

Clusters Meet Culture

NEWSLETTER

march 2014



editorial

The Practical handbook is... coming soon!

This newsletter and the next ones will be dedicated to the presentation of the survey analysis and concrete implementation of Public and Private Cooperation Agreements involving industry, tourism and culture within the CMC concerned area. The project partners defined a common CMC approach and a pool of different models of cooperation. Case studies have been analysed taking into consideration their formal status of implementation: each PPC study case has been analysed in terms of degree of formalization and has been distributed along a formalization axis. Fourteen case studies have been analysed out of which eleven case studies with a formalized cooperation's status, one with an informal agreement and two non-formalized. Regional differences have been identified in the way to build partnerships and cooperative efforts and to assess their possible replicability. Multidimensional scaling (MDS) has been chosen to present and visualize the level of similarity/ difference between the individual cases datasets. The outcome of this study is contained in the so called "Practical Handbook on public-private cooperation scheme between culture, tourism and industry in South-East Europe Area". The document is available on the CMC Project website and distributed by the project partners in local languages. The Handbook proposes a common CMC approach to support new PPC idea throughout a specific project cycle framework able to give guidance in a wider sense to local implemented project. Being aware about the different backgrounds (also in legal and economic terms) of the concerned areas, we are also aware about the different approaches and pilot cases that will be implemented within the project. Notwithstanding this the focus remains the same: to support competitiveness growth and tourism flows growth thanks to the possible synergies created between culture and production and integrated territorial marketing offers. Experiences presented in this newsletter and in the published Handbook, will hopefully be a good tool of inspiration and knowledge sharing able to gain a multiplier effect.

On focus

The CMC PPC - Practical Handbook



On spring 2014 the last release of the practical Handbook "Development of public-private cooperation scheme between culture, tourism and

industry in South-East Europe", will be available both in download-format from the cmc web site and in printed edition (obtainable by cmc partners).

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the News of the Month

Pécs Design Club event and WP6 PPP pilot project

Pécs Design Club event connected to the WP6 PPP pilot project, because it is a kind of PPP cooperation foundation. CCIPB developed a Pécs Design Club, with the aim to bring together the

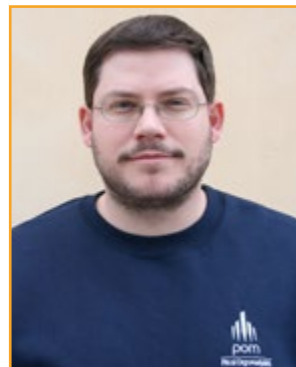
University, the decision-making sector, clusters and all actors of the creative industry sector, as well as the designers of the region.

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Stakeholder's point of view

the player, an interview with **Balázs Dobay**

industrial sector

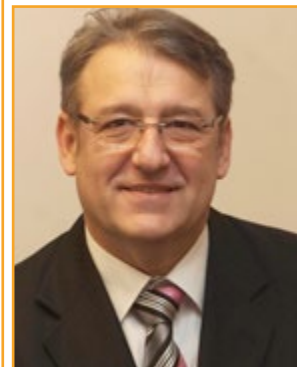


Balázs Dobay, CEO Advisor, POM – Pécs Organ Manufactory Ltd.

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the player, an interview with **János Keresnyei**

cultural sector



János Keresnyei, President, Cultural Creative Industry Cluster (Pécs)

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the player, an interview with **Krisztián Svastits**

tourist sector



Krisztián Svastits, Executive, BC Marketing & Personnel Consulting Kft.

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The CMC PPC - Practical Handbook

Today cultural heritage represents a strong asset not only for attracting people and increasing tourism services but also as a way to improve and strengthen sales of local and regional products.

However on the other hand, it is also true that in a volatile economic and business environment with an unpredictable future, planning and implementation of new entrepreneurial ideas is done under stress. Limited financial resources create even more tension and competitiveness among business ideas/opportunities identified by entrepreneurs. In such business environments, precaution with investments needs clear and strong management of risks (this is obviously also true for new business opportunities started by the cooperation between cultural, industrial and tourist sectors).

Thus, the CMC PPC Handbook is a tool totally conceived to help these various cultural, tourist and industrial players in South East Europe in the preparation of a specific public private cooperation (PPC) agreement. The practical Handbook details a comprehensive vision that considers all development aspects of the PPC process, providing practical insights into case studies.

A methodology has been created in order to cover all stages of the PPC planning process.

Therefore the practical handbook results a quick but comprehensive powerful "planning tool", even if there is a great variety of PPCs analysed in terms of location, historical background, legal, institutional, economic and social frameworks.

Its main objective is to enable initiators and other players to integrate all development steps into a unique plan through a common vision shared by all participants. The main goals of this practical handbook are to allow the target groups to investigate which are the best opportunities of development and cooperation between the productive sector, culture and tourism; but also how to exploit culture and cultural heritage in order to create new business opportunities; and furthermore to highlight various models of PPCs that have ended up creating direct links between the tourism sector and the productive sector, enhancing the multiplier effect.

Although there is a great diversity inside the different CMC case studies analysed, it is also important to specify that all cases have been selected because they specifically represent initiatives connecting industry, tourism and culture. In case of all CMC PPC case studies, municipalities, local or regional governments play a crucial role in the PPC process. This is particularly true for the preparatory activities

and initial planning in which all stakeholders (be them public institutions, private organizations, or local governments) need to have a clear and unambiguous role in identifying, selecting and implementing project ideas. It is clear that local or regional governments need to build a convenient framework for local investments, in which transparency, definition of the goals, legal clarity, economic incentives, public agreement and consensus-building play key roles. **The CMC PPC Handbook thus tries to present a complex process of PPC planning in a systematic way. Due to an extremely complex matrix of issues and steps, keeping the handbook short and simple has been the guiding principle in order to provide the reader with clear references.** In order to keep the basic structure clear and avoid redundancy, additional references are provided (internet resources and background documents).

The Handbook is edited under the supervision and coordination of the Chamber of Small Business and Entrepreneurship of Maribor. Authors: Albin Keuc (ed.), Cecile Rousset, Vladimir Rudl, Jasna Mak, Boris Ličen - in cooperation with experts from the Maribor development Agency and from the Chamber of Small Business and Entrepreneurship of Maribor).

the News of the Month

Pécs Design Club event and WP6 PPP pilot project



The plan is to develop a Design Center where local stakeholders can sell the products of creative industry and the tourists can buy products directly. The founders would like to rent a salon in the Budapest, with aim to promote the Pécs Design products. It could be a place for international visibility.

This pilot project is under discussion with CMC Lead Partner and with local stakeholders.

The first meeting was in the 26th of February, and it was very successful, admittedly brought together the actors of the creative field and the university leaders, as well as the entrepreneurs.

According to the plan the Club will be held at regular intervals from minimal costs. One of the best things of the essence is the self-preservation attribution, because it can work anywhere,

even on benchmarking basis, by visiting the club members. On the first meeting there was a very interesting lecture about the design in the 21. century. It shows some gaps of the creative field in the region. Before the next Club meeting - which is planned for the end of the month - within the framework of a discussion the founders would like to negotiate the final goals and potential of the project.

the player, an interview with Balázs Dobay

Industrial sector

According to your opinion, what are the advantages of a cluster in general?

The potential advantages of a cluster? First of all, the opportunity to contact other businesses. Because we are making unique products, we have to keep in touch with a lot of other manufacturers. And not only because our products are unique, but a unique product needs unique parts, and unique partners.

What could be the main opportunities of your cluster membership?

We are the largest organ-building enterprise in Hungary, employing around 40 people. We always underline: we make all the organ parts, including the organ console, the flue and the reed pipes (are handmade in our two workshops) for our organs, and for the restorations. The foundation of this handcraft is traditional organ building and classic European wood and metalworking technology. The potential in being part of such a cluster is to open the possibility of new relations in Europe. We are constantly searching for not only new market, but even for suppliers. This can be the perfect place to expand our business and social relations.

Which are the main obstacles and barriers of clustering, in general?

Definitely time, or at least the shortage of time. To build relations, to find the possible ways how to make profit out of this kind of relations. It needs a lot of time.

How strong is cultural creative industry in your region? How would you describe it?

Actually the main problem is that the cultural-creative industry is lack of the funds to promote itself. That's why people don't know much about even the existence of this industry. That's why these kind of clusters are mostly welcome.

How would you characterise tourism in your region and what development potentials can you see?

We don't know much about tourism, only the groups that want to visit our workshop. They are interested in organ building, and want to see it in person. The next step of this evolution is to make a visitor centre, but it is in the dream phase at the moment.

Do you think public-private partnership could be a good tool to develop an integrated

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the player, an interview with János Keresnyei

Cultural sector

János Keresnyei, besides being the president of Cultural Creative Industry Cluster in Pécs, also participated at the Territorial Product Manager training in Vicenza, in November 2013. Therefore, he was one of the trainers of the "Shopping trainer" courses in Pécs, in February 2014.

According to your experience as president of Cultural Creative Industry Cluster, what are the main beneficiaries of a cluster membership?

Cultural creative enterprises struggle for their mere existence within a very harsh and competitive business environment. These enterprises have to find new ways and methods to sustain and increase their competitive and sustainability capacities. The cluster serves exactly these aims via developing new business models by incorporating and sharing common resources. The cluster has dual aim with these business models: first, the model should be tested and validated by the cluster members, second, the promising business models should be offered for the members as income generating business formulas.

Which are the main obstacles and barriers of clustering, in general?

Personally, I think: the lack of international business skills and poor time management are problems among the majority of the members. And of course, the cluster as a business entity is less familiar for most of the decision makers.

How strong is cultural creative industry in your region? How would you describe it?

Pécs deserved to become the European Capital of Cultural in 2010 for a reason. Since - besides Budapest - this region has the most remarkable and most diverse cultural creative industry accompanied with heritage of the centuries. For example: glove manufacturing, ceramic and porcelain manufacturing, organ instrument building, gold-silversmith workshops, and the seven liberal arts.

How would you characterise tourism in your region and what development potentials can you see?

The CMC project has a great awareness raising power in the field of tourism, because the touristic organisations are able to discover the hidden values of the creative cultural industry traditions. Thus it boosts the linking process of the CCI and

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the player, an interview with Krisztián Svastits

Tourist sector

According to your opinion, what are the advantages of a cluster in general?

As a member of a cluster you can have new source of information about products and services, and this kind of cooperation can support you in the reconciliation of interest on the market and during the purchasing process.

What could be the main opportunities of your cluster membership?

BC Marketing & Personnel Consulting Ltd. is a service provider on the fields of marketing and human resources and with creative solutions we are able to support the cluster members in their business processes. I think it is very important, that we are located in Pécs but we are working on the international market, so we know the local potentials and the international tendencies as well.

Which are the main obstacles and barriers of clustering, in general?

The lack of human resources. At small and middle size companies the key persons in the cluster are often the owners or managing directors, but often they do not have enough time to take part in the life of the cluster. It is very important to delegate the right person.

How strong is cultural creative industry in your region? How would you describe it?

In Pécs we have inherited traditional industries and know-hows from our ancestors. We have famous glove-, organ- or porcelain manufacturers, wine makers and cultural products like festivals etc. We just have to find our market niches and the right marketing strategy to reach them.

How would you characterise tourism in your region and what development potentials can you see?

We do not have sea or ocean and we do not have big mountains for skiing, but we have unique cultural attractions, world heritage places, first class wines and thermal water as well. The main season of cultural tourism should be not only the summer, so we have to increase the number of tourists in the winter season.

You have participated in our "Shopping trainer" courses. What is your opinion about it? How can you benefit from the training?

It is important to refresh our knowledge from time to time. During an interactive training we have

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Stakeholder's point of view

tourist entrepreneur

tourism promotion of the territory?

Actually yes. We only need to find the right balance between public and business interest. To make the region more competitive – I think – this is a must. And I am sure, that a lot of private businesses are open to that including us.

What do you think, what do you expect from the CMC project?

As I said before, especially small cultural-creative businesses are not strong enough in Hungary to cross the borders. Even we have problems when trying to make contact with new partners in countries where we haven't had partners before. That's why any project what makes cross border relations possible is highly welcome.

cultural entrepreneur

tourism. We have great expectations towards the project.

How did you find the Territorial Product Manager training in Vicenza, and now the Shopping trainer courses? According to your opinion, is it an appropriate way for the education?

Every change starts with a paradigm shift. The cross-sectorial synergies can be discovered through out-of-the-box thinking. The main result of the Vicenza training was the emergence of a new mind-set. We believe that the Shopping trainer courses were successfully adopted and advanced according to our local characteristics, and successfully delegated to the local training. According to feedbacks, the regional trends will converge with our forecasts.

Industrial entrepreneur

got acquainted with interesting case studies and important facts about the recent tendencies. I am sure that we will be able to use this knowledge during our activities and I hope that we will be able to convert it into business success.

Cultural Creative Industry Cluster (Pécs)



- To create a uniform set of norms to improve the market operations of actors in the cultural creative industry based on innovative methods.
- To communicate the achievements in the field of the culture industry with a variety of tools.
- To share experience with international cultural creative industry actors, to exchange methodology and results, and to assist their preparation.

The cluster management organisation is **self-supporting** from its establishment. The incomings of the association consist of mostly tender finances. We worked as partner in many project financed by the European Union, and also in projects by national public finance (European Accents in Perm, Baross Gábor programme, Creative Cities project, etc.).

The CICC also runs a **coworking office** called KOHÓ CoWorking Houe Pécs, which supports the long term objectives of the association and community building targets.

It is a long-range goal of the CICC to develop an **active, creative, and effective professional community and coehsion in the industry branch.**



The Cultural Innovation Competence Centre Association (CICC) was established in 2006, in order to create the network of **cooperation** between **small and medium businesses** in the fields of culture creative industry, and to promote the establishment of an innovative economic milieu by means of the **network-oriented development** of each sector, enhancing the cohesion of South Transdanubian Region (South-West Hungary), and thus to contribute to the renewal of the current socio-economic structure. The CICC Association was established on 26 April 2006, with its seat in Pécs. On 31 January 2007, its institute called the Cultural Creative Industry Cluster of South West Hungary was also founded. This cultural creative cluster is intended to serve as an **umbrella organisation** for the creative industry in the region.

Our objectives in creating the Cluster:

- To provide for the prerequisites of successful

operations in the competitive market, to promote the cultural creative innovation network and the coordinated cooperation of actors in the innovation industry.

- To design and organise the regional marketing of a range of cultural creative products.
- To develop and incubate the industrial and operative regulations governing cultural background activities and cultural operations.
- To deal with requirements, plans and projects affecting the cultural creative sector, and to generate innovative developments.
- To establish a suitable training system, according to the direction of development in the culture creative industry, including the organisation of professional further education.
- To participate in the organisation and implementation of programmes and events.

Our experiences:

- development of **R&D partnerships with universities** in the field of creative and cultural industries
- transfereable methodology for **cluster establishment, cluster development, and cluster service portfolio development** – especially cultural/creative industry cluster
- consultancy of cultural/creative policy development in **urban development** strategies
- partnership in European **Horizon 2020** projects or initiatives
- cultural **event services** regarding to our creative industry cluster sevice portfolio
- **coworking office licensing**, and transfereable methodology for establishment