

Regional analysis of Covid19 **impact on clusters:
needs, challenges and **recovery** process
- summary-**

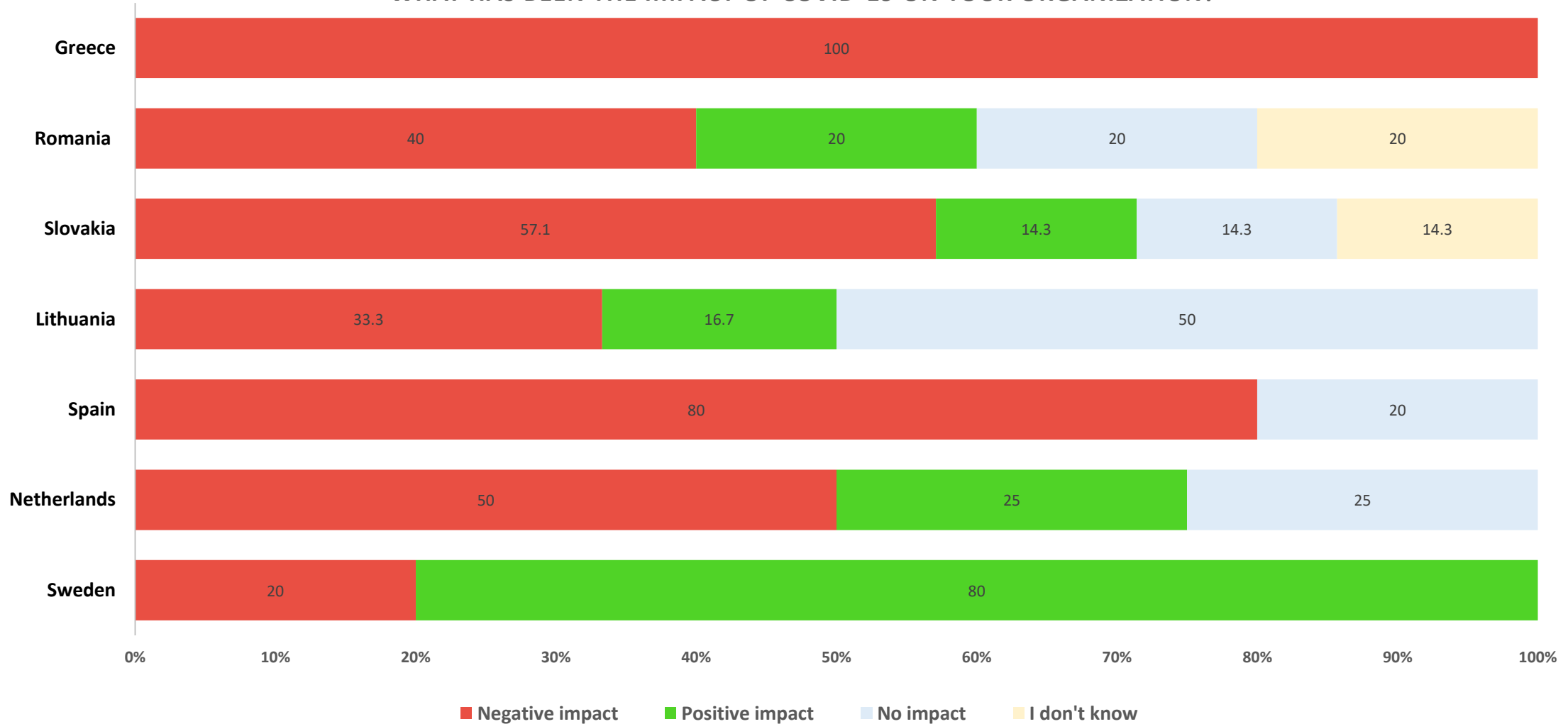
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SURVEY CONTEXT

- ClusterFY project extension for the Interreg Europe Programme 5th call: additional funding to support up to one year of exchange of experience activities in order to help in dealing with the COVID-19 crisis
- To understand pandemic's impact on clusters and SMEs and to enhance its collaboration on the path to recovery process, in order to better and quickly adapt to the new situation
- The survey was launched in September 2021, throughout the consortium (7 partners - 7 countries); over 38 clusters - more than 100 answered our invitation in participating at the survey

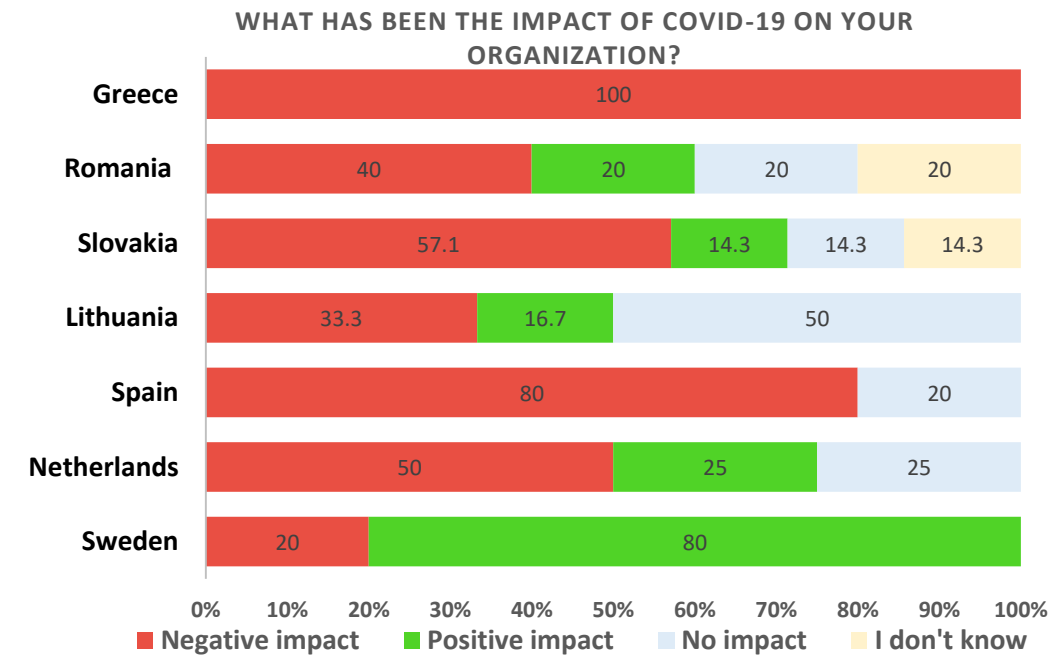
COVID IMPACT

WHAT HAS BEEN THE IMPACT OF COVID-19 ON YOUR ORGANIZATION?



COVID IMPACT

- Overall impact on the organization: there can be noticed a very big **negative impact** in **Spain and Greece** but the surprising data comes from **Sweden- 80% Positive impact**
- Impact on operations, in most of the countries it was a significant impact, except for **Sweden – 85% Medium impact**. **Greece** experienced a **High impact** on operation- **75%**
- Impact on workforce:
Netherlands- 75% No Impact.
Romania and Slovakia- 40-43% Significant Impact



- Impact on funding and Impact on finance/ cash flow:

Lowest impact: Netherlands- 75%

- Impact on short / long term strategies

Netherlands- 75% No impact vs Romania- 60% Significant impact

- Impact on network

Greece- 75% and Spain- 60% Significant impact and **Sweden- 43% High Impact**

- In terms of innovation process/ strategy, did the pandemic forced you in any way to improve or to rethink the business model/ approach?

65%- Yes and **35%- No**

Yes: Romania and Netherlands – 100%

No: Spain- 60% and Slovakia- 57%

Respondents admitted that the digitalization process was quickly improved and the changes that followed during the pandemic had to do mostly with new ways of working remote, communicating online or digital networking.

COVID IMPACT

- Therefore, considering the Covid-19 crisis, did the organizations managed to build/accelerate a digital technology infrastructure?

61%- Yes and 39%- No

- Regarding the external assistance sought during the COVID-19 crisis, the main source of assistance for which the respondents applied was **the government**.

Also, it is important to add that respondents in **Spain marked health and safety/ medical firms as the second most needed external assistance**.

KEY WORDS OF THE COVID IMPACT DIMENSION

Digital infrastructure

Flexibility

Need to adapt

Shift of operations

Need of resources

Structural changes

NEEDS AND CHALLENGES

The most challenged aspects in organizations during the pandemic

- Reassigning staff responsibilities due to working from remote locations

Not a challenge for Netherlands- 75%, Lithuania- 67%, Sweden- 50%

Very challenging for Romania- 75% and Greece- 50%

- Making decisions

Not a challenge for Lithuania- 83%, Spain- 60%, Sweden- 50%

Very challenging for Romania and Netherlands- 75%

- Government support

Not a challenge for Netherlands- 75% and Sweden- 71%

Very challenging for Romania- 60%

- Employee retention

Not a challenge for Netherlands- 75%, Sweden and Slovakia- 71%, Greece- 50%

Very challenging for Spain- 80% and Romania- 60%

NEEDS AND CHALLENGES

- Other aspects that were the main challenged when trying to cope with the COVID-19 emergency

- Travel restrictions and quarantine rules
 - Problems with the value chain supply
- Uncertainty and unpredictability about the future of business, education and health system
 - Outbreak of Covid cases in companies.
 - Canceling project or postpone them
 - Lack of personal contacts especially for startups
 - Financial problems of cluster members
 - Slow government response or assistance
 - Keeping the synergies with staff, partners, stakeholders
- Lack of interaction, stressful situations, which affects cooperation and creativity in general

NEEDS AND CHALLENGES

▪ The most important action taken by organization during the COVID-19 lock down

- ✓ Safety rules and health measures for the employees while working from the office
 - ✓ Staff support during remote work
 - ✓ Boosting online communication
- ✓ Provide advice and support for cluster members and encourage them to keep investing
 - ✓ Trying to make the staff working from home as involved as the ones in the office
 - ✓ Organizing activity in such manner that project launched before Covid would continue

**Most of the actions taken were towards the staff, both on profesional level and personal level.
Support and advice were offered to cluster members**

RECOVERY PROCESS

▪ **Support measures clusters expect/ need from the government side for a quick recovery from pandemic**

Improved legislation for clusters

Fiscal facilities and subventions

Programs to cooperate with other clusters

Eligibility of clusters as state aid beneficiaries

▪ **The most helpful actions/ measures taken for the following categories:**

a. **Employees:** offering support (psychological, technical and financial), flexibility in order to be able to work from home.

b. **Cluster members:** enhancing online communication and offering legal or technical advice.

c. **Stakeholders:** access to local and international events; updates on projects.

▪ **The existence of a crisis response plan and/ or a business continuity plan**

Yes – 79% **No – 21%**

Most of those that answered **No** also added that they do not think that having those plans would have been helpful .

▪ **Development of a dedicated pandemic plan in the future**

Yes - 44% **Not sure - 56%**

▪ **The most important measures of a future pandemic plan**

Health and protection of the employees

Development of a system that updates in real time the measures taken by the government and the official information.

RECOVERY PROCESS

- The main steps organizations is following in the recovery process plan

- ✓ Reassessing employees responsibilities
- ✓ Organizing more physical networking meetings with cluster members/ stakeholders
 - ✓ Working on a new financial strategy
 - ✓ Developing a more advanced/ efficient digital infrastructure
- ✓ Setting up a new approach of flexible working (work from home and from the office)

 ***Digitally enabled organizations have the capabilities to face the impact of pandemics and their path to recovery is more quick-moving.***

69% of the respondents **agree** with this statement. None of them disagree.

CONCLUSIONS

- ✓ Clusters should receive financial help in order to keep jobs and to continue activity.
- ✓ The amount: depending on the pandemic's impact on sectors (not all the sectors can shift to digital).
- ✓ Communication and interaction online: a stressful activity but the only safe way during an outbreak.
 - ✓ Digital infrastructure is the key factor in keeping the work flow and all it implies.
- ✓ The pandemic impact on people's personal life: visible on their day to day activities at work
(efficiency, creativity, ways of interacting with colleagues and clients etc)
- ✓ Thus, employees should have permanent access to skilled professionals offering them support.