

# Pilot Clustering Programme

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# Pilot Clustering Programme

- New departure in industrial policy by encouraging businesses to cooperate with each other to develop clusters of strength
- Industry led
- Based on international best practice – jointly supported by all the development agencies

# What makes a successful collaboration?

- Established for collective benefits to businesses around clearly defined and agreed business objectives and /or market focused projects
- Most effective where there is trust and active participation among members.
- Important to identify rules of engagement between members of the group so that all parties are clear on expected inputs and outputs – the biggest commitment can often be time!

# Eligibility Criteria

- Must include at least five companies that are clients of an enterprise development agency
- Encourage affiliate members – trade/business associations, companies in other jurisdictions, universities etc.
- Additional to the activities currently being undertaken by already established networks or trade/business associations
- One company nominated as lead company – funds paid through them for benefit of the group

# Benefits

- Sample of potential benefits:
  - Increased productivity and company income
  - Increased market share
  - Increased innovation and knowledge transfer
  - Enhanced capability - development of employee skills and abilities and access to resources
  - Enhanced physical capital – sharing facilities, sharing equipment etc.

# Funding Support

- Phase 1 – Feasibility/Scoping Study Phase
  - Provides funding for groups to undertake a feasibility study to scope out and define a clustering opportunity and develop a proposed project plan
  - Project should typically be completed within a 4-6 month timeframe from date of approval
  - Funding available up to a maximum of 70% of the total eligible feasibility study costs or €20,000 (whichever is the lesser)
  - Call open until Tuesday 18 September 2012

# Phase 1 Outputs

- Feasibility report detailing activities/work undertaken by the group and outcomes/findings/conclusions of this work
- Defined opportunity for the group
- Proposed project plan for continued collaboration (if appropriate)

## Claim Process:

- Grant paid via lead company on receipt of grant claim form when the feasibility/scoping phase has completed – final report must accompany claim

# Funding Support

- Phase 2 – Facilitation Phase
  - Provides funding for groups to undertake clustering projects which are industry-led and involve businesses collaborating for specific purposes, where the results of the activity will have some identifiable and measurable impact on their business.
  - Projects may be up to 2 years in duration from date of approval
  - Funding available up to a maximum of 50% of eligible costs or €100,000 (whichever is the lesser).
  - Groups are required to hire a facilitator to coordinate and drive activities of the cluster
  - Call open until Tuesday 18 September 2012
- Groups need not have applied for Phase 1 support to avail of Phase 2 support



# Phase 2 Outputs

- Interim and final reports detailing activities/work undertaken by the group and outcomes/findings of this work, including evidence of impacts achieved
- During course of project, group facilitator along with number of members will meet and update EI on project progress, milestones achieved, review financial situation of the project etc.

## Claim Process – 1<sup>st</sup> payment:

- 50% of the total value of the grant approved will be paid to the nominated lead company/network on receipt of:
  - Evidence that the facilitator has been appointed
  - Details of matching for the first 50% (time and cash contributions)
  - Tax clearance certificate for the lead company/network
- Future payments made based on progress and project timelines

# Evaluation

Evaluation panel will review eligible applications, evaluated against the following:

## **Phases 1 & 2:**

- Make up of proposing group (range of stakeholders involved relevant to the project proposed).
- Project specification (additionality of proposed project, plausibility of project planned, strategic importance of the proposed project, budgets identified)
- Expected Impacts to participants and the methods employed to achieve these benefits.

## **In addition, evaluated at Phase 2 Only:**

- Methodologies of shared learning and collaboration between members must be clearly demonstrated.
- Commitment to execute (scale of resources identified by participants, provision for matched financial input considered, financial health of lead company)
- Methods to be employed to monitor and evaluate the clustering project
- Credibility of facilitator identified, including experience of project management

# Contact

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