Report on evaluation profiles of the benchmarked clusters - Hungary

In the frame of the CENTRAMO project 12 clusters from Hungary have been benchmarked using the European Cluster Excellence Initiative methodology. The benchmarking took place between May 2012 and January 2013. The benchmarking interviews were conducted by Mr Peter Keller and Mr Matyas Somkuti of MAG – Hungarian Economic Development Centre, who are certified benchmarking experts of the European Secretariat for Cluster Analysis (ESCA). The evaluation of the benchmarking interviews was done by VDI/VDE Innovation + Technik GmbH. Each of the 12 clusters successfully participated in the benchmarking and so received the European Cluster Management Excellence label in BRONZE.

List of benchmarked clusters:

1. 3P Cluster for the Plastics, Packaging, Printing Industry
2. ArchEnergy
3. Biotechnology Innovation Base Cluster
4. North Hungarian IT Cluster
5. Information Management Innovation Cluster
6. Central Transdanubian Regional IT Cluster
7. Hungarian Mobility and Multimedia Cluster
8. Omnipack – First Hungarian Cluster of Packaging Technology
9. PHARMAGORA – Quality of Life Cluster
10. Pharmapolis Debrecen Innovative Pharmaceutical Cluster
11. System Science Innovation Cluster
12. Software Industry Pole Cluster

ESCA produced a detailed benchmarking report for all the 12 clusters above. **This document summarises some conclusions that can be drawn by analysing the aggregate benchmarking results of the clusters. No sensitive information is disclosed on any of the above named clusters, only aggregate results are presented.**

For detailed information on the benchmarking methodology please turn to ESCA or MAG.

Summary of benchmarking results using the ESCA benchmarking indicators

Table 1: Summary of benchmarking results – ESCA benchmarking indicators

Benchmarking indicator	Green	Yellow	Red	Not rated
Structure of the cluster	8,4	2,0	1,6	0,0
Age of the cluster organisation (2.1.1)	11	1	0	0
Legal form of the cluster organisation (2.1.2)	12	0	0	0
Composition of the cluster membership (2.1.5)	7	4	1	0
Geographical concentration of the cluster participants (2.1.6)	8	3	1	0
Utilisation of regional growth potential (2.1.7)	4	2	6	0
Cluster management and governance	7,0	4,5	0,5	0,0
Clear definition of the roles of the cluster manager (2.2.1)	9	3	0	0
Number of cluster participants per employee (2.2.2/2.2.3)	11	1	0	0
Human resource competences and development in the cluster organisation (2.2.4)	1	9	2	0
Strategic planning and implementation processes (2.4.1)	7	5	0	0
Financing of the cluster management	4,0	7,0	1,0	0,0
Financial sustainability of the cluster organisation (2.3.5)	4	7	1	0
Services provided by the cluster organisation	4,0	2,1	5,4	0,4
Acquisition of third party funding (2.5.1)	5	3	4	0
Collaborative technology development, technology transfer or R&D (2.5.2)	5	0	7	0
Information, matchmaking and exchange of experience among participants (2.5.3)	4	7	1	0
Development of human resources (2.5.4)	1	2	9	0
Development of entrepreneurship (2.5.5)	5	1	4	2
Matchmaking and networking with external partners/promotion of cluster location (2.5.6)	6	0	6	0
Internationalisation of cluster participants (2.5.7)	2	2	7	1
Achievements and recognition of the cluster organisation	2,5	9,5	0,0	0,0
Number of general external requests for cooperation received by the cluster organisation (2.6.1)	3	9	0	0
Visibility in the press (2.6.5)	2	10	0	0

Notes to the table:
- The left column includes the applied indicators during the benchmarking grouped into 5 categories
- Each indicator can take three values – Green, Yellow, Red, which have the following meaning:
  - GREEN: Excellent. Only minor improvements are - if at all - possible.
  - YELLOW: Reasonable. Potential for improvement.
  - RED: Certain minimal criteria for good practice in cluster management are not met. It is recommended to consider this issue for improvement.
- If the cluster organisation declared that no activity was carried out in relation to any specific indicator then it receives NOT RATED value.

- Numbers in the columns named 'Green', 'Yellow', 'Red' and 'Not rated' indicate that number of clusters that received the corresponding evaluation.
- Numbers in the grey fields are the averages of the category.
- For the analysis some further colouring of the evaluations are used:
  - Green column: if at least 9 from the 12 clusters received 'Green' evaluation at any given indicator then the cell is coloured in green
  - Yellow column: if at least 9 from the 12 clusters received 'Yellow' evaluation at any given indicator the cell is coloured in yellow
  - Red column: if at least 6 from the 12 clusters received 'Red' evaluation at any given indicator the cell is coloured in red

Analysis:
- Category 'Structure of the cluster'
  - A fairly high number of cluster organisations (8.4 on average) received green evaluation for indicators in this category.
  - Outstandingly, the legal form of the cluster organisation received green in the case of all clusters. The indicator is evaluated green if the cluster organisation is a registered association or a limited liability company. Overwhelming majority of the cluster organisations in Hungary operate as company and only few in a different legal form. This may be due to public fund requirements but at the same time brings clear advantages for the cluster.
  - 11 clusters scored green concerning the age of the cluster organisation, meaning that they are more than 4 years old. A major upswing in central cluster support started in 2008 in Hungary and so a lot of cluster organisations turned 4 years old in 2012.
  - 6 clusters scored red concerning the utilisation of regional growth potential. According to the explanation of the indicator it means that these clusters have potential for further growth in terms of participants. There is still a high amount of partners in the region who are not committed to the cluster work. The cluster would certainly benefit form an increased participation of regional actors.
- Category 'Cluster management and governance'
  - 9 clusters scored green concerning the 'Clear definition of the roles of the cluster manager / Implementation of a governing body / Degree of involvement of the cluster participants in the decision making.' This finding confirms that most of the clusters in Hungary have a well-defined and detailed deed of foundation and rules of organisation (or similar document).
  - 11 clusters received green evaluation concerning the number of cluster participants per employee (FTE) of the cluster organisation team. There are almost no clusters in Hungary with more than 90 members. Following the underlying scoring table of the ESCA methodology the number of employees must be 1-3 FTEs for the green evaluation, which is fulfilled by most of the cluster organisations in Hungary and this is confirmed in the sample of the benchmarked 12 clusters.

- Category 'Financing of the cluster management'
  - The only indicator of this category is the financial sustainability of the cluster organisation and results are not really characteristic: 4 clusters scored green and 7 clusters scored yellow here meaning that the financial sustainability is secured at least in the short and middle term (for at least 1 year).
- Category 'Services provided by the cluster organisation'
  - This seems to be the most critical field for the 12 benchmarked clusters since in the case of 4 of the 7 indicators 6 or more clusters received red evaluations. At the same time, at best 6 green evaluations were given to the indicators in this category. In detail:
  - 7 clusters received red evaluation concerning collaborative technology development, technology transfer or R&D. It means that the intensity of 3 out of 5 typical cluster management services in this field is below average (of clusters in the same technology area).
  - 9 clusters received red evaluation concerning development of human resources. It means that the intensity of 3 out of 4 typical cluster management services in this field is below average (of clusters in the same technology area).
  - 6 clusters scored red concerning matchmaking and networking with external partners/promotion of cluster location. It means that the intensity of 4 out of 6 typical cluster management services in this field is below average (of clusters in the same technology area).
  - 7 clusters received red evaluation concerning the internationalisation of cluster participants. It means that the intensity of 4 out 6 typical cluster management services in this field is below average (of clusters in the same technology area).
  - Although the above results are not necessarily representative for all clusters in Hungary, nevertheless it may be worth for decision makers to pay specific attention to this area and potentially to the development of cluster management services in the future.
- Category 'Achievements and recognition of the cluster organisation'
  - Both indicators in this category scored typically yellow (Number of general external requests for cooperation received by the cluster organisation – 9 yellow evaulations, Visibility in the press – 10 yellow evaulations).

Summary of benchmarking results using the ECEI benchmarking indicators

Table 2: Summary of benchmarking results - ECEI benchmarking indicators

Benchmarking indicator	Green	Yellow	Red	Not rated
Structure of the cluster	6,5	4,8	0,8	0,0
Committed cluster participation	7	5	0	0
Composition of the cluster participants	7	4	1	0
Number of committed cluster participants in total	4	7	1	0
Geographical concentration of the cluster participants	8	3	1	0
Typology, Governance, Cooperation	8,3	3,0	0,7	0,0
Maturity of the cluster management	11	1	0	0
Human resources available for cluster management	11	1	0	0
Lifelong learning aspects for the cluster management team	0	9	3	0
Stability and continuity of human resources of the cluster management team	6	4	2	0
Stability of cluster participation	11	1	0	0
Clarity of roles - involvement of stakeholders in decision making processes	9	3	0	0
Direct personal contacts between the cluster management team and the cluster participants	10	2	0	0
Degree of cooperation within the cluster participants	12	0	0	0
Integration of the cluster organisation in the innovation system	5	6	1	0
Financing	7,0	4,5	0,5	0,0
Prospects of the financial resources of the cluster organisation	4	7	1	0
Share of financial resources from private sources	10	2	0	0
Strategy, Objectives, Services	7,9	2,9	1,3	0,0
Documentation of the cluster strategy	12	0	0	0
Review of the cluster strategy and implementation plan	11	0	1	0
Degree of fulfilment of the implementation plan	9	3	0	0
Financial controlling system	5	7	0	0
Activities and services of the cluster management	6	2	4	0
Working groups	8	2	2	0
Cluster organisation's web presence	4	6	2	0
Achievements, Recognition	3,3	6,0	2,7	0,0
Recognition of the cluster in publications, press, media	2	7	3	0
Success stories	0	10	2	0
Cluster participants' satisfaction surveys	8	1	3	0

Notes to the table:
- Technical notes to the table are identical with the Table 1.

Analysis:
- In general, results are better compared to the ESCA methodology. There are no red coloured cells in Table 2.
- Best results were achieved in categories 'Typology, Governance, Cooperation' and 'Strategy, Objective, Services.'