Competitive Networking For SME: A Case Study Of Its Success In Italy

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Abstract

Small and Medium Enterprises have limited financial resources, which hampers development possibilities. For small and medium entities, the ambition toward a foreign-market driven income is on the increase. However, going international seems to be harder because of its peculiar financial restraint. This paper intends to give evidence to an empirical case of excellence, which is emerging as a prototype in the agri-food industry since its establishment: the Agribusiness Cluster Brixia (hereafter, ACB). The Agribusiness Cluster Brixia is a well-defined group of companies highly specialized in technology, the Cluster shares. This company integrates skills at every stage of the supply chain, from farm production to food distribution, storing, and processing. The aim of this paper is to test if it has really provided advantages for the partners, and how. These advantages can be in reducing some competitive costs for the partners involved, entering new markets, or by developing new and cooperative solutions to the customers needs.

Keywords: Small and Medium-sized Enterprises, network, emerging markets, internationalization

Introduction

Interfirm collaboration and improved innovation, through flexible management technologies, are solutions global companies have adopted for a long time to reduce costs, while still giving their customers the most suitable solutions to their needs.

Interfirm collaboration comes in several forms (such as networks, clusters, districts). Hence, it is defined as a collection of businesses with similar and complementary needs and compatible information systems, but with different aims and cultural values – so that they can collaborate without merging. These businesses are linked to each other by a dynamic cooperative relationship, which affects the network's organisation and structure.

Product differentiation through value proposition is certainly a key concept for competitive businesses and networks. It usually becomes the core of the alliances' system. Thus, it involves specific costs that are necessary to validate the physical product and the intangible features (brand, colour, design and so on). Hence, it can be reduced by acting in cooperation with other partners' companies.

Also, a lack of financial resources and knowledge suggests the kind of businesses to enter into strategic alliances with. This is aimed in getting market opportunities that are not affordable alone. In addition, this is the case of small and medium enterprises that are facing uneasy market or country conditions.

Consequently, international literature stresses the high recourse to cooperative aggregations, usually referring to global companies, and it lacks the understanding of the competitive attitude of small and medium-sized enterprises (hereafter, SME).

This is witnessed by empirical evidence, showing cases in which a similar approach is successfully adopted by small enterprises. Thus, it finds this as a way of reducing competitive costs – rising from hypercompetitive markets features.

Small and Medium-sized Enterprises (SME)

Small and medium-sized enterprises represent a wide business base in every country, which play a significant role in the economic development of a country (Bacon & Hoque, 2005). They are considered the backbone of the European economy due to their ability to produce sustainable development through innovation (Terziovski, 2010; Konsti-Laakso et al., 2012; Foreman- Peck, 2013), workplaces, and richness for the land they are placed in. At the end of 2014 in Europe, small and medium-sized enterprises accounted for 99% of firms in the whole EU, providing about 67% of all jobs in the EU (ec.europa.eu). SME is defined by the European Commission as having less than 250 persons employed. They should also have an annual turnover of up to EUR 50 million, or a balance sheet total of not more than EUR 43 million (Commission Recommendation of 6 May 2003). These definitions are important when assessing which enterprises that may benefit from EU funding programmes, aimed at promoting SMEs, as well as in relation to certain policies such as SME-specific competition rules (http://ec.europa.eu).

In terms of the number of SMEs, Italy has the largest SME sector in the EU: more than 3.800 million SMEs - almost twice as much as Germany (2.066 million). The vast majority of Italy's SMEs are micro-firms (less than 10 employees), shared in all businesses, at 94.6% when the EU average is around 92.2%. Compared to the small and the medium sized, these micro-

firms contribute relatively little to employment and value-added due to their limited size. Therefore, this means that even if Italy has almost twice SMEs than Germany, they provide 3 million fewer jobs (12.2 million persons employed as opposed to 15.2 million) and produce only 56% of the total value-added of their German counterpart (data observed by SBA Fact Sheet 2012 – Italy. www.alcotra-innovazione.eu).

I.

Literature has outlined the role of interfirm collaboration and flexible management solutions as ways to survive in a global market that is qualified by hypercompetition and the wide use of ICTs and technology.

Focusing on interfirm collaboration among companies, it has been explained that the pool of strategic alliances with different partners can lead to the creation of different competitive aggregations (such as networks, clusters, districts). Also, it has been defined as a collection of businesses with similar and complementary needs and compatible information systems, but with different aims and cultural values – so that they can collaborate without merging. However, these businesses are linked to each other by dynamic cooperative relations, and this affects both the network organisation and structure.

The core of the alliances' system is often based on innovation and on product differentiation through new value propositions. Of course, this involves specific costs which are necessary to validate the physical product, and the intangible features (brand, colour, design and so on). As stated earlier, it can be reduced by acting in cooperation with other partners' companies.

Literature review

Innovation for SMEs

One of the most common definitions of innovation is, 'the mechanism by which organisations produce the new products, processes, and systems required for adapting to changing markets, technologies, and modes of competition' (Lawson and Samson, 2001).

Scholars agree that single firm innovation capabilities are derived not from a single ability, but from several distinct elements that are mostly concerned with the internal characteristics of the organization. These elements include absorptive capacity and external knowledge, organizational structures and culture, leadership and communication, individual creativity and innovativeness, and organizational learning culture (Cohen & Levinthal, 1990).

Also, the organization's ability to transform knowledge into new products, services, and systems that create benefit for the company and its

stakeholders is a necessary requisite for innovation capability; thus, this is even when the difficulties and barriers that small businesses face in developing innovation to bring new solutions for the market are much (Konsti-Laakso et al., 2012).

Von Hippel (1988) underlines that networks and alliances of customers, suppliers, competitors, and other non-market participants are the key source of innovation. They also serve as an effective means of reducing costs, risks, achieving economics of scale, and reducing new product development time.

Bougrain and Haudeville (2002) found that before SMEs can tap into knowledge outside the company, they should develop their internal capacities by recruiting skilled staff. SMEs have long been recognized as important actors in creating, applying, and introducing innovations, especially within local economies (Curran & Blackburn, 1994). Barrow (1993) found that small firms developed over 60 percent of all innovations in the 20th century.

The organization's innovation capability can be considered as a *condicio sine qua non* for the value creation. However, it is not enough to assure a sustainable competitive advantage in fast cycle markets, where:

– The firm's competitive advantages are not shielded from imitation;
– Imitation happens quickly and somewhat inexpensively;
– Competitive advantages are not sustainable.

Small and medium-sized enterprises must assure an adequate level of product innovativeness for company survival in global markets. Therefore, SMEs must not only be able to develop their internal development activities, but must also be able to strengthen their abilities to collaborate with other companies as well as with customers (e.g., Bougrain & Haudeville, 2002). Though innovation is traditionally viewed as taking place mostly within a single firm, SMEs often do not have the commercial strength or professionalism required to successfully turn innovations into inventions (Rothwell, 1989). Also, several items sustain this idea: the increasing availability and mobility of knowledgeable workers, the flourishing of the internet and venture capital markets, and the broadening scope of possible external suppliers in the present age (Chesbrough, 2003).

Also, we have to point out that today's organisations face an additional challenge, which is the requirement to innovate, not just occasionally, but often, quickly, and with a solid success rate (Lawson and Samson, 2001).

To enable the best possible value creation, innovations are often realized in competitive networks that combine knowledge and assets from the partners (Jørgensen & Ulhøi, 2010). Notably, networks widen the opportunity and access to key resources from the firm's environment, like

information, capital, goods and services which then have the potential to maintain or enhance competitive advantage (Gulati et al., 2000; Lawson and Samson, 2001). Among the advantages of a competitive network, Bititci (2004) also lists the speed to market, economies of scale, and improved customer service.

Thus, the ability of organizations to aggregate – participating for instance in value innovative networks – has been identified as a necessary requisite for business innovation in fast-cycle markets for three reasons. Firstly, it is of great relevance to develop innovative capabilities by involving other organizations in the process (Jørgensen & Ulhøi, 2010). Secondly, the R&D department must encompass outsiders who can help new ideas to rise (Chesbrough, 2003). Thirdly, for the implementation of innovations, other organizations need to be involved (Prahalad & Ramaswamy, 2004).

Comparing SMEs and large firms, it is clear that the first ones are flexible and can even be more innovative – especially in new areas, but can only engage limited resources. Collaborating with other companies can help SMEs find ways to achieve several benefits unaffordable individually, for instance, to market their products effectively and to provide satisfactory support services. Of course, collaboration satisfying all the partners involved should lead to a win-win situation for all parties concerned, through the creation of a new and unique value proposition. A value proposition is defined as "an implicit promise a company makes to its customers to deliver a particular combination of values" (Martinez, 2003). Each proposition searches for a unique value that can be delivered to a chosen market. Successful companies do not just add value, they re-invent it (Bititci et al., 2004).

Networks Aggregations

As noted, innovation would be extremely challenging without networking partners due to the lack of resources a small-medium company can engage. Nevertheless, they can get the best by working together in aggregation. In fact, SMEs seem to have some advantages compared to larger firms in promptly responding to new market opportunities (Lee et al., 2010; Ortega-Argilés et al., 2009; Narula, 1994). However, they mostly suffer from an insufficient amount of resources needed for the innovation process (Narula, 1994; Konsti-Laakso et al., 2012). Such lack of resources can be overcome through networks. Literature demonstrated that small businesses associated with a network, produces more innovation compared to those standing alone (Konsti-Laakso et al., 2012).

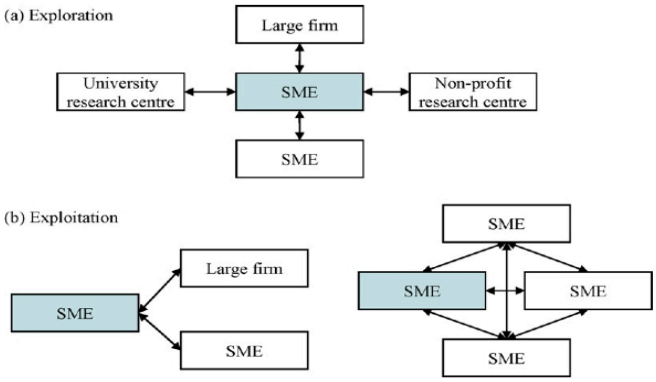

Figure 1. Open innovation models (Lee et al., 2010)

According to Vanhaverbeke and Cloodt (2006), value networks can be described as inter-organizational networks linking together firms with different assets and competencies, which attempt to respond to new market opportunities and can be seen as a context for open innovation (Chesbrough, 2003). Open innovation recognizes that knowledge outside the organization is valuable and highly beneficial. The current shift from closed to open innovation activities means that the organizational value network offers many potential partners for innovation. Thus, these potential partners include large firms, Universities and research centres, and other SMEs.

Alliances with large firms have often benefited SMEs, but also forced SMEs to share their technological competence with the large firms, leading to increased flexibility for the latter. As a result, SMEs gain opportunities to collaborate with large firms, losing opportunities to compete against them (Narula, 2002).

Also, depending on their organizational size, companies engage in different innovation barriers. In their study on Asian SMEs, Lee et al. (2010) underlined that basically, SMEs difficulties are mostly related to human resource management and to the limited resources in developing their activities.

Table 1. Barriers to innovation in SMEs compared to large firms (Lee et al., 2010)

Innovation Barriers	SMEs	Large Firms
Difficulties in finding suitable manpower in a labour market	**1**	**3**
Shortage of suitable manpower within the firm	**2**	11
Market uncertainty in innovative products	**3**	18
Imitation possibilities of technology innovation	**4**	16
Shortage of ability in R&D planning and management	**5**	23
Lack of technological information	**6**	**9**
Funding difficulties due to high risk from technological uncertainty	**7**	26
Funding difficulties due to high innovation and commercialisation costs	**8**	**2**
Lack of market information	**9**	**7**
Frequent turnover of human resources (usually for R&D)	**10**	**5**
Difficulties in using external services (technology and business services)	14	**10**
R&D department without power	16	**8**
Monopolistic or oligopolistic market structure	18	**1**
Funding difficulties due to delayed payment by customers	23	**6**
Needlessness of additional innovation	25	**4**

According to Konsti-Laakso et al. (2012), from the perspective of small businesses that often have limited resources, value networks open up interesting possibilities because of the new approaches to horizontal co-operation provided and an opportunity to use the core competencies of small businesses in a wider context. While access to traditional value chain networks has been predominantly difficult for the smallest businesses in value networks, the access is largely dependent on the entrepreneur's personal contacts and social relationships.

Yet, value networking seems to be a strategic business solution to get the best from the innovative capabilities of the partners involved. Also, the number of difficulties of moving internationally, one of the major challenges for SMEs going abroad can be faced through aggregation: by overcoming the lack of experience of the management team in the initial phase, entering new markets, or creating a network of dealers/customers.

Networking activities have two main areas of intervention. The first one is R&D, through the engagement of different resources (human, financial, structures) to manage common projects. Thus, it is realized through manufacturing activities.

The second area of intervention is commercialization, dragging our interest. It involves old or new markets with different combination of products and services, with the aim of developing tailored solutions for the customers, and through cooperation with other companies in the same industry. There is no production of new or different products, but a combination of existing ones. The customer can formulate requests to the value network – or to the heading company – who is in charge of fulfilling it (figure 2) through the aggregation of the single partners' value propositions. The creation of a unique value proposition through aggregation seems to be a common practice companies use to re-invent their businesses and maintain

their competitive advantage (Bititci et al., 2004). The creation of interfirm networks represents the answer to both firm and market needs. For instance, Christensen (1997) has argued that through a (value) network, the organization identifies and responds to customer needs, solves problems, procures input, reacts to competitors, and strives for profit. In the opportunity networks, SMEs find loose relationships without immediate large investment needs. Nevertheless, this is with access to build an understanding of the capabilities of other businesses and companies.

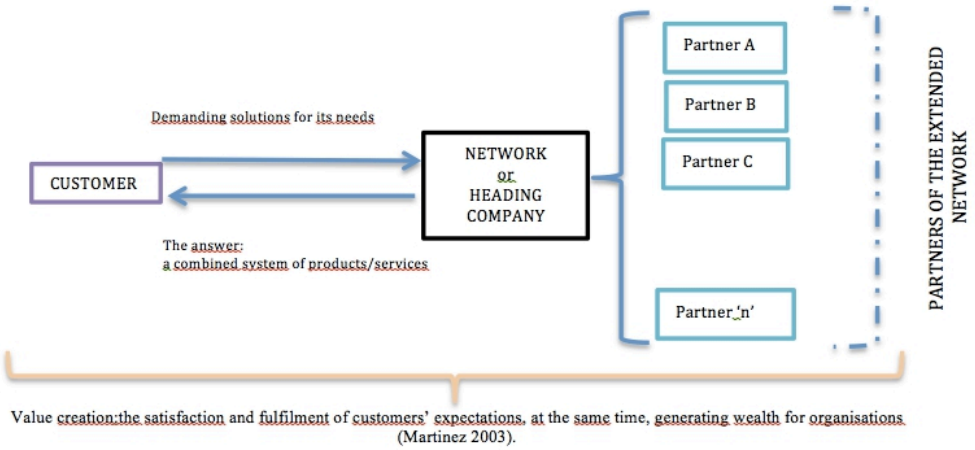

Figure 2. Value network management

As stated by Bititci et al. (2004), value creation in collaborative organisations should be a win-win-win situation for all parties concerned (figure 2).

Methodology

In this paper, we intend to describe the formation of a new value innovation network in the food processing industry. At its beginning, it is focused on commercial activities which are emerging from a SMEs aggregation.

The food processing industry can be painted as a relatively mature and slow-growing area of business, with quite a low level of R&D investment. The type of innovations it introduces to the market (Costa & Jongen, 2006), and the agri-food sector in Europe - mostly made by SMEs - is not so far from this description. Some of the main constraints in achieving the competitiveness are the lack of resources that SMEs have to face in order to innovate.

Cabral and Traill (2001) state that there is not a single relation direction between firm size and innovation, depending on several factors (as

context, industry, sector). Food firms' analysis seems to state that large firms are more likely to innovate (Cabral and Traill, 2001; Minarelli et al., 2013).

Focusing on Italy, Minarelli et al. (2013) founded that Italian food SMEs seem to be more motivated in collaborating with suppliers and clients for innovation purposes than with Research Institutes, like universities. Although innovation enhanced by suppliers' collaboration produce limited results when compared to the collaboration with Universities. With a similar advice, Sarkar and Costa (2008) suggested that in order to leverage the on-going innovation processes, food industry actors should enter into more or less formal arrangements with other entities in the innovation system.

Following this research proposal, we have identified a working SMEs network aggregation, which is running in the agri-food industry.

The partners involved are all Italian small and medium-sized enterprises located in the north of Italy, around the city of Brescia, which is one of the most industrialized areas of Europe.

We refer basically to two main theories to develop the case: the first one is the classification of Blankenburg-Holm et al. (1999); the second is Konsti-Laakso et al. (2012).

Konsti-Laakso et al. (2012) studied a value network and argued that its process is dominated by an entrepreneurial person's networking activities all the way through until the stage of mutual dependence that involves the intertwined business' processes of the co-operating businesses.

On the other side, the classification of Blankenburg-Holm et al. (1999) helps in explaining the evolution stage of the case, as he stated that a network creation includes four stages before it starts to create value: *business connection, mutual commitment, mutual dependence, and value creation.*

Also, we refer to the literature on Virtual enterprises: acting as a virtual enterprise (VE), defined by Childe (1998) as a conceptual business unit or system that consists of a purchasing company and suppliers who collaborate closely in such a way as to maximise the returns to each partner. The ACB has limited the costs to manage the collaboration. In fact, a virtual enterprise is a dynamic partnership among companies that can bring together complementary competencies needed to achieve a particular business task within a certain period of time (Kochhar and Zang, 2002), creating unique competences. This means that each company involved acts individually and self-organized, while the VEE needs federal structure for communication and synchronisation between individual enterprises (Martinez et al., 2001).

Our research proposition is to understand if the partners can get better opportunities in new geographical markets than the ones they can get by operating alone, thanks to the network. For instance, it includes overcoming cultural barriers, making the economic investments fee more affordable (by

sharing the costs), and gaining further experience, language, and administrative skills that the single business may lack.

The second research proposition is to analyse the costs trend. Entering developing countries, qualified by deep different features than the market of origin of the partners, can reduce some competitive costs for the partners involved, develop open innovation through the network, and release new and cooperative product/service solutions to satisfy the market needs.

Following the approach suggested by Minarelli et al. (2013) – stating that the comprehension of SMEs' behaviour is strictly related to information acquired directly by firms through interviews or questionnaires – the data, hereafter explained, have been collected directly through the brochures and document provided by – along with several direct interviews to the entrepreneurs involved in the network.

ACB PARTNERS	CATEGORY	SHORT DESCRIPTION
Alfan	Packaging and handling	Developing, manufacturing, and printing of flexible packages. The long experience gained in the field, especially in the food industry, has given the company the ability to offer the right solution for every packaging need.
ASE	Packaging and handling	Production of automatic identification and printing systems. Twenty years of industrial automation make ASE one of the leading suppliers of Automatic Identification and printing systems. With its knowhow, ASE is able to develop full custom systems and to integrate multiple automatic machines to create reliable and flexible labelling systems.
Comek	Packaging and handling	Manufacturing, weighing, wrapping, and packaging automatic systems. Core business of the company is the production of vertical form-fill-seal machines, linear and multihead weighers, cups volumetric dosers , auger fillers, and pneumatic dosers.
Lucchini	Growing and harvesting	Production of plastic greenhouses and irrigation systems. It has over 65 years of history and experience in international markets and it is a leading and advanced company in plastic greenhouses production. Its business is focused on horticulture and floriculture. Also, its offer consists of supplying innovative irrigation and heating systems, managed through software.
PRL Tecnosoft	Packaging and handling	Development of industrialized production processes. PRL tecnosoft is a company with both specific technical expertise and deep knowledge of the industrialized production processes. It supplies a "turnkey" product, being able to master the mechanical, electric, and automation aspects of the project.
Sgorbati	Growing and harvesting Storing and processing	Supply of technologies for the processing. The "system integrator" for all food processing needs: project engineering, harvesting machines, storage systems, fruit juice and fruit jam lines, tomato pulp and sauce lines, vegetables processing lines, etc.
VMG Frigo Tecnica	Storing and processing	Designing, building, and testing refrigeration plants, thermal power plants, skid units, and fire fighting systems. The plurality of specialized work is determined by the need to provide the customer with a '360 degrees' service.

Subsequently, we also provide a light description of the businesses involved. It is useful to state the developing stage of the network along with the advantages achieved for the partners involved.

Results

Network Identification and Description

The network identified is the Agribusiness Cluster Brixia (ACB), founded in June 2014.

The Cluster was built from the proposal of one of the members – Sgorbati Group – to create an aggregation of companies that could approach emergent markets more easily. These companies must be characterized by a lack of know-how, and so needing complete solutions, and by the necessity to create customer loyalty in those markets. For this reason, Sgorbati Group promoted a meeting with the agribusiness companies associated to Apindustria Brescia, in order to gauge the potential interest on the topic.

The proposal gained the interest of several businesses. All of them were small and medium-sized enterprises who agreed to meet together to fix a common and well-defined path, along with the obligations due for the participants.

To achieve an economic synergy was also a goal of the creation of the group, in terms of sharing competitive costs and considering as a cost the time to be dedicated to establish relationships on the spot.

Despite the decision to adopt the word ‘cluster’ in its brand name, ACB consists more simply of a network of a well-defined group of seven companies, who describe themselves as ‘highly specialized in technology and sharing and integrating skills at every stage of the supply chain, from farm production to food distribution, storing, and processing.’

For its explicit commitment, the ACB pays attention to the Environment through a constant improvement of the food supply chain.

Table 2. AgriBusiness Cluster Brixia – the companies involved

At the end of the first stage, the businesses partnering within the Agribusiness Cluster Brixia network are listed in Table 2.

The activities offered by the network are organized into three areas: growing and harvesting; storing and processing; packaging and handling (Table 3).

ACTIVITY	SHORT SELF DESCRIPTION	PRODUCTS AND SERVICES
GROWING AND HARVESTING	We meet every technology need for planting, growing in the field of greenhouse, and harvesting fruits and vegetables.	- seeds and fertilizers - greenhouses and irrigation systems - agriculture machines - harvesting machines
STORING AND PROCESSING	We have an extensive experience concerning fruits and vegetables processing technologies. We supply from the single machine to complete plants, with management systems for the storing, the logistic, the refrigeration and the processing into the final product.	- cold rooms and storage systems - processing lines for fruits and vegetables - production lines for fruits juices and jams - production lines for tomato paste, purée, and juice
PACKAGING AND HANDLING	In the packaging stage, we handle with skill and care both fresh and processed product. We weigh, dose, and align it, before placing it in the packaging machine, integrating, and also labelling it into the line	- conveyor belts - packing and labelling machines - marking systems - flexible packaging - work-flow automation

Table 3. AgriBusiness Cluster Brixia – activities offered

The constitution of an aggregation makes it easier to build relationships with institutional bodies, which tend to trust business groups more than individuals.

In order to gain more trust, which also depends on the very name and reputation of the business aggregation, the Cluster requested an additional support from Apindustria Brescia. This is the association for Small Enterprises that all the partners are associated with. For its patronage to the Agribusiness Cluster, the network website and every communication and document released and printed show the logo of Apindustria Brescia.

Figure 2. AgriBusiness Cluster Brixia – the partners' logos

Opportunities and Threats in Emerging Markets

The Italian market in the agrifood industry seems to have reached its maturity stage, with the presence of a large amount of products, well beyond the capacity of absorption of the demand.

National customers do not make large investments, only requiring renovations of individual parts, maintenance and – in several cases – the mere service for the ones they already own. Despite this situation of excess of supply, the Italian market remains crucial for the companies involved in the Agribusiness Cluster Brixia, representing the prevalent part of the sales volume (about 80%).

The desire to grow and develop, however, encouraged the companies to seek different markets beyond the national borders.

To simplify, we can make a distinction between EU/developed markets and emerging markets.

EU markets are very similar to the Italian market. They are oversupplied and they present an elevated competitive intensity due to the large number of operators in the industry. Thus, it is very difficult to get into these markets and it is not very profitable either.

Emergent markets instead are more appealing: they present a much more reduced competitive intensity. Furthermore, agriculture has a very important role in their economy, and processing after the harvest is still at an embryonic level. There is a large amount of raw materials but no added value.

To enter similar markets is not easy because of their very early development stage: that means there are lots of potentials, but still unexpressed.

Businesses find themselves in a position comparable to that of the first movers, because of the market development possibility. This can be conducted 'in their way', by consolidating product standards, creating relationships with the locals, and gaining their long-time loyalty. This involves facing many difficulties, first of all: the risk of loss and failures, and costs.

Specific macro environment features also affect the businesses' action: economical characteristics (presence of raw materials, sources of energy, infrastructures, etc.), socio-demographic characteristics (population, income, geographical distribution, etc.), cultural characteristics (language, religion, traditions, etc.), political characteristics (restrictive policies, price regulation, etc.), and environmental characteristics (atmospheric conditions, climate change, etc.).

Another difficulty faced by the cluster in these countries is the lack of infrastructures, or their obsolescence. Implementing projects is very hard, because they often lack the basics to operate: passable roads linking towns to

the countryside, or electricity, which are essential, particularly given the characteristics of this industry.

ACB's offer in these markets is based on the on-field presence, the face-to-face relations with the local operators that help the customer retention; and in offering a complete solution to a problem, not simply a product.

Agribusiness Cluster Brixia has achieved several activities, classified into two main categories: the first ones depend on the ACB choice to attend international fairs and exhibitions, while the second is directly linked to the communication investments and the related costs.

International Fairs and Exhibitions

Since its founding, the Agribusiness Cluster has been in different international fairs as exhibitor, representing a system of agribusiness companies operating together, along with the partners interested in joining.

The international fairs the ACB has attended are listed here as follow:

- Algeria
- Albania
- Milan (Ipak IMA)
- Morocco
- Kenya
- Ethiopia
- Tanzania

As none is obliged to join all the activities ACB is involved in, the exhibition costs have not been wholly charged to all the partners of the network, but to the ones subscribing, as shown in the following Table 4.

ACB PARTNERS	TIRANA	IPACK-IMA (services)	ALGERIA 2014 (cost for printing poster)	MAROCCO 2014 (cost for printing poster)	KENYA 2014 (Custom fees)
Alfan	x	X	X	x	X
Ase	x	X	not attending	not attending	
Comek	x		X	x	X
Lucchini	not attending		not attending	x	
PRL	x	X	X	x	X
Sgorbati Group	x	X	X	X	X
VMG	x	not attending	not attending	X	
Novafrigo	not attending	not attending	not attending	not attending	X

Table 4. Agribusiness Cluster Brixia – international exhibitions participation since its foundation and the partners joining

Thus, the costs pending on the single partner are shared within the companies that were involved.

Communication Investments: Brand, Logo, and the Website

The Agribusiness Cluster Brixia partners have made direct investments in communication.

First of all, the network developed a logo and a clear name to be remembered (figure 3).

Figure 3. Agribusiness Cluster Brixia – the logo

Along with the logo creation, ACB made brochures and other communication materials (such as business cards) to be left in the hands of potential customers during the exhibitions.

Also, it has developed a dedicated website, www.abcbrixia.com, where it is possible to single out the mission, activities, and partners of the network.

The website describes also the network's clear commitment to sustainability, decided in a dedicated panel. We can read: '*each machinery, solution, plant is designed to: maximize the use of raw materials; minimize the use of energy resources; reduce greenhouse gas emissions; optimize the phases of the production process' (see www.abcbrixia.com).*'

As of now, the communication costs for these activities have been shared between the partners.

Conclusion

In summary, the costs paid since the Agribusiness Cluster Brixia founding are basically common costs shared among all the partners involved in the network (such as the communication costs). Also, there are direct costs. In this class, only the businesses directly involved in specific activities have to pay: the single partner is directly charged for a portion of the costs due for these activities (Table 5).

Table 5. Agribusiness Cluster Brixia – the costs' percentage pending on the partners involved

AGRIBUSINESS CLUSTER BRIXIA PARTNERS	**GLOBAL EXIBITIONS**			**WEBSITE AND COMMUNICATION**	**TOTAL COSTS DUE**
	ALGERIA	**TIRANA**	**IPACK-IMA**		
Alfan	4,76%	16,67%	24,72%	14,29%	19,07%
Ase	9,52%	16,67%	24,72%	14,29%	19,46%
Comek	28,57%	16,67%	1,11%	14,29%	9,22%
Lucchini				14,29%	3,17%
PRL	28,57%	16,67%	24,72%	14,29%	22,19%
Sgorbati Group	28,57%	16,67%	24,72%	14,29%	22,10%
VMG		16,67%		14,29%	4,72%
Novafrigo					0,08%
TOTAL	**100,00%**	**100,00%**	**100,00%**	**100,00%**	**100,00%**

At this stage, the research can not lead to further results. Thus, the international exhibition participations have not led to the establishment of strong trade relations. This is due to the extremely long decision-making process of the market customers from emerging markets, showing a relative minded-closure towards new suppliers – and above all, the foreign ones. If the suppliers in object (in our analysis, the same Agribusiness Cluster) have not made any previous contract with other local competitors or other local customers that can "vouch" for them, there is a strong lack of confidence. Such a confidence can be built over time, via long – and heavily costly – face-to-face relationships with potential customers, without any order for long time.

Despite this cultural limit that characterizes the developing markets served, ACB got the opportunity to build several collaborations with new business partners. They include local representatives or agents, who can play a relevant role in promoting the network's brand and action locally.

In Table 6, we state the development stage of the network by using the classification proposed by Blankenburg Holm et al. (1999), and also adopted by Konsti-Laakso et al. (2012).

Table 6. Agribusiness Cluster Brixia's development stage using Blankenburg Holm et al. classification

BUSINESS CONNECTION	MUTUAL COMMITMENT	MUTUAL DEPENDANCE	VALUE CREATION
Clear expression of interest towards the common aim, the subject, and joint actions possibilities Finding a common path through the motivations of the partners Participation in the initial meetings and in the kick-off meeting	Confirming commitment over vision and mission, and of joint activity after decision making Clear awareness of each other's primary interests in the co-operation Emerging (developing) markets identification	Task allocation and resources distribution to joint activity (costs to participate in exhibitions, communication, and marketing costs)	International exhibitions opportunities identification, based on joint efforts on new markets Opportunities identification for the next joint actions based on network's resources Sharing findings and knowledge Investing in local relationships to build up trust and loyalty

International outputs of the network activity seem to be delayed in the next years. For this reason, it is not possible to single out the economic results (in terms of profits) gained by the companies engaged in the network. It would be of great interest to monitor what is coming in the future, comparing the expectations with the results.

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