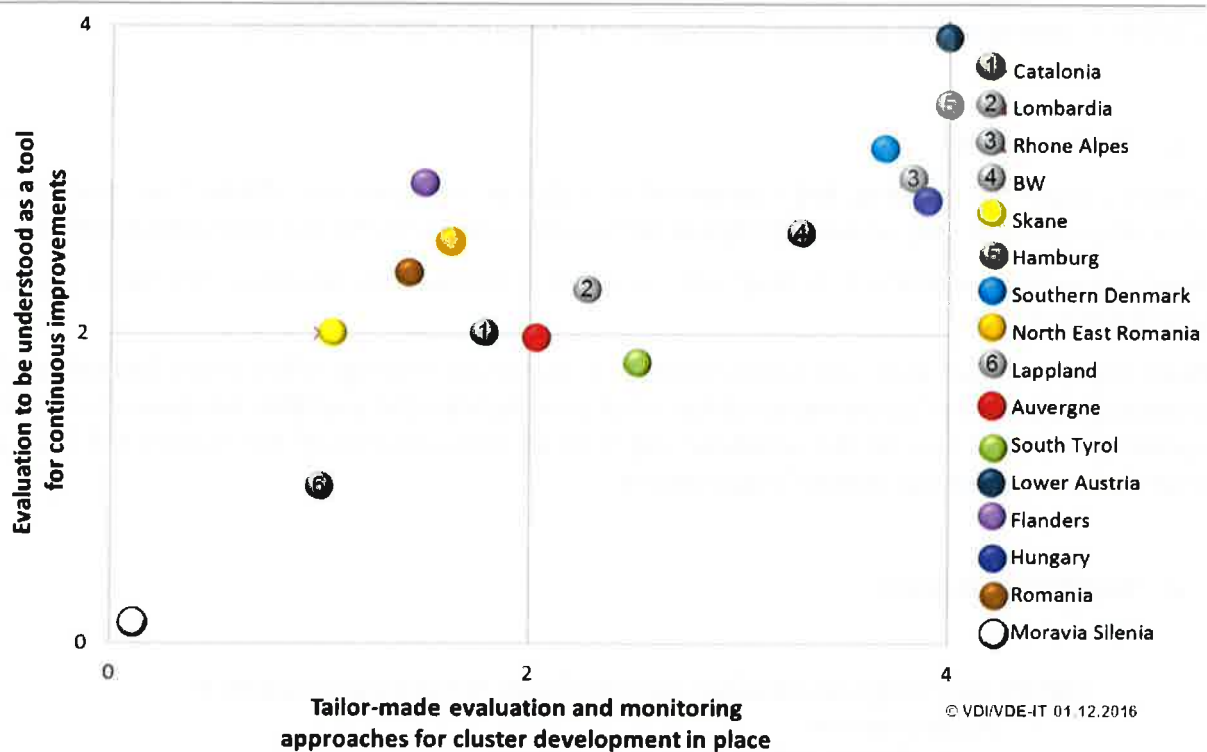
The challenge is that officers in charge now have not been involved in the previous exchanges of experience and have had to catch up on the exchange of experience very fast.

Focus of interregional learning on Monitoring & Evaluation of cluster policies

As already described in Part II (Challenges) politicians elected in 2016 want to strengthen the monitoring of clusters.

This matches the results of the European Cluster Policy Benchmarking and Peer Review carried out in CLUSTERIX 2.0 in 2017. The comparison of CLUSTERIX 2.0 regions (and other European regions) clearly showed that Monitoring & Evaluation of cluster policies in Auvergne-Rhône-Alpes should be improved:

Auvergne-Rhône-Alpes (red dot) ranked mediocre in the benchmarking of cluster policies regarding "tailor made evaluation and monitoring approaches" and "evaluation understood as a tool for continuous improvement" (see graph below).



Therefore, the Economy Department decided to focus the Action Plan for Auvergne- Rhône-Alpes on the monitoring of the clusters financed by the Region and to learn from the exchange of experience in the interregional CLUSTERIX 2.0 working group on Monitoring & Evaluation led by PP11 Region Skane.

The head of the sector policy unit and 2 officers went on a staff exchange to Skane on 11-13 February 2019 in order to "catch up" and benefit from Skane's experience as well as the learnings from other partners on that topic during the CLUSTERIX 2.0 project. Region Skane managed the CLUSTERIX 2.0 working group on monitoring and evaluation and developed a new online monitoring tool the Auvergne-Rhône-Alpes Region wanted to get inspiration from.

This very short and dense study visit proved extremely beneficial for Auvergne-Rhône-Alpes because it was tailor-made to its needs.

Of course Auvergne-Rhône-Alpes' ecosystem is quite different from Skane's. Indeed, with 22 clusters, Auvergne-Rhône-Alpes has the most important number of clusters in France due to its industrial profile and the merging of Regions. This number decreased from 34 in 2016 to 22 in 2019 due to a merging strategy. So today each cluster is quite a big organization with an average number of members about 175. That is why Auvergne-Rhône-Alpes has to adapt what has been learnt in Region Skane to its own context.

ACTION 1: Improve the clusters' management organization database

1. The background

During the study visit in Skane, PP11 presented their clusters database and officers from Auvergne-Rhône-Alpes saw that they could add relevant items used in Skane to improve their own database.

Indeed, the existing database in Auvergne-Rhône-Alpes contained only very basic information about clusters management.

What's more, the information was not complete, and each project manager filled in this database with no common rules. Skane's experience reinforced us with the idea that a reliable database on clusters is essential to better monitor the structural and financial characteristics of the clusters and have a comprehensive view of the clusters' organizations.

2. Description of Action

- Add the following new indicators (used in Skane) to the existing database:
 - Human resources:
 - Number of FTEs in cluster management
 - List of people working in the cluster team indicating people made available by companies
 - Budget :
 - Allocation of main expenses
 - Amount and share of private funding, distinguishing between: memberships, sponsorship, projects
 - Amount and share of public funding: State, Region (operating grants, international development plans, calls for projects).
 - Governance of the cluster

- Clearly define the rules for filling in the database and make it mandatory for officers to fill in

- Inform cluster managers about the new indicators in order to mobilize them

- Meet clusters management after the first reporting to get their feedback and adjust if necessary

3. Players involved

- Economy Department
- 22 cluster managers : Cluster Bio, Cluster Eco-Energies, Cluster Indura, Cluster Lumière, Aérospac cluster Auvergne-Rhône-Alpes, Digital League, Coboteam, Cluster I-care, Cluster Montagne, Outdoor Sports Valley, Terralia, Céréales Vallée, Tenerrdis, Nuclear Valley, Axelera, Techtera, Plastipolis, Elastopole, CARA, Minalogic, Lyonbiopole, CIMES

4. Timeframe

- April 2019: Economy Department sets up new common tool and common rules
- May 2019: Economy Department informs cluster management organizations about new indicators
- June 2019: cluster management organizations report to Economy Department using new indicators
- October 2019: meeting of Economy Department and cluster management organizations to review new procedure
- April 2020: second reporting
- April 2021: third reporting

5. Costs

Costs are estimated on the time frame of this action which includes 3 reports for 22 clusters.

Detail of cost of a working day:

On the basis of an average gross monthly salary including employer's contribution of 4 500 €, for 151.67 worked hours per month, one working day is 208€.

- Staff costs of Economy Department officers : adapting the database (5 days), meeting with clusters (1,5 days), analysing the data (99 days): **104.5 days, 21 736€**
- Staff costs of cluster managers : meeting with the Region (11 days), filling in the database (132 days) = **143 days, 29 744€**
- **Total cost : 51 480€**

6. Funding sources:

Funding will be provided by internal resources of the Regional council and the clusters.

7. Monitoring

Indicator:

- Improved data base of cluster organizations
- Guidelines for project managers to fill in the database

ACTION 2: Set up a clusters' members database

1. The background

Discussions with PP11 Region Skane clearly showed the importance of having a comprehensive and reliable database of clusters members to have a good knowledge of the ecosystem. It brought Skane a lot of useful information: more detailed statistical analysis (economic performance, type of structures (firm, laboratory, ...), activity sector, geographical distribution...) and also identification of membership turn-over and companies that are members of several clusters.

This information is essential to officers but also to highlight the ecosystem's richness and diversity to the politicians.

2. Description of Action

- Set up a new clusters members database with the following indicators inspired from Skane :

Cluster members	<ul style="list-style-type: none">- Companies:<ul style="list-style-type: none">· Large· Medium· SMEs- Research and education institutions<ul style="list-style-type: none">· Research institutions· Training and university institutions- Government and public organisations- Other (associations, ...)
Network's strength	<ul style="list-style-type: none">- Year of membership- Participation to the governance...

- Send the excel files to the clusters with explanations
- Clusters fill in the excel files and send them to the Region every year

3. Players involved

- Economy Department – Auvergne-Rhône-Alpes Region
- 22 cluster managers : Cluster Bio, Cluster Eco-Energies, Cluster Indura, Cluster Lumière, Aérospac cluster Auvergne-Rhône-Alpes, Digital League, Coboteam, Cluster I-care, Cluster Montagne, Outdoor Sports Valley, Terralia, Céréales Vallée, Tenerrdis, Nuclear Valley, Axelera, Techtera, Plastipolis, Elastopole, CARA, Minalogic, Lyonbiopole, CIMES

4. Timeframe

- March/April 2019 : Economy Department designs a new cluster members database
- May 2019: Economy Department sends out an excel file to cluster management organizations
- September 2019: Cluster management organizations report to Economy Department using new indicators
- May 2020: Clusters send second reporting
- May 2021: Clusters send third reporting

5. Costs

- Staff costs of Economy Department : setting up and presenting the new database (5 days), collecting and analysing the data (132 days) = **137 days, 28 496€**
- Staff costs of cluster managers : meeting with the region, filling in the database : **198 days, 41 184€.**
- **Total cost : 69 680€**

6. Funding sources:

Funding will be provided by internal resources of the Regional council and the clusters.

7. Monitoring

Indicators:

- New database on clusters' members designed
- Data base filled in by all clusters with all information provided

ACTION 3: Set 4 operational objectives in the short term to clusters to challenge them

1. The background

Up until now, there were no objectives given by the Region Auvergne-Rhône-Alpes to clusters. The politicians want to introduce this, but it has to be done in such a way clusters understand the Region doesn't aim at controlling them. Thus, the experience of Skane in that approach was very helpful.

As learnt during the study visit in PP11 Region Skane, the aim is not to compare the results between clusters but to have an objective assessment of their activity. It is therefore very important to have a relation based on trust with the clusters (between the Region and the clusters and between clusters themselves).

The aim is also to make their actions visible, especially to the politicians. It is not a way to control them. This has to be clearly explained from the beginning.

What we also found particularly interesting in Skane's approach is that beyond facts and figures, they ask for "Story telling" to illustrate the ability of clusters to make innovation actors work in each sector. We will introduce that approach.

2. Description of Action

- Define 4 topics on which to challenge clusters:

1- Implementation of the S3 :

a. Contribution to the definition and implementation of the roadmap of the excellence domains defined in the S3, in partnership with the relevant regional actors in a cross-fertilisation and cross sector approach

b. "Story telling" to illustrate in each sector the ability of clusters to make innovation actors work together

2- Network management : number of projects or actions led in common (companies and RTO actions, cross sector actions), collective actions for cluster members (awareness raising sessions for instance)

3- Business model: number of prospecting actions to increase the number of cluster members

4- Communication and enhancement of regional identity (including at international level)

- Present and explain new objectives to clusters
- Clusters report to Economy Department

3. Players involved

- Economy Department – Auvergne-Rhône-Alpes Region
- 22 cluster managers : Cluster Bio, Cluster Eco-Energies, Cluster Indura, Cluster Lumière, Aérospatial cluster Auvergne-Rhône-Alpes, Digital League, Coboteam, Cluster I-care, Cluster Montagne, Outdoor Sports Valley, Terralia, Céréales Vallée, Tenerrdis, Nuclear Valley, Axelera, Techtera, Plastipolis, Elastopole, CARA, Minalogic, Lyonbiopole, CIMES

4. Timeframe

- Middle of February 2019 : following exchanges in Skane, Economy Department defines 4 topics on which to challenge clusters
- 25 February 2019: Vice-President of the Region in charge of economic affairs presents new topics to cluster managers and presidents
- March 2019: Economy Department sends grid with information needed to all clusters
- April 2019: Clusters send back filled-in grid for the activity of the first 3 months

This very tight timeframe is due to the fact that the Region asks for quarterly reports.

5. Costs

- Staff costs of Economy Department : setting up and presenting the new objectives (5 days), collecting and analysing the data (22 days) = **27 days, 5 616€**
- Staff costs of cluster managers : reporting to the region : **22 days, 4 576€**
- **Total cost : 10 192€**

6. Funding sources:

Funding will be provided by internal resources of the Regional council and the clusters.

7. Monitoring

Indicators:

- 2 "story telling" per sector to illustrate the ability of clusters to make innovation actors work together
- Number of projects or actions led in common (companies and RTO actions, cross sector actions), collective actions for cluster members (awareness raising sessions for instance)
- Number of prospecting actions to increase the number of cluster members
- Number of communication actions or events

ACTION 4: Set strategic objectives in the long term to clusters

1. The background

Beyond setting up 4 operational short-term objectives for clusters, which is a first step, the Region wants to go further and design long term strategic objectives. Furthermore, the Region no longer wants to link objectives to funding.

Indeed, the experience of Region Skane convinced us of strong principles :

- Work on a longer term basis with clusters as they need time to build a strategy and achieve results (in Skane it is 5 years, but as it seems too long for us so we reduced it to 3 years)
- Disconnect long term objectives from the funding
- Involve cluster managers. In Skane, a working group composed of 3 representatives from clusters, appointed by clusters themselves, has been set up to design the objectives. This is a method we will use. Skane also stressed the importance of keeping all cluster managers informed regularly.
- Link the monitoring process to the labelling process of European Cluster Excellence Initiative (golden label)

2. Description of Action

1. Economy Department works with cluster representatives appointed by clusters themselves to define relevant indicators for long term objectives:
 - "Base" objectives, common to all clusters
 - specific objectives for each domain

This approach aims to evaluate: "Do clusters meet the structuring and development objectives of the sector and excellence domain concerned? ».

These indicators could be organised around the following topics:

- o Implementation of S3
- o Visibility and promotion of the regional ecosystem (including at international level)
- o Cluster management and development (or inter-cluster)

Implementation of S3	<ul style="list-style-type: none">- Networking and professionalization of companies- Support for innovation- Internationalization
Visibility and promotion of the regional ecosystem (including at international level)	<ul style="list-style-type: none">- Promotion of the sector and excellence domains- Promotion of the region

Cluster management and development (or inter-cluster)	<ul style="list-style-type: none"> - Governance of clusters - Business model
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This proposal will of course be adjusted or completely redefined following exchanges with clusters.

2. Economy Department presents indicators to all cluster managers

3. Clusters report every year on the new objectives

4. New methodology is assessed and adapted if necessary

3. Players involved

- Cluster managers:
 - cluster representatives appointed by clusters themselves (to work on the design of the new objectives)
- All clusters, to get regular feedback on the work : Cluster Bio, Cluster Eco-Energies, Cluster Indura, Cluster Lumière, Aérospac cluster Auvergne-Rhône-Alpes, Digital League, Coboteam, Cluster I-care, Cluster Montagne, Outdoor Sports Valley, Terralia, Céréales Vallée, Tenerrdis, Nuclear Valley, Axelera, Techtera, Plastipolis, Elastopole, CARA, Minalogic, Lyonbiopole, CIMES
 -
- Auvergne-Rhone-Alpes Region:
 - Department in charge of Evaluation to help the Economy Department design the strategic objectives in terms of methodology
 - Economy Department: Database manager and cross sector manager, both to design the objectives and to implement them

4. Timeframe

- September 2019: Working group composed of cluster managers chosen by clusters themselves, Economy Department and Evaluation department from the Region
- November 2019: Chosen indicators are presented to all cluster managers
- From January 2020: implementation. Clusters report every year on new objectives
- April 2021: Meeting of the working group to monitor the process and to adjust if needed
- December 2022: end of first 3-year period

5. Costs

- Staff costs of Economy Department (+ Evaluation Department at the beginning): preparing and managing the working groups (20 days), analysing the reports (66 days) = **86 days, 17 888€**
- Staff costs of cluster managers: working groups (16 days), presentation of new objectives to all clusters (11 days), reporting (132 days) = **159 days, 33 072€**
- **Total cost: 50 960€**

6. Funding sources:

Funding will be provided by internal resources of the Regional council and the clusters.

7. Monitoring

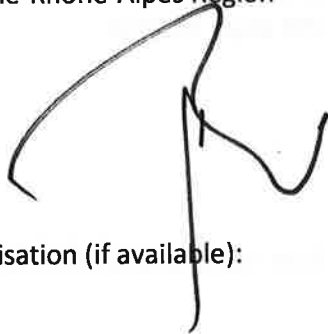
Indicators:

- Relevant indicators for each of the 3 topics defined jointly with cluster managers
- Indicators adapted if needed
- Indicators filled in by clusters every year

Place, date: 08/10/19 Lyon,

Signature:

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