



Networking

XASMB Small and Medium-Sized Business

Network business

- Technological development enables network business
 - Traditional barriers are removed
- Network business = connection of independent businesses which participate on development of the final product, eg. R&D cooperation, logistics, etc.
- Networks enables connection to customers, suppliers and even competitors

Reason for establishing networks

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- Raising the value of the products
- Costs reduction
- Competition risks reduction

Basic terminology

Hollow enterprise

- Independently performs only those processes and activities that bring high added value and are highly sophisticated and strategically significant. Less sophisticated activities with lower added value are carried out through outsourcing.

Virtual enterprise

- Represents a loose organisation of mutually complementary companies that come together for a certain period, usually for a single project. This enterprise does not have a fixed structure but changes according to the situation and purpose.

Strategic alliance

- Type of organisational form that represents a partnership between two or more current or potential competitors who directly combine their resources to gain a strategic and competitive advantage.
- Each participating entity contributes its new ideas, experiences, know-how, and resources, enabling them to improve and strengthen their market position in the long term compared to non-members of this alliance.
- In the fields of research and development, manufacturing, distribution, or technology.
- A specific characteristic of strategic alliances is the inclusion of two or only a small number of entities joining forces to accomplish very specific tasks, products, or services.

Clusters and cluster initiatives

Clusters

- Geographical concentration of interconnected companies, suppliers, and other related organisations.

Cluster initiatives

- A cluster initiative is an organised effort aimed at enhancing the growth and competitiveness of a cluster in a region, involving cluster firms, government, and the research community.


Measuring cluster performance

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- Innovation and international competitiveness
- Cluster growth
- Fulfillment of goals

Factors influencing cluster's performance

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- Social, political, and economic environment of the state.
 - The goals of cluster initiative.
 - The process by which a cluster initiative develops.
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Performance indicators

1. Key indicators

- Number of members involved in the cluster initiative
- Total turnover of cluster members
- Total number of employees of cluster members

2. Qualification

- Number of events organized within the cluster initiative
- Number of participants in these events

3. Joint projects

- Number of joint projects
- Number of companies involved in collaboration within these

projects

- Financial strength of the cluster initiative

4. Other indicators

- Proportion of small and medium-sized enterprises in the cluster
- Number of company visits within the cluster initiative
- Number of other institutions involved in the cluster initiative
- Proportion of public funding for joint projects
- Proportion of public funding for the cluster initiative
- Number of customer satisfaction analyses within the cluster initiative

Networking

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- Trade fairs, conferences
- „Door openers“
- Networking events
 - Matchmaking
 - Online events

Elevator pitch

- Short and attractive description of the business
 - What you or your offering does,
 - The benefits or value it provides, and why it's unique or better than alternatives.
 - The goal is to leave a strong and memorable impression on the listener and generate interest in learning more.



Homework

Create an elevator pitch for your business

You will present it next lesson

Summary

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- What have you learned today?