



PROGRAMME CLUSTERING DISSEMINATION



What is Cluster Analysis?

Cluster analysis had been used to make sense out of a broad range of RTD SME supporting programmes in the EU-27 and Bosnia and Herzegovina. Basically, we grouped a total of 185 RTD SME supporting programmes based on the similarity of programme managers' responses to several variables. The final cluster analysis identified three heterogeneous and well-balanced programme clusters:

- **sectoral cluster (64 programmes),**
- **SME-targeted cluster (57 programmes) and**
- **open cluster (64 programmes).**

All three programme clusters show some distinguishing, peculiar and clear-cut characteristics



Profile of the Three Programme Clusters

First of all, Sectoral Cluster includes programmes with a thematic or sectoral focus, which are open to companies irrespective of size.

The SME-targeted Cluster comprises programmes with a clear focus on SMEs. These programmes are addressed predominantly at small and medium-sized firms active in any economic sector.

On the contrary, the Open Cluster programmes cover all firms and all sectors. These programmes are thus neither targeted by size, nor sector.



Key Objectives of the Programme Clusters

The range of programmes in all three clusters is widespread in terms of the objectives. However, they can be reduced to some key objectives.

Table 1: Key Objectives of the Three Programme Clusters

Sectoral Cluster	SME- targeted cluster	Open Cluster
Support research-intensive SME in specific industries	Improve cooperation between research organizations and SME through technology transfer	Enhance innovation capabilities and support SME to get involved in R&D
Improve the competitiveness of firms in specific sectors	Enhance R&D capabilities of SME	Increase the share of SME with R&D capacities in strategic sectors
Promote co-operation projects in key industries (i.e. within clusters)	Facilitate innovation of SME	Support the development of highly innovative prototypes
Increase the share of innovative and R&D performing SME in specific sectors	Support high-tech start-ups	Encourage export-oriented development of products/services
Support research and product development in certain fields	Support technology-oriented SME	Enhance networking and clustering of SME

Cluster analysis had been used to make sense out of a broad range of RTD SME supporting programmes in the EU-27. Generally, most programmes in the sectoral cluster aim at improving the R&D capacity of firms active in the specific strategic sectors of the economy, such as ICT, manufacturing, bio-technology and environmental technology. On the other hand, most programmes in the SME-targeted cluster are technology-transfer programmes, which are open to SME in any sector and aim at transferring technology and knowledge into practice by fostering collaborative projects between industry and academia. Small-scale, but SME-friendly initiatives, like Innovation Voucher Programmes can be named as illustrative examples for this type of programmes. Finally, most open cluster programmes are designed to enhance the establishment of innovation networks among companies and knowledge institutions.

Main Results of the Cluster Analysis

The **SME-targeted cluster** is made up of a considerable number of programmes (85%), which display obviously high SME participation rates. Undoubtedly more relevant is the outcome that most of the programmes (77%) had also relatively high SME success rates at the proposal level. Also, with respect to the red tape, most of the SME-targeted cluster's programmes (60%) had assessed the administrative and reporting requirements until contract signature as being simple. In particular, in terms of the time-to-contract, comparatively more programmes pertaining to this cluster (40%) showed a speedy administrative performance of less than 3 months for the application to be finally processed until contract signature. With respect to the intellectual property rights generated within the project, most of the SME-targeted programmes (77%) specified that the SME retained the full ownership of the research results generated within the project.

The **open cluster** demonstrated high participation rates for a reasonable share of programmes, too (61%). However, these programmes were characterised by red tape, given that about 62% programmes reported the administrative and reporting requirements until contract signature as being complex. In addition, a comparatively higher share of programmes of the three clusters had lengthy time-to-contract exceeding six months (50%). This finding is consistent with the fact, that most of these programmes (62%) had the requirement of the market research being linked to the proposal, which most probably led to more complex administrative procedures until contract signature. In terms of the intellectual property rights, 60% of the programmes showed that the SME had the full ownership of the research results generated within the project.

The **sectoral cluster** displayed comparatively lower participation and success rates for 50% and 63% of the programmes, respectively. As regards time-to-contract, comparatively more sectoral programmes of the three clusters (51%) required a time span from 3-6 months until contract signature. In terms of the intellectual property rights of the research results, a comparatively lower share of SMEs of the three clusters (46%) retained the full ownership of the intellectual property rights.

Best Practice Elements among Programme Clusters

The identified best practice elements had been summed up nicely in the table 2.

Table 2: Best Practice Element as identified among Programme Clusters

Best practice elements	Sectoral Cluster	SME-targeted Cluster	SME-targeted Cluster
Speedy Time-to-Contract (<3 months)	No	No	No
High participation rates (51-100%)	No	Yes	Yes
High Success Rates (51-100%)	No	Yes	Yes
Simple administrative requirements	Yes	Yes	No
Two-stage evaluation process	No	No	No
Close-to-the-Market Requirement	No	No	Yes
Full SME ownership	No	Yes	Yes
High Funding Rates to the SME	Yes	Yes	No

Hence, not only the SME-targeted, but also the open clusters seem to apply most of the SME-friendly measures, while this had been not the case in the sectoral cluster. However, among the open cluster programmes fairly low funding rates for SME (10%) diminish this overall positive assessment.



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