

**ALL THAT CLUSTERS IS NOT GOLD: EVIDENCE FROM THE  
NEW ZEALAND FOREST PRODUCTS INDUSTRY**

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### **ABSTRACT**

Business clusters have been viewed as a substantial source of competitive advantage. This has encouraged many efforts to promote enterprise development through support to business cluster groups. Four such cluster initiatives based in the New Zealand timber industry are examined. The forest products industry was chosen for the study as this industry has produced cluster projects in different regions and because firms in this industry have a range of network opportunities as well as the cluster group. This gives opportunity to assess the particular significance of clusters versus other forms of collective association. Two of the four groups are shown to have achieved some impact on business development and have sustained the support of enterprise owners. Two groups have failed to become significant and have lost participation. Participants in each cluster project were interviewed using structured and semi structured questions to determine the reason for these different outcomes. The attributes of the more successful clusters are identified related to: (i) the mix of enterprise types; (ii) the expected outcomes from participation; (iii) the business relationships between cluster participants. These characteristics lead to the development of two models of enterprise activity conducive to cluster formation. Each model has different implications for the potential impact of a cluster on enterprise growth. These findings raise a number of challenges for the advocacy of business clusters as a tool for enhancing business competitiveness.

*Key words: clusters, cluster policy, New Zealand, policy evaluation, business cooperation.*

## INTRODUCTION

Encouraging enterprise owners to recognise their existing or potential membership of a business cluster has been one of the most influential business development ideas of the last decade (Isaksen & Hauge, 2002; Raines, 2002; Martin & Sunley, 2003). This is frequently attributed to the influence of Michael Porter and the associated Monitor Consultancy. Together, their 'missionary' work has formed the basis of cluster strategies in many European countries (Benneworth *et al.*, 2003). As presented by Porter, business clusters provide seemingly perfect conditions for business growth.

A concentration of visible rivals encourages the search for ways of competing that are not head on. Niche opportunities overlooked by others can reveal themselves. Ready access to suppliers and partners provides flexibility to configure the value chain in a variety of ways. A more positive-sum form of competition can result when customer choice is widened and different customers are served most efficiently (Porter, 2000:265-6).

Such advocacy is possible because the conception of a cluster does not envisage a specific scale of geographic or industrial agglomeration. For Porter (2003) and like-minded researchers, clusters are more a 'mode of inquiry' rather than a concern to intervene in entrepreneurial behaviour at any particular spatial scale. The importance of clustering is merely the recognition that tight connections can bind certain firms and industries together and this makes it meaningful to study groups of inter connected activity (Bergman & Feser cited in Feser & Luger, 2003: 13). This is seen in the generation of 'cluster templates' that show which business activities may be linked to each other, as illustrated by Feser & Bergman (2000) and Porter (2003).

In contrast to the mode of inquiry perspective, public agencies with responsibility for promoting enterprise development tend to envisage business clusters as tied to a localised geographical area (Perry, 2005: 12). This overlooks that many of the strongest claims made in support of the importance of clustering are advocating only a way of analysing economic activity. It appears that enterprise policy has not recognised that the mode of inquiry perspective 'is simply not capable of producing a single right answer about the industries and businesses a region should seek to support or grow' (Feser & Luger, 2003: 16).

Whereas Feser & Luger caution policy makers against seeing policy implications in their cluster analysis, researchers such as Porter (2003) have sought to claim policy insight. Not surprisingly, therefore, enterprise support agencies in New Zealand do not appear to discriminate among cluster perspectives (Perry, 2005). A Cluster Development Programme defines clusters as 'groups of companies and related organisations that collaborate to grow their businesses'. In comparison with some conceptions of clustering, this definition puts the stress on inter-organisation collaboration rather than the location of collaborating parties relative to each other. It provides further guidance by suggesting what impacts are expected from collaboration.

*Using this collaborative team approach allows businesses, regions and interest groups to develop greater speed, quality, innovation and critical mass. This assists in resolving practical issues like training, infrastructure and procurement.*

There are no explicit criteria relating to the organisational form of the cluster, the number of participants, degree of participant involvement or activity to be pursued. Consequently, a significant variation can occur in the extent to which the projects supported are an aspiration as compared to a group with a committed membership.

From the perspective of the study, this policy context was helpful in enabling four contrasting cluster groups to be identified associated with the same activity (timber processing). The investigation shows how the characteristics of a business population affect the ability to assist enterprise development through cluster promotion. This identifies conditions in which cluster promotion is ineffective and conditions where it may even disadvantage small enterprise. These findings are significant as advocates of the kind of intervention tried in New Zealand, such as (Cluster Navigators, 2001; Sölvell *et al*, 2003; Ecotech Research and Consulting, 2004) appear to view cluster promotion as applicable to any concentration of business activity.

## **SURVEY DESIGN**

The timber industry was selected for the study as it has produced separate cluster projects around New Zealand. With similar activity, it is possible to focus on how enterprise characteristics affect the opportunity for cluster cooperation. Reflecting the possibility of differences in perception and experience of the cluster, the aim was to conduct interviews with as many representatives of organisations linked to each cluster as possible. Organisations were identified typically from a cluster membership list obtained in initial discussions with the facilitator of the individual cluster. As membership does not always involve the payment of subscription fees, this approach still allows for the identification of differences in 'member' support for the projects. Consequently, no attempt was made to broaden the investigation to organisations outside the cluster that were engaged in similar activities. In two cases, there would have been few firms in this category to approach. In the other cases, the cluster groups had low membership requirements that enabled firms with low attachment to remain on a current membership list. As one such respondent observed, being excluded from a member list would require more effort than remaining included.

A risk to the study was that active supporters of the projects would be disproportionately inclined to participate. This did not occur. Of 56 organisations approached for an interview, 50 agreed to participate. In three cases, all arising in the relation to the same cluster, people declined stating that they had no interest in the project. In two other cases, the timing of the study was the reason for declining to participate and in the final case no explanation was given.

Interviews were conducted using a standardised list of questions and face to face meetings (except in two cases where it was necessary to use a telephone interview or postal response). This format was designed to secure a minimum response in the form of responses to closed option questions while permitting further discussion where respondents were willing to extend the time required for the interview. The questions were designed to be answered by representatives of individual firms. Where the respondent was an education, training or local authority agency (as occurs for four respondents linked to two of the clusters), closed questions were replaced by open-

ended questions relevant to the particular organisation's involvement. Consequently, tabulated findings can be based on a smaller sample than the full interviews.

## THE CLUSTERS

The individual cluster projects differ in the organisational form that they take (Table 1). All projects are of recent origin but differ in their progress into a significant initiative, as evidenced by a high level of participant support and an agreed set of activities. If allowance is made for the different opportunities existing, a full judgement on which group has achieved most is more complicated than one based on the outcomes to date. The progress of a group needs to be assessed against the challenges and opportunities that each has faced.

[insert Table 1: Profile of the cluster projects around here]

Clusters vary in what the majority of their participants expect the project to achieve and in their assessment of the progress being made. Whereas differences tend to dominate, some issues are common to all of the clusters. These similarities are noted first as this enables some interpretations of why projects succeed or struggle to be ruled out.

One possibility is that the starting disposition of firms affects the willingness to contemplate cooperation with other firms. The survey does not support this. The majority of respondents in each group are more inclined to consider that 'business success is built upon a business's ability to work closely with other businesses' than 'business success is built upon individual businesses'. Reflecting this openness to working with other enterprises, each cluster includes firms that are also members of at least one national industry association.

The desired attributes of a cluster provide another reason for believing that cluster projects are not needed to educate firms about the benefit of working alongside other firms. When asked about the opportunities that it was expected the cluster would ideally promote, each cluster has a majority of firms that see the project as relevant for generating collective industry benefits. An alternative possibility was that firms might view clusters as mechanisms for marketing their business to other cluster participants. This motive does exist for some firms, and is more frequently encountered in some groups than others. Clusters are nonetheless generally viewed as something to assist industry development rather than a means for attracting new customers.

The assessment of the comparative roles of clusters and industry associations is another area where firms share some judgements in common. Most firms see that a cluster can perform different roles than an industry association. This suggests that there can be a continuing role for both groups while also identifying that clusters may not be most suited to achieving some of the outcomes that advocates often suggest they can. The overall recognition of cluster distinctiveness is reflected in judgements about the appropriate allocation of government support between clusters and industry associations. In each cluster, a minority believe that it would be appropriate for

government to provide support for clusters and not support industry associations (the approximate current position). Most numerous are respondents saying that both had equal claims on government support or that neither warranted government support.

Finally, two outcomes from cluster participation were shared by the four groups. In each cluster it was more likely that the benefits obtained would be in respect of information or advice ('information on new equipment, raw material or other purchases', 'assistance to comply with regulation or quality/market standards', 'advice particular to this business' or 'obtained industry intelligence'). Direct business benefits (in the form of a 'new business partner', 'new customer', 'new supplier' or 'training') were less frequently claimed although the balance between the various potential outcomes does vary between groups. The second shared characteristic is the consistency in the relative frequency of outcomes from participation in an industry association and a cluster. In both cases, indirect outcomes are more likely than direct outcomes.

### **CLUSTER DIFFERENCES**

Across the range of issues on which cluster participants were questioned, differences were more apparent than similarities. The following discussion focuses on three areas of difference.

1. The level of support for the cluster and profile of participant characteristics;
2. motive for participating in the cluster;
3. preferred organisational attributes of the cluster.

#### **Cluster support and participant profile**

The Southern Wood Council is the only cluster where all respondents claim to be active participants (Table 2). Northland has the next highest level of participation. These same clusters have a comparatively high density of business relationships between their cluster participants (Table 3). In other clusters, business links tend to be based on several firms using the same supplier. The Southern Wood Council can claim the most similarity in firm size among its members (Table 4).

[insert Table 2, 3 and 4 around here]

Respondents were asked to consider what choice they would make if they were required to select between staying in the cluster or an industry association. Responses to this question are not suggested to be a real test of decisions that might be made, but there are differences between the clusters in how this question is answered. These differences are taken to indicate the relative levels of support existing for each cluster. Among Southern Wood Council respondents, four of seven industry association members indicated that cluster membership would be retained and two others declined to select saying the decision would be hard (Table 5). The Northland group is the only other one where a majority of participants suggest that the cluster would have priority over industry association membership.

[insert Table 5: Support for the cluster and industry association membership around here]

### **Motive for participation**

Respondents were asked to select which of seven specified motives for joining a cluster most applied to their organisation. Southern Wood Council members gave the greatest range of motivations for joining the group (Table 6). One potential motive had no support (the 'chance to form new business contacts (supplier, customer or partner) among other members') but otherwise each motive was relevant to at least four respondents. This is the only cluster where no firms look to the cluster as a possible aid to gaining new business relationships. In contrast, the motive 'keep in touch with existing business contacts (supplier, customer or partner)' is particularly frequent.

[insert Table 6: Motive for participation around here]

The motives for joining an industry association have a similar profile as those for joining the cluster. The main difference is that staying in touch with existing business contacts is less frequently mentioned with respect to the industry association membership.

### **Preferred cluster attributes**

The extent to which a number organisational attributes are important in keeping the firm in the cluster was explored. The Southern Wood Council responses are distinctive because of the high frequency with which respondents' value (Table 7):

- 'Ability to influence what the network does'
- 'Other members are firms like your own'
- 'Other members include businesses you know and trust'

The desire to influence group activity supports the impression already given of a cluster attracting active engagement, itself partly the product of prior association among the cluster participants.

[insert Table 7: Preferred cluster attributes around here]

Looking at how groups might evolve, respondents were asked to identify how a change in the balance of large and small firm participants and the range of activities represented would affect their support of the cluster. Like Northland, Southern Wood Council respondents have a clear view on these issues. Respondents overwhelmingly favour staying as they are. Increased participation from small firms is not opposed in itself but for the potential risk of bringing firms into the group without the same concerns or willingness to commit resources. Similarly, diversification of member activity to include timber users is not desired as it is doubted that there are common issues to address. These preferences are in line with the perceived effectiveness of the current scope of the cluster's membership. Similarly, there was overwhelming preference that 'the present membership size needs little change' rather than 'the cluster should aim to grow its membership'. Likewise the proposition 'clusters work best when confined to a small group of businesses that know each other' was

supported rather than 'clusters work best when they help businesses get to know businesses that are new to them'. Both these preferences are shared with Northland (although they are slightly less frequently selected in the case of Northland). In contrast, East Coast and Hawke's Bay respondents are predominantly inclined to want membership growth and introduction to new businesses.

## **DISCUSSION OF CLUSTER DIFFERENCES**

The three experiences encountered in the study can be summarised as examples of a balanced cluster, an unbalanced cluster and an unconnected cluster.

### **Southern Wood Council as a balanced cluster**

The main drivers of the Southern Wood Council have been seven medium-sized forestry companies. These companies span forest ownership and sawmilling, sometimes within an individual organisation or through operational ties. Nationally, the tendency has been for these activities to be affiliated to different industry associations that have had divergent political agendas. The Southern Wood Council has avoided the need to manage these different priorities. This has directed the group to common forest industry development issues and enabled it to draw on the combined resources of forest owners, managers and timber processors.

A potential division within the Otago-Southland forest industry is the split between New Zealand and foreign owned enterprises. Five of the drivers of the Southern Wood Council are New Zealand branches of international organisations but all are managed locally. The regional embeddedness of the cluster participants is further encouraged by overseas owners having tended to acquire established assets rather than generating 'greenfield' investment. As well as continuity in the underlying activity there are long established operational ties. These might arise from the need to manage boundary issues between adjoining separately owned forests or from timber supply arrangements. Today, the commonality between individual members is further encouraged by overlapping ownership ties among four of the seven original participants.

These characteristics mean that the cluster commenced with a high degree of familiarity among participants and relative certainty that there was going to be some value in setting up a group. A representative of one company had confidence that other potential participants were the 'right' ones in the sense of having some issues in common and of them being able to make a contribution to what they saw to be the group's role. Even then a significant local issue was needed to bring the group together. This was the preparation of the forestry resource profile. This proved to be an unusually effective starting point partly as it required firms to share proprietary information and because the product was something that all participants valued.

Beyond the immediate stimulus for the group, it has gained from other shared motives connected with the sense of the region's forest industry being a distinctive part of the industry nationally. Added to this is the compatibility of the cluster organisation with the expectations of managers. As one respondent expressed it, the group operates with business like efficiency. Group meetings are attended by decision makers. All the

issues that are discussed are not of equal concern but extended discussion is generally not required to gain agreement to progress individual matters.

The outcome is a group that has undertaken a range of significant projects, sustained and strengthened its membership and developed an ongoing programme of activity. Nonetheless, three aspects of the group are in contrast to the expectations that can exist about cluster groups.

- The group is not about business development in the sense of seeking to influence competitive strategies, the allocation of investment between individual companies or marketing strategies. Facilitating access to resources and changing how outside agencies perceive the region's forestry industry are the expected business advantages from supporting the group.
- While there is a high degree of familiarity among the representatives of companies there is ambivalence whether this means that there is also trust. Whereas management literature about clusters tends to assume high levels of trust are an aspect of effective clusters this is not reflected in the Southern Wood Council. There is familiarity and shared understanding that facilitates working together alongside the desire to protect individual company advantages.
- Some collective activity that it was thought would provide a role for the group has on further investigation not proved viable. This includes the development of some form of regional brand and the opportunity to pool purchasing of transport services and insurance. A range of activity has gained support and up to now participants have continued to support the group even where some of its activity has been directed to issues that are not of benefit to their organisation. Participants currently indicate that they take a long term view of the outcomes, although two respondents indicate that their ongoing involvement will be influenced by the nature of projects taken on by the group. It should also be noted that not all the companies approached to join the group have done so, including two relatively large saw mills that would have diversified the group to include mills without forest interests.

The cluster operates with a relatively confined role that does not impinge on individual company activity. On the other hand, it has sought to spread the benefits to other industry participants not in the group. There is a view that participants should have something to contribute, implying industry insight and resources for joint activity. Beyond that, a limited membership is not about promoting a specifically 'big business' agenda. Rather it is to protect the perceived decision making efficiency and focus of the group. Consequently, the group can justify public support for its potential to assist the industry as a whole within its region of influence.

### **Northland Wood Processing as an unbalanced cluster**

The operation of Northland Wood Processing is influenced by the differences in enterprise scale and the extent to which firms are reliant on other cluster firms. The cluster includes two large operations. One of these is a relatively self contained branch of a corporate group that has been a comparatively passive participant, is focussed on specialised product and relies on timber obtained mainly from its own forest estate. The other is an independently owned saw milling operation that

produces construction timber for the New Zealand and export markets. This mill currently processes around five times the volume of timber of any other independent operation in Northland and has development plans to quadruple its capacity in the region. The activities of this firm are of great significance for the opportunities existing for smaller companies in the region. The volume of timber it purchases can influence the volume of timber available to other buyers and the investment decisions it makes can determine the production niches left for smaller and more specialised operations. Consequently, how other firms experience the group is affected by their relationship with this dominant participant in the Northland cluster.

In addition to the single large active participant in the group, respondents could be grouped into three categories.

- Firms that have business relationships, directly or indirectly, with the large firm but that are predominantly dependent on their own marketing.
- Those firms that are predominantly reliant on the large firm for their main business activity.
- Firms with no business connection to other cluster participants.

Firms in the first category are most likely to report positively on the cluster. These firms can be working in a synergistic relationship with the dominant enterprise, purchasing services or material from it and selling material or services of its own back to the company. This offers mutual advantages and provides a context in which the opportunity provided by the cluster group to discuss business issues informally is valued. Smaller firms have benefited from the success of the large firm as well as retaining their own business development capacity. As well, the cluster has addressed shared issues such as promoting the industry as a source of employment to job entrants and seeking to encourage a positive attitude toward the industry among local politicians.

The second group, which are less frequently encountered, have a significant dependence on the large firm. They are under no constraint to retain that dependence but are at a point of development where the large customer is likely to account for the main part of their business for some time to come. If this type of firm has development aspiration beyond its current market base, the cluster can be viewed as something that reinforces their present dependency. Activity pursued by the cluster tends to rely on it fitting the priorities of all members but with particular influence exerted by the large firm given its influence over business opportunities for small firms. Consequently, an enterprise seeking to reduce its dependence on the large firm can perceive the cluster as something that adds to its difficulty breaking away.

Firms in the third group vary in their perception of the cluster. Some have reacted against what they see as a group dominated by big business concerns and have withdrawn from participation. Some value the opportunity to participate in a group where there is the possibility of gaining industry insight from its most successful participant as well as other companies. Others are uncommitted; they see potential benefits in the initiative, especially if it is able to attract activities such as engineering support to the region. At the same time, to date they see little direct outcome from the cluster.

This cluster is vulnerable to any change in commitment to the cluster by its central participant. Should this firm withdraw from being associated with cluster, the usefulness of the cluster to other existing participants would decline.

### **Hawke's Bay and East Coast as unconnected clusters**

The Hawke's Bay and East Coast clusters lack a core of enterprises motivated to participate in their group. Like Northland, these localities have a dominant enterprise. Even where this enterprise has been a supporter of its cluster it does not generate the same motivation among other businesses to join the group. The dominant enterprises in Hawke's Bay and East Coast are like the corporate operation in Northland that has similarly had little influence on neighbouring firm orientation to the cluster group. These companies are overseas owned and operate with a high degree of self containment. They source raw material from their own forest and have a focus on export markets. Inter connection with other firms exists, as in supplying sub standard product as a raw material for firms that may remanufacture it, but the investment activity of the large firm is not influenced by resources that other firms may have to offer. The major indicator of this is the absence of a significant wood processing sector outside of the large firm.

It is interesting that the character of the 'big firm' varies without this affecting the ability to promote a cluster group. One has a desire to be respected in the community and operate as a good corporate citizen. It has supported the cluster in its locality but as a contribution to neighbouring industry rather than because it perceives direct business benefit to itself. The other big firm does not share this outlook and has a poor reputation in the community but this is not the reason for the cluster's lack of progress.

In the absence of being able to sustain support from the wood processing sector alone, both unconnected clusters have tried to diversify membership and draw in any activity with a connection to timber. This approach fits the advocacy of clusters as something that can help integrate value chains but overlooks the limited connection existing between timber processors and timber users. New Zealand's wood processing sector is focussed on supplying the pulp industry and minimally processed timber. The furniture and joinery industries, the main other activities in the cluster, are small sources of demand and exert no influence over the growing or processing of plantation timber. As a result timber processors tend either to be indifferent to the presence of these downstream users or deterred by the perception that unconnected businesses add an unhelpful burden to the cluster. The reaction of furniture and joinery to being linked to the forestry sector can be positive where there is a perception that they may be helped to source timber directly, but predominantly these firms see themselves as belonging to a separate sector.

A further weakness of seeking to diversify cluster support is the difference in perceived need for a cluster group. One of the unconnected cluster localities has given particular effort to drawing in building contractors as the main users of timber in the local economy. Among these firms the perceived need for a cluster group was low. In a small town, it is explained, competing firms are already well known to each other. Longer established firms, for example, tend to be the former employers of newer entrants. Individual firms may occasionally over commit their resources and need to

draw on the willingness of competitors to act as subcontractors. Machine breakdowns may require calling on a 'friendly' firm to help them out. These kinds of mutual support exist and are seen to negate much of what it is understood the cluster group is intended to help create.

## **CONCLUSION**

Discussions of business clusters can encourage a view that firms outside a cluster operate in a starkly different environment to those within a cluster. They risk being bereft of opportunities to engage in cooperation with other businesses, enmeshed in distrustful business relationships, constrained in their choice of competitive strategy and disadvantaged by their lack of access to collective resources such as training and technology learning opportunities. This type of presentation is challenged by this investigation. Clusters are not automatically a win-win opportunity for all participants. A balanced cluster gets close to this ideal outcome but this context is unusual in a world that has seen the growing importance of multinational enterprise alongside the survival of small scale enterprise. As clusters get unbalanced so the distribution of advantage is likely to reflect the underlying structure of business relationships, including some who see the cluster as wholly to their disadvantage. Further reason for disputing the claims of significant advantage in clustering is that the most coherent balanced clusters can set tighter limits to the use of the cluster than the expected impact across all areas of business activity. This is particularly apparent in export focussed clusters that, as with the Southern Wood Council, include businesses some with many decades of experience. Such enterprises have multiple connections and differentiated opportunities from their neighbours. To protect established competitive advantages, individual enterprises prefer to retain an individual approach to their business's development.

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Table 1: Profile of the cluster projects

	SWC	NWP	WHB	ECW
Year started	2001	2002	2001	2002
Membership	21 fee paying members	14 fee paying members	29 members identified on a 2004 website directory	19 organisations responding to a membership capability survey
Share of potential membership	High - 2 sawmills have declined to join although they do support some cluster activity	High - 2 large sawmills absent & 3 small mills, all located away from other members	Around 50% - first website directory identified over 60 members	Around 50-75% - over 30 organisations canvassed to join
Sector representation	Forest owners, sawmillers & timber processors	Sawmillers & timber processors	Sawmillers, timber processors, furniture, joinery & design	Sawmillers, timber processors, furniture, joinery
Stakeholder participation	Port companies Local authorities Government ministry		Port company gives financial sponsorship	Education & training
Organisational form	Incorporated Society	Linked to Enterprise Northland	Linked to Hawke's Bay Economic Development Agency	Linked to Gisborne City Economic Development Unit
Current activity	Cluster meetings Annual Forest Industries Profile Forest open days & training support Media strategy Energy efficiency Economic impact assessment	Cluster meetings 'Logs to Jobs Tour' Annual survey of member activity	Facilitator provides business support Cluster linked to a furniture design incubator Seminars New investment investigation	'Uncaged' furniture brand development Training provision

**Table 2:** Support for the cluster

Number of respondents in each category of participation in the cluster	SWC	NWP	WHB	EC
Active	9	5	2	5
Moderate	-	6	4	-
Inactive	-	1	8	6

**Table 3:** Business relationships among cluster participants

Number of respondents with each type of business relationship with another cluster participant:	SWC	NWP	WHB	EC
- customers	6	8	2	1
- suppliers	5	8	10	7
- associates	1	4	1	2

**Table 4:** Employment size of cluster participants

Number of respondents in each employment group	SWC	NWP	WHB	EC
Over 50	7	2	2	1
21-50	-	5	5	-
Less than 21	2	5	7	11

Note: estimates based on direct workforce only, excluding contractors.

**Table 5:** Support for the cluster and industry association membership

	SWC	NWP	WHB	EC
Number of respondents currently a member of at least one industry association	7	6	9	5
Own membership priority:				
• Cluster	4	4	3	2
• Industry association	1	1	8	3
• Undecided	2	1	-	-
Preferred government priority				
• Cluster	2	5	2	4
• Industry association	-	1	6	3
• Undecided	7	6	6	4

**Table 6:** Motive for participation

Number of respondents indicating the motive for becoming attached to the cluster	SWC	NWP	WHB	EC
Stay informed about what other businesses are doing	8	10	7	6
Chance to form <u>new</u> business contacts (supplier, customer or partner) among other members	-	5	5	3
Keep in touch with <u>existing</u> business contacts (supplier, customer or partner)	7	5	3	1
Access to advice/information from the network coordinator/staff	4	3	5	1
Activities organised by the network (for example marketing trips, seminars)	4	1	-	-
Support the industry	7	6	6	7
Help ensure everyone is working in the same direction	5	4	-	6

**Table 7:** Preferred cluster attributes

Number of respondents giving each rating of the cluster feature	SWC	NWP	WHB	EC
Ability to influence what the network does:				
• matters a lot	8	6	1	6
• matters a little	1	3	1	2
• no concern	-	3	10	3
Ability to influence who else joins				
• matters a lot	2	4	-	1
• matters a little	6	2	-	-
• no concern	1	6	12	10
Other members are firms like your own				
• matters a lot	4	2	-	1
• matters a little	1	5	3	4
• no concern	5	5	12	6
Other members include businesses you know and trust				
• matters a lot	6	3	3	2
• matters a little	2	5	3	2
• no concern	1	4	6	7
The network includes businesses that are new to you				
• matters a lot	1	2	1	2
• matters a little	3	4	2	3
• no concern	5	6	9	6
The network gives opportunity to form new business relationships with other members				
• matters a lot	2	5	3	3
• matters a little	6	5	4	2
• no concern	1	2	5	6