

Today, these companies are threatened by a number of developments. Cutbacks in government spending are limiting their traditional market. International competition is growing. Technological development has introduced embedded electronics and new materials in the products, and the companies have no skills in these areas.

To meet these challenges, a large group of companies are in the process of creating a network. They have already - jointly with associations of disabled - established a network centre, a hub. In this centre they locate - and jointly finance - resources that are seen as joint solutions to common problems. The center is called DATCH and includes at this moment expertise in areas such as design, ergonomics, electronics, the monitoring of markets and technology, just as it has been decided to add resources covering quality assurance and international marketing.

The work effort is being coordinated by an employee of the centre who is also a trainee in the Network Broker Training Programme undertaken by the Danish Technological Institute as part of the Minister's Strategy '92 programme. Once again this network has proven the need for an independent broker to mediate in the complicated process of company interaction.

Two other dimensions of the network should be noted:

- * The companies are in a very intensive process of developing and capitalizing on their mutual complementarity. In terms of products, equipment and markets, they seek "division of labour", thus sharpening the business focus of each company, utilizing resources more to capacity, saving heavily on investments, having a more complete product line, and jointly reaching more markets. Of course, this will be an on-going long-term process but immediate advantages have proven considerable.
- * The companies also jointly seek to develop their subcontracting relations. In one direction this might mean jointly qualifying as subcontractors to very large companies. However, in this case it means jointly finding a highly qualified partner/subcontractor in the field of electronics. No single one of the companies would be an attractive buyer to the best producers in embedded electronic systems but with joint marketing and quality and a highly developed mutual complementarity they have proven to be an attractive partner as a group.

Six Features of Networks

Based on this one example, six features of networks as addressed in the Danish programme, can be described: