













Build your cluster's capabilities

August 27th, 2025











Welcome

Context and objectives



- Explore practical tools for management and facilitation
- Learn from applied case studies in the Caribbean and globally
- Strengthen strategic vision, trust, and collaboration







Cluster A live concept



"a geographically proximate group of interconnected companies and associated institutions in a particular field, linked by commonalities and complementarities" (Porter 1998)

"a productive agglomeration aiming at exploiting local linkages to generate and strengthen competitive advantages" (Pietrobelli and Stevenson 2011).



Not just geographic proximity or sector grouping, but true collaboration, interdependence, and collective impact.

Cluster Configurations

Horizontal business alliances (associativity):

A group of at least two companies that come together to develop a project in order to face common challenges and/ or engage in inter-firm collaboration to improve their productivity and competitiveness.

Vertical business alliances

(Value chain integration): This consists of supporting alliance between a lead business and its providers to develop a project that contributes to the improvement of productivity, thus improving the overall competitiveness of the value chain.

Conglomerate-type business alliances

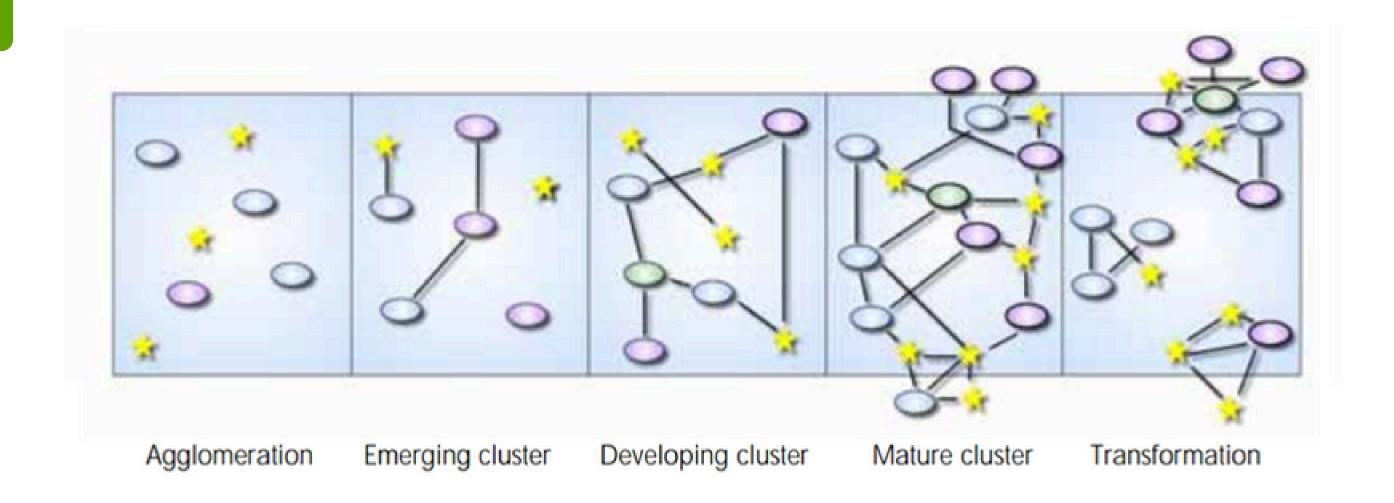
(holistic approach): Businesses or groups of businesses will work in alliances with other public and private actors within a given geographic territory. The purpose of the alliance will be to develop a project or program that contributes to the promotion, integration, and increase of competitiveness of productive activities in that area. It includes local economic development initiatives.





Cluster initiatives

evolution pathway



Source: Cluster policy Whitebook 2014

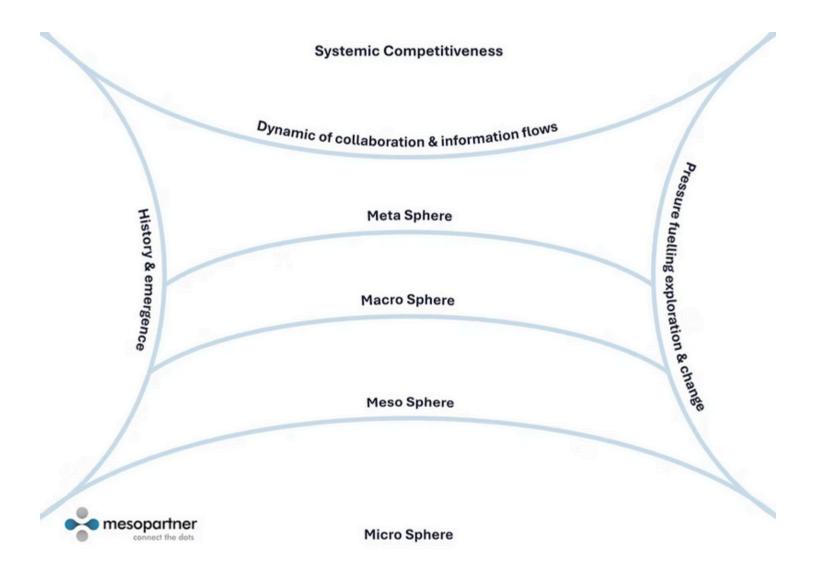
The Caribbean Context

- Low Growth & Productivity Gaps: Since the 1980s, Caribbean economies have faced stagnant growth, driven by weak productivity rather than capital accumulation (IDB, 2017).
- Small Island Economies: Most important hurdles are small and inadequate labor pools; limited scope to build economies of scale and disproportionate susceptibility to exogenous shocks and disasters.
- Systemic Barriers: High costs of labor, energy, and finance; unreliable electricity—42% of firms own generators, covering 10–16% of needs (IDB, 2017).
- Firm Characteristics: Firms are mostly small (75% <20 employees), older (20+ years), and less export-oriented, concentrated in tourism and retail (IDB, 2017).
- **High Emigration:** The region has one of the highest emigration rates of skilled labor in the world.



Competitiveness Systemic Competitiveness

Competitiveness is not just about firm efficiency, but about the ability of an economy and its actors to continuously generate prosperity by fostering innovation, collaboration, and systemic transformation. It is determined by the dynamic interaction between firms, support organizations, governments, and societal values across different levels.



Systemic Competitiveness (SysCo) highlights competitiveness as a social transformation project, requiring action at four levels:

- Micro: firms' capabilities and innovation
- Meso: support organizations, quality services, cluster networks
- Macro: stable macroeconomic and regulatory frameworks
- Meta: cultural values, trust, social capital, sustainability

Competitiveness Reimagined

Competitiveness is not a static concept—it has evolved over time. Today, businesses and clusters operate in a VUCA environment, which directly challenges productivity and long-term success.

This new reality demands that competitiveness be redefined to include adaptability, resilience, and collaboration.



Volatility:Rapid, unpredictable changes



Difficulty anticipating future events

Complexity:

Interconnected challenges with multiple causes



Ambiguity:

Unclear cause-effect relationships



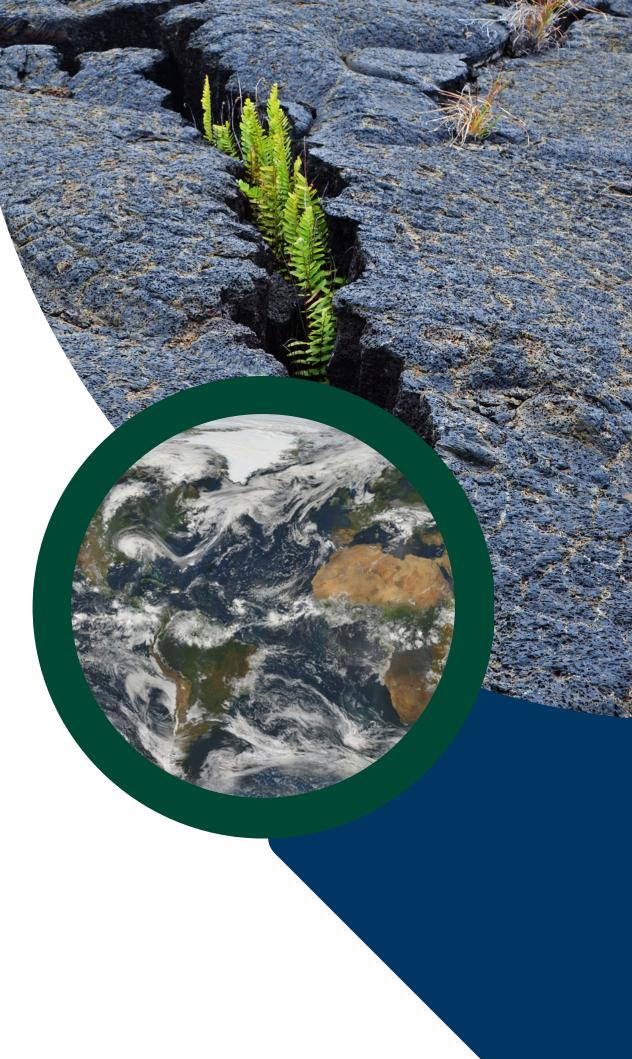
Competitiveness

Reimagined

Competitiveness today extends beyond productivity and efficiency. To thrive in volatile contexts (VUCA), clusters must integrate new factors that ensure long-term viability and shared prosperity.

New Success Factors

- Climate Adaptation & Resilience. Clusters must embed climate-smart practices to mitigate risk and adapt to shocks.
- **Sustainability.** Integrating environmental stewardship and responsible production opens new markets and enhances resilience.
- Equity & Inclusion (Gender and Vulnerable Groups). Incorporating women and diverse groups strengthens innovation capacity, trust, and social cohesion within clusters.
- **Digitalization**. Accelerate competitiveness by enabling efficiency, innovation, and connectivity; digital tools allow clusters to integrate into global value chains and access new markets.



Value Chain Mapping Tool

A map merges when the right questions are asked and answered

- Q1. What is the cluster trying to achieve
- Q2. What business activities are necessary to achieve this objective
- Q3. Given the set of primary and secondary activities who MUST be in (primary)
- Q4. Who SHOULD be in because if they are not the cluster will be less competitive (supporting)
- Q5. Who will the cluster need to build/sustain relationships with to enable objectives (enablers)
- Q6. Where are the system's flashpoints





Value Chain Mapping Tool

BPO's example











PRIMARY ACTIVITIES

SPECIFIC

ACTIVITIES

Attracting Business

- Researching markets, models, policies, costs
- Deciding on markets
- Local and niche market networking
- Promoting and branding
- Contract negotiations and closing

Leadership & Operations Management

- Service/process
 quality/cost structures
- Employee attraction, retention
- Employee satisfaction and productivity
- IT productivity
- Knowledge management, monitoring policy

Managing to Buyer Specifications

- Right buyer specifications
- Supply/value risk minimal
- Same process and specifications across activities

Managing Buyer Satisfaction and Retention

- Building business relationships
- Consistency meeting buyer expectations
- Monitoring/measuring buyer satisfaction
- Transparency in communication
- Accessible issue resolution

Pursuing New Business

- Monitoring market developments and trends
- Monitoring technologies and trends
- Monitoring policy and regulations

HORIZONTAL SUPPORT SYSTEMS **Technology infrastructure and network security**

Skills Development and Training, Human Resource Management Expertise

Access to Physical Plant and Incubation

Investment attraction, financing and access to credit

Cost of doing business, citizen security, enabling legislative environment

Competitiveness & Clustering

at the Caribbean Context

Response strategies and contributions that clusters in the Caribbean can provide in the face of challenges:

Networks facilitate a collective response in times of crises building resilience and

Shared infrastructure, pooling resources and services, reduces costs and improves efficiency

Collaboration and institutional support can bridge fragmentation by coordinating strategies and strengthening regional integration.

Value Chain Linkages
facilitate stronger
buyer-supplier
relationships and
integration.



Why Quality Matters for Clusters?

- Access to markets: Meeting standards and certifications opens opportunities in regional and global value chains (TCI, 2014).
- **Productivity & efficiency:** Testing, metrology, and certification services reduce waste, improve processes, and raise productivity.
- Trust & reputation: Quality assurance builds credibility with buyers and investors.
- Innovation enabler: QI services help firms upgrade, differentiate products, and innovate sustainably.
- Collective advantage: Within a cluster, shared services (labs, certification bodies, training) lower costs and ensure consistent quality across firms.



Quality is not only about compliance—it is a strategic tool for competitiveness that clusters can leverage collectively.

Case study

CALIDENA to improve competitiveness in an agrifood the sector.

Calidena is a participatory approach developed and applied by the Physikalisch-Technische Bundesanstalt (PTB) to stimulate quality in value chains. Its toolset can be used in projects that intend to strengthen the user orientation of the national QI, and in value chain initiatives that aim at closing quality-related gaps.

Common challenges

- Lack of consistent quality standards across farmers and exporters
- Weak coordination and trust among value chain actors
- Limited access to international markets due to quality compliance gaps
- Need for stronger institutional support to sustain improvements

What has been done?

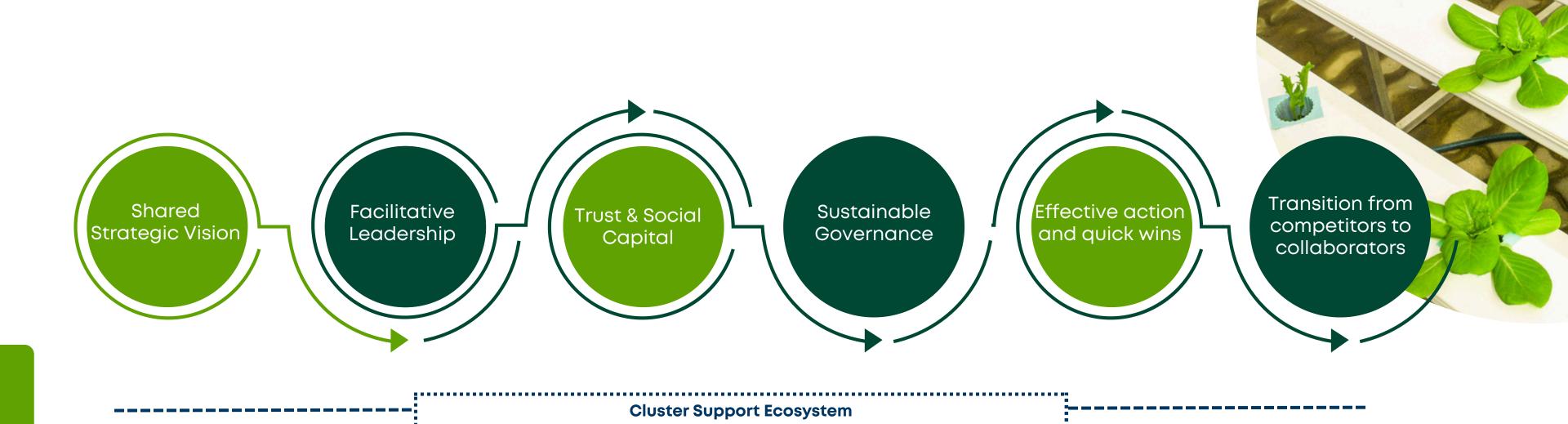
- Facilitated multi-stakeholder dialogue involving farmers, exporters, labs, and regulators
- Developed quality criteria jointly, aligning with export market requirements
- Built capacity of local producers to adopt standards and improve practices
- Established mechanisms for ongoing collaboration among value chain actors



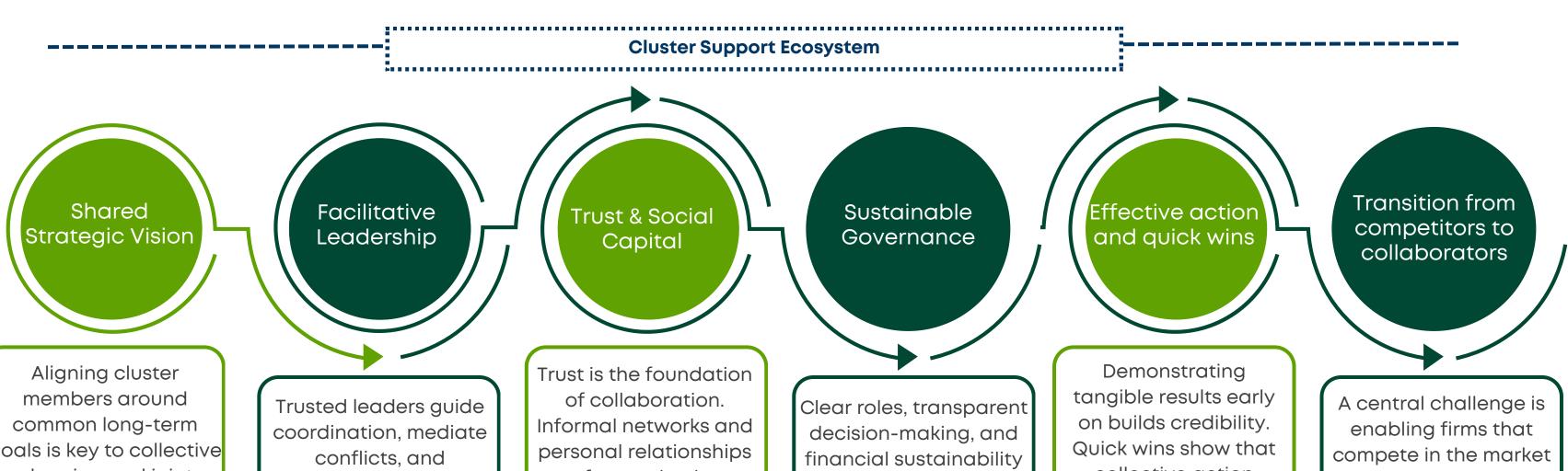




Key factors for effective clusters:



How to successfully manage a cluster?



Aligning cluster
members around
common long-term
goals is key to collective
planning and joint
action. A shared vision
makes collaboration
purposeful and reduces
fragmentation.

Trusted leaders guide coordination, mediate conflicts, and maintain momentum. effective facilitators are neutral, inclusive, and skilled in creating dialogue.

Trust is the foundation of collaboration.
Informal networks and personal relationships often make the difference between inertia and joint ventures. Governance should foster spaces that strengthen social capital and build long-term confidence.

Clear roles, transparent decision-making, and financial sustainability ensure cluster continuity beyond individual leaders.
Formal institutionalization transforms cooperation from ad hoc initiatives into lasting structures.

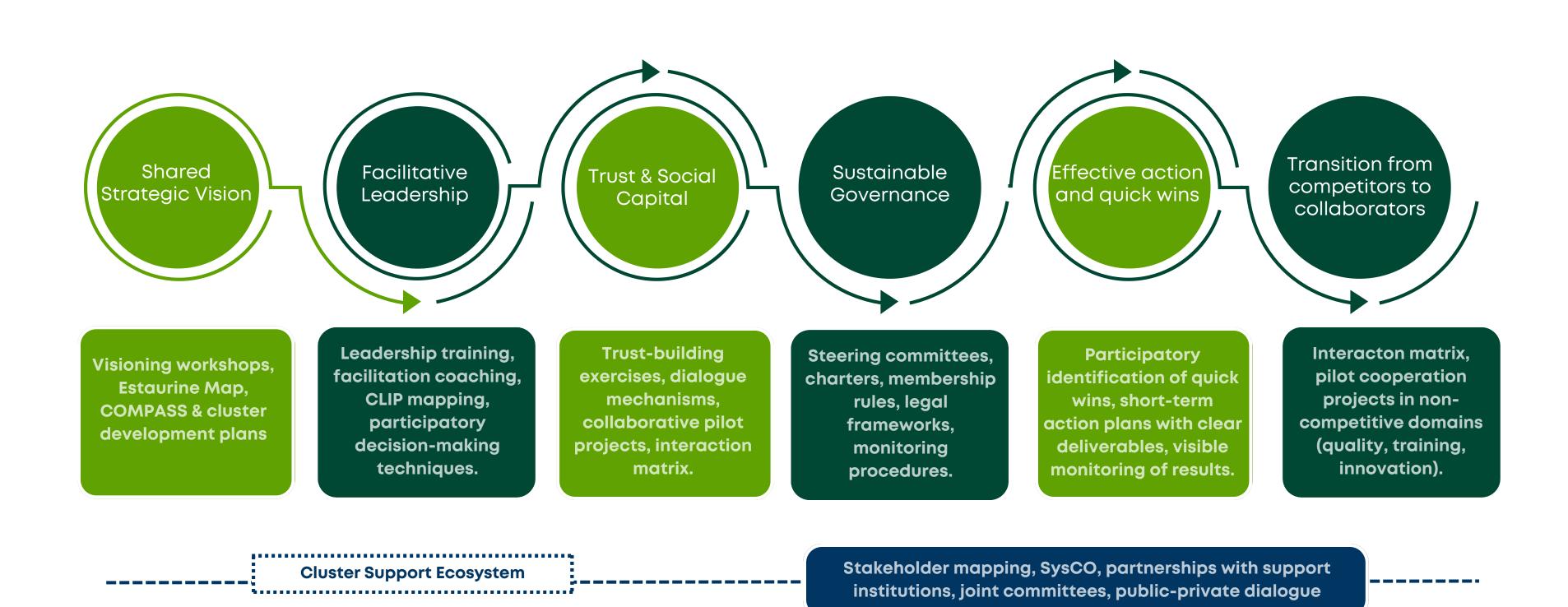
tangible results early on builds credibility.

Quick wins show that collective action delivers value, reducing skepticism and motivating members to engage

A central challenge is enabling firms that compete in the market to collaborate strategically in areas of mutual interest.
This cultural and strategic shift requires trust, facilitation, and evidence that collective action enlarges opportunities for all.

How to successfully manage a cluster?

Tools





Interaction Matrix Tool

A strategic tool to align interests and clarify potential benefits and risks in collaborative cluster promotion.



Why use it?

- Helps parties identify and articulate their anticipated gains and possible concerns before engaging in joint cluster activities.
- Reduces misunderstandings and increases engagement by enabling more trust and realistic planning.

- Application on Cluster Promotion
- Before launching a collaborative cluster project.
- This increases motivation, keeps communication open, and often leads to more rapid progress and visible outcomes.
- Ultimately, this strengthens cluster cohesion and guarantees that support organisation initiatives are well-matched with business needs.



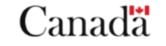












Thank You For Your Attention

Presented by



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