

The Role of Face-to-face Communication and Networking to Underpin Business Development and Innovation

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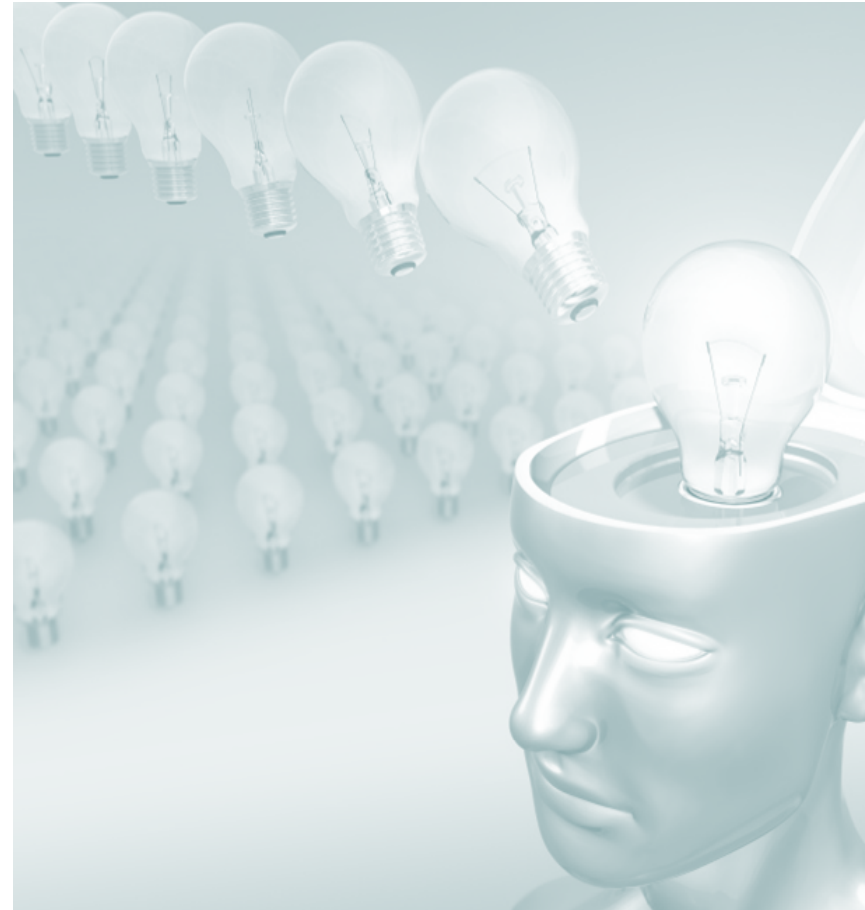


'human interaction, especially face-to-face interaction, drives innovation and inspiration.

Accidental connections between leading thinkers studying different topics can unlock seemingly intractable challenges and insoluble puzzles' Harry 2009

Background

- Despite the advent of improved electronic communications technology, face-to-face communication and networking remain the most effective means of enhancing:
 - business performance
 - and innovation, particularly for more complex products.



Background (contd)

During the recent global financial crisis:

- substantial pressure to reduce the cost of doing business.
- Cost cutting measures resulted in many companies cutting:
 - business travel
 - business meetings budgets.
- Concern has now been raised as to the consequence for long term business development of these changes.

Research Aim



- This paper examines:
 - the role of face-to-face communication
 - the networking that occurs during face-to-face communication
- The paper examines these issues in the context of business events which can underpin:
 - business development
 - innovation

The Literature

- Arvey (2009) argues, from a psychological perspective,
 - face-to-face meetings allow members to engage in and observe verbal and non-verbal cues that add meaning to discussions.
 - that 'we are social creatures and isolation is harmful'.
- Maskell, Bathelt and Malberg (2006) found that face-to-face communication
 - aids in building trust and developing transparency.
 - allows participants better 'sense making' of communications
 - assists to evaluate elements such as integrity and competency
- Moyne (2009) states that, whilst electronic communication is an important asset, face-to-face communication is essential to develop relationships with customers and to build the networks needed for long-term business growth

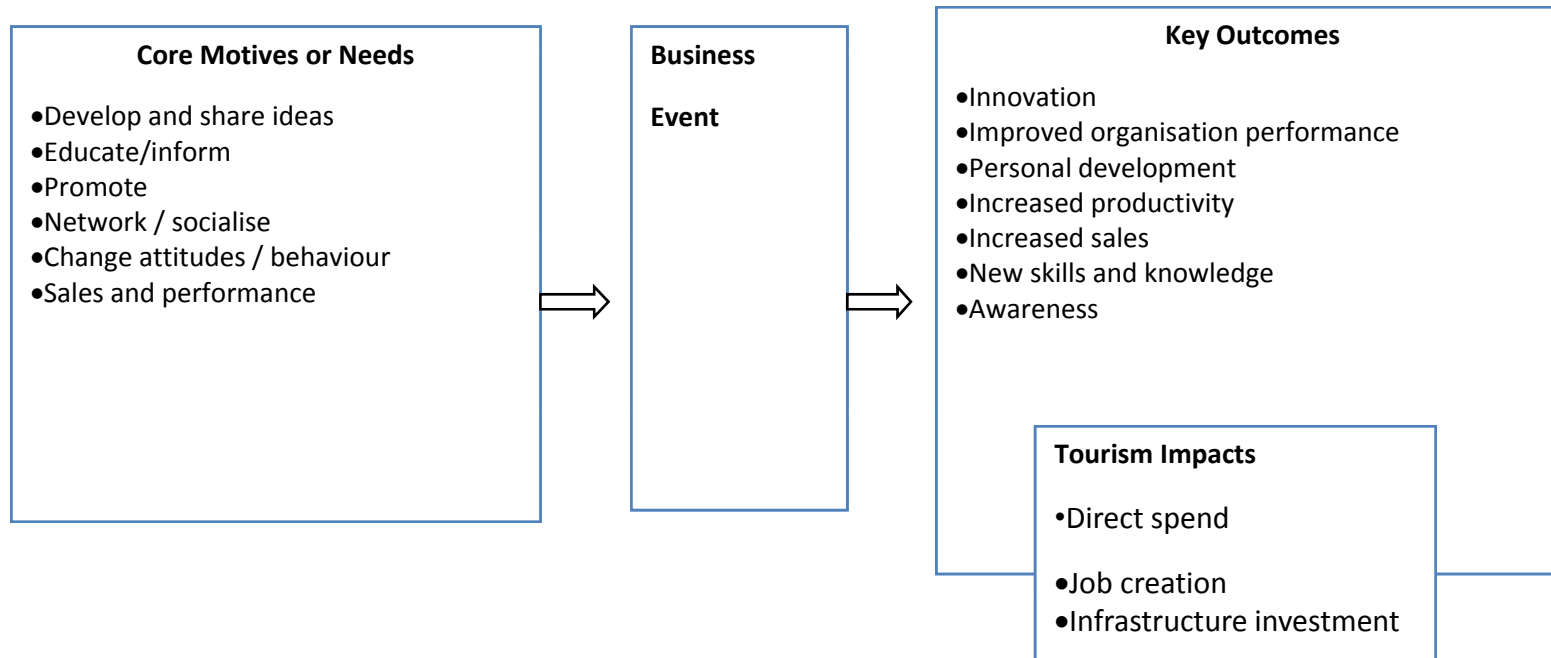
The Role of Business Events in Enhancing Innovation

- Conferences and conventions allow participants:
 - to develop strong social relationships among themselves
 - to be able to develop a social identity.
- Firms use international trade fairs and conventions 'to identify knowledge frontiers and select partners that can provide access to distant markets and knowledge pools' (Maskell et al, 2006: 10).



The Role of Business Events in Enhancing Innovation (contd)

- Maskell et al's (2006) research argues that:
 - meetings and conferences are temporary clusters for knowledge building
 - international professional gatherings can be viewed as temporary clusters that engage in knowledge exchange.



The Role of Business Events in Enhancing Innovation (contd)

Meetings:

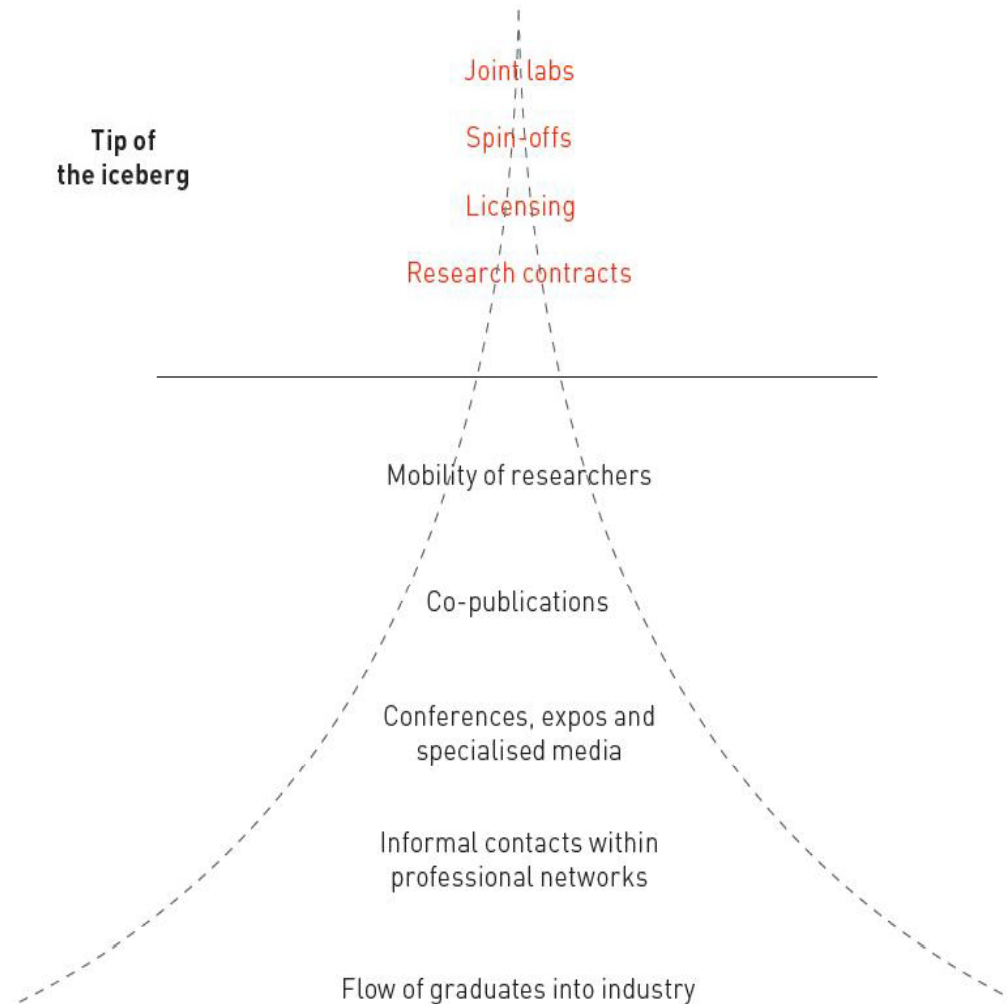
- influence investment by:
 - attracting an often influential audience of participants
 - creating opportunities for showcasing local products, services, and investment opportunities
- enhance professional development by bringing regional and international expertise into the community where it is accessible to local professionals.

The Role of Business Events in Enhancing Innovation (contd)

Meetings:

- enhance science and technology:
 - which helps generate new forms of technology itself
 - improves understanding and access to it
 - helps improve local knowledge and skills by bringing outside information and technology into the host community
 - providing a vehicle for local businesses and professionals to access the latest developments in their respective fields.
- promote cultural exchange by providing new forums for cultural exchange and new opportunities to expose local culture to national and international audiences.

Industry–science relationships and Face-to-Face Networking



Firms with New-to-Market Innovations by Size, 2002-2004

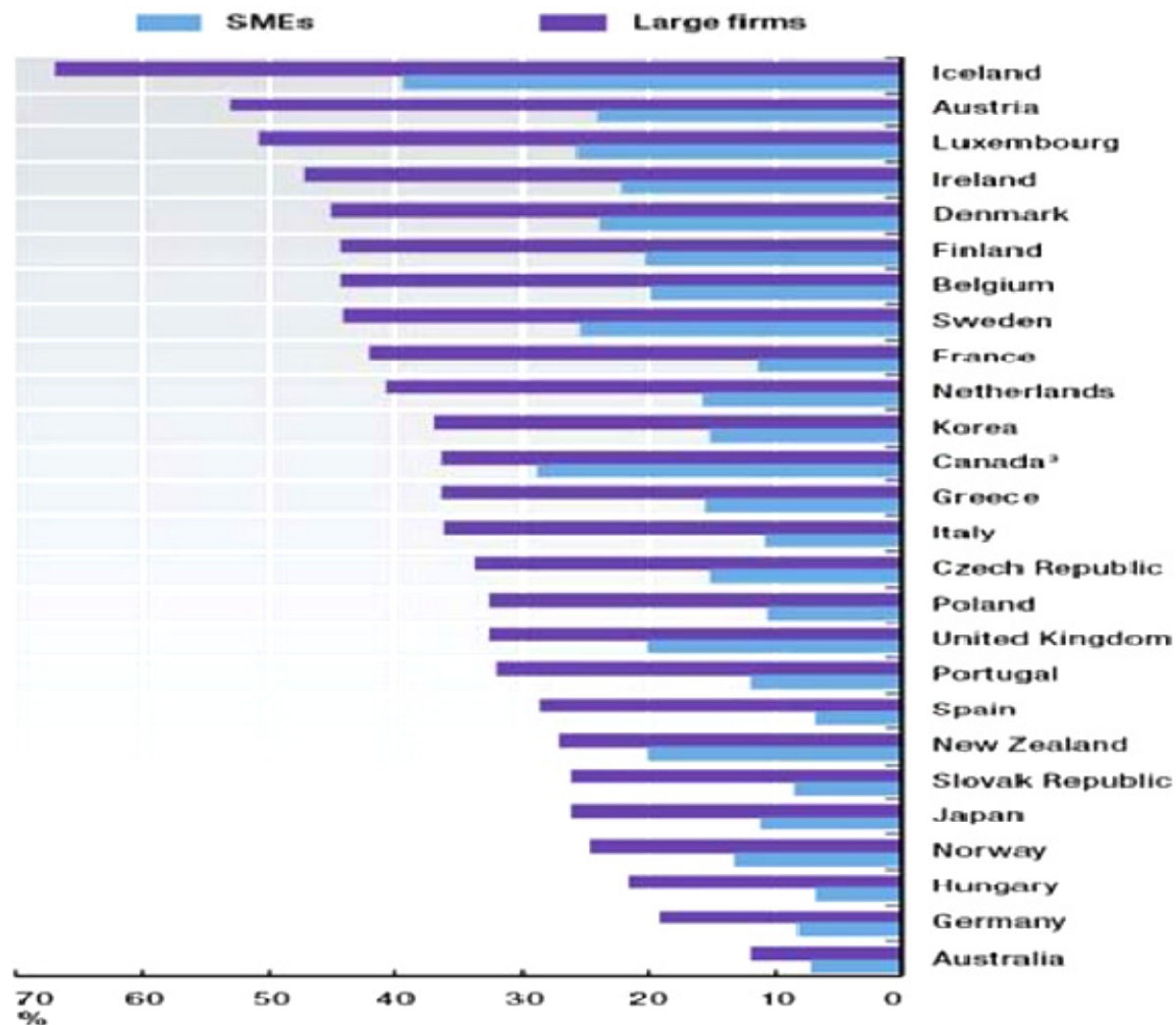
Fostering Innovation

International Comparisons with Australia:

• China's R&D spending has grown by 22 per cent a year since 1996, compared to 8 per cent a year in Australia. Australia spends 2 per cent of GDP on research and development.

• Austria, Denmark, Germany, Iceland, Switzerland, Taiwan, and the United States spend more than 2.5 per cent;

• Finland, Japan, South Korea, and Sweden spend more than 3 per cent; Israel spends more than 4 per cent

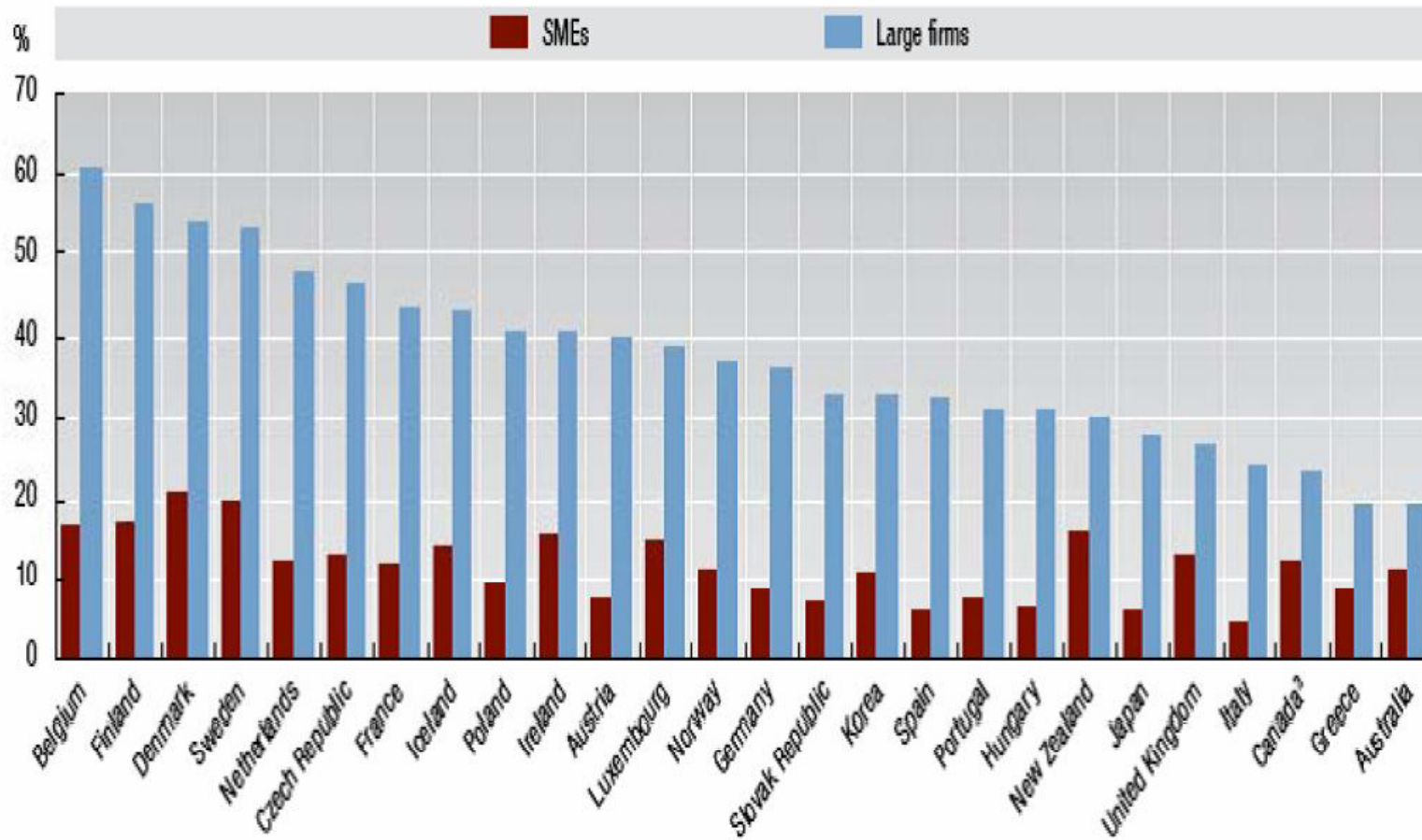


1. SMEs: 10-249 employees for European countries, Australia 20-249 for Canada.
2. Or nearest available years.
3. Manufacturing only.

Source: OECD Science, Technology and Industry Scoreboard, 2007

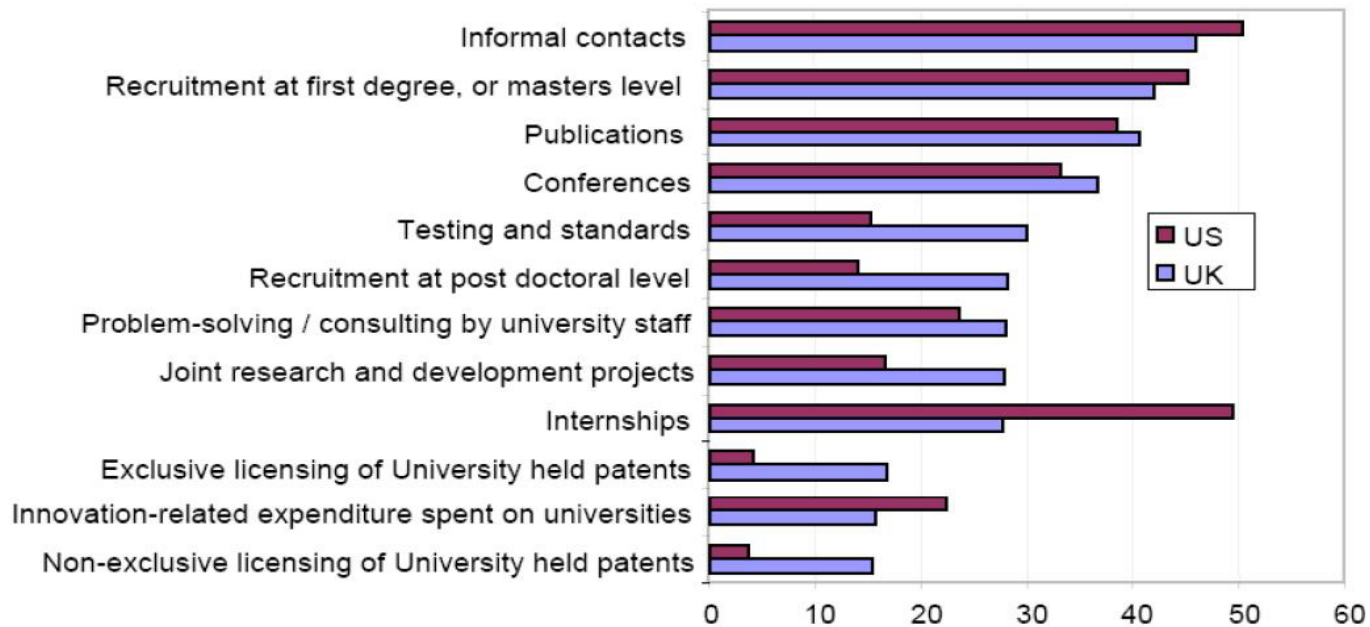
Fostering Innovation (contd)

Firms Collaborating in Innovation Activities, by Size, 2002-2004 (as a percentage of all firms)



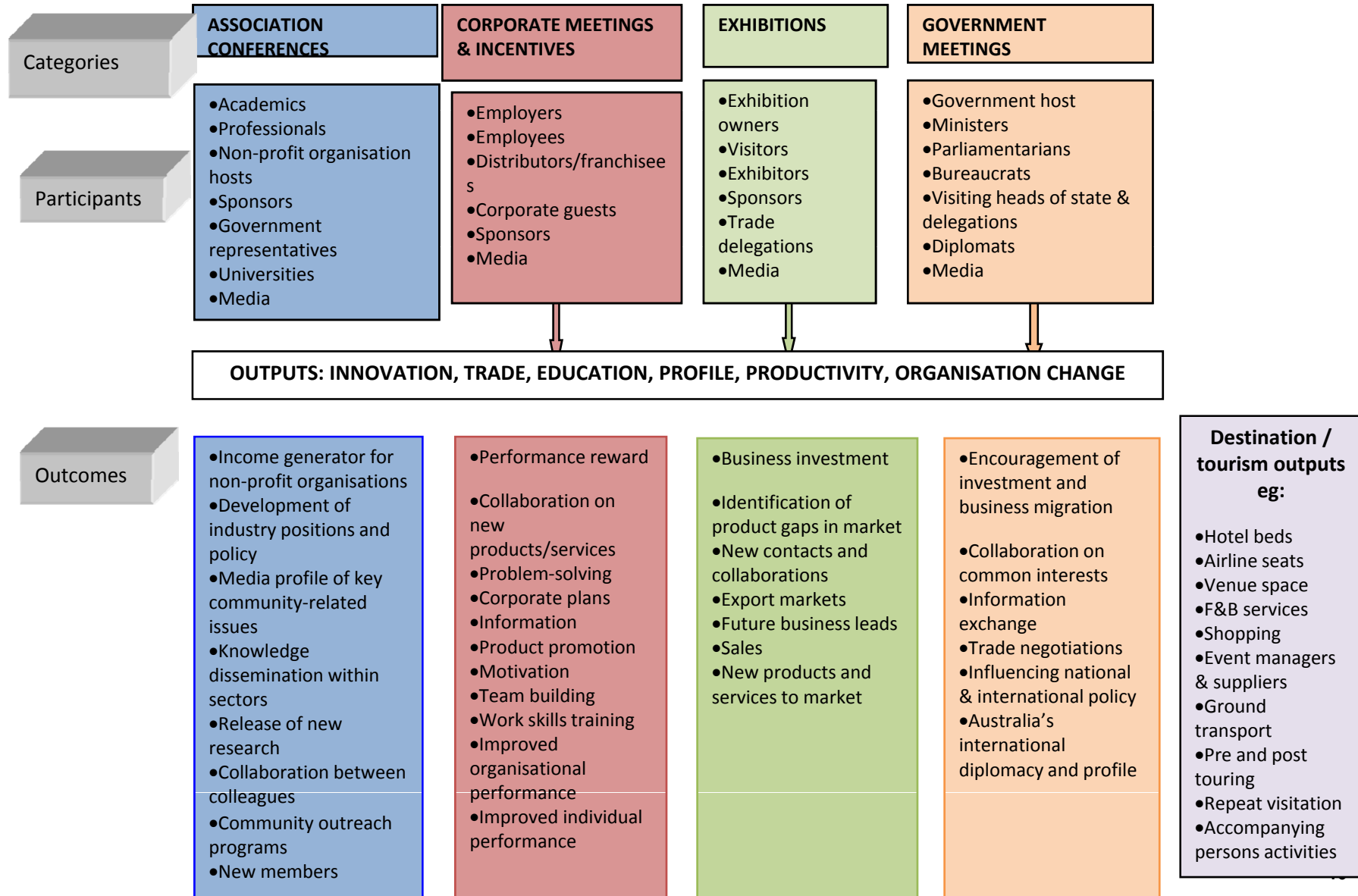
Fostering Innovation (contd)

University-industry interactions contributing to innovation (% firms)

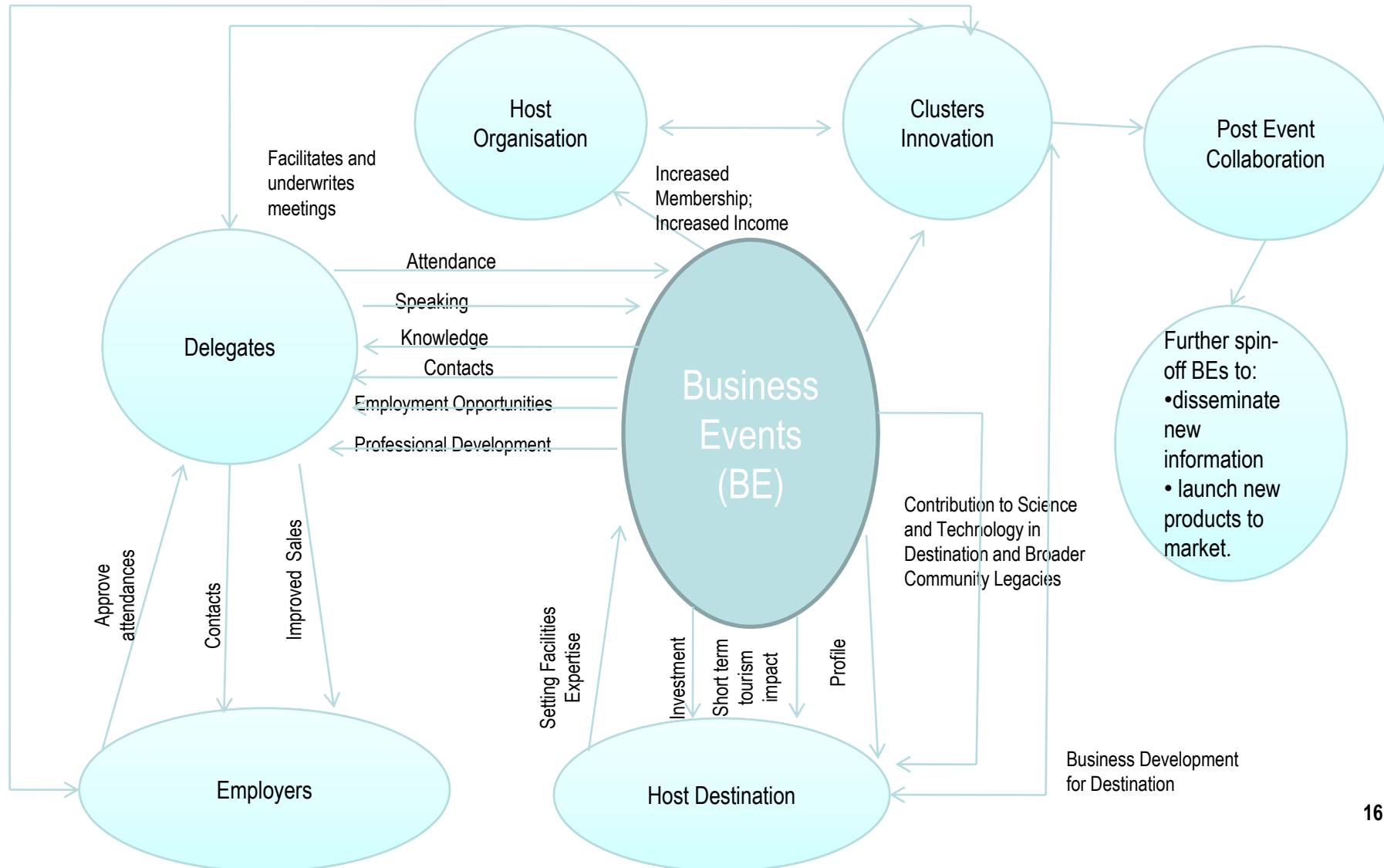


Source: A. Cosh, A. Hughes and R. Lester *UK PLC Just How Innovative Are We?* Cambridge MIT Institute 2005

A Framework for Enhancing Innovation through Face-To-Face Business events

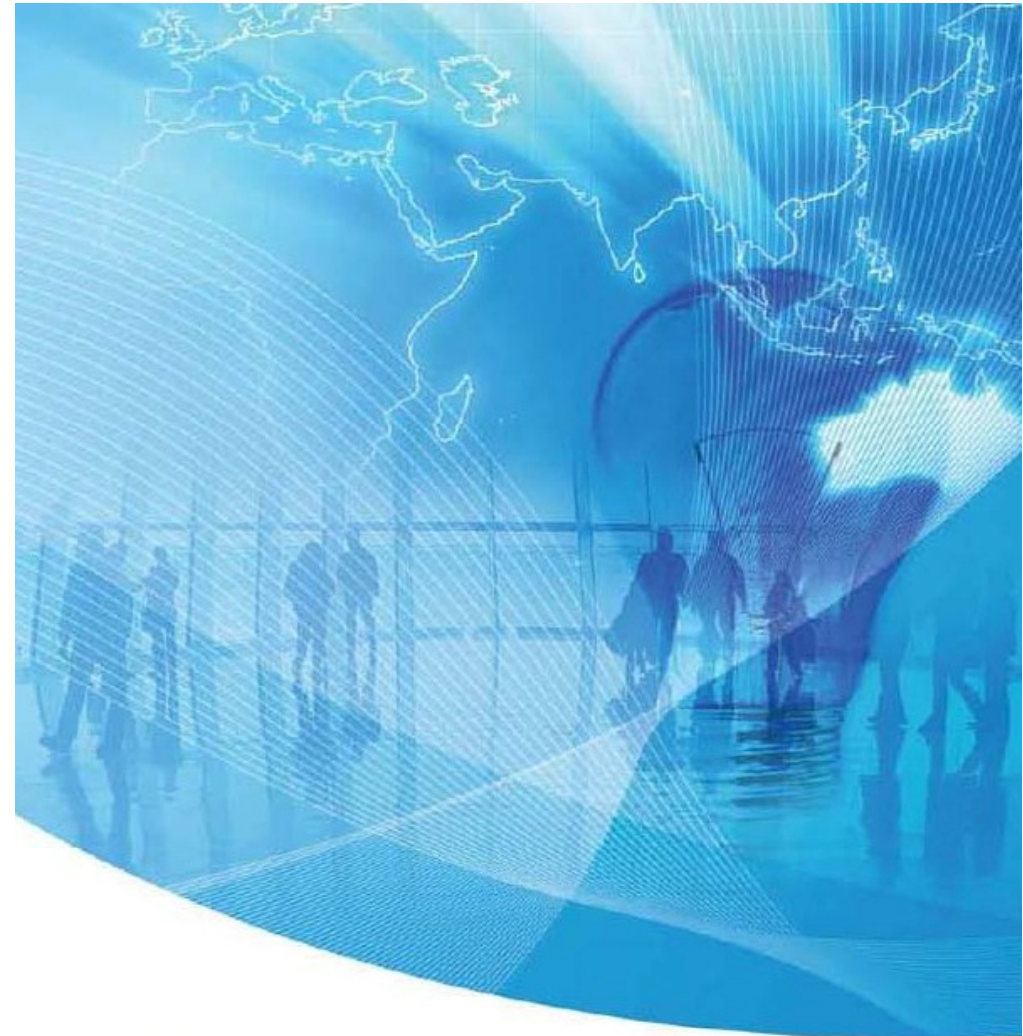


Relationships and Innovation from Business Events



Where to from here?

- Government
 - funding
- Industry
 - Tracking outcomes
- Universities
 - Promoting innovation through face-to-face communication



DELIVERING INNOVATION,
KNOWLEDGE AND PERFORMANCE:
The Role of Business Events