THESIS PROJECT

Academic year: 2015

1. Topic

Thesis title
“Coopetition management and SMEs”

Key words
Coopetition, tensions, management, SME

2. Supervision

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<th>Status</th>
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<th>Institution</th>
<th>e-mail</th>
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<tbody>
<tr>
<td>Associate professor</td>
<td>Estelle PELLEGRIN-BOUCHER</td>
<td>ISEM</td>
<td><a href="mailto:Estelle.boucher@univ-montp1.fr">Estelle.boucher@univ-montp1.fr</a></td>
</tr>
<tr>
<td>Habilitation to direct research</td>
<td>Anne-Sophie FERNANDEZ</td>
<td>ISEM</td>
<td><a href="mailto:Anne-sophie.fernandez@univ-montp1.fr">Anne-sophie.fernandez@univ-montp1.fr</a></td>
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Research group: MRM “Strategy”

Thesis committee

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<tr>
<td>Estelle PELLEGRIN-BOUCHER</td>
<td>ISEM</td>
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<tr>
<td>Anne-Sophie FERNANDEZ</td>
<td>ISEM</td>
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<tr>
<td>Frédéric LE ROY</td>
<td>ISEM</td>
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3. Project presentation

The thesis topic is part of the program: “Inter-organizational strategies and innovation” of Labex Entreprendre.

Theoretical framework and main issues

The concept of coopetition was introduced by Brandenburger and Nalebuff in 1995 and has since provided a way to study simultaneous relationships of cooperation and competition. Firms that adopt coopetition
strategies seek to combine the advantages of cooperation and competition (Bengtsson & Kock, 1999, 2000; Lado, Boyd, & Hanlon, 1997), but these strategies are inevitable sources of tension, as they combine two contradictory relational modes (Gnyawali & Park, 2009).

Studies have examined the sources of the tensions arising from coopetition at several levels: inter-organizational, intra-organizational and interpersonal (Pellegrin & Fenneteau-Boucher, 2007; Fernandez et al., 2014; Tidström, 2014), because such tensions may affect the success of the coopetition strategy (Das & Teng, 2000). According to the theoretical recommendations, these coopetitive tensions should not be ignored, denied or minimized, but rather they need to be carefully managed to ensure the success of the relationship (Clarke-Hill et al., 2003; Chen, 2008).

Earlier research on coopetition management identified several principles that can be employed to manage the tensions inherent to coopetition. The first principle, separation, involves the functional, temporal or spatial separation of cooperation management and competition management (Bengtsson & Kock, 2000; Boucher & Fenneteau Pellegrin, 2007). The principle of integration refers to the decision to entrust the management of the coopetition paradox to those highly versatile individuals who have demonstrated adroitness in dealing with complex situations (Oshri & Weeber, 2006; Boucher & Fenneteau Pellegrin, 2007; Fernandez et al., 2014). The most recent research shows that these two principles should be combined to ensure effective management of coopetition tensions (Pellegrin & Fenneteau-Boucher, 2007; Fernandez et al., 2014). The third principle, co-management, can be implemented at the project level, as well (Le Roy & Fernandez, forthcoming). By following this principle, the coopetitive partners will set up a dual governance structure to share management responsibilities equitably.

Research on coopetition management has remained essentially focused on the large international companies: Oracle, IBM and SAP-EADS/Thales. The issue of coopetition management in SMEs has received far less attention, yet SMEs are likely to adopt coopetition strategies to improve their international standing, as limited resources and expertise make it more difficult for them to export their products or services. By developing cooperative relationships with their direct competitors, these SMEs can limit the risks associated with internationalization and improve their chances of success. Such strategies allow the SMEs to improve their competitiveness by increasing their share of exports and reducing their costs (Jankowska, 2010) and by providing new opportunities such as access to new customers (Kock et al., 2010).

However, the SMEs involved in coopetition strategies are also confronted with the tensions that arise around issues of knowledge sharing, knowledge protection, or even the personalities of their leaders. The literature reveals that previous research has not specifically addressed coopetition management in SMEs, although this issue is crucial. The survival and growth of SMEs often depends on the success of these coopetition strategies. It is therefore essential for the companies to gain insight into the tensions they may encounter and to learn how to manage them most effectively.
The objective of this research is thus a greater understanding of the issues involved in managing coopetition tensions in SMEs. Our intention is to answer the following research questions:

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<td>How do SMEs involved in coopetition strategies manage the tensions related to this type of strategy?</td>
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<td>Do the SMEs use principles of separation? Integration? Co-management?</td>
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<td>Are there other modes of coopetition management specific to SMEs?</td>
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<td>What is the role of the SME manager in managing the coopetition relationship? Is there a specific profile that is best suited for best managing a coopetitive project?</td>
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**Methods**

To answer these questions, a comprehensive research approach seems most suitable (Charriere-Petit Durieux, 2007). This will entail the in-depth examination of the collaborative processes of SMEs with a focus on the tensions and the management methods that have been set up.

To this end, qualitative research methods such as the in-depth case study seem well adapted (Eisenhardt, 1989; Yin, 2003). As recommended by Bengtsson et al. (2010), longitudinal case studies may be particularly relevant to the study of the coopetition tensions that arise at different levels of the organization.

**Cases**

In 2003, the Moroccan Foreign Ministry in collaboration with UNIDO initiated a program to create and support export consortia. About 20 consortia were created, and two of them seem particularly relevant to our study. Both are part of the home textiles sector, the domestic market of which is currently being threatened by international competitors. To combat this global threat, the companies in the consortia, despite being competitors, have decided to pool their resources and competences. The first potential case study is an export consortium founded in 2006. It consists of six competing SMEs, with an average workforce of 100 employees and an average capital of 11 million dirhams. The companies in this consortium primarily manufacture upholstery fabric and are in direct competition on the local market. The second potential case study is a cluster currently being created, made up of a dozen competing but complementary SMEs in home textiles.

**Expected results**
Several results from this research are expected. First, the PhD candidate will be able to identify the sources and dimensions of the tensions arising from coopetition among SMEs. The findings will be compared with the results of previous research, providing grounds for describing the types of tensions specific to SMEs. Second, this research should enable the candidate to consider the relevance and suitability of the principles of separation, integration and co-management for SMEs, as well as the question of whether there are other, more adapted principles, not yet identified in the literature. Last, special attention will be given to SME managers and the research should provide information about their involvement and role in the management of coopetition. This multiple case study is expected to identify salient individual capacities and define a profile of the SME managers involved in coopetition relationships.

REFERENCES


PhD contract


LE ROY, F. & FERNANDEZ, A. (à paraître). Managing coopetitive tensions at the working-group level: The rise of the Coopetitive Project Team, *British Journal of Management*


**PREFERRED SKILLS:**

Good knowledge of data collection and data processing using both qualitative and quantitative methods.

**4. Thesis financing**

Labex Entreprendre will fully fund this PhD position for three years.