



The Proposal of a Strategic Planning Method for Clusters: Brazilian Case Studies

PhD. MARCOS FAVA NEVES

University of São Paulo, Business School,

*Markestrat (Marketing & Strategic Projects and Research
Center).*

MsC. RODRIGO ALVIM AFONSO

*Markestrat (Marketing & Strategic Projects and Research
Center)*



Markestrat[®]
value generation



Agenda

- Introduction
- Research Problem and Objectives
- Methodology
- Theoretical Review
- Results
- Conclusion.



Introduction

- The organization of firms in clusters is becoming more popular among researchers and policymakers worldwide.
- Much of the interest in the topic stems from the benefits that this type of organization offers to companies and institutions involved
- Geographical proximity is a prerequisite for the structuring of clusters, since it allows the companies involved to develop interactions and communications more efficient



Research Problem and Objectives

- Problem Statement
 - “How to strategically plan and manage a cluster efficiently?”
- Objective
 - To develop a strategic planning method for clusters.



Methodology

1. Theoretical Review of Clusters



2. Theoretical Review of Strategic Planning and Management



3. Analysis of Case Studies



4. Initial Proposal of a Method of Strategic Planning and Management for Clusters



5. Detail Method Strategic Planning and Management of Clusters



6. Final Evaluation of the proposed Method.



Theoretical review

- Becattini (2004) defines industrial districts as follows:

"Socio-territorial entity characterized by the presence of a community of people and also by the presence of a population of firms in one naturally and historically limited region, where the community and firms tend to merge."

(BECATTINI, 2004)

"Clusters are geographic agglomerate of interconnected companies and associated institutions in a particular field of activity, linked by similarities and complementarities..."

(PORTER, 1998)



Theoretical Review

- Mathematical models to explain the reasons for companies to organize themselves in clusters. (GASCÓN, PEZZI and CASALS, 2010)
- High economies of scale;
- Bargain power to determine the companies selling prices;
- Low cost of transport;
- Geographical mobility of buyers.



Theoretical Review

- There is also a second stream of researchers, which directed their studies on the clusters to social and defends the following factors as drivers of business agglomerations:
 - Culture;
 - Technological change;
 - Innovation;
 - Human capital;
 - Organizations and institutions;
 - Social networks.



Theoretical Review

- There are basically five conditions that lead to increased productivity in clusters:
- **Access to inputs and skilled personnel:**
- **Access to information:**
- **Complementarities:**
- **Access to institutions and public goods:**
- **Incentives and performance evaluation:**



Case Studies

- Cluster of Goat and Sheep Breeders
- Cluster of Derivatives from sugar cane,
- Cluster of Automotive Suppliers
- Cluster of Fruit producers
- Cluster of Pisciculture
- Cluster of Ornamental Rocks
- Cluster of Sisal
- Cluster of Transformation of Plastic
- Cluster of Tourism.



Strategic Method Applied to the Case Studies

Step 1: Mapping and Characterization of Cluster



Step 2: Strategic Analysis of the Cluster



Step 3: Defining of the Business Strategies



Step 4: Stablishing the Strategic Objectives



Step 5: Proposition of the Structuring Project



Step 6: Detailing of the Executive Actions



Results

- The main results of this work stem from the evaluation of the method that has been applied to case studies and evaluating each step of the method.
- After the evaluation of the method used in the case studies, a new method of strategic planning and management for clusters were presented, considering specific situation in this type of organizational arrangement, which were not considered in previous methods, for this we used the results of the case studies and theoretical basis.



Results: Method of Strategic Planning and Management for Clusters

Step 1 - Introduction and Initial Understanding



Step 2 - Analysis of Environment and Market



Step 3 - Strategic Analysis of Internal Environment Cluster



Step 4 - Structuring a Network between Clusters



Step 5 - Analysis of Public Policies Associated with Cluster



Step 6 - Defining the Future Vision



Step 7 - Proposition of Strategic Projects



Step 8 - Monitoring and Control



Conclusions

- It is expected that application of the proposed method to help the managers in the following process:
 - Formalization and organization of the process of strategic planning and management of clusters;
 - Support the decision of allocation of public resources.
- With respect to practical experiences with clusters it is interesting to present two conclusions:
 - In practice, there are large differences in between "business clusters", formed by structured companies, and agricultural clusters formed by farmers. The main differences are related to the number of agents, competitiveness between the agents and the dependence of institutional agents.



References

- BECATTINI, G. **Industrial Districts: a new approach to industrial change**. Cheltenham: Edward Elgar, 2004.
- BECATTINI, G.; BELLANDI, M.; DE PROPRIIS, L. Critical nodes and contemporary reflections on industrial districts. In: REGIONAL STUDIES ASSOCIATION ANNUAL INTERNATIONAL CONFERENCE, 2009.
- BONOMA, T. V. Case research in marketing: opportunities, problems and a process. **Journal of Marketing Research**, Chicago, v. XXII, p. 199-208, May 1985.
- BRYSON, J. M. A strategic planning process for public and non-profit organizations. **Long Range Planning**, v. 21, p. 73-81, 1988.
- EISENHARDT, K. M. Building theories from case study research. **The Academy of Management Review**, v. 14, n. 4, p. 532-550, 1989.
- HARRISON, B. Industrial districts: old wine in new bottles? **Regional Studies**, v. 26, n. 5, p. 469-183, 1991.
- HAX, A. C.; MAJLUF, N. S. **The Strategy Concept and Process: a pragmatic approach**. 2. ed. New Jersey: Prentice Hall, 1996.
- HOFFMANN, V. E.; MORALES, F. X. M.; FERNANDEZ, T. M. Evaluation of competitiveness in ceramic industrial districts in Brazil. **European Business Review**, v. 23, n. 1, p. 87-105, 2011.
- LAMBIN, J. J. **Market Driven Management: strategic and operational marketing**. 2. ed.: Palgrave Macmillan, 2000.
- NIU, K. H.; MILES, G.; LEE, C. S. Strategic development of network cluster: a study of high technology regional development and global competitiveness. **Competitiveness Review: an International Business Journal**, v. 18, n. 3, p. 176-191, 2008.
- PATTI, A. Economic cluster and the supply chain: a case study. **Supply Chain Management: An International Journal**, v. 11, n. 3, p. 266-270, 2006.
- PORTER, M. E. **Competição**. Rio de Janeiro: Elsevier, 2009.
- _____. Cluster and Competition – new agendas for companies, governments, and institutions. In: PORTER, M. E. **On competition**. Cambridge: Harvard Business School Press, 1998.



Thank You

favaneves@gmail.com