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Enhancing the Innovativeness of Food SMEs through the Management of Strategic Network Behavior and Network Learning Performance

Bianka Kühne and Xavier Gellynck

Ghent University, Belgium
Bianka.Kuhne@UGent.be , Xavier.Gellynck@UGent.be

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The European project NetGrow stands for Enhancing the innovativeness of food SMEs through the management of strategic network behavior and network learning performance. It is a FP7 Cooperation project in the theme Food, Agriculture and Fisheries, and Biotechnology with an EC contribution of 3M €. The project has a duration of 4 years and will be finished in April 2014. The project coordinator is Prof. dr. Xavier Gellynck from Ghent University, Belgium.

The aim of Netgrow is to enhance network learning leading to increased innovation, economic growth and sustainable competitive advantage for food small and medium enterprises (SMEs). Instrumental for achieving this, is usable know-how about network learning, the attitude of food SMEs in different EU member states, and the functioning and performance of different types of networks. Therefore, the project partners conduct thorough and sound scientific research on how SMEs and networks can become more innovative and better performing through network learning and strategic network management. The final aim is to develop a network learning toolbox which will include a real-life decision support process targeted at food SMEs, network managers and policy makers. Specifically it aims to allow food SMEs to identify which networks fit best fit their preferences, to enhance network manager's insights of the food SME's network needs and provide them with sound performance measurement tools for their network, and to enrich policy maker's understanding of food SMEs in particular regarding their network preferences, behavior and needs, and contribute to the implementation of the EU innovation policy in particular to the ambition of stimulating cooperation between public and private stakeholders.

Advanced management of the strategic network behavior and network learning will contribute to innovation within SMEs in the food sector. Innovation is no longer a matter of solely an individual firm but is increasingly dependent on the interaction of the individual firm with its networks. Network learning is the ability of an organization to combine knowledge resources both tacit and explicit by means of formal and informal interaction with other network partners in a dynamic process. These interactions take place depending on the network behavior of a company. Strategic network behavior is understood as intimately tied to strategic network management. The latter concerns the company's functions for establishing, overseeing, and coordinating network activities. Moreover, networking also has a "dark side", i.e. it takes time, money and resources. More strategic network management means more efficient management of the process and the resources.

Strategic network management can be seen from two perspectives: the networking firm and the network organizations. Since in particular food SMEs are highly depended on external sources of knowledge and information for their innovation efforts, networks are the place where food SMEs gain access to knowledge and information which are otherwise not accessible for them. However, other studies as well as the results from the research activities within NetGrow highlight that many SMEs face barriers to grasp the relevant knowledge and information. Since these barriers can occur on two levels, at the firm level and at the network level the NetGrow project combines research actions at these two levels: (1) the focal company level, investigating the attitudes and preferences of food SMEs towards networking, and (2) the network level, investigating the functioning of the network and its effect on innovation and economic

growth as well as the impact of network stakeholders on the network performance (figure 1).

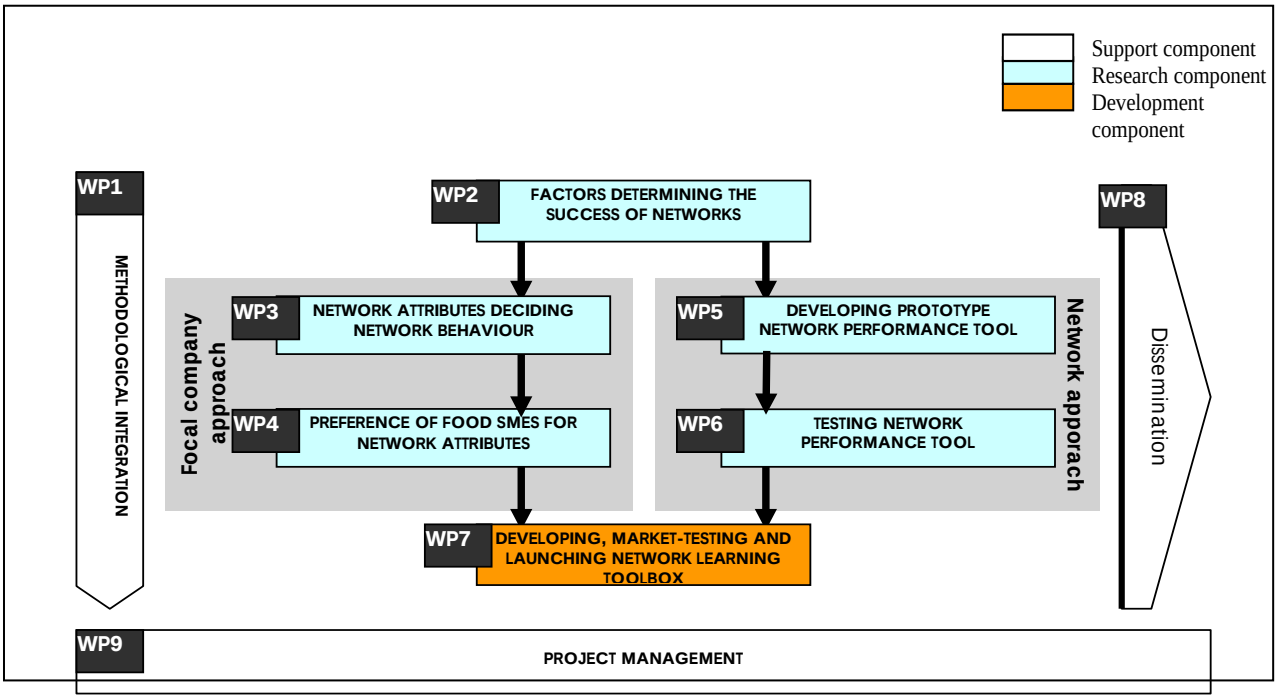

Figure 1. *Work plan*

The main activities of Netgrow are:

To understand the success factors and barriers of network learning, its antecedents and contribution to innovation and economic growth and sustainable competitive advantage

To understand attributes of networks and their respective attribute levels which contribute to effective network learning SMEs

To develop a prototype tool to measure the learning performance of networks in the food sector and to test it in order to make a first identification of low and high performing networks

To effectively enhance the capacity of food SMEs, formal network organization and policy makers in managing their network strategically

The consortium of NetGrow is composed of the following organizations:

Beneficiary number	**Beneficiary organisation**	**Short name**	**Country**
1	Ghent University	UGENT	Belgium
2	Teagasc – Ashtown food research centre	TEAG	Ireland
3	Food Valley	FV	The Netherlands
4	Debrecen University	DE	Hungary
5	Skåne Food Innovation Network	SFIN	Sweden
6	Institute for Food Studies & Agro Industrial Development	IFAU	Denmark
7	Bologna University	UNIBO	Italy
8	LaSalle Beauvais Polytechnic Institute	LAS	France
9	Bonn University	UBO	Germany