

Latvian Cluster example: Information Systems Cluster

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Latvia's Information Systems (IS) cluster is collaborative network of companies and institutions whose aim is to increase the competitiveness of the IT sector and ensure export growth on the basis of a shared vision. IS Cluster includes 18 enterprises and organisations – the leading Latvian software companies, communication service companies and data centres, a testing company, universities, a vocational training centre and web design, marketing and PR companies. The goal of the cluster is to increase international competitiveness of the involved enterprises and growth of exports by tightening mutual co-operation between IT companies and the related institutions.

The cluster companies offer a wide range of IT services, the main areas being:

- information systems and product development;
- ASP services;
- applied research;
- independent software testing services

Although consolidation of the IT sector has started before, formation of IS cluster has been facilitated by project “*Support to Industrial Cluster Restructuring*” (2000 – 2001). Project objective was to provide a consultative support to the process of cluster formation recommending co-operation areas, assuming the role of a co-ordinator or network broker and helping to define goals and strategies to reach them. Within the project, cluster participants received training and consulting in areas identified as being the most important. Working groups were set up matching concrete areas of cluster co-operation (working groups on human resources, marketing, education and training, project management and quality, etc.). A representative delegated by the management of cluster members worked in these working groups during the whole time of project implementation. Although the goals of clusters may be basically reached in the long term, enterprises and institutions included in the cluster have reached the agreement on a closer co-operation in several areas – important for raising competitiveness of the cluster. This means also respecting project management and quality assurance principles in daily work. The project also comprises a preliminary work at implementation of co-operation between the enterprises in the area of human resources. This is very important for implementation of large projects and, especially, in the sector of information technologies. The necessity to focus on research and development issues was emphasised during project implementation. Several models of the possible establishment and financing of the cluster research and development centre were worked out. One of the project priorities is to promote co-operation between the enterprises of the cluster and universities. For this reason, in November 2001 the University of Latvia, Technical University and IT companies – cluster members signed the agreement on reciprocal co-operation addressing such issues as perfection of study programs, participation of enterprise representatives in the status of guest lecturers, students’ practice in enterprises, etc

After the completion of the project “*Support to Industrial Cluster Restructuring*” in October 2001 the co-ordination function of the IS cluster was taken over by the Association of Information Technologies and Telecommunications of Latvia.

Meetings of the cluster co-ordination council take place on a regular basis, where with participation of the management representatives of the involved enterprises and organisation, the questions of the strategic development of the cluster are discussed. In parallel, working groups have been set up and continue to work to specialise in concrete areas of co-operation, such as:

- development of human resources;
- education;
- product development;
- business environment;
- marketing and public relations.

Both internal and external web pages has been developed for IS cluster. The internal web page can be accessed only by cluster members and functions as an information exchange system within the cluster.

Contact details and information about IS Cluster members may be viewed on the external web page www.is.lv.