

76% think that the NW is good.

Effect of NW 64% strengthening of marketing

47% product development

33% organizational renewal

22% better image

Network Cooperation

- Achieving SME Competitiveness in a Global Economy

encountered

50% only preparation

22% differences in resources

34% lack of common objectives

NETWORKS PHASE 3 (Establishment and Early Cooperation)

Total networks which received questionnaire 100

Answered questionnaire 62

In spring 1989, the Danish Minister of Industry announced his Strategy '92. A central element of this announcement was a 150 million Danish kroner programme to encourage network cooperation among SMEs, thus enhancing the international competitiveness of Danish industry.

The programme was in effect from September 1989 and only 12 months later the programme has had a significant effect on attitudes and behaviour of companies. For example, some 2,000 companies - more than 25% of the manufacturing companies in the country with more than five employees - have been involved in submitting proposals for the network programme, while studies indicate that a further 1,000 companies have entered networks without applying for grants from the programme. And some of the very early pilot networks have already addressed new business opportunities and entered new markets.

The programme is based on a thorough assessment of past cooperative experiences in Danish industry; an evaluation of the relative competitive situation of SMEs in the 1990s, and an attempt to adapt successful network experiences from countries such as the U.S., Italy and Germany to Danish conditions. However, these experiences were based on a spontaneous networking behaviour among companies whereas the Danish programme is designed to enhance this type of behaviour via a top-down approach.

For this reason, the programme is designed to have maximum short-term effect on awareness and to promote networks by providing "seed money" incentives whereafter the programme will be terminated in 1992, leaving the question of further network initiatives to the basic business considerations of the companies.

But how does the programme define networks, what would be examples of such networks, and how does the programme intend to provide incentives?

Significant encountered 50% economizetime resources

30% the preparation phase is too long

20% of the 30% will continue beyond the grant period.

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