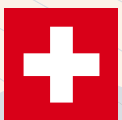


The Role of Development Agencies in Supporting Improved Intra- and Inter-Industry Collaboration

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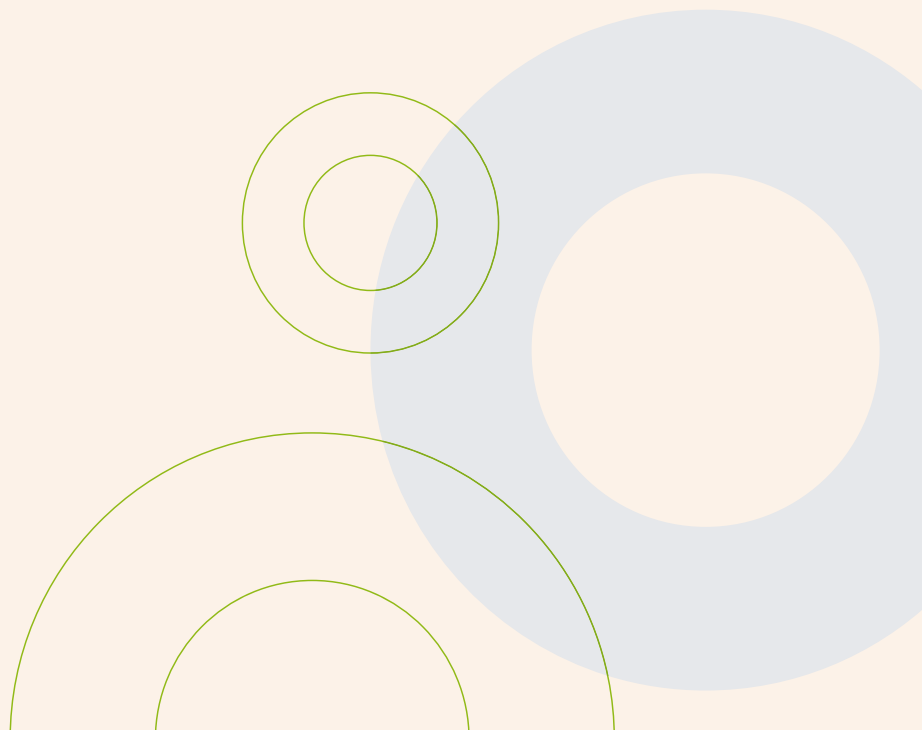
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Abstract

This case study examines one of MarketMakers' most consistent intervention themes across its decade-long programme to promote youth employment in Bosnia & Herzegovina: industry collaboration. It is split into two main parts.

Part 1 explains how fostering new means of industry collaboration became dominant in MarketMakers' work, cutting across a substantial portion of the initiative's intervention portfolio. It attempts to locate industry collaboration within the context of a diagnostic process. It proposes it as an essential function – or, indeed, a group of sub-functions (connectivity, insight, voice, visibility, and coordination) – that is instrumental in supporting industries to develop. Where it works well, industry collaboration influences, shapes, and determines business practices within the industry and its supply chain. It may also succeed in impacting legislation, policies, and public investment relevant to the industry. The case study proceeds to briefly discuss the merits of fostering new forms of industry collaboration in contrast to partnering with the existing ones before presenting the initiative's strategic approach to promoting new forms of industry collaboration, arrived at through its own experience and lessons learned from practice.

Part 2 presents a new set of lessons that can be learned from these experiences, notably drawing from four MarketMakers interventions where industry collaboration has been central to the intervention strategy. The case study advises the broader community of development practitioners engaged or soon-to-be in similar tasks.



Part 1 – MarketMakers’ approach to industry collaboration

1.1 Introducing MarketMakers

Having entered its final year, MarketMakers, a youth employment initiative in Bosnia & Herzegovina funded by the Swiss government from 2012 to mid-2023, is in the process of capitalising on the knowledge it has acquired throughout its decade-long journey and sharing exciting and original findings back out to the wider community of international development professionals.

Working predominantly to develop the country’s nascent non-traditional services industries¹, the initiative used the market systems development (MSD) approach² to design and facilitate a portfolio of interventions aimed at resolving the systemic constraints that acted as a handbrake on business performance, employer growth, and youth employment in these industries.

1.2 Arriving at industry collaboration as a critical function

As familiarity with industry stakeholders grew and as their ‘outside-in’ problems became more apparent through further analysis and the initial small partnerships entered into, the initiative’s earlier understanding of what was causing industry-level underperformance relative to the growth opportunities being targeted began to evolve. The deeper constraints previously less visible to the project team suddenly began to stick out more prominently six to twelve months later, particularly as pilot actions floundered. New ‘tiers’ of problem causation came to light, prompting ‘in situ’ reflection and revision to previous diagnostic work – the project team’s awareness of ‘what was causing what’ sharpened and began to influence thoughts on their choice of ‘entry points’ and the specific actions that would best engineer successful changes at these different ‘entry points’. The staggered start of the portfolio of interventions also allowed the initiative to learn from what went well and less well in the interventions that started earlier. An interesting pattern was beginning to emerge, cutting across a large section of the initiative’s intervention portfolio.

Table 1: How MarketMakers worked

For each industry, to arrive at a set of interventions, MarketMakers would embark on a process of iteratively diagnosing the extent and the causes of subdued employer performances: put another way, at an industry level, why employers were unable to fully capitalise on prevailing opportunities to grow their firms and create new vacancies, or to fill existing vacancies to develop further. The findings from these research processes were then interpreted and grouped over time into the different services (“functions”) and policy environment conditions (“rules”) that would be targeted through intervention.

Through further analysis and pilot actions involving small ‘trial and error’ partnerships, the initiative slowly made sense of how deeply-rooted the causes of industry-level underperformance were and began prioritising among the ‘constraint pathways’ for the different services and policy environment conditions that it sought to effect changes to. It selected those for which it felt most able to act and where a meaningful positive youth employment effect was most likely to result in the medium-term to long-term. The initiative’s ability to act was, in part, characterised by the presence or otherwise of quality partnership options, chiefly partners who had the reasonable capacity and the long-term incentive to change how they worked, purposefully or indirectly influence how others work, and with whom solutions (‘social innovations’) to systemic constraints could be initiated and upheld. As this case study will show, there were many occasions where such partners were not to be easily found, requiring MarketMakers to take alternative measures.

¹Whilst other industries also featured in the first half of the initiative, MarketMakers evolved to focus its job creation efforts on the industries where young people expressed a greater ambition to build their careers, principally the IT industry and the different high export potential business services industries that comprised the business and knowledge process outsourcing (B/KPO) industry.

²The leading resource for understanding the MSD approach, how to apply it, and what its associated terms and specialist vocabulary are is as follows: *The Springfield Centre (2015) The Operational Guide for the Making Markets Work for the Poor (M4P) Approach, 2nd edition funded by SDC & DFID.*



At the higher levels of diagnosis (i.e. the first and second ‘tiers’), the “functions” of most significant interest to the initiative encompassed the sub-optimal business/organisational models and practices of the different private, public, and civil society service providers to the firms in the focus industries. In some cases, there was no practice or providers at all. For example, where industry employers could not single-handedly resolve a widespread (i.e. ‘beyond firm’) phenomenon that remained in place due to the absence of a private, public, or civil society service provider that tasks itself with tackling it. Meanwhile, the “rules” of greatest interest tended to be underperforming; legislation and regulatory provisions were either outdated, regressive, or absent. Unimaginative and under-informed development strategies fed tired policies and slow-to-change resource allocations that should have been calibrated to better aid the growth of high-potential under-developed industries.

At the lower levels of diagnoses (i.e. the third and fourth ‘tiers’), two phenomena became more and more visible as the project team began to make sense of an increasingly messy and on-the-job diagnostic process. Firstly, the presence, diversity, and quality of relationships between industry stakeholders – more specifically, the extent to which intra- and inter-industry collaboration exists, and if so, the character of it. This pertained to the degree of connectivity between actors, the insights they have on their own and neighbouring or interconnected sectors (and how well-informed these insights are), the voice and visibility of different communities of actors in these sectors, and if at all, how coordinated they might be in representing themselves and acting in unison. Secondly, and clearly related to the first phenomenon, was how those in policy-relevant positions were aware of and attuned to opportunities for the growth of specific industries. This was visible in actions aimed at decent job creation, commission and use of research, evidence building, informing decision-making in a given sphere of interest, and their appetites for and abilities to pursue a constructive dialogue with non-public sector actors and other public sector bodies. It pointed to how those in policy-relevant positions conceived and attempted to deliver, or otherwise, an innovation that ‘departed from the norms’ in their respective bodies or departments or even the public sector. Broadly speaking, the phenomenon concerned how policy and public investment decisions were typically informed (if at all) and how they were eventually made (or left unmade).³

Combining both phenomena, the initiative would identify the criticality of harnessing collective intelligence to spearhead collective action within the under-developed

industries in focus. Effective forms of intra- and inter-industry collaboration were needed to advance services to employers, influence laws, policies, and resource allocations; even, ideally, inform how different public sector elements could be modified or reformed to yield an improved environment for innovation. An illustration of the generalised findings of the intervention-level diagnoses is presented in **Appendix 1**.

1.3 Choosing between two strategies

Knowing that effective industry collaboration was critical to improving service providers’ practices and the policy environment conditions that employers in a given industry faced, the initiative could follow one of two different strategies: i) partner with an existing cluster/membership association (C/MA), seeking to agree on amendments or additions to its current scope and activities; or, ii) work with industry stakeholders to conceive and launch a new C/MA.

In each instance, stakeholder assessments were used to map and investigate existing C/MAs as the first port of call. The assessments would begin with an idea of the different ‘beyond firm’ phenomena that C/MAs might be required to directly respond to (e.g. on behalf of their members or industry) and an extended list of the types of services (e.g. member/non-member services) that could be called upon in response. The extended list of service ideas was derived mainly from the higher levels of intervention diagnoses and earlier analyses (see Section 1.2, above) – for example, services and policy environment conditions that employers in a given industry felt could be either better or differently performed, or those that were altogether absent, but deemed necessary to improve employer and industry-wide growth prospects. They were often a mix of industry-specific and non-industry-specific concerns. These ideas could be further informed and potentially corroborated by each subsequent key informant after the assessments as and when opportunities to meet new employers arose, making the process somewhat more incremental and iterative than it may initially appear.

Firstly, project teams would seek to understand whether existing C/MAs were motivated and resourced to provide any or all of the services from the extended list.⁴ Most often, existing C/MAs were found to be very pressed with their staff capacities and struggling to respond to their existing mandates and workload priorities. The current capabilities of existing C/MAs and their awareness of their own funding/revenue realities would typically affect their motivations to consider taking on additional roles. Relatedly, when an existing C/MA was financially or

³Beneath these two phenomena, one can undoubtedly trace back the ‘constraint pathways’ yet further. However, such a pursuit would have taken the project team to points of entry beyond the scope of the initiative’s context, remit, and resourcing.

⁴In some instances, this was assessed through ‘action research’ (or learning by doing), rather than passively.

institutionally stable, there appeared to be less incentive for such an organisation to ‘innovate’ (e.g. by taking on additional roles) to attract new members. Moreover, the capacities of existing C/MAs – technical, managerial, financial or any other capacity – were correlated to the organisation’s purpose and vision, business model, and revenue plan (where applicable). It was not uncommon to observe misalignment between capacities and one or more of these organisational elements.

Secondly, project teams would regularly ascertain from employers – essentially company owners and senior managers – precisely their perspectives on the performance of existing C/MAs relevant to their industry, should any be known to exist. Informally, the project teams ‘tested the waters’ and gently solicited the opinions of a reasonable and diverse selection of prospective ‘target’ members for any existing or would-be C/MA. It was important to understand commonly-held views on existing C/MAs. Whether or not these were fair and based on fact, experience, reliable anecdote, or otherwise, prevailing perceptions needed to be taken seriously. Typically, employers in the initiative’s focus industries raised concerns that existing C/MAs – some of whom were ‘umbrella C/MAs’ with sectoral chapters or sub-associations for specific industries – tended to better serve and account for the voices of “traditional industry” stakeholders. This was an unsurprising finding, given the membership bases and the historical and present stakes of those in governing roles in many of the existing C/MAs. Positively, they were presumed to have relevant credentials with regards to advocating for “general” or “cross-cutting” pro-business reforms – and in “traditional industries” – for some degree of industry-specific reforms. However, they were not as confident in understanding and representing the less familiar industries. Moreover, some key informants would also indicate that the governance structures of several existing C/MAs gave them the impression of a business world ‘mock-up’ of a government-style culture.

Whilst the financial and institutional sustainability of existing C/MAs was often appealing and undoubtedly will remain attractive to time-pressed development practitioners, their apparent good functioning and stability were often ‘red herrings’; true, but only under a ‘status quo’ scenario. If required to ‘do something different’ – e.g. existing C/MAs working in partnership with the initiative to build up additional member services, either as a precursor or response to a purposeful expansion of membership – the accompanying broadening and deepening of the C/MA’s scope, requiring possibly significant changes, would likely be unwelcome by existing governing members (and the over-worked/under-resourced staff). Moreover, such a scenario was also seemingly unwanted, unappealing, or both to the types of companies the initiative needed or wanted to work on behalf of. From experience – in all instances,

learning ‘the hard way’ – the initiative would often succeed in engaging an existing C/MA to stretch its mission and take on one or more new services for the benefit of both current and new would-be members. Still, these services were at significant risk of being only temporarily provided and disappearing completely once the partnership ended. Below, Table 2 offers a protocol to guide similar rapid assessment processes – arrived at through practice.

In summary, initiatives that identify the need for improved industry collaboration to resolve the constraints affecting industry performance have two options. The prevailing bias of partnering with better-established existing C/MAs should be thought through. MarketMakers understood that the time, financial, and service sustainability risks associated with creating new C/MAs were often equal to (and often less than) the aggregated risk of attempting to disturb the status quo of existing C/MAs. This may be because the initiative was intervening to develop younger, less familiar, non-traditional industries. It may also be due to the relatively thin marketplace of existing C/MAs. But, it was definitely due to the overly ‘glass half full’ optimistic view the initiative had of existing C/MAs’ organisational capacities and incentives.



Table 2: Useful research questions for rapid C/MA assessments

Part A: Itemising service needs among companies who wish to improve their performance

From the perspective of a profiled/targeted company (i.e. would-be C/MA member) in an industry where the initiative is active, investigate:

- Which services are crucial to improving company performance?
- Which of these services would make sense (are plausible) as 'member' services?

Part B: Prospects for partnering with an existing C/MA

Assess the landscape of existing C/MAs first, asking:

- Can these services, or similar services, be availed from existing C/MAs or elsewhere? If yes, why are companies not joining existing C/MAs?
- If no, what stops companies from contacting existing C/MAs to suggest/register an interest in such services? Why are existing C/MAs not making themselves more appealing to such companies by opening a new sub-group/chapter (e.g. to grow their membership/increase their overall influence)? Gather an impression of the history of innovation and change within existing C/MAs.

Part C: Prospects for initiating a new C/MA

If partnering with existing C/MAs to add to/refine their scope to cater for such service needs is deemed unrealistic/undesirable from one or both sides (company and C/MA), then investigate:

- Why have companies not previously sought to organise themselves into a C/MA? Or, relatedly, why no 'champions of change' have emerged to develop a response to companies' unanswered service needs?
- Whether the creation of a new C/MA would be understood or seen as duplicating the roles of, or stepping into the territory of, existing C/MAs and whether or not a unique operating space can be or needs to be identified – i.e. is there sufficient room in the market to accommodate more than one C/MA with similar purposes, services, or both?
- Irrespective of the existence of similar C/MAs, might a new (and possibly more specialised) C/MA be able to succeed in its own right – i.e. what is the extent of demand among would-be members for a new (more specialised) C/MA?
- If 'champions of change' are beginning to emerge as potential C/MA founders, are they sufficiently open and collaborative persons able to work together with the diversity of company (or organisational) individuals with a stake?

1.4 Getting new collaborative movements up-and-running

Most frequently, MarketMakers opted to create new C/MAs. With each previous attempt providing experience and lessons learned, greater commonality could be observed over the course of the initiative in how it approached the task of supporting a new C/MA into being, both strategically and tactically. A step-by-step walkthrough of this 'blueprint' is presented in this section below, and a schematic summarising how the four intervention 'mini cases' adhere to or deviate from the blueprint can be found in **Appendix 2**.⁵

Step 1: Sharing industry/cause-specific research.

Often in poor data environments and thinner markets – especially for newer industries – market intelligence is in short supply. Whether it was commissioned to an agency or an expert, or performed in-house, a topical research process that produced industry- or cause-specific evidence in the form of an output that could be shared back with contributing informants (and, latterly, with a wider community of company or organisational stakeholders) not only highlighted and validated common issues and concerns that companies and would-be new C/MA members held, but also provided reliable content around which material discussions could be had, opinions voiced, and consensus reached. Helping to shift the dial on 'business as usual' – i.e. firms being informed by their own past experiences, second-hand anecdotes, and their networks – and sharing new and objective insights often brought a lot of good will and positive energy.

Step 2: Moving from consensus to building momentum through relationships.

The research process brought the initiative/project team into contact with diverse actors. This process was used to identify and broker relationships with the actors (individuals representing their companies/organisations) who possessed the greatest passion and drive for advancing action (e.g. willingness to utilise the research; interest in collaborating with others in the future), as well as those who were both knowledgeable and credible enough in front of their peers to bring others together. These actors were often later obvious candidates for nucleus/founding members of any informal or formal C/MA that might follow. The research process could also advance relationship-building among and between the participating actors – for example, by using focus groups/peer communities and group feedback workshops.

Step 3: Small, discrete experiment(s) to rehearse group action and habituate collaboration. To encourage a nucleus of actors to work together,

MarketMakers would often suggest (and invest into) a one-time-only "joint action project" that would serve to experiment with a particular 'club good' concept. The experiment was conceived and designed to generate positive business community (and youth employment) outcomes while simultaneously increasing goodwill among and between stakeholders (and the initiative). It provided an opportunity to see how the nucleus of actors participating in the experiment work together and the extent to which they hold the industry's interests (or cause) in mind. Ideally, the joint action project would be adopted – or adapted and then adopted – as an initial 'service offering' by any new C/MA that could emerge, though MarketMakers did not mandate this. The joint action project allowed relationships to form and be tested. After that, participating actors could maintain them actively, leave them dormant (but open to reactivation), or desert them entirely depending on their continuation and re-investment incentives. Based on these signals, the initiative tried to understand whether it was worthwhile to progress the collaborative effort with Step 4 below. Often it was.

Step 4: Assessing further appetite for joint action.

If and when momentum began to build among the nucleus of actors involved in the research and the small collective action project, the initiative would aid a more comprehensive consultation process with a broad 'what next?' theme. Frequently, the positive experience of the joint action project derived from Step 3 above would generate sufficient buzz to see what a wider group of like-minded stakeholders might be able to do together. The nucleus – to some degree, nascent 'champions of change' in their industries – would then collaborate with MarketMakers to develop a consultation exercise. The exercise sought to engage with a relatively representative sample of would-be allies (i.e. companies, organisations, or both possessing a reasonable stake in the industry or cause) and assess their appetite for collaborative action. The exercise would also provide the raw material for creating a mission, vision, short list of shared priorities and a long list of potential member services – among others – that could be refined into a draft C/MA "business plan" at a later stage. The process was often coordinated and co-led by a member of the project team, together with a hired-in third-party industry/cause expert, a credible and trusted facilitator from outside of the industry in focus, or a representative of the nucleus itself. Most usefully, however, the coordinating role also demonstrated to often 'half-convinced' stakeholders that the initial 'legwork' involved in C/MA creation was being amply supported and, secondly, that both diversity in participation and the 'trust-brokering' role was being taken seriously.

⁵It is not a hard and fast blueprint. In some instances, steps were combined (and not consecutive) or undertaken in a different order. In other instances, steps were skipped altogether. It depended upon the specific counterparts and the would-be C/MA founders' needs and preferences.

Step 5: Validation of the C/MA business plan.

Aggregating and synthesising the inputs from the consultation exercise into a draft C/MA business plan, the coordinating co-leads could extend the exercise by socialising the draft among a prospective first wave of “followers”. These were companies/organisations that were, to a greater or lesser extent, profiled during the consultation exercise as most sympathetic and supportive of the idea of collaboration and joint action. Depending on the diversity of opinions voiced during the consultation exercise (as well as stakeholder sensitivities), the socialisation process would either occur in a group setting or one-to-one at first, followed by a plenary set-up later. The idea was to iron-out any discord over mission, vision, and priorities but also to ensure that industry-level concerns (read: systemic issues), rather than the firm-level concerns of the most vocal, were those that remained in central focus.⁶ The socialisation process built a consensus around the principal functions of a would-be C/MA, helped to clarify the preferred form, and, importantly, covered topics of governance, management, and revenue streams. It would often involve more than one round of engagement and a period in between engagements for stakeholders to reflect and offer one-to-one feedback in private before going back to the larger cohort with revisions. The validation of what was held in common occurred during this step, with the balance being pursued between vocal stakeholders with different views. For situations where stakeholders saw formal membership associations with fee-based models as more appropriate, the central part of the business plan examined and presented different scenarios for fee- and service-based revenues (as well as core or project-specific fundraising) and the interplay between revenues and the costs of association management, operation, and regular service provision to members (and non-members).⁷

Step 6: Cash injection for founding and start-up.

Based upon a robust phasing-out of financial and non-financial support and the ramping-up of members' contributions, MarketMakers would clearly communicate its interest in partnering with the new C/MA. This would begin during Step 5 and be triggered more clearly by stakeholders' signalling their intent. More often than not, the initiative would offer a short-term (~12-month) partnership designed to support its start-up phase post-founding and the development and execution of an initial service offering from the commonly agreed business plan/MoU. In the case of formal membership associations, it

would be equally oriented towards aiding the acquisition of new members as it was to the core service offering. The idea was to improve the new C/MA's prospects of achieving long-term institutional sustainability through a sufficient number of vibrant members. The cash injection was well-structured to support pre-agreed cost items, aligned with member priorities and inclusive of progress milestones that complemented the C/MA's business plan/MoU and triggered the next tranche or instalment of support. Partnerships required financial or non-financial co-investment (depending on context) from the founders or members (or a subset of them). Should the preferred C/MA form be a less formal cluster-like model, a contract with the so-called ‘lead firm’ would be established, frequently requiring the ‘lead firm’ to enter into sub-agreements with other (key) members of the cluster.

Step 7: Step backwards, sit down and take a back seat.

After providing a sizeable level of support to a new C/MA's conceptualisation, founding, and start-up phase, it was deemed important to stick to the consistent signal communicated to the new C/MA's founding members, governing members and the management team from the outset: that continuous financial and non-financial support from the initiative was ‘off the table’. Reliance upon the initiative was to be avoided, and standing on one's own feet – particularly through providing quality, demand-led member (and non-member) services – was encouraged. Cash injections (see Step 6, above) were often crafted to scale down throughout the initial ~12-month partnership. On top of this, the finite nature of the financial relationship was a regular feature of the project team and C/MA member discussions throughout the partnership. MarketMakers intended to evolve the relationship away from the initiative being the investor towards the one where the initiative acts as an ambassador (see Step 9, below).⁸

Step 8: Observe equilibrium and re-engagement.

With Step 7 providing an acid test of whether or not the C/MA was demanded (i.e. serving its members and fulfilling its promises and purpose), Step 8 permitted the initiative some degree of financial and non-financial re-engagement with the C/MA. This tended to be accompanied by ring-fenced funding for setting up new activities or member services. Funding support was expressly not to be used for the C/MA's operations and recurrent costs, nor ‘re-subsidising’ what had already

⁶Shortlisted priorities may or may not have been MarketMakers' own, so the project team also took care during this step to identify and discuss the ‘win-win’ ones where at least some of the priorities of the nucleus and the would-be first wave of followers overlapped with those of the initiative's priorities. This was often also linked to scenarios for financing the founding and start-up under Step 6.

⁷Both Steps 4 and 5 were generally less intensively performed (and somewhat combined) in scenarios where it was more apparent that the founding members and would-be first wave of ‘followers’ preferred to pursue an informal cluster-like set-up as opposed to a formal membership association set-up. In such instances, MoUs rather than business plans tended to be the subject of the consultation, drafting, and socialisation exercises.

⁸It was often difficult to decline repeated incoming requests to maintain some (lower) funding/direct support level into the second year, especially given the closeness of personal relations. Nevertheless, this constituted a lynchpin step in the ‘blueprint’.

been established. Step 7 was occasionally necessary to let 'teething problems' and disagreements between members reach a resolution without the initiative interfering. However, there were frequently good reasons for financial re-engagement, namely: i) organisational tweaks, i.e. to be made only in the interests of improving the likelihood of institutional sustainability, and ii) adopting additional roles (member services) or pivoting, again, in the interests of institutional sustainability, but also, industry development, widespread business growth, and youth employment – the initiative's own primary goal. Financial re-engagement was sometimes C/MA-led, but occasionally it was also led by the initiative, as the initiative encountered new opportunities to add value at the industry level (or to respond to emerging stakeholder needs, government requests or actions, and so on) and understood the C/MA to be the best-placed vehicle for adding such value. Where realistic and practical, opportunities were accommodated, but not constantly or across the board; it was essential not to push or insist – to avoid undermining member-led governance and priority- and agenda-setting.

Step 9: Maintain relations, observe, monitor, encourage, and promote. The final step in the blueprint is about retreating once again – this time into a minor, backseat role. The initiative would remain a close ally, supporter-promoter (even ambassador) of the C/MA but should seek to stop there. This role involved gently encouraging different stakeholders to consider membership (where relevant), promoting the use of the C/MA as a consultative platform or operational asset for the industry- or cause-relevant communications (e.g. to government stakeholders), attending C/MA events, and so on. The project team would keep track of the C/MA's progress and occasionally request periodic data updates for monitoring purposes (e.g. indicators relevant to member services, the C/MA's institutional sustainability, etc.). At this juncture, no further financial or non-financial support was on the table, but positive energy and 'dot-connecting' through strategic networking could undoubtedly be expected.⁹

⁹Note that blueprint Steps 6-9 occurred twice between the initiative and BIT Alliance (the IT sector membership association); once during MarketMakers Phase 1 (2013-17) involving and following BIT Alliance's establishment, and for a second time during MarketMakers Phase 2 and 3 (2017-23), whereby the initiative was effectively partnering with BIT Alliance as an established, existing C/MA. In this sense, the relationship between MarketMakers and BIT Alliance has been very long-lasting. Important to note that BIT Alliance has always been 100% financially independent of the initiative, providing a firm foundation for longer-term engagement.

Part 2 – Lessons learned from practice: advice for development practitioners supporting cluster/membership association creation

As readers will now see, establishing a new C/MA includes many challenges. The case study now presents vital points for development practitioners to consider when facing similar circumstances in their initiatives. Drawing together observations from four intervention ‘mini cases’ (see **Appendix 3**), lessons of both a strategic and tactical nature are offered.

2.1 Lessons on strategy

New C/MAs – points of arrival rather than points of departure! The initiative’s focus on fostering new forms of industry collaboration stemmed from two different starting points. Firstly, new C/MAs were seen as a pre-requisite for piloting solutions that addressed constraints to business growth and (youth) employment that no one else (existing C/MAs included) was interested in running forward with. This was determined in two ways: i) ‘going round the houses’ and ruling out prospective partners (see Section 1.3, above), or indeed, prospective partners ruling themselves out; or ii) when earlier attempts to advance sustained industry-wide changes to providers’ models and practices or public sector policies and resource flows, via existing C/MAs, had been unsuccessful.¹⁰ In the latter instance, supporting the creation of new C/MAs represented an experimental ‘second bite at the cherry’ – essentially a re-piloting of an adapted version of the original idea in a bid to overcome the capacity and motivational limitations of the partners engaged in earlier attempts.¹¹ In these instances, the initiative felt that creating a new strategic partner representative of the industry or cause was justifiable as most of the service solutions had a strong ‘club good’ (or even a quasi-public good) quality. To MarketMakers, it meant finding the right club in a marketplace of few clubs and still fewer clubs open to new ideas! Secondly, new C/MAs, in the

context of more mature interventions, were considered a potentially crucial ingredient in catalysing a broader and deeper market-wide and public sector response to the service solutions. In these instances, new C/MAs were conceived to be central to a more loosely structured industry or cause-specific community or ecosystem. They would be critical to improving information and intelligence exchange between actors, the visibility of service solutions to prospective later adopters, and mutual support and cross-promotion among members. Should such C/MAs naturally evolve into bodies with ambitions to influence legislation, regulations, policies and resource allocations, so be it; the members would decide as and when relevant. Irrespective, in both cases – whether new C/MAs were vehicles for piloting/re-piloting or scaling – the need to invest in new forms of industry collaboration represented ‘points of arrival’ rather than ‘points of departure’. In markets thin on vehicles for collaboration, creating new C/MAs seemed to be an unavoidable and necessary first step in finding an adequate home for club goods and quasi-public good service solutions.

The pros and cons of formality: As can be read in Section 1.4 above, the ‘blueprint’ for supporting the creation of a new C/MA was agnostic as to what form the industry collaboration should take. It did not specify the need for formality nor dictate governance structure. Instead, it was put to the nucleus to understand the demand for formality among themselves and would-be members and to discern whether they wished to supply it. If in doubt, MarketMakers would recommend beginning with an informal cluster, allowing more time for the members to identify those most passionate about collaborating and what might be done together (and how). Allowing space for the right people to find and take on the roles right for them and the wider membership can be wise. It is

¹⁰In the minority of instances, piloting had taken place with an individual ‘system-level’ actor – for example, a firm that provides services to the kinds of employers profiled by the initiative as targets for job creation.

¹¹Occasionally, course corrections away from existing C/MAs or service provider firms were necessary due to the initiative’s oversight: ‘glass half full’ expectations of counterpart capacities, or insufficient ‘homework’ on the differences between the governing members’ direction and the management team’s willingness to do more for their members and member expansion. Herein also lies an interesting lesson in partner selection for initiatives following the MSD approach. A hazard of the job is the time pressure to go with the ‘best available option’ in the moment rather than a partner that 100% fits the bill.

also helpful to consider whether there is a genuine need for formality or legal status. This decision rests on what kind of member services the C/MA would like to adopt and what kind of activities the C/MA sees itself getting involved with. To an extent, and in some settings, greater formality and a legal status might be crucial to making progress against the C/MA's priorities. Formality and legal status can elevate one's standing, secure invitations to comment in the media, or be requested for inputs during official legal and regulatory consultation processes. It may also be necessary to receive certain types of revenue – e.g. from external funders/embassies/development programmes, depending upon their requirements, and domestically, from local and national governments. It also allows for a cleaner pooling of resources and perhaps greater sophistication to act, contract, and so on.¹² But, these 'pros' may not be necessary for any given C/MA to perform the mandate its members expect. It depends on the C/MA's mission. With formality comes the unspoken expectation among members that the C/MA addresses bigger-ticket items, that progress in whatever shape and size is quicker, and that the C/MA is managed professionally.

Furthermore, pursuing formality may also give rise to power imbalances and trust-related governance disagreements. This can jeopardise broader group member buy-in and participation, C/MA performance, and the C/MA's long-term institutional sustainability. In contrast, less formal collaborative movements may allow group members to better focus on the C/MA's mission and priorities and not to become distracted by the intersection of leadership and administration required of more formal C/MAs with a legal status (and associated obligations). Before cementing a form, C/MA stakeholders and development practitioners should ask themselves – *"can we accomplish what we would like without becoming a formal association with a legal status?"* This effectively lets function dictate the form and prompts greater reflection on what the key parts of the collaborative movement should be (read: mission, vision, priorities, business plan).

In whose interest and to what end? Initiatives should be mindful not to create new C/MAs or 'hijack' existing C/MAs to use as vehicles for delivering/outsourcing their objectives. It has not been uncommon to see such a trend among donor-funded initiatives, with C/MAs effectively being contracted to implement small projects on behalf of development agencies. Whilst this can generate (temporary) revenues for the C/MA, there is a substantial

risk of member dissatisfaction if the C/MA's management team are too skewed in their day-to-day focus towards delivering for a donor-funded initiative and not focused on their business plan and progressing against their members' priorities. C/MAs can quickly become overburdened. Many have very few staff members and often a narrow set of specialist skills in-house. In such cases, a distracted management team, whose often limited resources are thinly spread by (sometimes multiple) projects, will be undermined in pursuing long-term independence and institutional sustainability. Any associated loss of members may also result in an inability to cover recurring/operational costs (e.g. via membership fees), meaning a vicious cycle of having to rely on donor-funded initiatives to subsidise core C/MA functions. It may go without saying, but where the available funding from donor-funded initiatives is unearmarked for a particular project, it can best be used to augment activities within – or complementary to – a C/MA's existing business plan. In this way, the funds would increase the likelihood that a C/MA will progress its members' priorities, heighten member satisfaction, and bolster the institutional sustainability credentials of the C/MA.

Pay special attention to imported models: As with all other kinds of donor-funded initiative interventions, efforts to improve industry collaboration may run smoother if conceptualised from the bottom-up and in their own contexts. When imported C/MA templates are insufficiently adapted to local circumstances, greater teething problems and a degree of resistance can be anticipated. C/MA business plans that work in neighbouring and somewhat comparable country contexts can falter when emulated like-for-like in new settings. The importance of consulting prospective C/MA members (as per Step 4, in Section 1.4, above), indeed the importance of Steps 3 to 5 also, allows for a more organic emergence of issue prioritisation and consensus. Issues most pressing in the local context (and upon which members wish their membership fees to be spent) may need to be more aligned with how an imported C/MA model may work elsewhere. On the upside, imported C/MA models can recover from earlier setbacks if there is enough flexibility/leeway in the model to permit case-by-case compromises and exceptions and if the governing members and a management team carefully listen and respond to stakeholder and member signals on time. There are a number of factors that could explain the difficulties encountered by imported C/MA models, including i) differences in the maturity, development, and sophistication of an industry in the different locations; ii)

¹²Notwithstanding this, should an informal grouping of organisations under a cluster-type model wish to organise for expenditure/costs to be pooled, there are still options available. For example, one member could bear the outlay on rotation, by agreement, or as standard, and subsequently, be compensated by payments from the other benefiting members. This can be done under a standard MoU with business cooperation contracts signed to cover transactions. Suppliers to the cluster may also be able to split their invoice, asking each participating organisation to pay the overall cost in equal shares or proportion/pro rata as per agreement.

diversity in the types of organisations being targeted as members locally compared to where the imported C/MA model originates; and, iii) differences in the quality and effectiveness of public sector institutions, and the levels of public sector innovation, between the two settings.

Are there differences when it comes to intra- vs. inter-industry collaboration?

The short answer is: “we don’t know!” There are too few cases in this case study, or as documented by other donor-funded initiatives in similar fields, to draw meaningful conclusions. It is worthwhile to consider whether new forms of inter-industry collaboration should be practised in informal cluster-like forms, certainly to begin with. There may be fewer common concerns to resolve, which require vehicles of industry collaboration only for a finite period. In other words, the demand for cooperation is, to a greater extent, somewhat temporary. In C/MAs borne of inter-industry collaboration, its membership may also have far more diversity. This would present a challenge to governing members, management team, or both, and may find it more difficult to find a ‘middle ground’ – or prioritise, conceive, develop, and deliver member services – to the satisfaction of all members. Notwithstanding the speculation above, further exploration of the differences between intra- and inter-industry collaborative movements is needed to support the creation of new C/MAs; to better highlight relevant strategic and tactical considerations.

2.2 Lessons on tactics

The critical ingredient for C/MA success – happy members!

The initiative’s express priorities were that new C/MA services would be institutionally sustainable and efficacious in producing desirable outcomes at the industry-and firm levels. Indeed, these priorities were self-reinforcing. Institutionally sustainable C/MA services require financially sustainable C/MAs – particularly when the companies and organisations favoured pursuing formal membership associations that tended to carry higher costs than informal cluster-like set-ups.¹³ Whatever form the C/MA takes, and however many roles and however much responsibility it chooses to ‘bite off’, looking across MarketMakers’ different experiences, it is clear that C/MAs getting to the point of financial sustainability was essentially a question of member satisfaction. This could be further broken down into four indicators: i) satisfaction with the C/MA’s governance and the specific management team – for the latter, particularly their ‘story’, motives, and the individuals’

overall credibility in front of their peers; ii) satisfaction with the quality of value-adding services that members receive (compared to non-members, see below); iii) satisfaction with the priority-setting process and outcome (i.e. the priorities); and, iv) satisfaction with how progress towards C/MA goals is communicated (perhaps even more so than the achievement of goals)!¹⁴ Where one or more of these indicators is not being met, there is a very high risk of passive membership and member departure; and, ultimately, insufficient core funds and insufficient participation with which to do anything of significance in the long term. Lastly, from experience, it tends to be ‘smaller’ members that become the most easily dissatisfied with a C/MA’s performance – perhaps a reflection of their relatively higher expectations for what they had hoped membership would do for them in a given period of time.

Regularly revisit the counterfactual:

Whilst members will often join industry collaboration movements due to their longer-term commercial interests, they tend to only perform detailed cost-benefit calculations as to whether or not their membership is paying off from a net profitability standpoint. There is a certain degree of subjectivity as to whether being ‘inside the group’ is worthwhile, and this perspective becomes somewhat disturbed by membership fee-based relationships and price points. Nevertheless, governing/lead members and the C/MA’s management team need to remember one important factor, especially when a C/MA mandates itself to improve the business environment and the systems within which their members exist (e.g. educational systems): non-members will also (primarily) benefit from any successful business environment reforms or system-level improvements. To this end, pre-C/MA research and consultation processes and C/MA business plans should better determine how members benefit more than non-members. This needs to take into account access to and costs of different C/MA-offered services (i.e. ‘club goods’). Preferably these club goods are developed and offered to support and augment members’ short- and long-term growth prospects – specifically, their organisational and business performance. Tokenistic club goods are very soon sussed-out by members, especially when membership fees are higher. Would-be C/MA founders – and any donor-funded initiative counterpart – must consider membership’s meaningful benefits and weigh these against the counterfactual of non-members benefitting/freeriding.

Finding the right people! Unsurprisingly, the people at the helm of any collaborative movement are what

¹³This is where a distinction was drawn between clusters and membership associations. The former term being used to describe an informal or semi-formal arrangement whereby members did not pay a membership fee; the latter term being used to describe a formal arrangement whereby members pursued and obtained the legal status of being an ‘association’ under the applicable laws within Bosnia & Herzegovina, and customarily required members to pay a membership fee.

¹⁴Relatedly, in so much as membership associations are concerned, members should feel that the net balance of giving (membership fee, time, content) versus taking is not overly skewed towards giving. Present and future opportunities for members to ‘profit’ (however one sees this) from their membership after a reasonable ‘grace period’ is one of the more significant ‘cultural’ differences to be aware of when supporting the founding of a new C/MA.

will see it succeed or fail. Regarding governing members – respected, preferably successful and technically knowledgeable leaders who are affable, good listeners, and possess strong communication skills are essential. However, the presence of highly capable people within the C/MA's management and operational roles is equally necessary. This situation differs between formal membership associations and less formal cluster-type setups. In the context of formal membership associations, executive teams with a well-informed and 'can do' culture are very important. A self-motivated business generalist who is comfortable spanning disciplines (from marketing and confident public presentation to grappling with legal details and association governance) tends to work well given the many and varied functional responsibilities required of the central role – full-time. This person can be supported by a technically astute subject matter specialist in an area with skillsets matched to one or more of the member's main priorities – preferably full-time. The initiative advises budgeting for two strong candidates in these positions. They will have more space and time to work on member priorities if some budget is reserved for a part-time finance and administration assistant (e.g. at 50% time). Collectively, this is somewhere in the region of 2 to 2.5 FTEs. This means creating a business plan with a conservative revenue model that allows for this, then securing the target number of members in principle before registering. This contrasts with a "recruit whomever you can afford" mindset once registration has occurred. It is a delicate balancing act, though C/MAs risk bootstrapping like start-ups indefinitely and quickly turning over volunteer or low-paid candidates unless a more thorough ex-ante process occurs.

Moreover, C/MA management and operational roles should be advertised to allow meritocracy to prevail in the selection and hiring process. It can be helpful for donor-funded initiatives to offer a member of their project team or other neutral third parties to participate in the selection panel to ensure that governing members do not simply appoint their peers non-competitively. There is leverage in this position should donor-funded initiatives present this in the context of Step 6 from Section 1.4 above.

Supporting the aforementioned 'right people'!

Governing or managing an association requires specific knowledge and skillsets that the occupiers of these roles do not always possess or have prior experience with when they sign-up for them. In this regard, there are two pieces of feedback directly from the Intervention Managers on MarketMakers' frontlines. Both are reflections of what the initiative should have done rather than what it did do! Firstly, it can be helpful for the initiative to complement

their investments into new C/MAs (Step 6, in Section 1.4, above) with a time-limited, country-specific capacity-building and coaching offer that covers all aspects of the core functions of association governance and management. The aspects in focus should be the legal requirements, financial management, reporting and administration, best practices in non-profit governance, mechanics and processes of governing members and the management team working together, etc.¹⁵ Even better is to maintain materials, record sessions, and consider a simple self-paced e-learning curriculum if a) like MarketMakers, your initiative is working on several different industry collaboration-themed interventions, and b) there is sensibility in planning forward for inevitable personnel rotation and handovers within the C/MAs. Secondly, consider how minor investments into easy-to-use and cheap-to-maintain software and digitalisation/automation can make some of the more laborious core functions of association governance and management smoother. C/MAs will better progress their short- and long-term goals and have more time to consult with members and communicate progress to them if they are not waylaid by inefficiently executing the necessary but time-consuming internal processes. Management must instead maximise the time spent on value-adding member services, issue-based research, advocacy and media engagement, liaising and building alliances with (and learning from) like-minded associations, member recruitment, identifying and contracting consultants/experts and so on. These are the activities that will satisfy members.

Think about achievable short-term goals. The business plans (membership associations) or MoUs (clusters) of new C/MAs commonly detail or refer to a longer 'wishlist' of member priorities. Frequently, a good proportion of these wishes concern an ambition to improve policy environment conditions – reforming specific legislation or regulations, or the pursuit of industry-specific exemptions or special requirements therein. Alternatively, they are advocating for new policies and industry-specific incentives fuelled by greater public investment. However, these ambitions can often only be accomplished in the long run. Perhaps only a minority of them will advance, which might entail several years of campaigning and influencing activity. Stalled progress on these fronts can quickly and considerably drain the enthusiasm and momentum from the previously buoyant members of the new C/MA. With this in mind, new C/MAs must be conscious of balancing ambitions that are achievable in the short term with those they hope to accomplish in the long term. Members should be explicitly consulted on 'feel good' actions that may have a more negligible

¹⁵ MarketMakers observed that the newly employed management/executive team for a new C/MA requires a healthy amount of initial interaction with the C/MA's founders/governing members. They are tasked with implementing the shared vision of (sometimes) an extensive collection of (sometimes) diverse businesses and other organisations. A vital part of this role is also responding to and managing differences of opinion and approach without always having to run this by governing members.

overall impact on business performance, though they are attainable and somewhat easy to participate in and benefit from. These 'feel good' actions may form the 'bread and butter' activities of the C/MA, help maintain momentum and good moods, and foster a track record of (successful) collaboration required for member unity and consensus. This will be important when C/MAs pursue the bigger-ticket items that could ultimately yield far more meaningful impact on the industry- and firm-level performance.

Specialise and collaborate! Encourage the new C/MA to team up with other C/MAs! For example, coordinating and collaborating on a case-by-case basis or through another arrangement can be very handy for new C/MAs, bringing them allies for their campaigns and promotions. This is undoubtedly useful on matters where broader stakeholder interests collide, and the issues in focus are cross-cutting (e.g. pursuing non-industry-specific reforms and public investment). It can be a neat way of adding different voices and visibility to the new C/MA's efforts, pleasing members and potentially increasing the likelihood of positive outcomes. The best part is that this can be done without the need for sizeable effort or investment from the new C/MA's management team. It is essential to be aware of other C/MAs' mandates and missions and their prevailing reputations if relationships or alliances are to be made in the public eye. Due diligence and some degree of care should be exercised.

Conclusion

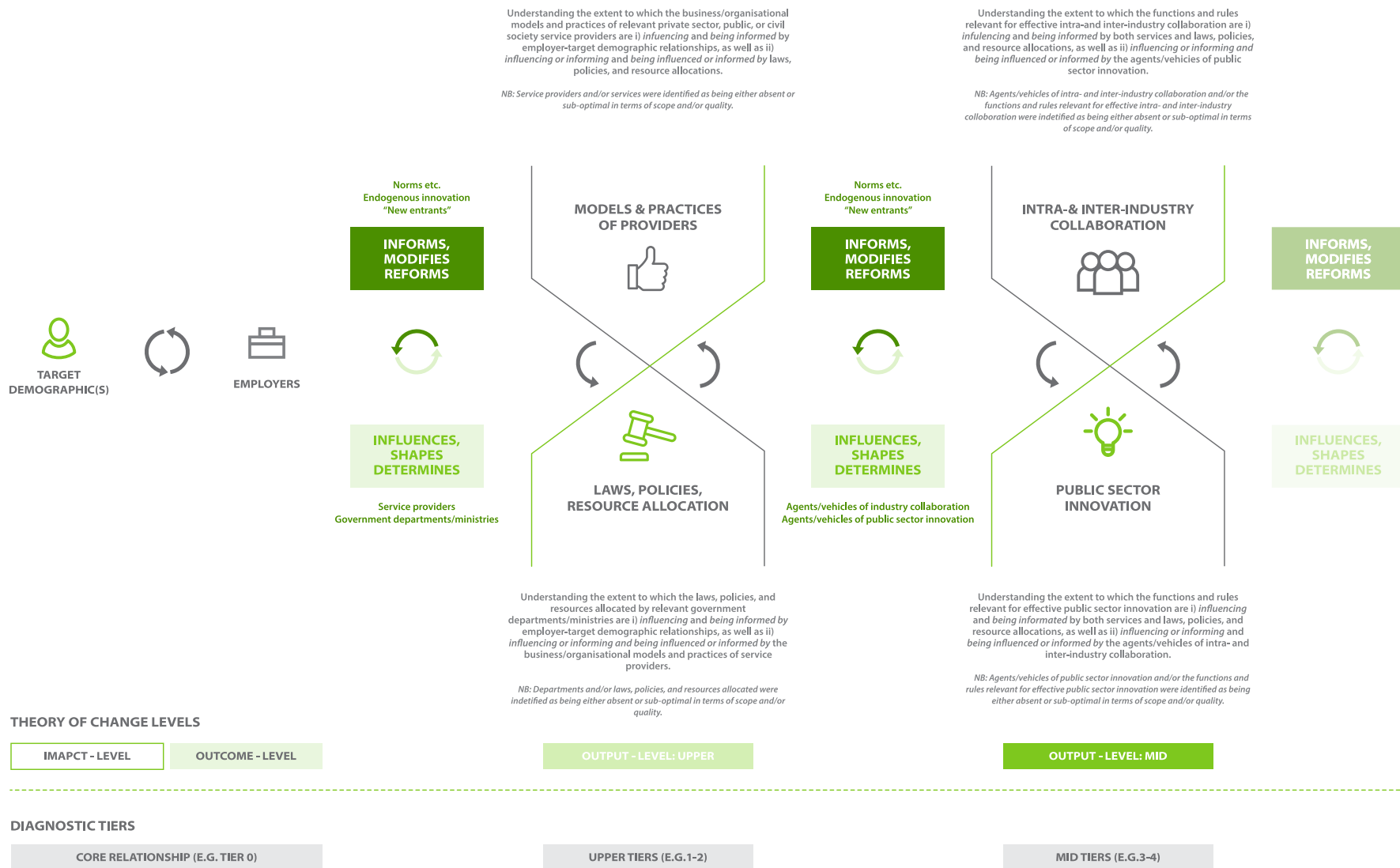
Fostering improved industry collaboration – of both an intra- and inter-industry nature – is understood to contribute positively towards resolving multi-dimensional industry development challenges. Clusters and membership associations that offer solutions to such challenges can grow to become significant actors, championing the industry cause for years to come and long after donor-funded initiatives come to an end. In thinner markets with less diverse business ecosystems, ‘umbrella C/MAs’ may be less interested in and less able to focus on industry-specific constraints, particularly those of newer, non-traditional industries.

Where existing allies are hard to find, and when service innovations and improved consumer or public sector engagement activities are required to solve industry-wide firm-level concerns, creating new collaborative movements is a thought worth entertaining among donor-funded initiatives – time permitting, of course! Doing so, however, presents its own unique set of difficulties, particularly with regard to ensuring ownership, in all senses, resides firmly with the C/MAs’ membership and that the new C/MA is well-equipped to stand on its own feet.

MarketMakers has learned its lessons on how new vehicles of industry collaboration can be nurtured through many, multiple attempts. As the initiative progressed through its phases, it has been able to distil a blueprint for building new collaborative movements and has gleaned important insights relevant to intervention strategy and partnership tactics. It is hoped that this case study effectively shares these findings with the wider community of development professionals and that other donor-funded initiatives may be helped in reaching conclusions of their own on the same topic even sooner.

Appendix 1

Figure 1: Constraints Diagnostic Schematic¹⁶



¹⁶The schematic is an adapted version of the “Systems Helix” framework (see Nippard, 2022). The author credits key influencers of the framework in the original.

Appendix 2

Figure 2: Charting the Initiative's Partnership Stages with C/MAs Against the 'Blueprint'¹⁷

C/MA	Steps of the 'blueprint' strategy followed									Explanatory Notes	
	1	2	3	4	5	6	7	8	9		
BIT Alijansa (Membership Association)											BIT Alijansa was established with MarketMakers' support during Phase 1 of the initiative in 2013/14. Though spanning nine years and made somewhat more complicated to assess given that the parties collaborated more than once, the C/MA partnership stages are closely aligned with the blueprint.
ABSL BiH (Membership Association)											Following the initial industry and stakeholder research, the founding members independently led relationship-building and due diligence processes before adopting the ABSL franchise. The membership association's 'business model' originates from ABSL HQ in Poland (Step 5). The initiative re-engaged with ABSL BiH's founding members from Step 6 onwards.
Asocijacija E-Comm u BiH (Cluster > Membership Association)											This C/MA partnership intends to follow the blueprint. However, the partnership with the new association is ongoing at the time of writing, and it is unlikely that Step 9 will be reached before MarketMakers ends in mid-2023.
Neformalno Obrazovanje Danas (Cluster)											This is a young 'scale-up' partnership drawing together actors, both old and new. There was no standalone 'business plan' process (Step 5). However, plans for institutional sustainability (or at least service sustainability should the cluster prove temporary) are somewhat expressed in the contract with the cluster's 'lead firm' and the MoU arrangements they have put in place. Whether a cluster-like set-up, a service subscription model, or something similar characterises the future set-up remains to be seen.

¹⁷The information in the table is correct as of November 2022. Readers should be aware that all interventions and C/MA partnerships were ongoing 'works in progress' at the time of writing.

Appendix 3

Figure 3: Intervention Mini Cases – Summary Table

Industry	Intervention focus (Tier 1 constraints)	Target employer(s)	Growth opportunity	Tier 2 constraints	Responding to Tier 3> constraints pertaining to the absence of quality intra- and inter-industry collaboration (also private-public dialogue and public sector innovation)			
					C/MA counterpart	Current status of the C/MA counterpart (if different)	When in the intervention project cycle was the C/MA created?	Previous/other attempts at industry collaboration in this intervention
IT sector (Intra-industry collaboration)	IT education (Phase 1); career promotion (Phase 2)	IT firms of all sizes	IT firms can only easily accept new clients and confidently invest in expansion with greater IT skills among the domestic labour and more graduates coming out of the formal education systems. There are widespread reports of foregone opportunities and clients lost due to staff turnover.	Sectoral prioritisation (e.g. in development plans); governance of formal education systems (secondary, tertiary, vocational); education system budgeting (secondary, but also university department funding formulas); public employment services; recruitment and talent agency services (e.g. value-added services); institutional data collection & analysis, and communication.	BIT Alliance (new, formal membership association) ¹⁸	Same	Piloting phase	Hub387 (new, informal cluster)
BPO and IT sectors (Intra-industry collaboration) ¹⁹	Destination promotion; investor services	Small, medium, and large service exporting companies (outsourcing); foreign multinationals and shared service centre giants (nearshoring)	Several opportunities to increase business process and knowledge services export, including supporting local BPO/KPO providers to find new clients and break into new overseas markets (service importers), but equally, attracting and supporting SSC companies active in Eastern Europe to open new (satellite) operations in BiH.	Sectoral prioritisation (e.g. in development plans); institutional data collection & analysis and communication; governance of national and sub-national public investment promotion agencies.	ABSL BiH* (new, formal membership association) *ABSL BiH is a franchise of ABSL headquartered in Poland	Same	Piloting phase	SEEBA (existing, private company); Foreign Investors Council, FIC (existing, formal membership association)
IT, retail, and logistics sectors (Inter-industry collaboration)	Service innovation	MSE IT firms of 1-49 employees (new opportunities also anticipated in retail, logistics and distribution, warehousing and storage)	Small IT firms stand to gain from growth in new domestic private and public sector e-commerce and digitalisation clients. Medium-large-sized firms are primarily export-oriented.	E-commerce and digitalisation education/awareness-raising; online retail training (e.g. upskilling for company managers/employees); consumer/citizen education (e.g. online shopping, e-government); consumer protection regulations; online transactions, payment systems, and e-signature regulations; postage/logistics legislation (e.g. affecting private providers).	E-Commerce Cluster/e-commerce.ba (new, informal cluster)	E-Commerce Association / Asocijacija E-Comm u BiH ²⁰ (formal membership association)	Piloting phase	N/A
Professional, technical, and creative services sectors (Inter-industry collaboration)	non-formal education (nFE) and private training services	Small, medium, and large service exporting companies	Boosting nFE, particularly lifelong learning/adult education for re-training, responds to structural unemployment problems as the formal education systems fail to react and innovate quickly enough to provide the school-leavers/graduates demanded by modern services industry professions in their pursuit of export market clients.	Knowledge/advisory/training services (e.g. running an education business); educational institutions' in-house policies on partnerships with business; governance of formal education systems (secondary, tertiary, vocational); institutional scope for adult education/lifelong learning at different levels of government; consumer/citizen education (e.g. skills and lifelong learning); socio-cultural norms (e.g. perception of formal education vs. other).	NOD, Neformalno Obrazovanje Danas (new, informal cluster)	Same	Scaling phase	InLearn, a new unit of a private research institute, CREDI (existing, private company)

¹⁸BIT Alliance was supported into existence during MarketMakers Phase 1 as a new C/MA. It could be fairly classified as an established, existing C/MA by the time the initiative partnered with BIT Alliance again during MarketMakers Phase 2.

¹⁹Classifying ABSL as a case study of intra- or inter-industry collaboration is challenging. All members have in common their participation in exporting business services or are suppliers to business services exporters. However, there is a great deal of diversity in sectoral coverage – with its membership cutting across many services sectors. For this case study, they are classified as an example of intra-industry collaboration, though this should be understood in its broadest sense. This is similarly the case for NOD, though NOD is classified as an example of inter-industry collaboration due to the cluster's openness to any company (despite many of the cluster's members being active in the services sectors).

²⁰A second e-commerce association is registered in BiH. It was founded by one of the initial cluster members who wished to lead the new association that would emerge out of the cluster, though they were unable to secure the backing of the other founding cluster members. As a result, there are now two active e-commerce associations in BiH – both linked to the cluster that MarketMakers supported into being between 2020-21.

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