

# Networking for innovation in agrifood SMEs

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## Foreword: networking for innovation in agrifood SMEs

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This special issue of the Journal on Chain and Network Science on 'Networking for innovation in agri-food SMEs' is organized around six articles, one editorial article and five research articles. It is noteworthy that four articles out of six (namely the editorial and the research articles by Abdirahman et al., 2014a; Ruitenburg et al., 2014 and Minarelli et al., 2014) are proposed within the framework of the FP7 European NetGrow project (www.netgrow.eu) developed around a consortium of nine European research teams from Belgium, Denmark, France, Germany, Hungary, Ireland, Italy, the Netherlands and Sweden, under the supervision of Ghent University.

The NetGrow project (2010-2014) has the overall objective to enhance network learning in order to increase innovation, economic growth, and sustainable competitive advantage for European food SMEs. Instrumental for achieving this is a thorough understanding of: the nature of network learning, the attitude of food SMEs in different EU member states and the functioning and performance of different types of networks. According to this general approach, the NetGrow project has several specific research objectives, including: (1) gaining a profound understanding of the role of network learning in developing innovation in food SMEs and of its impact on economic growth and sustainable competitiveness, its success factors and barriers; (2) identifying the characteristics of food SMEs network preferences and behaviour explaining the positive effect of networking on innovation; (3) analysing differences in the preference for network characteristics between food SMEs with a different innovation capacity; (4) developing an analytical prototype tool for evaluating network learning performance which allows comparison of performance between regions, countries and sectors; (5) identifying and explaining the differences between high- and low performing networks by testing the network learning performance tool; and finally (6) enhancing the competences and

skills of food SMEs, network organisations and policy makers related to this topic of innovation networks and networking activities for innovation.

Zam-Zam Abdirahman, Maryem Cherni and Loïc Sauvée (2014a) put forward in their editorial article 'Networked innovation: a concept for knowledge-based agri-food business' the concept of networked innovation, its content and its interest for research on innovation in knowledge economies. They suggest that research on innovation in agrifood business is looking for new perspectives and for new ways of implementing actual results and of combining different theoretical perspectives. Thus the concept of 'networked innovation' is proposed to summarize the core notions necessary to mobilize for the understanding of the complex phenomena of innovation in modern agrifood knowledge-based businesses and economies. The definition of the concept is rooted in a processual treatment of knowledge creation and transformation that comes out mainly from the relevant literature on organization theory, strategic management and knowledge management. Then they develop the content of the concept around three main items: the multilevel embeddedness of innovation; the roles and forms of learning for innovation; the becoming nature of innovation processes.

In the first research article 'Distinguishing the innovation behaviour of micro, small and medium food enterprises' Francesca Minarelli, Meri Raggi and Davide Viaggi (2014) put forward, in a European food economy characterised by the importance of SMEs, the idea that networking represents for SMEs an opportunity to meet their needs in terms of know-how, technological and financial resources with the main purpose of fostering innovation and facing global competition. In the meantime most scientific studies investigating networking for innovation focus on SMEs as a whole without exploring possible differences between SMEs. Then they address the question of SME behavior related to innovation in considering their heterogeneity in terms of size. The article identifies different 'innovation profiles' of Italian food SMEs linked to their structural factors associated with different profiles, with particular attention to size and networking. Besides the identification of possible heterogeneity within the SME group with regard to innovation behaviour, the article presents further value by providing useful information on surveyed Italian food SMEs in terms of firm structure and innovation.

Zam-Zam Abdirahman, Loïc Sauvée and Ghasem Shiri (2014b), in their research article entitled 'Analysing network effects of Corporate Social Responsibility implementation in food small and medium enterprises' propose an analytical framework of CSR implementation putting forward the issue of network effects. According to these authors, innovation networks

and networking activities, as in any innovation process, are major means to enhance and foster CSR in SMEs, but the interests and concrete consequences of the network perspective for innovation capacity enhancement are rarely addressed. To do so the authors suggest considering CSR implementation as a type of managerial innovation and they define by analogical reasoning the main categories of network effects found in the literature. From these findings, three critical dimensions of network effects are identified: structural, interactive and cognitive, each of them affecting specific dimensions of the innovation process. This analytical framework is synthesized and adapted for CSR implementation and then applied to a case study of a food SME involved in a collective initiative in France, putting in evidence these effects. Finally the authors suggest that revealing such effects is a mean to craft specific diagnosis and accompanying tools that would enhance the innovation capacities, thus relevant to SME managers, network coordinators and policy makers in their will to foster the development of CSR principles.

In their article 'The role of prior experience, intellectual property protection and communication on trust and performance in innovation alliances', Richard J. Ruitenburg, Frances T.J.M. Fortuin and S.W.F. (Onno) Omta (2014) suggest, in the context of open innovation, that there is a tension between the desire to be open, to profit from the knowledge of others, and the desire to be closed to prevent others from making use of the firms profitable knowledge. Thus the authors explore the role of formal and nonformal IP protection arrangements and communication on the building and maintenance of trust and ultimately on performance. It was found that for companies active in an innovation alliance it is important to understand how prior experiences, IP protection and communication influence the level of trust in an alliance, and that, in turn; the level of trust is positively related to innovation performance. From these results recommendations are given for open innovation managers how to make optimal use of the innovation potential of the alliance partner(s), by fostering communication within the alliance and by using formal IP protection arrangements as a platform to create trust within the alliance.

Christophe Assens and François Coléno (2014) develop in their article 'How to manage free riders in a network of competitors: the case of animal genetic selection industry in France' the idea that setting up a network is considered as a key factor for the success of an SME to innovate and to create value through innovation. They suggest that there are difficulties in setting up such a network in the case of competing companies. Such 'coopetition' is based on knowledge transfer and resource sharing. But this kind of partnership may be used in an opportunistic way

by some partners. Consequently the objective of their article is to focus on these difficulties in managing a network of competing SMEs in order to manage an innovation whilst avoiding opportunistic strategies, using the analysis of the animal genetic selection industry in France. The authors show that coopetition emerge when a company is dominating the market and is in need of complementarity. But in the meantime the situation may evolve overtime and change the equilibrium between members of the network, which could increase the risk of free riding.

Finally, Alexia Hoppe, Luciana Marques Vieira, Marcia Dutra de Barcellos and Guilherme Rodrigues Oliveira (2014) give in their article 'Research and development project of innovative food products from an inter-organizational relationship perspective' an analysis of the motivations and barriers to develop an innovative food product from the perspective of the two main participants in a development project. The perceptions of a Brazilian food co-operative and a Technological Centre have been analysed throughout a case study. The results indicate the existence of a complex dyadic relationship between them and also that the food innovation network is still in its early stages in south of Brazil. On the one hand, the main motivation for the Technological Centre is to contribute to the national development policy. On the other hand, for the company there is the possibility to obtain partial funding for products development. The company is venturing while bringing to the food market an innovative product. Finally it is clear that these kinds of inter-organizational collaborative efforts can bring benefits to food networks in general.

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Loïc Sauvée Guest editor.

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