

**INNOVATIVE IMPROVEMENT AND INTENSIFICATION
OF BUSINESS RELATIONSHIPS SUPPORTED
BY COOPERATIVE NETWORKS**

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Abstract

Nowadays, the opportunity for companies to be involved in cluster initiatives and international business associations is a major factor that contributes to the increase of their innovative potential. Companies organized in technological clusters have greater access to mutual business contacts, faster information transfer and deployment of advanced technologies. These companies cooperate more frequently with universities and research - development institutions on innovative projects.

An important benefit of cluster associations is that they create a suitable environment for innovation and the transfer of knowledge by means of international cooperation and networking. This supportive environment is not easy to access for different small and medium-sized companies, who are not members of any clusters or networks. Supplier-customer business channels expand by means of transnational networks and exchanges of experience. Knowledge potential is broadened and joint innovative projects are developed. Reflecting the growing importance of clusters as driving forces of economic and regional development, a number of cluster policies and initiatives have emerged in the last few decades, oriented to encourage the establishment of new clusters, to support existing clusters, or to assist the development of transnational cooperation.

To achieve the goals of the Europe 2020 Strategy, European countries should have an interest in building strong clusters and developing cluster cooperation by sharing specialized research infrastructures and testing facilities and facilitating knowledge transfer for cross-border cooperation. This requires developing a long term joint strategy in order to facilitate the development of open global clusters and innovative small and medium entrepreneurs.

Key words

innovations, cooperation, cluster, economic development, business relationships

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Introduction

A new trend of success is emerging in the present global business. Presently it is based on the quality, speed of innovations and specialization of global corporations depending on local market requirements. However, innovative activity increasingly depends not only on the quality of inventions and the company's know-how, but also on the ability to utilise effectively the knowledge, skills and resources of others to support its own economic results. Therefore, successful integration into business associations and networks may become one of the key factors of success.

“International partnership, foreign investments and cross-border clusters present optimal ways for making the exchange of knowledge and innovation support technologies and SME globalization easier” (1). The ties between the creators of innovative circle are not of one-direction character. They are interactive. Quality of micro-economic environment depends on what the business or research and development sector produces. On the contrary, motivational elements of micro-environment, as e.g. infrastructure quality, affect forming of the business cooperation climate. Business activity also significantly depends on the macro-environment specified by the legislation of each state. Innovation policy at the national and European level should use its tools to improve micro-economic and macro-economic conditions and strengthen the ties between the scientific community, i.e. universities, research institutions on one side, and the private industrial sector and sector clusters on the other side (2, 3).

Designing the model of second level clustering Focused on innovation support

In order to develop international innovative cooperation, we suggest the second level of clustering that will enable interconnection of the above mentioned subjects from different countries through building the international cooperative network. Innovative strategies of European countries have, to a certain extent, a specific and limited focus. Individual countries cannot be pioneers in all fields of industry. By this reason, the international exchange of experience, transfer of knowledge, common research projects etc. are considered effective (4).

Following the analysis and gained experience, it has been proved that international cooperation can be considered as a significant factor for increasing the industrial enterprises innovative performance. The solution of organizing such cooperation consists in creating international cooperative networks.

The base of the network consists of industrial enterprises who will clearly define their needs following the requirements of the market and their customers. This will enable the research and development to focus on products and services which can be consequently used commercially and reach the expected economic effect.

For industrial enterprises, it is profitable to exist in local sector associations-clusters, because they can provide several benefits. “A significant contribution of clusters is that they create the environment suitable for innovations and knowledge formation. This is the main reason why regions with strong clusters are considered the innovative leaders. These trends are further developed by globalization” (5). One of the priority objectives of clusters is to enable the interconnection of enterprises with universities, research-development institutions, excellence centres, because they have qualified human resources and technological equipment necessary for innovative activities. For reasons given, clusters have been primary suggested as initiators of building the international cooperative network. They represent mainly the

interests and needs of small and medium enterprises in a given field. At the same time, they are related to innovative institutions, eventually the state and public sector.

Regions and headquarters should use the benefits of financial tools available at the level of the Association in order to strengthen their clusters and enable them for transnational cooperation. “It is expected that the European cluster memorandum will set the conditions for discussion on common fields that should be supported by mutual effort at the regional, national and European level” (6).

Significant role in local networking is played by universities and colleges that may participate in building the innovative environment with following activities:

- spin-out of research projects leading to creation of new companies,
- licencing of technologies for new companies,
- realization of cooperation projects between universities and industrial sector (e.g. common financing of research),
- publication of articles on research and knowledge transfer,
- continual training of graduates with new skills and knowledge.

Basic scope of building and keeping the cooperation network

Building the mechanism of cluster cooperation support and other institutions for development of innovations is a tool that can improve the conditions of effective and sustainable transnational cluster cooperation within the frame of Europe. Creating such platform to improve the conditions of mutual cooperation between innovative subjects in the European countries, so called second level of clustering, can lead to effective utilisation of own innovative capacities and improvement of competitiveness (7). Moreover, there is a positive effect on effective cooperation in the long-term horizon and strengthening the position in the European economic space.

Main goals of the network are following:

- strengthen the synergy between partners in the network by means of providing the integrated services: e-business,
- provide the transfer and exchange of information, knowledge and know-how of clustered members and create the permanent information ties between partners,
- mediate sharing of specialized research infrastructures,
- increase the transfer of technologies,
- implement innovations faster and lower the risk ,
- increase awareness, mainly among SME, in the field of searching for common innovative solutions including increase in environmental awareness,
- consult with enterprises and prepare attitudes in the direction of national and European politics on the ground of their needs,
- sustain and constantly improve the approach, proximity, quality and professionalism of integrated services provided by the network,
- minimize the administration and traffic load for all participants involved in networking.

The functioning of cooperative network should be controlled by certain relations. If they are followed in a proper way, international cooperation is effective. The following points are considered essential:

- mutual independence – members are not dependent, they can leave at any time,
- mutual preference – members prefer each other in contracts to non-members,

- equal status of members – none of the members is superior to another one.

Simultaneously, networks should create the internationalization strategy, which would enable them to operate more effectively. We suggest that the stated strategies should contain:

- identification of priority target markets (where?),
- specification of economic and scientific goals (why?),
- preparation of measures to reach the goals (how?),
- elaboration of time and action plan (when?),
- mapping of potential partners (who with?),
- calculation of costs and resources of network asset coverage (how much?).

Options of the cooperative network should be available to all companies regardless of whether they operate in production or service providing. It means they should be available to all participants as SME, research institutions, technological institutions, universities, technological and business centres and innovative growth agencies. Network can help the clients with their searching for business partners, especially in the countries they have not cooperated with so far, providing individual visits the place for the purpose of company needs evaluation, exchange programmes and excursions in order to transfer knowledge and provide consultation in the wide area of business issues. A well-established database of enterprises and innovative institutions processed by clusters enables different contact points to keep in touch and collect offers and requests for the establishment of connections.

Effective management of international cooperative network activities should be beneficial for retrieval of solutions in order to increase the competitiveness of small and medium sized enterprises primarily associated in cluster subjects operating in Europe. The following contribution should be achieved:

- Globalization of cluster cooperation and their networking will contribute to the development of entrepreneurship and contract activities of small and medium enterprises clustered within.
- Transnational cooperation of clusters will enable qualified specialists to cooperate closely in common innovative projects.
- Networking of industrial clusters in the international context will contribute to the increase of cooperation level regarding the participants involved in the innovative circle, i.e. small and medium entrepreneurs, universities and research – development institutions.
- Subsequent reaction to establishing the cooperative relationships between innovative subjects is presented by drawing attention to clusters and building their international image.

When enterprises join the international cooperative networks, increasing their innovative potential can introduce these particular benefits:

- grow of organisation's competitiveness,
- acceleration of offered products and services innovations,
- enabling customers and business partners to join the innovative process,
- improvement of relationships with business partners,
- improvement of the organisation's positive image.

Evidence of the fact that companies associated in clusters and networks prosper markedly on international markets was also proven by the research of the Institute for innovations and technologies carried out in 2007. "According to this research, 65% of these companies

showed significant business development abroad in comparison with the companies operating independently” (8).

“Building partnerships, which are considered the keystone of international cooperation and develop mutual trust, is also highly recommended by Organisation for economic cooperation and development. When managing clusters, openness should be increased and allow new members to come up with new knowledge, resources, technologies and experience, as well as support the interconnections with international structures” (9).

Conclusion

This paper presents the concept of developing the cooperative relationships mainly through creation of a functioning network of universities, research institutions and sub-suppliers in a certain industrial branch. The purpose of this network is to realize and build partnerships. Following its formation, research projects can be created concerning particular industrial branches in cooperation with all participants. The purpose of the network is to join regions, clusters, enterprises and specialists from the academic sector.

It is not only the financial support, but also the relationships and cooperation between the subjects of innovative circle that can be included among the most important factors in building the innovative economics. Therefore, it is necessary to start fulfilling already adopted strategies to support development of economics through top leaders and so support entrepreneurship and competitiveness of business subjects.

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