

What is a an industrial cluster?

a cluster is a geographically proximate group of interconnected companies and associated institutions in a particular field, linked by commonalities and complementarities

Two important linkages dimensions:

and geographical proximity

However, frequent, flexible and rich proximity is not of value by itself; it is an enabling factor that increases the ease of

mobility of employees

Why do we care?

10 – 40% of the company market value from strategic alliances and networks

Internal competencies and resources limits development

Internationalisation is challenging

Success factors

co-operate as close to the core activities as possible

invest in the cooperation

all partners must have valuable contributions

start small and develop the cooperation

open communication

trust and personal relations

So why doesn't everyone cooperate?

Challenging 50–70%fail

Why do they fail?

too complex too soon

lack of bilateral adaption

unbalanced cooperation

one partner feels exploited

lack of dynamics and development

What to consider when choosing a location?

Proximity benefits Benefits of locating activities close to the resources that are important for the performance of the activities

labor Markets. Suppliers and partners

clients and capital

Cooperation benefits Equal activities performed at the same location Economies of scale

Decreasing unit costs at large volume of learning curve effects - Decreasing unit costs for repeated performances

The entire activity set is performed in the same place Reciprocal addiction - creates the need for coordination of the activity.

Transaction costs - minimized by colocation

Clusters fit in with maritime management

Clusters is a important part of strategic management – part of a business strategic choice

How can politics affect this?

Authorities directly affects attractiveness: taxes through

fees

subsidies

macropolicy

customs and others barriers

indirectly through competition policy

R&D

transport infrastructure

education

Industry dynamics

Industry dynamics is the sum of processes that take place between companies (and institutions) competition for market share and positions

relocation of capital between companies, industries and regions

mobility of employees

cooperation, coordination and communication through formal and informal channels

The stronger dynamics, the more upgraded the resource base of the economy and the higher productivity