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Business Internationalization and Scale up

**A Guide on Business Internationalization
and Scale up of Danube Agro-Food Clusters**



*Maria Kourti, Nathalie da Silva, Clémentine Roth,
Karin Hochberg, Daniela Chiran, Valerie Bahr*
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Executive Summary

Clusters have an outstanding role to support policy in national and regional development and growth by supporting their affiliated members, including a variety of organization types as SMEs (including startups and scaleups), research intensive firms, food producers, technology providers and academia. Growth is a result of successful internationalization and scale up of activities and businesses, but most of cluster members have in common that for going international, staying competitive on the international markets and scaling their efforts they need to innovate and build competences, skills, assets, markets (strategic knowledge). At the same time, they do not have the resources and the time to do all this within their organization borders.

Organizations can gain access to strategic knowledge through partnerships and alliances with other organizations if they loosen their organization borders and interact with their ecosystem. Open Innovation is the ideal approach that empowers the access to strategic knowledge to organizations from the environment and supports a quick and successful internationalisation and scale up.

This handbook hence provides tools and examples for cluster managers and cluster members on how to internationalize and scale up, especially focusing on using strategic partnerships, networking and open innovation to reach these goals. Furthermore, the theoretical framework behind those strategic tools is elaborated.

1 Business Internationalization and Scale Up in the Agro-food Sector: An Introduction

Clusters play a substantial role in the regional development in the context of the Smart Specialization Strategy of the European Commission. In 2010, the European Cluster Policy Group communicated recommendations stating that “the profiles (...) of cluster programmes need to support Europe’s efforts to better achieve its innovation and competitiveness potential a key objective of the Europe 2020 strategy”.¹ Competitiveness of Small and Medium Sized Enterprises (SMEs) is one of the 11 thematic objectives of the new cohesion policy and its priorities are to enhance SME competitiveness and growth.² Competitive advantage and growth can be achieved by successful internationalization and scale up of organizations’ activities and businesses if planned and implemented strategically.

Countries in the **Danube Region** have identified the most promising areas for innovation based on their respective local strengths. Comparing Smart Specialization Strategies (S3) priorities, most of the countries and regions have decided on **agro-food related priorities**, often relating this area to health, environment, bioeconomy, or sustainability. Within their Danube S3 Cluster policy, clusters have “set emphasis on promoting organic farming and bioeconomy and will aim at increasing links between food, farming and health (...)”³

The agro-food sector’s business areas are currently challenged by major technology and market trends. They are calling on agro-food organizations for meeting expectations with new concepts and functionalities of products. Functional and nutraceutical foods for example are increasingly becoming the focus of R&D activities

1 European Cluster Policy Group (2010): Final Recommendations – A Call for Policy Action, http://wbc-inco.net/object/document/7861/attach/ECPG_Final_Report_web-low1.pdf (last access: 22.09.2020).

2 European Commission (n.d.): Priorities for 2014-2020, https://ec.europa.eu/regional_policy/en/policy/how/priorities (last access: 22.09.2020).

3 Danube S3 Cluster (2020): Regional context and cluster innovation potential, http://www.interreg-danube.eu/uploads/media/approved_project_output/0001/39/1a47a515d0abecbadd421cc8c567041ef5b46414.docx (last access: 08.09.2020), p. 17.

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