



Clusters and entrepreneurship – Third Greek French Event

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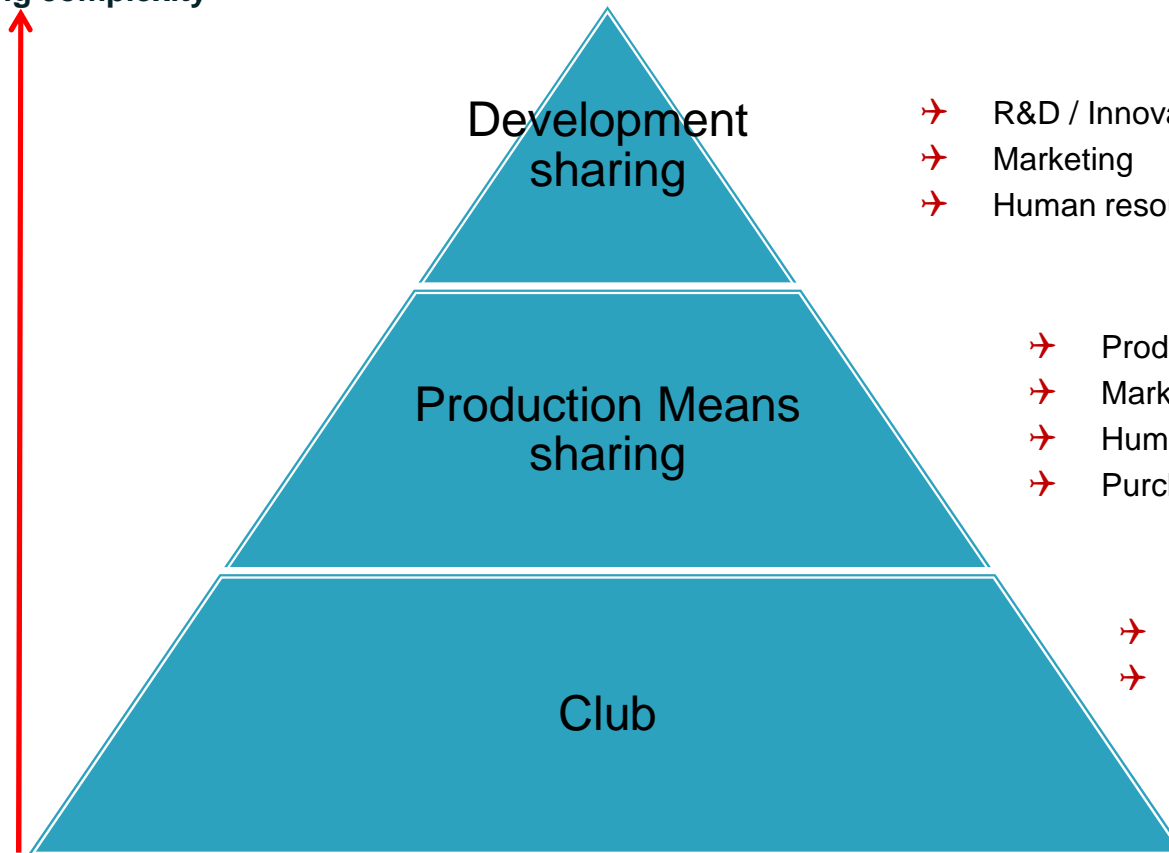
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Introduction to the French Cluster Policy

From companies network to clusters

Clusters: an old concept which have been updated in relation with new development in high tech and innovation

Growing complexity



- R&D / Innovation
- Marketing
- Human resources : Training and education

- Production tools
- Marketing study, knowledge management
- Human resources : Time sharing
- Purchase

- Communication tools
- Experience sharing

From companies network to clusters

One concept, an extensive diversity of situation

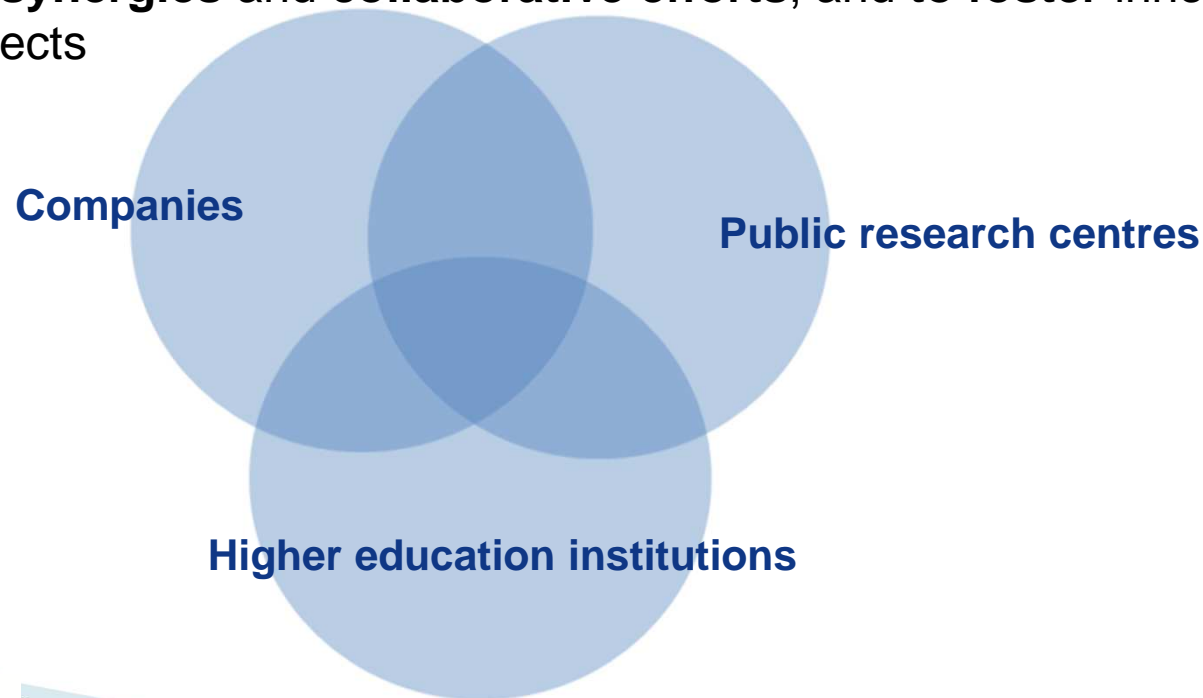
Michael S. Porter calls clusters critical masses – in one place – of unusual competitive success in particular fields.

- ▶ Geographic concentration of interconnected companies and institutions (universities, R&D centre)
- ▶ Cooperation through vertical links - from sharing communication tools to joint R&D
- ▶ Cooperation through transversal applications (Biotech + software, Electronic manufacturing + design, ...)
- ▶ Addressing new opportunities and threats (by sharing talents and capacities)

The French cluster policy in a few words

What are « Pôles de compétitivité » ?

- ▶ The french name for **Regional research-driven clusters**
- ▶ An **initiative** that brings together, in a specific region, large and small companies, research centres and higher education institutions, in order to **develop synergies** and **collaborative efforts**, and to **foster** innovative R&D projects



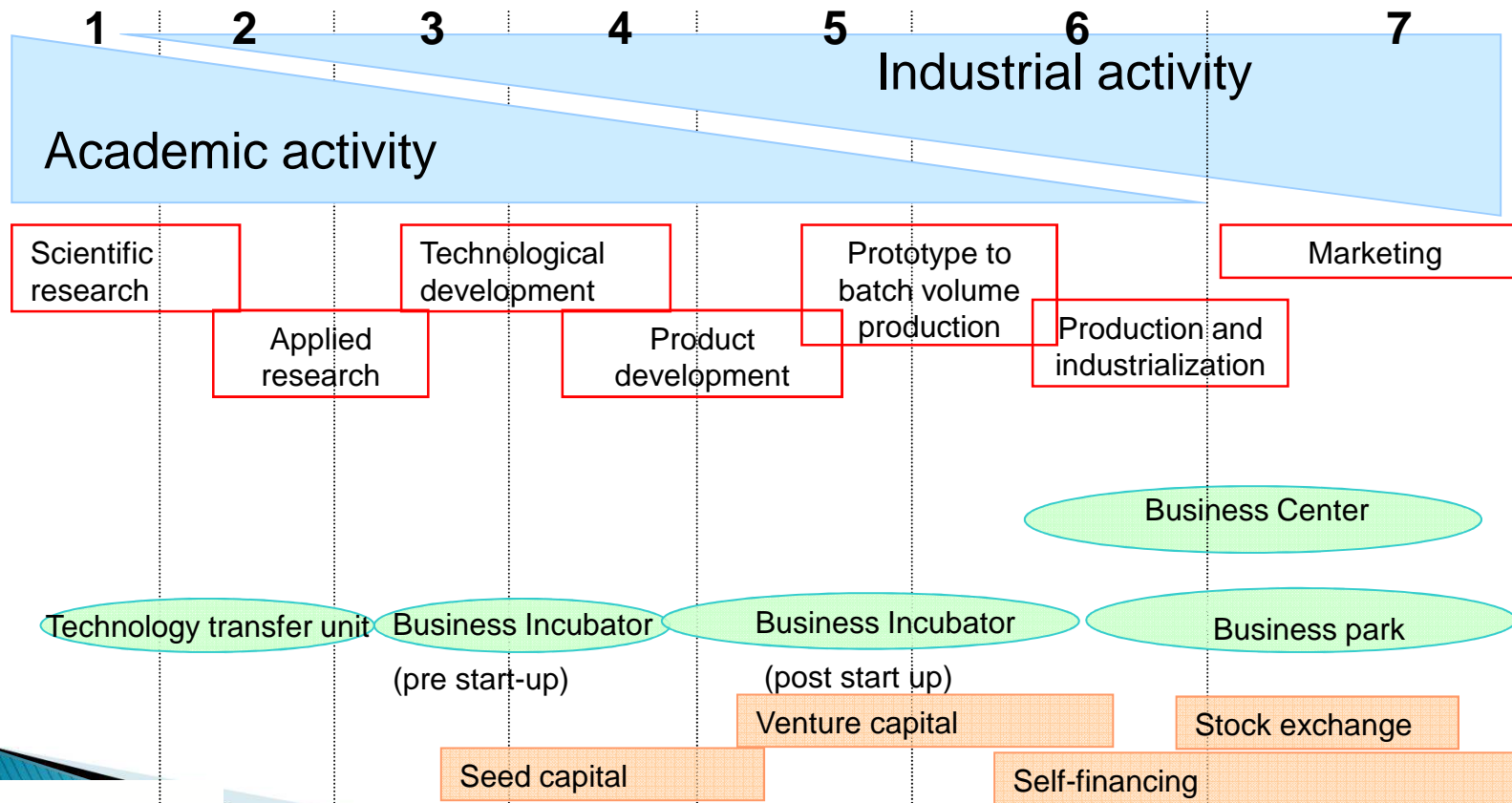
From companies network to clusters

How to create value through innovation and technology transfer

“Economic development must move beyond tax incentives and improving infrastructure to include boosting innovative capacity and cluster development”

Michael S. Porter

The Innovation process



The French cluster policy in a few words

The clusters' map

71 « pôles de compétitivité »

They work on many subjects: energy, biotech, aerospace, water, food industry, etc.



The French cluster policy in a few words

Goals

Industrial development through innovation

- To boost firms' competitiveness and help develop growth and jobs in key industrial sectors
- To strengthen collaboration between research and industry in order to increase innovation capacity of firms
- To develop links between small and big companies
- To foster companies' international development

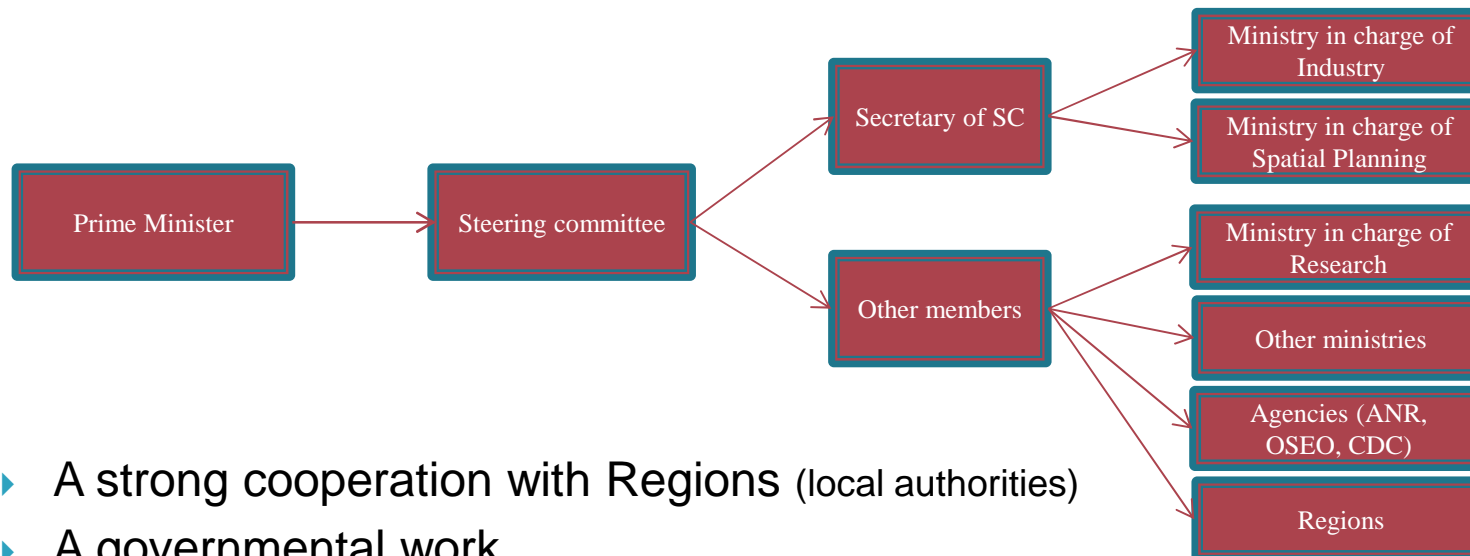
Local development

- To identify high-potential clusters and increase visibility of specific territories
- To set up a complete ecosystem for innovation
- To concentrate public support on high-potential areas
- To create industrial opportunities in specific areas and encourage specialisation

A strong implication of public actors

A single governmental policy relying on a strong cooperation with local authorities

- ▶ Policy mainly managed by two ministries: the Ministry for Industry and the Ministry for Spatial Planning (DATAR)

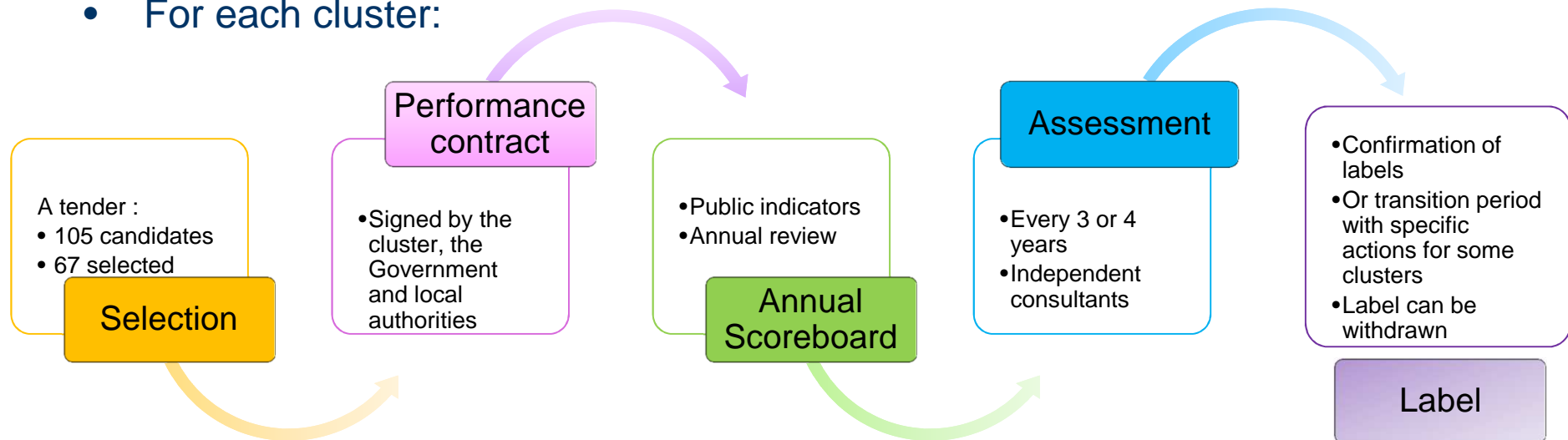


- ▶ A strong cooperation with Regions (local authorities)
- ▶ A governmental work
 - A Single Governmental Fund (FUI) for R&D project support with a single procedure for candidates, shared communication (press releases, etc.)
 - Collective assessment of cluster
 - Interdepartmental procedures to renew label, etc.

A strong implication of public actors

A strict process of selection

- For each cluster:



- For the whole cluster policy:
 - Regular assessment of the cluster policy
 - Confirmation / Evolution / Potential End

A strong implication of public actors

A robust assessment

- ▶ Selecting the most competitive clusters:
 - 4 main criteria for assessing a cluster's potential**
 - Size of targeted markets and market shares
 - Research and technology potential
 - Skills and level of excellence
 - Common strategy
- ▶ Three-year review:
 - Every three/four years, each cluster is audited by independent consultants (Boston consulting group (BCG) and CM International in 2008 ; BearingPoint, Erdyn and Technopolis in 2012).
 - What is audited: quality of the cluster's strategy and its implementation, leadership and governance
 - Every three/four years, the entire cluster policy is reviewed (2005-2008 / 2009-2012)

A strong implication of public actors

A large financial support

- ▶ 2006-2008: € 1.5 bn over 3 years
 - € 33 m for governance and indirect expenditures (strategic roadmap, exhibitions, etc.)
 - € 720 m from ministries for R&D support (Specific Funding – FUI)
 - € 587 m from agencies for R&D support (ANR, Oséo, CDC)
 - € 160 m of tax breaks
- ▶ 2009- 2011: € 1.5 bn over 3 years
 - € 50 m for governance and indirect expenditures
 - € 600 m from ministries for R&D support
 - € 850 m from agencies for R&D support (ANR, Oséo, CDC)
- ▶ 2013- 2015: around € 1.5 bn over 3 years
 - € 66 m for governance and indirect expenditures
 - € 340 m from ministries for R&D support
 - € 340 m from Invest for the Future Program
 - R&D support from agencies (ANR, Bpifrance, CDC)

First Results

In terms of innovation projects

- ▶ A strong R&D booster
 - 1,264 projects selected since 2005
 - > € 5 bn of R&D financing
 - € 2.4 bn of public support

- ▶ First economic effects of R&D projects:
 - job creation,
 - firm growth: +2% turnover per year and firm
 - Innovation increase

- ▶ A collaborative effect between industry and research

- ▶ SME implication
 - Out of 9,700 cluster member firms, 80% are SMEs
 - SMEs have received more than 50% of subsidies allocated by the Single Governmental Fund (FUI)

First Results

Economic results

- ▶ A positive impact of the cluster policy
 - 66% of surveyed firms created jobs thanks to clusters and 84% maintained jobs
 - 60% of surveyed firms increased their R&D investments
 - At least 1,000 patents and **200 startups created**, including 100 thanks to R&D projects (from 2008 to 2011)
 - +4% SME annual growth if firm participates to R&D project
- ▶ A positive impact of public support to R&D
- ▶ These results should increase in the coming years with the outcome of more projects

Return on experience

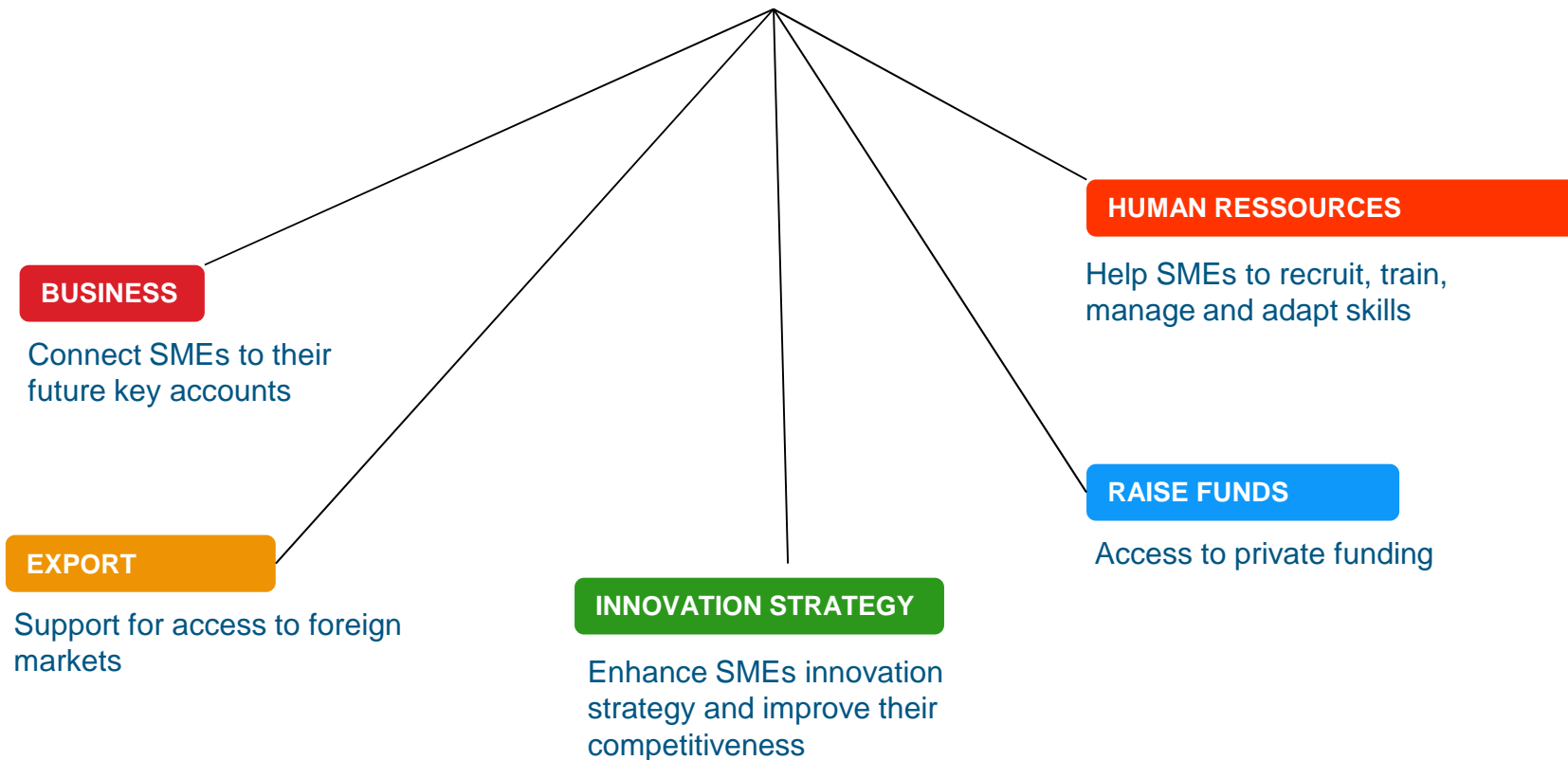
A top down approach originated through a national call for tender



▶ An original experimental process

Return on experience

Stage 2 -A programm dedicated to SME



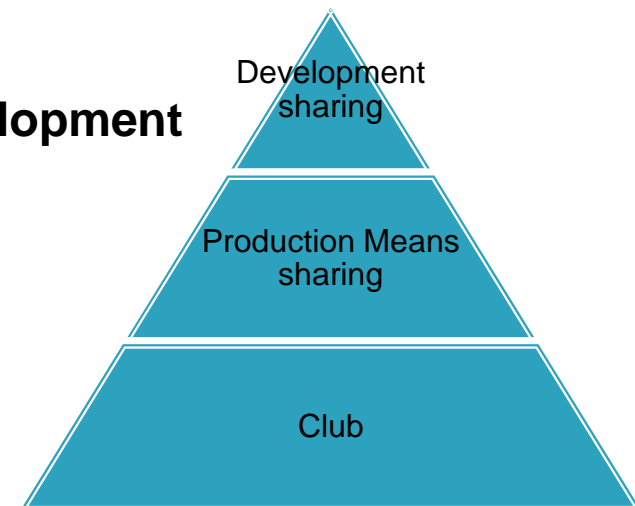
Return on experience

Stage 3 (2013-2018)

- ▶ One goal: to increase the economic impact of the cluster policy
- ▶ 2 means:
 - To define a new role for clusters, further than selecting R&D projects: offer a support to bring the R&D projects to market
 - To increase the cluster support to SMEs' ecosystem through contacts with investors, anticipation of skills needs, export capacity, etc.

Back to basics

a stronger implication in **local economic development**



Return on experience

How does it work ?

- ▶ A critical mass of actors
- ▶ A strong governance
- ▶ A bond of trust due to the geographical proximity
- ▶ A clear vision based on a collaborative approach
- ▶ The involvement of key players
- ▶ A strong program dedicated to SME's
- ▶ A worldclass approach

.... and remember it's a longtime experimental process



Thank you for your attention

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