

Evaluation of Project Results

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Evaluation covers the assessment of the presented results, as well as delivered training and dissemination activities.

Clusters are geographic concentrations of interconnected companies, specialized suppliers, service providers, and associated institutions in a particular field that are present in a nation or region. Clusters arise because they increase the productivity with which companies can compete. The development and upgrading of clusters is an important agenda for governments, companies, and other institutions. Cluster development initiatives are an important new direction in economic policy, building on earlier efforts in macroeconomic stabilization, privatization, market opening, and reducing the costs of doing business. Fast growing cluster initiatives require special agent responsible for sustainability of this development. They need qualified cluster managers and animators. Results, as well as achievements and level of development of clusters in Poland and Lithuania reflect the necessity of intensive training for networks actors. Project *Strengthening business performance management in economic networks* responds to the needs of the cluster managers and animators and with this regard it can be considered as a very beneficial and innovative.

Objectives of the project are as follows:

1. To assess the level of the actual competence of trainers from selected network as far as management of business activity is concerned,
2. To train 20 trainers in management and animation of economic networks,
3. To develop 20 Network Management Plans,

4. To develop "managerial tool kit" aimed at improving the quality of management of economic networks,
5. To correct 20 Network Management Plans according to the feedback from the test group,
6. To develop a handbook on network management as well as an article for the international newspaper on business animation and management in economic network,
7. To disseminate project results at two international conferences.

The training

The level of managerial competence gap in business network in Poland and Lithuania is pretty high. This is reflected in report highlighted as the result no. 1. The assessment of the managerial competence gap enabled to work out the methodology of the training. Basing on the initial interviews with clusters, results of the competence survey and partner meeting in Kaunas, trainers outlined general framework recommended for the project. The training was based on the following 4 assumptions:

- a) Action learning: 5 modules were delivered individually in Poland and Lithuania. Each training comprised a group training session, together with remotely assisted learning and development,
- b) Action planning – as a result of the training, Personal Development Plans were supposed to be delivered by participants,
- c) Pilot testing – the delivered examples and good practice were supposed to be tested through actual cluster operations,
- d) Remote support – long distance coaching, mentoring and support by Navigator experts.

Trainers delivered 5-practitioner-oriented action learning modules to the clusters in Poland and Lithuania:

- 1) Strategy: methods and analysing the business environment and market, organising operations, planning annual activities, defining milestones and indicators, taking and monitoring decisions, and measuring results,
- 2) Finance: a methodology for planning the financial activities and operations of each cluster. This resulted in a break-even analysis, financial targets, and costing analyses for different services offered by each cluster,
- 3) Marketing and Communications – this module focused on how each cluster can effectively market and communicate its activities abroad (different active marketing and

sales tools, identification of target groups, definition of sales planning activities, sales budgeting, and ROI monitoring, online marketing,

- 4) Internationalisation – module focused on working effectively with international counterparts (this comprised website content, mailing campaigns, proper presentation skills and documentation, etc.)
- 5) Member services: module review means of working more effectively with members, shareholders and stakeholders.

The presented content, as well as training materials have to be assessed very highly, reflecting strong professional background of the UK expert. However, the professionalism of the materials is a weakness of the process at the same time, since trainees could barely follow the trainer. This was probably also strengthened by the problems with English as the training language. Consortium, after finalising the competence survey decided to enlarge the training process and organize 5 modules sessions instead of planned two, which was obviously good move. However, the time devoted for the one module seems to be very limited. 4 hours of the general training on each module, even combined with next 6-8 hours of individual training in each cluster seems to be insufficient for those kind of knowledge. After the first two modules trainers evaluated the training and modified a little bit agenda, devoting more time for individual training, less for general training. This was a very good decision, however it was not enough time for each module anyway. In such short time, the training was very effective. In next projects partners shall be more aware towards planning time for training, maybe covering less topics but with more detailed methodology.

Personal Development Plans

The whole methodology has been based on the Key Performance Indicators. KPI also known as Key Success Indicators (KSI), help an organization define and measure progress toward organizational goals. Key Performance Indicators are quantifiable measurements, agreed to beforehand, that reflect the critical success factors of an organization. They will differ depending on the organization. This is a very good approach, which is used rarely in Poland, but often in West European Countries. From this point of view, the methodology of Plans has to be assessed highly. The structure of Plans follows the structure of the training and is divided into parts corresponding with areas of competencies of the cluster managers and animators. Most of the clusters are not big enough to cover both functional area, but in general it is very good approach. Managing business networks is to complicated task nowadays, to cover it with one person. Much better is to divide managing into direct

management functions like strategic management, financial planning and internationalisation as well as animation of network's activities, which in this case can be on-line marketing and members services (cluster represented by one person covered all activities in the Plan). From the methodological point of view, the division is correct. In the real world however, this division is not so obvious, which has not been underlined in Plans.

Plans together with used tools, seem to be too complicated for managers which supports the thesis about sophistication of the training or, much closer to the truth, about the existing huge competencies gap in Poland and Lithuania. Reading Plans, one has the impression, that the authors sometimes not exactly understand the described topic. Parts of the Plan are also on different levels of sophistication, especially on-line marketing seems to be less extensive from other parts.

Suggestions to improve in revision stage:

- a) To include some more descriptions in the financial part,
- b) Enlarge description in some points – answer of “yes it is” type, are not sufficient in most of the case.

Managerial Tool Kit

It can be a very useful in day-to-day activities. It is professional, concrete and again, sophisticated. One can express the following strengths of the tool:

- A self-diagnostic tool covering 4 specific areas,
- Users can decide which area they need the most support or coverage in,
- Real- world examples from business clusters and networks,
- Extensive methodological examples,
- Based on state-of-the-art analytics and methodologies,

And weaknesses:

- Complex materials,
- The Tool Kit assumes certain other functions are operating. For instance, it does not cover branding of clusters, which is an important element for online marketing. (On the other hand, it cannot cover all cluster functions in this depth),
- The Tool Kit has difficulty providing material for all clusters: there is such a difference in the starting point and operations of each cluster, it is difficult to address them all in a single tool kit.

Suggestions to improve in the revision stage:

- a) Include in the structure a point delivering some basic information about clusters,

- b) Adding in the structure the point about the balanced scorecard, which is a very useful tool in strategy performance management.

Dissemination activities

This is the weakest point of the project. Although there was an invitation to the project in national newspaper, only regional networks approached. Maybe the reason was that the participation in the project included costs of travelling and also time spent, which excluded managers from other parts of the country. Consortium could try to solve that problem in different way, for example offering trainings in more localisation. On the other hand this could reduce number of trainers participating each time in the session. Webs are updated more or less regularly, but project has no big events in the agenda, which can decrease no of new networks engaged in the process.

Suggestions of improving the dissemination:

- a) Deliver results to all clusters and business networks in Poland, which can comprise about 200 entities,
- b) Distribute the book among scientist dealing with clusters and regional economic policy,
- c) Organize some workshops and seminars covering the topic.