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WORKING PAPER

Does formal business networking contribute to SME growth? – An empirical examination*

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Abstract

This paper provides new empirical evidence on the impact of formal business networking on SME growth. More specifically, using a large, unbalanced panel data set of Flemish SMEs over the period 1992-2008, we examine whether participation in a government-supported program aimed at intense guidance for small business managers affects SME growth. We find that this objective measure of formal business networking is significantly positively correlated with net asset and value added growth. These results confirm that formal business networking contributes to company success.