

## TECHNOLOGY TRANSFER FOR SMALL AND MEDIUM ENTERPRISES IN THE INDUSTRIAL SECTORS

When CBI consultants are visiting exporters audit visits in developing countries and they ask “What do companies in the developing countries need most of all, in order to have better chances on the export market?” one of the answers most commonly heard is “transfer of technology from Western Europe”.

Technology transfer is regarded as one of the most desired necessities for catching up with the western world. Companies are willing to pay for it or even give up some of their independence, by suggesting a joint venture or some other technical arrangement.

Unfortunately, it is often not understood that:

1. Western companies will never sell their latest technology because they can earn more money if they keep it for themselves for some time.
2. Even though they are offered an earlier or outdated technology, buyers still need to pay a high price.
3. Social, economic and/or geographic differences often mean that the technology is not adoptable.

In addition, it is our experience that licensing from western countries:

1. Makes companies in developing countries dependent and does not stimulate them to be innovative.
2. May cause great tensions in the co-operation because of communication problems and cultural differences.

### **Long path of research**

It should not be forgotten that western companies have gone through a long path of research and development before reaching this high tech stage. It is therefore not realistic to assume that developing countries can close this gap by merely buying technology.

Western industries have encountered many difficulties in reaching this level through a process of innovative actions. Adopting the products and production system to the home situation and their focused market was a continuous process for a length of time.

## **Our advice**

We would recommend you to take the actions specified below:

1. Companies with a common interest should get together and form an association, remembering that they are no longer competing on the home market alone but their playing field is the global market. If they do not co-operate, other worldwide players will win. Associations should take the lead and actively work for the international interest of their members.
2. The “art of being well-informed” should no longer be limited to and practiced by a few as it is now available for every entrepreneur. Whether that is accomplished by the Internet or by mobilizing other sources is not important, as long as it is recognized as the most important aspect of entrepreneurship nowadays.
3. The ability to communicate with the world is probably the most important requirement. So much has already been published and is available for public consumption; it is just a matter of locating it and being able to use it to the company’s benefit. It is surprising to see what is locally available in institutes, universities and libraries.

The branch-associations in developing countries should translate the information requirements of their members. Their closer co-operation with the local technical universities could prove to be a good first inventory of what is already available.

Retrieved international publications may so give an insight in the developments of the particular product or process.

Most universities are becoming more active and now offer these kinds of services to industries locally.

Once the company has defined its very specific needs and established that it can only purchase from the original source, the next action can be started.

Institutions, technology transfer consultancies and trade promotion organizations have means available to publish serious requests and reach the right parties in Europe.

We have very good examples of companies in developing countries, which know their way about, in getting hold of the technical information they need. Additionally, the European Union also has many research and development information sources available. These can also be approached from outside the Union and can certainly be accessed via the Internet.

## **Online sources of technology transfer activities**

Matimop	Israel	<a href="http://www.matimop.org.il">www.matimop.org.il</a>
VDMA,	Germany	<a href="http://www.vdma.de">www.vdma.de</a>
Steinbeis Foundation,	Germany	<a href="http://www.steinbeis-europa.de">www.steinbeis-europa.de</a>
Klenner International Inc.	USA	<a href="http://www.ntis.gov">www.ntis.gov</a>
APCTT	India	<a href="http://www.apctt.org">www.apctt.org</a>
FITT	India	<a href="http://www.fitt-iitd.org">www.fitt-iitd.org</a>
Technology Innovation Information	UK	<a href="http://www.tii.org">www.tii.org</a>
IRC Flanders	Belgium	<a href="http://www.iwt.be">www.iwt.be</a>

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