

EXECUTIVE SUMMARY

Competition brings about appearance of the different means within global structure. In order to Supply priority on competition, it was pointed out by M.Porter that the main arguments are to create awareness and cost leadership. As a competitive model and appliance, clustering is discussed as an important concept about using the arguments collaboratively. Clustering specified and defined of conceptual framework by M.Porter; "is to concentrate on sectoral and geographical bases of the institutions which are connected with them and mutually complementary"

Clustering studies are carried out in fields of automotive and also the other fields in many region of the world. However, the studies and output datum of clusters show differences in terms of process and effect depending on specialities of region or country. Studies was very important to direct the cluster policy of country and also for studies that carry out in the other regions. In this connections, while the achievements, providing and will provide with outputs, motivate the other cluster across country, and also it reveals regional competitive advantage thanks to cooperations with other cluster centers internationally. Additionally, the extensiveness, voluntariness and prosedure of study can be set an example in the other regions of world.

The base for constitution of Konya Auto Sub Industy Cluster was these realities.

Please, define the originality of the Project. Define how this idea came out, why it came out and why.

Competition brings about appearance of the different means within global structure. In order to Supply priority on competition, it was pointed out by M.Porter that the main arguments are to create awareness and cost leadership. As a competitive model and appliance, clustering is discussed as an important concept about using the arguments collaboratively. Clustering specified and defined of conceptual framework by M.Porter; "is to concentrate on sectoral and geographical bases of the institutions which are connected with them and mutually complementary"

Although there have been academic study on the concept in Turkey, it was realized that there has not been fruitful studies and applications. In terms of Konya Automotive supply industry, the increase of the regional competition is getting difficult because; there are automotive sub-industries in the other region of the country it means there are a lots of competitors, there are competitors in China and Far East besides Eastern Europe

While this position makes the rivalries effective about the cost, almost all SME firms have financial difficulties on R&D studies. But automotive sub- industry takes in the first place in Konya's export value and also there are approximately 1000 firms realizing activity in this sector. This fact shows the importance of the automotive in terms of the region. This position requires following the process properly. In 2006, with the cooperation of University and Industry, a Project study was commenced. The study offered by Academicians was accepted by Chairman of Konya Chamber of Industry and it was carried into effect. The study realized by EU donation fund 99.923 EUR both determined clustering potential in the region and tried to exhibit the position in the clustering process of the automotive sub-industry sector. But negative experiences experienced by the firms in the region about cooperation have come out as an important obstacle. Despite of this position, sustainability of the Project was realized as no charging and it was introduced as an automotive clustering. Firms taking place as part of Project both learnt conducting the competitive process and learnt running their own works.

In this context offered project In Turkey

- has a feature which is realized first time about Cooperation between university and industry
- has a feature as a concrete and perceptible outputs about clustering in Turkey
- is a sample automotive Project in the country
- has a leadership role in the context of development and innovativeness
- has a clear originality about impressing the other region's studies.

Define the category selection based on your Project. (Innovativeness haracters, investment resources, differences)

What are the results and effects of the Project? (short and long term effects, maesurable informations and advantages

If we examine the results and effects of the Project;

- Since then February-2008, meetings have been held on first Friday of every month
- Info communication Networks were establieshed. And information flow to the members about sectoral improvements were provided.
- We took place in 10 clusters determined within the context of clustering Policy Evaluation Project carried out by Undersecretariat of Foreign Trade. Studies in this Project are maintained. As a result of the studies, thanks to the vision, strategy, main success elements and competence of Konya Automotive sub-industry clustering, road map of the clustering has been prepared.
- When associated procurement, joint laboratory, joint service procurement etc. factors are taken into the consideration, background studies show that there must be institutional structure. As a result of the interview we realized with experts and regions which are succesfull about clustering in the world, it was decided that the most appropriate institution is foundation
- Agreeing with OSO (Joint Procurement Association), Central Anatolian Machine Exporters' Association and many agencies and institutions being member of OSO, it was provided that members could benefit from advantage

of the associated. Provided Cost advantage is between 15% and 40% in the determined goods and service item.

- As a clustering Centre, Attending KONMAK-08 and Konya second Sub-industries fairs, introduction of the member firms and clustering Centre was provided.
- Austria Clusterland and German Darmstadt Clustering centers were visited. During the visit, meeting was held about the studies and structures of the clustering centers. The clustering centers made an offer about continuation of the cooperation during the meeting. In the monthly bulletin prepared by Clusterland, in the first number of the bulletin of 2009 year, advertisement of Konya was realized.
- As a result of interview realized in German – Darmstad and depending on the invitation of cluster Center, some of the members attended the bilateral discussion on the date of 17 September, 2008. Firms from German, Japan, Singapore, Thailand, India and Turkey attended the programme.
- Joint laboratory studies were commenced. Need analysis of the firms needs were done.
- Cooperating with Konya ABIGEM, X-Ray device funded by EU was bought for the use of clustering members, Automotive sub-industry firms, firms showing activity in machine manufacturing industry and basic metal industry,
- Important steps were taken about development of the cooperation Exchange for the year of 2009 and in order to realize bilateral discussion meeting in Konya, we contacted with Darmstadt and Clusterland. Process is continuing.
- As an Alternative sector to automotive sub-industry, defense industry was chosen. As a priority, study tour to TAI was realized with the attendance of 45 firms representatives'. Travel to defense industry was carried out. Secondly, the representatives of 40 firms attended to the exhibition carried out by Navy industry. Lastly, a meeting was held on the date of 17 November, 2008 in Konya. Immediately after the same meetings, study tour to prominent firms were realized. In order to realize the exhibition related to Navy Industry in Konya in 2010, important steps were taken.

- Studies for providing funds from Europe Development Bank and Islamic Development Bank – 50 million USD- were done. Being in cooperation with Development Bank, Project preparation was started, the needs of the region were analysed. Until the late of 2009, it was decided to complete them.
- In order to inform about advertisement and activities of the center, as a center, it took part in the press.
- It was chosen one of the best 14 projects in “Regional Samples in Development” studying which is supported by Dünya Newspaper, Sabancı University and Frederick Naumann Foundation.
- The meetings that experts participated from domestic (Prof. Dr. Ercan TEZEL – Secretary General of Automotive Industry Foundation) and also from abroad (Faize BERGER – Adviser, Cluster Expert) were arranged. A meeting that main industry representatives in Konya will participate, will be arranged by jointly with Automotive Industry Foundation in 2009. The organization will be commenced the relations and cooperation between main industry firms being members of Automotive Industry Foundation and Konya Automotive sub-industry companies.
- Common Cargo Agreement was provided within common purchasing organization. Appr. 45% percent cost advantage per unit was provided for cargo services.
- Lobbying studies continue consistently.
- Participation of stakeholders were provided to process of clustering. (Selcuk University, KOSGEB, Chamber of Trade, MÜSIAD (a national association), AKTISAD (a national association), Metropolitan Municipality, Organized Industry Zone, Halk Bank, MNG (Cargo company) etc.)
- A Project was prepared by Konya Chamber of Industry within Project announcement was arranged by EUROCHAMBERS. The Project was approved. It was prepared jointly by Southern West Saxonia Chamber of Trade and Industry from Germany, Aksaray Chamber of Trade and Industry and Kırşehir Chamber of Trade and Industry from Turkey. The Project team

was created and the Project was started in December, 2008. Within this process, ISO 16949 and training studies which is related to automotive sub-industry will be carried out. The active advertisement of Konya Automotive sub-industry will be conducted.

- The cooperation between cluster center and agencies and institutions was provided. (TOBB, KOSGEB, Ministry of Industry, Undersecretariat of Foreign Trade(DTM) etc.) For instance, the briefing about cluster was given to representatives, who come from organizations such as TOBB, Ministry of Industry, Undersecretariat of Foreign Trade, KOSGEB etc. Then, there have been worked at Determination of Cluster Policy in Turkey Project, that is conducted by DTM, with same organizations.
- 20 hour Cost Accounting training was arranged for accounting their own cost of the clustering member firms clearly and also getting competitive advantage.

Can your suggestion be applied in the other regions of world? (Explain why)

Clustering studies are carried out in fields of automotive and also the other fields in many region of the world. However, the studies and output datum of clusters show differences in terms of process and effect depending on specialities of region or country. Studies was very important to direct the cluster policy of country and also for studies that carry out in the other regions. In this connections, while the achievements, providing and will provide with outputs, motivate the other cluster across country, and also it reveals regional competitive advantage thanks to cooperations with other cluster centers internationally. Additionally, the extensiveness, voluntariness and prosedure of study can be set an example in the other regions of world.

Why is your project choosen as a finalist and also presentation value?

Because, this Project provides the following items that are required and not common in Turkey:

- A very important step was taken in the field of university-industry cooperation by means of Konya Chamber of Industry and Selcuk University.
- The country has speciality of being reference to cluster studies, and this situation processes in real terms.

- Improving the safety level in a low safety region and supplying cooperation have been developed. Furthermore, this shows that the problems experienced a few times in the region were solved.
- It becomes an important and concrete example for providing competitiveness of SMEs.
- Contribution in studies related to regional and international future of Konya automotive sub-industry sector was supplied.
- Possible threats and weakness in the region were tried to remove and also convert to advantage and strength with international interaction and cooperation.
- And, this study has a great importance for encouragement and competitive policy of the country.

Send an approved letter supporting the countable achievements and result proofs of the Project.

Above studies are done in the region with this project, as well as:

- Clustering studies have commenced and have gained speed nationally.
- Collaborative concept have increased in the region. Some sectors such as shoe, nutrition and machine manufacturing have demanded about clustering.
- Informing meetings and seminars about automotive sub-industry work cluster have demanded by the other regions as a sample model.
- The wish of firms about concertedness has been appeared and 3 firms in the cluster have begun a common project. The Project is a tractor bumper. The first firm prepares molding, the second one prepares modeling and the third one prepares plastics in the end of the final product is existed. This makes easier the works of main industries. This provides working with only one supplier not 3 different suppliers.
- The benefits of studies about common buying and laboratory have been understood and collaborative behaviour concept has been started to adopt.
- This Project is the one of the first sample projects in field of clustering. After the Project was completed, clustering studies started in many different sector in our country. For instance, working and constructing cluster started to work

in Ostim, Ankara. When the cluster officers come to Konya, we shared our experiences about clustering. Afterwards, 10 clusters were chosen as part of DTM Project and route map was prepared.

- Some regions have gained competitive advantages thanks to clustering studies applied for long years especially in Europe and the USA. For instance, Chair Cluster in Italy, Norway Sea Cluster, Costarica Information Technologies Cluster etc. Today, in order to gain competitive advantages, gigantic firms can be together. For instance, Ericsson firm which is expert in communication and Sony firm which is expert in photography combined their expertness, and they manufacture SonyEricsson mobile phone. Thus they join forces against their competitors in the market. The gigantic firms in automotive sector also have combined and tried to gain power in the market.