

Part B Benefits and performance

The report turns now to examine what all the various forms of business cooperation occurring in Australian industry means in terms of benefits and firm performance. The fundamental issues are the nature of the benefits firms are seeking and acquiring and the measurable impact of cooperation on various firm performance and competitiveness indicators.

What firms get out of their cooperative arrangements has implications across a wide spectrum. Does cooperation, for example, generally assist SME growth or assist SMEs to specifically overcome growth constraints such as access to finance and technology? To what extent are firms forming linkages to drive innovation, access new markets or to improve the quality of their products? Do firms get different forms of benefits from different types of arrangement and do they appear to benefit more overall from certain arrangements?

The benefits which firms acquire through business cooperation, and their impact on the ‘bottom line’, also helps our understanding of modern Australian industry and the way cooperative arrangements are being used as a valuable business strategy. Such matters are of considerable interest to policy makers, amongst other groups in society.

Information on the nature and extent of cooperation benefits, the type of firms which benefit the most and least and the types of arrangements which work the best and worst can be of real assistance to governments supporting business cooperation strategies. Moreover, policy makers have an interest in the direct relationships between business cooperation and key industry policy aims such as encouraging innovation, increasing technology uptake and boosting exports. A full awareness of the benefits of cooperation can help governments to evaluate specific policy options, to promote the merits of particular forms of cooperation and to design and deliver appropriate business cooperation assistance programs.

The structure of Part B is as follows. The first part, Chapter 6, presents an aggregate view of cooperation benefits, as well as looking at differences between the states and metropolitan/regional locations. In Chapter 7 the report considers how benefits vary by type of firm and includes an examination of how firms with different competitive advantages and growth constraints acquire different benefits. Chapter 8 examines the benefits flowing from different types of arrangements, such as customers or suppliers, formal or informal and overseas and domestic. Finally, Chapter 9 discusses the impact of firms’ ‘key’ cooperative arrangement on a range of performance indicators and on various competitiveness measures.

