

# NEWS RELEASE

Wilfrid Laurier  
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## **WLU research centres to do national study on business networks**

*Waterloo, Ont. (March 25)* — To help Canada's small- and medium-sized enterprises become more competitive, a national study on business networks will be conducted by two research centres at Wilfrid Laurier University in Waterloo, Ont.

It will be led by the Laurier Trade Development Centre and the Research Centre for Management of Advanced Technology/Operations (REMAT).

The study is being done under contract with the Entrepreneurship and Small Business Office of Industry, Science and Technology Canada. Results, due this May, are expected to provide recommendations for federal government policy-making.

The project will study 10 well-established business networks for small- and medium-sized enterprises, located across Canada. They will represent different economic sectors and several types, including various combinations of business, government, and research and educational institutions.

A business network is more than a loose affiliation or simple business association that meets to discuss issues, challenges, or problems. Members of business networks work co-operatively and collaboratively to achieve greater competitiveness. Projects can range from joint purchasing to advanced technology applications, manufacturing, cost reduction,

productivity improvement, research and development, human resource skills development, total quality management, marketing, and export development.

Hugh Munro, director of the Laurier Trade Development Centre, says some business networks have been highly successful in Europe, the United States, and Japan. "Business networks can be a very effective part of a national competitiveness strategy.

"Small- and medium-sized enterprises are such an integral part of the Canadian economy," he says. "Sometimes though, acting alone, they don't have the know-how or resources to gain the competitive edge.

"But working together or learning from each other in a network, small business can often access a broader knowledge base and leverage a richer mix of capabilities.

"The good news," Munro says, "is that business networks are emerging in Canada. We want to find out what the Canadian experience is with business networks and how they could help Canadian business become even more effective and competitive on a global basis."

In studying each of the 10 selected networks, the research team will examine the key players, challenges, results achieved, critical success factors, and plans for further development.

A second part of this study will include an examination of four network "hubs." Business networks are often anchored to such geographical hubs, which serve as resource centres to entrepreneurs.

Typically a network hub can encompass a number of interested stakeholders. They include: major firms, small entrepreneurs and suppliers, government economic development agencies, educational institutions, banks, financial institutions, research and development institutes, unions, industry associations, and chambers of commerce.

Such network hubs can be highly effective in providing "one-stop shopping" for business persons seeking technical knowledge, funding assistance, and seasoned business

advice. The synergy of these many stakeholders can catalyse the development and success of business networks.

Network hubs are emerging in Canada, supporting manufacturing, biotechnology, computer technology, and telecommunications. They can facilitate new business formation and new product commercialization.

Hamid Noori, director of REMAT, says, "We are hoping that this study will be a conclusive step toward understanding feasible and appropriate business network models for Canadian firms."

Both the Laurier Trade Development Centre and REMAT are participants in, and/or sources for, dozens of business networks.

Earlier this year, REMAT began hosting a network promoting the growth of total quality management within Waterloo Region. Divided into networks of 10 to 15 people, more than 70 area companies participate in monthly meetings.

The Laurier Trade Development Centre was established in 1988 as a partner in the Ontario Centre for International Business. Laurier's branch helps businesses engage in trade and provides advisory services to government and business.

REMAT was established in 1985 to conduct research on the management of advanced technology and operations in Canada. The centre offers workshops and seminars for managers of primarily small and medium-sized businesses and provides a forum for the discussion of public policy decisions related to operational issues.

Munro and Noori will be meeting many business network and network hub champions over the next few weeks. For further information, they can be reached at (519) 884-1970 ext. 6903.