



Models for internationalization of SMEs through clusters

Lessons learned from
internationalization projects supported by
BSR Stars Innovation Express

Introduction

BSR Stars Innovation Express

Since 2013, ministries and agencies in the Baltic Sea Region have coordinated joint initiatives for supporting the internationalization of SMEs through clusters and cluster like organizations.

The name of the joint initiative is BSR Stars Innovation Express. It is an instrument to foster the internationalization of SMEs through clusters or business networks and concept encompasses three elements:

- Coordinated joint calls for proposals - where approved projects are funded with seed capital from ministries and agencies in the region.
- Cluster matchmaking events offering clusters the opportunity to build up their international network.
- Capacity building and policy learning activities. These activities mobilize actors and initiate international learning – and lay the foundation for longer-term international innovation partnerships

Clusters can play a key role in the internationalization of small and medium-sized enterprises (SMEs). Several analyses and reports show that SMEs in clusters are more innovative and internationally oriented than other SMEs. But on a more specific level: What will an SME gain from internationalization through a cluster? How can clusters support the internationalization of SMEs? And what are the specific models for cluster internationalization?

Through the Baltic Sea Region clusters, their members and policy entities from 11 countries/ regions have tested and developed new ways of working with internationalization through an initiative called BSR Stars Innovation Express.

Since 2013, countries and regions supporting BSR Stars Innovation Express have provided seed capital worth EUR 6 mill supporting over 170 projects developing new models and methods to internationalize SMEs through clusters. The projects have involved more than 200 clusters while engaging almost 4000 companies. This collaboration has lead to cross-sectorial innovation, building value chains in the region and helping SMEs to get new knowledge, access to new markets and contracts.

This booklet presents key learnings from the evaluation to inspire clusters on internationalization– and hopefully also encourage other countries/ regions to enter this successful tool for internationalization of clusters and their members.

The ambition with this booklet is to further strengthen the professionalization and understanding of the important role clusters can play for internationalization of SMEs. The booklet is based on the evaluation of 35 international collaboration BSR Stars Innovation Express projects¹, involving 54 clusters and more than 1200 SMEs from the 6 participating funding partner countries – as well as 41 additional clusters and companies from other countries.

Hope you will be inspired by the learning of cluster internationalization.

Enjoy the reading.

¹ The evaluation includes Innovation Express projects approved in 2014 and implemented January 2015 to June 2016. The booklet also includes a summary of other BSR Stars Innovation Express activities 2013-2016.

Clusters are an effective instrument to support internationalization

With limited time or capacity, lack of financial resources, and lack of defined opportunities and/or potential partners, SMEs may need support to engage in and develop their internationalization activities.

The good news is that internationalization support provided by cluster organizations is well-aligned with SME needs: An overwhelming majority of SMEs (95 pct.) reported that cluster/network organizations were helpful in understanding the company’s needs, identifying opportunities, mobilizing and catalyzing the company’s international activities.

SMEs reported that the most helpful cluster activities supporting internationalization are:

1. General networking and access to new international contacts/ cooperation partners
2. Access to market information/benchmarking/ inspiration and
3. Exposure to new opportunities/new partners in other sectors or application fields

SMEs internationalizing through clusters have highlighted the value of getting introduced to the “right contacts” – where they can gain new insights/ inspiration as well as relevant channels into new markets, as well as the importance of receiving international visibility/legitimacy and exposure to a broader range of opportunities.

The SMEs view knowledge sharing and identification of new opportunities and access to new partners and broadened networks as the main results from Innovation Express projects – with over 60 pct. for each of the effects. This mirrors the two internationalization support activities that SMEs view as most helpful. Nearly 20 pct. of SME respondents indicate that projects also result in the initiation of longer-term research and innovation collaboration or commercial contracts.

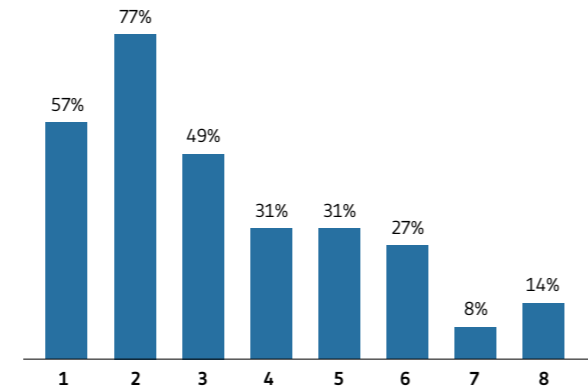
The benefits of SME internationalization through clusters are:

- Better understanding of new markets/players
- Knowledge sharing and inspiration; identification of new opportunities (both within and between clusters)
- Access to new partners and broadened networks (with other companies and public sector actors)
- Strengthened presence/visibility in new markets
- Initiation of longer-term research and innovation collaboration
- Initiation of commercial contracts

Cluster organizations seem to be a very effective instrument to support SME internationalization.

SMES’ VIEW ON MOST HELPFUL INTERNATIONALIZATION SUPPORT ACTIVITIES*

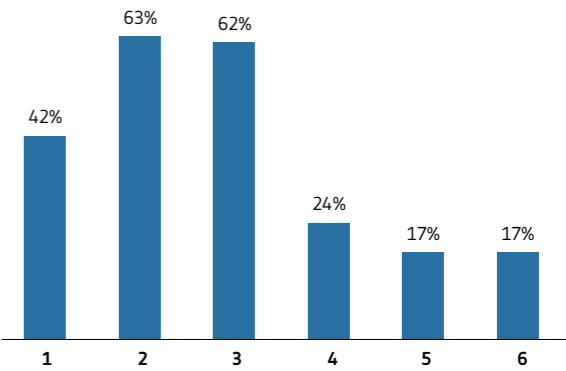
- | | |
|--|---|
| 1 Access to market information/ benchmarking/inspiration | 5 Access to new markets |
| 2 General networking and access to new international contacts/ cooperation partners | 6 Access to particular knowledge sources (e.g. individuals or centres with specific expertise) |
| 3 Exposure to new opportunities/ new partners in other sectors or application fields | 7 Access to external infrastructure (e.g. physical or virtual labs, demonstration or test facilities) |
| 4 Development of stronger international visibility | 8 Facilitation/initiation of collaborative research and/or development processes |



* based on answers from 109 companies

SMES’ VIEW ON MAIN RESULTS/EFFECTS OF THE PROJECT FOR THEIR COMPANY*

- | | |
|---|---|
| 1 Better understanding of new markets/players | 4 Strengthened presence/ visibility in new markets |
| 2 Knowledge sharing and inspiration; identification of new opps | 5 Initiation of longer-term research and innovation collaboration |
| 3 Access to new partners and broadened networks | 6 Initiation of commercial contract or commercial transaction |



* based on answers from 109 companies

Models and methods for SME internationalization through clusters

By providing relatively low levels of financing (10.000 – 60.000 EUR) for shorter-term (12-18 months) international innovation projects, BSR Stars Innovation Express can be seen as seed funding for clusters wanting to explore and test new or existing models and methods for internationalization.

Many models and methods for internationalization of SMEs through clusters for have been tested in BSR Innovation Express projects. In this booklet, we have gathered some of the most successful models:

- **Clusters internationalization along the value chain:** Most production is organized in value chains taking the product from raw material to the market. Clusters joining forces along the same international value chain can help companies to produce new ideas, prototypes and concepts. This booklet features cases on cluster-driven SME internationalization along food and forestry value chains.
- **Cross-sectorial cluster innovation:** Collaboration across sectors fosters innovation and new opportunities for SMEs. Here clusters can play a key role in facilitating the innovation process with SMEs. This booklet shows how clusters across sectors can transform the challenge of an aging society into a business opportunity for their enterprises.

- **SMEs globalization via clusters:** Globalization offers many new opportunities for SMEs however the distant foreign markets can be hard to access for SMEs. Here clusters can catalyze new business opportunities for SMEs by opening doors in these difficult markets. In this publication it is highlighted how a biomass cluster supported bio-energy companies into the Chinese market.
- **System export via complex product solutions:** The aim of this model is to increase the export of technologies and solutions by helping companies enter into partnerships to deliver expertise in the form of innovative total package solutions for foreign buyers. Here the role of the cluster is to identify the foreign buyers and create the SME partnerships providing the solutions. This book features the case of complex cleantech solutions.



- **Transnational cluster platforms:** In this model clusters from the same sector join forces and build up a platform with the aim of combining existing resources, customers and proven business development methods from clusters in order to help their SMEs reach a larger market.
- **Clusters supporting SMEs' international research:** H2020 offers EUR 80 billion for research and development. But the funding is difficult to obtain especially for SMEs. With clusters as mediators these barriers can be decreased.

This booklet gathers seven cases showing how clusters can support internationalization of SMEs. Each case story includes a description of key aims/ objectives, how SMEs were engaged in the project, the results that were achieved, and how these will be used going forward.

New products and international value chains

Clusters spur innovation and new business opportunities for small food producers in their respective countries

Through a first Innovation Express project in 2013, the food cluster Ideon Agro Food in southern Sweden began working with Danish partners - AgroTech and FoodNetwork - to help spur innovation and new business opportunities for small food producers in their respective countries. Through "study visits" across the border, groups of 8-10 small companies from each country made new network contacts and gained new knowledge (on e.g. production and processing, social media and marketing) – providing inspiration for new product development and new transnational business collaboration.

Rathckegården in Sweden was one of the companies who participated in the Danish study visit in 2014 – gaining insights and access to a new Danish service supplier, which helped the family-run company turn one of their by-products (wool) into new products (yarn and woolen blankets) to sell in the farm shop. "Cooperation with others gave us inspiration on new ways of doing things and new contacts – which has led us to develop new supplier relations and offer new products to our customers. This has had very positive effects. Every month, we have more customers and higher revenues." (Maurd Jönsson, Rathckegården).

Inger Ahldén from Ideon Agro Food explains that many participating companies have begun working

with new product development ideas that emerged from the study visits. "By providing companies with new knowledge in a very practical/hands-on environment together with peers from other geographies, we experienced that many new ideas emerged."

Building on the solid cooperation, the Swedish and Danish partners teamed up again for a second Innovation Express project in 2015 – adding a new partner in Latvia. The transnational team applied the same approach with a group of 20 small companies to produce new ideas, prototypes and concepts for fruit and berry products. These companies are currently implementing new ideas resulting from the project activities.

"The presentations held in Foodture Lab gave us a good insight in the tendencies of the Danish and Swedish markets that helped us to understand several new product lines that we could produce in the nearest future. We were introduced to scientists researching the same products that we work with, with the possibilities that they can offer us. We also have already consulted one of them and received an immeasurable advice that otherwise would cost us a lot of money." (Ilze Sauskina, Marketing Manager, Very Berry, SME from Latvia.)



"The presentations held in Foodture Lab gave us a good insight in the tendencies of the Danish and Swedish markets that helped us to understand several new product lines that we could produce in the nearest future..."

*Ilze Sauskina, Marketing Manager,
Very Berry, SME from Latvia*



Transnational cross-clustering boosts SMEs

Cross-cluster forest industry collaboration led to the creation of a new value chain for the participating SMEs

Cross-cluster collaboration between two forest industry clusters from Sweden/Norway (Paper Province and Tretorget) - with one agro business cluster from Denmark (Innovation Network for Biomass) lead to the creation of a new value chain for the participating SMEs. Building on successful connections from BSR Stars Cluster Matchmaking Conferences and the inter-cluster platform that was established as a result of an earlier Innovation Express project, the ABEIS project (Accelerating Bio-Economy Innovation for SMEs) focused on boosting innovation processes and exploiting new market possibilities in the circular economy by creating higher value from side- and waste streams.

Through study visits, matchmaking (40 people) and pitches, the companies connected to each other. This provided SMEs with more opportunities for finding new competence (for future development) – while it also made it possible to find relevant matches for current business. “We have initiated contacts from all the different events, both commercial and (development) collaboration – many of which would not have been possible without this project’s help. A better understanding of different markets is easier (to attain) when meeting and getting first-hand information through meetings.” (Carl Romlin, Project Manager, Drinor AB)

Participating SMEs benefitted from access to larger test markets, and new cooperation partners – creating new offers and access to more (and different) expertise. “Increased networks always gives new possibilities for business.” (Joar Stensløyken, CEO/owner, Silviforum AS). “The project was a great help to identify opportunities. My company got new contacts, which will help us develop our sales potential.” (TTC Norge)

The project also experienced examples of large companies who gained access to new technology from one of the other clusters, and strengthened cooperation between the R&D institutions/ universities in the clusters. One learning from the IE-projects is that SMEs need funding to be able to work more deeply and transnationally with their RDI projects. Through an inter-cluster platform, the clusters work together to strengthen their regions, the individual clusters and their members through teaming up in applications for larger, longer-term research and innovation projects (in e.g. Horizon 2020 INNOSUP and various Interreg programmes). Members of the inter-cluster platform have developed six concept notes and three applications, often as partner to larger consortiums. So far the ABEIS partnership has been successful in one application for INNOSUP (now at stage 2) and one project in the Interreg SE-NO program.

“For the companies in our cluster, the network has gotten bigger. We can provide the possibility of more attractive opportunities when sister-organizations are included.”

Ola Rostad, Cluster Manager at Tretorget

In general, the project has provided a platform for mutual learning through benchmarking of best practices. This has created direct and indirect benefits through operations that are more efficient, and new and more complex offers combining products and services. “For the companies in our cluster, the network has gotten bigger. We can provide the possibility of more attractive opportunities when sister-organizations are included.” Ola Rostad, Cluster Manager at Tretorget.

“Innovation Express funding has helped our cluster to start to work with our neighbour clusters in the Nordic countries on a regular basis. We share knowledge, connect SMEs, discuss and participate in different applications/projects. This small funding has really had a big impact on our cluster.” (Magnus Persson, Senior advisor Innovation & Development at Paper Province)



Complex cleantech solutions

Complementary cluster competencies develops capacity and address waste management challenges in Tallinn

The Danish CLEAN cluster teamed up with the Oslo Renewable Energy and Environment cluster OREEC to leverage their complementary competencies to develop capacity and address waste management challenges in Tallinn – while providing their SMEs with business opportunities in new markets.

The clusters joined forces to develop a common methodology for understanding demands and bring relevant actors from their respective clusters together

to work on integrated cleantech solutions. SMEs were involved through workshops and meetings with their counterparts in Estonia – learning about demands and identifying new opportunities.

“We discovered that these kind of activities are really relevant for SMEs, but that it takes time to develop such complex business opportunities. Our SMEs are quite happy that they have identified opportunities, but companies tend to ‘wait and

see’ – as projects with/for the public-sector tend to take a lot of time to develop. We have tried to get SMEs to work together with large companies so that risks/resources can be spread over a larger group. The cluster organizations play an important role in facilitating the ‘maturing’ of project opportunities for SMEs. But we would have needed more time to ensure that SMEs got not only knowledge and partners to work with, but also help in following-up on the specific opportunities that were identified.”

(Morten Kildahl-Sørensen, Project Manager, CLEAN)
 “The project was a great opportunity to share knowledge, identify new opportunities and develop a better understanding of new markets and players. The project was an important contribution to broaden our networks and start building relations with new partners. A long-term innovation collaboration was initiated in the form of a H2020-application, involving Estonian stakeholders. But the size of the (Innovation Express) project was too small and the timeline too short to initiate any commercial contract or transaction for SMEs. Building relations and trust (between companies) takes years, and (this first) project has contributed as part of an ongoing process.” (Project Manager at OREEC)

The primary result was the initiation of the transnational partnership, and the development of the “Complex Cleantech Solutions methodology”. The Danish and Norwegian partners mobilized many other actors (including 5 clusters and 5 public authorities) to apply together for a Horizon 2020 call: Industry 2020 in the Circular Economy – aimed at inspiring new regulation for e.g. the use of organic waste. Although the proposal received high scores, it was not selected for funding.

The (now broadened) transnational partnership continues to look for new possibilities (and funding) to build on this successful first step.



Developing new innovation areas

Clusters explore new areas for development at the intersection of sound and health

After meeting at the Cluster Matchmaking Conference in Berlin, the Danish Sound Innovation Network teamed up with the German Medical Valley cluster to explore new areas for development at the intersection of sound and health.

The cluster organizations engaged both SMEs and research actors from their respective geographies in two innovation tours to Munich in June 2015 and to Brussels in November 2015. The first event provided the opportunity for initiating a number of new business-to-business and research-to-business connections and included a business mission, and the second included workshops leading to creation of project consortiums as well as a policy event in the European Parliament.

The result was the mobilization of new international connections, and the identification of new opportunities for development of sound solutions for the healthcare sector. In addition, the project helped initiate SMEs' interest in pursuing longer-term international research and innovation collaboration – through applications to e.g. Horizon 2020 calls.

“Our membership in the SoundCare project has given us valuable access to potential partners and knowledge. We have in addition learned about the Horizon2020 program, and as a consequence of this we are in the process of preparing an application for the ICT ODI call under the SME structure. Without

the Innovation Express project, it would have taken a much longer time. This initiative has provided a valuable shortcut for us to come earlier to the market.” (Audientes, Danish SME participant)

“The process has fulfilled more than we expected. We have found new partners and attained new knowledge in sound innovation, as well as information on processes to get funding. This has for sure lead to more international activities.” (Wavecare, Danish SME participant)

The Danish Sound Innovation Network plans to support efforts to apply for longer-term funding – helping their SMEs to develop new innovation areas in the future.

“The Innovation Express approach is a good way to initiate cross border initiatives in small scale. Cluster organizations can help mobilize and engage their SMEs and research actors in international activities, but it is up to them to act on identified opportunities.” (Jan Larsen, Director, Danish Sound Innovation Network)

*“The process has fulfilled more than we expected.
We have found new partners and attained new knowledge in
sound innovation, as well as information on processes to get funding.”*

Wavecare, Danish SME participant



From oldies to goldies

Cluster support transforming the challenge of an aging society into a business opportunity for their enterprises

Building on initial connections established in 2012 through the StarDust Comfort in Living network, the Danish Lifestyle & Design Cluster and Swedish Tillväxt Tibro clusters teamed up with the French Silver Valley cluster to transform the challenge of an aging society into a business opportunity for their enterprises.

The clusters engaged their SMEs to participate one-day workshops (one in Denmark and one in Sweden) that included expert interventions and matchmaking opportunities. The workshop in Sweden provided new knowledge on sustainability and circular economy, and smart materials. While the workshop in Denmark provided new knowledge about “Generation Jones” – the 50+ segment with high demands on service, quality and appearance, as well as strong purchasing power. “The goal with the day was to inspire housing and clothing companies about this business segment, which appears to be large in the future.” (Joan Knudsen, Lifestyle & Design Cluster, DK)

In total, 15 companies within wood and furniture, interior and clothing industries as well as representatives from the municipality, university and other educational organizations participated in the workshops. The workshops resulted in both the identification of marketing and product development opportunities within participating companies, and also the possibility to cooperate with leading actors

specialized in other sectors to create smart products adapted to seniors’ needs.

“Generation Jones is an interesting target group to develop products for – if you understand their use patterns. The workshop provided us with relevant insights on how users in this segment think and act. Based on this, we’ve increased our attention to factors related to product development and communication.” (Niels Stendys, Kvik A/S)

In addition to providing new knowledge and new connections, the Innovation Express project resulted in a broadened partnership among clusters and specialized research environments in the Baltic Sea Region. The clusters in Denmark and Sweden – together with other partners in Poland, Germany, Finland, Estonia, Latvia, and Lithuania and Norway – were successful in attaining three-year funding from the BSR Interreg programme for the Balt Se@nioR project. The project will combine expertise

in furniture, design, technology, ICT and robotics, economy and social sciences to provide companies with new tools and working methods for product design and development in furniture safety – addressing the specific needs and preferences of seniors.



Bridging the innovation gap

Clusters address Nordic health technology SMEs’ needs for service and test opportunities to enter international markets

An Innovation Express project on “Nordic m-/e-health” (approved in late 2014) brought Oslo Medtech together with Medtech Innovation in Denmark and Skåne Innovation² in Sweden – providing them with the possibility of mapping and comparing their SMEs’ needs for service and test

opportunities in order to help their companies enter international markets.

In close dialogue with their SMEs, these cluster organizations developed a longer-term strategy and operational model for supporting health technology



companies with regulatory navigation, fast testing and interoperability services – areas critical for success within connected health.

The Innovation Express project resulted in a number of follow-on projects – including the Nordic Network of Testbeds financed by Nordic Innovation with 4 million NOK. This network of seven test beds (Oslo University Hospital – Intervention Centre and Sunnaas sykehus HF in Norway; Nordic Medtest, Karolinska University Hospital, and SLL Innovation in Sweden; Helsinki University hospital in Finland; and the Centre for Regional Development, Department for Research and Innovation in the Capital Region of Denmark) work actively together to contribute to business development in the Nordic healthcare sector.

This network of testbeds (and facilitators of testbeds) provides SMEs with new knowledge, new partners, concrete development and test opportunities – as well as broader exposure to international markets. The Swedish SME Ewa Solutions highlights: “We have gotten a cooperation with Telia Healthcare, several meetings with key players, partners and potential customers. We have also gotten international exposure – which we deem important. The network (of cluster organizations) plays a big part; they understand the companies that are part of the network – which makes it possible for them to provide help that is very valuable.”

With a successfully functioning model for setting-up and networking between testbeds, the seven partnering testbeds are looking into opportunities to expand – both in terms of new partners and in terms of broader reach through communication in international markets (e.g. USA).

In addition to this successful network of Nordic testbeds, the initial group of clusters partnering in Innovation Express has developed a number of other projects³ to support business development and new global connections for SMEs in the Nordic healthcare sector. The initial matchmaking events and funding provided by Innovation Express catalyzed new activities and project financing (totaling more than 3 MEUR) – and continues to lead to new opportunities benefitting Nordic SMEs.

“We have gotten a cooperation with Telia Healthcare, several meetings with key players, partners and potential customers.”

The Swedish SME Ewa Solutions

² Formerly Teknopol AB

³ Including three projects within the Horizon 2020 INNOSUP call “Cluster-facilitated projects for new industrial value chains” in 2015

Catalyzing new business opportunities in China

Cluster helps Danish biomass companies enter the Chinese market

“INBIOM has helped me sort through new contacts and direct my efforts at the right companies, saving time and money. For a little company like mine – without the time for networking – this has been very valuable.”

Arne Madsen, AEM Engineering


It all started in 2012 with an identified opportunity for addressing the market potential for biomass technologies in China an idea that led INBIOM (the Danish Innovation Network for Biomass) to apply for an Innovation Express project aimed at helping Danish companies enter the Chinese market. Innovation Express funding was used to host a delegation of Chinese companies in Denmark – where they toured and initiated relationships with a number of Danish SMEs.

The visit helped participating companies establish contact with 30-40 potential customers or cooperation partners in China. And for AEM Engineering, the visit led to orders for biogas plants and licenses for Gosmer biogas plants. INBIOM and the local Enterprise Europe Network office worked together to offer advanced screening of Chinese companies and advisory support throughout negotiation processes – helping six Danish companies secure 6-10 MDKK (0,8-1,3 MEUR) in new business.

“INBIOM has helped me sort through new contacts and direct my efforts at the right companies, saving time and money. For a little company like mine – without the time for networking – this has been very valuable.” (Arne Madsen, AEM Engineering)

Years later, companies within INBIOM continue to report effects from the initial visit. Passat Energy established collaboration with the Green Building Research Centre under Beijing Building Construction Research Institute (in 2013) for supplying heating solutions for environmentally-friendly hotel construction. And in 2015, this collaboration turned into an order worth 1,2 MDKK.

INBIOM Cluster Manager Jacob Mogensen explains that it has taken years to reach this level of success in China, and many factors have contributed: a clear market demand to which INBIOM companies could respond, the complementary roles that INBIOM and EEN could play in providing tailored support to companies, and the recruitment and focused support from an individual with knowledge of both the Danish and Chinese markets. Various funding streams have been used over the years, but Jacob highlights that Innovation Express played a key role: “INBIOM doesn’t have financing to take on these kind of international activities. Innovation Express made it operationally possible to get started.”

 Scan the QR-code and watch the video



Agro Business Park

Phase

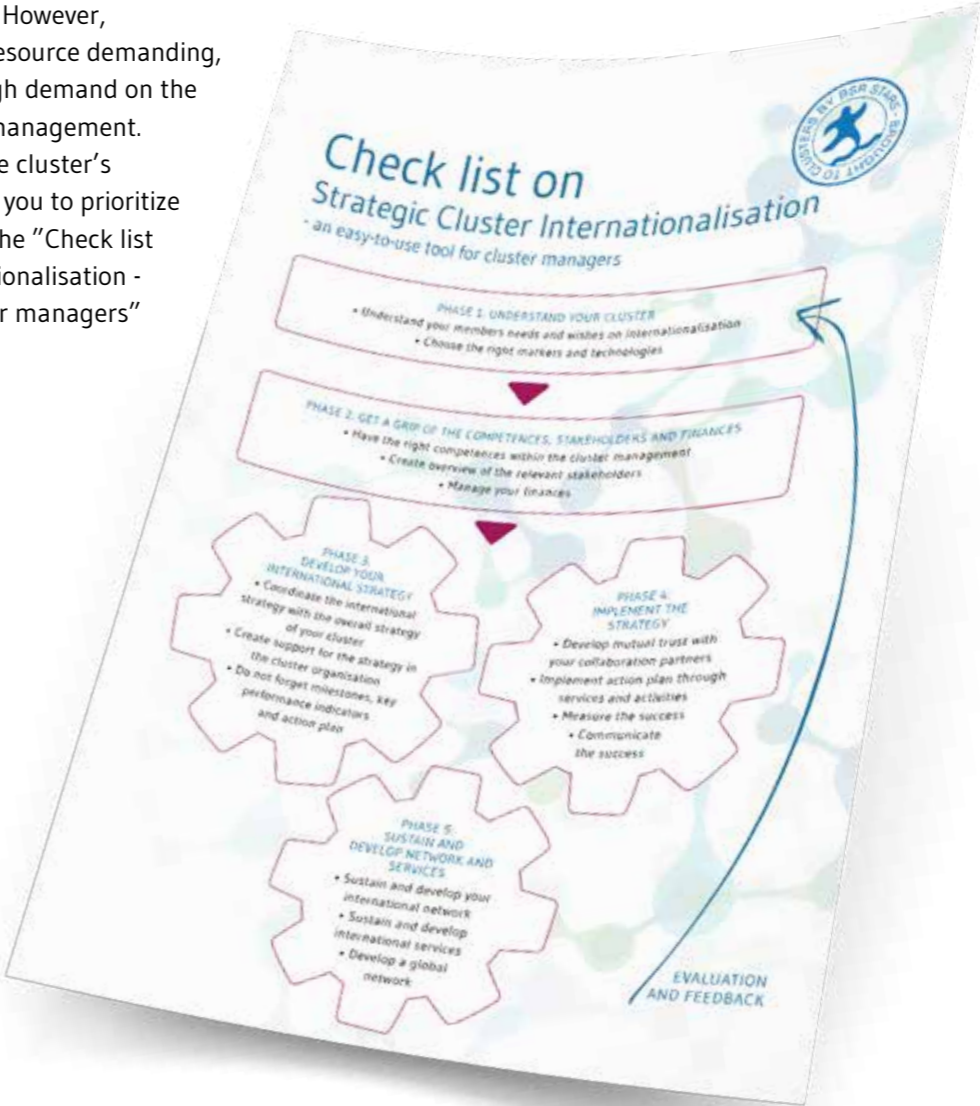


THE FIVE PHASES OF STRATEGIC CLUSTER INTERNATIONALIZATION:

PHASE 1	PHASE 2	PHASE 3	PHASE 4	PHASE 5
Understand Your Cluster: Obtain in-depth understanding of cluster members and their need for internationalization. Choose the right markets.	Get a Grip of the Competences, Stakeholders and Finances: Ensure the right competences internally. Find, handle and get an overview of the right stakeholders and finances.	Develop Your International Strategy: Use input from cluster participants and develop a written strategy with broad consensus and backing. Develop an action plan and milestones for all international projects.	Implement Your Strategy: Go from strategic to concrete actions. Implement services, activities and projects.	Maintain and Develop Network and Services: Often internationalization in clusters is organised on ad hoc basis. Take internationalization to the next level.

Strategic Internationalization of clusters

A lesson learned from BSR Stars Innovation Express clusters can play a key role in the Internationalization of SMEs. However, Internationalization can be resource demanding, time consuming and puts high demand on the competences of the cluster management. Working strategically with the cluster’s internationalization can help you to prioritize the efforts. And this is what the “Check list on Strategic Cluster Internationalisation - an easy-to-use tool for cluster managers” is all about.



Boosters for cluster internationalization

- ✓ It is difficult to start the process of internationalization. An internal push from the cluster participants proves that internationalization is of interest to the cluster participants. An external pull makes it easier to enter a new market.
- ✓ Spend time to clarify the need for internationalization among the companies in the cluster. Normally it takes longer than expected. Use different methods to analyse the need. But remember to ask the cluster participants. Also use traditional market analysis, road mapping, technology forecast, etc. for a better understanding of the foreign market.
- ✓ The lack of a strategy for internationalization might lead to too many resources being spend with too little impact. So develop a strategy for internationalization. Define the unique selling point as part of the strategy process for the cluster. This will make it easier to enter new markets.
- ✓ Make use of key companies/individuals in the cluster; put them in charge of certain activities. The engagement of such leads can be useful to attract others. Always start by presenting »what's in it for the SME«; avoid asking them to get involved in an international project. Once SMEs experience a clear result, they are more likely to be interested in doing more.
- ✓ Ensure internationalization goals are anchored »at home«. Have the right people aboard, also internally. It is important to secure strong backing before entering into (more risky and time consuming/long-term) international collaboration processes.
- ✓ Make the international project an integrated part of the cluster, not an appendix. And remember to measure the performance. Use Key Performance Indicators to make the effort more specific.
- ✓ Aligning goals among the partners in the international project is crucial. If the goal is articulated, mutual and strong enough, then a lead partner is not necessary.
- ✓ Tailor activities (e.g. study visits and matchmaking) and services (e.g. pitch training and information on institutional frameworks in other countries) to areas/ themes that you know are of interest to SMEs. This helps both to mobilize SMEs in international activities and provide them with concrete quick results.
- ✓ Make use of business support organizations (e.g. trade and investment promotion agencies, innovation offices abroad, etc.) and innovation agencies in other countries to provide knowledge of the market, institutional set-up, etc. and open the right doors.

Blockers for cluster internationalization

- ✗ For small (particularly micro) companies, language and cultural differences can be a barrier to getting engaged in international activities.
- ✗ Not having a concrete offering to targeted companies from the outset can cause delays; providing a general offering (e.g. »come on a study visit to xx country«) to a broad set of SMEs can be much more difficult to »sell« and get SMEs engaged
- ✗ Without existing contacts/networks, it is difficult to get companies in other markets engaged.
- ✗ Lack of (or imbalanced) funding among the partners can block progress or at least make the implementation of activities more complicated. It is important to know from the outset what resources (people and funding) are available and use them in a smart way to engage all partners/ companies and keep momentum over time.
- ✗ Not addressing the boosters for internationalization will turn out to be a blocker. At some point.

The three elements of BSR Stars Innovation Express

One of the core elements of the BSR Stars Innovation Express concept is the joint call – aimed at engaging SMEs in international innovation projects (through clusters). Innovation Express provides relatively low levels of financing (EUR 10.000 – 60.000) for shorter-term (12-18 months) transnational innovation projects. Or in other words: seed capital for internationalization of SMEs through clusters.

Since 2013, 173 cluster collaboration projects worth about EUR 6 mill involving more 200 than clusters and activating almost 4000 companies have been initiated.

Although funding decisions are made nationally (and follow each funding agency’s own rules), representatives from each country work together to coordinate and communicate funding decisions – striving toward quick decisions across national borders.

been developed during the conferences. Several collaborations have also led to Horizon 2020 and COSME projects.

Another element of BSR Stars Innovation Express is offering different kind of capacity building for cluster management in order to prepare the clusters to support internationalization of SMEs. More than 70 clusters from 10 countries have participated in the three workshops. And several publications have been launched to support knowledge sharing and increase capabilities for cluster internationalization⁵.

INNOVATION EXPRESS CALLS 2013-2017

	2013	2014	2015	2016
Funding partners/ countries	6 partners 6 countries (DK, FI, IS, LT, NO, SE)	8 partners 8 countries (DK, FI, IS, LT, NO, SE)	6 partners 6 countries (DK, IS, LT, NO, SE + ES)	8 partners 7 countries (DK, IS, LT, NO, SE + DE/Brand.,ES/Cat.)
Total budget (EUR)	1.210.000	1.526.500	1.355.000	1.835.000
Applications received/ approved	47/40	84/54	58/40	59/39
Clusters	40	45 ⁴	75	55
SMEs	900+	1200+	1100+	675+

4 The reason why the number of clusters is lower than the number of approved projects is that many Danish clusters had two or three projects.

**More than funding:
Cluster Matchmaking and Capacity Building**
Besides funding the internationalization projects, BSR Stars Innovation Express are also organizing Cluster Matchmaking Conference enabling clusters to meet and develop new ideas for collaboration. Since 2013, more than 500 clusters from over 30 countries had almost 2000 matchmaking meetings and more than 120 new cluster collaborations have



5 For an overview over the BSR Stars Innovations Express, publications and evaluation see <http://www.bsr-stars.eu/innovation-express/>

BSR STARS INNOVATION EXPRESS
SINCE 2013

PROVIDING
6 MILLIONS EUROS

SUPPORTING
173 PROJECTS

INVOLVING
200 CLUSTERS

ENGAGING
4000 COMPANIES

PUBLISHED BY: