GUIDELINE FOR TRANSNATIONAL NETWORKING AND COOPERATION

Guideline for SnowMan Canvas for Transnational Networking and Cooperation
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About the Project

Business intermediaries, owner-managers and universities jointly develop and apply innovative tools and methods for business counselling that respond to the specific needs of owner-managers of small and medium sized enterprises (SMEs). Owner-managers of SMEs tend to be driven by different considerations than SMEs run by employed managers, for example, their own family's well-being, the employees' situations and lack of time for developing their own managerial skills.

Intermediaries struggle when counselling SME owner-managers

Despite of a wide range of professional tools, a majority of business intermediaries experience complex challenges and insufficiency when counselling SME owner-mangers. The majority of their existing tools are for companies with externally recruited and educated management with a rational attitude. Owner-managers are driven by more complex and subjective considerations as for example long-term interest, the local society, employees and relations. The project provides the intermediaries with new tools to improve the dialogue to be more personalized and based on trust. These tools take into account owner managers' attitudes and expectations and give the companies solutions that support their development and growth.

Targeting owner-managed manufacturing SMEs

A large number of European SME's are owner-managed and they represent sectors with huge potential for innovation, growth and increased employment. The project includes representatives of such owner managed SMEs in Poland, Lithuania, Finland and Denmark. Through a co-creation process with non-profit intermediary organizations and universities of applied science the project develops tools and methods for business intermediaries that respond to the challenges the owner-managed SME's faces. Overall, the objective of the project is to establish good and valuable communication between owner-managed SME's and business intermediaries across the Baltic Sea region.

About the guidelines

The Guidelines for the Transnational Networking and Cooperation (TNC) Canvas consists of four main parts:

- introduction of the TNC Canvas;

- instructions of the TNC Canvas;

- a catalogue of concrete cases, both intermediary and SME.

Introduction of the TNC Canvas

Definition

Business networking is the process of establishing a mutually beneficial relationship with other businesses and potential clients, customers. A business network consists of directly and indirectly connected companies, where social and economic ties help to understand these connections[1]. These social networks stimulate business growth by reducing transaction costs, creating business opportunities, generating knowledge spillovers and etc.

There are at least three levels to networking: an intra-firm networking, local and national ecosystems and international networks. These guidelines aim at aiding intermediaries and owner-managed SME's to find their way into the international level of networking which is usually considered to be an arduous task even for the biggest market players. When viewing from the SME perspective, the international level of networking is very relevant. The network perspective on internationalisation provides an interesting opportunity to understand entry into foreign markets by young and/or resource-constrained small business.

Relations

Internationalisation depends on an organisation's set of formal and informal relationships rather than on firm specific advantage. The process of entering a foreign market is gradual, it results from interactions and

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the development and cultivation of relationships. The companies inter-organisational relations is the key to entering and maintaining foreign networks.

Face-to-face encounters with potential business partners and clients, business representatives and ordinary citizens allow internationalising SMEs to get a feel for the market, to gain insight in to how business is conducted, to demonstrate interest, and to start the building of trust.

The process of international networking and communication is complex dynamic, interactive and often non-linear. An important feature of business networking and relationships is their informal character, since these networks are based on relationships that evolve between individuals in partnering organizations. The business network constructs suggest that the coordination of activities between two organizations also takes place within the broader network context. The more the connected relationships support cooperation in the focal relationship, or can be adapted so that they do so, the easier it is for the partners to coordinate their activities, increase the investment in the relationship, and thereby increase the joint productivity of the partner firms.

Meeting people in person seems old fashioned in the digital age, but whenever possible you should network face-to-face. Social media platforms such as Facebook, LinkedIn, and Twitter are excellent ways to communicate with customers and business associates, but they do not substitute for meeting people in person.

When it comes to intermediaries, they are in charge of the mediation of interaction and relations between the key network stakeholders, purposefully organizing formal and informal meetings, guiding through the guideline steps, keeping every stakeholder in the loop and thus becoming the main cultivator of trust and transparency building.

Commitment

The use of networks through the establishment of long-term relationships is instrumental in firms' development of international business activities, generally based on commitment and trust, because of

greater geographic and psychological distances between buyers and sellers or partners. The establishment of these relationships often takes place within personal or business networks which act as communication infrastructures where common interests are shared.

Value

Networks, relationships between entrepreneurs and the outside world are particularly valuable to the SME sector. The main network benefits from the point of view of owner managers included access to foreign market information and access to foreign markets, which often directly lead to new or alternative relationships or markets, new or complementary competencies and technologies.

Purpose

In today's ever-changing world economy, the right and meaningful connections are everything. These instructions aim to help build transnational networking and cooperation initiatives that enable and encourage new contacts and referrals, improve visibility, solve problems, share knowledge. It is a way to enable business growth through structured and professional guide of good practices that enables to develop meaningful and long-term relationships. Evidently, there is a strategic element in the development of relationships and, thus, networks. This canvas guideline is set to give way for exactly that – to build an effective networking and communication strategy.

Make the Most of International Networking and Communication (recommendations)

The best transnational networking groups operate as exchanges of information, ideas, and support. The most important skill for effective networking is considered to be listening; focusing on how you can help the person you are listening to rather than on how he or she can help you is the first step to establishing a mutually beneficial relationship. Organizations and people are more inclined to engage in cooperation with partners who have demonstrated their trustworthiness and cooperative ability in other relations. Building trust and joint knowledge sharing are the key points to international networking since the stakeholders might be far

apart geographically. Cooperation is something that has to be learned, and those who have succeeded in learning how to cooperate in one relationship may be capable of cooperation in other relationships as well.

The SNOwMan Canvas for Transnational Networking and Cooperation is a cumulative result of long-term consulting practices and expert insights. A transnational team led by PP8, consisting of one PP5 and two HEI experts in networking, and two intermediaries (Lithuanian Innovation Center and Vilnius Industry and Business Association) with long experience in transnational networking have derived this accomplished tool through long hours of face to face meetings and consultations, gradually building the canvas as it is today. Lithuanian Innovation Center being a public institution and Vilnius Industry and Business association being a business consulting and representation organization have been consulting and engaging with various businesses since 1996. Both organizations have identified a strategic need for such or similar tool in order to improve and document their abilities to build and improve transnational networking. Thus, the canvas tool is a systemized means of cooperation that has evolved through integral specialization of main groups of questions and inquiries that have occurred throughout the many years of hands on practices.

It is worth mentioning that the tools essence was created with the assistance and joint collaboration with another intermediary organization Platinn (https://platinn.ch/), the innovation platform of western Switzerland, who are also vastly involved in strengthening the non-technical innovation capacity and competitiveness of companies. The canvas was carefully sculpted in a series of brainstorms and best practice sharing sessions. A total of three joint brainstorm discussions were held in order to refine the canvas and for it to better correspond to the needs of developing successful transnational networking and cooperation cases for intermediaries and SMEs owner-managers. The partnership granted that the canvas would correspond not only national but also international standards and could be easily transferred and used in any country.

The SNOwMan Canvas for Transnational Networking and Cooperation guides the user (and the intermediary) to create value and benefit from the Networking and Cooperation process. The Guidelines of the SNOwMan Canvas for Transnational Networking and Cooperation has two target groups: intermediaries and owner-managed SMEs. The SNOwMan Canvas for Transnational Networking and Cooperation guides users through the process from accessing your strengths and weaknesses, to determining a strategy and action plan and

supports you to measure progress against those goals in the plan. It is well known that no choice can be made unilaterally when talking about networks and communication, since the counterpart must be continuously motivated to engage in the activities of the business. For each important business relationship formed, a number of attempts to initiate business interaction are, for various reasons, terminated or never materialize into significant sustainable relationships. This has to be kept in mind when going through this guideline and establishing your very own networking and communication strategy.

Instructions of the TNC Canvas

1. Print Annex Number 1.
2. During the discussion fill the Canvas Blocks about the current situation and desired/expecting situation. Desired/expecting situation should be more or less related to the implementation of non-technological innovation. Canvas consist of eight basic building blocks, there is no big difference in how canvas can be filled, but it is suggested to fill in the following order Current gaps, Future gaps,

Find a right partner, Prepare for business partnership, Work with a partner/crowd, Deal with conflicts, Outcome KPI's, Business growth KPI's.

Fill a SnowMan project Transnational networking and cooperation canvas by thinking through the following activities in the order shown:

Current gaps	Prepare the business for partnership	Outcome KPI's
1	**4**	**7**
Future gaps	**Work with a partner/crowd**	
2	**5**	
Find a right partner	**Deal with conflicts**	**Business growth KPI's**
3	**6**	**8**

Eight basic building blocks

What does your business need to develop an Action Plan transnational networking and cooperation?

Current gaps
Which competences and resources are needed from external partners to address the current challenge of your business?

Future gaps
Which competences and resources are needed from external partners to address the potential future challenge of your business?

Find a right partner
What is the scope of the partnership?
What are the potential partners?
Which are the criteria to select and assess the most adequate partner?

Prepare the business for partnership
Which resources should me mobilised to enable the partnership?
What changes in operations are necessary to implement the partnership?
What aspects of organizational culture need to be developed to enable a smooth partnership?
What changes should be made to the business model to enable effective partnership?

Work with a partner/crowd
Which model is the most appropriate for the partnership?
Which elements of the partnership should be negotiate?
How is structured the financial model (costs and revenue sharing)?
Which is the most adequate legal structure for the partnership?
What are the joint project management guidelines?
Which platform should be used to work with the crowd?

Deal with conflicts
What is the shared vision of the project?
Which are mechanisms used to build trust and integrate teams?
How are conflicts managed and resolved?

Outcome KPI's
What are outcomes expected of the partnership?

Examples:
Successfully provided proof of concept
Validation of new technology, product or service
Creation of a working prototype
Obtaining IRP for the new product
Reduction of the development time
Expanding product portfolio
Scale production
Increase or obtain adequate resources for the project
Improving performance in existing market
Increasing market share
Accessing a new market
Penetrating a new market

Business growth KPI's
What are the business growth outcomes expected from the partnership?

Examples:
Revenue increase due to new products
Increase in revenue due to access to new markets
Increase in profits due to new products / services
Increase in profits due to lower development costs
Increase in profits due to lower production costs

"Warming questions" ensures that the point of view is to business, networking and cooperation is clear.

Main questions include:

- Where is your business today?

- What is your unique selling point?

- What are the weaker aspects of your enterprise?

- Where do you want your business to be in 3-5 years' time?

- How much do you expect your business to grow?

- How much to you expect your turnover and profit to be at this time?

- What different routes do you see in order to get there in 3-5 years' time?

- Think of new markets, new offerings or both? For instance, one scenario is to get there by selling existing products to new markets. Another scenario is to develop new offerings for the existing (or new) markets.

- Which one is the most likely scenario and what is the role that new offerings or the mastering of new markets play in this scenario?

- What are the new offerings that you need to develop to make this scenario happening?

- Which are the markets you need to understand in order to achieve the desired growth?

- Do you have membership in any network (business association, chamber of commerce, scientific club, etc.)?

- How do understand difference between technological and non-technological innovation?

Current gaps describe the main challenge of company as owner sees. NOTE! The image of the company or organization suggested by the owner is not necessarily correct. It is often suggested to go through the canvas involving the team as well.

Main questions:

- Which competences and resources are needed from external partners to address the current challenge of your business?

Future gaps describe the main challenge of company in near future if there is no change.

Main questions:

- Which competences and resources are needed from external partners to address the potential future challenge of your business?

Find a right partner describes what partnership is needed and how to choose the partners.

Main questions:

- What is the scope of the partnership?
- What are the potential partners?
- Which are the criteria to select and assess the most adequate partner?

Prepare the business for partnership describes what steps company should do for partnership and the consequences can be of this.

Main questions:

- Which resources should be mobilized to enable the partnership?
- What changes in operations are necessary to implement the partnership?
- What aspects of organizational culture need to be developed to enable a smooth partnership?
- What changes should be made to the business model to enable effective partnership?

Work with a partner/crowd describes detailed model of partnership.

Main questions:

- Which model is the most appropriate for the partnership?
- Which elements of the partnership should be negotiate? How is structured the financial model (costs and revenue sharing)?
- Which is the most adequate legal structure for the partnership?
- What are the joint project management guidelines?
- Which platform should be used to work with the crowd?

Deal with conflicts describes the possible risk management system.

Main questions:

- What is the shared vision of the project?

- Which are mechanisms used to build trust and integrate teams?
- How are conflicts managed and resolved?

Outcome KPI's describes possible outcomes expected of the partnership. For example: Successfully provided proof of concept; Validation of new technology, product or service; Creation of a working prototype; Obtaining IRP for the new product; Reduction of the development time; Expanding product portfolio; Scale production; Increase or obtain adequate resources for the project; Improving performance in existing market; Increasing market share; Accessing a new market; Penetrating a new market.

Main questions:

- What are outcomes expected of the partnership?

Business growth KPI's describes how will change the company in general due to the partnership. For example: Revenue increase due to new products; Increase in revenue due to access to new markets; Increase in profits due to new products / services; Increase in profits due to lower development costs; Increase in profits due to lower production costs.

Main questions:

- What are the business growth outcomes expected from the partnership?

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Catalogue of Cases

Intermediary organizations

This part is devoted to depict how the developed transnational networking and cooperation canvas can enable intermediary organizations to acquire new opportunities and important knowledge and at the same time to draw the lines of how transnational networking can be operated. This guideline is to be used as a designated good practice disclosure document.

The construction of such a canvas tool also made it easier for consulting intermediaries to share their best practices, show and compare results of what the tool is enabling them to do. Owning such tools likewise benefits the intermediary organizations service quality assurance and aids when new employees need to get on the right track. The main value added of networking for intermediary organizations to look for include:

1. **New contacts and referrals** – the foremost benefit of networking is to satisfy potential clients and/or generate referrals which you can then follow up on to hopefully add to your client base. Networking can also help you identify opportunities for partnerships, joint ventures, or new areas of expansion for your business.

2. **Visibility** - you need to satisfy and communicate with potential clients and business partners on an everyday basis to maintain your business relationships. Attending business luncheons and other networking events raises your personal profile and can help keep you front and center in the minds of the right people.

3. **Staying current** - In an ever-changing business climate it is important to keep up with the target market conditions as well as overall trends in your industry. Knowing the market is the key to developing a successful marketing plan. Attending seminars and networking with your peers and business associates on a regular basis will help you stay current.

4. **Sharing knowledge and experience** - Networking is ideal for expanding your knowledge by taking advantage of the viewpoints and prior experience of others. If for example, you are thinking of getting into the import or export business you may be able to get some valuable advice from

someone else who has done similar business internationally. Taking advantage of the experiences of others before you invest time and money in a particular venture can be invaluable.

5. **Skills building and skill gap filling** - Engage in skills building and training processes, eg employment processes, export/import procedure, technology transfer.

6. **Staff exchange** - Set up staff exchanges to facilitate understanding, to help developing countries and to share best practices and knowledge.

Dedicated intermediary experts and consultants may use the canvas as a self-improvement tool to better understand transnational networking and how to create or improve an action plan for networking that brings and creates mutual value.

The main purpose of the discussion that is to be carried out around the TNC canvas is to help the intermediary managers to think back of the challenges experienced when carrying-out challenging activities and identify a number of lessons for the future; this will add valuable evidence to this guide while it will hopefully provide significant added value to the organization. What is more, the intermediary organization may need to play a crucial role in the mediation of communication within a network, thus aiding the various network stakeholders to interact and build trust.

Here are presented the possible examples use of the canvas by intermediaries. Down below is shown a visual depiction of Vilnius Industry and Business Association Transnational Networking and Cooperation Canvas. The association is one of the intermediary organizations comprising of more than 300 Lithuanian businesses of various kinds. The objectives of the organization is not only to represent the companies and improve overall business conditions in the region, but also to provide business development services and consultations and build strong partnership between various stakeholders.

One of the current gaps identifies within this tool is the lack of technology transfer competences that need to be backed up by some form of partnership. At the age of constant technological development, it is hard to keep up with all the alterations within each field of innovation and technology transfer. Technology transfer in itself is a very novice and complex field and thus it is not always the solution to have dedicated consultants for this one topic.

The aim of the intermediary is to develop a functioning network that would help cover the shortfall of such competences. The filled-out canvas below represents the idea flow of how the aim could be achieved. It is evident that for finding the right partnership, the organization shall need to attend conferences, meetings and B2B events with a devoted agenda to contact and communicate their needs and ambitions. Additionally, some partnerships with technical universities and innovation directed public institutions are prescribed. In this case, the main facilitator of the partnerships and networking would be the intermediary itself.

Filling example of Vilnius Industry and Business Association:

Current gaps

Technology transfer intermediary competences

Future gaps

Deep understanding of specific technology transfer fields

Find a right partner

Networking (conferences, meetings, B2B events)

Contact the Technical Universities

Contact innovation directed public institutions

Search for success stories in various media

Look for technology transfer knowledge networks

Prepare the business for partnership

Engage dedicated staff for partnership search and development
Overview resources needed for enabling the partnership: dedicated staff, time consumption and finance (travel, business meeting costs)

Work with a partner/crowd

Verbal agreements with possible and ongoing partners for specific deals

Written agreements with institutions for dedicated joint projects in the future towards sharing of needed competences and joint intermediary action

Deal with conflicts

Partner roles and engagement are clearly outlined in written agreements

Open communication practices

Distinguish any possible missunderstandings prior to first action

Outcome KPI's

Initiate at least one partnership aimed at technology transfer consulting

Succesfuly consult a client by employing the partnership

Business growth KPI's

New members joining the association

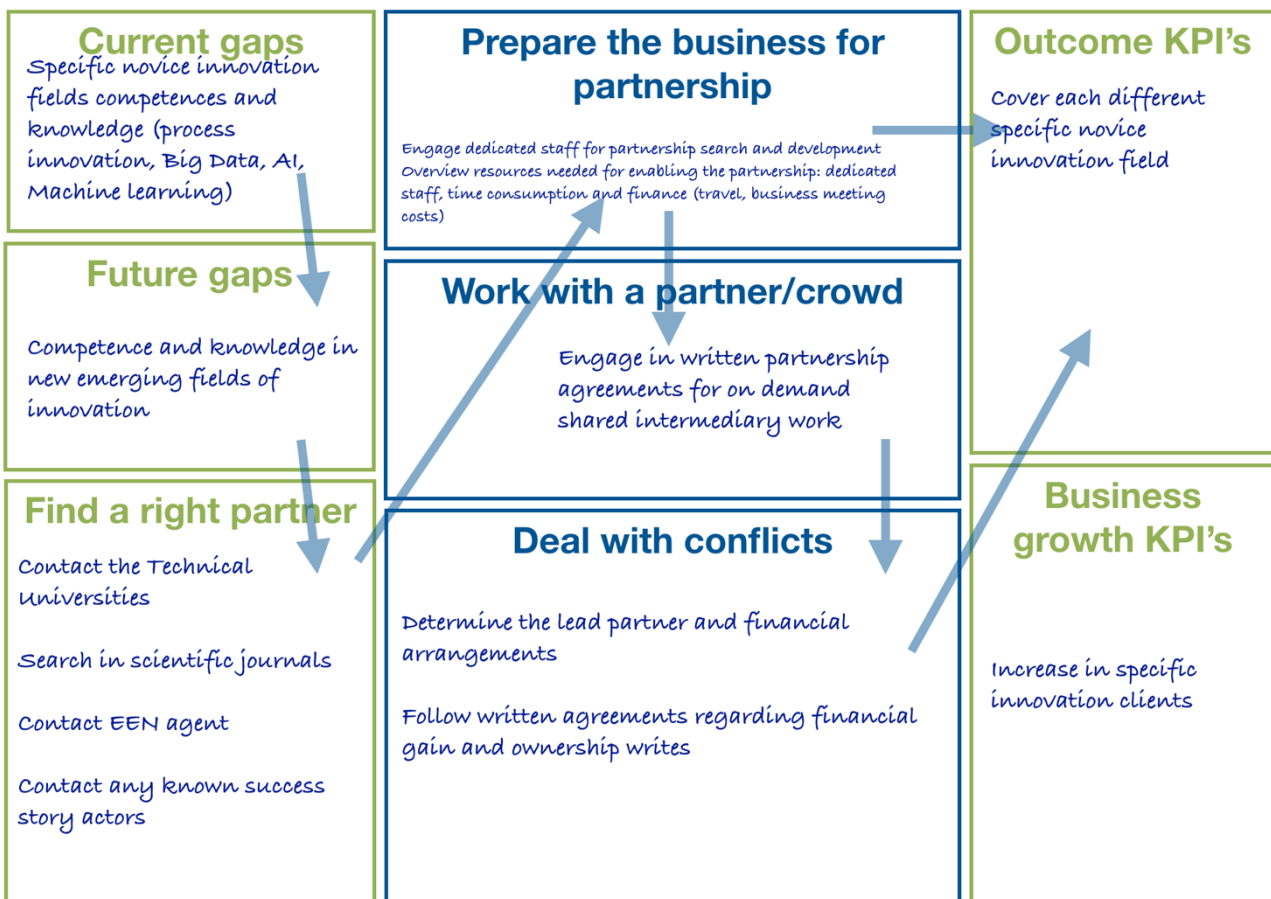New revenue streams from successful technology transfer projects and consultation

Another intermediary example shows the Lithuanian Innovation Center canvas. The Institution Lithuanian Innovation Centre (LIC) is an intermediary organization, providing innovation support services to enterprises, research institutions, industry associations and business support organizations. Even being one of the key

innovation agencies in Lithuania, LIC identifies a current lack of specific innovation fields competences and knowledge as it is not always possible or profitable to have consultants with deep knowledge of each individual innovation field.

The aim of the intermediary in this case is to find suitable partners for sustainable networking, knowledge sharing and co-consulting if needed.

Filling example of Lithuanian Innovation Center:

Current gaps
Specific novice innovation fields competences and knowledge (process innovation, Big Data, AI, Machine learning)

Future gaps
Competence and knowledge in new emerging fields of innovation

Find a right partner
Contact the Technical Universities

Search in scientific journals

Contact EEN agent

Contact any known success story actors

Prepare the business for partnership
Engage dedicated staff for partnership search and development
Overview resources needed for enabling the partnership: dedicated staff, time consumption and finance (travel, business meeting costs)

Work with a partner/crowd
Engage in written partnership agreements for on demand shared intermediary work

Deal with conflicts
Determine the lead partner and financial arrangements

Follow written agreements regarding financial gain and ownership writes

Outcome KPI's
Cover each different specific novice innovation field

Business growth KPI's
Increase in specific innovation clients

Owner-managed SMEs

Many businesses have international dimensions, e.g. foreign suppliers or customers, overseas branches or staff with a foreign background. Some belong to **international networks** of similar businesses because it helps them to manage those international dimensions better and to benefit from them.

The purpose of international business networking and communication, of course, is to increase business revenue. Relationships, in the case of SMEs, are being developed only if both or all parties consider it profitable or otherwise worthwhile to engage in future exchange. This can be achieved by creating mutual added value benefits for all networking parties. The main value added of networking for owner-managed organizations to look for include:

1. **New contacts and referrals** - The most obvious benefit of networking is to meet potential meet potential overseas suppliers or new customers and/or generate referrals which you can then follow up on to hopefully add to your client base. Networking can also help you identify opportunities for partnerships, joint ventures, or new areas of expansion for your business.

2. **Visibility** - You need to meet and communicate with potential clients and business partners on a regular basis to maintain your business relationships. Attending business luncheons and other networking events raises your personal profile and can help keep you front and center in the minds of the right people.

3. **Staying current** - Receive information on developments in an overseas industry/sector or market. In an ever-changing business climate it is important to keep up with the target market conditions as well as overall trends in your industry. Knowing the market is the key to developing a successful marketing plan. Attending seminars and networking with your peers and business associates on a regular basis will help you stay current.

4. **Sharing knowledge and experience** - Networking is ideal for expanding your knowledge by taking advantage of the viewpoints and prior experience of others. If for example, you are thinking of getting into the import or export business you may be able to get some valuable advice from
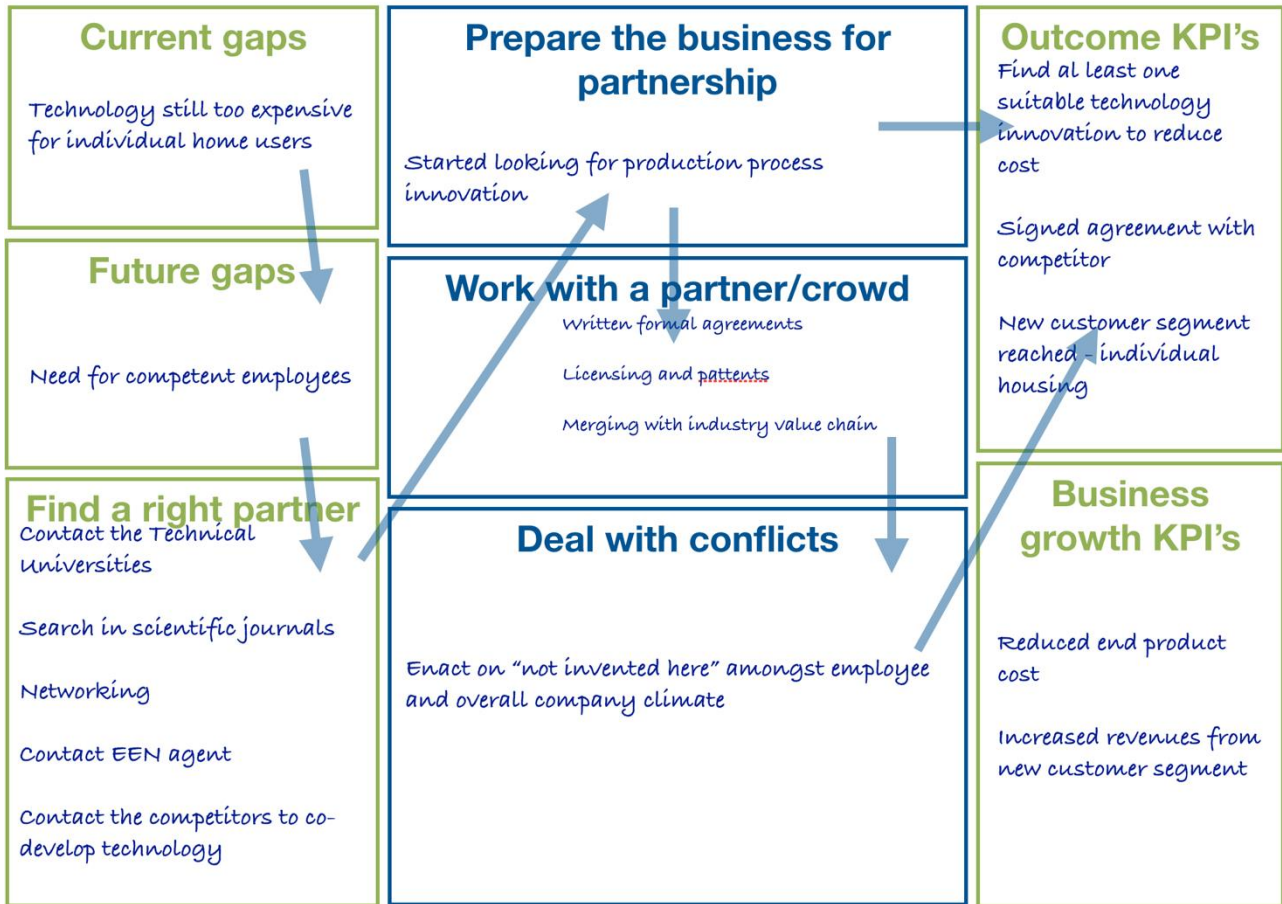
someone else who has done similar business internationally. Taking advantage of the experiences of others before you invest time and money in a particular venture can be invaluable.

5. **Skills building and skill gap filling** - Engage in skills building and training processes, e.g. employment processes, export/import procedure, technology transfer.

6. **Understand regulations** - Improve your understanding of regulations and documentation, e.g. for overseas customs or licensing authorities

The following example below is of an owner-managed SME UAB Soli Tek. The company is producing and selling green energy solutions and is aiming towards international markets. The current gap identifies that the end product is still too expensive for some customer groups. The company is technologically invested in many fields of this green Energy supply and is active in every step of its products supply value chain.

The aim of the SME in this case was to develop a business network, that would aid in innovating their production process or the product itself, reducing the end price for the consumer. The network is believed to help all parties involved via technology adoption, patent selling and licensing agreements, as well as merging various industrial value chains within the production of green energy solutions. The facilitator would be one of the local intermediaries, such as Vilnius Industry and Business Association.

Filling example of UAB Soli Tek:

Current gaps

Technology still too expensive for individual home users

Future gaps

Need for competent employees

Find a right partner

Contact the Technical Universities

Search in scientific journals

Networking

Contact EEN agent

Contact the competitors to co-develop technology

Prepare the business for partnership

Started looking for production process innovation

Work with a partner/crowd

Written formal agreements

Licensing and patents

Merging with industry value chain

Deal with conflicts

Enact on "not invented here" amongst employee and overall company climate

Outcome KPI's

Find al least one suitable technology innovation to reduce cost

Signed agreement with competitor

New customer segment reached - individual housing

Business growth KPI's

Reduced end product cost

Increased revenues from new customer segment

Annexes

ANNEX 1

What does your business need to develop an Action Plan transnational networking and cooperation?

Current gaps	Prepare the business for partnership	Outcome KPI's
Future gaps	Work with a partner/crowd	
Find a right partner	Deal with conflicts	Business growth KPI's