All Senses Group (first pilot project in micro cluster in the west Iceland)

Upplifðu allt á Vesturlandi

A small cluster with 14 companies – pilot project

• 6 months project
• Budget – privately founded – paid from the companies
• Steering group
• Professional project leader
• For one goal only - presentation for West Iceland for Westnorden – Travel Mart
• Mesurable goal
  • contract and bookings
West Iceland
a short overview

- Area: 10,000 sqkm
- Population: 15,000 inhabitants
- Unemployment rate: 5%
- Population growth: Slightly positive
- Industries – history /culture:
  - agriculture, fishery,
  - aluminium melting, tourism,
Strenghts

- Geographical position; close to Reykjavik and the international airport in Keflavik and close to rich fishing grounds.
- Two small higher educational institutes and few local research centres with 3-5 researchers.
- Grundartangi industrial site and harbour.
- Efficient fishing industry.
- Good transport and IT infrastructure.
- Growing tourism with very easy access all year around
- Weather – accessibility – service
Weaknesses

- Declining and aging population, especially in the rural areas.
- Reliance on relatively few large companies and sectors.
- Demographic shift – sometimes difficult to travel during the winter season
- Cut-downs in health service and education
- Strong culture for independency – private work
- Weak understanding / knowledge in the local market/ government
The model for Micro Cluster

Selecting the “right group of companies “
Have a steering group
Professional project leader
For few measurable goals
Discuss and set the working rules
Finance the project
Set time
Micro clusters

- A handful of companies
- Carefully selected
- Predefined period of time with the possibility for continuation
- Right geography – accessible
- Equality
- Right amount of time
a pilot project

• 9-10 companies were interviewed for a pre-selection
• a group of 6 companies was formed and the companies committed to the co-operation
• Common goals for the co-operation were agreed upon.
• Individual and group consultations
• Group meetings hosted by the participants
• Group work with and without consultants

• Evaluation and reporting
**Micro cluster advantages**

- High degree of uniformity between partners
- Possible to hand-pick partners based on interviews and individual assessment.
- Easy to obtain trust within the group and get the partners to share company information.
- Strong sense of commitment and possibility for long lasting bonds between the companies
- Knowledge exchanges
Micro clusters – disadvantages

• Too close for competitors
• Simplifying
• No knowledge/experience to share
• Too much expectation
• Traditional cluster techniques are not suitable for rural areas -
  - Micro type might be usable
• The project partners gain good confidence, professionality
• Physical distances, small company base, weak support system
• Micro-clusters evolved from the RIBS project and are designed to meet these challenges
• Possibility to get know – how about the rural tourism / situations / development
• Preliminary results are positive and indicate we might have a new tool for rural development
Micro clusters
The Pilot project in Iceland

The main results

• Traditional cluster techniques are not suitable for rural areas -
  • Micro type - on the other hand - might be usable
• The project partners gain good confidence, professionality and learn
to cope with competition by cooperation
• The micro cluster work and design is well suited for education and
  training
• The internal support system increase confidence and competence
Micro-cluster work-flow diagram

1. Get-together
   - Micro-clusters and the advantages of local collaboration

2. Sustainability
   - Food/menu
   - Quality service
   - Sustainable tourism

3. Marketing
   - Branding
   - Service
   - Sale
   - Contracting
   - Tourism outside peak season

4. Product development
   - Packages
   - Local collaboration
   - Innovations

5. Cluster collaboration
   - Active networking
   - Professionality
   - Profit
   - Co-operation & competition
   - Future development

6. Administration
   - Leadership
   - Staff-issues
   - Quality control
   - Suppliers benefits
Micro clusters
Iceland

By Hansina B Einarsdottir  Cand.polit

1986 - Step by Step (www.sfsradgjof.is) Own company, creating seminars and educations in SME business. Divers seminars in tourism, marketing, management, working with changes, personal profile, crises management, creating new business opportunities, etc. Working with all sizes of companies, on a governmental and municipality levels and with diverse Universities and different educational institutions in Iceland.

2000 – 2011 Hotel Glymur (www.hotelglymur.is) Owner, founder and a manager of Hotel. This is a small boutique hotel in Vest of Iceland, 35 rooms, villas and suits.

2004 - Startet up a cluster cooperations (All Senses) with 25 small tourist company in West of Iceland. The concept was to cooperate in a competitions (which was a bit difficult to do) and to encourage and promote small business both locally and internationally. This was one of the first cluster in the Tourist area in Iceland.

2007: Was one of the founder of West Iceland Marketing Office and has held a chair on the board from the beginning.

2011 – Step by step consulting (www.sfsradgjof.is) – Running diverse seminar in SME, with a special focus on rural areas and the countryside in the tourism in Iceland. Creating new thoughts and opportunities after the crisis/set back in 2008. The key work is around job creations, motivations, marketing, clusterwork and branding.