



Cluster concepts

The theoretical definitions of clusters and cluster-based developments are vague, but practice is under pressure to develop more effective solutions to economic, societal and spatial problems especially in rural areas. In economic theory clusters are defined as groups of companies and institutions, co-located in a specific geographic entity and linked by interdependencies in providing a related group of products and / or services¹. The definition refers to clusters as instruments to cope with (world wide) competition. The accent lies at business-to-business relationships.

In this project we are interested in Citizen oriented clusters in B2C (Business –to – Consumer relationships) and G2C (Government-to-Consumer relationships) or demand oriented product- and service delivery by companies (Business), not-for-profit and non profit organisations (government) to consumers, clients or citizens. Clusters are in terms of Porter² (based on ‘complementarities’ (more efficiency in service delivery as a consequence of direct collaboration) and or ‘commonalities’ (more efficiency in service delivery as a consequence of common use of resources or capacities (buildings, technology, personnel and so on). In our opinion clusters are not only based on efficiency arguments of collaborative actors but can also be based on other arguments, for instance customer relationship arguments (better quality of services for the citizen) or innovation arguments (the need of realizing (new) services for (existing) customers (new product market combinations). The underlying arguments are the basis for developing collaborative strategies (see par 2.5).

Citizen oriented clusters and cluster concepts may differ in many dimensions:

- a. the type of products and services they supply;
- b. demand-oriented (B2C, G2C) or citizen-guided (C2B, C2G);
- c. spatial vs. virtual;
- d. the location dynamics they are subject to;
- e. their stage of development;

¹ This definition builds on Michael Porter’s work.

² M.E.Porter (1998): Clusters and competition: new agendas for companies, governments and institutions. In: On competition. Boston, Harvard Business School Press

- f. the environments (business, policy, spatial, social) that surrounds them;
- g. and so on.

Ad a. Types of products and services

Clusters of services may be of the same kind (for instance clusters of public services or information) and of different services (for instance a combination of commercial, cultural and welfare services and information).

Ad b. Demand oriented or citizen guided cluster concepts

Initiating clustering of services can start in one sector and the definite clusters may be look-a-likes or completely different from the former outlook of the sector(s). Supply oriented clusters are results of managerial innovations in B2C, G2C- chains. Citizen-guided cluster concepts (C2B, C2G) are regulated by demand criteria and may be the consequence of the introduction of new instruments or system innovations.

Ad c. Spatial clusters and virtual clusters

Cluster concepts can be fully spatial. The products and services are delivered in the same place and within restricted opening hours. The citizen, client or consumer visits the physical one-stop-shop, buys food or receives the service on location. There are many varieties of physical clusters. Important dimensions are the logistic system citizen, client or consumer to get real-time information from or communicate with product or service deliverers. The virtual cluster consists of all services and service deliverers who are part of the facility. The level and type of service may differ.

Ad d. Location dynamics

Location dynamics have to do with local situations in a regional context. In urbanised regions the local dynamics differ from the rural areas outside urban zones. Besides this the spatial qualities may be of influence. Rural areas with touristy and recreational potentials differ of course from rural areas with no potential of attracting purchase flows during the whole season or in specific periods of the year. Location dynamics also have to do with qualities of citizens, organisations and companies. So with 'self organising power' of the local community and 'empowered individuals' changes are often achieved. It is evident, that ICT can be part of self organising power and empowerments.

Ad e. Stage of development

Clusters can be distinguished in strength of relationships between collaborating participants.

Stage one: no relationships, only use of floor space in a common building

Stage two: no relationship between services, only common facilities

Stage three: cooperative collaboration (see under 2.5.)

Stage four: coordinative collaboration (see under 2.5.)

Stage five: network collaboration (see under 2.5.)

Ad f. The environments

The elements of a cluster operate in different business environments, spatial environments, policy environment and social environments. The sensibilities of different parts of the cluster may be different. Food detailers operate in (agro) food business environments and could be sensible for price wars in food super markets and strategies of the leading supermarkets. Health care environments are different from

commercial service environments and more dependent of changing social and health care policies. Different environments of the clustered services could be a risk factor that has to be managed in some way. The sensibility or robustness of cluster concepts therefore can be different and uncertain.

Ad g. Other characteristics of cluster concepts

Other characteristics of cluster concepts: suggestions are welcome.

Summary:

Cluster concepts can be described by several characteristics.

- a. the type of products and services they supply;
- b. demand-oriented (B2C, G2C) or citizen-guided (C2B, C2G)
- c. spatial vs. virtual
- d. the location dynamics they are subject to;
- e. their stage of development
- f. the environments (business, policy, spatial, social) that surrounds them;
- g. other relevant characteristics.

Collaborative strategies

Collaborations are intra- and/or inter-organisational relationships of suppliers of products and services, of demanders of products and services or even combinations of suppliers and demanders of products and services.

Collaborations are motivated by various perceived added value(s) for the collaborative participants. So collaboration could be based on individual visions and / or by a common vision on synergy impacts. We distinguish 3 levels of synergy and collaboration that are the basis for collaborative strategies, namely:

Cooperation synergy and cooperative collaboration strategy (1), coordination synergy and coordinative collaboration strategy (2), network synergy and network collaboration strategy (3). (See figure 1).

2.5.1. Cooperative forms of collaboration (cooperation synergy strategies)

This form implies continuity of relationships between the stakeholders and of processes. The strategy is based on realising efficiency benefits through better use of resources and or capacities of the collaborating stakeholders. Stakeholders collaborate in a cooperative way to realize commonalities (in Porter's terms). Examples of cooperative forms of collaboration are a common front office, a common internet access point or labour pools, energy pools and so on. Cooperative partners rest independent and do not change their production or distribution processes.

2.5.2. Coordinative forms of collaboration (coordinative synergy strategies)

This form implies coordination of activities or working processes between partners in realising efficiency benefits and effectiveness benefits (for instance better quality of products and services or just in time delivery of services). The relationship between stakeholders remains the same but the processes change. This form of collaboration is much more complex than cooperative forms of collaboration. To guarantee the perceived added values the participating partners must have trust in each other that has to be anchored by legal agreements.