



# ***Clusters and Business Networks Internationalisation - Some Experience from European Cooperation***

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# Estonia in short



Population	1.35 million
Area	45,000 km <sup>2</sup>
Language	Estonian
GDP	7 300 Euro
GDP growth	11.8 % (2006)
Export	63 % of GDP (2005)

- Established in 1992 as first Science Park in Baltic countries
- Territory 8 hectares and 15 000 sq meters rentable space, hosting 40 companies with 250 people
- Fulfilling the role of regional technology development agency with main activities in the field of incubation and business development, technology transfer and commercialisation, networking and internationalisation and CLUSTER SUPPORT activities



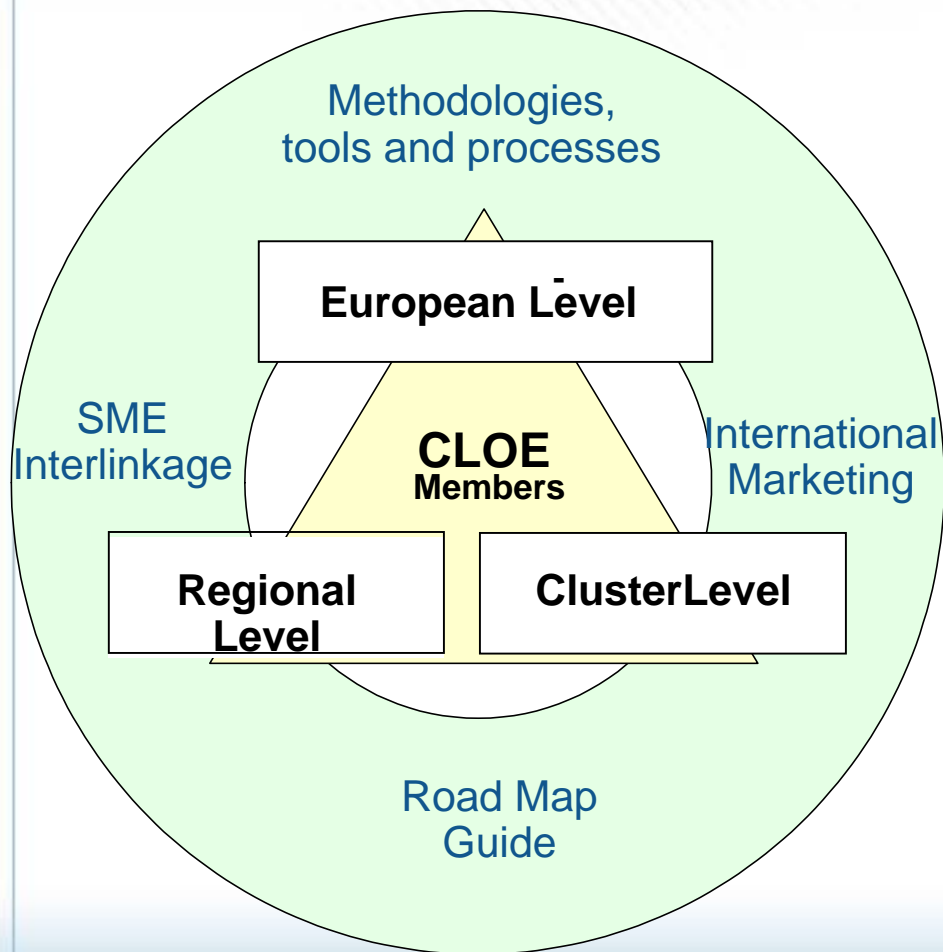
- Main activities facilitating the development of business networks and cluster initiatives in sectors like software development, biomedical, wood-forest-furniture and metalworks-machinery
- Supporting internationalisation of clusters and business networks via Interreg IIC project Clusters Linked Over Europe (CLOE) which also has a component for cooperation with clusters in China, India and Russia
- Case study of SKYPE as a cluster initiative catalysts
- Preparing a Regional Comprehensive Cluster Strategy as a follow-up of Tartu Regional Innovation Strategy

# Clusters Linked over Europe – Network of European Regions to Increase Internationalisation and Competitiveness of European Clusters



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# CLOE Model





# Network Objectives

- Identification of best practice methods, tools and processes by exchanging experiences
- Fostering co-operation between small and medium-sized enterprises within the European clusters and business networks
- Becoming visible not only within the partner regions but also outside Europe including China, India and Russia



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Clusters Linked over Europe

A European Network of Excellence for  
Cluster Management, Matching and Promotion

2006

Karlsruhe Germany

Utz Austria

Ipsa France

Tartu Estonia

Wernland Sweden

Timboara Romania

Kaliningrad Russia

Nottingham UK

**While Developing  
regional cluster  
policies we could  
and should learn  
from each other**





# Tartu Software Micro Cluster

- It consist of about 50 software companies who are employing about 1000 software engineers
- Catalysing effect from Skype setting up a an office in Tartu
- Main focus of the Cluster Initiative on training and education issues based on common interest to have more qualified people



# Lessons learned from Cluster Management

- In order to start a Cluster Initiative a common interest (enemy?) must be found
- Cluster initiatives can be based on existing business networks
- Cluster Initiatives need funding and initially it is very difficult to manage it only with fees from cluster companies
- Therefore national and/or regional authorities must provide cluster programmes and suitable financial support as Cluster Initiatives will not normally be sustainable in itself



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However to make clusters work you need more than money and technology





Understanding of your situation, competitors and your own competitive advantage is needed!







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THANK YOU!

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