



Association of
Business
Clusters

CLUSTER DEVELOPMENT AND SUSTAINABILITY IN BULGARIA

CLUSTERS MANAGERS SEMINAR

15.02.2017 — KIEV

MAIN POINTS

- ✓ **BRIEF HISTORY**
- ✓ **ASSOCIATION OF BUSINESS CLUSTERS (ABC)**
- ✓ **SUSTAINABLE STRUCTURE AND INTERACTION + CASE OF VERTICAL CL.**
- ✓ **GREAT SOLUTION FOR “PULSATING” ECONOMY + CASE OF HORIZONTAL CL.**
- ✓ **CLUSTERS AND RESEARCH INSTITUTIONS + CASE**
- ✓ **CLUSTERS AND EDUCATIONAL INSTITUTIONS + CASE**
- ✓ **SUCCESS AND SUSTAINABILITY — SUGGESTION FROM OUR CHAIRMAN**

HISTORY

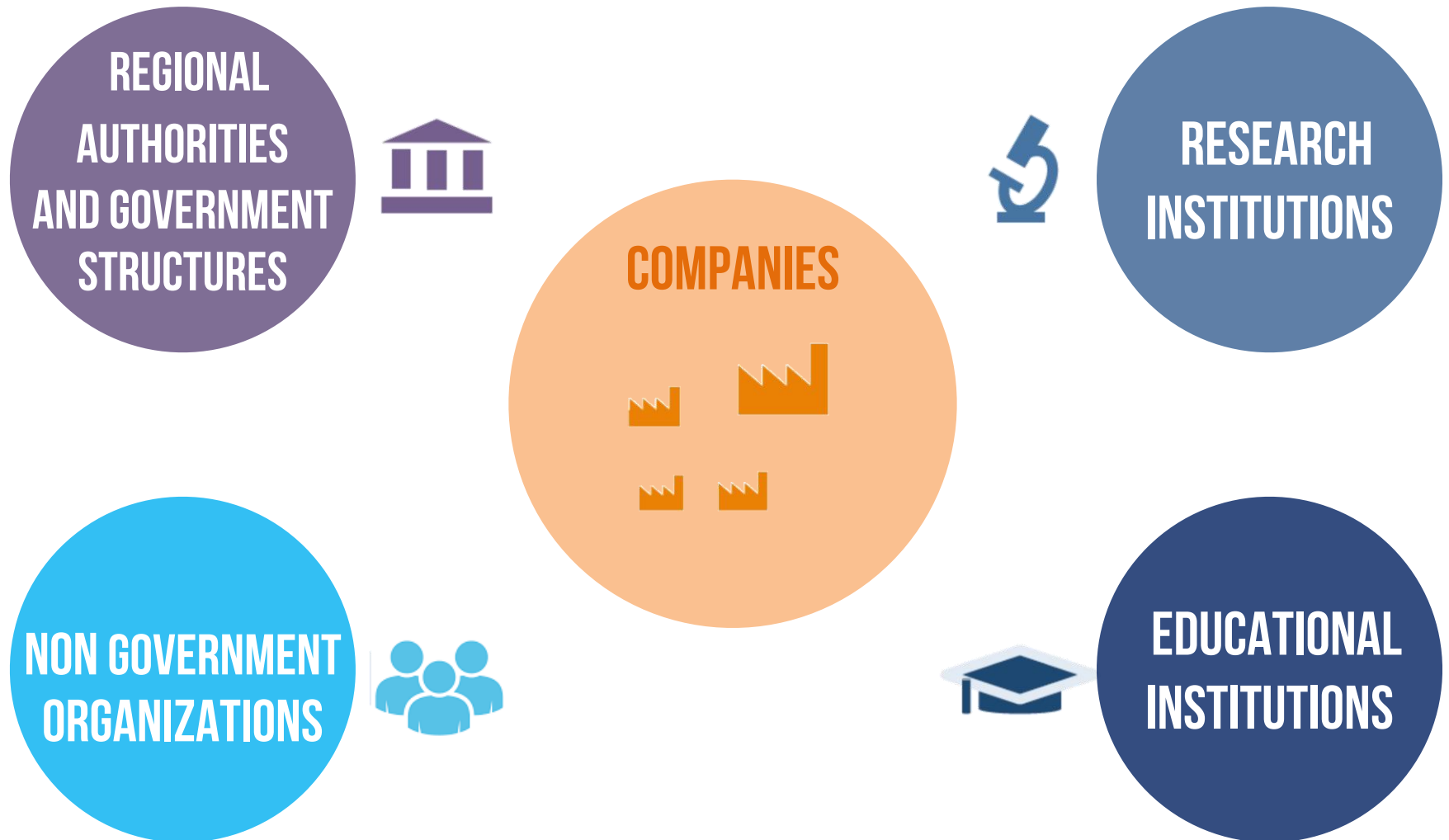
- ✓ 2004-2005 first 2 pilot clusters established – grant funding;
 - ✓ 2007 Phare programme – 10 Clusters;
 - ✓ 2010 and 2013 Operational Programme Competitiveness.
 - >250 clusters were registered . Most of them - with the hope to absorb funding;
 - ✓ Currently 20-30 are operational and active
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- ✓ Most of the clusters were established with grant funding.
 - ✓ If it is developed only to absorb funding – it is not sustainable!

ASSOCIATION OF BUSINESS CLUSTERS (ABC)



- ✓ Nonprofit organization to stimulate and enhance cluster development and support policy making in Bulgaria;
- ✓ Established in 2009 by the 4-5 leading clusters in the country;
- ✓ Hub for an efficient outreach to a wide variety of clusters - 16 members;
- ✓ Diversity:
 - traditional sectors – mining, furniture and textile,
 - cutting-edge fields of robotics, mechatronics, clean technologies, eco-innovation, ICT, etc.
- ✓ Horizontal and vertical/along the value chain clusters.

SUSTAINABLE STRUCTURE AND INTERACTION



EXAMPLE OF A SUSTAINABLE CLUSTER



GENOVEVA CHRISTOVA-MURRAY
CHAIRPERSON

ESTABLISHED IN 2009. 32 MEMBERS JOIN THEIR RESOURCES, CAPABILITIES AND POTENTIAL TO INCREASE THEIR COMPETITIVENESS AT FOREIGN MARKETS!

- ✓ 20 SMEs furniture manufacturers covering the entire value chain-
VERTICAL
- ✓ 5 design studios,
- ✓ 2 Project management companies
- ✓ 2 NGOs – Association of Bulgarian Designers + PRO-ARCH
- ✓ 3 Universities– NBU Sofia + Varna + Design Institute of Florence/ Italy

RESULTS



DESIGNED, MANUFACTURED AND INSTALLED



✓ 10000 HOTEL ROOMS IN EUROPE

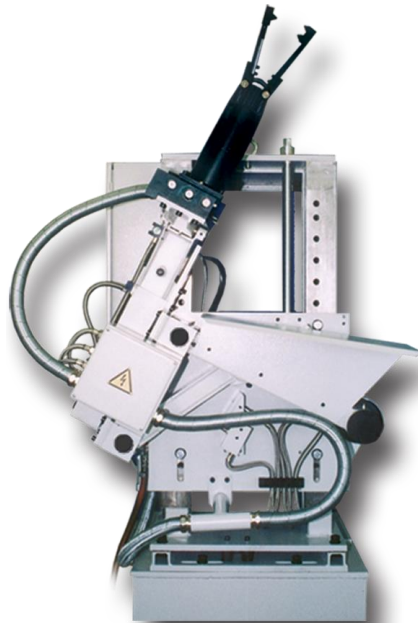


✓ 3500 CITROEN SHOWROOMS IN FRANCE

BOOMING ECONOMY - HOW TO GET AN ORDER LARGER THAN YOUR CAPACITY



2006 ORDER:
250 ROBOTS
READY IN HALF YEAR



CURRENT CAPACITY:
50 ROBOTS PER YEAR
AND ONLY 24 PEOPLE

HIRE MORE PEOPLE, REFUSE THE ORDER, OR... ?

ESTABLISH A CLUSTER!!!



+ SEVERAL SUPPLIERS
(USUALLY COMPETITORS) =



**TOTAL WORKFORCE
INCREASED FROM
24 TO 350 PEOPLE**



**CAPACITY
INCREASED TO 10
ROBOTS PER WEEK**

HORIZONTAL — UNITE TO GET BIG ORDERS AND SHARE RESOURCES

SURVIVE THE CRISIS!



DURING THE CRISIS AFTER 2008, SPESIMA SURVIVED AS:

- ✓ No need for layoffs, as there were no new people hired;
- ✓ With the retirement of only 7 people, the company was saved, even though the income reduced 7 times.

CLUSTERS ARE THE BEST SOLUTION FOR “PULSATING” ECONOMY.

- ✓ They allow to **scale up** fast when the economy is BOOMING;
- ✓ and **survive** when the crisis hits.

CLUSTERS AND RESEARCH INSTITUTIONS

RE-ENGINEERING OF UNIVERSAL INDUSTRIAL ROBOTS



INSTITUTE OF MECHANICS



Technical University of Sofia
We succeed!

RESEARCH LABORATORY "MECHATRONICS"



The challenge: big number of robots are “retiring” because their hardware and software is getting too old, too fast, but the mechanical parts that are very expensive have extremely long life.



The solution: develop new hardware and software and find **new usage** in different industries, where they can successfully perform.

CLUSTERS AND EDUCATIONAL INSTITUTIONS

DEVELOPING LEARNING CENTRES



Cluster
Mechatronics
and Automation

$$+ \quad \begin{array}{l} 3 \text{ TECHNICAL UNIVERSITIES} \\ \text{SOFIA, PLOVDIV, GABROVO AND} \\ \text{BULGARIAN ACADEMY OF SCIENCE} \end{array} \quad = \quad \begin{array}{l} 6 \text{ REGIONAL CENTRES} \\ \text{FOR EDUCATION} \\ \text{AND TRAINING} \end{array}$$



The challenge: there is a gap between the skills business needs and the skills acquired in the university. Companies suffer from qualified workforce shortage and education produces students without future.



The solution: develop centres, where students learn appropriate skills, required by the business, not just theory. The students participate in internship programs with option for employment after graduation.

SUCCESS AND SUSTAINABILITY



SUGGESTIONS

**FROM DR. ENG. VENTZISLAV SLAVKOV,
CHAIR OF CLUSTER MECHATRONICS AND
AUTOMATION AND CHAIR OF THE MANAGING
BOARD OF THE ASSOCIATION**

- ✓ Mutual trust;
- ✓ To be business driven (not grant absorbing driven)
- ✓ Share the information and recourses – use “virtual” factories;
- ✓ Focus on industries with high added value and export orientation;
- ✓ Get involved in projects with national and international funding;
- ✓ Partner with different institution for sustainable structure.



Association of
**Business
Clusters**

WE ARE OPEN TO:

- ✓ **COLLABORATE WITH YOU;**
- ✓ **SHARE OUR EXPERIENCE;**
- ✓ **HELP TO FORM INTERNATIONAL CLUSTERS;**
- ✓ **PARTNER IN EU FUNDED PROGRAMS AND PROJECTS**

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THANK YOU!
LET'S GET CLUSTERING!

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