

## ***Networks - a Definition***

The programme assumes this definition:

A network is the cooperation - and the mechanisms of cooperation - enabling the small company to compete successfully with the best of the large companies.

Three features should be noted in this definition:

- 1) It is concerned with independent small companies. Networks are not mergers, on the contrary they are cooperation schemes which capitalize on the strength of the independent, competitive and flexible small company with the objective of compensating for some of its weaknesses.
- 2) The definition is not formal - it says *nothing* about legal framework, number of companies, size of companies, what they are cooperating on, whether they are in the same branch or different branches or any such matter. This feature is intentional in the programme and is also intended to be reflected in the administration of the programme which will have a minimum of bureaucratic restrictions.
- 3) The real objective of the programme is stated in the phrase "to compete successfully with the best of the large companies". This means that three companies sharing the expenses of a telephone switchboard or an administrative unit do not constitute a network in the sense of the programme. Only when their cooperation specifically aim at new business opportunities, new markets or a new competitive edge is it considered a network.

## ***Production of Aids for the Disabled - an Early Network Success***

To illustrate some of the features of the networks intended by the programme, one of the early successes - a network of producers of aids for the disabled - will be described:

Denmark has a structure of many, very small and very highly skilled producers of aids for the disabled. Their number and skills are based on the existence of one very large and very good customer, the Danish public health and social sector. The high demands of this sector have created companies with products of the highest ergonomical functionality but also companies with almost no marketing experience.