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INTER-FIRM COOPERATION AND INTERNATIONALIZATION PROCESS: THE EXAMPLE OF POLISH MANUFACTURING COMPANIES

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Abstract

The purpose of this article is to explore the selected aspects of inter-firm cooperation between the manufacturing firms and their partners. Authors aim also to empirically investigate how this cooperation allows performing a successful internationalization and gaining competitive advantage on the foreign markets. Analysis is carried out on a sample of 7 Polish manufacturing companies that are cooperating with foreign suppliers or customers on a regular basis. Data were gathered using a tailored questionnaire distributed via e-mail. The results show that Polish companies rarely choose cooperative entry methods when aiming for internationalization of their operations. They do not perceive a direct link between cooperation with other Polish companies and the success of internationalization. These results are in line with other research. The conducted study shows that the problem of improving a manufacturer's competitive position on international markets by developing business relationships is still complex and requires further exploration.

Keywords: Manufacturing, Inter-Firm Cooperation, Business Relations, Business Relationships, Internationalization, Foreign Markets, Competitiveness, Competitive Position

1. Strategic Relationships and Cooperation on Foreign Markets

The constant digitalization of processes and business functions within an organization allows to incrementally withdrawing from the business models based on internal integration. Therefore, the importance of intangible assets rises as they are seen as the dominant factor determining the development and success of a contemporary enterprise.

An example of such intangible resources is relationships between organizations, developed and exploited to enhance the competitiveness of engaged parties. The traditional marketing theories underline the dependence between company's success and its relationships with suppliers and customers. However, in the turbulent economic environment it is equally important to establish horizontal cooperation with other market participants: immediate competitors, producers of complementary goods, administration authorities or other stakeholders. The purpose of this article is to explore the selected aspects of inter-firm cooperation between the manufacturing firms and their partners. The abstract of this article has been presented and published at the Make Learn & TIIM 2015 International Conference.

1.1. Theoretical Background

Cooperation of companies can be defined as common undertaking of a business task by two or more independent entities. This undertaking is a result of an established relationship and should be based on active involvement of all parties (Ratajczak-Mrozek, 2012). Joint operations are voluntary, compatible and complementary. Cooperation allows partners to either fulfil common goals, reach for benefits while achieving different goals neutral to each other or prevent other entities from attaining goals which are discrepant (Wasiluk, 2013).

In marketing theory, two approaches to inter-firm relations can be differentiated. In the transactional approach, the companies perform only short-term interactions, concentrating on occasional buy-sell agreements with limited contacts and attachment to the other side of the deal. The relationship approach, by contrast, assumes that long-term relationship building during the process of economic exchange (Malys, 2013).

The classification criteria of inter-firm cooperation vary due to the diversity of the cooperation forms, goals and areas affected by this phenomenon and the diversity of firms existing in the contemporary economy. The most common types of cooperation are: horizontal/vertical, formal/informal, one-dimensional/multidimensional, requiring or not requiring capital commitment (Wasiluk, 2013).

Traditional marketing concepts underline the dependence between the success of an enterprise and its interactions with the suppliers and customers within a supply chain. Lately, it is more and more critical to create relationships also with other market players: direct competitors, producers of complementary goods, state authorities, municipalities, lobbyists, local communities and other stakeholders (Malys, 2013).

Firms cooperate with each other to gain a number of benefits, that is:

- market benefits (increasing the customer base or entering new markets, including abroad)
- product and technology benefits (access to resources, innovations, technologies)
- information benefits (learning possibilities, transfer of knowledge and capabilities)
- organizational benefits (increasing the flexibility and effectiveness of processes)
- financial benefits (economies of scale, financing a costly investments)
- brand/image benefits (building the positive image and reputation).

Other benefits also mentioned in various research papers are: mutual protection of common interests, increasing the bargaining power, lowering the operational risk (Ratajczak-Mrozek, 2012).

Researchers rarely mention the risks that follow the establishment of a business relationship. However, it is important to mention the risk associated with the loss of control of a part of value chain or business functions that are outsourced, and also the risk of opportunistic behaviour or dishonesty of a business partner. Also, the attempts to form a steady cooperation links often end with failure, because it may happen that the engaged parties focus on the operational results rather than common strategic goals (Pekkola, 2013).

1.1.1. The Forms of Inter-Firm Cooperation

Business cooperation can take many forms that depend on the strength of a relationship, capital engaged in the common undertakings and benefits that the parties aim for (Ratajczak-Mrozek, 2009a).

The most advanced and formalized forms of shaping relationships within strategic networks include joint venture (that result in a forming of a new entity) and strategic alliances (that significantly influence the strategies of engaged firms and require sharing their resources and capabilities). Some authors (Barnes *et al.* 2012) also distinguish strategic partnerships or minority equity alliances, where one company engages in a strategic project through a buy-out of a minority stake in another firm. Special types of relationships are also licencing and franchising. These two forms often become a foreign market entry mode for a firm.

The most plain and common type of cooperation are buyer-seller relationships, which may evolve into logistic networks: JIT systems, procurement alliances (joint negotiations using partner's bargaining power or joint warehousing of purchased goods), distribution alliances (joint sales or after-sales service network) (Mazur, 2011). "Supply network" gradually becomes a substitute for the traditional term "supply chain", as it more accurately describes the complexity of contemporary systems between the producer and end user (Braziotis *et al.* 2013). Cooperation in the field of business functions can result in R&D alliances, common design and manufacture of a product or even marketing coalitions between partners (Barnes *et al.* 2012).

1.1.2. Network Approachto Inter-Firm Cooperation

Network approach encompasses the concept of increasing the company's competitiveness by developing a network of formal and semi-formal relationships with other actors in business environment. An enterprise is a mere element of a wider net that is the system of entities mutually entwined and influencing each other. The network approach derives from the resource based view, transaction cost theory, actor-network theory, a sociological theory of social exchange and behavioural theories of a firm (Dzidowski, 2011).

It is said that a company operating in a specific market more or less consciously enters into relationships with its closest partners, who have their own multilateral links to further actors (Ratajczak-Mrozek, 2010). Therefore, relationships within a network can either be direct or indirect, while the whole system is often extensively created regardless of a company's will or consciousness (Ratajczak-Mrozek, 2009b).

Benefits from being a network element differ according to the country of origin. In developed countries, firms are widely supported by organizations promoting entrepreneurship. In developing markets the environments characterized by a scarcity of resources, progressive liberalization and lack of adequate laws and regulations. Network often take over from the underdeveloped market mechanisms, help to protect from operational risk and lack of respective business environment institutions (He and Wei, 2013).

In a more traditional approach, business network is formed as a result of establishing and strengthening relationships between independent entities in an evolutionary and unplanned way, sometimes even accidental. None of the engaged parties performs a dominant role in the system. Opposite view is presented in the strategic network concept, where a network is a result of an intended strategy realized by a network leader. The choice of partners made by the leader is conscious, as well as the coordinated flow of information and resources within a network and imposed cooperation rules. The ties between respective partners in a strategic network are usually formalized (Mazur, 2011).

In order to decrease the risk of its operations, a company should actively design, shape and exploit its own supply network. The higher network complexity (defined as a number of nodes and flows between them), geographical density and criticality of a network, the lower network reliability (Adenso-Diaz *et al.* 2012). Also inseparable attributes that enhance the cooperation stability are social factors: engagement, loyalty and trust (Wasiluk, 2013). According to the transactional cost theory, formal contract concluded by the enterprises do not contain all of possible situations that may happen during their execution. Meanwhile, companies can display opportunistic behaviour and tend to fulfil own goals and interests, not infrequently at the expense of the other side of the deal. The common interactions, while proceeding in line with mutual expectations and drawing in measurable benefits, contribute to the gradual development of mutual trust (Malys, 2013).

The subject of business networks also encompasses the concept of business clusters. The term is defined as a group of companies and related institutions located in a specific geographic area and active in a specific branch (Giuliani, 2013). Opposite to the idea of strategic network, the concept of clusters is based on the physical proximity of the cooperating entities and their level of linkage with the institutional environment. The ties within a cluster often take form of coopetition, encompassing together both cooperative and competitive relationship (Kowalski, 2013).

1.1.3. Internationalizationof a Firm

Internationalization of a company is defined as a process of undertaking and developing operations outside the frontiers of a focal country. One of the most widespread concepts of internationalization is the Uppsala incremental model. In this theory, internationalization is a result of gradual decisions to engage more into the foreign activities, after progressively gaining knowledge and experience on specific markets (Johanson and Wiederscheim-Paul, 1975). It is assumed that the process of internationalization is forerun by the success on the local market, and that the company chooses the closest markets in terms of geographical and cultural proximity and the basic entry modes like export in the first place.

As the time went by and the changes in the world economy progressed, the companies started to internationalize in a way not compatible with the incremental models. Further opening of the national economies and the transportation and communication revolution forced the researchers to establish more actual concepts like unconventional internationalization, simultaneous internationalization, intention-based model, the concept of born-global firms or network approach to internationalization (Witek-Hajduk, 2010).

1.1.4. Network Approach to Internationalization

In the above-mentioned concepts, internationalization process is analysed from the point of view of a single firm. Internationalization from the point of view of a network is seen as a result of establishing relationships and building a cooperation system with foreign partners; an extension of local relationship network into international markets. Being a part of an international network, a company gains an opportunity to acquire resources useful in developing its presence across borders (Ratajczak-Mrozek, 2009a).

The local and international markets differ from each other in many dimensions. An internationalizing company often has a limited knowledge about customers, suppliers, competition operating in the target country. Expanding operations and at the same time overcoming the limitation of being a foreigner depends on company’s ability to exploit knowledge gained within an international business network (He and Wei, 2013).

In a situation when a company as well as other network members are characterized by low internationalization level, the access to foreign markets is limited. Small number of less significant connection leads to a low level of market knowledge in a specific country. When such situated company decides to enter foreign market, it becomes so-called lonely international and starts to gradually develop own network of connections on that market. An “international among others” firm is able to fully develop its international operations by the means of the access to external resources, controlled by other companies that belong to the international network. On the other hand, when the internationalization level of a network is much higher than the internationalization level of the company, it takes the position of a “late starter”. Such position is not much beneficial for a company, but it can efficiently use the existing connections and undertake its first steps toward international markets (Ratajczak-Mrozek, 2009b).

1.2. Internationalization Level and Competitive Position on International Markets

A significant topic in the field of internationalization is the measurement of its level. To examine and compare internationalization levels of a group of companies, one has to select a set of characteristics that indicate advanced international operations (so-called globalization dimensions) and then operationalize them (define the measurable indicators). Romanowska (2009) suggests the 3 groups of globalization dimensions: structural (number of countries, number of foreign offices, number of offshore alliances, a share of assets/ revenues/ employment abroad in total assets/ revenues/ employment), operational (size of sales abroad, a sum of revenues from foreign branches) and behavioural (abroad orientation, management style, management experience, knowledge of foreign languages). Gołębiowski and Witek-Hajduk (2007) propose a weighted average of shares of foreign assets, sales and employment in the total values of assets, sales and employment in a company as a popular and synthetic indicator of internationalization level.

A competitiveness of a company in an international environment is specified by its competitive potential, competitive advantages and competitive position. The latter is defined as a result of company's assessment with reference to its competitors in a specific sector (Daszkiewicz and Wach, 2013). Competitive position is a dynamic phenomenon and as such can be actively shaped by a company. It can be measured with the effectiveness indicators that show the level of resources utilization, like the financial results (profitability ratio, liquidity ratio, debt-to-equity ratio, relative cost level), sources of the competitiveness potential (innovations, R&D activities, investment level) and the external relationships development (Daszkiewicz and Wach, 2013). Market position can also be measured by the shares of company's production or sales in production or sales level of all the companies operating in the market. Relative market share calculated this way shows the level of matching company's activities to the customers' preferences; meanwhile, financial ratios show the efficiency in striving for the favourable financial situation (Dzikowska and Gorynia, 2012). Other more qualitative indicators of company's competitiveness are: product attributes compared to the products of competitors, level of customer loyalty, the knowledge of the firm displayed by others and the company's perception on the market (Gorynia, 2000).

1.3. Internationalization and Cooperation of Polish Companies – Research Review

Jarosinski (2013) reviewed the academic research concerning the internationalization of Polish companies, conducted in 1990-2011. In the 1990s and first half of 2000s, the problem of internationalization was not popular among scholars. Only 23 research projects were identified that apply to the subject of foreign operations of Polish companies, of which only 6 concerned exclusively the process of internationalization. The issue of companies' cooperation was brought up only indirectly via the examination of export modes, licencing, franchising, joint ventures and international strategic alliances. However, after 2004 the subject of internationalization generated more and more attention from Polish researchers. They started to conduct studies which concentrated solely on this issue (60 projects realized between 2004 and 2011). Increased popularity of the concept of network internationalization led to some research concerning the impact that the cooperation of companies has on their internationalization process. Selected examples of such research are presented below.

In 1999 and 2004 Daszkiewicz (2004)carried out a research project entitled "Medium and small enterprises and the role of private industry in Poland and Hungary: the example of consumer industry". In 1999, 94 medium and small Polish firms from the region of Gdansk took part in the study, of which only 7% declared cooperation with foreign partners. In 2004 only 41 companies agreed to reiterate their participation in the project, of which less than 10% claimed that they actively cooperated with foreign partners.

Internationalization modes were analysed by Gołębiowski *et al.* (2008)in the research project "Business models of Polish enterprises", carried out on the basis of a sample of 153 companies operating in various sectors. The analysis led to conclusions that Polish firms strive to improve their competitive position by cooperating with each other and enhance their bargaining power by joining the producer or sales groups. Their commitment to cooperative entry modes is rather low: only 12-17% (depending on the target country) enter the foreign markets via joint ventures, and only 10-11% cooperate in the forms of franchising or licencing across borders.

Business models implemented by Polish enterprises on international markets and their relationship potential were also the subject of research by Sagan (2015). This study ends with conclusion that Polish companies do not manage their operations via a portfolio of business models. A significant factor explaining this is low intensity of cooperation within international networks and its over-formalization. The process of relationship development in foreign markets is sequential, as well as the expansion into foreign markets.

One of the first researches that focused on the direction and impact of the cooperation among companies on their activities during internationalization process and their competitiveness on international markets was conducted by Gorynia and Jankowska in 2006-2007 (Gorynia and Jankowska, 2008). The subject of the research was 56 companies from Greater Poland, cooperating as part of 3 clusters: furniture, boiler and automotive. The significant part of the research was the impact of cluster participation on the internationalization of the companies.

The firms' representatives who were subject to in-depth interviews claimed that the cooperation with other Polish companies did not noticeably impact their internationalization. In the furniture cluster a moderate significance was attributed to the cooperation with suppliers and customers, while in the boiler cluster also to the cooperation within branch organizations. Companies belonging to the automotive cluster did not perceive any connections between cooperation with local firms and their international activities at all. In single cases, some companies managed to obtain contact details to a potential partner from other firms from the same cluster. Therefore, respondents were not really convinced of a strong impact of inter-firm cooperation on internationalization process (Gorynia and Jankowska, 2008).

In 2009, Golębiowski and Lewandowska conducted research focusing on the cooperation among Polish companies: its motives, scope, factors influencing its lifespan and the problems that come along (Jarosinski, 2013). The research sample consisted of 155 electromechanical firms. One of the basic conclusions is the statement that the companies prefer to independently carry out their tasks and those who decide to cooperate generally choose Polish partners. Cooperation with foreign partners, if established, concerns the common acquisition of raw materials or semi-finished products and common transportation activities. About one third of the examined companies outsource their R&D activities to local partners and only 12-16% to foreign partners. Production of materials and components were outsourced to local partners in 41% of cases and to foreign partners in 28% of cases (Jarosinski, 2013).

Internationalization modes with particular focus on cooperation with foreign partners were also analysed in the project entitled "Determinants of the internationalization process of Polish construction companies" by Posadzinska (2011). Specific conditions that rule the construction business determine the vibrant development and exploitation of various network relationship forms (like cooperative or contractual links). However, research show that little percentage of companies used this cooperative inter-connectedness to enter the foreign markets. Among these companies, most popular entry mode was the strategic alliances with general contractors (35%) and contracts with the foreign investor (25%).

Research on the dependencies between cooperation and internationalization were also examined in the project entitled "Cooperation between firms in their internationalization processes: Analysis of Polish medium enterprises". The authors were particularly interested in the influence of the cooperation and internationalization on company's results. The research sample consisted of 205 medium enterprises. The foreign partners were classified according to their role in the value chain into suppliers, customers, competitors and intermediaries. The research shows again that the Polish companies are more eager to cooperate with Polish partners than with foreign ones. The most popular cooperation is established with the customers: the researched firms cooperate with 4 foreign customers on average (Mazur, 2011).

One of the most comprehensive researches on internationalization within the cooperation networks in Polish academic literature was carried out by Malys in 2011-2012. The author aimed to recognize the impact of cooperation strength on company's results in an international environment. The results show that companies most often develop structured cooperation with suppliers and customers, while cooperating within horizontal dimension is declared by less than a half of respondents. It is not uncommon that initiating such collaboration is not even considered by the firm. Meanwhile, the researched companies declare a strong involvement in maintaining and developing existing cooperation links with foreign partners and high level of trust towards them. Close relationships with foreign partners can lead to decrease of operational costs and enhancing the company's ability to react to market opportunities and consequently increasing the level of own competitiveness (Malys, 2013).

2. Research Method

In contemporary research concerning the network internationalization, the interdependencies of cooperation between industrial enterprises and economic effects of such activities, measured by their competitive position on international markets, were not sufficiently recognized. Moreover, with an exception of M. Gorynia's team, statistical methods which would verify the hypotheses were not applied.

The aim of the presented research is to analyse the strategic relationships and cooperation of Polish industrial companies which expand their operations into the foreign markets, and their competitive position on those markets as well as internationalization level. The supplemental aim is to also investigate, if Polish exporters think about foreign markets as a strategic direction while choosing their strategic competing areas. To achieve those goals, a quantitative research method was adopted and a dedicated questionnaire was prepared and sent in September 2014 via e-mail to companies' representatives (either export managers or relevant board members). The examined companies were selected by means of purposive sampling and the set of selection criteria were determined. All of the companies subject to the study were operating in industrial manufacturing (section C in Polish classification of economic activities), their minimal level of export share in total revenue was 2%, and the dominant ownership belongs to Polish capital. To create a list of respondents, a ranking of 2000 biggest Polish companies prepared by Rzeczpospolita weekly and a list of exporters by Polish Exporting Association were used. The total number of companies which received the questionnaire was 187. Due to the fact that only 7 responses were collected, the results were not representative to the general population of Polish exporters and the previously planned quantitative analysis with statistical methods was not possible to perform.

2.1. Research Sample

The properly completed questionnaires were sent back by 7 industrial companies, what stands for 3.74% of initial sample. All of the presented companies have Polish owners. The names of the companies and their specific fields of operations are presented in the Table 1.

Table 1. List of analysed companies

No.	Name	Industry
1	Verano	Manufacture of central heating radiators
2	Tabal	Metal processing
3	Agram	Fruit and vegetable processing
4	WSK Tomaszów Lubelski	Aircraft industry
5	GT85	Machine industry
6	Sipma	Agriculture machinery manufacturing
7	Grupa Azoty	Chemical industry

Source: Self-reported data

The majority of the researched companies represent the SME segment (with the exception of Sipma and Grupa Azoty). The level of internationalization of the companies, measured by the export share in total revenues, did not exceed 30% on average. However, the export-to-revenues ratio increased significantly when compared with 2004 (the year Poland joined EU).

3. Results

In general, the companies that took part in the research manage their operation on foreign markets well, achieving high market share for some products or product categories. It is a sign of a rapid learning of new markets since 2004. However, the majority of companies are active on international markets since before 2004, so the Poland's accession was a factor that not initiated but rather accelerated the internationalization process.

More and more companies enter non-European markets. On the other hand, only two of the companies decided to establish a foreign office. Still, a dominant market entry mode is direct export with independent agents and intermediaries as a foreign partner. None of the companies established a strategic alliance with foreign partners. Only one of the companies (Verano) employs expats that constitute the knowledge and experience base aiming at development of more complex relationships with foreign market actors.

3.1. Cooperation of the Researched Companies on the Polish and Foreign Markets

The researched companies recognize various levels of correspondence between the cooperation with Polish partners and their own export strategy. The highest importance in internationalization process was assigned to cooperation with Polish suppliers. Also participation in a cluster is seen as a favourable circumstance in an internationalization process. The research companies also appreciate the procurement alliances, joint warehousing and using partner's distribution channels on foreign markets. The presented data imply that Polish companies gradually overcome the reluctance to the cooperation in the fields of distribution and logistics. On the other hand, the remaining activities related to cooperation on Polish market were assessed as insignificant for the export development (see Figure 1.)

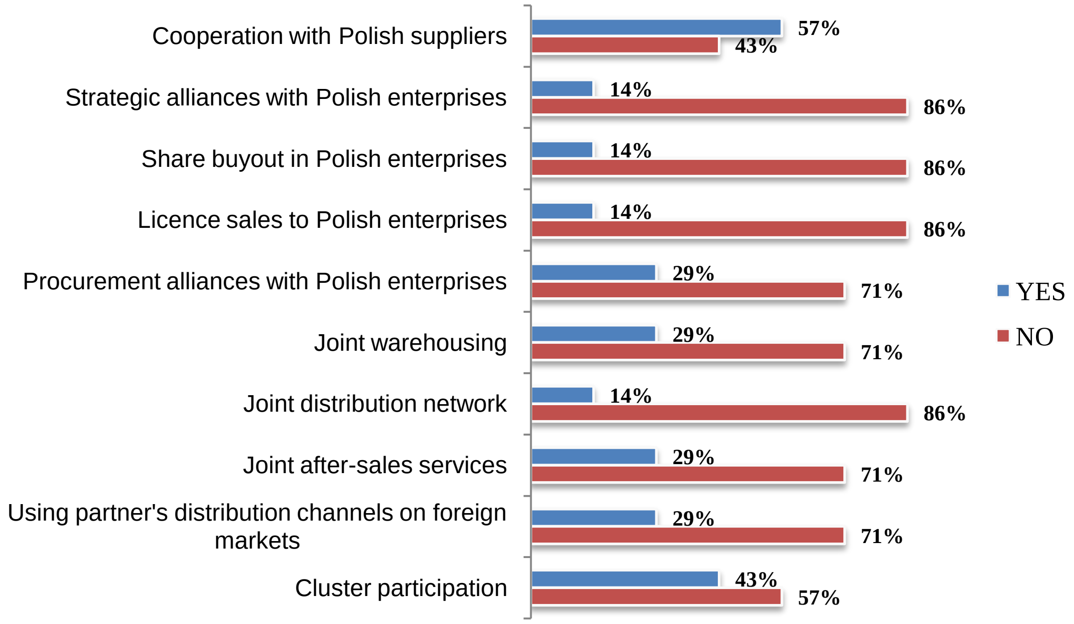

Figure 1. The significance of different cooperation modes with Polish partners
Source: Self-reported data

The scale and scope of cooperation between the researched companies and foreign partners is limited (see Figure 2). This conclusion is consistent with the results of other research on Polish companies in this matter presented before. The most common activities are joint marketing and promotion, after-sales services and R&D. However, none of the researched companies entered a strategic cooperation via alliances, joint ventures or capital buyouts. It may be explained by the fact that the majority of the companies cooperate with only one foreign partner. What is more, only one of them is a group leader and a cluster member on the foreign market. That implies that there is lack of foreign partners with whom more advanced cooperation modes could be developed, and that the position of the researched companies in the international networks is too weak to actively create deeper and more complex relationships.

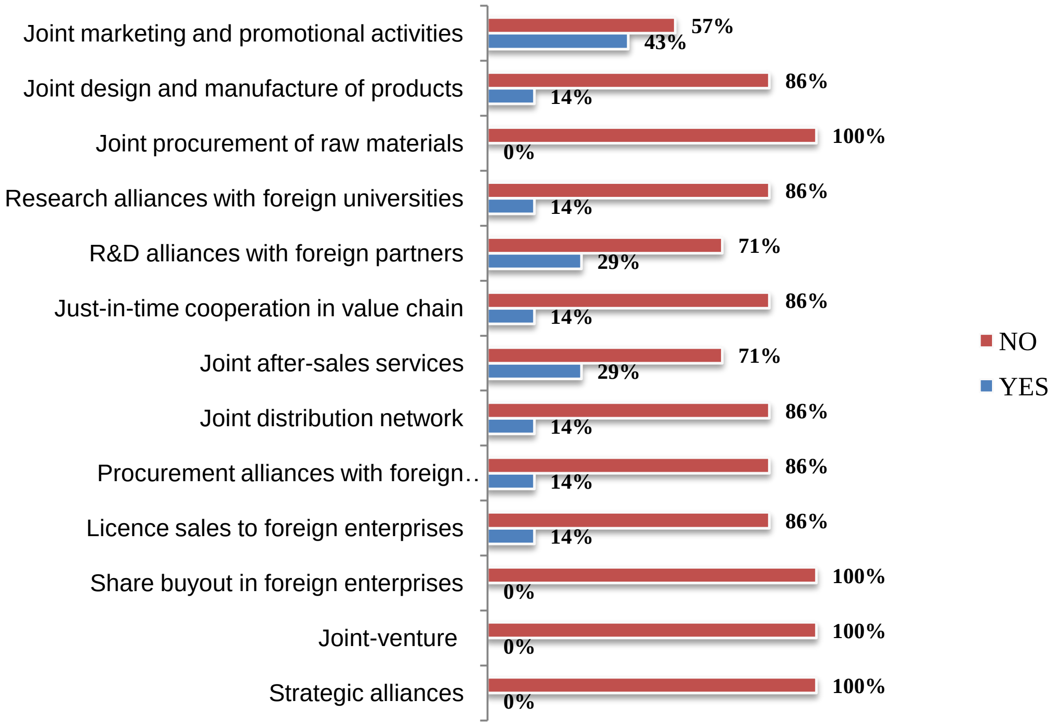

Figure 2. The significance of different cooperation modes with foreign partners
Source: Self-reported data

3.2. Strategic Competitive Areas

The development and execution of a strategy on international markets is a key success factor that determines the strategic orientation of a company. Not all of researched companies have their strategy verbalized in a formal document, which defines the role of the business partners in the future position on international markets (see Table 2). The strategy constitutes the foundation of the activities that engage strategic resources to maximize the effects in the strategic competitive fields on international markets.

Table 2. Internationalization strategies in the researched companies

	Does the company have an expansion strategy?	To when?	Does the strategy define the role of the business partners in the future?
Company 1.	Yes	2015	Yes
Company 2.	No	-	-
Company 3.	Yes	-	Yes
Company 4.	No	-	-
Company 5.	No	-	-
Company 6.	Yes	-	No
Company 7.	Yes	2020	Yes

Source: Self-reported data

Strategic competitive fields are the areas where a companyis able to build and develop competitive advantages on international markets. The choice of strategic competitive fields is strongly influenced by the perceived image of future environment and competition. In the questionnaire we suggested the six processes that may influence the world economy in the near future for the companies to assess their importance. EU crises and globalization of the world economy are perceived as most influential. The remaining phenomena are seen as significantly less important, despite their unquestionable intensity and influence on other areas. That may indicate that the researched companies recognize the business environment elements selectively and therefore their ability to choose the proper competitive areas is limited.

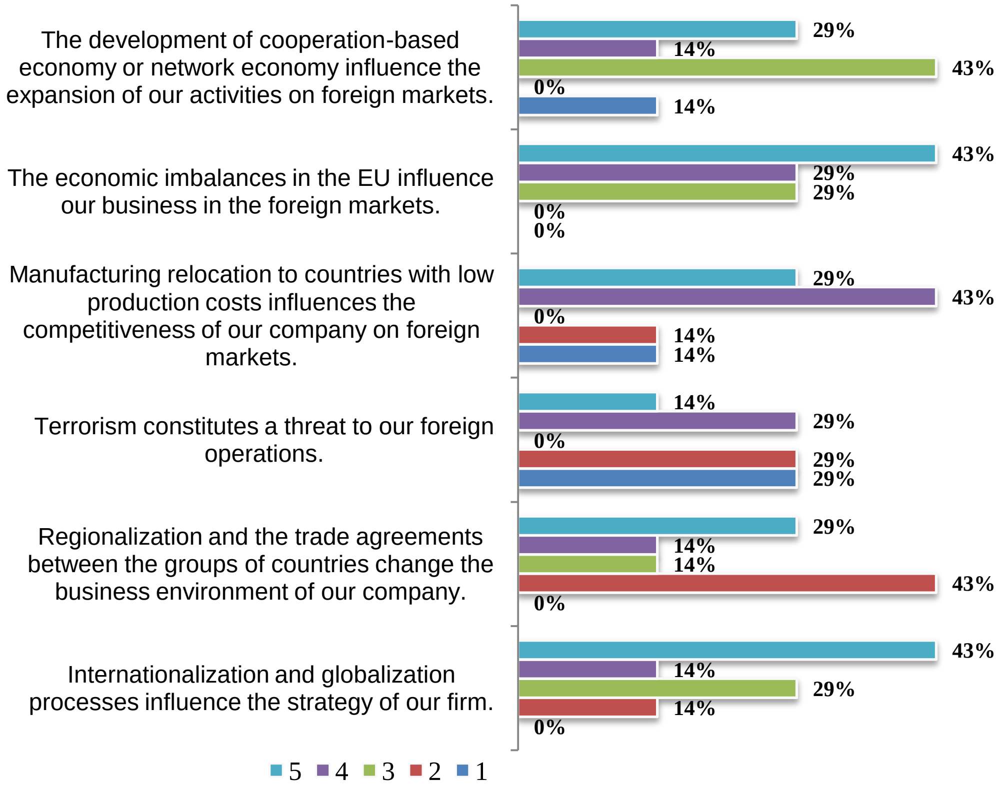

Figure 3. The awareness level of the future challenges in the business environment
Source: Self-reported data
Notes: Scale 5 – highly relevant, 1 – not relevant.

Another aspect that influences the process of strategic competitive fields selection is the image of future competition environment and the ability to react in the new market conditions using the new or modified competition strategies. On Polish market, Polish companies mostly use the cost leadership strategies or gain competitive advantage by building close relationships with their clients, especially in B2B environment (see Figure 4). Similar strategies are also stretched out into the foreign markets (see Figure 5). The opportunities-seeking based strategies also gain importance. Overall, we conclude that the new, more aggressive competition forms may result in more optimal selection of strategic competitive fields.

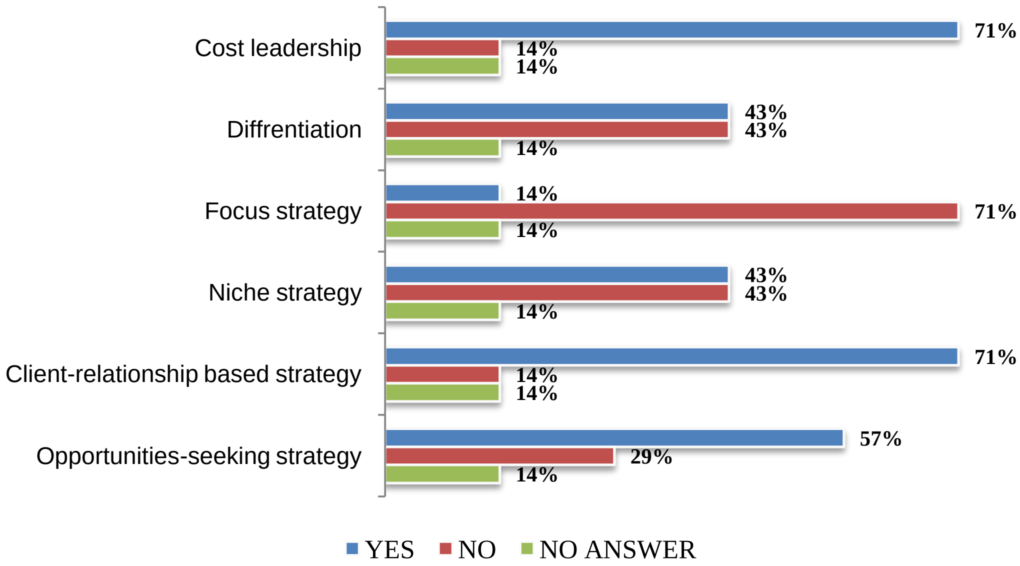

Figure 4. Competitive strategies of Polish companies on Polish market
Source: Self-reported data

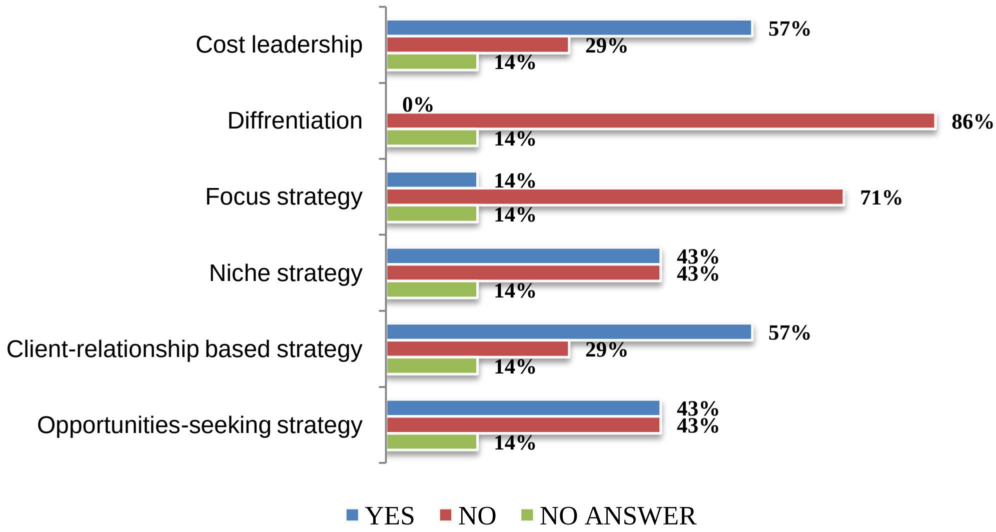

Figure 5. Competitive strategies of Polish companies on foreign markets
Source: Self-reported data

In the future business environment it is essential for the company to blend into this environment by developing differential and sophisticated relationships with others. The collected data unambiguously signalize that the scope and level of cooperation between researched companies and their business partners is not sufficient to be blended into the environment. Therefore, is may be useful to further exploit IT tools that increase the company's mobility and elasticity. The majority of the researched companies declare that use IT technology to conduct their businesses efficiently (see Table 3). However, the applied tools are rather standard and do not overhaul the tools used by competition. They also do not contribute to the virtualization of the researched companies.

Table 3. The scope of IT technology exploitation in the fields of data processing and client relationship management

In your opinion, does your company use IT techniques effectively to conduct business, collect and process the data, manage the client relationships and the cooperation network?	
Company 1.	IT is used mainly for the purpose of data processing. We use programmes that were custom-made for the data analysis.
Company 2.	We use the accounting system and the B2B system to serve the purchase orders.
Company 3.	The company has IT systems that control the manufacturing and sales processes.
Company 4.	Rather yes.
Company 5.	The company uses the IT tools and techniques sufficiently. The integrated ERP class system and CRM system were introduced.
Company 6.	No.
Company 7.	We implement constantly new forms of client relationship management and we improve the tools supporting the corporate management.

Source: Self-reported data

To sum up the analysis of the potential to compete within the strategic competitive fields of the researched companies, they were asked about the process of conscious selection of these areas (see Figure 6). The average assessment of the strategic competitive fields in the international markets is close to 3. That may indicate that the researched companies are not yet ready to compete in highly challenging and competitive global economy. However, building of trustful and creative atmosphere among the company's employees is definitely a good first step towards increasing the unique competences essential to develop operations on foreign markets.

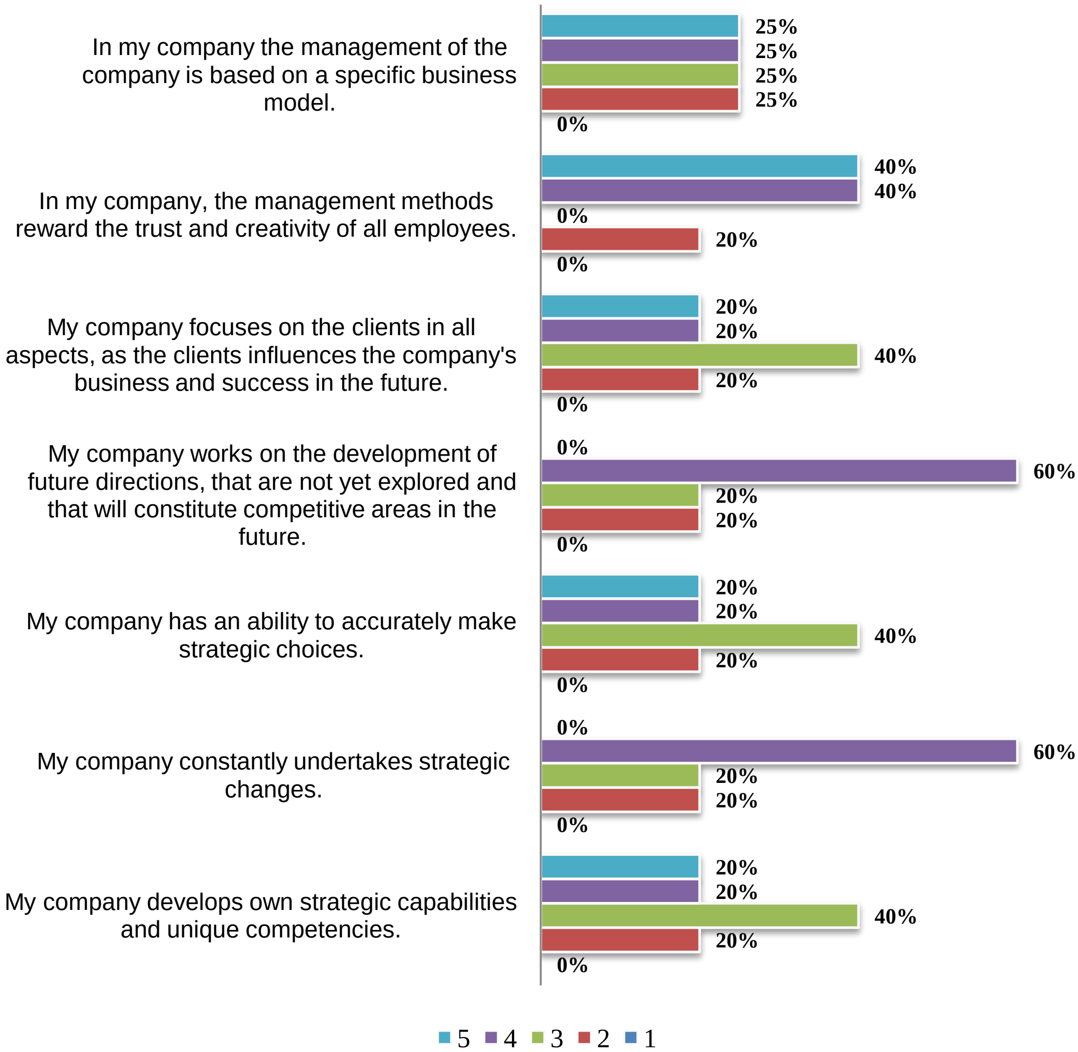

Figure 6.**The assessment of the strategic competitive fields building process elements on the foreign markets**

Source: Self-reported data

Notes: Scale 5 – highly relevant, 1 – not relevant.

4. Conclusions

The analysis of the research conducted so far in the field of cooperation between Polish companies and its impact on the internationalization processes of these companies shows that few of them engages in the joint activities with business partners. Cooperative entry modes to the international markets, those that are characterized by a high level of capital commitment as well as franchising or licencing, are still unpopular expansion strategies among Polish firms.

The Polish companies do not recognize any influence of the cooperation with Polish partners on their own level of internationalization. Occasionally they manage to get contact details to potential foreign partner from a Polish partner that belongs to their network.

Therefore, Polish companies choose to operate independently. When they decide to establish cooperation, they rather choose Polish partners than foreign ones. The potential relationship is usually developed with the suppliers of raw materials or half-finished products, transportation services providers and institutional customers. It is rare for them to expand via horizontal cooperation.

The aim of the research conducted by the authors of this article was to discover connection between the cooperation of industrial companies and their competitive position on international markets. Each of 7 companies that were willing to take part in the research recognizes the impact of cooperation with Polish partners on their internationalization growth differently. The conducted research confirms the results of other research on the cooperation of Polish companies with Polish and foreign partners in the process of internationalizing their operations.

The majority of analysed firms reached a high market share on their key foreign market in the segment of their key export product or product category. However, the most popular entry mode to the foreign market is still direct export that relies on the cooperation with independent agents and distributors. None of the researched companies entered a strategic alliance. The most influential cooperation mode is cluster participation and cooperation with suppliers. The level of cooperation with foreign partners is rather low: the majority of the researched companies have only one foreign business partner. The scope of the cooperation is usually insufficient to treat the researched companies as examples to the theory of network internationalization or companies blended into the environment.

The researched companies do not practice more developed foreign market entry modes. A small number of foreign partners indicate that Polish companies do not seize the opportunity to develop their network abroad. The foreign market is perceived mostly as a sales market, not as a place which can also be a source of resources and competences that are in possession of other companies from the network.

When analysing the researched companies individually, one cannot notice an evident connection between the scope and intensity of their cooperation with other companies and their results of operations on foreign markets. Moreover, is impossible to recognize any links between the export revenues and the level of market share on the key markets of the companies.

Grupa Azoty which has high share of export revenues in the total revenues as well as high market share of its products in the key foreign market and presence on high number of foreign markets, declares the widest scope of cooperation with Polish and foreign partners. On the other hand, Agram which raises 80% of its revenues from export sales and is present in 20 different countries, did not point any of the cooperation modes suggested in the questionnaire and declared cooperation with only two partners on its key foreign market. Sipma, similarly to Agram, also achieves satisfying results from foreign operations despite a small scope of cooperation with others.

In spite of many cooperation forms used by Tabal and GT85, both firms failed to achieve high level of revenues from export markets, but simultaneously they are present on 6 and 7 foreign markets respectively. Only examples of Verano and WSK Tomaszow Lubelski indicate high level of export revenues, presence on relatively high number of foreign markets and wide scope of cooperation with Polish and foreign partners on key markets. Therefore, it is impossible to draw conclusions from research conducted on such small and unrepresentative group of companies, without qualitative in-depth interviews to clarify various question marks arising from the discrepancies between them.

Three from seven analysed companies declare lack of consistent expansion strategy, which would define the role of business partners in the future. The answers to the questions on the future business environment indicate that the companies selectively recognize the threats and therefore the selection of their strategic competitive fields may be biased. The researched companies execute mainly the cost leadership competitive strategy on Polish market and are apt to stretch it out to the foreign markets.

The conducted research shows that the subject of the impact of cooperation on the competitive position on international markets is complex and requires further empirical research. Undoubtedly the statistical analysis of a representative group of companies would allow formulating precise conclusions. The examples of companies presented in this article show the lack of consistent internationalization strategy based on cooperation between Polish small and medium enterprises. Therefore, it is an area where the companies may look for new opportunities to build competitive advantages and future development directions.

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