



# **The Initiative Competence Networks Germany**

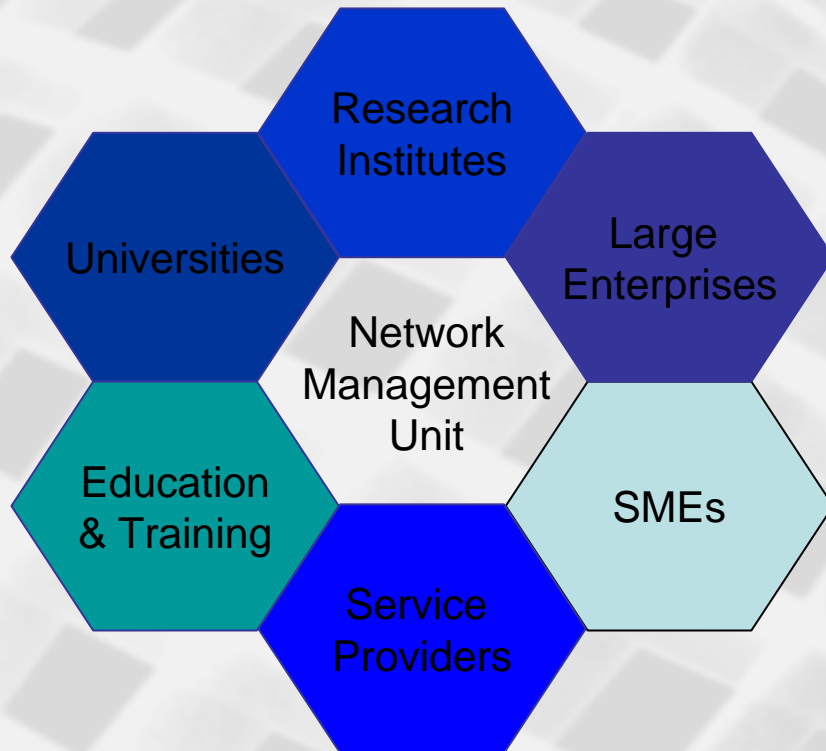
## **- A Tool To Strengthen German's Most Innovative Clusters -**

**Dr. Gerd Meier zu Köcker**

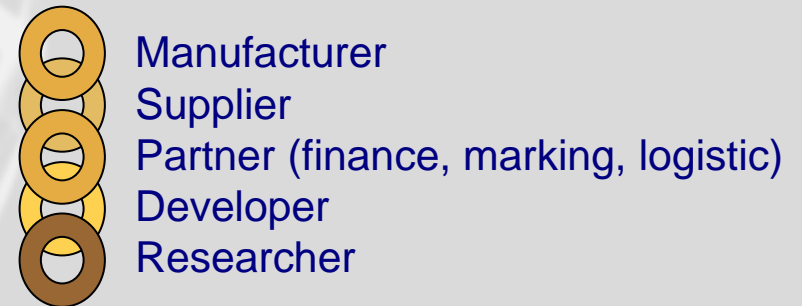
**Director**

**Agency Competence Networks Germany**

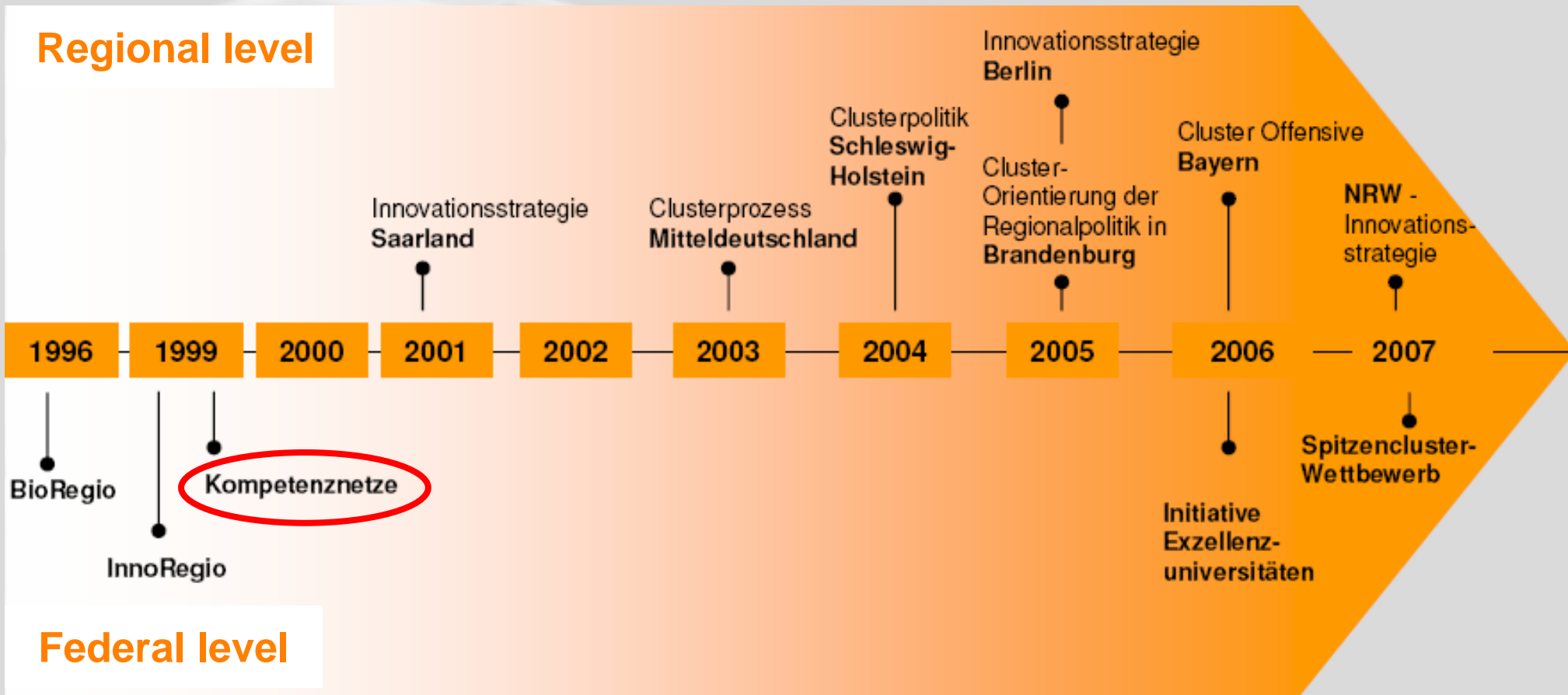
# Typical Main Partners of a Regional Network / Clusters



- Thematic Focus
- Regional Concentration
- Complete Coverage of Value Chain

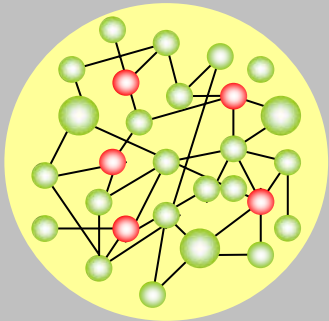


## History of German Cluster Initiatives (not all initiatives listed)



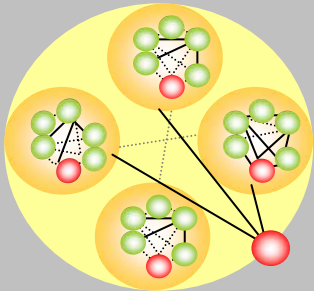
✓ Innovation and regional policy is increasingly linked to cluster initiatives in Germany

## History and Governance of German Networks\* - Short Characteristics



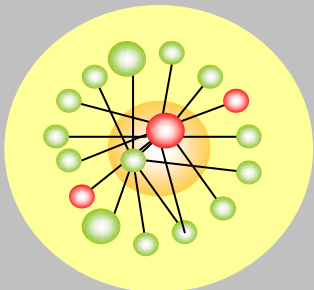
### Bottom-up network

- decentralized governance
- network coordinator mostly selected by the cluster members, mostly running without public funding
- political influence: low



### Top down network, externally initiated

- centralised, externally governed
- network coordinator mostly nominated by the initiator
- political influence: high, mostly initiated by governments on regional or national level; depending on public funding

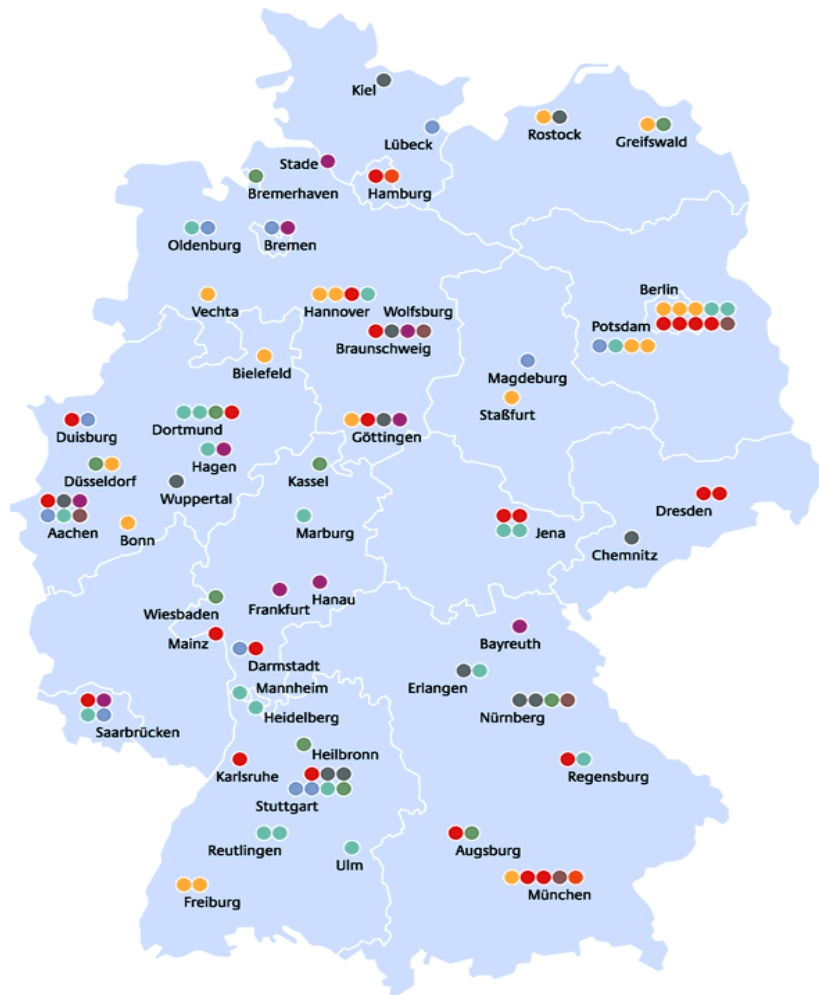


### Top down network, internally initiated

- centralised, internally governance
- lead organisation acts mostly as network coordinator and dominates the network; depending on public funding
- political influence: varying

\* According to  
Provan, Kenis, (2007), J. of Public  
Administration Research and Theory

# The Initiative Competence Networks Germany – An Example how Government Supports the Development of Strong Networks



Standorte der Koordinatoren

- |                            |                          |                                 |
|----------------------------|--------------------------|---------------------------------|
| ● Biotechnologie           | ● Verkehr und Mobilität  | ● Neue Materialien und Chemie   |
| ● Mikro-Nano-Opto          | ● Gesundheit und Medizin | ● Information und Kommunikation |
| ● Produktion und Verfahren | ● Energie und Umwelt     | ● Luft- und Raumfahrt           |

The Initiative  **KompetenznetzeDeutschland**  
networking for innovation



- is run under the patronage of the Federal Ministry of Economics and Technology (BMWi)
- gathers and supports the best 116 regional networks / clusters in Germany
- can be considered as **”Club of the Best Innovation Networks”** in Germany
- provides tailor-made support for its members
- aims to further strengthen its member clusters
- has ambitious selection criteria in force

## Inward-Oriented Channels of Action for Member Networks

The "Initiative Kompetenznetze Deutschland" by the BMWi acts via an external office (does not provide direct funding) and allows its members especially for the following advantages:

- ✓ Membership as a quality label
- ✓ Benchmarking of networks (free of charge for members)
- ✓ Supporting the further development of its members in the various fields (tailor-made support), current hot topics are
  - Interdisciplinary co-operation
  - Internationalisation
  - Training and education as a dedicated service of networks
  - Sustainable financing
- ✓ Exchange with and learning from other members
  - Workshops, training courses, conferences
  - Best Practises

## Outward-Oriented Channels of Action for Member Networks

**Increased visibility for national and international investors, scientists, and decision makers in business, policy and administration who are willing to co-operate and who are searching for a investments**

- Internet homepage: about 130,000 visitors per month
- Annual report with an edition of 12,000 copies
- Linking with the location marketing of the BMWi, as well as with the research marketing of the BMBF (Federal Ministry of Education and Research)
- Possibility of presenting themselves at relevant target audiences via trade shows, events, and publications

# Criteria for Membership (1)

## Thematic focus

## Regional concentration

## Organisation and identity of the network

- Active and continuous contribution of the players to the inside
- Clear profile to the outside
- Openness for new members

## Players from various levels of the value chain

- Universities, research institutes, enterprises, the service sector, especially financial services, education and advanced training
- At least one university/research institute, active role of enterprises
- At least 15 industrial players, proportion of businesses > 50%



## Criteria for Membership (2)

### **Collaborative development of technology**

- Quality and intensity of co-operation

### **Sustainability of the network**

- Age usually 3 years at the minimum
- Targeted for continuance (not only the project)
- Sustainable funding (membership fees, sponsors, etc.)

### **High innovative potential**

**Thank you very much for your attention !**

**Agency Kompetenznetze Deutschland**

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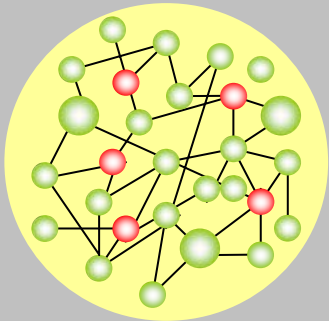
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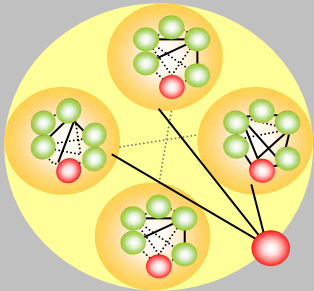


# History and Governance of German Competence Networks

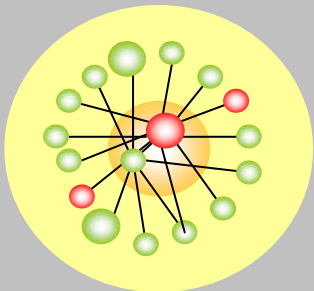
Based on 75 members  
of Kompetenznetze Deutschland



- 20 % of all members were originally bottom-up initiated
- currently about 30 % of all members fit to this kind of governance (decentralised governance)



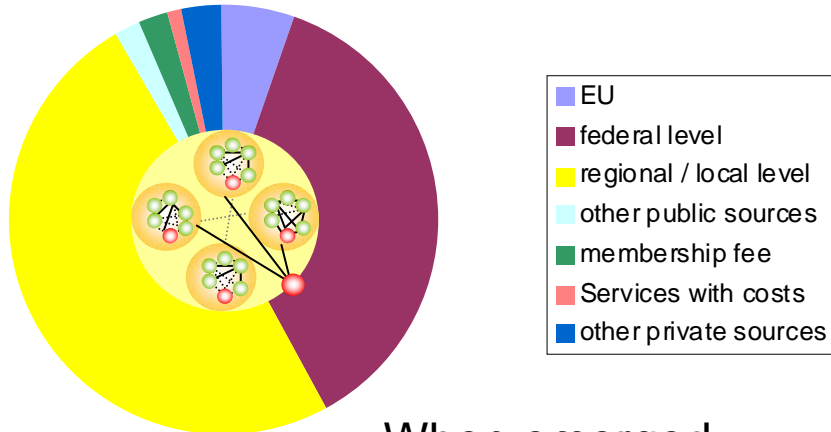
- 70 % of all members were externally (politically) initiated, mostly by governments on regional or national level or business development agencies
- some of them turned to shared governance in the meanwhile



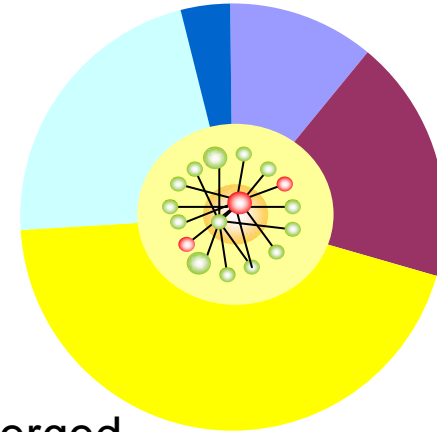
- 10 % of all members were originally internally initiated by a lead organisation (mostly R&D-institutions)
- none has changed its governance so far (all are lead organisation governed)

# Development of Financing of Networks vs. History

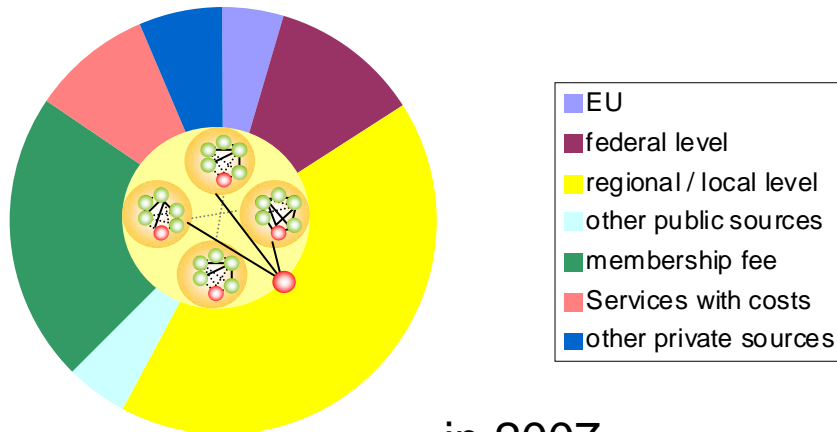
Top-down network, externally initiated



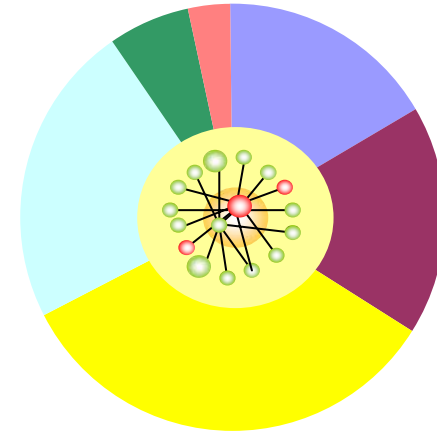
When emerged



Top-down network, internally initiated



in 2007



Based on 75 members  
of Kompetenznetze Deutschland

## Links between History and Governance of Networks (and Clusters)

History of  
network

Bottom-up  
initiated

Top-down network,  
externally initiated

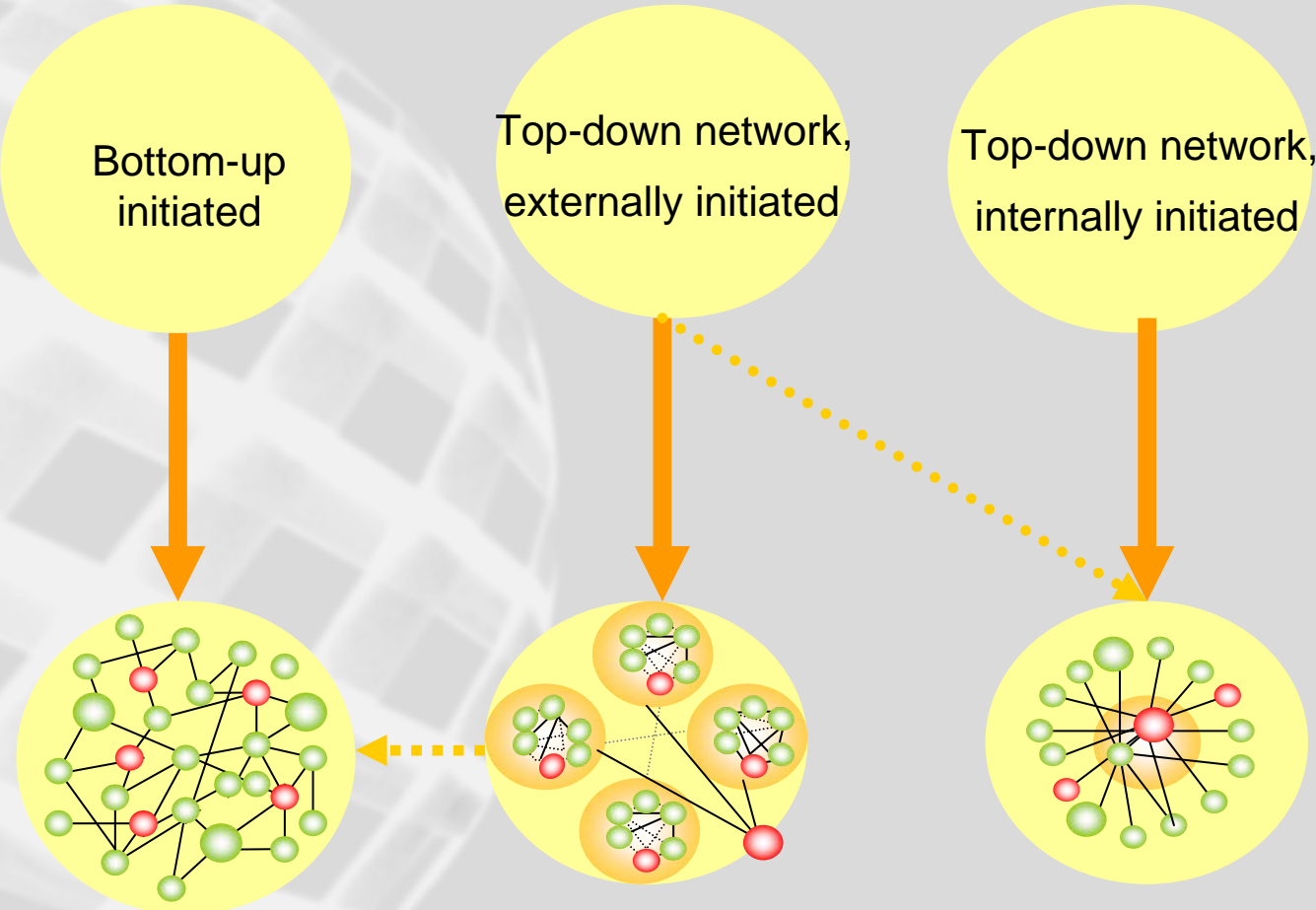
Top-down network,  
internally initiated

Network  
governance

Shared  
governance

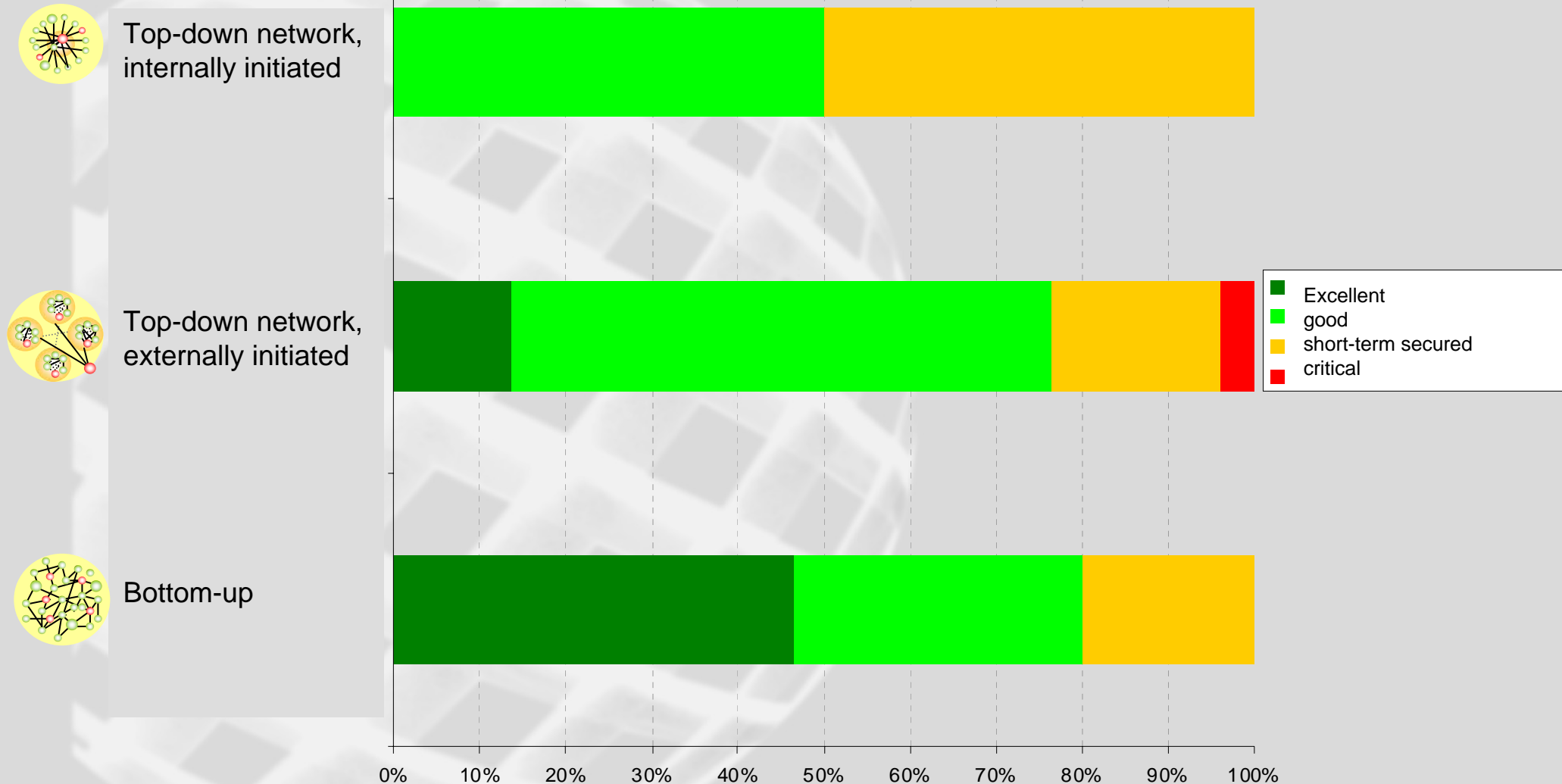
Externally governed

Lead  
organisation-governed



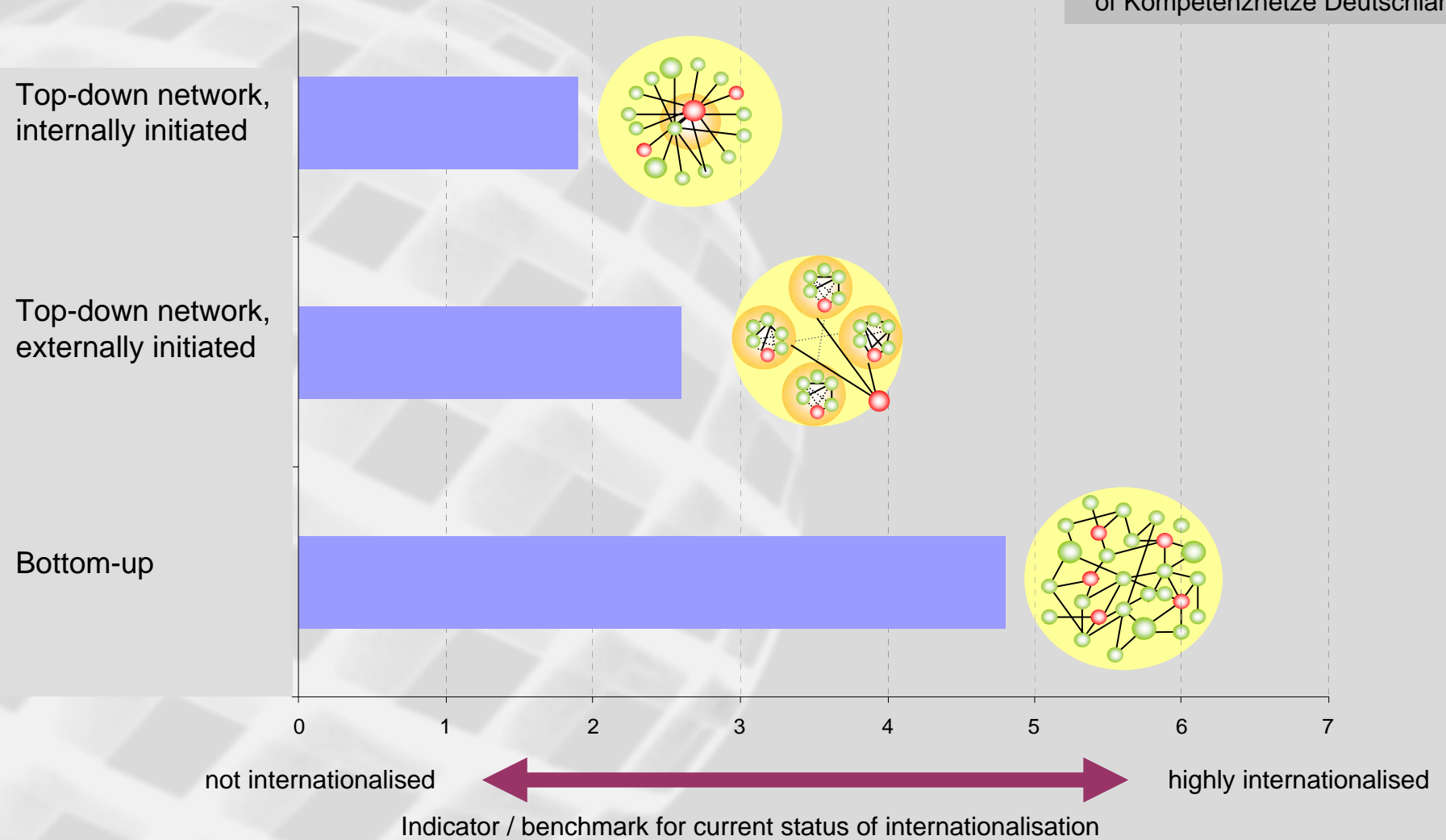
# Sustainability of Financing of Networks vs. History\*

\* Based on 75 members  
of Kompetenznetze Deutschland



# Degree of Internationalisation vs. History\*

\* Based on 75 members  
of Kompetenznetze Deutschland



# Impact of the History of Networks and Clusters on their further Development

According to our empirical analysis of the characteristics of 75 member networks gathered in the Initiative Kompetenznetze Deutschland

Top-down networks, externally initiated, tend to

- depend less from public funding sources
- increase their part of private financing over the years
- have a more sustainable financing structure
- have more often an organizational structure (membership association)
- have more staff working in the network administration organization
- reveal a stronger growth (according to number of members)
- have less temporarily members
- be well balanced concerning member hierarchy
- offer more tailor-made services to their members
- reveal a better overall performance (according to our internal criteria)

compared to top-down networks, initiated and dominated by a lead organisation