



إتحاد الغرف التجارية الصناعية الزراعية الفلسطينية  
Federation of Palestinian Chambers of Commerce, Industry & Agriculture



# What BSOs Can Do to Support Clusters

## Private Sector Development Cluster Project (PSDCP)

Sabeeh Qarban



# What We Will Cover

WHAT BSOs CAN DO TO HELP ACTIVE CLUSTERS

WHAT BSOs CAN DO POST-CLUSTER ACTIVATION

MEMBER DRIVEN SERVICES FOR CLUSTERS

SOME SERVICES BSOs CAN PROVIDE FOR ACTIVATED CLUSTERS

**What BSOs  
Can Do to Help  
Activate Clusters**

# Remember This?

## A CLUSTER

**A geographic concentration of interconnected companies, specialized suppliers, service providers and associated institutions in a particular field that are present in a nation or region**

# Consortiums and Networks?

## CONSORTIUM

A short term arrangement where several firms (from one or more sectors) pool resources to undertake a project that benefits only the consortium members

## NETWORK

A group of individuals from one or more sectors who communicate for reasons of doing business (i.e. trading) with each other or their contacts

# Consortiums and Networks?

- Consortiums and networks look only towards themselves

THEY DO NOT CONSIDER THE WIDER COLLECTIVE

- It is this way of thinking that differentiates them from clusters
- Consortiums and networks are inward thinking; clusters are outward thinking
- Thus, you can have consortiums and networks within a cluster, but they are not clusters in themselves
- Clusters “think bigger” than both

# What Can BSOs Do?

**IDENTIFY CLUSTERS**



**CHOOSE A CLUSTER TO SUPPORT**



**DETERMINE ITS VALUE CHAIN**



**MAP THE CLUSTER**



**RAISE CLUSTER AWARENESS**



**TO ACTIVATE CLUSTERS**

# What Can BSOs Do?

**DETERMINE THE CLUSTER  
CORE GROUP**



**IDENTIFY A CLUSTER  
ANIMATOR**



**ANALYSE THE CLUSTER AND  
HELP THE CLUSTER TO  
DECIDE ON COLLABORATIVE  
ACTIONS**

**TO ACTIVATE CLUSTERS**



# Identify Potential Clusters

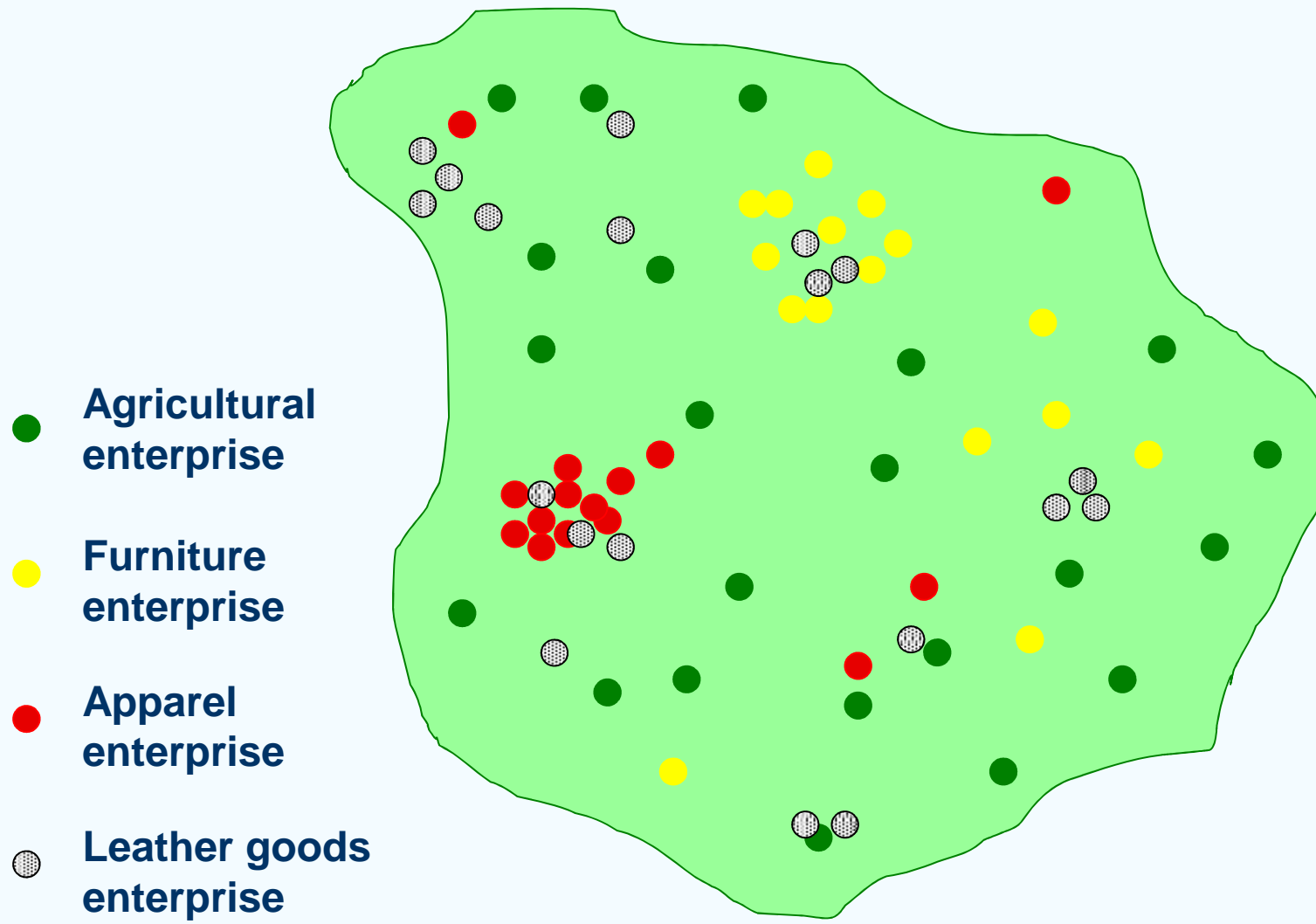
# Identifying Potential Clusters

- **How?**
- **Obtain a list sectors in the area you are considering (e.g. district, municipality, region, nation, Chamber area)**
- **Obtain a list of enterprises within that area (these are your potential primary stakeholders)**
- **Identify the sector each enterprise operates in**

# Identifying Potential Clusters

- **Formulate an Enterprise Location Map**
- **Method 1: Pin Map**
  - For each enterprise, put a pin denoting its sector on a map of the area (use a different coloured pin for each sector)
  - Determine if there is a concentration of enterprises in any one sector in any one geographical location
  - Advantage: Provides a pictorial representation

# Example: Pin Map



# Identifying Potential Clusters

- **Method 2: Tabular Map**

- List each enterprise by sector in a table, and insert the location in which it is based (i.e. district and village)
- Count the number of enterprises in each district and village
- Determine if there is a concentration of enterprises in any one sector in any one geographical location
- Advantage: Identifies individual enterprises by name for easy reference later

# Example: Tabular Map

AGRICULTURE		APPAREL		FURNITURE	
Firm Name	District /Village	Firm Name	District /Village	Firm Name	District /Village
Old Olives	A1	Today's Times	M1	Red's Beds	R1
Carrots & Co.	H6	Sew Easy	A1	Woodpecker	T1
Chickpeas R S	B2	A Stitch in Time	M5	Sit U Down	R3
Oil Away	D3	Sound Sewing	T1	Ways in Wood	L2
Premium Veg.	G1	Terry's Frocks	M2	Sleep Easy	R1
Apple Maid	J3	Pins 'n Needles	S2	Can Do Chairs	R3
Sunny Sprouts	C1	Design-a	M1	Hang It All	R3
Ann's Daffs	F2	Ahmad's Gear	E1	Indoor-Outdoor	R3
Fresh & Low	K4	Gear Up	M4	Top Bedrooms	R3
Grow-a-Lot	P2	Toggs	M2	High Design	A1
Veggies	E1	Cotton On	M1	Cheap Chairs	E1
Bananarama	R5	High Fashion	F2	Table It	F1

# Example: Tabular Map

AGRICULTURE		APPAREL		FURNITURE	
Firm Name	District /Village	Firm Name	District /Village	Firm Name	District /Village
-	-	Today's Times	M1	Hang It All	R3
-	-	Design-a	M1	Can Do Chairs	R3
-	-	Cotton On	M1	Sit U Down	R3
-	-	Terry's Frocks	M2	Indoor-Outdoor	R3
-	-	Toggs	M2	Top Bedrooms	R3
-	-	Gear Up	M4	Red's Beds	R1
-	-	A Stitch in Time	M5	Sleep Easy	R1

- **Agricultural Sector:** There are no potential clusters in this sector
- **Apparel Sector:** In District M, there are 7 firms of which 3 are in Village 1 (**potential district cluster**)
- **Furniture Sector:** In District R, there are 7 firms of which 5 are in Village 3 (**potential district or village cluster**)

# Identifying Potential Clusters

- If there is a significant number of enterprises in a geographical area, then a cluster may exist
- What is a “significant” number of enterprises?

Generally not <5  
15 would be better  
>15 is good  
There is no maximum





Please form teams of 4-6 people.  
You will be working together on a  
Case Study throughout this  
presentation to build your knowledge  
**AND YOUR SKILLS**



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## Exercise 1 (Team)

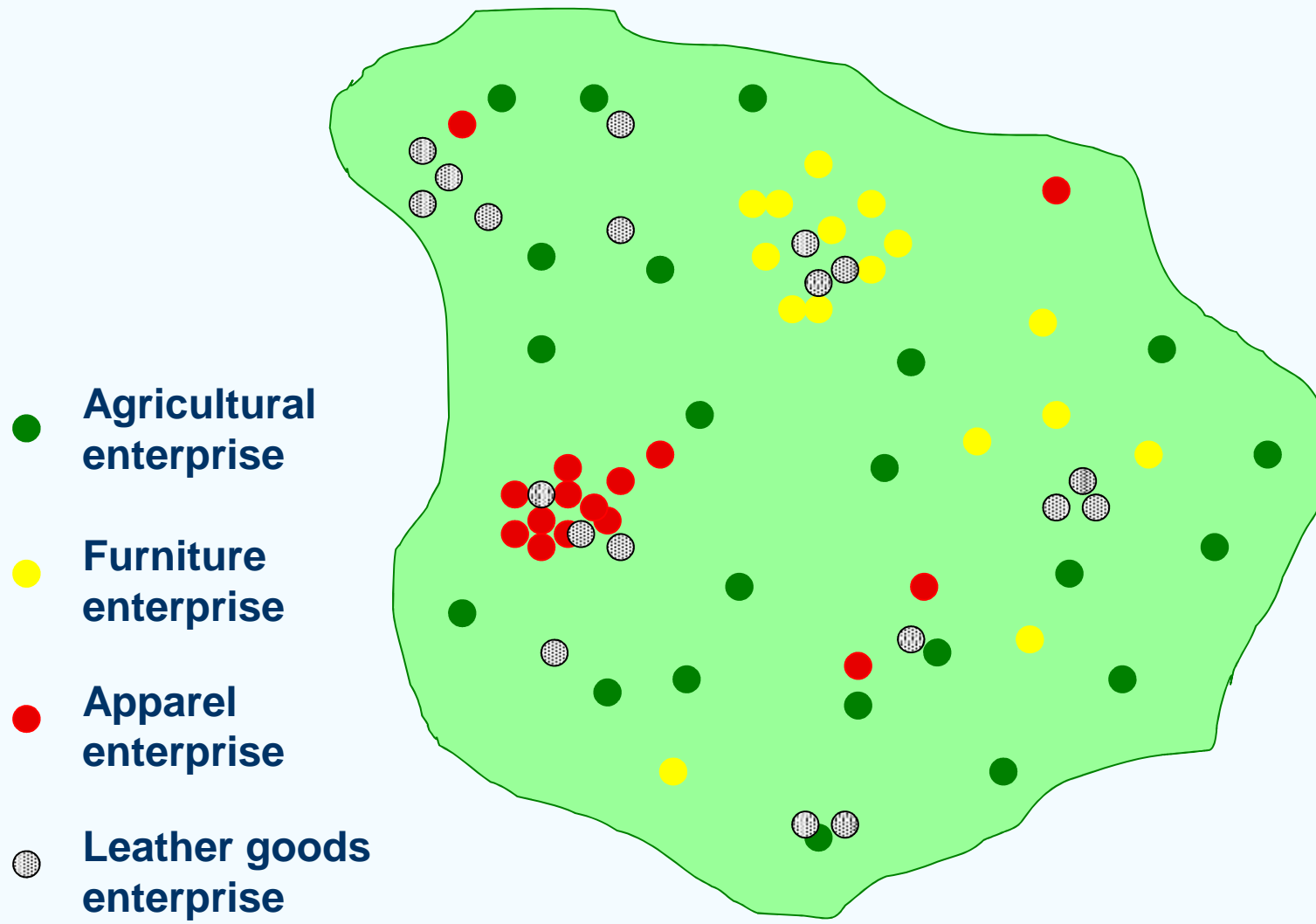
Develop an Enterprise Location PIN MAP  
and identify the potential clusters  
(10 minutes)

Handout 2.1  
“List of Enterprises  
(By Sector)”

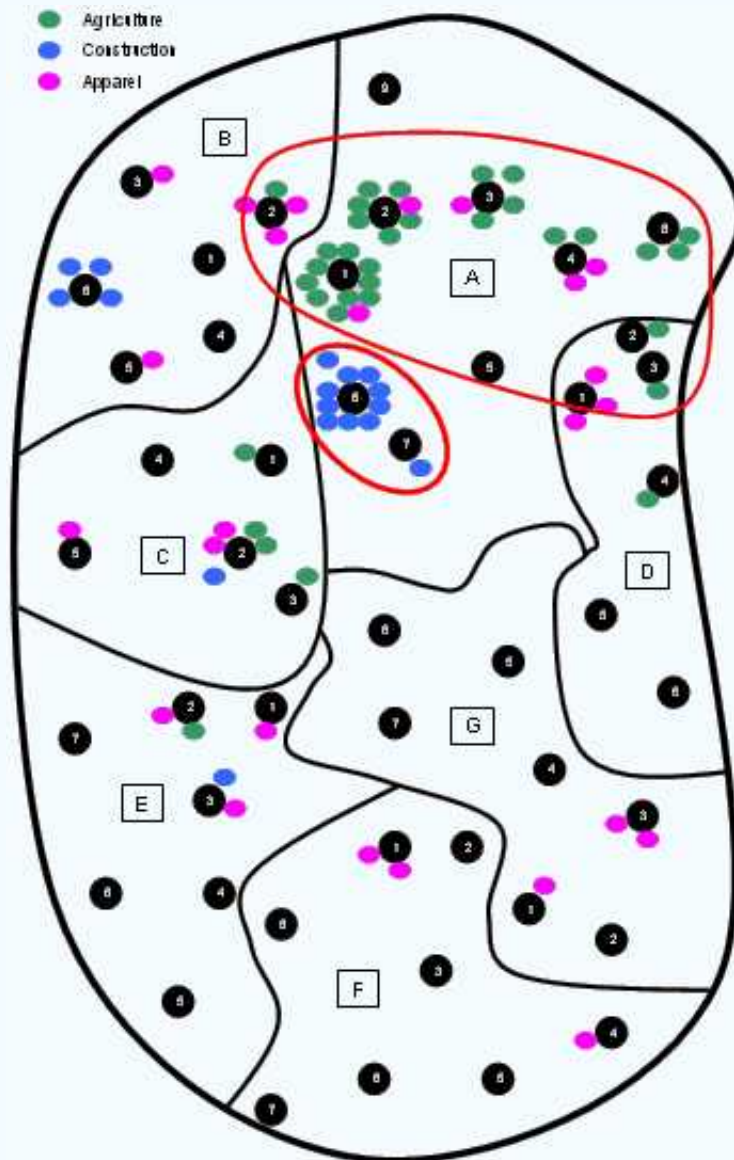
Handout 2.2  
“Enterprise Location  
Pin Map (Template)”



# Exercise 1



# Exercise 1



Handout 2.3  
“Enterprise  
Location Pin Map  
(Results)”

## Exercise 2 (Team)

Using the same information, develop an Enterprise Location TABULAR MAP and identify the potential clusters (20 minutes)

Handout 2.4  
“Enterprise Location Tabular Map (Template)”



## Exercise 2

AGRICULTURE		APPAREL		FURNITURE	
Firm Name	District /Village	Firm Name	District /Village	Firm Name	District /Village
Old Olives	A1	Today's Times	M1	Red's Beds	R1
Carrots & Co.	H6	Sew Easy	A1	Woodpecker	T1
Chickpeas R S	B2	A Stitch in Time	M5	Sit U Down	R3
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Veggies	E1	Cotton On	M1	Cheap Chairs	E1
Bananarama	R5	High Fashion	F2	Table It	F1

## Exercise 2

### Handout 2.5

“Enterprise Location Tabular Map  
(Results)”

## Discussion 1 (Group)

Which is better - an Enterprise Location Pin or Tabular Map?



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(5 minutes)



## Exercise 3 (Team)

Identify who ELSE might be part of both of your potential clusters. You can do this as an extension of your Tabular Map (45 minutes)

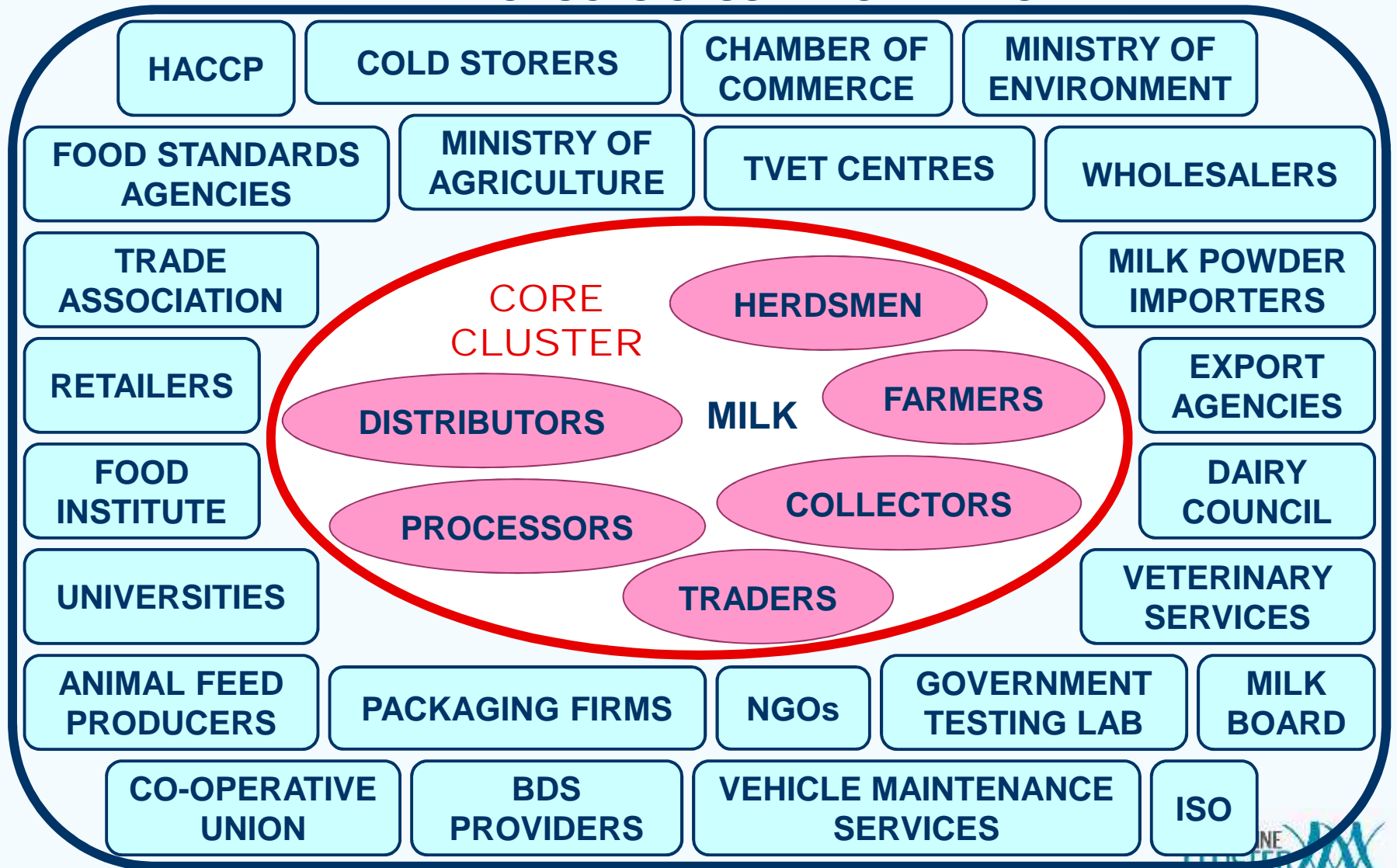
Handout 2.6

“List of All Enterprises”



# Exercise 3

## DAIRY PRODUCTS CLUSTER OF TRAZON



## Discussion 2 (Group)

What have you identified as being part of each of the clusters?  
How did you find this exercise?



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(5 minutes)

# Exercise 2

## Handout 2.7

### “Potential Cluster Members (Results)”

# Choosing a Cluster to Support

# Choosing a Cluster to Support

- This can get very complicated....

$$LQ = \frac{e_i / e}{E_i / E}$$

$e_i$  = Local employment in industry i

$e$  = Total local employment

$E_i$  = Reference area employment in industry i

$E$  = Total reference area employment



HOWEVER, ALL IS NOT LOST.....

# Choosing a Cluster to Support

## A SIMPLE, PRACTICAL METHOD FOR BSOs IN PALESTINE

- **Determine some generic cluster evaluation criteria. For example:**
  - Numbers employed
  - Number of markets
  - Level of sales
  - Level of exports
  - Number of new products developed
  - Rate of expansion of the sector
  - Rate of expansion of the cluster
  - Trade barriers / vetos (good in and goods out)

# Choosing a Cluster to Support

- Level of Research and Development (R&D) done
- Number of working links with academia
- Quality of the infrastructure (e.g. communications, roads, utilities, effluent disposal facilities, etc)
- Presence of support organizations
- Level of Foreign Direct Investment
- Ease of starting a business
- Availability of raw materials
- Prioritization in national policies / activities
- Level of distinctiveness (i.e. product uniqueness)
- Level of formalization

**THESE ARE JUST SOME EXAMPLES - CONSIDER WHAT IS APPROPRIATE FOR THE DEVELOPMENT OF YOUR REGION**





# Choosing a Cluster to Support

- Select the criteria you want to use (say, 4 or 5)
- Draw a table and insert the clusters and criteria
- Rate each cluster against each criterion on a scale of 1 to 10 (1 = unwanted, 10 = wanted)
- Average the scores for each cluster
- Select the cluster with the highest score

Cluster	Criteria			Average
	Level of Sales 1 = low 10 = high	No. Employees 1 = low 10 = high	Distinctiveness 1 = very poor 10 = excellent	
Apparel	1	3	8	4.0
Furniture	8	8	2	6.0

# Choosing a Cluster to Support



## Tip

Award your scores based on  
quantitative information  
where possible

## Exercise 4 (Team)

Use your knowledge of what is important for your region to determine some criteria. Use the Criteria Scoring technique to choose one potential cluster to support (30 minutes)

Handout 2.8  
"Choosing a Cluster to Support"



## Exercise 4

- Select the criteria you want to use **that are important for the development of your region** (say, 4 or 5)
- Draw a table and insert the clusters and criteria
- Rate each cluster against each criterion on a scale of 1 to 10 (1 = unwanted, 10 = wanted)
- Average the scores for each cluster
- Select the cluster with the highest score

Cluster	Criteria			Average
	Level of Sales 1 = low 10 = high	No. Employees 1 = low 10 = high	Distinctiveness 1 = very poor 10 = excellent	
Apparel	1	3	8	4.0
Furniture	8	8	2	6.0

## Discussion 3 (Group)

Which criteria did you select and why?  
Which cluster did you choose to support?



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(5 minutes)

# Determining the Value Chain

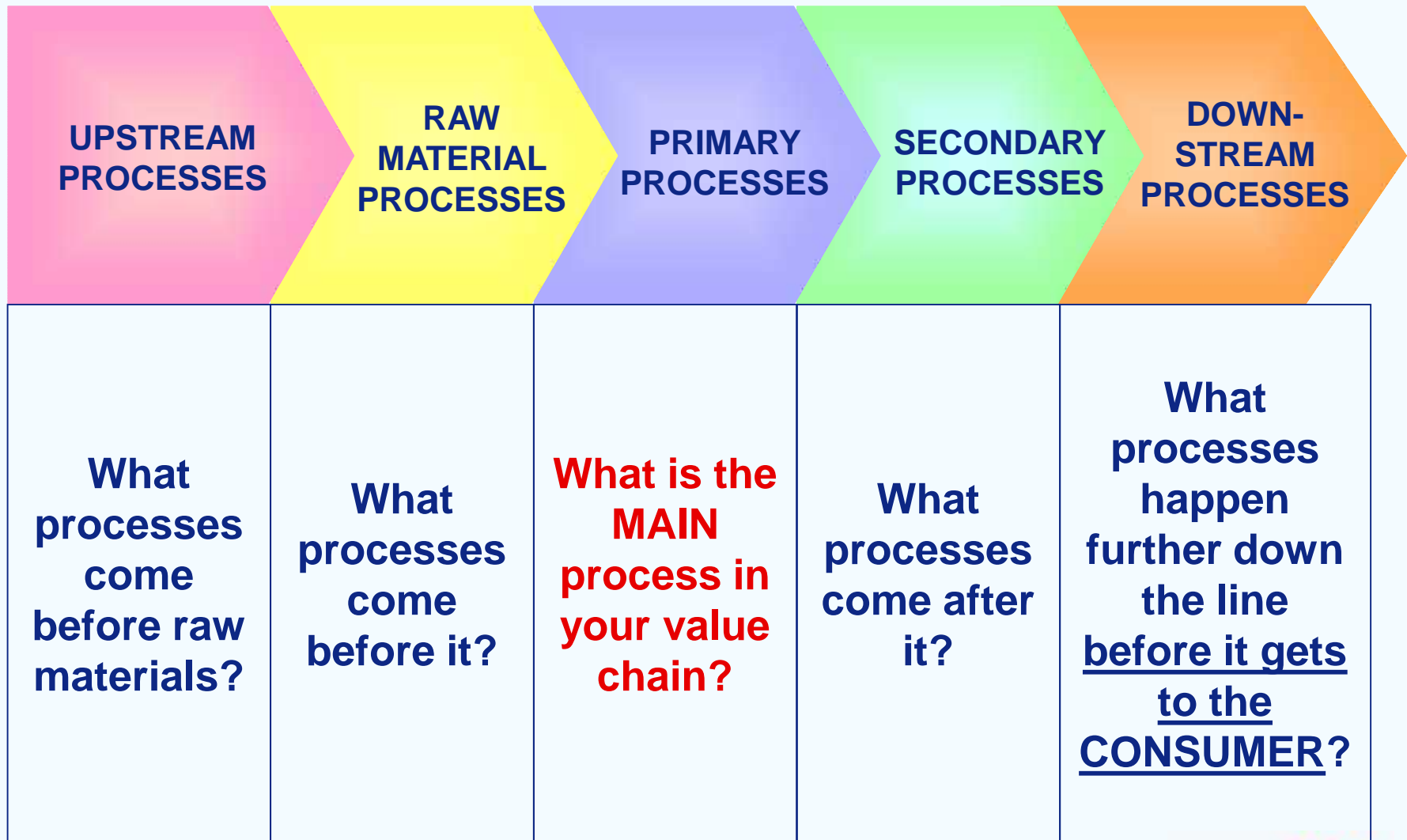
# Determining the Value Chain

- What is a value chain?

## VALUE CHAIN

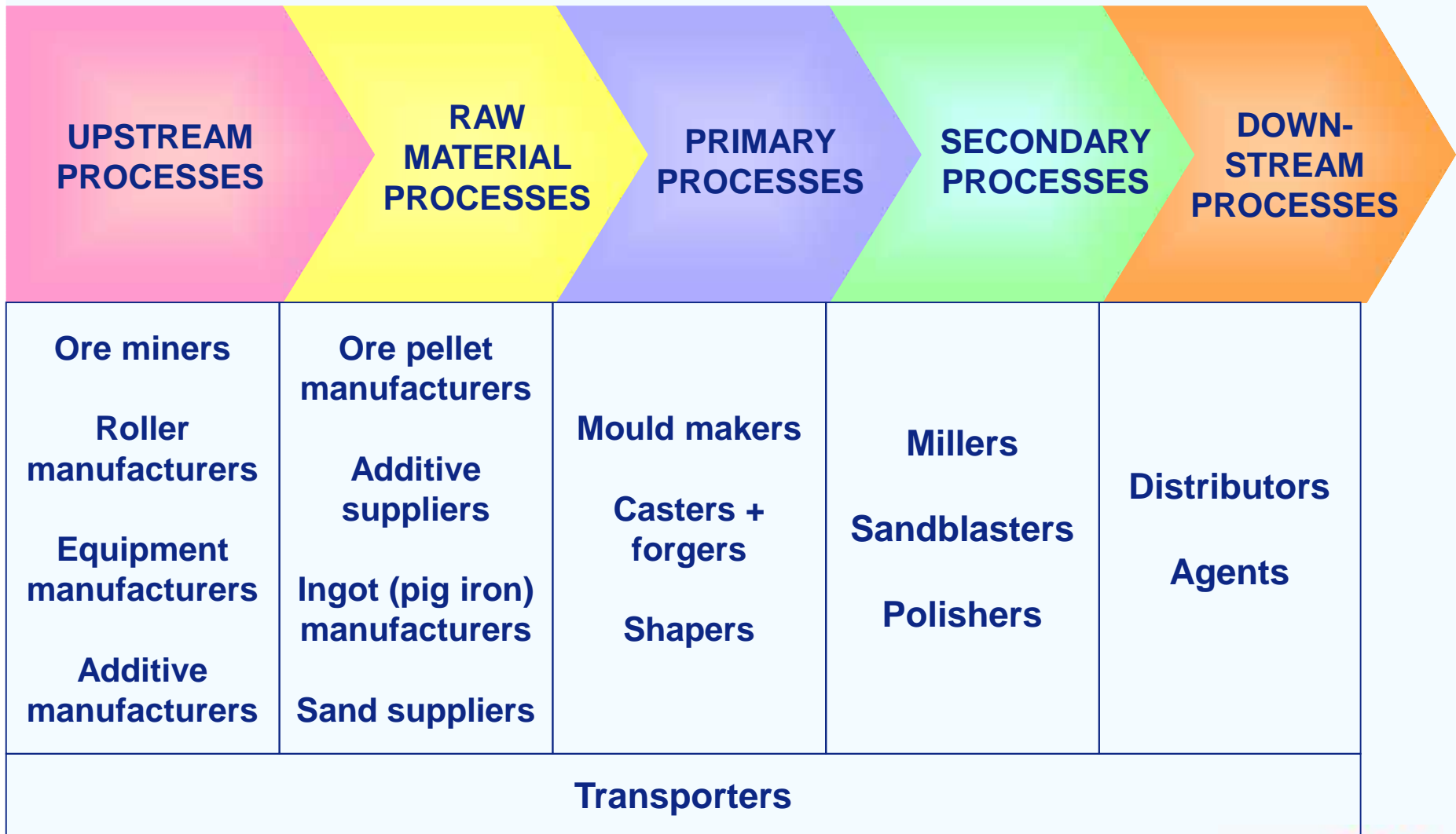
A model of how raw materials are received as input, have value added to them through various processes and then sold on as finished products to consumers

# Value Chain Model





# Example: Value Chain



**METAL CASTINGS CLUSTER OF KONYA**



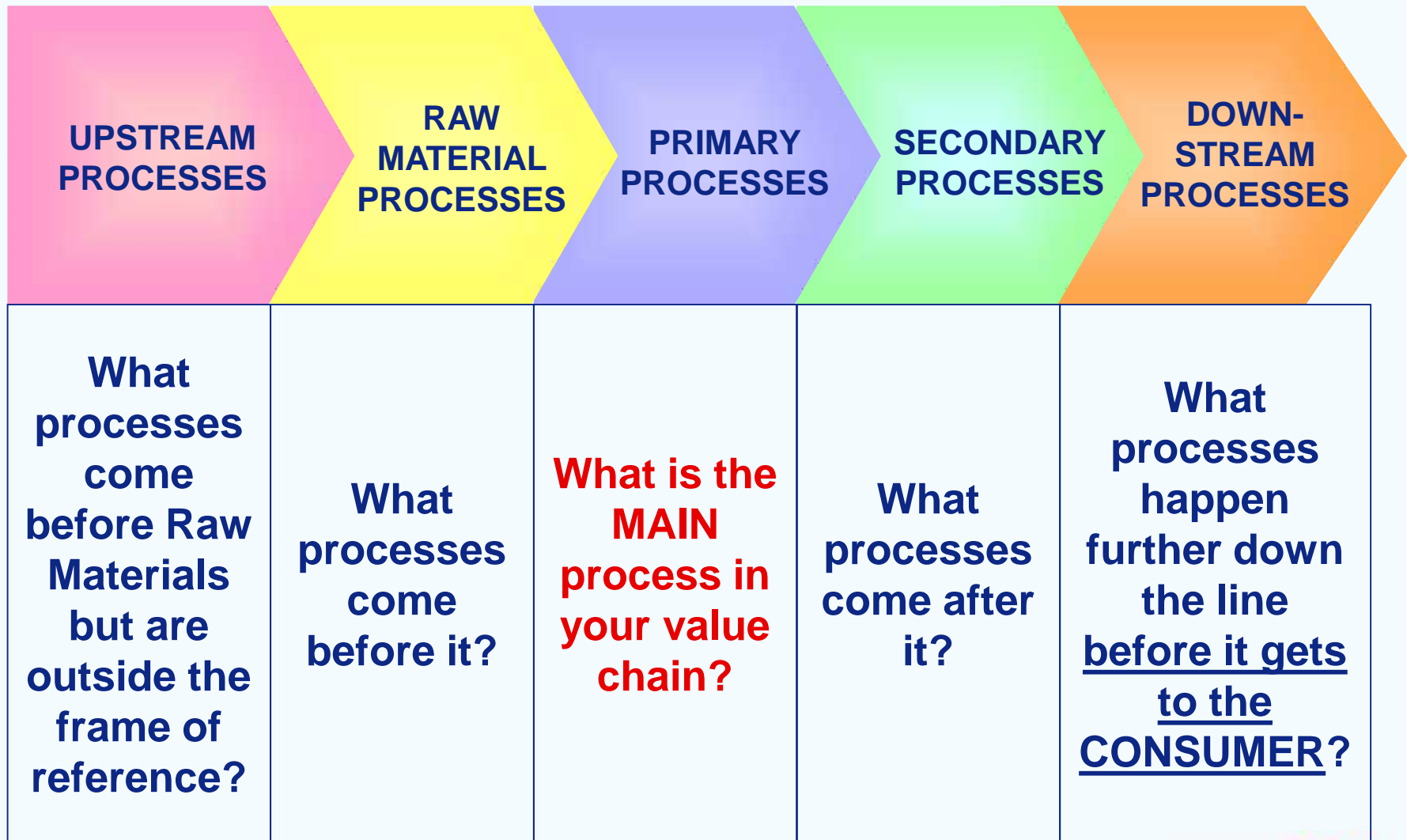
## Exercise 5 (Team)

The Agricultural Cluster is large, so let's focus on one part - the Fresh Produce Cluster. Use the information provided and determine the value chain. Try to think of other potential value chain parts too (30 minutes)

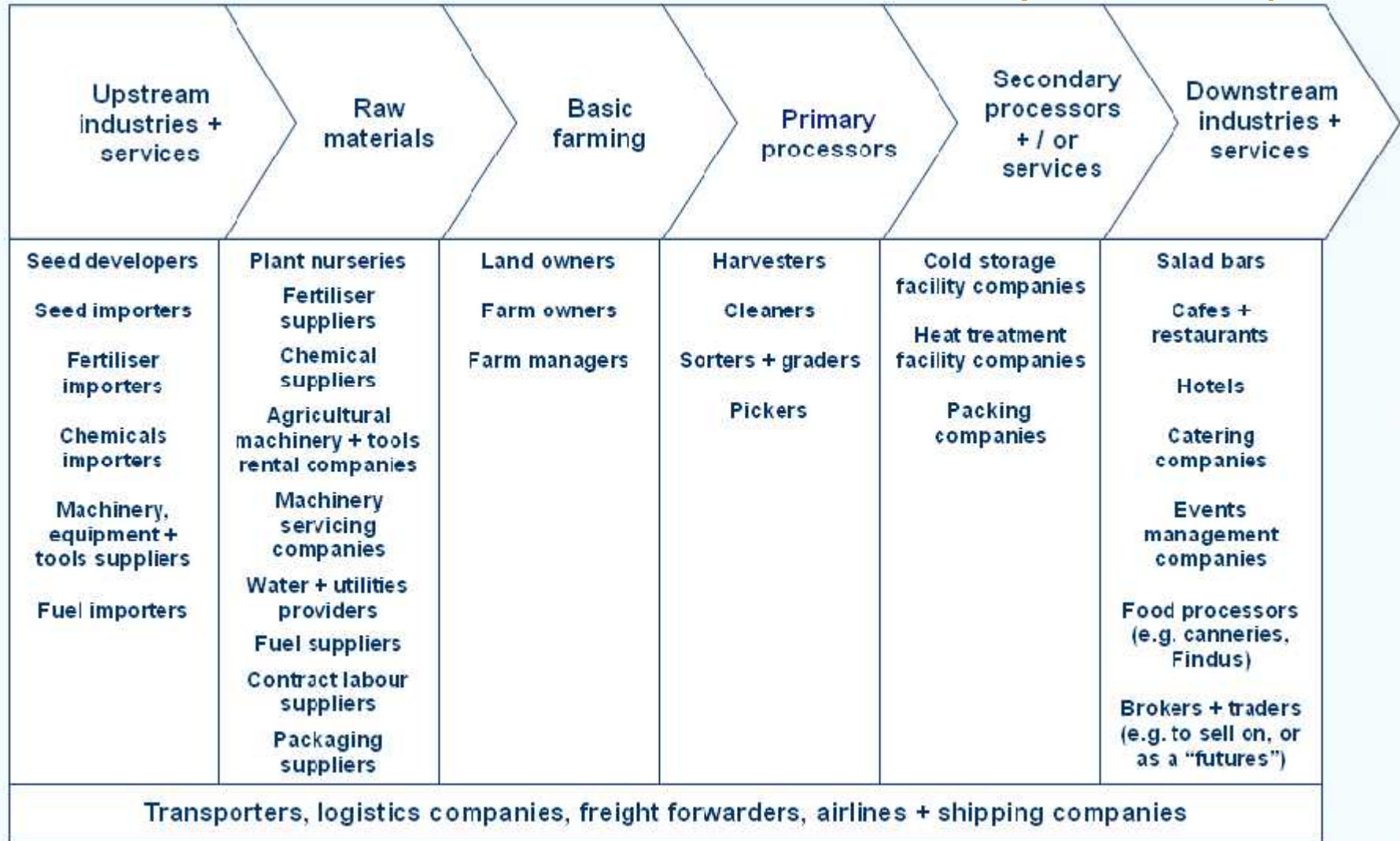
Handout 2.9  
"Value Chain  
(Template)"



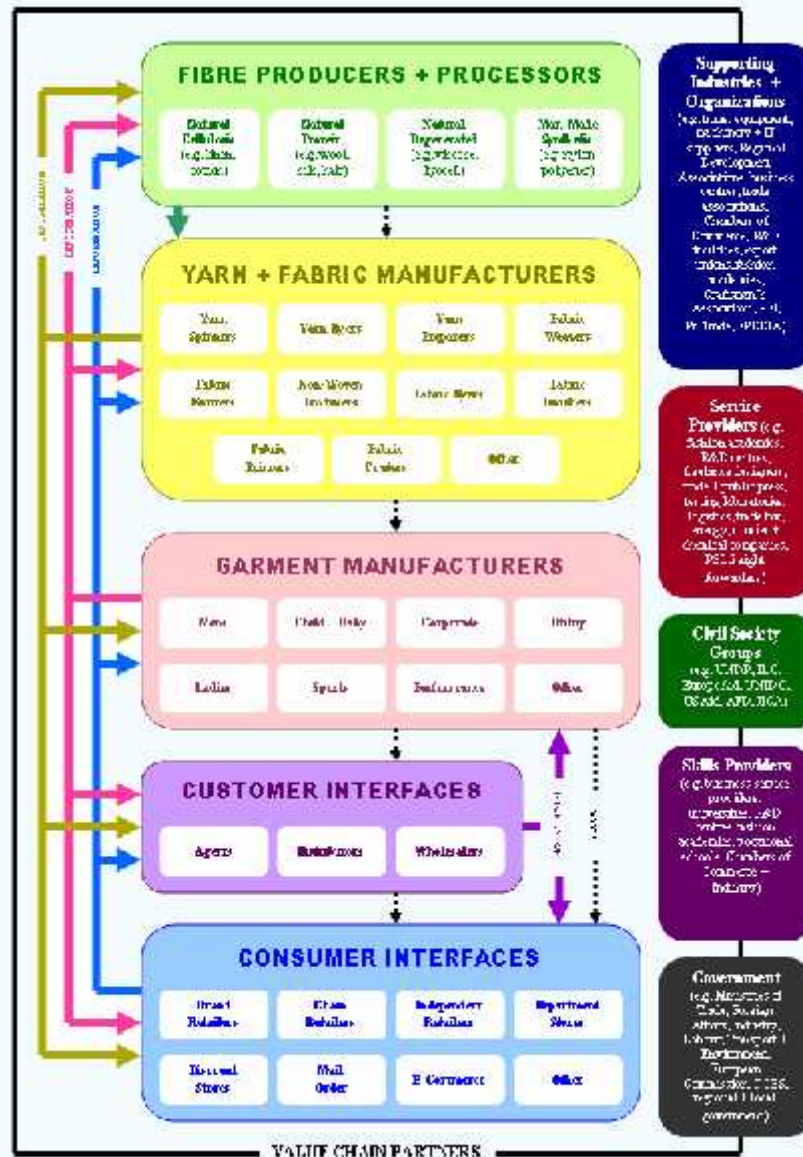
# Exercise 5



# Handout 2.10 - "Value Chain for the Fresh Produce Cluster of District A (Results)"



# Example: Value Chain + Flows



## GARMENT MAKING CLUSTER OF ADANA

Handout 2.11  
 "Value Chain with Flows (Example)"

## Exercise 6 (Team)

Using your own knowledge, determine a detailed value chain for the Fresh Produce Cluster which shows potential goods and information flows  
(45 minutes)



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# Mapping the Cluster

# Mapping the Cluster

- What is a cluster map?

## CLUSTER MAP

A visual representation of how a cluster procures raw materials and gets goods to the consumer, showing all cluster members and the linkages between them



# Mapping the Cluster

- What is a linkage?

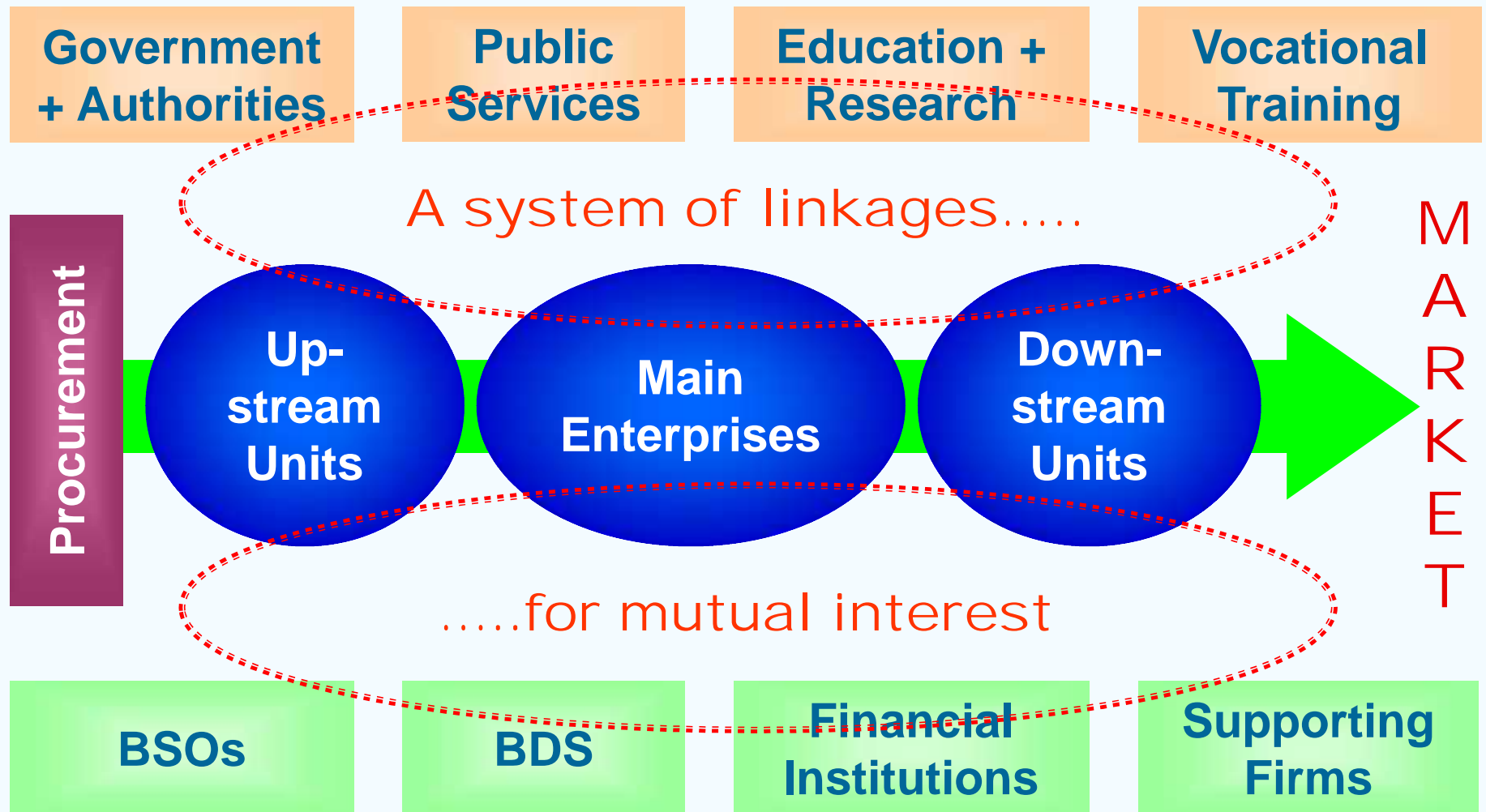


## LINKAGE

A relationship, communication or interaction

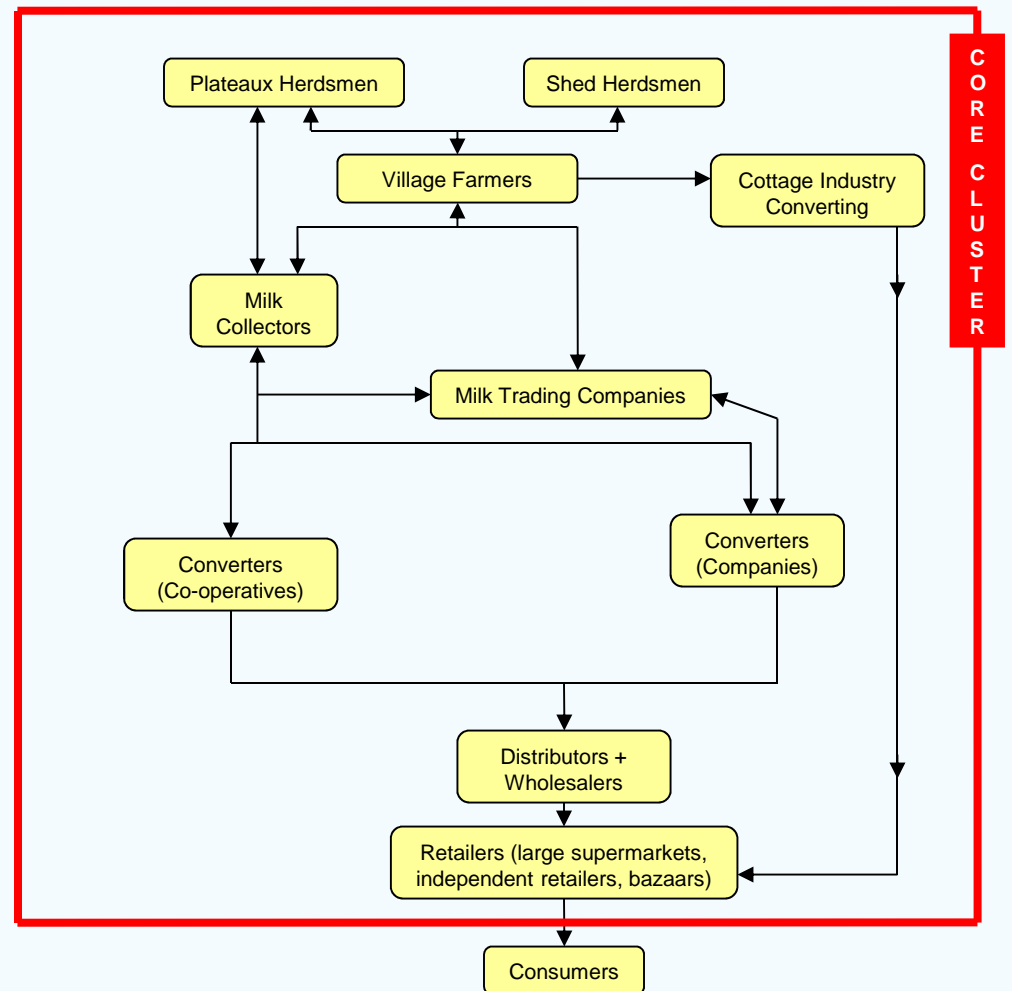


# Cluster Map (Model)



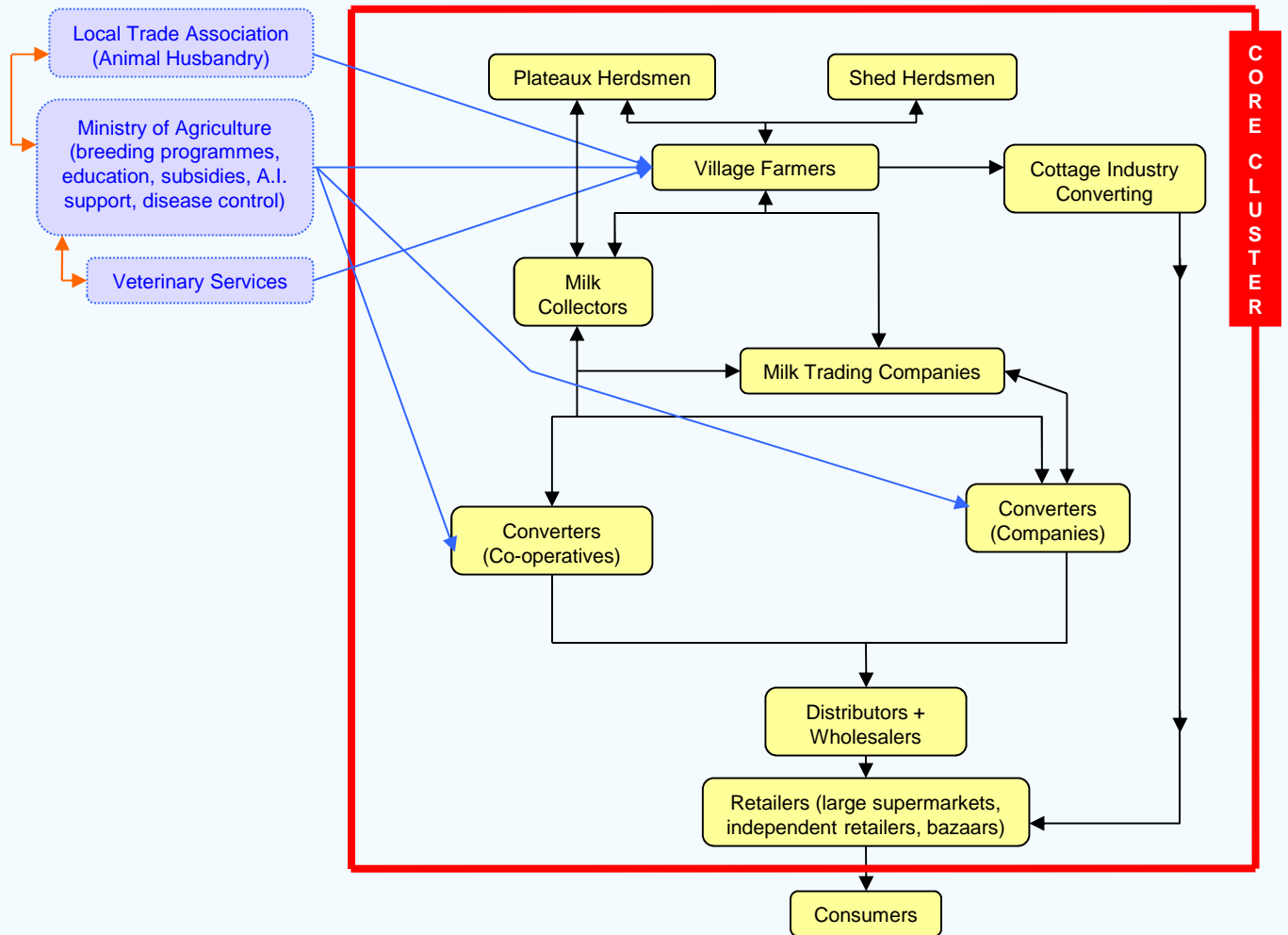
Handout 2.12  
"Cluster Map (Example)"

# Example: Cluster Map



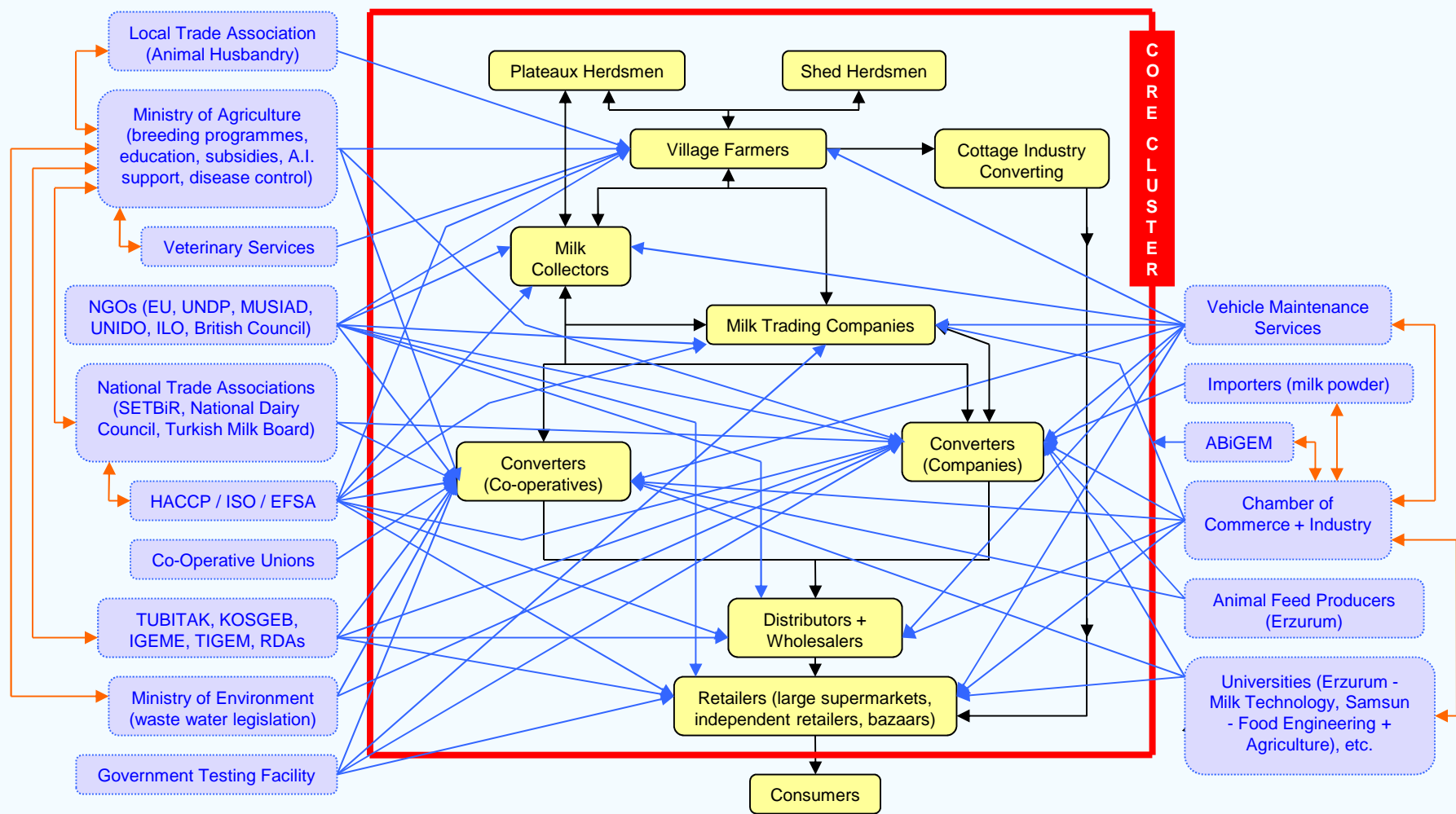
DAIRY PRODUCTS CLUSTER OF TRABZON

# Example: Cluster Map



DAIRY PRODUCTS CLUSTER OF TRABZON

# Example: Cluster Map

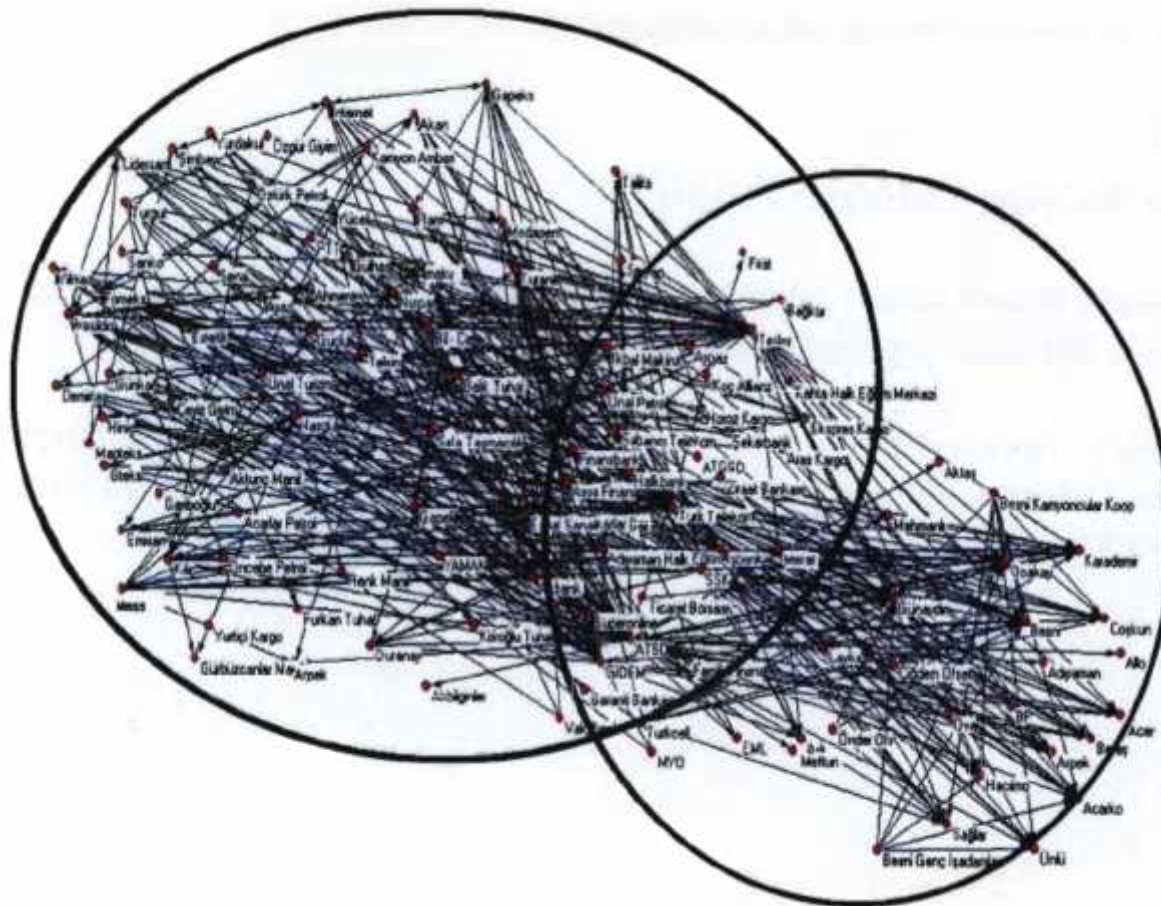


**DAIRY PRODUCTS CLUSTER OF TRABZON**



# Example: Cluster Map

- Academics love them!



## Exercise 7 (Team)

Develop a cluster map for the Fresh Produce Cluster

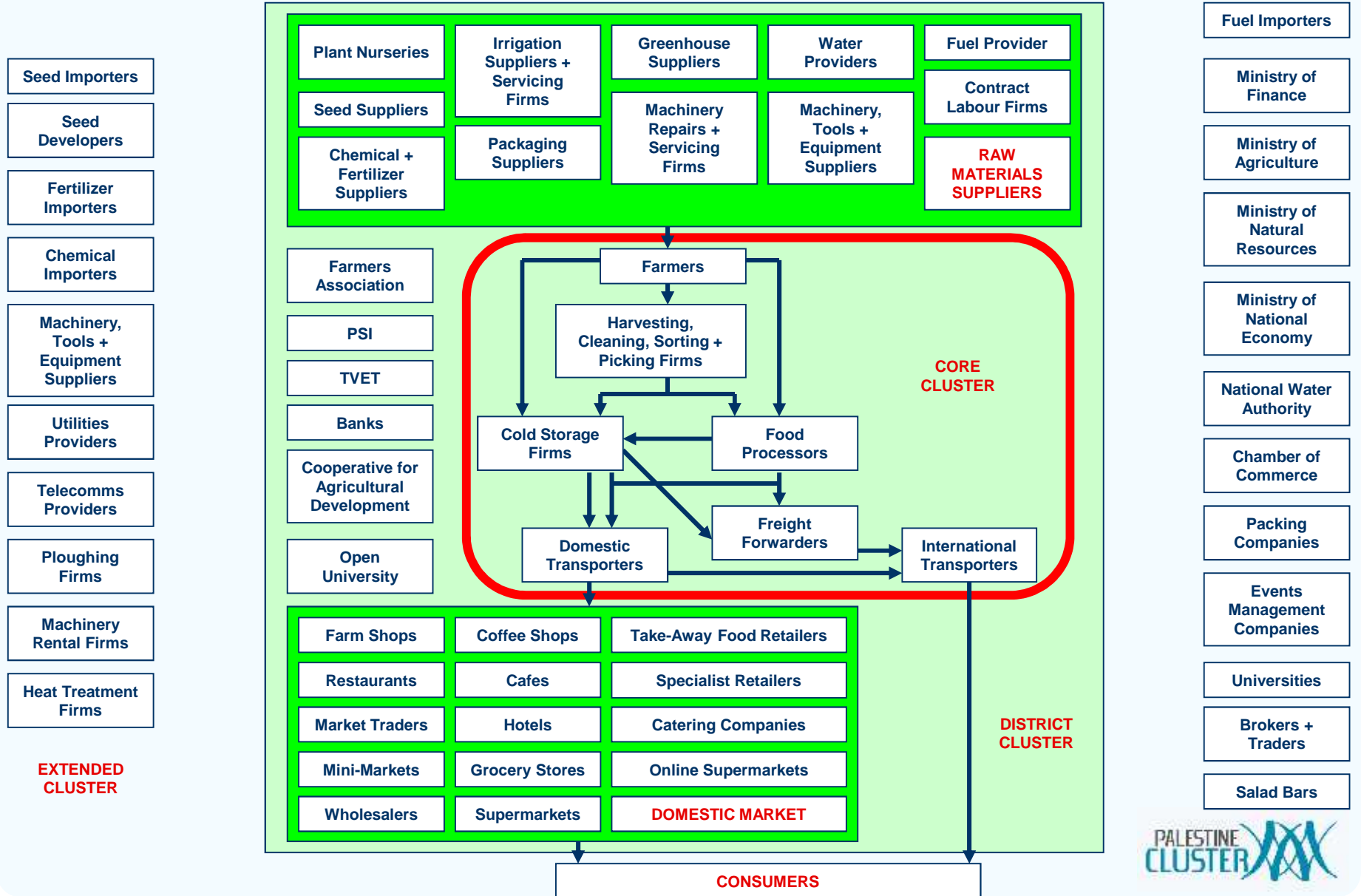


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(45 minutes)



# Exercise 7



# Raising Cluster Awareness

# Raising Cluster Awareness

- **Where? And with whom?**
  - Amongst potential cluster members
  - In the business community



- **Hold meetings with them and present information about what clusters are and the cluster development process**

# Raising Cluster Awareness

- **Bring representatives from other successful clusters as guest speakers to talk about what they did, how they did it and their success stories**



## Tip

Use an incentive to get people to attend (e.g. snacks, refreshments, corporate gift)



# Determining the Cluster Core Group

# Determining the Core Group

- Invite all cluster enterprises to a meeting
- Discuss the benefits of collaborative projects and cluster initiatives
- Summarise the cluster development process, and particularly the role of the Cluster Core Group (CCG)
- Ask attendees to confirm if they are interested in being part of the CCG

# Determining the Core Group

- **Help the cluster to select members of the CCG based on:**
  - Representation in the Value Chain (i.e. there should be a member from each part if possible)
  - Ability to participate (do they have the time?)
  - Knowledge of the sector / industry
  - Ability to influence people and get things done
  - Ability to add other value to the CCG
- **Help the cluster select a Cluster Representative to be the main point of contact for inward + outward cluster communications**

# Identifying a Cluster Animator



# Identifying a Cluster Animator

- **All successful clusters have a dedicated Cluster Development Agent (CDA). In the PSDCP, the CDA is called a Cluster Animator**
- **The Cluster Representative, CCG and BSO should aim to jointly identify a person suitable to be the Cluster Animator**
- **S/he is usually an independent person, who receives a salary funded by cluster members and / or a BSO (e.g. Chambers)**

# Role of the Cluster Animator

- **Motivates cluster members**
- **Activates cluster activities**
- **Builds trust:**
  - **Of the cluster members in the Cluster Animator**
  - **Amongst cluster members**
- **Facilitates cluster meetings, etc**
- **Coordinates cluster member activities**
- **Chases progress and follows up activities**
- **Encourages new members to join and participate**

**Analyse the Cluster +  
Help the Cluster  
Decide on  
Collaborative Actions**

# Analysing the Cluster

- **Conduct a survey of all - or a representative sample of - cluster enterprises (primary stakeholders)**



## Tip

Collect quantitative information where possible

- **Analyse the data obtained. Pillars for analysis might include:**

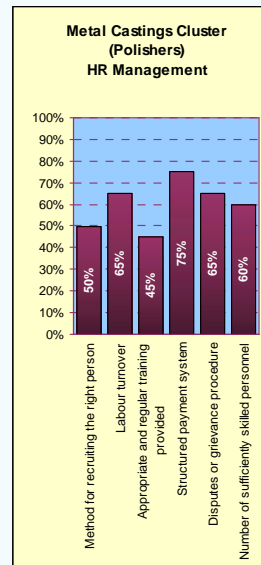
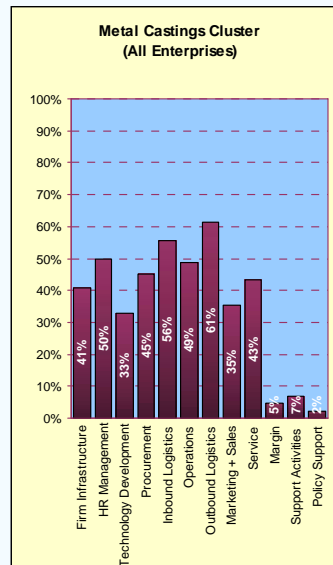
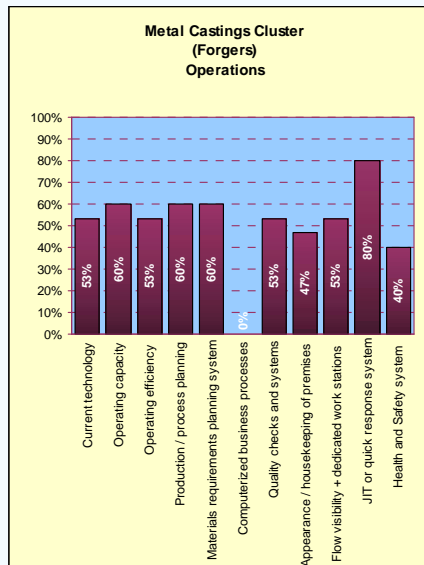
# Analysing the Cluster

- Firm infrastructure
- Human resources management
- Technology development
- Procurement
- Inbound logistics
- Operations
- Outbound logistics
- Marketing and sales
- Service (to customers + consumers)
- Margin
- Support activities (from BSOs, etc)
- Policy support (from government)

Handout 2.13  
"Cluster Enterprise  
Survey  
Questionnaire  
(Example)"

# Analysing the Cluster

- Interview secondary stakeholders (information obtained from secondary stakeholders is often qualitative)
- Analyse all information (qualitative as charts and graphs, qualitative as a narrative)



- Consider each part of the value chain separately as much as possible

# Analysing the Cluster

- Using the results, help the cluster to identify its strengths, weaknesses, opportunities and threats

**THIS IS CALLED A SWOT ANALYSIS**



# Example: SWOT (Apparel Cluster)

## STRENGTHS

- Availability of skilled workers
- Core Group commitment to the cluster
- Good customer loyalty
- Low labour turnover
- Good design capability
- Proximity of a port
- Firm willingness to collaborate
- Good small order capability

## WEAKNESSES

- Low understanding of market dynamics
- Many small, crowded premises
- Poor medium + large order capability
- Poor management skills
- Low efficiency
- Poor, variable product quality
- Old equipment and technology
- No contact with end customer

## OPPORTUNITIES

- Niche (small, specialist) markets
- Specialization + sub-contracting
- Promotion of cluster in local, national and international markets
- Building contacts with end customers
- Joint purchasing of raw materials + services
- Collaborative production

## THREATS

- Highly competitive market
- Increasing levels of low cost imports in local market
- Large international customers use regional sourcing hubs
- Currency fluctuations
- Probable tax increases



## Exercise 8 (Team)

Perform a SWOT on the Fresh Produce Cluster  
(30 minutes)

Handout 2.14 "SWOT Analysis (Template)"



## Exercise 8

### STRENGTHS

**Good availability of labour (skilled and unskilled)**  
**Reasonably good level of exports**  
**Quality of exported goods is high**  
**Good representation of the value chain in the cluster**

### OPPORTUNITIES

**High labour availability out of season**  
**Explore new export markets**  
**Reduce wastage**  
**Improve quality**  
**Modern farming techniques**  
**Improve water usage efficiency**  
**New channels to domestic consumers**  
**Good presence of local / regional BSOs**  
**Presence of national support institutions**  
**Bring non-cluster value chain members into the cluster**

### WEAKNESSES

**Need for seasonal labour**  
**Seasonal labour required at short notice**  
**Casual labour is unskilled**  
**Many informal enterprises**  
**Low wages**  
**Nearly all exports to a single market**  
**High wastage to produce export quality goods**  
**Low value of wastage products**  
**Non-modern farming techniques**  
**Erratic water supply**

### THREATS

**Workers moving to higher paid jobs**  
**Workers leaving the area**  
**Reduction in demand from Israel**  
**Drought**  
**Tightening of Israeli restrictions on movement of goods**  
**Currency fluctuations**  
**Increasing interest rates + / or taxes**

# Analysing the Cluster

- Help the cluster to determine where it wants to be and what it wants to achieve
- Help the cluster to identify the gaps
- Help the cluster to determine collaborative actions to fill those gaps

**THIS IS CALLED A GAP ANALYSIS**

## Example: Gap Analysis (Apparel Cluster)

TARGET	CURRENT SITUATION	RECOMMENDATIONS TO FILL THE GAP
<p>To receive 25% of orders direct from branded retailers</p>	<p>Low understanding of market dynamics</p> <p>Poor and variable product quality</p> <p>Good small order capability</p> <p>Good design capability</p> <p>No contact with end customer</p>	<p>Cluster Focus Group to research market dynamics</p> <p>Organize cluster training in quality control and management + establish a cluster quality monitoring system</p> <p>Purchase modern equipment</p> <p>Establish a cluster web portal + promote niche market capability</p> <p>Organize an inward buyers mission for cluster members</p> <p>Organize cluster attendance at an international trade fair</p>

## Exercise 9 (Team)

Using your SWOT Analysis, determine and select a target for your cluster, then perform a Gap Analysis for your cluster to achieve it  
(30 minutes)

Handout 2.15 "Gap Analysis (Template)"



# The Situation Analysis Report

- Help the cluster to write a Situation Analysis Report. This should contain:

- Summary
- Objectives
- Methodology
- List of visits made
- Main findings of the analysis
- SWOT Analysis
- Gap analyses

**RECOMMENDATIONS FOR  
CLUSTER FOCUS**

- Conclusions



# Any Questions?



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# What Have We Learned?





**What BSOs  
Can Do  
Post-Cluster  
Activation**

# What Can BSOs Do?

**BUILD TRUST**



**DETERMINE CLUSTER INITIATIVES**



**DEVELOP STRATEGIES + ACTION PLANS**



**FACILITATE COLLABORATION,  
LINKAGES + PARTNERSHIPS**



**PROVIDE ONGOING CLUSTER-  
DRIVEN SERVICES**

**SUPPORT POST-ACTIVATION**

# Build Trust

# Build Trust

- Facilitate meetings



- Hold them regularly - and frequently - to mitigate against cluster members losing interest

# Build Trust

- **Build on positive things**
- **Start with simple things that can be done quickly and show short term results (these are called “quick wins”)**
- **Be direct, honest, open and truthful**

**DO NOT OVER-RAISE EXPECTATIONS  
AND  
DO NOT MAKE PROMISES THAT  
CANNOT BE KEPT!**

# Determine Cluster Initiatives

# Determine Cluster Initiatives

- What is a cluster initiative?

## CLUSTER INITIATIVE

An organised effort of cluster members aimed at fostering the development of the **cluster**, either by strengthening the potential of cluster members or shaping relationships between them

*Source: Ketels, Lindqvist, Sölvell, Cluster Initiatives in Developing and Transition Economies, Stockholm, 2006*

# Examples: Cluster Initiatives

- **Jointly** establishing an Innovation Centre
- Organizing **joint** training
- **Joint** attendance at an overseas trade fair
- **Joint** organisation of an inward buyers mission
- **Jointly** establishing a machinery library
- **Jointly** buying and using a production based facility (e.g. cold storage)
- **Jointly** commissioning market research

WHAT IS THE COMMON FACTOR?



# Determine Cluster Initiatives

- Invite members to a workshop and:
  - Explain what a cluster initiative is
  - Show the cluster analysis and SWOT
  - Identify industry trends and customer wants
  - Identify main cluster weaknesses in fulfilling those customer wants
  - Help to identify cluster initiatives which build on cluster strengths or address cluster weaknesses
  - Help to evaluate the initiatives for benefit and value to the **cluster**
  - Help to select initiatives for implementation

# Determine Cluster Initiatives



## Tip

Continually reinforce the **collective** nature of **cluster** working and activities

## Exercise 10 (Team)

Brainstorm and prioritize some cluster initiatives to address some of the weaknesses and gaps of your cluster



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(30 minutes)

# Help the Cluster to Develop Strategies + Action Plans

# Strategies and Action Plans

- **Why have a strategy?**
  - To know where you are going!
- **Why have a time-based action plan?**
  - To know what and who is driving you there?
- **The time-based action plan can be developed using:**
  - Forward scheduling
  - Backward scheduling
- **Help the cluster to assign responsibilities to the CAT, Sub-CATs and individuals**

# Example: Action Plan

ACTION	JAN	FEB	MAR	APR	MAY	
Identify potential trade fairs	JW					
Evaluate potential customers attending + select t.f. to attend	SK					
Establish number of cluster members wishing to attend		SB				
Establish total costs of attending		JW				
Members to decide if to attend			SB			
If yes, purchase space, etc			SK			
Organize logistics				SB		
Confirm travel arrangements to cluster members attending					SK	
Attend the trade fair						ALL

## Exercise 11 (Team)

Develop a time-based action plan for ONE of the cluster initiatives you have brainstormed for your cluster



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(30 minutes)

# Facilitate Collaboration, Linkages + Partnerships



# Facilitate Collaboration, Linkages and Partnerships

- Identify areas of joint interest between cluster members (e.g. between firms and universities, other clusters and supporting organizations (national and international))
- Draft Memorandums of Understanding
- Bring people to the table
- Use CCIA contacts (local, national and international)
- Twinning of clusters

# Facilitate Collaboration, Linkages and Partnerships

- **Some potential benefits of collaborating, forming linkages and partnerships:**
  - Market access knowledge transfer
  - Improved access to markets
  - Increased technological innovation awareness
  - Process and procedure knowledge transfer
  - Business opportunities may emerge (common customers taking different products from each)
  - Collaboration of product production (e.g. Airbus 380)
  - Quality improvements
  - Cost reductions

# Providing Ongoing Cluster-Driven Services

**Will be  
discussed  
in the next  
Module**

# Any Questions?



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# What Have We Learned?



# **Member Driven Services for Clusters**

# Why Have Member Driven Services?

**THEY ARE CENTRAL TO A  
BSO's SUSTAINABILITY**

- If services provided are wanted by members, they will be willing to pay for them
- If those services provide expected benefits to members, they will “buy again”
- Word will spread, others will want similar valued benefits and they will join the BSO and increase its membership base

# How to Identify Them

- **Obtain stakeholder input:**
  - **Market research**
  - **Survey of member wants and needs**
  - **Focus Groups**
- **Audit the BSOs current services**
- **Identify the gaps**
- **Identify solutions to fill the gaps**
- **Evaluate the solutions**



# How to Identify Them

## THE FIVE WAY TEST

**Is the service consistent with the BSO's mission?**

**Is it demand driven?**

**Does it maximize the use of resources?**

**Will it achieve the desired outcomes?**

**Does it duplicate efforts of other BSOs?**

# How to Identify Them

- **Select the service to be offered**
- **Specify the proposed results of each program / service to be delivered**

**RESULTS SHOULD BE MEASURABLE**

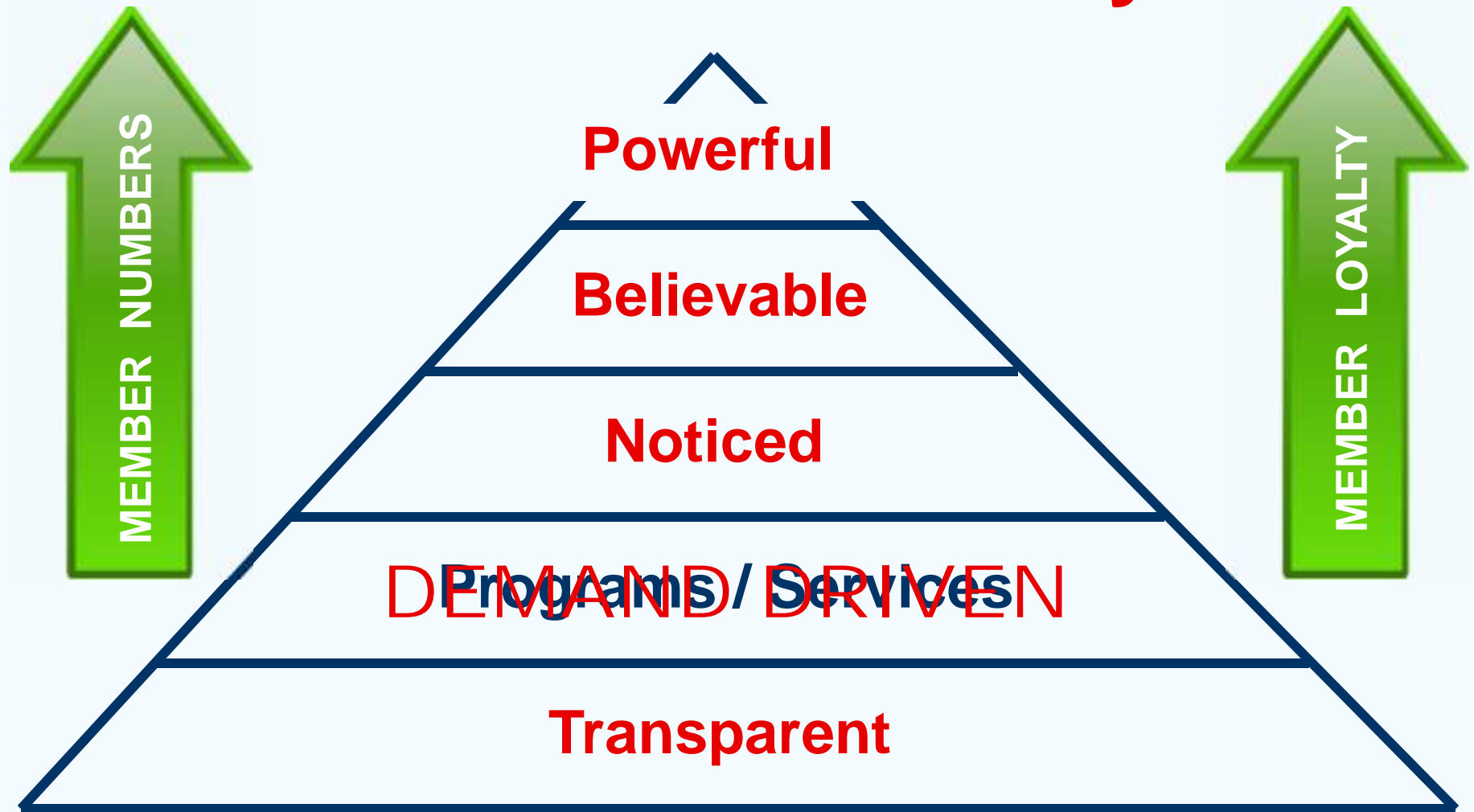
- **Draft an action plan**
- **Assign responsibilities**
- **Obtain approval from the Board**

# How to Identify Them

- Train staff as required to deliver the program / service
- Deliver the program / service
- Obtain feedback from participants
- Monitor the outcomes
- Evaluate the outcomes
- Feedback the outcomes to the Board and....

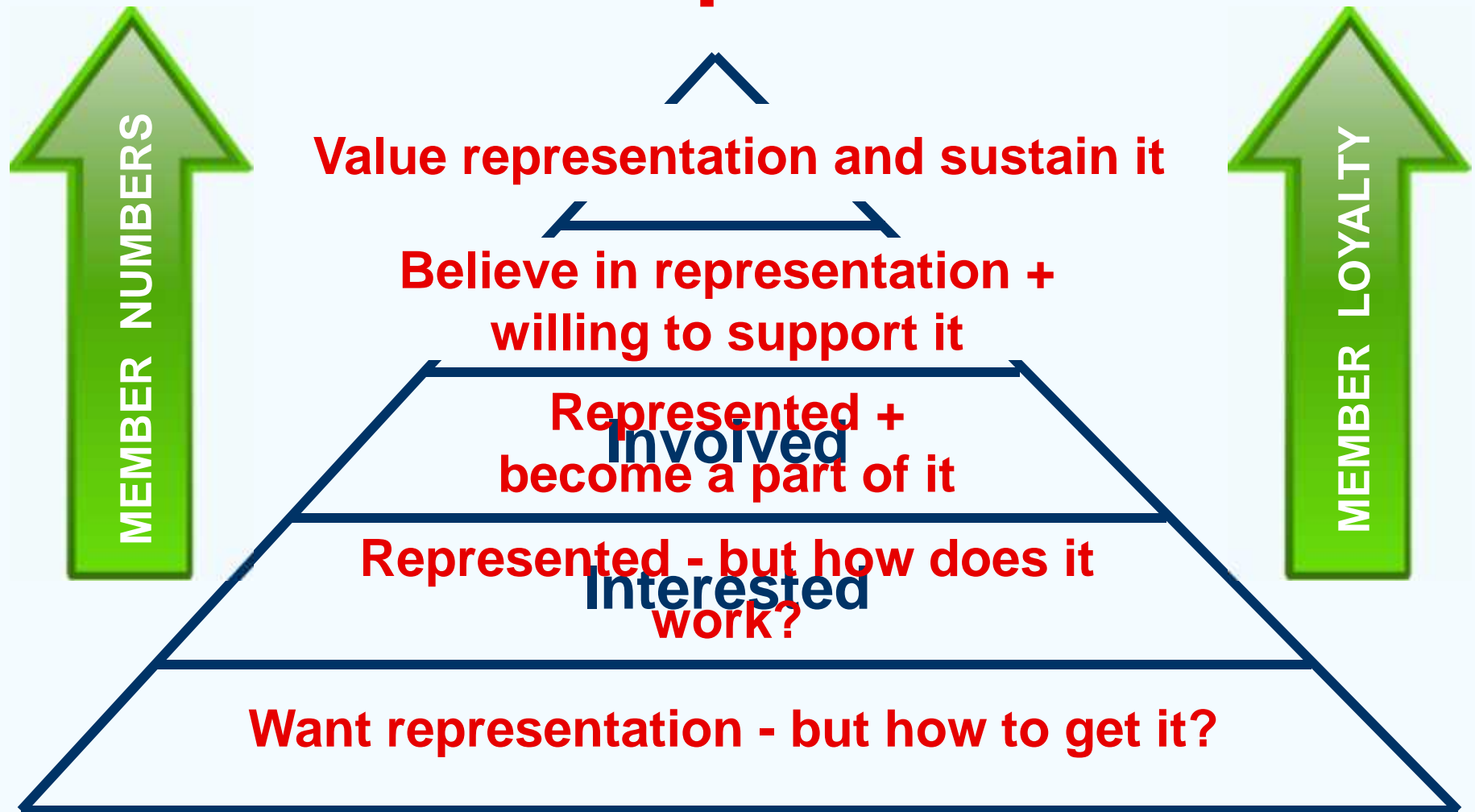
**THE MEMBERSHIP BASE**

# BSO Sustainability



Source: Adapted from Edge Project

# BSO Empowerment



Source: Adapted from Edge Project

**In developing  
revenue generating  
programs and  
services,  
membership should  
come first -  
everything a BSO  
does should be done  
with members in  
mind**

# Any Questions?



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# What Have We Learned?





**Some Services BSOs  
Can Provide for  
Activated Clusters**

# Membership

- Membership campaign for cluster members
- Thank you drive for cluster members
- “We Care About Clusters” program
- Cluster information line
- “Business After Hours for Clusters”
- Publish a “Guide for Cluster Members”
- President’s Club for cluster members
- Cluster member testimonial campaign



# Trade, Funding + Investment

- Signposting + publications for cluster members
- Cluster trade missions (outward buyers)
- Cluster trade exhibitions (inward buyers)
- e-Commerce site for cluster members
- Cluster virtual trade mission portal
- Market research for clusters
- Cluster funding / investment forum
- Economic development foundation



# Networking

- B2B cluster networking receptions
- B2B cluster breakfasts / lunches
- Cluster linking / twinning services
- e-Networking for cluster members
- Facilitate membership of cluster observatories
- Publish a “Cluster Membership Directory”
- Legislative information network for clusters
- Cluster newsletter



# Skills Development

- **Business consultancy for cluster members**
- **Online training for cluster members**
- **Skills training for cluster members**
- **Facilitate organization of study tours**
- **Cluster mentoring programs**
- **Cluster leadership programs**
- **Advocacy training**
- **Cluster “passport to progress”**
- **Corporate governance programs**



# Office Support

- **Contract mailing service**
- **Lease office space (CA offices, meetings, etc)**
- **Office services (e.g. book keeping, printing)**
- **Equipment rental for cluster meetings**
- **Cluster video / CD production**
- **Translation services**
- **Interpretation services**
- **Mailing lists**
- **Cluster website development**



# Consultancy for Cluster Members

- Consultancy signposting
- Entrepreneurial assistance
- Set up a “Service Corps of Retired Executives”
- Arbitration and labour negotiation services (e.g. cluster labour issues)
- Cluster Quality Standards and Certificates of Conformity
- Cluster audits (e.g. management, quality)
- Legal services



# Facilitating Agreements, Etc

- **Collaboration agreements**
- **Joint marketing agreements**
- **Licensing agreements**
- **Memorandums of Understanding**
- **Partnerships agreements**
- **Articles of Association**
- **Etc**





# Advocacy + Lobbying

- **Advocacy Days**
- **Advocacy After Hours**
- **Legislative reception**
- **Legislative breakfast**
- **Advocacy newsletter**
- **Legislative information and supporter databases**
- **Political action committees**
- **Local government handbook**



# Cluster Programs + Events

- **Cluster speaker / lecture series**
- **“Cluster Spirit Banquet”**
- **BSO affinity program**
- **Discount programs:**
  - Insurance
  - Mobile telephone
  - Internet service providers
  - Retail discount cards
  - Car rental
  - Public transport
- **Cluster / Reunion Days**



# Cluster Community Events

- **Product festivals**
- **Silent auctions**
- **“Top” events**
- **Raffles**
- **Galas**
- **Art in the Park**
- **Theatre night**
- **Sports tournaments and events**
- **Arts for All**
- **Cluster Children’s / Youth Day**



# Other

- **Develop cluster merchandise**
- **Sell cluster goods**
- **“Adopt-a-.....” programs**
  - School
  - Teacher
  - Highway / Roundabout
- **Corporate Social Responsibility program**
- **Foundations as profit centres**



QUALITY APPROVED MEMBER OF THE  
FLOUR USERS ASSOCIATION

**YOU CAN DOUBTLESS THINK OF MANY MORE**

# All These Ideas

- Have been successfully implemented somewhere in the world
- Can generate revenue for the BSO
- Can **HELP TO SUPPORT CLUSTERS**



# Any Questions?



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# What Have We Learned?



Handout 2.16  
"Some Services BSOs Can Provide to  
Support Clusters"



Handout 2.17  
“What BSOs Can Do to Support Clusters  
(Slides)”



اتحاد الغرف التجارية الصناعية الزراعية الفلسطينية  
Federation of Palestinian Chambers of Commerce, Industry & Agriculture



# Thank You for your Attention



## HANDOUT 2.1 - LIST OF ENTERPRISES (BY SECTOR)

You work for the Chamber of Commerce and have been asked by your manager to look into supporting clusters in the region. However, he is not clear what clusters the Chamber should support and has asked you to identify some and recommend one to begin work with.

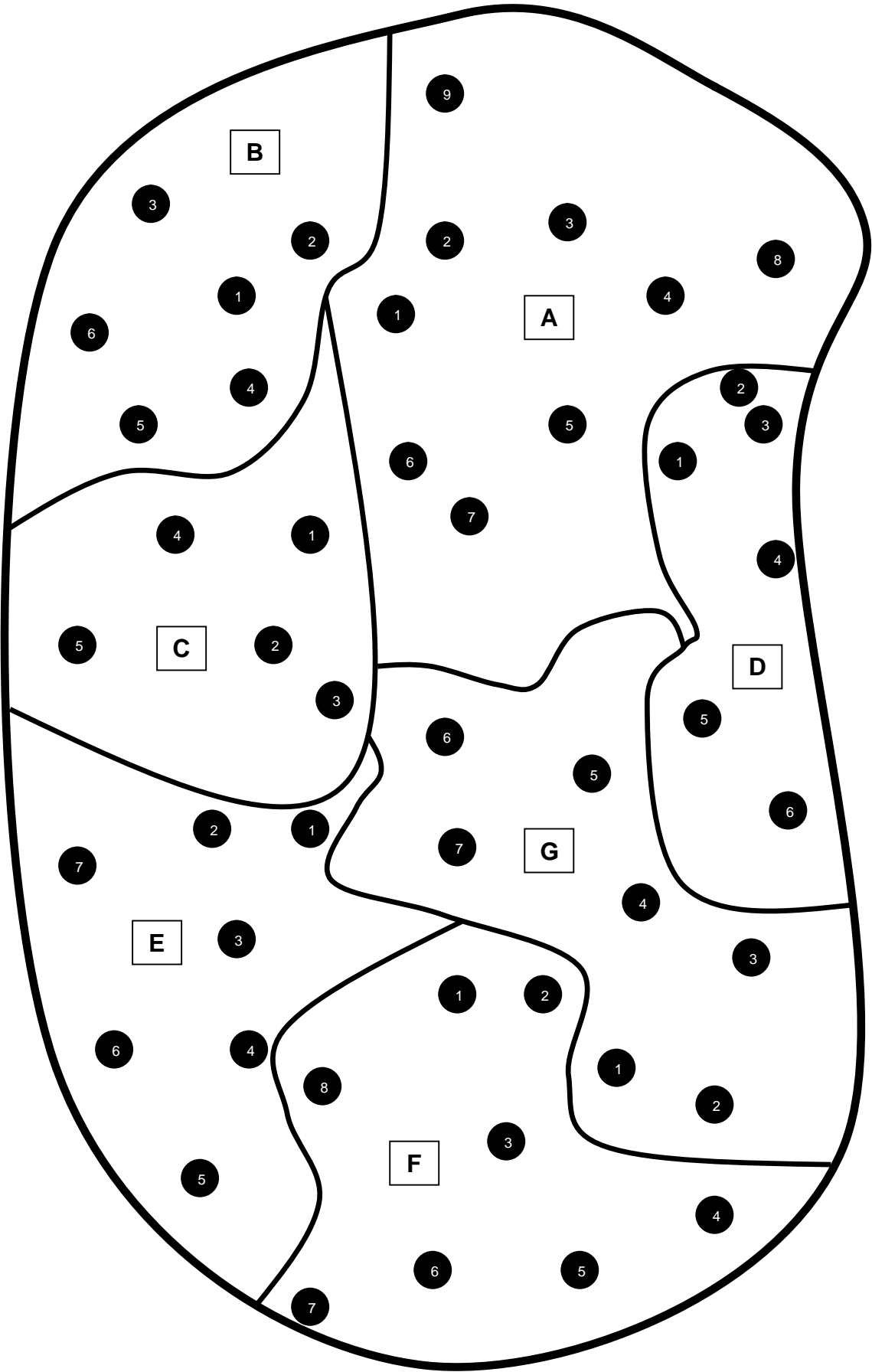
You have obtained a list of Chamber members from your office, which shows which sector they operate in. The main sectors in your region are known to be Agriculture, Apparel and Construction.

The region is divided into 7 districts.

Enterprise Name	Sector	Business	Location
Abed Al Rahman Bani Odeh	Agriculture	Farming	A1
Agricultural Service Engineers	Agriculture	Machinery servicing	A3
Agricultural Tools Renting Company	Agriculture	Machinery rental	D4
Ahmad Jameel Bane Odeh	Agriculture	Plant nursery	B2
Al Amanah for Mechanical Agricultural Tools	Agriculture	Machinery supplies	A1
Al Ard Company for Land Ploughing	Agriculture	Ploughing	E2
Al Madany for Irrigation Supplies + Services	Agriculture	Irrigation	A1
Al Shaer Company for Agricultural Harvests	Agriculture	Harvesting	A2
Al-Shaw for Farm Services	Agriculture	Contract labour	A1
Basem Zbedat Fruit	Agriculture	Farming	D2
Daily Fresh Fruits and Vegetables	Agriculture	Retailing (farm shop)	A1
Farming Labour Company	Agriculture	Contract labour	C1
Fast Forward for Fertilizers and Insecticides	Agriculture	Chemicals + fertilizer supplies	A1
Fathi Ibrahim Rashied's Fresh Foods	Agriculture	Farming	A2
Fatima Shuhadah Dreat	Agriculture	Farming	C2
Fresh Gate for Agricultural Harvesting	Agriculture	Harvesting	A8
Fruit Containers Manufacturing Company	Agriculture	Packaging	A2
Growing Seed Importation Company	Agriculture	Seed supplies	A2
Ibrahim Fayz Helo	Agriculture	Farming	A1
Jamal Salam Abu Aqel	Agriculture	Farming	A3
Jameel's Garage for Agricultural Machinery	Agriculture	Machinery repairs	A4
Jericho Banana Farm	Agriculture	Farming	A4
Jordan Valley Company for Plastic Houses	Agriculture	Greenhouses supplies	A1
Keep It Fresh Cold Storage Services	Agriculture	Cold storage	A8
Mousa Odeh Suliman	Agriculture	Farming	C3
Municipality Cold Storage Refrigerators	Agriculture	Cold storage	A2
Musa Salem El Hawi Fresh Produce	Agriculture	Farming	A8
National Seed Development Company	Agriculture	Seed supplies	A3
PAL Gardens	Agriculture	Packaging	D3
Saber Mohamad Zbedat	Agriculture	Farming	A2
Salads R Us	Agriculture	Farming	A1
Sinokrot Farms for Herbs	Agriculture	Farming	C2
Wael Sobhe Damlghe	Agriculture	Plant nursery	A1

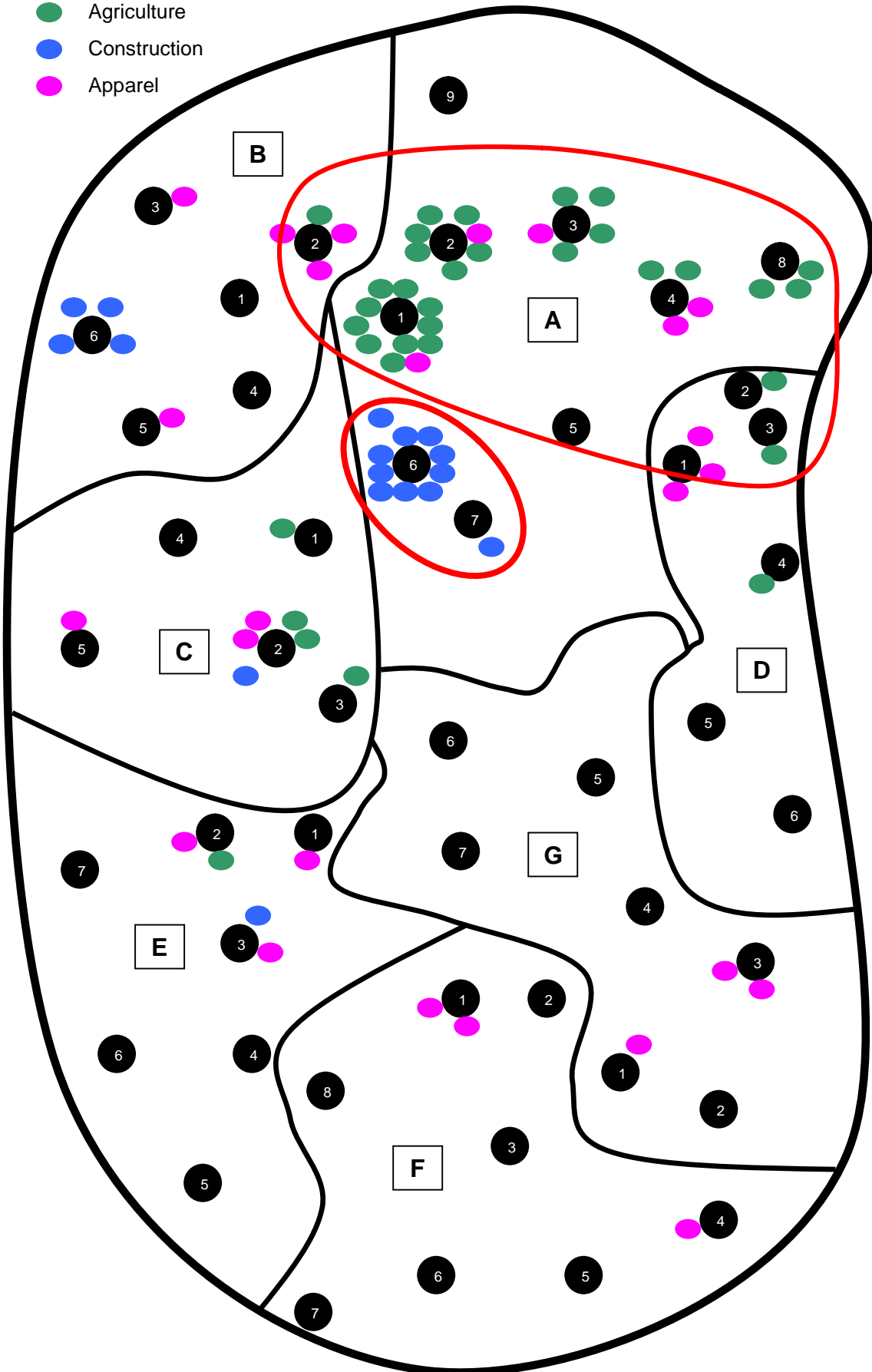
Wooden Boxes Company	Agriculture	Packaging	A3
Abu Omar Boutique	Apparel	Retailing	A4
Accessories Store	Apparel	Retailing	C2
Al-Amal Tailoring Co.	Apparel	Menswear manufacturing	D1
Al-Aqsa for Women Clothing	Apparel	Retailing	F1
Al-Awa'el Clothing Outlet	Apparel	Retailing	C5
Al-Hilu for Clothing	Apparel	Retailing	B2
Al-Lulu for Clothing	Apparel	Retailing	D1
Al-Madinah Dry Cleaning	Apparel	Clothing services	B2
Al-Nabali for Clothes	Apparel	Retailing	G1
Al-Warda Al-Baydaa for Clothes	Apparel	Retailing	A4
Arafat for Fabric	Apparel	Retailing	A1
Atieh for Accessories	Apparel	Retailing	G3
Barahma Family Clothing Center	Apparel	Retailing	A3
Beautiful Clothes	Apparel	Retailing	G3
Brothers Zaghari Clothing	Apparel	Retailing	D1
City Mall Clothes and Shoes	Apparel	Retailing	E1
Clothing For You	Apparel	Retailing	E2
Dontalla's Salon	Apparel	Retailing	F1
Hala Boutique	Apparel	Retailing	B3
Jihad Al-Shawwa Sewing Shop	Apparel	Clothing services	E3
JMJ Men's Clothing	Apparel	Retailing	C2
Mella Center Clothes	Apparel	Retailing	F4
Sabaya Style for Used Clothes	Apparel	Retailing	B2
Sheraz Accessories	Apparel	Retailing	A2
Zero One Clothes	Apparel	Retailing	B5
Abu Domeh Construction Supplies	Construction	Wholesaling	A7
Al-Amana for Aluminum Doors and Windows	Construction	Manufacturing	A6
Al-Aqsa Doors + Windows	Construction	Manufacturing	B6
Al-Arabi for Doors and Windows	Construction	Manufacturing	B6
Al-Hashem For Aluminum Doors	Construction	Retailing	A6
Al-Ju'ba for General Construction Supplies	Construction	Wholesaling	A6
Al-Manal Construction Tools	Construction	Wholesaling	B6
Al-Manar Construction	Construction	Wholesaling	A6
Al-Rasheed Carpentry	Construction	Manufacturing	B6
Al-Salam Carpentry	Construction	Manufacturing	A6
Al-Walji for Home Maintenance	Construction	Maintenance services	E3
Al-Zomorrod Swimming Pools	Construction	Manufacturing	A6
Anwar For Aluminum Products	Construction	Retailing	C2
Architects Today Co.	Construction	Construction services	A6
Construction Supplies Co.	Construction	Wholesaling	A6
Murrar for Aluminum Repairs	Construction	Construction services	A6
Top Service Contracting Co.	Construction	Heating and cooling services	A6

**HANDOUT 2.2 - ENTERPRISE LOCATION PIN MAP (TEMPLATE)**



## HANDOUT 2.3 - ENTERPRISE LOCATION PIN MAP (RESULTS)

- Agriculture
- Construction
- Apparel











## HANDOUT 2.5 - ENTERPRISE LOCATION TABULAR MAP (RESULTS)

AGRICULTURE		CONSTRUCTION	
Abed Al Rahman Bani Odeh (farmer)	A1	Al-Amana for Aluminum Doors and Windows	A6
Al Amanah for Mechanical Agricultural Tools (machinery servicing)	A1	Al-Hashem For Aluminum Doors	A6
Al Madany for Irrigation Supplies + Services (irrigation)	A1	Al-Ju'ba for General Construction Supplies	A6
Al-Shaw for Farm Services (contract labour)	A1	Al-Manar Construction	A6
Daily Fresh Fruits and Vegetables (retailing - farm shop)	A1	Al-Salam Carpentry	A6
Fast Forward for Fertilizers and Insecticides (chemicals + fertilizers)	A1	Al-Zomorrod Swimming Pools	A6
Ibrahim Fayz Helo (farmer)	A1	Architects Today Co.	A6
Jordan Valley Company for Plastic Houses (greenhouses)	A1	Construction Supplies Co.	A6
Salads R Us (farmer)	A1	Murrar for Aluminum Repairs	A6
Wael Sobhe Damlghe (farmer)	A1	Top Service Contracting Co.	A6
Al Shaer Company for Agricultural Harvests (harvesting)	A2	Abu Domeh Construction Supplies	A7
Fathi Ibrahim Rashied's Fresh Foods (farmer)	A2	Al-Aqsa Doors + Windows	B6
Fruit Containers Manufacturing Company (packaging)	A2	Al-Arabi for Doors and Windows	B6
Growing Seed Importation Company (seed supplies)	A2	Al-Manal Construction Tools	B6
Municipality Cold Storage Refrigerators (cold storage)	A2	Al-Rasheed Carpentry	B6
Saber Mohamad Zbedat (farmer)	A2	Anwar For Aluminum Products	C2
Agricultural Service Engineers (machinery servicing)	A3	Al-Walji for Home Maintenance	E3
Jamal Salam Abu Aqel (farmer)	A3		
National Seed Development Company (seed supplies)	A3		
Wooden Boxes Company (packaging)	A3		
Jameel's Garage for Agricultural Machinery (machinery repairs)	A4		
Jericho Banana Farm (farmer)	A4		
Fresh Gate for Agricultural Harvesting (harvesting)	A8		
Keep It Fresh Cold Storage Services (cold storage)	A8		
Musa Salem El Hawi Fresh Produce (farmer)	A8		
Basem Zbedat Fruit (farmer)	D2		
PAL Gardens (packaging)	D3		
Ahmad Jameel Bane Odeh (plant nursery)	B2		
Farming Labour Company (contract labour)	C1		
Fatima Shuhadah Dreaat (farmer)	C2		
Sinokrot Farms for Herbs (farmer)	C2		
Mousa Odeh Suliman (farmer)	C3		
Agricultural Tools Renting Company (machinery rental)	D4		
Al Ard Company for Land Ploughing (ploughing)	E2		

## HANDOUT 2.6 - LIST OF ALL ENTERPRISES

The enterprises in bold are ones you have already identified.

<b>LIST OF ALL ENTERPRISES</b>			
Enterprise Name	Sector	Business	Location
Abdo Taxi	Transportation	Transportation	E6
<b>Abed Al Rahman Bani Odeh</b>	Agriculture	Farming	A1
Abu Ahmad Company for Transportation Services	Transportation	Domestic	A3
Abu Al-Abed Electrical Appliances	Electronics	Retailing	E6
Abu Dayya Nut Roastery	Food + Beverage	Retailing	F3
<b>Abu Domeh Construction Supplies</b>	Construction	Wholesaling	A7
Abu Hassan Grocery	Food + Beverage	Retailing (grocery store)	A1
Abu Laban Car Wash	Transportation	Transportation	B4
Abu Omar Boutique	Apparel	Retailing	A4
Abu Rayya Furniture	Furniture	Retailing	F3
Accessories Store	Apparel	Retailing	C2
Agricultural Development Bank	Financial services	Banking	A1
<b>Agricultural Service Engineers</b>	Agriculture	Machinery servicing	A3
<b>Agricultural Tools Renting Company</b>	Agriculture	Machinery rental	D4
Ahmad Hashem Pastries	Food + Beverage	Retailing	A9
<b>Ahmad Jameel Bane Odeh</b>	Agriculture	Plant nursery	B2
Ajaj Drinks Store	Food + Beverage	Retailing	B6
<b>Al Amanah for Mechanical Agricultural Tools</b>	Agriculture	Machinery supplies	A1
<b>Al Ard Company for Land Ploughing</b>	Agriculture	Ploughing	E2
Al Bader for Refrigerated Trucks	Transportation	Domestic	D5
<b>Al Madany for Irrigation Supplies + Services</b>	Agriculture	Irrigation	A1
Al Madena for Air Cargo	Transportation	International	A2
Al Reef Company for Agricultural Marketing	Food + Beverage	Wholesaling	B2
<b>Al Shaer Company for Agricultural Harvests</b>	Agriculture	Harvesting	A2
Al Sokeree Fruit and Vegetable Market	Food + Beverage	Retailing (market trader)	A1
Al-Amal Tailoring Co.	Apparel	Menswear manufacturing	D1
<b>Al-Amana for Aluminum Doors and Windows</b>	Construction	Manufacturing	A6
<b>Al-Aqsa Doors and Windows</b>	Construction	Manufacturing	B6
Al-Aqsa for Used Electronics	Electronics	Retailing	E7
Al-Aqsa for Women Clothing	Apparel	Retailing	F1
<b>Al-Arabi for Doors and Windows</b>	Construction	Manufacturing	B6
Al-Asdiqa Carpets	Household	Retailing	A1
Al-Asdiqa Coffee Shop	Food + Beverage	Retailing (coffee shop)	B2
Al-Awa'el Clothing Outlet	Apparel	Retailing	C5
Al-Awwad Electrical Supplies	Electronics	Wholesaling	E5
Aldajani Gifts	Gifts	Retailing	A1
Al-Essawi for Medical Supplies	Pharmaceuticals	Medical services	D5
Al-Fityani for Advertisement	Print + Publishing	Advertising services	C2
Al-Haj Daoud Tobacco Store	Miscellaneous	Retailing	C2
<b>Al-Hashem For Aluminum Doors</b>	Construction	Retailing	A6
Al-Hashemi Garage for Cars	Transportation	Transportation	B1
Al-Herbawi Footwear Store	Footwear	Retailing	B1
Al-Hilu for Clothing	Apparel	Retailing	B2
Al-Hilu Photography Studio	Print + Publishing	Photography services	F7
Al-Howari Jewellery	Jewelry	Retailing	C4
Al-Huda Gas Station	Transportation	Fuel	A3
Al-Jabali for Computers	Electronics	Electronics services	A1

Al-Jamal Jewelry	Jewelry	Retailing	A1
Al-Janem Publishing Services	Print + Publishing	Printing	D3
Al-Jawhari Driving School	Transportation	Transportation	C2
Al-Jihad for Utensils and Gifts	Household	Retailing	C5
Aljihad Pharmacy	Pharmaceuticals	Medical services + retailing	C1
<b>Al-Ju'ba for General Construction Supplies</b>	Construction	Wholesaling	A6
Alju'ba for Importing and Exporting Furniture	Furniture	Freight forwarding	E6
Al-Kholood Grocery Store	Food + Beverage	Retailing (grocery store)	A5
Al-Lulu for Clothing	Apparel	Retailing	D1
Al-Madinah Dry Cleaning	Apparel	Clothing services	B2
Al-Madinah Mini Market	Food + Beverage	Retailing (mini-market)	A1
Al-Majd Mini Market	Food + Beverage	Retailing (mini-market)	B2
<b>Al-Manal Construction Tools</b>	Construction	Wholesaling	B6
<b>Al-Manar Construction</b>	Construction	Wholesaling	A6
Al-Mukhtar Coffee Shop	Food + Beverage	Café	A8
Al-Mukhtar Nut Roastery	Food + Beverage	Retailing	G1
Al-Mustaqbal for Media	Print + Publishing	Media services	D2
Al-Mustaqbal Office Equipment	Office supplies	Retailing	G6
Al-Nabali for Clothes	Apparel	Retailing	G1
Al-Naoura Wedding Hall	Property	Property services	A6
Al-Nojoom for Computers	Electronics	Retailing	A6
Al-Okhwa Cafeteria	Food + Beverage	Café	A4
Al-Qamar for House Designs and Carpets	Household	Retailing	C3
<b>Al-Rasheed Carpentry</b>	Construction	Manufacturing	B6
Al-Rawda Park	Property	Property services	A5
Al-Rimawi for Publishing Services	Print + Publishing	Printing	B6
Al-Sahouri Supermarket	Food + Beverage	Retailing (supermarket)	D2
Al-Salam Bakery	Food + Beverage	Manufacturing and retailing	G7
<b>Al-Salam Carpentry</b>	Construction	Manufacturing	A6
Al-Salaymeh Furniture	Furniture	Retailing	A6
Al-Salaymeh Sweets	Food + Beverage	Retailing	F2
Al-Sawalhi for Pottery	Household	Manufacturing	E2
Al-Sha'b Gas Station	Transportation	Fuel	A1
Al-Sham Pizza and Pastries	Food + Beverage	Retailing (take away food)	A1
<b>Al-Shaw for Farm Services</b>	Agriculture	Contract labour	A1
Al-Shifa Medical Center	Pharmaceuticals	Medical services	A1
Al-Stafi Pharmacy	Pharmaceuticals	Medical services	E3
Al-Sultan for Fruits	Food + Beverage	Retailing (specialist goods)	A5
Al-Syoori Bakery	Food + Beverage	Manufacturing and retailing	D6
Al-Tarayra Gifts and Toys	Gifts	Retailing	F2
Al-Taweel for Motorcycles	Transportation	Retailing	E4
Aluminum Cookware Shop	Household	Retailing	C2
Al-Wadi for Importing and Exporting	Transportation	Freight forwarder	A1
<b>Al-Walji for Home Maintenance</b>	Construction	Maintenance services	E3
Al-Warda Al-Baydaa for Clothes	Apparel	Retailing	A4
<b>Al-Zomorrod Swimming Pools</b>	Construction	Manufacturing	A6
Amjad Brahmeh Fresh in Bulk	Food + Beverage	Wholesaling	A1
Ammar Perfume Center	Health + Beauty	Retailing	E1
<b>Anwar For Aluminum Products</b>	Construction	Retailing	C2
Arab Bank	Financial services	Banking	A2
Arafat for Fabric	Apparel	Retailing	A1
<b>Architects Today Co.</b>	Construction	Construction services	A6
Asia Contracting Co.	Miscellaneous	Legal Services	A6
Atieh Bakery	Food + Beverage	Retailing	B5
Atieh for Accessories	Apparel	Retailing	G3
Bab Shams Plants	Household	Tourism services	D6
Baghdad for Used Furniture	Furniture	Retailing	G2
Barahma Family Clothing Center	Apparel	Retailing	A3

Barahma Photography Studio	Print + Publishing	Photography services	F4
Barakat Restaurant	Food + Beverage	Restaurant	A1
<b>Basem Zbedat Fruit</b>	Agriculture	Farming	D2
Beautiful Clothes	Apparel	Retailing	G3
Beauty for Accessories	Health + Beauty	Retailing	F1
Best Falafel	Food + Beverage	Retailing (take away food)	A1
Bravo	Food + Beverage	Retailing (supermarket)	B2
Brothers Zaghari Clothing	Apparel	Retailing	D1
Canned Tomato Factory	Food + Beverage	Food processing	A2
City Mall Clothes and Shoes	Apparel	Retailing	E1
Clean House	Chemicals	Retailing	A7
Clothing For You	Apparel	Retailing	E2
<b>Construction Supplies Co.</b>	Construction	Wholesaling	A6
Crunchy Potato Factory	Food + Beverage	Food processing	A1
<b>Daily Fresh Fruits and Vegetables</b>	Agriculture	Retailing (farm shop)	A1
Dana Bottled Water	Food + Beverage	Water provision	G5
Da'na Money Exchange Co.	Finance	Finance	F5
Daraghme for Grain and Hay	Food + Beverage	Milling	G4
Day and Night Restaurant	Food + Beverage	Restaurant	A2
Design for Furniture	Furniture	Retailing	B2
Digital Repairs 2002	Electronics	Electronics services	A6
Dontalla's Salon	Apparel	Retailing	F1
Donya Al-Bara'em Gifts	Gifts	Retailing	A7
<b>Farming Labour Company</b>	Agriculture	Contract labour	C1
<b>Fast Forward for Fertilizers and Insecticides</b>	Agriculture	Chemicals + fertilizer supplies	A1
<b>Fathi Ibrahim Rashied's Fresh Foods</b>	Agriculture	Farming	A2
<b>Fatima Shuhadah Dreat</b>	Agriculture	Farming	C2
Fitness Center	Health + Beauty	Sports services	E2
<b>Fresh Gate for Agricultural Harvesting</b>	Agriculture	Harvesting	A8
Freshly Cooked Falafel	Food + Beverage	Retailing (take away food)	A5
Frozen Vegetables Factory	Food + Beverage	Food processing	A8
Fruit and Vegetable Haven	Food + Beverage	Retailing (specialist goods)	A5
<b>Fruit Containers Manufacturing Company</b>	Agriculture	Packaging	A2
Ghosheh for Dairy	Food + Beverage	Retailing	E7
Gift for Kids	Gifts	Retailing	D4
Gifts and Accessories	Gifts	Retailing	G1
Global for Mobiles	Telecommunications	Retailing	G3
<b>Growing Seed Importation Company</b>	Agriculture	Seed supplies	A2
Habob Supermarket	Food + Beverage	Retailing (supermarket)	A1
Hala Boutique	Apparel	Retailing	B3
Hawai for Importing Soaps	Chemicals	Freight forwarding	F4
Hiba Hair Salon	Health + Beauty	Beauty services	G3
Hijazi Market	Food + Beverage	Retailing (online supermarket)	D2
Hijazi Stationary	Office supplies	Retailing	D1
Hisham's Palace Pool and Park	Property	Property services	A4
Home Cooked Foods	Food + Beverage	Restaurant	A2
<b>Ibrahim Fayz Helo</b>	Agriculture	Farming	A1
Ibrahim for Vegetables	Food + Beverage	Retailing (specialist goods)	D1
Intercontinental Hotel	Tourism	Hotel	A1
Jabal Zaitoun Shoes	Footwear	Retailing	E4
<b>Jamal Salam Abu Aqel</b>	Agriculture	Farming	A3
<b>Jameel's Garage for Agricultural Machinery</b>	Agriculture	Machinery repairs	A4
Jawwal & Co.	Telecommunications	Service provider	A1
<b>Jericho Banana Farm</b>	Agriculture	Farming	A4
Jericho Buses	Transportation	Transportation	C3
Jericho Chicken	Food + Beverage	Retailing	G2

Jericho for Driving Lessons	Transportation	Transportation	G5
Jericho for Renting Cars	Transportation	Transportation	D4
Jericho for Tourism and Investment Co.	Tourism	Tourist Board	B5
Jericho for Utensils	Household	Retailing	D6
Jericho Mall	Property	Property services	E4
Jericho Paradise Camping Site	Tourism	Tourism	E5
Jericho Resort and Spa	Tourism	Hotel	A4
Jericho Soap	Chemicals	Retailing	A6
Jericho Vegetable Market	Food + Beverage	Retailing (market trader)	A8
Jericho Water	Utilities	Water provision	A1
Jerusalem Bakery	Food + Beverage	Manufacturing	F1
Jerusalem Printing House	Print + Publishing	Printing	A1
Jihad Al-Shawwa Sewing Shop	Apparel	Clothing services	E3
Jinan Music	Miscellaneous	Retailing	C4
JMJ Men's Clothing	Apparel	Retailing	C2
<b>Jordan Valley Company for Plastic Houses</b>	Agriculture	Greenhouses supplies	A1
Jordanian Co. for Agriculture Shipping	Transportation	International	A1
<b>Keep It Fresh Cold Storage Services</b>	Agriculture	Cold storage	A8
Khalil Salon Hairstyling for Men	Health + Beauty	Retailing	A1
Laimounah for Cars	Transportation	Transportation services	B3
Lotus for Flowers	Household	Wholesaling	G6
M R Light Electronics	Electronics	Retailing	A2
Maher Electronics	Electronics	Retailing	A7
Mama Hew Gifts	Gifts	Retailing	A7
Mella Center Clothes	Apparel	Retailing	F4
Mer'y for Silver Jewellery Repairs	Jewelry	Services	F6
<b>Mousa Odeh Suliman</b>	Agriculture	Farming	C3
<b>Municipality Cold Storage Refrigerators</b>	Agriculture	Cold storage	A2
<b>Murrar for Aluminum Repairs</b>	Construction	Construction services	A6
Murrar for Cookers and Stoves	Household	Wholesaling	B3
<b>Musa Salem El Hawi Fresh Produce</b>	Agriculture	Farming	A8
Naba' Al Myah for Water Supplies	Utilities	Water provision	A8
Nablus Photography	Print + Publishing	Photography services	A1
Naser for Fresh Food Transportations	Transportation	Domestic	A8
<b>National Seed Development Company</b>	Agriculture	Seed supplies	A3
Nsura Utensils	Household	Retailing	A6
Olympic Sports Equipment	Health + Beauty	Retailing	A6
On Time Shipping	Transportation	Freight forwarder	A2
Oseileh for Fruits and Vegetables	Food + Beverage	Wholesaling	A8
<b>PAL Gardens</b>	Agriculture	Packaging	D3
Pal Tel	Telecommunications	Service provider	A3
Palestine Salon for Ladies	Health + Beauty	Beauty services	A8
Palestine Taxi	Transportation	Transportation	E5
People's Shoes	Footwear	Retailing	A1
Popeye Garden Activities	Miscellaneous	Garden manitenance services	A1
Qattam Kitchenware	Household	Retailing	C3
Qrontol Commercial Industrial Tourism Co.	Property	Property management services	A6
Razan Nails Salon	Health + Beauty	Beauty services	D5
Road Transport Services	Transportation	Domestic	D2
Rotana for Computers	Electronics	Retailing	A7
Rozana Restaurant	Food + Beverage	Restaurant	A4
Sabaya Style for Used Clothes	Apparel	Retailing	B2
<b>Saber Mohamad Zbedat</b>	Agriculture	Farming	A2
Sahloub for Plastic Goods	Household	Retailing	A7
<b>Salads R Us</b>	Agriculture	Farming	A1
Sandwich and More	Food + Beverage	Retailing (take away food)	D3

Shadi Coffee Shop	Food + Beverage	Retailing (coffee shop)	D3
Shaheen Buses	Transportation	Transportation	C3
Sharaf Hasan Hashem Al-Tamimi Toys	Toys	Retailing	D3
Shawwa Hardware	Household	Retailing	E1
Sheraz Accessories	Apparel	Retailing	A2
Shoes For You	Footwear	Retailing	F4
<b>Sinokrot Farms for Herbs</b>	Agriculture	Farming	C2
Sinokrot Pickles Factory	Food + Beverage	Food processing	A1
Stars Restaurant	Food + Beverage	Restaurant	A5
Sweets Shop	Food + Beverage	Manufacturing and retailing	D5
Talk of The Town Shoes	Footwear	Retailing	A5
Temptation Gifts Gallery	Gifts	Retailing	E3
<b>Top Service Contracting Co.</b>	Construction	Heating and cooling services	A6
Used Shoes Trading	Footwear	Retailing	A6
Vegetables Wholesale	Food + Beverage	Wholesaling	D2
<b>Wael Sobhe Damighe</b>	Agriculture	Plant nursery	A1
<b>Wooden Boxes Company</b>	Agriculture	Packaging	A3
Yousef's Foods for You	Food + Beverage	Food services (contract catering)	A1
Zaitounah Coffee Shop	Food + Beverage	Retailing (coffee shop)	D2
Zero One Clothes	Apparel	Retailing	B5

<b>OTHER</b>			
<b>Name</b>	<b>Sector</b>	<b>Business</b>	<b>Location</b>
Al Quds Open University	Education	Knowledge development	A2
An Najah Vocational Training Centre	Education	Skills development	A1
Building and Construction Union	Agriculture	BSO	A6
Chamber of Commerce	Local BSO	BSO	C2
Cooperative for Agricultural Development	Agriculture	BSO	A2
Farmers Association	Agriculture	BSO	A1
Ministry of Agriculture	Government	Ministry	
Ministry of Finance	Government	Ministry	
Ministry of National Economy	Government	Ministry	
Ministry of Natural Resources	Government	Ministry	
National Water Authority	Government	National authority	
Palestine Standards Institute (PSI)	National BSO	BSO	A1

## HANDOUT 2.7 - POTENTIAL CLUSTER MEMBERS (RESULTS)

<b>AGRICULTURE (A1, A2, A3, A4, A5, A8, D1, D2, D3, B2)</b>		<b>CONSTRUCTION (A6, A7)</b>	
Abed Al Rahman Bani Odeh (farmer)	A1	Al-Amana for Aluminium Doors and Windows (manufacturer)	A6
Al Amanah for Mechanical Agricultural Tools (machinery servicing)	A1	Al-Hashem For Aluminium Doors (retailer)	A6
Al Madany for Irrigation Supplies + Services (irrigation)	A1	Al-Ju'ba for General Construction Supplies (wholesaler)	A6
Al-Shaw for Farm Services (contract labour)	A1	Al-Manar Construction (wholesaler)	A6
Daily Fresh Fruits and Vegetables (retailing - farm shop)	A1	Al-Salam Carpentry (manufacturer)	A6
Fast Forward for Fertilizers and Insecticides (chemicals + fertilizers)	A1	Al-Zomorrod Swimming Pools (manufacturer)	A6
Ibrahim Fayz Helo (farmer)	A1	Architects Today Co. (construction services)	A6
Jordan Valley Company for Plastic Houses (greenhouses)	A1	Construction Supplies Co. (wholesaler)	A6
Salads R Us (farmer)	A1	Murrar for Aluminium Repairs (construction services)	A6
Wael Sobhe Damlghe (farmer)	A1	Top Service Contracting Co. (heating and cooling services)	A6
Al Shaer Company for Agricultural Harvests (harvesting)	A2	Abu Domeh Construction Supplies (wholesaler)	A7
Fathi Ibrahim Rashied's Fresh Foods (farmer)	A2	Asia Contracting Co. (legal services)	A6
Fruit Containers Manufacturing Company (packaging)	A2	Qrontol Commercial Industrial Tourism Co. (property management services)	A6
Growing Seed Importation Company (seed supplies)	A2		
Municipality Cold Storage Refrigerators (cold storage)	A2		
Saber Mohamad Zbedat (farmer)	A2		
Agricultural Service Engineers (machinery servicing)	A3		
Jamal Salam Abu Aqel (farmer)	A3		
National Seed Development Company (seed supplies)	A3		
Wooden Boxes Company (packaging)	A3		
Jameel's Garage for Agricultural Machinery (machinery repairs)	A4		
Jericho Banana Farm (farmer)	A4		
Fresh Gate for Agricultural Harvesting (harvesting)	A8		
Keep It Fresh Cold Storage Services (cold storage)	A8		
Musa Salem El Hawi Fresh Produce (farmer)	A8		
Basem Zbedat Fruit (farmer)	D2		
PAL Gardens (packaging)	D3		
Ahmad Jameel Bane Odeh (plant nursery)	B2		
Jericho Water (water provider)	A1		
Naba' Al Myah for Water Supplies (water provider)	A8		
Agricultural Development Bank (finance provider)	A1		
Arab Bank (finance provider)	A2		
Sinokrot Pickles Factory (food processor)	A1		



Crunchy Potato Factory (food processor)	A1		
Frozen Vegetables Factory(food processor)	A8		
Road Transport Services (domestic transportation)	D2		
Naser for Fresh Food Transportations (domestic transportation)	A8		
Al Bader for Refrigerated Trucks (domestic transportation)	D5		
Abu Ahmad Company for Transportation Services (domestic transportation)	A3		
Jordanian Co. for Agriculture Shipping (international transportation)	A1		
Al Madena for Air Cargo (international transportation)	A2		
Al-Sha'b Gas Station (fuel provider)	A1		
Al-Huda Gas Station (fuel provider)	A3		
On Time Shipping (freight forwarder)	A2		
Al-Wadi for Importing and Exporting (freight forwarder)	A1		
Amjad Brahmeh Fresh in Bulk (wholesaler)	A1		
Al Reef Company for Agricultural Marketing (wholesaler)	B2		
Vegetables Wholesale (wholesaler)	D2		
Oseileh for Fruits and Vegetables (wholesaler)	A8		
Intercontinental Hotel (hotel)	A1		
Jericho Resort and Spa (hotel)	A4		
Home Cooked Foods (restaurant)	A2		
Rozana Restaurant (restaurant)	A4		
Barakat Restaurant (restaurant)	A1		
Day and Night Restaurant (restaurant)	A2		
Stars Restaurant (restaurant)	A5		
Al-Okhwa Cafeteria (café)	A4		
Al-Mukhtar Coffee Shop (café)	A8		
Al-Sham Pizza and Pastries (retailer - take away food)	A1		
Best Falafel (retailer - take away food)	A1		
Sandwich and More (retailer - take away food)	A3		
Freshly Cooked Falafel (retailer - take away food)	A5		
Al Sokeree Fruit and Vegetable Market (retailer - market trader)	A1		
Jericho Vegetable Market (retailer - market trader)	A8		
Fruit and Vegetable Haven (retailer - specialist goods)	A5		
Ibrahim for Vegetables (retailer - specialist goods)	D1		
Al-Sultan for Fruits (retailer - specialist goods)	A5		
Hijazi Market (retailer - online supermarket)	D2		
Abu Hassan Grocery (retailer - grocery store)	A1		
Al-Kholood Grocery Store (retailer - grocery store)	A5		

Al-Majd Mini Market (retailer - mini-market)	B2		
Al-Madinah Mini Market (retailer - mini-market)	A1		
Zaitounah Coffee Shop (retailer - coffee shop)	D2		
Al-Asdiqa Coffee Shop (retailer - coffee shop)	B2		
Shadi Coffee Shop (retailer - coffee shop)	D3		
Habob Supermarket (retailer - supermarket)	A1		
Bravo (retailer - supermarket)	B2		
Al-Sahouri Supermarket (retailer - supermarket)	D2		
Yousef's Foods for You (contract caterer)	A1		
Jawwal & Co. (telecommunications service provider)	A1		
Pal Tel (telecommunications service provider)	A3		
Canned Tomato Factory	A2		

## **HANDOUT 2.8 - CHOOSING A CLUSTER TO SUPPORT**

You have identified two possible clusters: agriculture which is a potential district cluster, and a construction which is a potential village cluster.

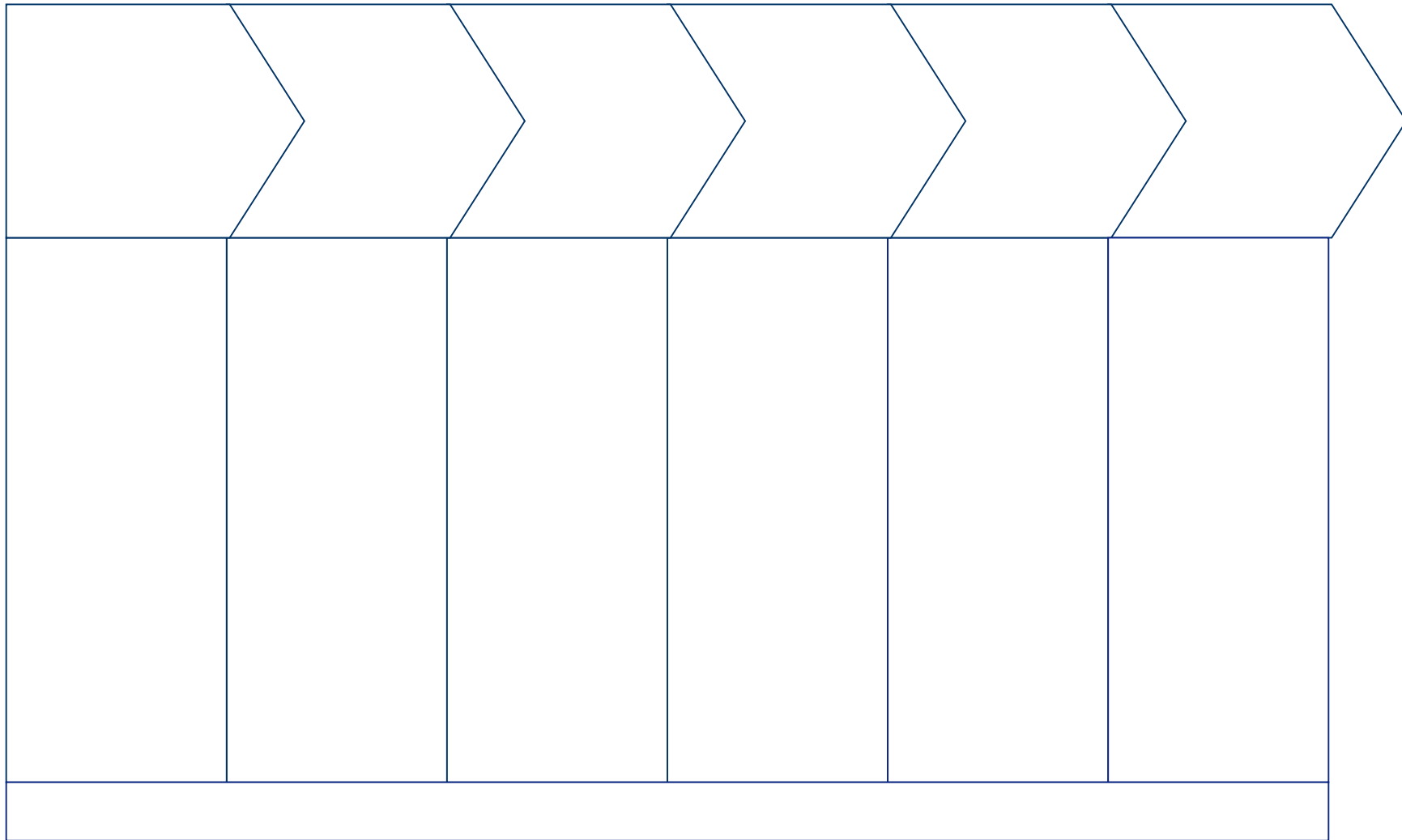
In your region, there is a high level of unemployment at certain times of the year as many agricultural jobs are seasonal. On average, agriculture employs about 10% of the local workforce throughout the year. Jobs are relatively low paid, and many informal enterprises are known to exist. However, when ploughing or harvesting time comes around, the unemployment rate falls considerably and about 28% of the local workforce is thought to participate and many of these seasonal workers are believed to be hired on a casual basis. Much of the region's agricultural products are exported (about 30%). Most is sold to Israel, which repackages a lot and sells the goods on to international markets under an Israeli brand name. The balance is sold into the domestic market, mainly via wholesalers. Quality of exports is high and the price obtained for them reflects this - on average it is 45% greater than goods for the home market. However, there is quite a high wastage of products both before and after harvesting, partly due to the use of non-modern farming techniques in many cases, and also an erratic supply of water which affects agricultural produce in many ways. As a result of Israeli restrictions on movement of goods, bringing in new technology to improve productivity and water, the rate of growth of the region's agricultural products has stagnated.

Construction is a boom industry at the present time and new dwellings are being erected in the larger towns and villages at an increasing rate. There has been notable population migration towards the larger towns in recent years, with young people in particular looking for highly paid non-manual jobs and a more consumer-oriented lifestyle. As a result, the numbers of local people employed in the construction sector are falling, and labour is being brought in from neighbouring regions to make up the shortfall. Jobs are quite well paid, but the work is dangerous at times, particularly when people are hired on a casual basis - which is often the case. All said, the sector still employs a significant number of people (about 15% of the local workforce). Of the construction products produced in the region, none are exported. This is due to the rate of new buildings being built and also a lack of raw materials in the region. In short, the local construction supplies industry is having difficulty keeping up with demand.

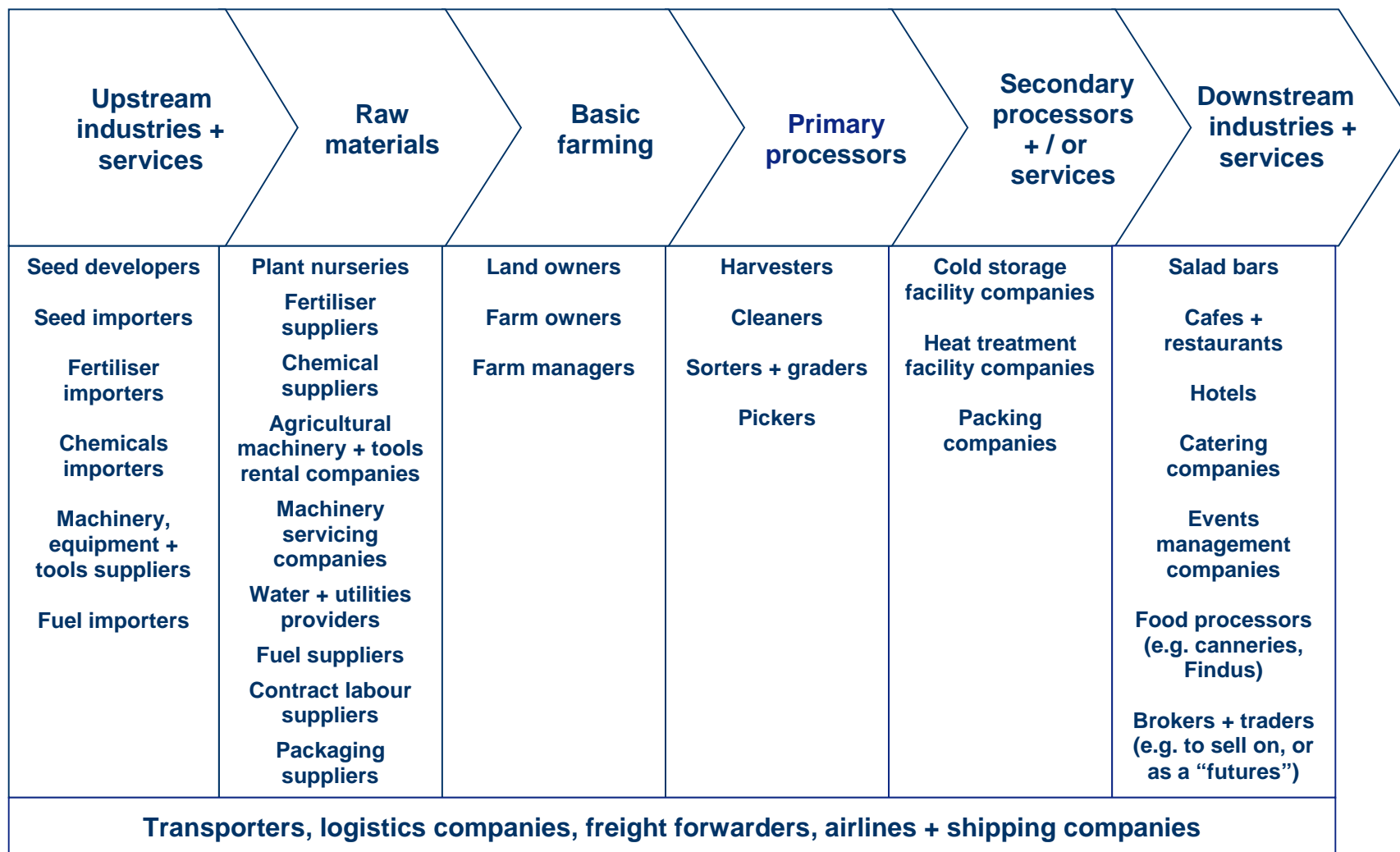
Both sectors have Business Support Organizations in the region. There is the Chamber of Commerce, a Farmers Association, a Cooperative for Agricultural Development, a Building and Construction Union and the Palestine Standards Institute has an office in the region's capital for easy transfer of goods to its national testing laboratory in Ramallah.

Using the information provided above, determine between three and five cluster evaluation criteria. Discuss and agree them with the trainer, and then evaluate your two potential clusters against them. Finally, choose one potential cluster to recommend to your manager for further investigation.

## HANDOUT 2.9 - VALUE CHAIN (TEMPLATE)

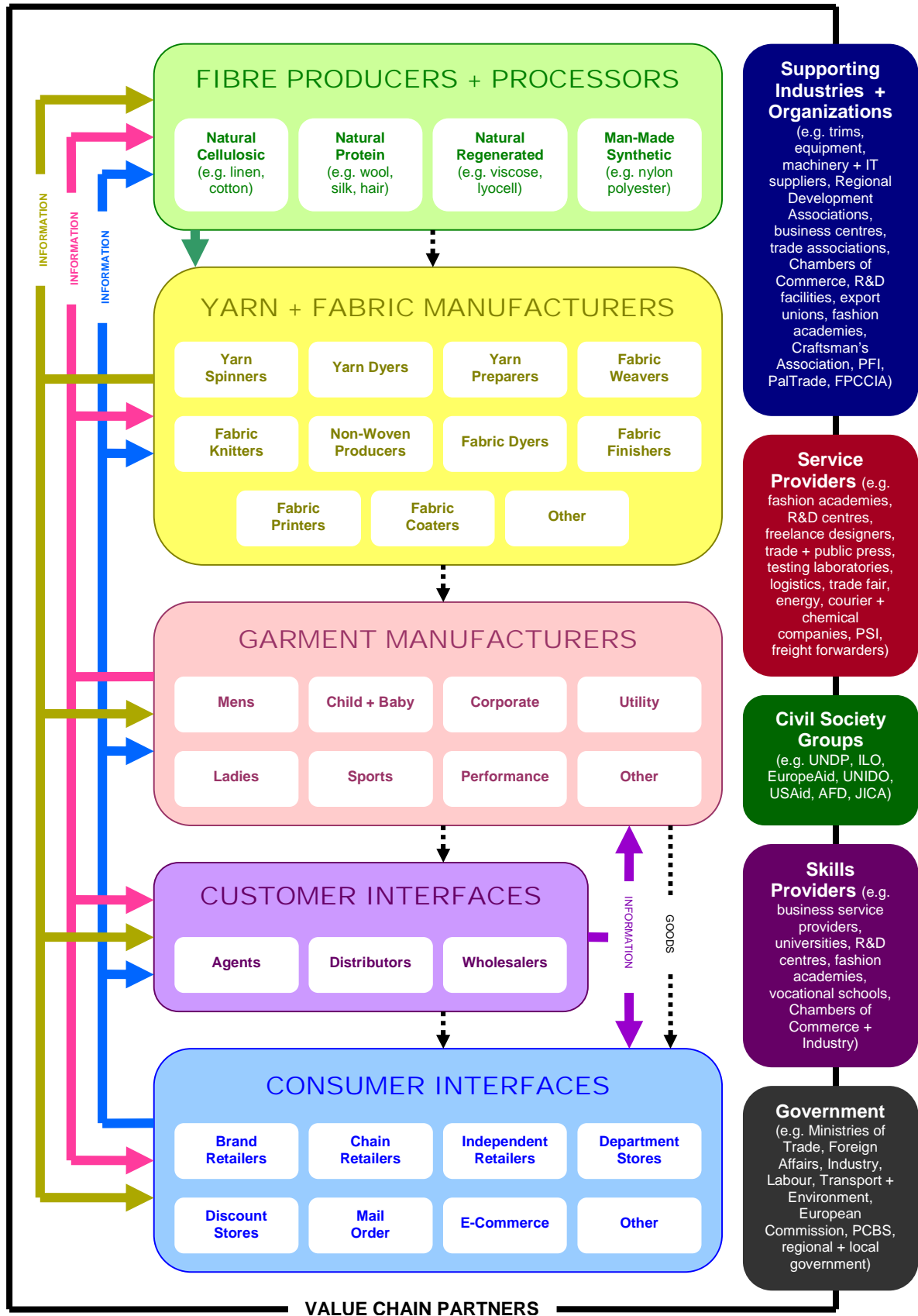


## **HANDOUT 2.10 - VALUE CHAIN FOR THE FRESH PRODUCE CLUSTER OF DISTRICT A (RESULTS)**

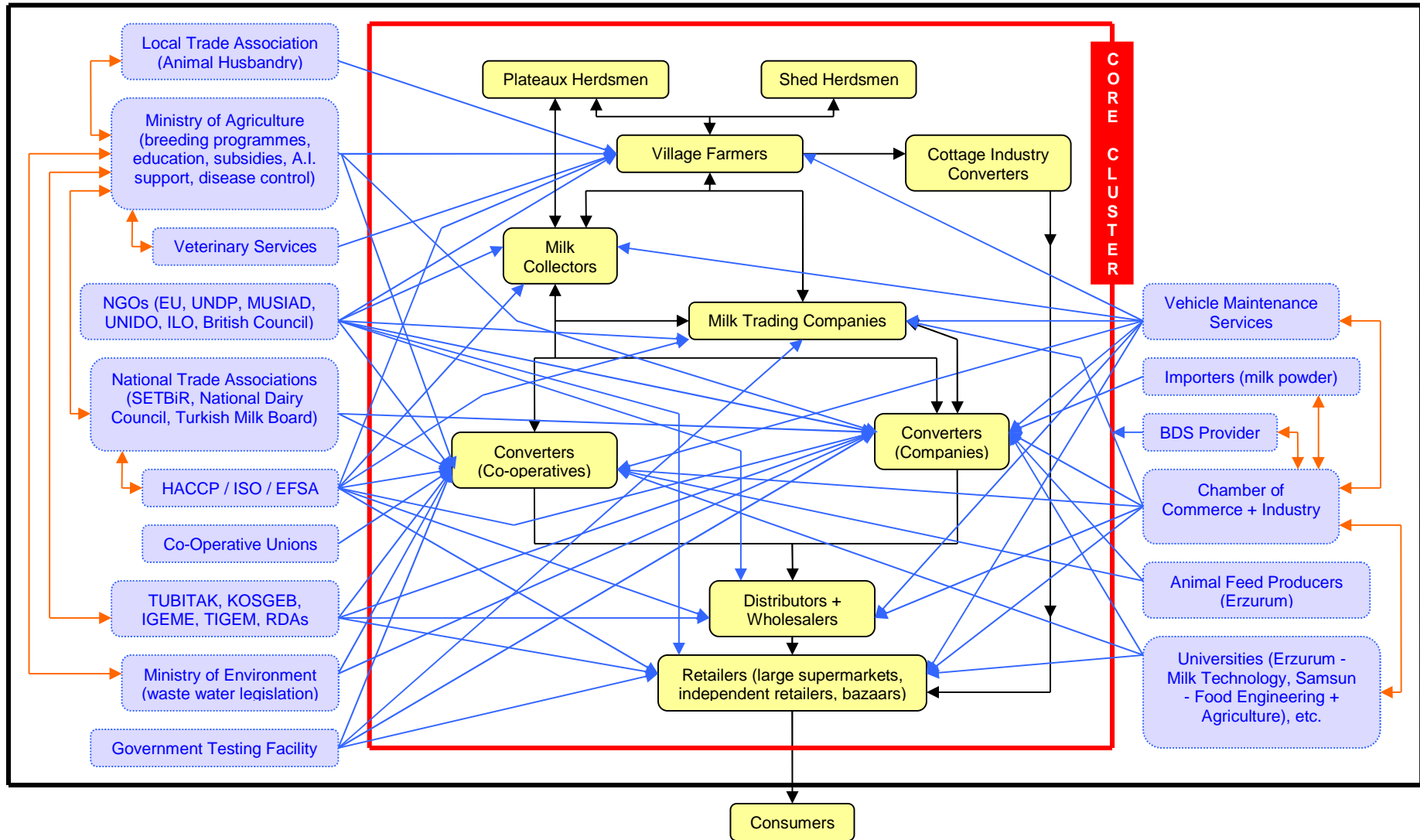


# HANDOUT 2.11 - VALUE CHAIN WITH FLOWS (EXAMPLE)

## Garment Cluster of Adana



## HANDOUT 2.12 - CLUSTER MAP (EXAMPLE)



## HANDOUT 2.13 - CLUSTER ENTERPRISE SURVEY QUESTIONNAIRE (EXAMPLE)

<b>CLUSTER:</b>								
<b>LOCATION:</b>								
<b>COMPANY:</b>								
PILLAR	NO.	ASSESSMENT CRITERIA	SCORE					
			0	1	2	3	4	5
		The interviewer should score the adequacy / level of each assessment criterion based on interviewee replies and / or interviewer observations on a scale of 0-5 and answer by putting an x in the relevant box	(none)	(low)	(low-medium)	(medium)	(medium-high)	(high)
<b>Firm Infrastructure</b>	1.1	Adequacy of physical infrastructure (state of buildings, access roads, electricity, etc)						
	1.2	Adequacy of quality / H&S / CSR certificates						
	1.3	Adequacy of ITC systems employed						
	1.4	Adequacy of trade association(s) membership						
	1.5	Adequacy of strategic planning practices						
	1.6	Adequacy of working capital						
	1.7	Adequacy of cash flow planning practices						
	1.8	Adequacy of access to banks and commercial credits						
	1.9	Adequacy of knowledge of breakeven sales						
	1.10	Adequacy of accounts receivable and payable situation						
	1.11	Adequacy of quality management system						
	1.12	Adequacy of knowledge of the cost of poor quality products / service						
	1.13	Adequacy of governance by industry standards or regulation						
<b>HR Management</b>	2.1	Adequacy of method for recruiting the right person for the right job						
	2.2	Do you have a stable labour force (low turnover = 5; high turnover = 0)						
	2.3	Adequacy of appropriate and regular training provided to personnel						
	2.4	Adequacy of the structured payment system						
	2.5	Adequacy of the disputes or grievance procedure						
	2.6	Adequacy of number of sufficiently skilled personnel needed to run the business						
<b>Technology Development</b>	3.1	Adequate and easy access to technology						
	3.2	Adequate to in house designers or product development engineers						
	3.3	Adequacy of understanding of intellectual property (e.g. patents, formulae, trademarks, designs, etc)						
	3.4	Level of introduction of new products or processes in the last 5 years						
	3.5	Adequacy of firm level innovation (NPD, design, new process, etc)						
	3.6	Level of pursuit of new systems, trends or technology to upgrade processes						
	3.7	Level of tracking industry innovation and trends (e.g. attending trade fairs, internet searches, media usage, questioning suppliers / customers / consumers, contact with universities / sectoral bodies, etc)						
	3.8	Level of capitalization on innovative / new technology opportunities						
<b>Procurement</b>	4.1	Length of lead time for procurement of equipment and spares						
	4.2	Length of lead time for procurement of raw materials						
	4.3	Geographical closeness of raw materials suppliers (including packaging) Specify if local, regional or international: .....						
	4.4	The ease of changing suppliers (0 = difficult; 5 = easy)						
	4.5	Level of use of raw materials which are unique or not offered by many others						
	4.6	Level of use of sub-contractors. Specify what they provide: .....						



<b>Inbound Logistics</b>	5.1	Adequacy of storage facilities for raw materials and finished goods							
	5.2	Adequacy of an inventory control system							
	5.3	Adequacy of the area for quarantined goods and returns procedure							
	5.4	Adequacy of space for raw materials and materials handling							
	5.5	Adequacy of the goods inwards inspection system							
	5.6	Adequacy of performance on the number of days of inventory held (12 months, 6 months, 3 months, 6 weeks)							
<b>Operations</b>	6.1	Adequacy of current technology (dilapidated, old, serviceable, new)							
	6.2	Adequacy of operating capacity							
	6.3	Adequacy of operating efficiency							
	6.4	Adequacy of production / process planning							
	6.5	Adequacy of the materials requirements planning system							
	6.6	Adequacy of the computerized system for handling business processes							
	6.7	Adequacy of quality checks and systems							
	6.8	Adequacy of appearance and housekeeping of premises							
	6.9	Adequacy of flow visibility with dedicated work stations							
	6.10	Adequacy of Just In Time or similar quick response system							
	6.11	Adequacy of Health and Safety system							
<b>Outbound Logistics</b>	7.1	Adequacy of storage facility for finished products							
	7.2	Adequacy of system for order processing							
	7.3	Adequacy of system for scheduling deliveries							
	7.4	Adequacy of on time delivery (0 = often late; 5 = always on time)							
	7.5	Adequacy of delivery system							
<b>Marketing + Sales</b>	8.1	Do you receive orders for sub-contracting (high = 0; low = 5)							
	8.2	Adequacy of a good spread of customers / clients							
	8.3	Is there a significant change in your market (5 = positive; 0 = negative)							
	8.4	Is there pressure from customers to make changes (5 = no; 0 = yes)							
	8.5	Adequacy of strategic partner							
	8.6	Adequacy of market research undertaken							
	8.7	Adequacy of identification of target customers and consumers							
	8.8	Level of selling of niche products							
	8.9	Geographical closeness of markets. Specify if local, regional or international (and if international, where): .....							
	8.10	Adequacy of analysis of competitors and other market players							
	8.11	Adequacy of monitoring changing consumer behaviour							
	8.12	Adequacy of the branding policy							
	8.13	Adequacy of catalogues, leaflets and other printed materials							
	8.14	Adequacy of channels used for advertising							
	8.15	Adequacy of trade fair attendance							
	8.16	Adequacy of company web site / web presence							
	8.17	Adequacy of knowledge of potential importing countries' standards, customs and packaging requirements							
	8.18	Adequacy of sales target setting							
	8.19	Level of company's perception of the quality of their product(s) / service(s) compared to those of competitors							
	8.20	Adequacy of packaging labelling and information (e.g. indicating ingredients, etc)							
	8.21	Level of sales to end users / consumers (as opposed to intermediate customers such as distributors, wholesalers, agents, etc)							
	8.22	Is there an adequate marketing plan							
	8.23	Adequacy and monitoring of channels of distribution							
<b>Service</b>	9.1	Adequacy of after-sales service							
	9.2	Adequacy of after-sales repair service							
	9.3	Adequacy of customer / consumer training in product / service usage							
	9.4	Adequacy of the spares and replacement parts service							
	9.5	Adequacy of product / service set up operations and / or adjustment post-sales							
	9.6	Adequacy of company product / service guarantee							

Margin	10.1	What is the company's gross margin? Specify: ..... then score (1=0-20, 2=21-40, 3=41-60, 4=61-80, 5=81-100)							
	10.2	What is the company's net margin? Specify: ..... then score (1=0-20, 2=21-40, 3=41-60, 4=61-80, 5=81-100)							
	10.3	What is the company's average added value (average sales price - cost of service inputs)? Specify: ..... then score (1=0-20, 2=21-40, 3=41-60, 4=61-80, 5=81-100)							
Support Activities	11.1	Adequacy of trade association support services / activities							
	11.2	Adequacy of government support services / activities							
	11.3	Adequacy of suppliers' support services / activities							
	11.4	Adequacy of consultants' support services / activities							
	11.5	Adequacy of agencies' support services / activities							
Policy Support	12.1	Adequacy of preferential trade agreements for the sector							
	12.2	Adequacy of inward investment incentives							
	12.3	Adequacy of tax incentives							
	12.4	Adequacy of the legal system to support enterprise							
	12.5	Adequacy of employment incentives							
<b>Date:</b>									

**HANDOUT 2.14 - SWOT ANALYSIS (TEMPLATE)**

<p><b><u>STRENGTHS</u></b></p>	<p><b><u>WEAKNESSES</u></b></p>
<p><b><u>OPPORTUNITIES</u></b></p>	<p><b><u>THREATS</u></b></p>

**HANDOUT 2.15 - GAP ANALYSIS (TEMPLATE)**

<b>TARGET</b>	<b>CURRENT SITUATION</b>	<b>RECOMMENDATIONS TO FILL THE GAP</b>

## **HANDOUT 2.16 - SOME SERVICES BSOs CAN PROVIDE TO SUPPORT CLUSTERS**

Some service and program ideas which can be implemented by BSOs for clusters are listed below. Some will work in some BSOs and its clusters, but others may not. Each BSO should follow the guidance in the accompanying presentation when deciding whether or not to implement them. In this way, it will ensure that its programs / services are compatible with its mission and the focus is always on its cluster members.

### **2.1 Membership**

#### **1. Membership Campaign for Cluster Members**

Recruit 10-20 volunteers (current cluster members committed to the cluster's and the BSO's success). Launch a campaign using personal contacts and the media to recruit new members.

#### **2. Thank You Drive for Cluster Members**

Have the staff of the BSO personally visit every cluster member to say "thank you" for their ongoing support. Each member could receive an inexpensive but appropriate thank you gift and some information on the BSO's cluster (and other) programs and services. This effort will add revenue to the BSO by increasing its member retention rate and creating visibility within the community.

#### **3. "We Care About Clusters" Program**

A "We Care About Clusters" program lets the BSO's cluster members know that the BSO cares about them and is ready to respond to their needs. It consists of focus groups, surveys, individual meetings and other events developed to let cluster members (existing and potential) know that they are important to the BSO. This raises the profile of the BSO and increases membership revenues.

#### **4. Cluster Information Line**

BSOs can install a special telephone line to provide information on the cluster, the BSO, upcoming events and the community. This can be established either as a free or charge based line in order to provide revenue for the BSO.

The line could also be "sponsored" by the cluster or a company within it. Under this scenario, callers would hear a 10-12 advertisement about the sponsoring company when they connect to the information line.

#### **5. Business After Hours for Clusters"**

BSOs can charge a nominal fee for cluster members to attend a Business After Hours networking event. This can be held at a cluster company that sponsors it by covering the costs. It is advertising for the company because it raises its visibility and provides access to more customers. The BSO also benefits because it generates additional revenue, hosts a high profile event and provides a way for cluster members to interact. Members benefit by networking with each other and any special invited guests with the goal of gaining additional business opportunities for themselves.

## 6. **Guide for Cluster Members**

A guide for cluster members / entrepreneurs can outline business registration procedures, licensing procedures, financing alternatives and other useful information. Banks and other financing entities often fund such publications because they reach potential customers for them. A BSO can generate revenue by soliciting sponsorship of the guide.

## 7. **President's Club for Cluster Members**

A President's (or Chairman's) Club is a group of, for example, 10-20 cluster members that agree to pay fee in order to receive certain services (e.g. discounted admission to BSO functions, special recognition in the BSO's publications, a private audience with the President / Chairman once per quarter, access to events where top government officials will be present).

## 8. **Cluster Member Testimonial Campaign**

The BSO can ask the local newspaper to donate or provide at a low cost some advertising space for cluster member testimonials about the BSO which communicate to other potential BSO / cluster members and the community the importance of the BSO and its programs.

## **2.2 Trade, Funding and Investment**

### 9. **Signposting and Publications for Cluster Members**

Trade and investment publications are becoming increasingly important to BSOs wishing to attract national and international investment opportunities for their members. While advertising sales are not generally desirable in these, many large companies like to sponsor them in order to gain visibility in the marketplace. With 2-3 corporate sponsors, the publication can be produced professionally, at a profit for the BSO and be distributed to potential investors.

### 10. **Cluster Trade Missions (outward buyer)**

Trade missions are important sources of revenue for BSOs but take months of coordination and should only be conducted after thorough planning. To mitigate travel costs, the BSO can obtain sponsorship from airlines, hotels, etc to make them the "official travel partners" of the event. In addition to paying their travel costs, cluster members pay a participation fee to the BSO.

### 11. **Cluster Trade Exhibitions (inward buyers)**

BSOs can gain revenue through providing skill-building training to cluster companies that want to participate in home-based exhibitions. In addition, BSOs develop an "Exhibition Task Force" made up of advertising, design and economic development specialists that will work with the cluster members participating in the exhibition. Generally, members will gladly pay a fee for this expertise.

### 12. **e-Commerce Site for Cluster Members**

BSOs are beginning to tap the revenue potential of e-Commerce web sites. By collaborating with one or a group of technology companies, BSOs can provide cluster members with the ability to develop their own e-Commerce sites. Rather than developing the sites, BSOs receive a percentage of revenue from every site developed by the technology companies. This provides additional customers for the web design companies and increased revenue for the BSOs.

### 13. **Cluster Virtual Trade Mission Portal**

By creating a Virtual Trade Mission portal, BSOs allow verified cluster members to gain access to its database of companies and offers. In addition, to charging subscription fees to use it, BSOs can promote the portal to non-cluster members and charge a higher fee for its use. It can also be used as a BSO and cluster membership recruitment tool to gain future additional revenue.

### 14. **Market Research for Clusters**

BSOs are natural conduits for market research as they typically are unbiased in their approach. They also have the resources to collect real-time information. Clusters and cluster companies, especially those launching new products and services, are willing to pay a significant fee for professional market research to be done to augment their efforts.

### 15. **Cluster Funding / Investment Forum**

A BSO can coordinate a forum to help cluster companies take advantage of national and global investment opportunities. Typically, donor organizations will sponsor such events, as will multi-national companies. A small registration fee can generate additional revenue for the BSO.

### 16. **Economic Development Foundation**

An economic development foundation recruits jobs and investment, thereby making it an important conduit for public-private financing. Most economic development foundations are funded by public and private money, with donor organizations and large corporations taking a lead role in private sector funding.

## 2.3 **Networking**

### 17. **B2B Cluster Networking Receptions**

These events are designed to bring together potential investors and cluster companies. BSOs can benefit from revenue generated through sponsorships and participation fees, and also gain visibility in the community.

### 18. **B2B Cluster Breakfasts / Lunches**

The BSO can seek a corporate sponsor to pay the costs of B2B cluster events and charge a nominal fee for its members to attend. The breakfast or luncheon (depending on what is more desirable for members) can feature a guest speaker (e.g. cluster leader, representative of an international donor organization, government official, etc) to encourage attendance.

### 19. **Cluster Linking / Twinning Services**

A BSO can identify similar successful clusters in other parts of the world and facilitate the twinning of one with the home cluster. Twinning enables the cluster to benefit from transfer of knowledge, innovative ideas, potential process improvement techniques etc. The BSO can charge a small fee for this.

### 20. **E-Networking for Cluster Members**

A majority of BSO cluster members list access to customers as their number one expectation. With this in mind, BSOs can provide e-networking opportunities as well as more traditional ones. One potential e-networking idea is to develop a best practices portal in which cluster members can communicate with each other, share offers, take advantage of training and financing resources and have access to outsourcing offers

provided by larger companies. BSOs can gain additional revenue by offering this service on a subscription basis.

**21. Facilitate Membership of Cluster Observatories**

A BSO can facilitate a cluster becoming a member of an international cluster observatory (e.g. the EU Cluster Observatory). For this, it can charge a small fee.

**22. Cluster Membership Directory**

Publication costs of a cluster membership directory can be offset by advertising revenue, but the BSO can also make money on it by contracting with an advertising / printing company that will sell all the advertising, collect all the funds, print the directories and provide them to the BSO for distribution to its members. Not only does the BSO obtain a four-colour directory free of charge, but it also receives royalty fees from the publication and this can amount to a significant income.

**23. Legislative Information Network for Clusters**

By providing real time information to cluster members via the internet or e-mail, BSOs can gain additional revenue. On-line legislative programs can provide information on issues, candidates and parties as well as statistics, voting records, etc. BSOs can offer this information on a subscription basis and provide a password protected environment in which it can be retrieved. Also BSOs can customize information for a higher fee to cluster members who want specific information on one or a group of issues.

**24. Cluster Newsletter**

There is no reason for a BSO to spend money on publication of a newsletter. On the contrary, it can make money on it by selling advertising to cover the cost. Cluster companies are generally very interested in the visibility they will receive by advertising in it. Also, there are printing / advertising companies that will sell the advertising, produce the newsletter and provide a royalty to the BSO.

Digital information represents increased revenue opportunities for BSOs. Electronic newsletters and magazines can similarly generate revenue through advertising, subscriptions and sponsorships.

## **2.4 Skills Development**

**25. Business Consultancy for Cluster Members**

BSOs around the world have found that business development consulting for clusters is a consistent source of revenue (e.g. financial consulting, marketing assistance, sales training or customer service support).

**26. On-Line Training for Cluster Members**

BSOs that possess the appropriate technology can provide on-line training for cluster members through sponsorships or subscriptions. This training raises the profile of the BSO as well as providing additional revenue.

**27. Skills Training for Cluster Members**

A BSO can provide practical / technical skills training for a cluster. It may do this itself, or contract an external company to do so. Cluster members pay a fee to attend the training which includes a profit margin for the BSO. If an external company is used, the fee is increased to include a margin also.



## 28. **Facilitate Organization of Study Tours**

A BSO can organize and / or facilitate study tours for a cluster, for which it charges a fee which covers its costs plus a small profit margin.

## 29. **Cluster Mentoring Programs**

A business mentor program for cluster members is a way for BSOs to provide an important service and also create revenue. Business mentors are recruited from a variety of professions and assigned to cluster individuals or companies that need specific support or advice. Corporate sponsors typically embrace this program due to its focus on business.

## 30. **Cluster Leadership Program**

Community leadership programs are not only good sources of potential revenue for BSOs, but can also greatly enhance the leadership dynamics of clusters. Programs typically run on one year cycles and include a class of 5-10 potential cluster leaders that are nominated and selected based on the merits of their applications. BSOs gain revenue through tuition, corporate sponsorship of the program or individual sessions and potential donor participation.

## 31. **Advocacy Training**

A BSO can increase its credibility and income by providing advocacy training for clusters. By training at least one person in the BSO to facilitate advocacy skill-building exercises, the BSO can generate revenue through registration fees for traditional and on-line versions of the program.

## 32. **Cluster “Passport to Progress”**

The BSO can create an inexpensive booklet listing the date, time and type of each BSO event. It can distribute this to all cluster members together with instructions that if they get the passport “stamped” by the BSO’s staff upon their attendance at five or more of the events, they will qualify for a raffle at the end of the year at which a significant prize (e.g. television, DVD player, cash, etc) will be given. This will increase participation, which will in turn increase member retention.

## 33. **Corporate Governance Programs**

Corporate governance continues to be an important issue, and donor organizations continue to pour money into BSOs that promote corporate governance programs. Such programs can be tailored for clusters.

## 2.5 **Office Support**

### 34. **Contract Mailing Service**

BSOs can contract with cluster companies to prepare and process their mailing requirements (e.g. UPS, Federal Express, DHL). BSOs can charge a 5% commission on top of the shipping costs in order to generate revenue.

### 35. **Lease Office Space** (e.g. CDA offices, cluster meetings, etc)

BSOs that have excess office space can lease it to clusters or cluster companies at market or below market rates. Also, they may want to charge a small fee to use equipment and other assets of the BSO.

36. **Office Services** (e.g. book keeping, printing)

BSOs can benefit financially from outsourcing in a variety of ways. One way is contract book keeping for cluster members that do not have the ability to do this on their own. Another outsourcing opportunity is web design, which BSOs can provide for a fee to members that do not have the capacity to design a web page on their own.

37. **Equipment Rental for Cluster Meetings**

BSOs can invest in equipment such as video projectors, laptop computers, overhead projectors, flip charts, etc and rent them to clusters or cluster companies and that do not have the funds to purchase the equipment. This provides an ongoing source of revenue for the BSO and helps offset the cost of the equipment.

38. **Cluster Video / CD**

Potential cluster business partners, investors and donors want access to as much information on the clusters they are considering as possible. BSOs, by collaborating with one or a group of technology companies, can develop a cluster CD-Rom or video that is paid for by the cluster and the cluster and the BSO can then sell it to potential investors, business prospects, salespersons, etc.

39. **Translation Services**

BSOs can offer translation services to clusters and cluster companies that wish to do business in a foreign location. For a fee, BSO staff or contractors can translate official documents, letters and other information.

40. **Interpretation Services**

BSOs can offer interpretation services to clusters and cluster companies wishing to do business in a foreign location. For a fee, BSO staff or contractors can interpret at cluster meetings with clients and assist in the logistical details of trips and transactions.

41. **Mailing Lists**

For a fee, BSOs can provide their cluster mailing list on mailing labels or in list form to organizations, international donors or companies. This service is especially attractive to retailers that want to publicize their offers. It can also be valuable to academics and other researchers interested in carrying out public or academic research.

42. **Cluster Website Development**

BSOs around the world are finding that website development is a consistent source of additional revenue. In collaboration with an internet service provider, BSOs can contract with clusters and cluster companies to design web pages for them. Not only can BSOs earn revenue from the companies, but they can also gain from collaborative agreements with internet service providers that want access to potential new customers.

## 2.6 **Consultancy for Cluster Members**

43. **Consultancy Signposting**

A BSO can provide information for a cluster and cluster companies on where to obtain particular services. This is called "signposting". If a service is taken from a consultancy firm, the consultancy firm pays a fee to the BSO by for recommending it.

#### 44. **Entrepreneurial Assistance**

Entrepreneurial assistance for clusters and cluster members can come in the form of financial consulting, development of business plans, networking support and assistance in gaining appropriate licenses / permits to start a business. This has become a basic source of revenue for many BSOs.

#### 45. **Set Up a “Service Corps of Retired Executives”**

In this program, the BSO partners retired business executives with clusters and cluster entrepreneurs in an effort to provide consultation and support. BSOs can gain revenue from this by charging a small fee to the companies that wish to take advantage of the volunteer experts' services.

#### 46. **Arbitration and Labour Negotiation Services**

In recent years, many BSOs have begun to offer arbitration services in order to mediate disputes between cluster member companies. Arbitration is cheaper and faster than taking matters to court and can provide significant revenue to BSOs that invest in the training of certified arbiters.

Some BSOs, especially those that focus on sector-specific activities, provide mediation services between member companies and representatives of labour unions. This is typically done on a contract basis.

#### 47. **Cluster Quality Standards and Certificates of Conformity**

BSOs are increasingly interested in quality standards assessment and training. This may encompass International Standards Organisation (ISO) certification, total quality management integration, leadership development or a myriad of other services. This is best done on a contract basis with member and non-member companies. Cluster members should receive a significant discount as a reward for their loyalty to the BSO.

#### 48. **Cluster Audits** (e.g. management, quality)

Some BSOs are now contracting companies to conduct management audits on a fee-for-service basis. This can be done for cluster bodies or individual cluster members. It requires the BSO to invest time and money in certifying expert auditors, and it also requires significant marketing.

#### 49. **Legal Services**

In transitional economies, many BSOs are now offering legal consulting as part of their core services. This too can be done for clusters. On a contract basis, consulting on legal issues can generate an impressive amount of revenue for BSOs.

## 2.7 **Facilitating Agreements, Etc**

#### 50. **Collaboration Agreements**

BSOs can collaborate with other associations, companies, NGOs or donor organizations to sponsor cluster events, programs and services. Each of the collaborative partners can have a share in the revenue generated. This allows small BSOs with a low capacity to produce events and services on their own to partner with other entities and gain access to needed revenue whilst offering a new program or service to its members.

#### 51. **Joint Marketing Agreements**

BSOs can join with companies that can provide a service to its clusters, and jointly market those products and services. For instance, a BSO may join with a shipping provider to jointly market a discount shipping service during a religious holiday. Typically, the joint company is willing to pay a joint marketing fee to the BSO to gain access to potential cluster customers.

#### 52. **Licensing Agreements**

A growing number of BSOs are joining with companies to create products or services that can generate revenue through licensing fees. For instance, a BSO may contract with an information technology company to create cluster membership / development software. The BSO receives a licensing fee for each product sold, and the company benefits by becoming identified with a successful product, increasing its sales.

#### 53. **Memorandums of Understanding**

A BSO can develop Memorandums of Understanding between a cluster and the body it wishes to form a formal relationship with (e.g. universities, research and development institutions, etc).

#### 54. **Partnership Agreements**

A BSO can provide the legal framework information and facilitate setting up of new cluster companies (e.g. partnerships). For this, it charges a small fee.

#### 55. **Articles of Association**

For a cluster to have a legal identity, it will need Articles of Association or other form of inception documentation. The BSO can provide this for a fee.

## 2.8 **Advocacy and Lobbying**

#### 56. **Advocacy Days**

Advocacy Days for clusters are usually held in the capital city and coordinated by a BSO. They create visibility for a cluster's legislative agenda and provide access for cluster members to government officials and ministers. The BSO can gain revenue from selling sponsorships and charging registration / attendance fees.

#### 57. **Advocacy After Hours**

The BSO can charge a nominal fee for cluster members to attend an Advocacy After Hours networking and lobbying event. This can be held at a business that "sponsors" it by covering the costs. It is advertising for the business because it raises its visibility. The BSO benefits because it generates additional revenue, hosts a high profile event and provides a way for cluster members to interact and access the public-private dialogue process. Cluster members benefit by networking with each other and invited guests, with the goal of putting their point of view of important cluster issues forward.

#### 58. **Legislative Reception**

Cluster members want access to senior government officials and ministers and many are willing to pay for it. A BSO can generate revenue from staging a legislative reception. Revenue is generated through the solicitation of sponsorships for the event and registration fees. To gain more revenue, a BSO can open the event up to non-cluster members at a significantly higher fee. This generates additional revenue while providing cluster members with an incentive to remain loyal to the BSO.

#### 59. **Legislative Breakfast**

A legislative breakfast for clusters can be planned once per month and feature a local, regional or national political figure as the keynote speaker. To offset the cost, one or a number of companies can sponsor each event. Also, a small registration fee can be charged to cluster members, and a higher fee charged to non-cluster members.

#### 60. **Advocacy Newsletter**

Real time information is critical to organizations, NGOs and companies active in the advocacy process. Through the creation of a cluster advocacy newsletter that focuses on cluster issues, statistics and grassroots data, a BSO can generate revenue. The newsletter can generate income through selling subscriptions to interested organizations.

#### 61. **Legislative Information and Supporter Databases**

Through the creation of a database containing information on cluster legislative issues, profiles of elected officials, voter statistics, etc a BSO can raise its credibility and income. It is usually an online service and the creation and maintenance of the database can be funded by charging a monthly "subscription" fee to cluster members and charging a fee for information generated.

Through creation of a database of names and contact information for grassroots supporters of cluster initiatives, BSOs can gain credibility and revenue. Since associations, non-governmental organisations and cluster companies have legislative issues on which they want to take action, they need access to a database of potential supporters. The BSO can generate revenue by providing this information for a fee.

#### 62. **Political Action Committees**

Where they are legally authorized by law, Political Action Committees (PACs) can become important entities to both BSOs and political parties. PACs are governed by a board of directors and are usually affiliated with one or more BSOs. The BSOs generate revenue from administration of the committees. Funds for the PAC are raised from both clusters and individuals, and are passed on in a legal and transparent manner to parties and elected officials that support the development of the private sector.

#### 63. **Local Government Handbook**

Many BSOs around the world are producing local government handbooks that provide information on elected officials, parties and local issues. Typically, cluster companies will fund such a publication because they want access to the information. The BSO's role is to compile the information and generate sponsorships for the publication. Once published, the handbook provides another reason for companies to join the cluster and the BSO.

## 2.9 **Cluster Programs and Events**

#### 64. **Cluster Speaker / Lecture Series**

BSOs can develop a lecture series featuring noted speakers on a variety of cluster issues. Each event can be sponsored by a cluster company or the cluster as a whole and a small admission fee can also be charged. In addition to generating revenue, these events establish the BSO as the conduit for discussion and debate on significant issues.

65. **“Cluster Spirit Banquet”**

A banquet honouring cluster entrepreneurs will typically attract significant financial support from the cluster members themselves, local / national government and the donor community. The banquet could honour the top cluster entrepreneurs, feature a keynote speaker, and highlight the top entrepreneurial ideas for consideration by financial institutions and investors for funding.

66. **BSO Affinity Programs**

Affinity programs offer special terms to cluster members because of their affiliation with the BSO. Whilst this may include price, it also offers preferential treatment or a premium service (e.g. Executive World Flier with an airline which gives extra baggage allowance, priority check-in, access to lounges, etc).

67. **Discount Programs**

Insurance: BSOs can develop an specific insurance package for cluster members that wish to offer additional insurance coverage to their employees as an incentive. Some types of packages are life, health, accident, travel, auto and homeowners insurance. By contracting with an insurance company to provide this, BSOs can earn substantial royalty fees.

Mobile Telephone: This program is especially effective there is fierce competition for cellular network customers. BSOs contract with a telephone provider to establish it as the “official” cellular provider for the cluster. By doing this, the BSOs earn revenue from royalties based on the number of cluster members that subscribe to the service. Members received a reduced rate through being a member of the cluster (and thus the BSO (and the company gains new customers. More than one telephone provider may participate by agreeing to pay the BSO a fee for each member that registers for the service.

Internet Service Providers: Using the same scenario as with cellular telephone providers, BSOs can contract with one or a number of internet service providers and receive a fee for each cluster member that registers a new account.

Retail Discount / Community Cards: The retail discount / community card is created in conjunction with local merchants and encourages people to shop at home rather than travelling to a larger city or different region. BSOs provide cluster members with a card that can be used at participating merchants for reduced prices on one or a number of items. The merchants typically pay the BSO a fee to be part of the program as it increases their number of potential customers. The card can be a free service the BSOs can provide to their cluster members as it ultimately creates additional membership revenue.

Car Rental: Again using the same scenario as with cellular telephones, BSOs can contract one or a number of rental car companies to provide discounts for their cluster members. Typically, the BSOs receive a fee for each cluster member that rents a car during the period of the contract.

Public Transport: Some BSOs offer their cluster members discount / coupon books for reduced priced travel, air fares, lodgings, attractions and meals. These books are supported by advertising revenue so that the cluster members can receive them free.

68. **Cluster / Reunion Days**

Cluster / Reunion Days are designed to bring former residents which have a past connection with members of the cluster back for a day or a weekend to reminisce and enjoy a part of their past as well as be brought up to speed on current events. BSOs can generate revenue by recruiting corporate sponsors, charging participation fees to cluster

companies that want to be involved and creating discount shopping programs at local merchants, etc which last for the duration of the event. It is also a high visibility event at which the BSOs can promote their activities.

## **2.10 Cluster Community Events**

### **69. Product Festivals**

Every community has cultural, historical and artistic uniqueness that can be translated into the initiation of a festival. Festivals hold great opportunities for BSOs to generate additional revenue and are particularly well suited for clusters. BSOs can participate in festivals that already exist by selling merchandise produced by their cluster members, and can initiate and promote new festivals on regional, national and international markets. Some BSOs generate considerable revenue from festivals, but they do take a great deal of coordination and expertise.

### **70. Silent Auctions**

A silent auction is an event, usually attached to a cluster reception, cluster annual meeting or other major cluster function, where a BSO collects donated items on which cluster participants can bid. Rather than a traditional auction, participants are provided the opportunity to bid “silently” by writing their bids on a piece of paper. At various times throughout the event, bidders check the paper in front of their desired item to see if anyone has bid higher than have they. If this is the case, they can increase the bid until such time as the auction is declared over. At that time, the person holding the highest bid gets the item. BSOs can make a large revenue on silent auctions by collecting donated prizes and obtaining sponsors for the event. In doing this, it ensures that all proceeds from the bids go to the BSO.

### **71. “Top” Events**

Top Cluster Event: A “Top Cluster” event (i.e. an event that honours top performing cluster) not only creates visibility for BSOs but can also create revenue. Corporate sponsors can be solicited to offset expenses and additional revenue can be generated by ticket sales and publications.

Cluster Business Person of the Year Banquets: These not only increase the visibility of BSOs, but also create loyalty. Through solicitation of corporate sponsors, ticket sales and publication sales, BSOs can raise significant revenue.

Excellence in Education Luncheon: Honouring outstanding cluster related educators, top business students and students study subjects related to the cluster is an effective way for BSOs to gain visibility and revenue. Corporations are typically enthusiastic about sponsoring such events, so the revenue potential is large.

Excellence in Government Luncheon: By honouring the accomplishments of government officials and ministers, BSOs can achieve the dual goals of highlighting their cluster’s legislative agenda and thanking elected officials that have assisted them over the course of a year. Corporations, non-governmental organizations and other organizations are usually good targets for sponsorship income.

### **72. Raffles**

While typically not a stand-alone activity, cluster raffles can be used effectively in conjunction with other events. BSOs often get a major prize donated by a cluster member and sell raffle tickets to cluster individuals who hope to win. The raffle prize may be a vacation, two weeks at a mountain house, a flat screen television or even a car. The more desirable the potential prize, the more the revenue that can usually be raised through the raffle.

### 73. Galas

Increasingly, cluster members like to get dressed up and attend a party honouring a cluster event, patron, helpful political figure or significant achievement. BSOs create revenue by coordinating the events, soliciting sponsors and selling tickets for participation. Some BSOs sponsor general themed events (e.g. Cluster New Years Eve party) while others focus on specific business events (e.g. annual meeting cluster or a cluster businessperson's ball).

### 74. Art in the Park

BSOs are beginning to consider arts and cultural events when developing their strategies for creating additional revenue. Art in the Park is an event at which local cluster artisans (e.g. a painter's cluster, a craftsmen's cluster, etc) display their works for sale in an outdoor setting. Not only does this event usually draw large crowds, but also BSOs can make money by charging participation fees to the displayers or contracting with them for a percentage of sales. The event also provides increased visibility for the BSOs.

### 75. Theatre Night

BSOs can contract with a particular stage theatre or acting company to do a special performance for cluster members and potential cluster members. Companies view this event as a good sponsorship opportunity since it usually attracts leaders of a community. BSOs generate revenue through both ticket sales and sponsorships, while creating a forum for distribution of information about the BSO's programs and services.

### 76. Sports Tournaments and Events (e.g. football, golf, basketball, marathons)

BSOs are beginning to tap the potential of sponsoring sports tournaments as they are great sources of sponsorship fees and registration income. Also, concession fees (i.e. sales of food and drink) at these events can generate significant additional revenue. Because people are becoming more sports conscious, events that include competition are popular. While marathons are on the upswing, football tournaments, basketball competitions and even track and field events are also increasing in importance. By utilizing corporate sponsors and charging entry fees, BSOs can benefit from the competitive spirit of the cluster and the community.

### 77. Arts for All

Since art is important to people of all ages, an Arts for All celebration can bring a cluster and its community together while creating revenue for the BSO which coordinates the activity. Arts for All is a "festival" that promotes all types of art (e.g. theatre, sculpting, painting, crafts, cinematography, etc) and puts it on display. While the event requires broad-based cluster and community support and collaboration with local government, it is very attractive to corporate sponsors, visitors and artisans.

### 78. Cluster Children's / Youth Day

A Cluster Children's / Youth Day is a day designed for the enjoyment of young people of the cluster members' families, from babies to teenagers. Art and cultural events, sports, food, music and dancing can all be part of it, and it celebrates the joy of youth. Since these young people are potential cluster and non-cluster BSO customers, and their parents already are, corporate sponsors interested in brand identity are natural sponsors. Also, this event produces very high visibility for the sponsoring BSOs.



## 2.11 Other

### 79. **Develop Cluster Merchandise**

Some clusters, especially those with a high profile or a definable logo, have created merchandise that features their logo. This merchandise can include shirts, caps, coffee mugs, key chains, ink pens and any other item that can be sold to the public by the BSO.

### 80. **Sell Cluster Goods**

In communities where unique cluster products are produced (e.g. porcelain, pottery, etc) BSOs can create revenue by purchasing them wholesale and selling them to the general public at retail prices. Another possible scenario is for BSOs to contract with the cluster manufacturers to promote their goods. Manufacturers are usually willing to pay a commission to the BSO for its assistance in marketing their merchandise.

### 81. **“Adopt-A.....” Programs**

School: This program is a way to provide schools with needed equipment and materials and at the same time generate revenue for BSOs. An Adopt-A-School is a program where local cluster businesses and individual members are encouraged to donate funds, equipment and volunteers to schools in order to enhance the quality of life for students. Revenue for BSOs is generated through sponsorship of the program by cluster companies and individuals.

Teacher: This is a similar program, except that it focuses on providing classroom supplies to individual teachers. Administration of this program is complex, but BSOs can benefit from its community focus and obtain revenue from corporate sponsors and individuals.

Highway / Roundabout: The Adopt-A-Highway / Roundabout program is usually done in conjunction with a municipal or regional authority which contracts with a BSO to administer it. The BSO recruits cluster volunteers, provides supplies (e.g. trash bags, protective vests, etc) and assigns the volunteers to specific roads, streets or roundabouts. In turn, the municipal or county authority pays a fee to the BSO for this service.

### 82. **Corporate Social Responsibility Programs**

Due to recent events around the world, Corporate Social Responsibility (CSR) is becoming an increasingly important topic. BSOs can benefit by coordinating cluster conferences and providing information on it. Corporations are keen to support such efforts, and significant funding can be raised by BSOs that become well versed on the topic and have the capacity to carry forward the initiative with their clusters.

### 83. **Foundations as Profit Centres**

An increasing number of BSOs are developing foundations as profit centres. These foundations can be charitable, social, educational, business or cluster related. Since laws governing foundations are different from those governing BSOs, foundations typically offer BSOs the ability to address specific community needs while also increasing revenues.

## 2.12 Other Services a BSO Can Offer to Non-Cluster Members

### 84. **Logo Visibility**

A BSO can ask its members to display the BSO's logo in their regular advertisements in the mass media (e.g. if a retail store runs an advertisement in the newspaper offering a discount on clothing, the BSO can ask the store manager to put the BSO's logo at the bottom of the advertisement announcing "This store is a member of the XYZ BSO").

### 85. **Fee for Services Program**

Under a "Fee for Services" program, a BSO member pays a small BSO membership fee (dues) and an additional amount for the services the member uses (e.g. consulting, arbitration, networking, etc). This allows the BSO to keep its membership fees low while still providing a way to increase its revenues and enhance its programs.

### 86. **Web-Based Advertising**

BSOs are natural conduits for web-based advertising, whether the BSOs sell the advertising themselves and use the profit to fund other activities, or whether they contract with advertising partners to sell the advertising and provide them with a percentage of the profit.

### 87. **Annual Meeting (e.g. General Assembly)**

Many BSOs have failed to tap the revenue creation potential offered by their annual meeting (or annual general assembly as it is called in some areas). Corporate sponsors are a good source of revenue for the event, as are special events linked to the event like an auction of donated prizes (e.g. trips, electronics, etc) and tournaments (e.g. football or basketball) which offer camaraderie but also generate revenue through registration fees.

### 88. **Tourism Guides Program**

BSOs can recruit and train tourist guides that are then used by local tour operators. Tour operators can be charged a fee for each guide used, or a higher registration fee that allows them to be part of the program and use as many guides as they wish throughout the year.

### 89. **City / Regional Maps**

Virtually every business prospect that visits a community wants an up-to-date city or regional map. BSOs can generate income through advertising sales and, at the same time, produce a high quality product. In addition, once the maps are printed, the BSO can sell them for a small fee to business prospects, tourists, etc.

### 90. **Community Guides**

Community guides are consistent sources of additional income. They are usually created in conjunction with an advertising / printing partner that agrees to sell the advertising, produce the guides and provide final copies of the guide and a royalty fee to the BSOs. The BSOs control the editorial content of the guide and have input into the design, but the majority of the work is done by the advertising / printing partner that keeps up to 80% of the advertising revenue.

**91. Tourism Publications**

Tourism guides are also outstanding sources of revenue. Revenue can easily be generated through advertising since companies want to reach tourists with their message. BSOs can outsource the advertising sales, printing and distribution and still make money through a royalty fee.

**92. Historical Tours**

For cities with a great deal of historical significance, BSOs can unearth a treasure trove of potential revenue by training volunteers to conduct historical tours. In many cases, the volunteers dress in historic costumes and provide tourists with a unique historical experience. Tourists typically will pay handsomely for this type of tour, and BSOs can either conduct them on their own or collaborate with one or more tour operators on a royalty basis. In the case of the latter scenario, the BSOs would agree to market the historical tours and the collaborating companies would pay either a percentage fee or a participation fee to the BSOs.

**93. Photographs / Prints**



Photographs and prints have become big business, and visitors are especially interested in purchasing unique pictures of a city or region. For a relatively low investment, BSOs can produce professional photographs and prints for sale to the public.

**94. Air Shows**

Air shows are difficult to coordinate and often the initial costs are high. However, due to attractiveness of these events to the general public, BSOs have begun to consider them as potential sources for additional revenue. It typically takes 2-3 years for the event to generate large amounts of revenue, and of course it is dependent on good weather and other factors outside the BSO's control.

Source: Adapted from "The BSO Development Guidebook", Chapter 7: Developing Effective Programs and Service Section 1 Overview of Program Service and Development and Section 3 99 Potential Programs and Services, by The Edge Project and USAID

# HANDOUT 2.17 - WHAT BSOs CAN DO TO SUPPORT CLUSTERS (SLIDES)



الهيئة العامة للغرفة التجارية والصناعية الفلسطينية  
Ministry of National Economic and Financial Affairs

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AGENCE FRANÇAISE  
DE DÉVELOPPEMENT

## What BSOs Can Do to Support Clusters


Private Sector Development Cluster Project (PSDCP)

Sabeeh Qarban



### What This Module Will Cover

- WHAT BSOs CAN DO TO HELP ACTIVTE CLUSTERS
- WHAT BSOs CAN DO POST-CLUSTER ACTIVATION
- MEMBER DRIVEN SERVICES FOR CLUSTERS
- SOME SERVICES BSOs CAN PROVIDE FOR ACTIVATED CLUSTERS



## What BSOs Can Do to Help Activate Clusters

## Remember This?

### A CLUSTER

A geographic concentration of interconnected companies, specialized suppliers, service providers and associated institutions in a particular field that are present in a nation or region



## Consortiums and Networks?

### CONSORTIUM

A short term arrangement where several firms (from one or more sectors) pool resources to undertake a project that benefits only the consortium members

### NETWORK

A group of individuals from one or more sectors who communicate for reasons of doing business (i.e. trading) with each other or their contacts



## Consortiums and Networks?

- Consortiums and networks look only towards themselves
- THEY DO NOT CONSIDER THE WIDER COLLECTIVE**
- It is this way of thinking that differentiates them from clusters
  - Consortiums and networks are inward thinking; clusters are outward thinking
  - Thus, you can have consortiums and networks within a cluster, but they are not clusters in themselves
  - Clusters “think bigger” than both



## What Can BSOs Do?

IDENTIFY CLUSTERS

CHOOSE A CLUSTER TO SUPPORT

DETERMINE ITS VALUE CHAIN

MAP THE CLUSTER

RAISE CLUSTER AWARENESS

TO ACTIVATE CLUSTERS



## What Can BSOs Do?

DETERMINE THE CLUSTER  
CORE GROUP

IDENTIFY A CLUSTER  
ANIMATOR

ANALYSE THE CLUSTER AND  
HELP THE CLUSTER TO  
DECIDE ON COLLABORATIVE  
ACTIONS

TO ACTIVATE CLUSTERS



## Identify Potential Clusters



### Identifying Potential Clusters

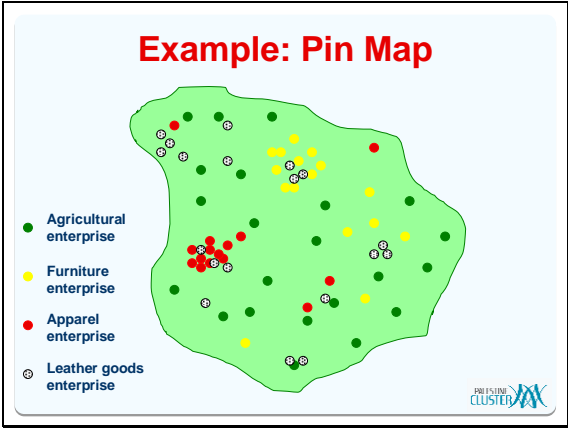
- How?
- Obtain a list sectors in the area you are considering (e.g. district, municipality, region, nation, Chamber area)
- Obtain a list of enterprises within that area (these are your potential primary stakeholders)
- Identify the sector each enterprise operates in



### Identifying Potential Clusters

- Formulate an Enterprise Location Map
- Method 1: Pin Map
  - For each enterprise, put a pin denoting its sector on a map of the area (use a different coloured pin for each sector)
  - Determine if there is a concentration of enterprises in any one sector in any one geographical location
  - Advantage: Provides a pictorial representation





- ### Identifying Potential Clusters
- **Method 2: Tabular Map**
    - List each enterprise by sector in a table, and insert the location in which it is based (i.e. district and village)
    - Count the number of enterprises in each district and village
    - Determine if there is a concentration of enterprises in any one sector in any one geographical location
    - Advantage: Identifies individual enterprises by name for easy reference later

### Example: Tabular Map

AGRICULTURE		APPAREL		FURNITURE	
Firm Name	District /Village	Firm Name	District /Village	Firm Name	District /Village
Old Olives	A1	Today's Times	M1	Red's Beds	R1
Carrots & Co.	H6	Sew Easy	A1	Woodpecker	T1
Chickpeas R S	B2	A Stitch in Time	M5	Sit U Down	R3
Oil Away	D3	Sound Sewing	T1	Ways in Wood	L2
Premium Veg.	G1	Terry's Frocks	M2	Sleep Easy	R1
Apple Maid	J3	Pins 'n Needles	S2	Can Do Chairs	R3
Sunny Sprouts	C1	Design-a	M1	Hang It All	R3
Ann's Daffs	F2	Ahmad's Gear	E1	Indoor-Outdoor	R3
Fresh & Low	K4	Gear Up	M4	Top Bedrooms	R3
Grow-a-Lot	P2	Toggs	M2	High Design	A1
Veggies	E1	Cotton On	M1	Cheap Chairs	E1
Bananarama	R5	High Fashion	F2	Table It	F1

### Example: Tabular Map

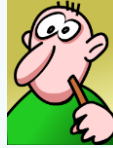
AGRICULTURE		APPAREL		FURNITURE	
Firm Name	District /Village	Firm Name	District /Village	Firm Name	District /Village
-	-	Today's Times	M1	Hang It All	R3
-	-	Design-a	M1	Can Do Chairs	R3
-	-	Cotton On	M1	Sit U Down	R3
-	-	Terry's Frocks	M2	Indoor-Outdoor	R3
-	-	Toggs	M2	Top Bedrooms	R3
-	-	Gear Up	M4	Red's Beds	R1
-	-	A Stitch in Time	M5	Sleep Easy	R1

- Agricultural Sector: There are no potential clusters in this sector
- Apparel Sector: In District M, there are 7 firms of which 3 are in Village 1 (potential district cluster)
- Furniture Sector: In District R, there are 7 firms of which 5 are in Village 3 (potential district or village cluster)

## Identifying Potential Clusters

- If there is a significant number of enterprises in a geographical area, then a cluster may exist
- What is a “significant” number of enterprises?

Generally not <5  
15 would be better  
>15 is good  
There is no maximum



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**Please form teams of 4-6 people.  
You will be working together on a  
Case Study throughout this  
presentation to build your knowledge  
AND YOUR SKILLS**



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### Exercise 1 (Team)

**Develop an Enterprise Location PIN MAP  
and identify the potential clusters  
(10 minutes)**

**Handout 2.1  
“List of Enterprises  
(By Sector)”**

**Handout 2.2  
“Enterprise Location  
Pin Map (Template)”**

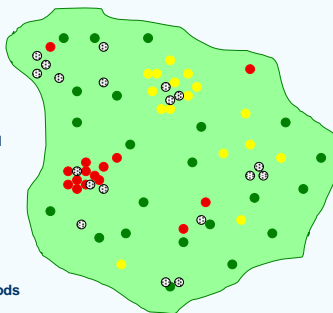


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### Exercise 1

- Agricultural enterprise
- Furniture enterprise
- Apparel enterprise
- ⊕ Leather goods enterprise



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**Exercise 1**

**Handout 2.3  
“Enterprise  
Location Pin Map  
(Results)”**

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**Exercise 2 (Team)**

**Using the same information, develop an  
Enterprise Location TABULAR MAP and  
Identify the potential clusters  
(20 minutes)**

**Handout 2.4  
“Enterprise Location  
Tabular Map  
(Template)”**

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**Exercise 2**

AGRICULTURE		APPAREL		FURNITURE	
Firm Name	District /Village	Firm Name	District /Village	Firm Name	District /Village
Old Olives	A1	Today's Times	M1	Red's Beds	R1
Carrots & Co.	H6	Sew Easy	A1	Woodpecker	T1
Chickpeas R S	B2	A Stitch in Time	M5	Sit U Down	R3
Oil Away	D3	Sound Sewing	T1	Ways in Wood	L2
Premium Veg.	G1	Terry's Frocks	M2	Sleep Easy	R1
Apple Maid	J3	Pins 'n Needles	S2	Can Do Chairs	R3
Sunny Sprouts	C1	Design-a	M1	Hang It All	R3
Ann's Daffs	F2	Ahmad's Gear	E1	Indoor-Outdoor	R3
Fresh & Low	K4	Gear Up	M4	Top Bedrooms	R3
Grow-a-Lot	P2	Toggs	M2	High Design	A1
Veggies	E1	Cotton On	M1	Cheap Chairs	E1
Bananarama	R5	High Fashion	F2	Table It	F1

**Exercise 2**

**Handout 2.5  
“Enterprise Location Tabular Map  
(Results)”**

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### Discussion 1 (Group)

Which is better - an Enterprise Location Pin or Tabular Map?



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(5 minutes)



### Exercise 3 (Team)

Identify who ELSE might be part of both of your potential clusters. You can do this as an extension of your Tabular Map (45 minutes)

Handout 2.6

“List of All Enterprises”

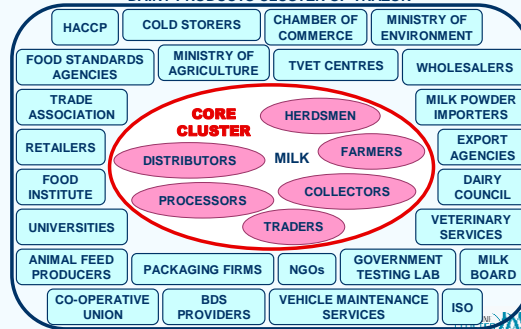


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### Exercise 3

DAIRY PRODUCTS CLUSTER OF TRAZON



### Discussion 2 (Group)

What have you identified as being part of each of the clusters?  
How did you find this exercise?



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(5 minutes)



## Exercise 2

### Handout 2.7 "Potential Cluster Members (Results)"



## Choosing a Cluster to Support



## Choosing a Cluster to Support

- This can get very complicated....

$$LQ = \frac{e_i / e}{E_i / E}$$

$e_i$  = Local employment in industry i  
 $e$  = Total local employment  
 $E_i$  = Reference area employment in industry i  
 $E$  = Total reference area employment



**HOWEVER, ALL IS NOT LOST.....**

## Choosing a Cluster to Support

### A SIMPLE, PRACTICAL METHOD FOR BSOs IN PALESTINE

- Determine some generic cluster evaluation criteria. For example:
  - Numbers employed
  - Number of markets
  - Level of sales
  - Level of exports
  - Number of new products developed
  - Rate of expansion of the sector
  - Rate of expansion of the cluster
  - Trade barriers / vetos (good in and goods out)



## Choosing a Cluster to Support

- Level of Research and Development (R&D) done
- Number of working links with academia
- Quality of the infrastructure (e.g. communications, roads, utilities, effluent disposal facilities, etc)
- Presence of support organizations
- Level of Foreign Direct Investment
- Ease of starting a business
- Availability of raw materials
- Prioritization in national policies / activities
- Level of distinctiveness (i.e. product uniqueness)
- Level of formalization

THESE ARE JUST SOME EXAMPLES - CONSIDER WHAT IS APPROPRIATE FOR THE DEVELOPMENT OF YOUR REGION



## Choosing a Cluster to Support

- Select the criteria you want to use (say, 4 or 5)
- Draw a table and insert the clusters and criteria
- Rate each cluster against each criterion on a scale of 1 to 10 (1 = unwanted, 10 = wanted)
- Average the scores for each cluster
- Select the cluster with the highest score

Cluster	Criteria			Average
	Level of Sales 1 = low 10 = high	No. Employees 1 = low 10 = high	Distinctiveness 1 = very poor 10 = excellent	
Apparel	1	3	8	4.0
Furniture	8	8	2	6.0

## Choosing a Cluster to Support

### Tip



Award your scores based on quantitative information where possible



### Exercise 4 (Team)

Use your knowledge of what is important for your region to determine some criteria. Use the Criteria Scoring technique to choose one potential cluster to support (30 minutes)

Handout 2.8  
"Choosing a Cluster to Support"



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### Exercise 4

- Select the criteria you want to use **that are important for the development of your region** (say, 4 or 5)
- Draw a table and insert the clusters and criteria
- Rate each cluster against each criterion on a scale of 1 to 10 (1 = unwanted, 10 = wanted)
- Average the scores for each cluster
- Select the cluster with the highest score

Cluster	Criteria			Average
	Level of Sales 1 = low 10 = high	No. Employees 1 = low 10 = high	Distinctiveness 1 = very poor 10 = excellent	
Apparel	1	3	8	4.0
Furniture	8	8	2	6.0

### Discussion 3 (Group)

**Which criteria did you select and why?  
Which cluster did you choose to support?**



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**(5 minutes)**



## Determining the Value Chain



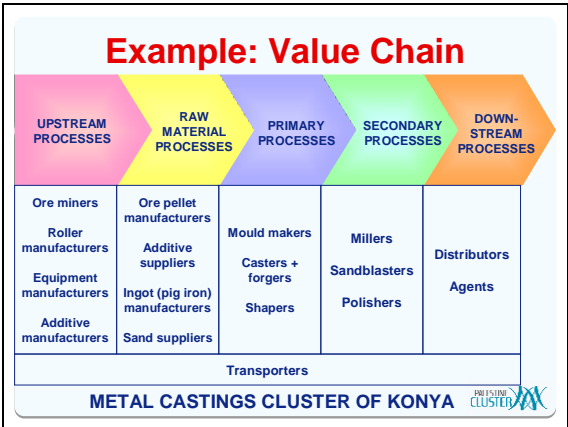
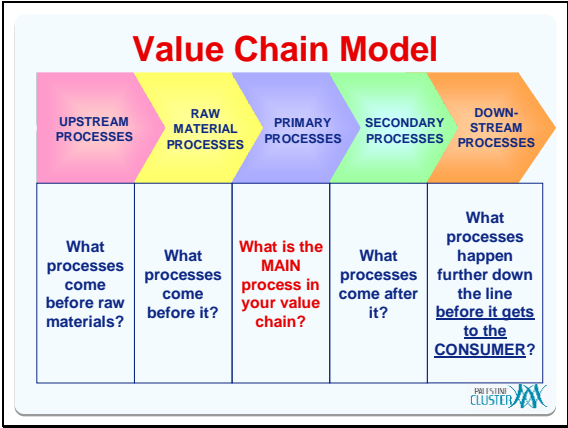
### Determining the Value Chain

- What is a value chain?

#### VALUE CHAIN

A model of how raw materials are received as input, have value added to them through various processes and then sold on as finished products to consumers



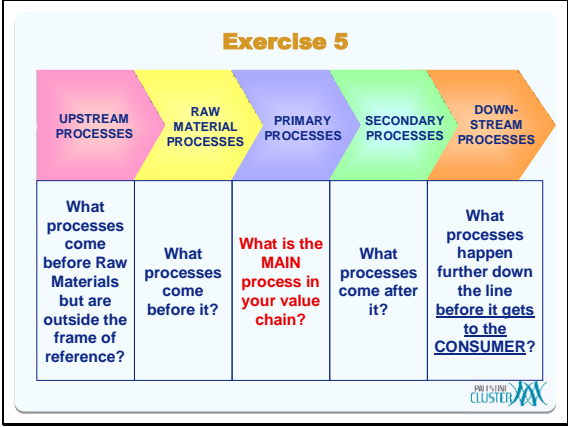


### Exercise 5 (Team)

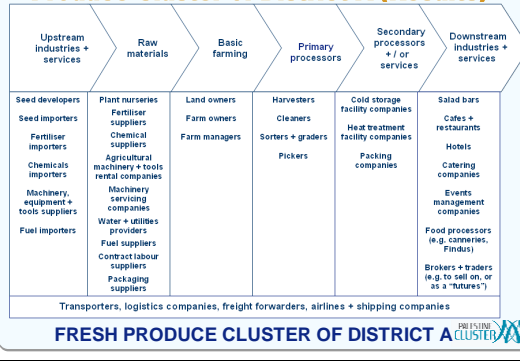
**The Agricultural Cluster is large, so let's focus on one part - the Fresh Produce Cluster. Use the information provided and determine the value chain. Try to think of other potential value chain parts too (30 minutes)**

**Handout 2.9  
"Value Chain (Template)"**

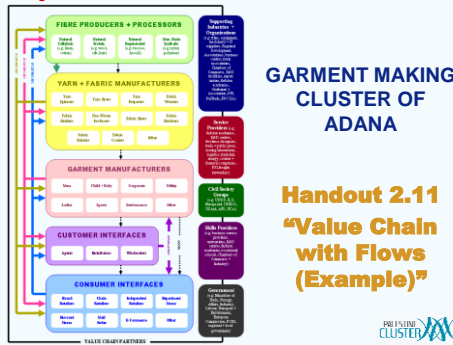
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## Handout 2.10 - "Value Chain for the Fresh Produce Cluster of District A (Results)"



## Example: Value Chain + Flows



### Exercise 6 (Team)

Using your own knowledge, determine a detailed value chain for the Fresh Produce Cluster which shows potential goods and information flows (45 minutes)



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## Mapping the Cluster

## Mapping the Cluster

- What is a cluster map?

### CLUSTER MAP

A visual representation of how a cluster procures raw materials and gets goods to the consumer, showing all cluster members and the linkages between them

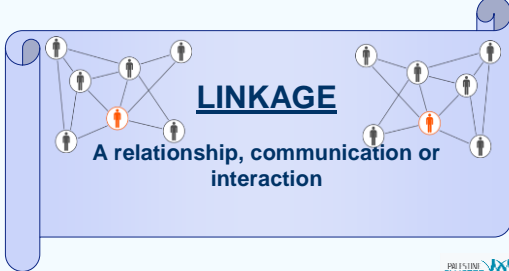



## Mapping the Cluster

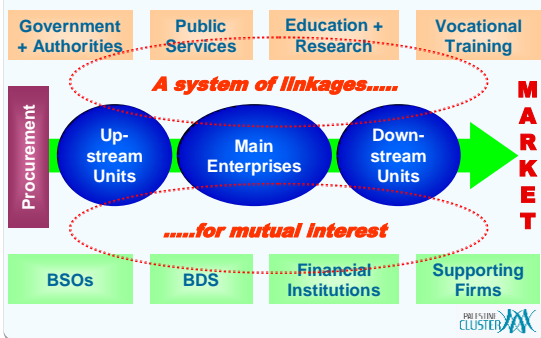
- What is a linkage?

### LINKAGE

A relationship, communication or interaction





## Cluster Map (Model)




*A system of linkages.....*

*.....for mutual interest*

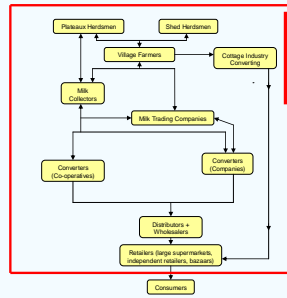


**Handout 2.12**  
**“Cluster Map (Example)”**





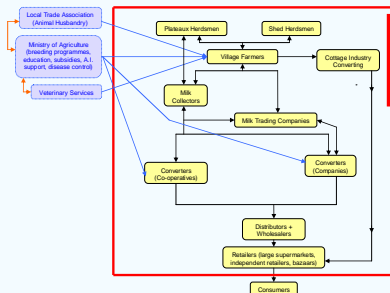
## Example: Cluster Map



DAIRY PRODUCTS CLUSTER OF TRABZON



## Example: Cluster Map



DAIRY PRODUCTS CLUSTER OF TRABZON



## Example: Cluster Map

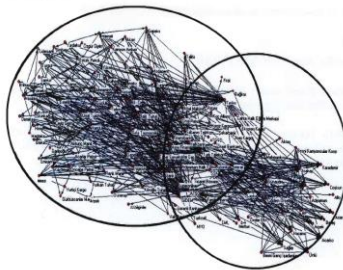


DAIRY PRODUCTS CLUSTER OF TRABZON



## Example: Cluster Map

- Academics love them!



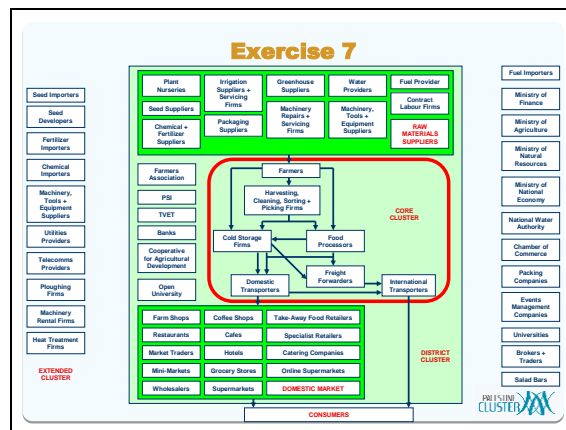
## Exercise 7 (Team)

### Develop a cluster map for the Fresh Produce Cluster



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(45 minutes)



## Raising Cluster Awareness



### Raising Cluster Awareness

- **Where? And with whom?**
  - Amongst potential cluster members
  - In the business community



- **Hold meetings with them and present information about what clusters are and the cluster development process**



## Raising Cluster Awareness

- Bring representatives from other successful clusters as guest speakers to talk about what they did, how they did it and their success stories



### Tip

Use an incentive to get people to attend (e.g. snacks, refreshments, corporate gift)



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## Determining the Cluster Core Group

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## Determining the Core Group

- Invite all cluster enterprises to a meeting
- Discuss the benefits of collaborative projects and cluster initiatives
- Summarise the cluster development process, and particularly the role of the Cluster Core Group (CCG)
- Ask attendees to confirm if they are interested in being part of the CCG

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## Determining the Core Group

- Help the cluster to select members of the CCG based on:
  - Representation in the Value Chain (i.e. there should be a member from each part if possible)
  - Ability to participate (do they have the time?)
  - Knowledge of the sector / industry
  - Ability to influence people and get things done
  - Ability to add other value to the CCG
- Help the cluster select a Cluster Representative to be the main point of contact for inward + outward cluster communications

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## Identifying a Cluster Animator



### Identifying a Cluster Animator

- All successful clusters have a dedicated Cluster Development Agent (CDA). In the PSDCP, the CDA is called a Cluster Animator
- The Cluster Representative, CCG and BSO should aim to jointly identify a person suitable to be the Cluster Animator
- S/he is usually an independent person, who receives a salary funded by cluster members and / or a BSO (e.g. Chambers)



### Role of the Cluster Animator

- Motivates cluster members
- Activates cluster activities
- Builds trust:
  - Of the cluster members in the Cluster Animator
  - Amongst cluster members
- Facilitates cluster meetings, etc
- Coordinates cluster member activities
- Chases progress and follows up activities
- Encourages new members to join and participate



## Analyse the Cluster + Help the Cluster Decide on Collaborative Actions



## Analysing the Cluster

- Conduct a survey of all - or a representative sample of - cluster enterprises (primary stakeholders)



### Tip

Collect quantitative information where possible

- Analyse the data obtained. Pillars for analysis might include:



## Analysing the Cluster

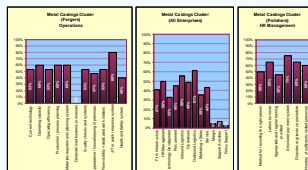
- Firm infrastructure
- Human resources management
- Technology development
- Procurement
- Inbound logistics
- Operations
- Outbound logistics
- Marketing and sales
- Service (to customers + consumers)
- Margin
- Support activities (from BSOs, etc)
- Policy support (from government)

**Handout 2.13**  
**“Cluster Enterprise Survey Questionnaire (Example)”**



## Analysing the Cluster

- Interview secondary stakeholders (information obtained from secondary stakeholders is often qualitative)
- Analyse all information (qualitative as charts and graphs, qualitative as a narrative)



- Consider each part of the value chain separately as much as possible



## Analysing the Cluster

- Using the results, help the cluster to identify its strengths, weaknesses, opportunities and threats

**THIS IS CALLED A SWOT ANALYSIS**



## Example: SWOT (Apparel Cluster)

<p><b>STRENGTHS</b></p> <ul style="list-style-type: none"> <li>Availability of skilled workers</li> <li>Core Group commitment to the cluster</li> <li>Good customer loyalty</li> <li>Low labour turnover</li> <li>Good design capability</li> <li>Proximity of a port</li> <li>Firm willingness to collaborate</li> <li>Good small order capability</li> </ul>	<p><b>WEAKNESSES</b></p> <ul style="list-style-type: none"> <li>Low understanding of market dynamics</li> <li>Many small, crowded premises</li> <li>Poor medium + large order capability</li> <li>Poor management skills</li> <li>Low efficiency</li> <li>Poor, variable product quality</li> <li>Old equipment and technology</li> <li>No contact with end customer</li> </ul>
<p><b>OPPORTUNITIES</b></p> <ul style="list-style-type: none"> <li>Niche (small, specialist) markets</li> <li>Specialization + sub-contracting</li> <li>Promotion of cluster in local, national and international markets</li> <li>Building contacts with end customers</li> <li>Joint purchasing of raw materials + services</li> <li>Collaborative production</li> </ul>	<p><b>THREATS</b></p> <ul style="list-style-type: none"> <li>Highly competitive market</li> <li>Increasing levels of low cost imports in local market</li> <li>Large international customers use regional sourcing hubs</li> <li>Currency fluctuations</li> <li>Probable tax increases</li> </ul>

### Exercise 8 (Team)

**Perform a SWOT on the Fresh Produce Cluster (30 minutes)**

**Handout 2.14 "SWOT Analysis (Template)"**



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### Exercise 8

<p><b>STRENGTHS</b></p> <ul style="list-style-type: none"> <li>Good availability of labour (skilled and unskilled)</li> <li>Reasonably good level of exports</li> <li>Quality of exported goods is high</li> <li>Good representation of the value chain in the cluster</li> </ul>	<p><b>WEAKNESSES</b></p> <ul style="list-style-type: none"> <li>Need for seasonal labour</li> <li>Seasonal labour required at short notice</li> <li>Casual labour is unskilled</li> <li>Many informal enterprises</li> <li>Low wages</li> <li>Nearly all exports to a single market</li> <li>High wastage to produce export quality goods</li> <li>Low value of wastage products</li> <li>Non-modern farming techniques</li> <li>Erratic water supply</li> </ul>
<p><b>OPPORTUNITIES</b></p> <ul style="list-style-type: none"> <li>High labour availability out of season</li> <li>Explore new export markets</li> <li>Reduce wastage</li> <li>Improve quality</li> <li>Modern farming techniques</li> <li>Improve water usage efficiency</li> <li>New channels to domestic consumers</li> <li>Good presence of local / regional BSOs</li> <li>Presence of national support institutions</li> <li>Bring non-cluster value chain members into the cluster</li> </ul>	<p><b>THREATS</b></p> <ul style="list-style-type: none"> <li>Workers moving to higher paid jobs</li> <li>Workers leaving the area</li> <li>Reduction in demand from Israel</li> <li>Drought</li> <li>Tightening of Israeli restrictions on movement of goods</li> <li>Currency fluctuations</li> <li>Increasing interest rates + / or taxes</li> </ul>

## Analysing the Cluster

- Help the cluster to determine where it wants to be and what it wants to achieve
- Help the cluster to identify the gaps
- Help the cluster to determine collaborative actions to fill those gaps

**THIS IS CALLED A GAP ANALYSIS**

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### Example: Gap Analysis (Apparel Cluster)

TARGET	CURRENT SITUATION	RECOMMENDATIONS TO FILL THE GAP
To receive 25% of orders direct from branded retailers	<ul style="list-style-type: none"> <li>Low understanding of market dynamics</li> <li>Poor and variable product quality</li> <li>Good small order capability</li> <li>Good design capability</li> <li>No contact with end customer</li> </ul>	<ul style="list-style-type: none"> <li>Cluster Focus Group to research market dynamics</li> <li>Organize cluster training in quality control and management + establish a cluster quality monitoring system</li> <li>Purchase modern equipment</li> <li>Establish a cluster web portal + promote niche market capability</li> <li>Organize an inward buyers mission for cluster members</li> <li>Organize cluster attendance at an international trade fair</li> </ul>

### Exercise 9 (Team)

**Using your SWOT Analysis, determine and select a target for your cluster, then perform a Gap Analysis for your cluster to achieve it (30 minutes)**

**Handout 2.15 "Gap Analysis (Template)"**

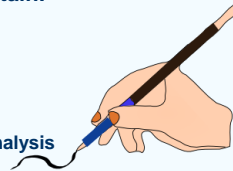


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### The Situation Analysis Report

• Help the cluster to write a Situation Analysis Report. This should contain:

- Summary
- Objectives
- Methodology
- List of visits made
- Main findings of the analysis
- SWOT Analysis
- Gap analyses



**RECOMMENDATIONS FOR CLUSTER FOCUS**

- Conclusions

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### Any Questions?



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## What Have We Learned?



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## What BSOs Can Do Post-Cluster Activation

### What Can BSOs Do?



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## Build Trust

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## Build Trust

- Facilitate meetings



- Hold them regularly - and frequently - to mitigate against cluster members losing interest



## Build Trust

- Build on positive things
- Start with simple things that can be done quickly and show short term results (these are called “quick wins”)
- Be direct, honest, open and truthful

**DO NOT OVER-RAISE EXPECTATIONS  
AND  
DO NOT MAKE PROMISES THAT  
CANNOT BE KEPT!**



## Determine Cluster Initiatives



## Determine Cluster Initiatives

- What is a cluster initiative?

### CLUSTER INITIATIVE

An organised effort of cluster members aimed at fostering the development of the **cluster**, either by strengthening the potential of cluster members or shaping relationships between them

Source: Kretz, Lindqvist, Sövell, Cluster Initiatives in Developing and Transition Economies, Stockholm, 2008



## Examples: Cluster Initiatives

- **Jointly** establishing an Innovation Centre
- Organizing **joint** training
- **Joint** attendance at an overseas trade fair
- **Joint** organisation of an inward buyers mission
- **Jointly** establishing a machinery library
- **Jointly** buying and using a production based facility (e.g. cold storage)
- **Jointly** commissioning market research

**WHAT IS THE COMMON FACTOR?**



## Determine Cluster Initiatives

- Invite members to a workshop and:
  - Explain what a cluster initiative is
  - Show the cluster analysis and SWOT
  - Identify industry trends and customer wants
  - Identify main cluster weaknesses in fulfilling those customer wants
  - Help to identify cluster initiatives which build on cluster strengths or address cluster weaknesses
  - Help to evaluate the initiatives for benefit and value to the **cluster**
  - Help to select initiatives for implementation



## Determine Cluster Initiatives

### Tip



Continually reinforce the **collective nature of cluster** working and activities



### Exercise 10 (Team)

**Brainstorm and prioritize some cluster initiatives to address some of the weaknesses and gaps of your cluster**



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**(30 minutes)**



## Help the Cluster to Develop Strategies + Action Plans



### Strategies and Action Plans

- Why have a strategy?
  - To know where you are going!
- Why have a time-based action plan?
  - To know what and who is driving you there?
- The time-based action plan can be developed using:
  - Forward scheduling
  - Backward scheduling
- Help the cluster to assign responsibilities to the CAT, Sub-CATs and individuals



### Example: Action Plan

ACTION	JAN	FEB	MAR	APR	MAY	
Identify potential trade fairs	JW					
Evaluate potential customers attending + select t.f. to attend	SK					
Establish number of cluster members wishing to attend		SB				
Establish total costs of attending		JW				
Members to decide if to attend			SB			
If yes, purchase space, etc			SK			
Organize logistics				SB		
Confirm travel arrangements to cluster members attending					SK	
Attend the trade fair						ALL



### Exercise 11 (Team)

**Develop a time-based action plan for ONE of the cluster initiatives you have brainstormed for your cluster**



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**(30 minutes)**



## Facilitate Collaboration, Linkages + Partnerships



### Facilitate Collaboration, Linkages and Partnerships

- Identify areas of joint interest between cluster members (e.g. between firms and universities, other clusters and supporting organizations (national and international))
- Draft Memorandums of Understanding
- Bring people to the table
- Use CCIA contacts (local, national and international)
- Twinning of clusters



### Facilitate Collaboration, Linkages and Partnerships

- Some potential benefits of collaborating, forming linkages and partnerships:
  - Market access knowledge transfer
  - Improved access to markets
  - Increased technological innovation awareness
  - Process and procedure knowledge transfer
  - Business opportunities may emerge (common customers taking different products from each)
  - Collaboration of product production (e.g. Airbus 380)
  - Quality improvements
  - Cost reductions



### Providing Ongoing Cluster-Driven Services

Will be  
discussed  
in the next  
Module



## Any Questions?



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## What Have We Learned?



## Member Driven Services for Clusters

### Why Have Member Driven Services?

**THEY ARE CENTRAL TO A  
BSO's SUSTAINABILITY**

- If services provided are wanted by members, they will be willing to pay for them
- If those services provide expected benefits to members, they will "buy again"
- Word will spread, others will want similar valued benefits and they will join the BSO and increase its membership base



## How to Identify Them

- Obtain stakeholder input:
  - Market research
  - Survey of member wants and needs
  - Focus Groups
- Audit the BSOs current services
- Identify the gaps
- Identify solutions to fill the gaps
- Evaluate the solutions



## How to Identify Them

### THE FIVE WAY TEST

Is the service consistent with the BSO's mission?

Is it demand driven?

Does it maximize the use of resources?

Will it achieve the desired outcomes?

Does it duplicate efforts of other BSOs?



## How to Identify Them

- Select the service to be offered
- Specify the proposed results of each program / service to be delivered

RESULTS SHOULD BE MEASURABLE

- Draft an action plan
- Assign responsibilities
- Obtain approval from the Board



## How to Identify Them

- Train staff as required to deliver the program / service
- Deliver the program / service
- Obtain feedback from participants
- Monitor the outcomes
- Evaluate the outcomes
- Feedback the outcomes to the Board and....

THE MEMBERSHIP BASE





In developing revenue generating programs and services, membership should come first - everything a BSO does should be done with members in mind

PRESTON CLUSTER

### Any Questions?

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PRESTON CLUSTER

## What Have We Learned?



PROVINCIAL  
CLUSTER

## Some Services BSOs Can Provide for Activated Clusters

### Membership

- Membership campaign for cluster members
- Thank you drive for cluster members
- “We Care About Clusters” program
- Cluster information line
- “Business After Hours for Clusters”
- Publish a “Guide for Cluster Members”
- President’s Club for cluster members
- Cluster member testimonial campaign



PROVINCIAL  
CLUSTER

### Trade, Funding + Investment

- Signposting + publications for cluster members
- Cluster trade missions (outward buyers)
- Cluster trade exhibitions (inward buyers)
- e-Commerce site for cluster members
- Cluster virtual trade mission portal
- Market research for clusters
- Cluster funding / investment forum
- Economic development foundation



PROVINCIAL  
CLUSTER



## Networking

- B2B cluster networking receptions
- B2B cluster breakfasts / lunches
- Cluster linking / twinning services
- e-Networking for cluster members
- Facilitate membership of cluster observatories
- Publish a “Cluster Membership Directory”
- Legislative information network for clusters
- Cluster newsletter



PRE-EXISTING  
CLUSTER

## Skills Development

- Business consultancy for cluster members
- Online training for cluster members
- Skills training for cluster members
- Facilitate organization of study tours
- Cluster mentoring programs
- Cluster leadership programs
- Advocacy training
- Cluster “passport to progress”
- Corporate governance programs



PRE-EXISTING  
CLUSTER

## Office Support

- Contract mailing service
- Lease office space (CA offices, meetings, etc)
- Office services (e.g. book keeping, printing)
- Equipment rental for cluster meetings
- Cluster video / CD production
- Translation services
- Interpretation services
- Mailing lists
- Cluster website development



PRE-EXISTING  
CLUSTER

## Consultancy for Cluster Members

- Consultancy signposting
- Entrepreneurial assistance
- Set up a “Service Corps of Retired Executives”
- Arbitration and labour negotiation services (e.g. cluster labour issues)
- Cluster Quality Standards and Certificates of Conformity
- Cluster audits (e.g. management, quality)
- Legal services



PRE-EXISTING  
CLUSTER

## Facilitating Agreements, Etc

- Collaboration agreements
- Joint marketing agreements
- Licensing agreements
- Memorandums of Understanding
- Partnerships agreements
- Articles of Association
- Etc



PREVISED  
CLUSTER 

## Advocacy + Lobbying

- Advocacy Days
- Advocacy After Hours
- Legislative reception
- Legislative breakfast
- Advocacy newsletter
- Legislative information and supporter databases
- Political action committees
- Local government handbook



PREVISED  
CLUSTER 

## Cluster Programs + Events

- Cluster speaker / lecture series
- “Cluster Spirit Banquet”
- BSO affinity program
- Discount programs:
  - Insurance
  - Mobile telephone
  - Internet service providers
  - Retail discount cards
  - Car rental
  - Public transport
- Cluster / Reunion Days



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## Cluster Community Events

- Product festivals
- Silent auctions
- “Top” events
- Raffles
- Galas
- Art in the Park
- Theatre night
- Sports tournaments and events
- Arts for All
- Cluster Children’s / Youth Day



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## Other

- Develop cluster merchandise
- Sell cluster goods
- “Adopt-a-.....” programs
  - School
  - Teacher
  - Highway / Roundabout
- Corporate Social Responsibility program
- Foundations as profit centres



QUALITY APPROVED MEMBER OF THE FLOOR USERS ASSOCIATION

YOU CAN DOUBTLESS THINK OF MANY MORE



## All These Ideas

- Have been successfully implemented somewhere in the world
- Can generate revenue for the BSO
- Can **HELP TO SUPPORT CLUSTERS**



## Any Questions?



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## What Have We Learned?



**Handout 2.16**  
**“Some Services BSOs Can Provide to Support Clusters”**



**Handout 2.17**  
**“What BSOs Can Do to Support Clusters (Slides)”**



**Thank You**  
**for your**  
**Attention**

