

## COOPETITION AS INTERRELATED STRATEGIC PRACTICES ON MULTIPLE LEVELS

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### ABSTRACT

Research on coopetition has recently gained increasing interest among business network scholars. Coopetition is generally described as simultaneous cooperation and competition between firms, and it is often viewed as a deliberate firm-level strategy. However, in order to be able to understand and manage coopetitive business relationships it is important to concern also other levels, such as individual- and network levels (e.g. Bengtsson and Kock 2014). Coopetition may be both deliberate and emergent (e.g. Mariani, 2007). This implies that firm-level coopetition strategy be different from individual-level activities. Moreover activities on different levels may influence each other and shape coopetition over time.

In order to study how coopetition develops from a multilevel-perspective, influence can be taken from the strategy-as-practice approach (e.g. Jarzabkowski, 2005), according to which strategy is something that is done in practice, rather than something that a company has. This implies that it is the doings, activities and practices that matter, and how these are related on different levels (e.g. Seidl and Whittington, 2014).

The aim of this study is to improve our understanding of how coopetition develops through strategic activities on multiple levels. In accordance with Whittington (2006) focus lies on practice, praxis and practitioners. The focus of the study is on individual level praxis, i.e. both “strategists” and their “strategizing” and the inter-individual praxis occurring in relationships between strategists, and how these are linked with company-, relational- and network level coopetition. The empirical part is based on a single qualitative case study of a coopetitive relationship between a large multinational company and its supplier. This relationship has developed from cooperation to coopetition. The findings of the study

contribute to our existing knowledge of how coopetition is “done” on interrelated micro- and macro- levels as well as how individual practices are related to company- and network level cooperative strategy.

**Keywords:** coopetition, strategy-as-practice, multiple levels

## INTRODUCTION

Relationships between companies are seldom purely cooperative, but there are often also elements of competition. In 2007 Apple and Google worked together with the first iPhone, and ten months after its market launch, Google introduced Android, and thereby competition entered the relationship. Another example is the relationship between Samsung Electronics and Sony Corporation (Gnyawali & Park 2011). Despite fierce rivalry, the companies established a joint venture to develop LCD panels for flat screen televisions, because they were more or less forced to do so for monetary and technological reasons. In addition to these cases, there are several examples where small- and medium- sized competitors start cooperating in order to reach a new market or when collaborators become competitors, when one of the companies acquires customers and market share from the other company. .

Cunningham (2008) encourages business network researchers to not only focus on cooperation, but also on competition. According to Ford and Håkansson (2013) there is scarce research within the IMP group related to competition and competitors. They state that we lack a coherent conceptual explanation of the interplay between cooperation and competition in business networks. Coopetition, or the simultaneous existence of cooperation and competition (Bengtsson & Kock 1999), is a research field that recently has gained an increasing amount of attention. Coopetition is here defined as follows: “... a paradoxical relationship between two or more actors simultaneously involved in cooperative and competitive interactions, regardless of whether their relationship is horizontal or vertical.” (Bengtsson and Kock, 2014; 182) It can be argued that most business relationships contain elements of both cooperation and competition, but cooperative business relationships are here characterized by the simultaneous existence of cooperation and competition, which is related to tensions because of their paradoxical nature.

Research on coopetition has focused on identifying different levels of cooperation and competition (Bengtsson & Kock 1999; Bengtsson et al. 2010), on the value and performance related to coopetition (e.g. Ritala & Tidström, 2014), business models of coopetition (Ritala et al. 2014) and on the dynamics of cooperation and competition (Dahl 2014; Tidström & Hagberg-Andersson 2012). There are also studies related to how to manage tensions and conflicts in coopetition (e.g. Fernandez, Le Roy, & Gnyawali, 2014; Raza-Ullah, Bengtsson, & Kock, 2014; Tidström, 2014). Coopetition is most often viewed as a deliberate strategy, although it has been stated that it can be both deliberate and emergent (Mariani 2007; Dahl et al. 2016). An example of a deliberate cooperative strategy is when two competing firms cooperate in order to enter a new market. Emergent coopetition may be characterized by unplanned activities, which give one of the firms a greater competitive advantage than the other firm. These can be related to individuals’ strategic activities, for example in form of sharing information. Most research on coopetition focuses on a relational level, i.e. inter-firm competition. There is scarce research on coopetition on an individual- or team level. Bengtsson and Kock (2014) call for a multilevel perspective on coopetition, by including individual-, company- and network levels of analysis. On a company level coopetition

strategy may be different from strategy practice on an individual level. In order to be able to identify and study how coopetitive business relationships develop over time on multiple levels, the strategy-as-practice approach can be useful. According to Dahl et al. (2016), the practice approach facilitates understanding of coopetition by including strategic actors and their activities on multiple levels.

The strategy-as-practice perspective advocates a focus on strategy as something that is done, rather than something that a company has (e.g. Jarzabkowski, 2005). The doing of strategy is consequently in focus. According to this approach, strategy activity occurs on different levels and strategy practice on a micro level is influenced by and influences strategy practice on macro level. Strategy is related to practitioners, praxis and practices. (Whittington 2006) The aim of this study is to improve our understanding of how coopetition develops through strategic activities on different levels. In accordance with Whittington (2006) focus lies on practice, praxis and practitioners. Focus lies on individual level praxis, i.e. both “strategists” and their “strategizing” and the inter-individual praxis occurring in relationships between strategists, and how these are linked with firm and network level coopetition. The empirical part of the paper is based on a single case study of a coopetitive relationship between a large multinational company and its supplier. This relationship has developed from cooperation to coopetition.

In the first section of the paper we have presented the background and the aim of our study. We will proceed in the next section by presenting the theoretical reference frame. First we describe the existing coopetition literature that can be related to doing coopetition strategy in practice on multiple levels. Secondly, the strategy-as-practice approach is introduced as well as the interaction of practices on different levels. Thirdly coopetition strategy is related with the practice perspective. In the third section the methodology and choice of methods are presented. The fourth section outlines the findings of the study, which is followed by a discussion in section five. The conclusions of the paper, including limitations and suggestions for future studies, are described in section six.

## **COOPETITION STRATEGY AS PRACTICE**

### **Coopetition from a multilevel perspective**

Coopetition is traditionally defined as the simultaneous existence of cooperation and competition (e.g. Bengtsson & Kock, 1999). Moreover, coopetition is often viewed from the perspective of different levels of cooperation and competition (e.g. Bengtsson & Kock, 2000) and the process of coopetition over time related to levels of cooperation and competition (e.g. Bengtsson et al., 2010). Research (Mariani 2007; Dahl et al. 2016) also divides coopetition strategy into emergent and deliberate. Coopetition as a deliberate strategy implies that it is viewed as something that is planned and managed on a corporate level. On the contrary, coopetition as emergent, means that it is unplanned and more of an ad-hoc nature. According to a recent study by Dahl et al. (2016) coopetition strategy is both emergent and deliberate, which indicates a need to study coopetition strategy from a practice and multilevel perspective.

Most of the research on coopetition is carried out from an inter-organizational perspective (e.g. Bengtsson & Kock, 2000). However, Tsai (2002) focuses on intra-organizational coopetition. Some studies (Smith & Bell 1992) focus on coopetition on an individual level.

There is scarce research on coopetition from an individual level. However, coopetition from the perspective of the individuals, may be different from coopetition strategy on a company level (e.g. Bengtsson et al., 2010). The inclusion of an individual perspective on coopetition in addition to a corporate perspective paves the way for a need to simultaneously focus on different levels of coopetition. A more recent definition on coopetition also considers different levels of analysis. Bengtsson et al. (2010, p.200) define coopetition "... as a process based upon simultaneous and mutual cooperative and competitive interactions between two or more actors at any level of analysis (whether individual, organizational, or other entities).

According to Bengtsson et al (2010) as well as Bengtsson and Kock (2014) coopetition is a multilevel phenomenon and coopetition on one level may influence coopetition on another. To some extent a multilevel approach has been recognized in recent coopetition research. Raza-Ullah et al. (2014) focus on the tension related to the paradox of cooperation and competition inherent in coopetition, from the perspective of individual, organizational and inter-organizational levels. Tidström and Hagberg-Andersson (2012) study critical events when business relationships evolve from cooperation to competition. They find that these events are found on different levels such as organizational, relational and network levels. On a conceptual level Tidström (2008) and Dahl et al. (2016) focus on coopetition from a multilevel perspective. However, the existing studies on different levels of coopetition in business relationships do not consider the influence of coopetition on one level on the coopetition on another level. Moreover, the focus of the studies treats individual activity on a superficial level. In order to increase our understanding of coopetition strategy from a multilevel perspective, we also have to include how this strategy is carried out in practice. According to the IMP perspective (Ford & Håkansson 2013) managers are not "network takers", but "network makers", which also refers to a practice and activity related view on business networks.

### **Strategy-as-practice**

The strategy-as practice approach considers strategy as something that the members of an organization do and not as something that an organization has. The research within this field is concentrated on the "doing of strategy" and focus on human activity. (Jarzabkowski et al. 2007) Another characteristic of this particular field of strategy research is that it considers the contextualization of micro-actions (Whittington 2006). The strategy-as-practice perspective is focused on the work, talk, activities and competencies of individual managers as strategists (Chia & Mackay 2007). Strategy-as-practice research can be divided into three domains: praxis, practitioners and practices (Whittington 2006). It is within these domains that strategizing, or the doing of strategy occurs. (Jarzabkowski et al. 2007) Strategy practices are related to shared routines of behavior including traditions, norms and procedures for thinking, acting and using "things" (Seidl & Whittington 2014). Moreover practice is related to the interactions and interpretations from which strategic activity emerges over time (Jarzabkowski 2003, p.24). According to Jarzabkowski (2003, p.24) practices constitute the infrastructure for micro strategy that generates a continuous stream of strategic activity that is practice. Strategy praxis involves actual activity, i.e. what people actually do in practice. Strategy practitioners are the strategists who do the practices. When carrying out strategy praxis, strategy practitioners are influenced by strategy practices of the organization. Based on this it is possible to say that micro praxis is related to macro practices (Seidl & Whittington 2014). Strategy-as-practice occurs on different levels; it is both related to

activities within an organization and to external organizations (Whittington 2006). According to Whittington (2006) research focused on only one level tends to be somewhat incomplete.

Strategy-as-practice research tends to consider practices and praxis as rather stable and long-term, as these are coupled with traditions and routines and the activities of individuals. However, even if practices are stable on an organizational level, individual praxis may differ and have various influences on company- and relationship levels.

### **Coopetition strategy over time from the perspective of practice and multiple levels**

The tentative theoretical reference frame is illustrated in figure 1. Focus lies on the development of the relationship between Firm A and Firm B over time, and the strategy practice, praxis and practitioners on relationship-, company-, team- and individual levels influencing and shaping coopetition. Moreover a network level of external actors is included, as these may have an influence or be influenced by the focal relationship. The framework resembles of the framework by Dahl et al. (2016), but our framework is different as it includes the dimension of time as well as network- and team- levels of analysis. By including time it is possible to identify how coopetition strategy has developed and how this development is related to practice, praxis and practitioners.

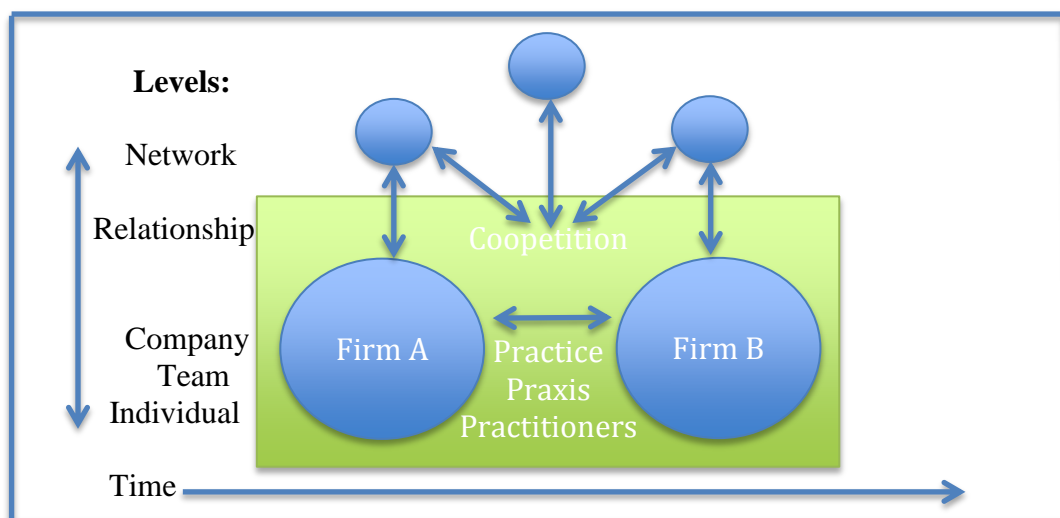


Figure 1. Coopetition strategy as practice on different levels

In the following section the research approach and empirical data collection will be described.

## **METHODOLOGY**

### **Research approach**

A qualitative single case study was considered as the most appropriate research approach for this study because it focuses on a new research subject (Eisenhardt, 1989) and comprises multiple levels of analysis (Yin, 1984). Moreover, case study research is considered as appropriate when it is important to recognize the context within which a phenomenon exists, which is especially relevant when studying business relationships. A case study approach is also very often used when studying business networks (Halinen & Törnroos 2005) and can therefore be considered as suitable.

The single case of this study was purposefully selected as a typical example of a long-term business relationship that over time has been based on both cooperation and competition. The case fits very well with the research scope of the study, as it is possible to identify cooperation and competition on different levels and to analyze how these have developed over time. The case consists of a relationship between two companies within the manufacturing industry: Tredoc and Sentrec. Tredoc is a large multinational company with operation revenue of approximately 5 billion euros. Tredoc has multiple suppliers of components, parts or separate products that are attached to its own products, which are sold further to its customers. Sentrec is also a multinational company; operating worldwide with their own products that are used as components or parts of bigger solutions. One of Sentrec's products is S-gteco, which is a crucial part of one of Tredoc's products PS-1 (Figure 2).

### **Data collection and analysis**

The applied research methods were interviews and written documents. Research access was provided by Tredoc, and because of the current sensitive nature of its relationship with Sentrec, it was not possible for the researchers to carry out interviews in Sentrec. The inclusion of informants from both companies would have been favorable from a business network perspective. However, by including the perceptions of several informants together with a lot of different kinds of written documents, it was still possible to receive an understanding of the researched phenomenon from a business-to-business perspective.

In total nine interviews have been carried out in Tredoc; eight of these were personal interviews and one was made by phone because of geographical distance. The informants were selected based on a snowball sampling, which is a purposeful technique in order to find informants that are rich in information. In practice the technique implies that informants tell you about other informants who could be of interest for your study. (Patton 1987; Janesick 2000). In the end all individuals at Tredoc, who were directly involved in the collaboration with Sentrec were interviewed. The average length of the interviews was 50 minutes and the length varied between 30 and 85 minutes. All interviews were recorded and transcribed. Seven of the interviews were carried out in Finnish and two in Swedish. In spite of two interviews, two researchers were present at all interviews, which increased the trustworthiness of the interview material as the interviewers made clarifying questions until both understood what was said. The interviews were focused on the story of the informant about the relationship between Tredoc and Sentrec. Focus was on the relationship between the companies, what it concerns and how it has developed over time, and on how the

interaction takes place in practice as well as on cooperation and competition on different levels.

In addition to the interviews, written documents were also used. These documents consist of minutes of meetings, power point documents submitted by the informants or found on the internet, word documents provided by the informants and web-pages of companies.

In the analysis of the empirical material content analysis was used. The rich qualitative material was analyzed in a thematic way, and the analysis proceeded progressively from broad categories to key themes (Miles & Huberman 1994). NVivo10 was applied as a tool for the analysis. The analysis started from the interview transcripts and first we coded the material in accordance with time in order to get a chronological picture of the activities. Thereafter we identified practices and praxis on levels of network, relational, organizational, group and individual level and when these had occurred/occur in time. In the third stage of analysis we identified how practices and praxis were related to each other.

## **EMPIRICAL FINDINGS AND ANALYSIS**

In this chapter the findings of the empirical study are described and analyzed. The first section contains a chronological description of the case and practice, praxis and practitioners of coopetition strategy on different levels are presented. In the second section, the findings of the study are analyzed with a focus on interrelationships between different levels.

### **Strategy practice and praxis on multiple levels**

The cooperation between Tredoc and Sentrec started in 2001. At that time Sentrec was Tredoc's supplier of a product for a particular business area, but eventually Tredoc developed its own product, which replaced the product bought from Sentrec. In 2004 Tredoc identified a new business opportunity through product PS-1, and it needed a supplier for S-gteco, which is a crucial part of PS-1.. Sentrec was found from the list of qualified suppliers of Tredoc's business related to the former business area, and therefore Sentrec was inquired to start supplying S-gtecos for Tredoc's. Sentrec approved of becoming a supplier and through this cooperation Sentrec also got access to markets where Tredoc had exclusive rights to operate. In 2007 Tredoc established a joint venture, Vintret, with other company. Vintret had exclusive rights to operate in a certain market where Tredoc sold PS-1. In the beginning, the PS-1 business was quite small and occasional, but after the joint venture was established, demand increased. Tredoc developed an own version of S-gteco, which was of poor quality and therefore was not offered to the market.. The relationship between Tredoc and Sentrec was good and communication was mainly based on e-mails related to day-to-day activities. The inter-organizational connections (dash line arrows) and products (line arrows) are illustrated in figure 2.

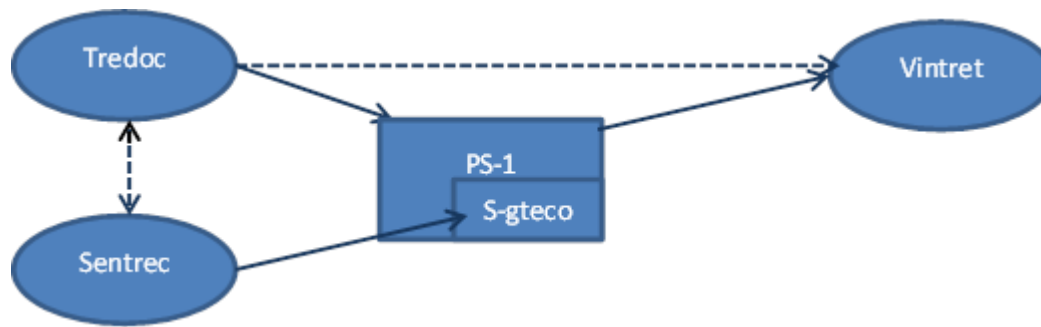


Figure 2. The products and connections between the companies

In 2009, the PS-1 business growth continued and in Tredoc a team was established to maintain and handle it. The team was established around a powerful individual, who had a strong vision of how the PS-1 business should be developed. At that time the PS-1 team noticed that Sentrec's S-gteco was quite big and needed some extra security elements, and therefore the team started developing an improved version of S-gteco. In 2010 the first version of Tredoc's own product T-gteco was ready. T-gteco was cheaper and more compact than S-gteco.

In the end of 2010, Tredoc sold the first PS-1, with its own T-gteco. In 2011, a press release was done related to T-gteco. The PS-1 team worked without routines and that kind of working made it possible to develop the business in a way the team wanted. Tredoc tried to get a patent for T-gteco, but it was not possible because T-gteco was not unique enough. Sentrec had not been told about T-gteco, although this was the intention of the team. At this stage there were already plans of decreasing collaboration with Sentrec and increasing the sales of T-gteco.

In the end of 2011 the collaboration between Tredoc and Sentrec is characterized by communication difficulties. Several persons from Tredoc tried to contact Sentrec's personnel in order to ask for different technical changes related to S-gteco. It lasted a long time before Sentrec responded. After a while, Sentrec stopped responding, which led to a situation of longer delivery times for Tredoc's customers. Finally Tredoc was able to contact Sentrec's key account manager, and it was decided to set up a meeting in the beginning of 2012. In that meeting Tredoc and Sentrec went through what requirements S-gteco must fulfill and who are the contact persons of both companies. After that, the collaboration started to improve. At the same time, the business grew very fast and PS-1 with S-gteco was a huge success on the exclusive markets of Vintret. Sentrec was not prepared of such volumes, so there were some challenges again in the cooperation related to product development and communication. In accordance with a request from Tredoc, Sentrec made changes to S-gteco and also increased its price. . The increase in price resulted in an internal meeting at Tredoc where it was decided to investigate how much each of the requested changes really cost and what would be a reasonable price for S-gteco. Moreover, in order to improve the communication between the companies, Sentrec received a contact list of persons in charge of certain tasks. After this, there was a meeting between the companies where Tredoc asked for increased prices of S-gtecos. According to Sentrec the price increased because of increasing costs (energy, staff). However, according to Tredoc's investigation, these costs had not increased. The meeting resulted in lower prices of S-gtecos and it was also agreed that Sentrec would make a contact list corresponding to the one that Tredoc had made. Moreover the companies



decided that if Sentrec did not respond to Tredoc's inquire within two days; Tredoc sends a reclamation. Sentrec asked Tredoc for sales forecasts in order to be able to allocate resources in an appropriate way. Tredoc presented forecasts showing that the PS-1 business growth will continue and that in 2012 sales of PS-1 including S-gteco would be over twice as big as in 2011.

In the end of 2012 there was a trade-fair in Germany where Tredoc presented its own T-gteco, which resembled of S-gtecos. Tredoc was still selling PS-1s with S-gtecos, because Vintret wanted to buy PS-1s with Sentrec's S-gteco. Tredoc was selling PS-1s with its own product T-gteco to other market areas at the time, but was planning to offer it also to Vintret in the near future. Sentrec asked Tredoc if it could develop a product similar to T-gteco and start supplying it to Tredoc. Tredoc did not respond to Sentrec's request.

In 2013, the communication difficulties continued. Tredoc sent e-mails to Sentrec and did not receive any answer. A purchaser at Tredoc tried to phone the key account manager at Sentrec, but without result. Tredoc's purchaser called Sentrec's operator and asked to be connected with someone who knows something about Tredoc's and Sentrec's collaboration. A person was reached and Tredoc arranged a meeting with Sentrec in order to solve the communication difficulties. Sentrec's representatives came to Tredoc's office and the companies discussed about the current state of the relationship and communication difficulties. A new contact list was done. From Tredoc's point of view, it was easy to communicate with Sentrec face-to-face, for example in meetings. However, other type of communication did not work well.

In 2014 Tredoc started offering T-gtecos instead of S-gtecos as a part of PS-1s. However, in certain markets the customers wanted to buy PS-1 with S-gteco, and therefore Tredoc was still dependent on Sentrec. . At the same time Tredoc developed a new version of T-gteco: T-gteco2, which was similar to S-gteco but smaller and more compact. The product development was conducted in a short period of time and T-gteco2 was offered and sold already in 2014. Then, in the end of 2014, there was again the annual trade-fair in Germany. At the trade-fair Sentrec presented its new product S-gteco2, which was similar to T-gteco. The different products of the companies are illustrated in figure 3.

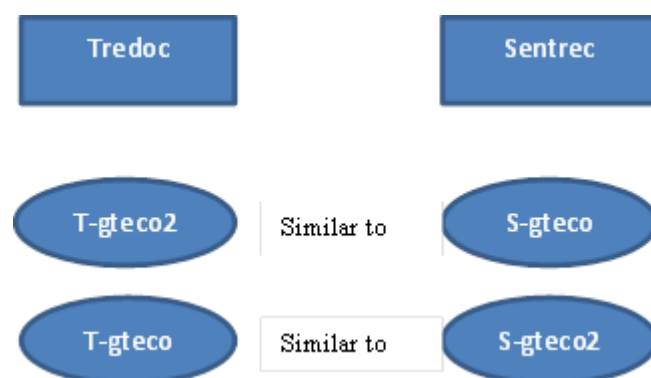


Figure 3. Tredoc's and Sentrec's products.

In the end of 2014 Vintret wanted to decrease costs of PS-1s and therefore it was willing to buy S-gtecos directly from Sentrec. Tredoc started to offer its own T-gteco to Vintret that organized a competitive bidding of gtecos. After that, Tredoc offered Vintret PS-1s with T-gteco2 explicitly cheaper than Sentrec's S-gteco. However, Tredoc in accordance with its strategy, still had a high margin on its PS-1 business. At present Vintret has showed some interest in PS-1 with T-gteco2, but at the time of this study it is still unclear whether the T-gteco2s will be approved.

In the beginning of 2015 there was a meeting between Tredoc and Sentrec, where the contract and price list were renewed. Before this meeting, there was an internal meeting at Tredoc, where the team made up its own strategy for the meeting with Sentrec. The strategy of the team was to maintain the relationship as good as possible because Tredoc would need spare parts of S-gtecos that were still sold in PS-1s. Moreover Tredoc still needs S-gtecos for projects already carried out through Vintret. In the meeting Tredoc presented buying forecast for 2015-2016, and it was apparent that volumes will decrease. Sentrec offered Tredoc its S-gteco2, which is similar to T-gteco, but to a lower price than S-gteco. However, Tredoc was not interested in S-grteco2. Sentrec's delivery reliability needed improvements, and that was also discussed at the meeting.

The interaction between Tredoc and Sentrec has been decreasing over the years, but the companies still have monthly follow-up meetings. The relationship between the companies has also over the years been influenced by several changes of persons in charge of the relationship with Sentrec in Tredoc. Tredoc's organizational culture and way of working is also quite straightforward, so that the new person was not informed about the developments and the state of the relationship. The relationship between Tredoc and Sentrec is still ongoing and the most critical strategy activities on different levels influencing competition are presented and illustrated in Figure 4.

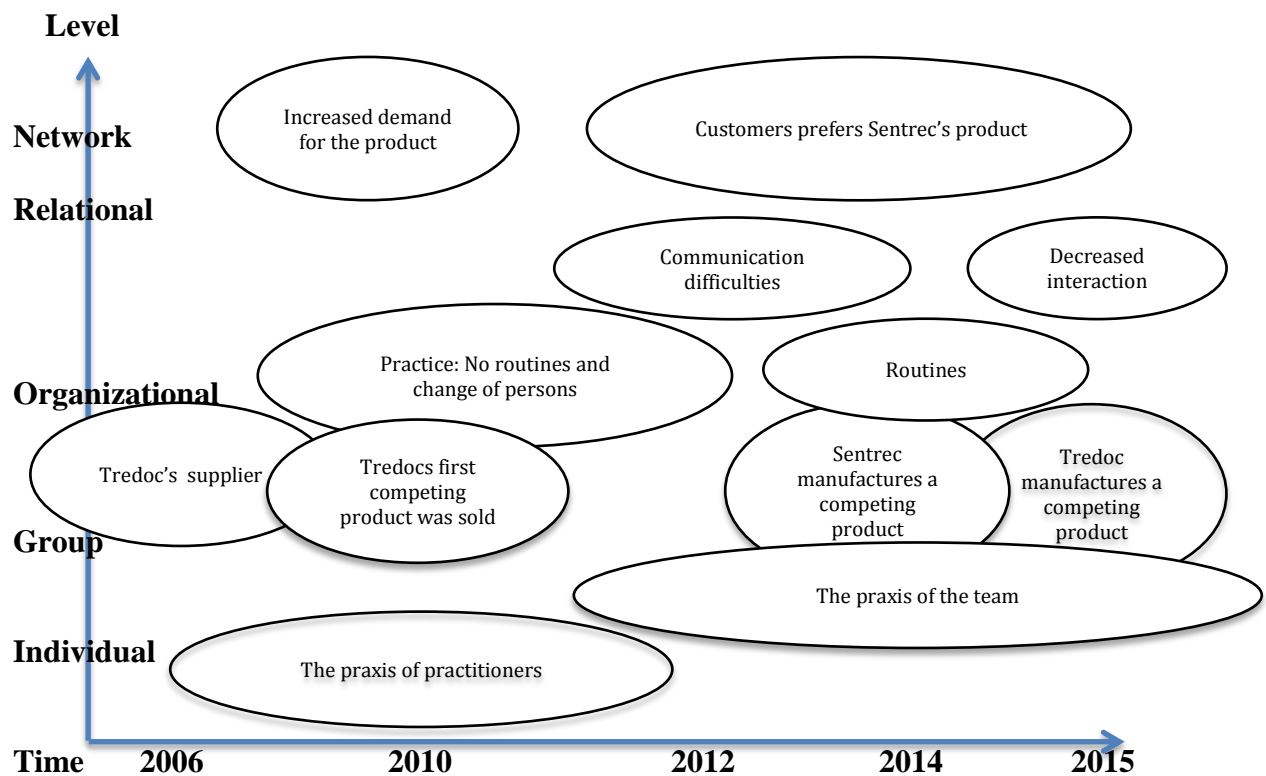


Figure 4: Key practices and strategic activities on multiple levels

In the following section the findings of the study will be analyzed based on the interrelatedness between coopetition strategy practice and praxis on multiple levels.

### Interrelated practices and praxis shape coopetition over time

Based on an analysis of the empirical material, it was possible to distinguish between four periods in time. Each period is characterized by certain activities and practices on different levels shaping the coopetition between the involved companies. In the following the findings of the analysis is presented.

#### *Relational and organizational practices influenced by the network level*

The first phase of the interaction between Tredoc and Sentrec can be called the pre-coopetition phase, which occurred in 2004-2008. This phase is characterized by organizational and relational practices. On a relational level, the companies had a history of cooperation, as Sentrec had been an important supplier for one of Tredoc's divisions since 1996. Therefore it was natural for Tredoc to approach Sentrec in 2006 when there was an increasing demand on the market (the network level) for Tredoc's product PS-1. On an organizational level, Sentrec fulfilled all the necessary quality requirements and had the right classifications. Moreover, Sentrec was more or less Tredoc's only possible supplier for the particular type of product, S-gteco, that would be a part of PS-1.

During this time the relationship between Sentrec and Tredoc was good and according to one of the informants it was characterized by fast replies and a good dialogue. Related to strategy praxis the interaction was mostly based on written orders from Tredoc to Sentrec, which were handled by fax and sometimes by phone.

During the pre-coopetition phase, in another division of Tredoc, there was a development process of a product that could replace Sentrec's product S-gteco. In practice the development was carried out so that the S-gteco was placed next to the preliminary version of T-gteco and the products were tested and evaluated. Sentrec was not informed about this. However, the preliminary version of T-gteco was not good enough to be sold, and therefore Tredoc continued selling S-gteco as a part of its PS-1.

At this phase the relationship between the firms can be described as cooperative and the interaction was initiated based on network level demand. Relational and organizational strategy practice was dominant, whereas the role of the individual strategy practitioner was limited. The tools used for interaction were mostly based on written information in one direction. However, the development of a competing product at Tredoc is related to cooperative activity, and this escalated in the next phase, which was dominated by strategy practitioners and team praxis.

#### *Practitioner and team praxis influenced by organizational practice*

The second phase of interaction between Tredoc and Sentrec can be called "silent coopetition", and it took place between 2009 and 2011. The beginning of this period is characterized by Tredoc's development of a competing product, T-gteco, through activities and praxis by individual practitioners. The individuals working with the product enjoyed the work tasks, and through their independent and joint activities, both a new product and a new way of working was developed. The individuals involved in the product development process were highly committed to their activities.

*And at that time a lot was dependent on the person in question, who took care of things, but I like such things, and it was probably therefore that I was chosen to be the project manager...*

*It was very fun to be involved in creating, not only a new product, but also a totally new way of working...*

*It was x's (a person) baby, our own product...*

The reason for developing T-gteco was to be able to offer a cheaper and better product for the customer. It was also Tredoc's way of working/strategy - to develop an own alternative for products, which "intellectual property rights" (IPRs) are owned by a supplier. However, it was not only the praxis by practitioners that facilitated the development of a competing product, but also the praxis of the team. The product was developed through the interaction between individuals and their differences.

*...it was rather interesting also this...symbiosis how one succeeds in developing such a product...this synergy between different individuals, it is something unbelievable how one is brainstorming everything through.*

The activities of the team, in relation to the opportunities and performance of the team, were related to organizational practice and the lack of routines, control and support. The team was informally set up by committed individuals who created their own way of working.

*...I would not say that there has been any facilitation or some support by management in any way. Rather we have sought us to each other ourselves, in order to do all this...*

*...It was rather easy with this team to create the way of working from the beginning, in such a way that we got this winner (product), and everybody had their straight line where we wanted to go... from a total chaos to a five, ten year strategy-thinking was rather easy, because it was such a young organization. There were no routines yet or someone kind of stuck with some certain routines. Everything was still open and when it was easy, a young team had great energy to get this work.*

During the same time when practitioners at Tredoc developed a product that competed with Sentrec's product, Sentrec was bought by a larger company. This can be seen as an influencing element on the network level. According to an informant this led to worse service quality and decreased delivery reliability. The companies mainly communicated through e-mails during this period.

In 2010, on a network level, demand for PS-1 increased remarkably and Tredoc was able to sell the first PS-1 with its own T-gteco. According to the informants, communication got worse between the companies after this, which again, was negative for the customer because it led to longer delivery times. However, according to one of the informants, it is more or less Tredoc's way of working to blame suppliers for bad communication. The informant says that if there for example is a delay in delivery, purchasers at Tredoc tend to send a couple of e-mails to the supplier and then blame it for bad communication without actively contacting the supplier for example by phone.

However, bad communication can here be considered as a relational practice, as Tredoc did not inform Sentrec about the development of a competing product. According to the informants, the strategy of the purchasing group was to tell about the upcoming competing product, but in reality, nothing was told.

When analyzing the findings from this period it becomes apparent that although the development of a competing product in this particular case seems to be in accordance with organizational practice, it was the praxis of individuals as practitioners as well as their praxis in teams that was influential. The activities by individuals and the team were facilitated by organizational practice related to the fact that there were no routines and a lot of freedom. On a relational level, the strategy practice of two-way bad communication is dominating. The strategic activities of the team continues in the next phase that is characterized by active competition.

#### *Team praxis influencing relational practice*

The third period, here called the active competition phase, in the relationship between Tredoc and Sentrec occurred in 2012-2013 and on a network level it is characterized by a remarkable

increase in demand, which led to a situation where production lagged behind and Tredoc could sell more than it could produce. There were still communication problems between the companies, meaning that Tredoc did not communicate purchasing forecasts and Sentrec was late in deliveries. Moreover Tredoc perceived that Sentrec's prices were too high. These difficulties on a relational level influenced the need of more contact between the companies. Praxis shifted from e-mails to face-to-face meetings. Before meetings on a relational level, the internal team praxis at Tredoc was to meet in order to set up an agenda and strategy for the meeting with Sentrec.

*We always sit down the day before and go through our targets, and what issues each division wants to handle at the meeting, so the meetings are planned in beforehand. And we have noticed that this brings good results, and that is the reason why we have done it.*

*That is why it went so good also with Sentrec, because we really had to internally plan in beforehand, how we would proceed... how we would press Sentrec on prizes, get the communication work and the technical requirements through...First you have to know what you want yourself...*

Based on these quotations it is apparent that these internal team meetings also had a positive impact on a relational level. In the end of 2012, after meeting face-to-face two times, communication from Sentrec to Tredoc was better. According to an informant, communication by e-mail or phone with Sentrec was difficult, but when meeting face-to-face it was much better because then the persons from Sentrec were more communicative and willing to cooperate. However, communication from Tredoc to Sentrec was still somewhat bad, as Tredoc did not tell Sentrec that it actively continued developing new competing products. Moreover, on an organizational level, Tredoc started questioning Sentrec as a supplier.

When analyzing the findings of this period it is possible to say that although remarkable activities took place on an organizational level, related to development and sales of competing products, these practices do not seem to be dominating. However, it was the praxis of the team concerning meetings that influenced relational practice. Activities on team level are also dominating in the next and current phase of the relationship between the companies.

### *Organizational practices and team praxis influencing relational practice*

The last period of analysis is from 2014 to the present and future. This period is characterized by organizational practices influencing relational practice. The organizational practice at Tredoc is here characterized by more routines and "systematic strategic thinking" on team level.

*...those guys think far away in the future...we went from a reactive to kind of a systematic strategic thinking. An evolution has happened there during a couple of years.*

On an organizational level, Tredoc remarkably increases sales of its own products, T-gtecos and T-gteco2s, simultaneously as Sentrec at a trade fair presents a competing product, S-gteco2. Tredoc went to Sentrec's fair section and evaluated S-gteco2 and commented on how

familiar it was to T-gteco. At the trade fair Tredoc organized a meeting with Sentrec. At the meeting Sentrec presented S-gteco2 and Tredoc asked about its price. However, Sentrec did not believe that Tredoc would be genuinely interested in buying and did not give the price information.

*They (Sentrec) also kept a low profile, because it was the first time that we saw it (S-gteco2) at the trade fair. I was not at all aware that they had developed this kind of new product to their portfolio.*

*...kind of half as a joke at the meeting we asked if they could give us an offer of these (S-gteco2), but no... They did not agree for some reason...*

Based on these quotations it is apparent that there were intentional competitive activities going on in Sentrec. At the same time, on a relational level there were delays in deliveries from Sentrec to Tredoc, which in turn had a negative impact on the end customer at a network level. The delays were by Sentrec explained by the fact that the company had introduced a new enterprise resource planning system, which implies that organizational activities harmed relational activities

As far as the future is concerned, it becomes apparent from the findings that Tredoc will eventually replace Sentrec's product S-gteco with its own (T-gteco and T-gteco2). It becomes apparent from the interviews that the praxis of the individuals and the team are influential here, both concerning the way of working and the quality of the product

*...I believe that it is just what person x is implementing now, or that person x together with the team somehow have been able to speed it up... We have succeeded with our own product and in a couple of years we will probably go fully with our own products.*

However, Tredoc is still dependent on Sentrec because former customers want a product including S-gteco. This implies that no matter the praxis of the individuals and the team, and the practices of the company, on a network level, a customer may have large importance on shaping intercompany competition. That is why this period can be called the forced competition phase.

The findings of the study are summarized in table 1 where activities in blue have an influence on activities in green during a certain period of time.

Table 1. Coopetitive activities on multiple levels.

	<b>Pre-coopetition phase</b> 2004-2007 <i>Relational and organizational practices influenced by the network level</i>	<b>Silent coopetition phase</b> 2009-2011 <i>Practitioners and team praxis influenced by organizational practice</i>	<b>Active coopetition phase</b> 2012-2013 <i>Team praxis influencing relational practice</i>	<b>Forced coopetition phase</b> 2014- <i>Organizational practices influencing relational practices.</i>
<b>Network level</b>	<b>Increasing demand</b>	<b>Limited role</b>	<b>Demand increased remarkably</b>	<b>Effects of late deliveries</b>
<b>Relational level</b> Practice Praxis	<b>Good relationship</b>	<b>Worsened relationship</b> bad communication	<b>Communication difficulties</b> meetings	<b>Decreased interaction</b> meetings
<b>Organizational level</b> Practice Praxis	<b>Taking over a new business area</b> new product development fax, phone, e-mail	<b>Organization's way of working</b> new product development, no routines e-mail, phone	<b>Questioning the supplier</b> new product development, sales of competing products e-mail, phone	<b>Increased sales of own products</b> routines of working e-mail
<b>Team level</b> Practice Praxis	<b>Limited role</b>	<b>Create their own way of working</b> new product development	<b>Growing role in the maintaining of the supplier relationship</b> internal meetings	<b>Routines for working</b> systematic strategic activities development of competing products
<b>Individual level</b> Practice Praxis	<b>Limited role</b>	<b>Major role</b> new product development	<b>Decreasing role</b>	<b>Limited role</b>

Based on the table it is apparent that coopetition strategy over time simultaneously occurs on different levels. Moreover the findings indicate that in the first two phases in time, higher level activities influenced lower level activities, while in the following two phases lower level activities influenced higher level activities. Next, the most important findings will be discussed in light of existing literature on coopetition and strategy-as-practice.

## DISCUSSION

The findings of this study show that inter-company coopetition is shaped by activities on different levels. In comparison with Dahl et al. (2016) we introduce the perspective of time in relation to strategy activities on different levels. Our findings show that from a time perspective, different strategists, practices and praxis seem to shape coopetition in various ways. We also identify how praxis and practices are interrelated on different levels and the findings are in line with Seidl and Whittington (2014), who argue that individual praxis are influenced by practices on a more macro level, such as the organizational level. In addition to this, our findings also show that praxis on an individual level may influence coopetition practice on organizational and relational levels. The findings of this study show that both



individual and team level practices are relevant to consider. Recent literature within strategy-as-practice has mainly focused on the individual, or the strategy practitioner, although the importance of interaction between practitioners has been stressed previously (Whittington 1996).

The findings of our study are in line with the findings by Yami et al. (2008), who found that an origin of cooperative dynamic capabilities is the individuals with their mental models and entrepreneurial spirit. Mental models are related to openness and entrepreneurial spirit to ambition. However, our findings are different from most of the other research on cooperation from an individual level, as we do not focus on inter-individual cooperation, but the praxis of strategy practitioners in relation to shaping and being shaped by the company level and/or the cooperation between companies.

Previous literature has distinguished between emergent and deliberate (Mariani 2007; Dahl et al. 2016) cooperation strategies. The findings of this study are somewhat different as they indicate that cooperation from a practice perspective can be deliberate from the perspective of individual level and emergent from relational perspective. Based on the findings of our study it is possible to question the division of cooperation strategy on different levels into emergent and deliberate and how these are related over time. Although the company strategy may be deliberate, emergent activities on individual or team level may be more influential on inter-company cooperation than the deliberate company strategy.

Based on the findings of our study it is also possible to question the separation/integration logic when it comes to managing cooperative business relationships (e.g. Fernandez et al., 2014). Although it on a company or relational level has been agreed to separate between cooperation and competition this may not be done in practice on team and/or individual level. The activities on individual and team level may again influence the separation and integration logic on company and or relational level.

As far as the strategy-as-practice literature is concerned, strategic practices are traditionally viewed as “everyday activities” (Jarzabkowski 2003), whereas the findings of this study indicate that practices also should be viewed from the perspective of development, change and interrelatedness with other practices. The findings of the study are in line with Jarzabkowski (2003), who view strategic practices both from the perspective of continuity and change. According to the findings, both strategy praxis and practice can be temporary and do not necessarily have to be long-term and rooted. The reason therefore is that they are related and simultaneously occur on different levels and a change on one level may lead to changes on other levels. The findings show some practices on organizational level; lack of routines and rapid change of employees, which again influenced team praxis and relational practice.

## CONCLUSIONS

Based on the findings from this study it is possible to conclude that cooperation does not only occur as a deliberate strategy on a relational or organizational level. Instead, cooperation develops over time as a consequence of interrelated strategic practices and praxis on multiple levels. The activities by individuals and teams are highly influential when it comes to shaping cooperation strategy on several levels.

From a theoretical perspective the finding of this study contributes both to coopetition research and research on strategy-as-practice. The use of the strategy-as-practice approach to coopetition research is a contribution because it brings the doing of strategy to coopetition research. Moreover this study brings the individual in coopetition into focus and how the praxis of individuals is related to coopetition strategy on other levels. As far as strategy-as-practice research is concerned, the findings of the study show the need of distinguishing between relational and organizational practice as well as individual and team praxis. This study brings an intra-firm coopetitive context into strategy-as-practice research which traditionally focuses on an inter-firm context.

From a managerial perspective the findings of the study show that activities by individuals and teams within the company may be influential when it comes to coopetitive activities between companies. The findings also indicate that an open and flexible organization structure without routines may sparkle individual praxis that, again, may influence coopetitive practice of the organization on a relational level.

A limitation of the study is that the empirical material relies on the perceptions of informants from only one of the companies involved in the case. A possibility for future research would therefore be to also involve informants from the other company. Future research should continue investigating the doing of strategy on different levels and how these are related in time. Special focus should be on individual- and team level, as these seem to have a great implication on company-level coopetition activities. Another avenue for future research is to improve our knowledge of coopetition-as-practice from the perspective of a net or group of companies engaged in coopetition. Moreover it would be interesting to study strategy as an activity on different levels in relation to the development of a business relationship based on cooperation and competition. As the findings of the study indicate that strategic sayings and intentions several times are different than strategic activities in practice, future research should explore the relationship between these.

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