

# Productive decentralization in the textile-clothing sector as a relation phenomenon: moving towards a strategical coexistence of business networks?<sup>1</sup>

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### Abstract

The productive decentralization process currently present in the fashion sector has re-defined business models and has sought, developed and also transformed relations among firms. In the clothing and textile sectors this process increasingly characterizes the strategic-managerial logic adopted by clothing firms that manage and are part of an ever larger network of relations. In this network, constant processes of mobility, development, and integration of resources and competences find nourishment. Our intention in this paper is to analyze the dynamism and complexity of the productive decentralization phenomenon underlying its multidimensional nature. In particular we will see how the decentralization process can be studied as a phenomenon of strategic-organizational logic that involves relations between firms.

**Research method.** The analysis of the quantitative and qualitative dimensions of the productive decentralization phenomenon evolves in two steps. The first step is a research of secondary sources and the second step is the realization of clothing firms' case analysis. The research of secondary sources has been obtained with the help of domestic and international agencies/institutions and by analyzing digital economic database.

**Research finding.** The present paper proposes to analyze the emerging policies of decentralization in the textile and clothing sectors and the types of business networks they generate. We will attempt to single out the presence of a strategical coexistence of diverse reticular systems within the same supply chain. The analysis of this theme supposes that this paper approaches the concept of strategical coexistence in order to clarify its meaning, the terms of its existence and several qualitative indicators as instruments of detection. In other words, our intention is to attempt to answer the following questions: a) What peculiarities do networks created through the decentralization process present? b) Are diverse decentralization choices made while considering a strategical coexistence network? c) What does reticular strategic coexistence mean and when does it occur?

**Main Contribution.** The most important theoretical contributions derive from studies on the main approach on productive decentralization and from Relation Marketing of the Swedish School. Managerial contributions derive from detailed interviews with opinion leaders and managers (Marketing Manager, Managing Director, Production Manager) of the firms object of the case analysis.

**Keywords:** productive decentralization, clothing-textile, strategy, network.

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<sup>1</sup> Aldo Burresti e Silvia Ranfagni share the responsibility for the contents of this paper. However Aldo Burresti wrote the following paragraphs: "Productive decentralization according to a reticular logic" and "Conclusions"; Silvia Ranfagni paragraphs "The strategic reticular coexistence", "The strategical reticular coherence", "The convergence of strategic thought", "Methodologies of analysis and results from secondary sources", "Decentralization choices in Forall Pal Zileri, Valentino Fashion Group and Cooperation Alfa", "The strategical reticular coexistence in Forall Pal Zileri and Valentino Fashion Group", "The strategical reticular coexistence in Cooperation Alfa".

## Productive decentralization according to a reticular logic

The historic-conceptual analysis points out that decentralization can be studied in absolute terms, as a choice of the enterprise for economic-productive reasons, but also in relative terms as a relationship phenomenon between enterprises having a strategic-organizational logic; this means that the decentralization choice cannot prescind from considerations on the *technical-productive* and *technical-cognitive complementary* and *interactivity* between enterprises and from the definition of controlling power and influence of the referred reticular structure. The phenomenon being examined, is able to design new reticular geometries, modify relation processes between businesses and influence the access to capacities, integration and combination of the resources and of the competences that make up the social capital of a network. The contributions present in literature are articulated in three distinct approaches (“subordination”, “autonomy” and “integration”) based on specific aspects of the analyzed phenomenon (economic-operative, organizational, strategic) and correspond to various business models as referred to the contextual analysis (Fig. 1).

The first approach analyzes productive decentralization as a *physiological phenomenon* (Frey 1974) of the economic-business system in which the decline of the Ford paradigm of mass production sets the base for the birth of the productive model based on the small and medium sized firm. In this phase, decentralization is not considered as the beginning of a process of great change, but rather as an attempt to recuperate flexibility and efficiency through the externalization of parts of the production process, especially of labour intensive nature.

The second approach analyzes productive decentralization as an *organizational-structural phenomenon* that translates into a process of adaptation of the business to the model of flexible production (Piore, Sabel 1984) in which standardized production is replaced by productive strategies that are focalized on semi-standardized products adapt for the evolutive dynamics of the demand. This adaptation process is explained with the acquirement of more flexible and more efficient business structures where phases or parts of the productive process are transferred and thus cause changes in the company structure; the latter is articulated on autonomous productive nuclei in which the decentralized company develops a role of control and coordination. The choices of decentralization become choices of reorganization of relationships between businesses oriented towards a reduction of trade-off between static efficiency expressed in terms of cost advantage and dynamic efficiency or the capacity to adapt to environmental changes.

Fig.1: Theoretical evolution of the “productive decentralization” concept

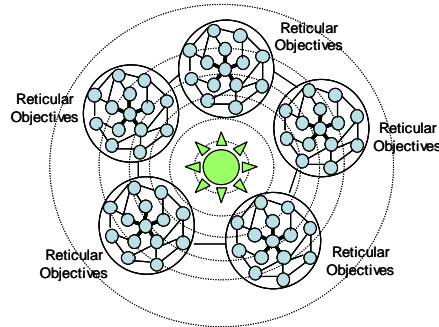
Decentralization	Objectives	Business models
Subordination Decentralization capacity	Economic-operative	Post-Fordism
Autonomy Internal decentralization	Organizational	Flexible production
Integration Extensive decentralization	Strategical (Economic-operative and organizational)	Business network

Source: our elaboration

The third approach focuses not so much on the single business, but rather on the *overall arrangement of the productive systems* (Varaldo 1979; Panati 1980) by identifying *specific forms of analysis configurations* of relations between enterprises in which the economic and organizational logic of the previous approaches find a structure and convergence; as we will see, these configurations, especially in the rising paradigm of the business network, seem to be destined to present themselves not as alternative forms but rather as coexistent forms. The configurations we refer to are *vertical restructuring through external means* and *vertical restructuring through internal means* (Varaldo 1979). The first is a configuration of the relation analysis between enterprises that points out the need to take advantage of the opportunities of separation between work and specialization; this need causes businesses to depend -for particular phases of the productive cycle – on the contribution of external businesses specialized for functions or phases of the productive cycle (Silvestrelli 1979; Lorenzoni 1979). The second is an internal configuration of the business which is based on the reorganization of separate productive units that must be reorganized and coordinated according to the overall necessities of a singular financial entity whether it be a juridically definable business or a group (Blois 1972; Lorenzoni 1990). These two possible configurations don't necessary seem to alternate even if the first promotes the rising of inter-business relationships while the second develops an intra-business coordination flow (Antonelli 1987). What make these two configurations coexist is the organization of the business in network structures and therefore the presence of coordination forms

that give way to an “intermediary system between the market form and the hierarchical form of economic organization” (Grandori 1989). Businesses can be considered a mass of relations (“nexus of treaties”), negotiations and contractual relations (Williamson 1990) with internal business (hierarchy), towards which are oriented the direct investment choices and strategical cooperations, and with external businesses where is externalized (outsourcing) part of the final product or specific phases of the productive process. The coexistence between a restructuring via internal means and a restructuring via external means expresses a combination of vertical integrated logic and vertical disintegration in which we go from “pure” and market hierarchy to a mix of hierarchy-market that can take on different forms such as the semi-market (autonomy of the different productive units) or the

Fig. 1. Productive Decentralization and reticular structures



Source: our elaboration

semi-hierarchy (external projection of the business in the supply system and distribution). This analysis approach points out how different *forms of decentralization coexisting* in the same business, contribute to the generation of complex reticular structures (Burt 1980) that can be articulated into *multipolar systems* with different relations, but that are still lead back to certain offer chains (supply chain). So decentralization can be analysed not only as an *economic-organizational* phenomenon, but also as a *strategic and organizational* phenomenon that involves relations between firms. The enterprise that makes a decentralization choice activates dyadic functional relations in order to reach *specific objectives* by affecting the reticular geometries within the supply chain;

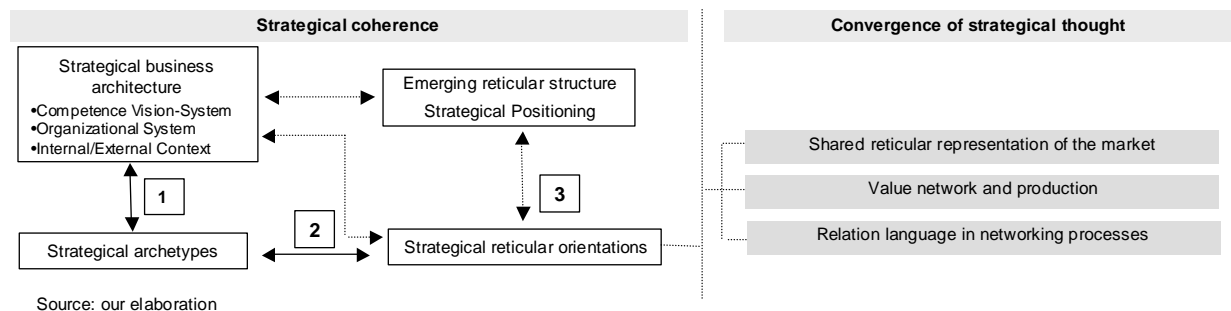
the result is a *representation of the market* as a set of distinct emergent networks based on structural-behavioural variables (extension, density, stability, dynamism, contractual power, coordinating level, etc.) and strategic-operative objectives (efficiency, flexibility, productivity, innovation, etc. ) followed up through the activation of dyadic relations and the consequent participation to the relative reticular structures (fig. 1). In other words, the hypothesis that seems to prevail - partly shared in literature - is that a *dyadic relation* oriented to follow up a specific purpose can nourish an *emerging network* of actors that *pursue a common purpose*. The relations among businesses are connected within an environment that sets up an autonomous, abstract, destructured entity that changes continuously (Hakansson 1987); furthermore the environmental context has differential characteristics for each single business reality because it is the result of a process of stratification of the exchange relations it manages (Granovetter 1985) depending on the choices made by the very business. It is important to mention that even if the environment can seem “enacted”, that is, created by the very business, the complexity of the structure of the network tends to be such that it cannot be universally understood by the single actors that are part of it. Thus, the network cannot be analyzed and projected by the single actors as a structure but must be seen as an emerging structure or as a structuring and organizing process of the bonds (networking process) between the various components. The opportunities and ties of the single business and its strategic positioning, depend essentially on its relation capacities and by the series of resources and cognition that the business is able to put in action and absorb through the activation of interactive relations with the other actors of the network. According to a more articulated perspective of reticular analysis, the market can be represented as an interconnection of networks where on the one hand you have the suppliers and on the other you have the distributors and the customers; in these networks the boundaries are determined through the exchange of material, products, and services in order to generate value for the final customer (Zheng et al. 1998). This logic which is present in recent managerial literature considers the relation objectives pursued by a business as functional to reaching a final objective that is made up by value generation for the final customer (Christopher 1998).

## The strategic reticular coexistence

The policies of productive decentralization as a phenomenon that influences the relation processes within the very supply chain, opens - according to us - interesting questions on the elements able to justify a *strategic coexistence of reticular systems within a supply chain*. With strategic coexistence we mean the pursuit of different objectives through the participation of reticular systems that lead back to a shared and unified strategic business design. The *strategic reticular coexistence* supposes, we believe, the presence in the businesses of a condition of *intrinsic coherency* between the strategic architecture, the archetypes mentioned and the strategical network orientations. These orientations

contribute to forming the morphology of the reticular structure and to define the strategic positioning of the decentralized business within the network. Consequently, the verification of the conditions of the strategic coexistence requires a further analysis of *links of logic causality* between reticular structures, strategic network orientation and strategic archetypes and pillars. In addition to this condition the presence of a strategic reticular coexistence also implies, we believe, the existence of a *convergence of strategic thought* (fig. 2) in terms of a shared representation of the market, of a conception of value's production according to a reticular logic and a common language for managing relations with other businesses.

Fig. 2 Strategic-reticular coexistence



Source: our elaboration

There is a fine but indissoluble line between coexistence and reticular convergence if we consider that the definition of the strategic reticular orientation reflects the representation of the market that generally “builds” the top management of the enterprise (Burresi, Guercini 2002; Guercini 2003) on the basis of the strategic pillars and archetypes of the business as a “sublayer” of reference of its “modus operandi”.

### **Strategical reticular coherency**

The situation of strategical coherency can be synthesized in the following equation:

$$Os_A = Osr_B (+) Osr_C (+) Osr_D (+) \dots \dots \dots ^2$$

the strategic orientation of the business can be interpreted (a) as the result of single strategic reticular orientations that, even if pursuing different objectives, join in a single, united strategic design or (b) as the result of single strategic reticular orientations that are not very different and specular compared to a basic strategic orientation. In the first case there is a coherency based on a “*strategical reticular complementary*”; in the second case there is a coherency based on a “*strategical reticular speculation*”. The analysis of the *strategical coherence* (fig.2) starts from the decomposition of the *strategical architecture* into “strategic pillars” (1); it continues in the individualization of the referred model of interaction between companies and the environment (*strategical archetype*) (2), and of the *strategical network orientation* (3). In other words, we can re-build the *strategical-planning space* of the company where it is possible to lead back the formalities of interaction of the company with the external environment and the strategic reticular choices. This space identifies the *identity of the company* in which its stable component is made up by the *competences-vision system* and its dynamic component is made up by the *organizational component* (Sinatra 1994) and by the *external context*. The competence-vision system summarizes the base of the company's strategic orientation and its development path: in fact, the vision is not an abstract concept but an intended anticipation of the future situation of the company (Normann 1974) that outlines its general identity (Coda 1989) and identifies an organization's general aim and reason of existence. It is based on the main values that make up the unchangeable character of an organization and of the competences and distinctive capacities of a business (Hayes, Wright and Clark, 1989; Leonard-Barton 1992). The competences-vision finds its consistence and dynamic reasons in the internal but also external forces of a company. The first correspond to *organizational systems* in which structural elements of the company can be joined (organizational structures, resources, learning processes, etc.) and where the cognitive

<sup>2</sup> Strategical orientation of the decentralized business (A); Osr =strategical orientation in the various decentralized networks (B,C,D).

patrimony of the business is accumulated (Itami, Roehl 1987); the second arrange the transformations of the components of the *external context* or environment system of which the company is part and with whom it interacts.

From the strategic architecture the company chooses the *strategic archetype* that identifies relatively *stable company behaviour in time* that can however transform if new environmental conditions are created or if the morphology and the formalities of operation of the business change. The main strategic archetypes identified in literature and which synthesize several models of business and environment interaction are optimization, adaptability/flexibility, consolidation and innovation. The first two make up the anticipation (optimization archetype) or the adaptability (adaptability/flexibility archetype) of the environmental dynamism. In particular the *optimization archetype* originates with the "Rational School" (Chandler 1962; Ansoff 1965; Andrews 1971) of strategic studies that considers the strategic as the result of linear and rational processes based on a comparative-expectation between strength and weaknesses of a business and opportunities-threats of the environment; the *archetype of the adaptability* develops in the "Behavioural School" (Mintzberg 1976, 1996; Quinn 1978) that sustains a strategic conception as a combination of deliberate strategies and emerging strategies as well as continuous adaptabilities and non programmed events singled out according to a logic that goes from the bottom to the top in an organizational hierarchy. The archetypes of consolidation and innovation are found in "Management Chaos Theory" which states that the company in a dynamic environment (Stacey 1992) must activate learning processes (learning organization) and develop relationships with the environment in order to take advantage of the variation of knowledge, capacities and experience of other interacting organizations (Senge 1990). In particular, the company must activate a relationship with the environment in order to consolidate strategic growth objectives so as to reach economic dominion (*consolidation archetype*) or develop strategic innovative behaviour that reflects in new products/processes, new presentations and new interpretations of the relevant dimensions that must be considered in the strategic design (*innovation archetype*).

Tab. 1 Relations between archetype, strategical orientation, reticular structure and role

Archetype	Strategic reticular orientation	Reticular Structure	Role (Position)
Optimization and flexibility	Network integration strategy functional to the achievement of efficiency and/or quantitative flexibility.	Constellation of businesses that grow from contingent situations that translate in a brief period into operative ties. Actors: relationships with actors at "low cost", with low or no contributions in terms of design Resources: tangible Transfer Activity and/or transformation	The business can set up a coordination centre for all the units that are part of the reticular coalition (ambiguous guide role)
Consolidation	Development strategy oriented to the creation of "competitive coalitions".	Constellation of businesses characterized by bi-univocal non transitory relations, in which we try to recuperate qualitative efficiency and flexibility by favouring the development of reciprocal "designs" Actors: efficient bearers of functional design Resources: tangible and intangible Transfer activity and/or transformation	The business can try to give way to constellations whose objective is common growth (limited guide role)
Innovation	Change strategy oriented towards changing relationships inside the network. Pursuit of flexibility, innovation and competitive advantages.	Constellation of businesses characterized by relationships that privilege entrepreneurship of the business partners that become crucial resources and therefore selective for their innovative capacity Actors: entrepreneurs Resources: tangible and intangible Transfer activity and/or transformation	The business if equipped with adequate resources and competences can create the development motor of the network (effective guide role).

Source: our elaboration

In a strategic *coherent situation* the strategic-reticular orientations imply business behaviour that looks upon the *strategic archetype* and the *strategic architecture* of the business; this behaviour takes form in actions that affect the *role* of the business inside the network and contribute to the formation of the *reticular morphology* made up of actors, exchanged resources (tangible, intangible-cognitive) and activities (Hakansson 1987). The result is that the strategic coherent analysis supposes the verification of the "*links of strategic causality*" between *reticular structure and positioning, strategic network orientation, archetypes and strategic architecture* (fig.2). In a coherent situation based on reticular complementary we can see the implementation of different strategic reticular orientations as a result of distinct strategic archetypes but that still lead back to a strategic architecture. In a coherent situation based on strategic reticular speculation the strategic network orientation tends to be homogenous and supposes the existence of a singular and referred specific strategic archetype.

Managerial literature on business strategies permits to individualize and analyze the *strategic orientations* that lead back to *different archetypes* while contributions on the organization of reticular structures and studies on relation dynamics between businesses (Boari, Grandi, Lorenzoni, 1992; Lomi, Lorenzoni, 1992; Benassi 1993; Anderson, Hakansson, Johanson, 1994) enable to recreate the correlation between *strategic objectives of the network* and *role of the business inside the network*. Drawing on theoretical contributions it is possible to identify the *links of causality* between several strategic archetypes, the strategic reticular orientations and the guide role (position)<sup>3</sup> that the business has inside the reticular structure<sup>4</sup>. In this way there are several “*situations of strategic coherency*” (tab.1) that are partially valid because identified apart from their comparison with the strategic architecture of the business and by a specific referred context that justifies their choice.

These situations have a *static nature* and are object of transformations when there are more complex models of interactions with the external environment (strategic archetypes). The passage of archetypes that suppose a simple and linear relationship between the business and the environment to archetypes in which the will of the business to affect the environmental dynamics prevails is functional to the capacities of renovation of the business; in order to create/maintain these capabilities the enterprise has to be able to active internally both the processes of increased learning and the processes of radical learning (creative) that refer to the development of the distinct competences and of the lines of strategic direction (Sinatra 1994). It is thus suitable to effect a reading of strategic coherency not only from a static point of view, but also from a dynamic point of view through which a “temporal reconstruction” of the paths in terms of archetypes are activated by the business in time. Referring to single reticular structures that are identified according to an individual process of representation of the market, the business can follow different models of interaction even if they lead back to a basic strategic architecture; the result is that the passage from one archetype to another can be analyzed either by the business or by the single emerging reticular structures to which different approaches of interaction are applied. In the case different archetypes are distinguished, the business might have to undertake different roles in the specific reticular structures. The “*situations of strategic coherency*” presented in the table do not pretend to be exhaustive or to make up possible logical categories to which reconduct the analysis of strategic coexistence but rather to try to individualize a *method of interpretation of the reticular orientations* underlined following strategic decisions of a business according to a *unitary logic-strategic vision*.

### ***The Convergence of the Strategic Thought***

The strategic coexistence supposes the existence not only of conditions of strategic coherency, but also of *convergence of the strategic thought*. This means that at least at the top business levels and in business operations we can see a strategic business structure based on:

- *a representation of the reticular and shared market* : this shows that we need a reticular and singular vision of the market among those that manage the decentralization processes;
- the relationship between *reticular structures* and *value creation*: this means representing the market as a group of decentralized networks and each one, even if in a different way, is analyzed in its business value production;
- *the management of the networking processes*: these involve the presence of a specific and single language in managing relations.

An *univocal representation* of the market supposes a process of knowledge emersion on behalf of the top management of the business and of its sharing among the members of the organization (Troilo 2001).The representation of the market can be interpreted as a “evolutive repertoire” of cognitive schemes of the reality that is considered in an objective way, the subject being external (Arbib, Hesse 1992). This representation belongs to the cognitive approach and corresponds to a partial vision of the reality because it supposes that the information of the processes of knowledge emersion is flattened and only considered in the explicit part which is codified in the cognitive schemes, easily “moulded” and transferred within the organization. This limit leads us to share the concept of representation based on a concept of knowledge as a generated act (construction): to generate knowledge means to create a reality, to affect in an active way on its relationships with the surrounding reality. The result is that the representation of the market gives way to processes of emersion and comparison of different

<sup>3</sup> A guide business that is in the barycentre position inside a network in which orients the development in function of its strategy of external growth, fixing the trajectories and the general objectives to follow (Lorenzoni G., 1992).

<sup>4</sup> The role according to Johanson and Mattson (1987) depend on individual factors among which the functions developed by the business and the its importance in the network circle and by relational factors such as identity and the solidity of the other businesses inside the network.

environments activated through processes of sensemaking (activation, selection and retention) (Weick 1969,1977,1995) that in a convergence situation move towards a more complex shared “reality” compared to what results from a cognitive scheme that instead represents an external objective reality, not effected by a constitutive act. The intereticular convergence condition supposes not only an *univocal representation*, but also a *reticular representation of the market* that is decomposed into business networks each one making up a “single reality” that is shared as part of a more complex reality.

This representation of the market finds its quantitative expression in the determination of the *contribution of the different networks* to the overall value of the business (Normann, Ramirez 1994; Ford McDowell 1999). Inside the networks, the businesses activate a continuous exchange of resources that contribute to the value generation. In the exchange the resource moves from one firm that values it less to firm that value the resources more (Johanson, Stromsten, 2000). The value can be the result of an exchange of tangible and intangible resources; the latter include in particular the competences and capacities (Grant 1991; Stalk, Evans, Shulman 1992) that are developed within the business to the accumulation of tactical knowledge that cannot be codified and unlikely explicit. The value produced by the networks in which the business is part is generated by the processes of combination mobilization of heterogeneous resources (Alchian, Demsetz 1972); these processes are explained essentially through relation exchanges that enable the business to accede and use others' resources and to develop new resources (learning and interaction) (Hakansson, Snehota 1995) whose effectiveness and efficiency influence the levels of productivity and the intensity of innovative business processes. In this way, many relations can be considered as critical resources, sources of economic income and of differential advantage (Dyer, Singh 1998) that are hardly measurable in the case of competence and resource exchange because it contains a cognitive value which is not always separable in economic value because not part of specific business processes.

Inside the network, it is important to define the *formalities of relationship management* with the businesses that want to implement a specific strategic archetype and the strategic network orientation. The Swedish School of Marketing (Ford, Gadde, Hakansson, Snehota, 2005) identifies several trade-off principles that are manifested in the networking process and the business can find itself simultaneously choosing among different interaction management alternatives. These trade-offs are between the option of facing and conforming to a particular way of interacting (“confront” - “conform”); between consolidating an internal position of the network and creating a new one (“consolidate – create); and finally between choosing to impose on other actors its needs and grant the fulfilment of others' initiatives (coerce – concede). These trade-offs generate the development of distinguishable relation orientations on the one hand, based on an operative-transitional dimension (transition orientation) and on the other, with referent to a strategic-collaborative dimension (supply and supply chain management orientation)<sup>5</sup>. The convergence of the strategic thought and the condition of strategic coherency identifies situations of strategic coexistence in which a situation of *intereticular convergence* finds expression. By intereticular convergence (Brandenburger, Nalebuff, 1996) we mean the process in which networks characterized by a specific strategic orientation tend to co-evolve, in time becoming part of a single reticular structure. The intereticular co-evolution manifests in a reticular inter-dependence and implies, at the same time, the presence of a strategic dimension (coherence) and of an ideological dimension (convergence of strategic thought): a network co-evolves

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<sup>5</sup> In the relationship with suppliers an attention to the control of the variables of price, sought after through contacts with a multitude of suppliers (transaction orientation) there can be the necessity to follow greater guarantees in terms of functional complementary (supply orientation) focalizing the relations on a nucleus of suppliers that stand out for their level of specialization. We can see the necessity of a technical-operative integration with the supplier or a coordination and reciprocal adaptation in the management of the orders, deliveries, quality certifications and more in general in all logical-operational aspects connected to the transference of the materials. This synchronization of the operational activities in a continuous improvement logic of the supplier-client relationship supposes the involvement of the supplier in the search for continuous perfection of the processes and quality control. Orientation of the supply chain management originates from the awareness on behalf of the client business the link that exists between its success and that of the activities of other business suppliers within the value system as well as the acknowledgement of their potential innovations. The supplier-client relationship stands out in this case for a strong integration not only technical-operational but also technical-strategic that causes a formulation and activation of joined strategic product innovation and business development (Snehota, Tunisi, 2003).



with other business networks that are complementary and asymmetrical and that lead back to a single strategic unitary and shared business pattern.

The joined analysis of the strategic coexistence and of the intereticular convergence can give way to the *matrix* in fig. 3 that, in addition to the conditions of strategic coexistence (square B), shows three other situations which we will analyze. In the case of high convergence and low convergence (square D) the situation is a shared reticular culture and vision in which correspond non-coherent network orientations with the referred strategic architecture and archetype. This occurs when there is no solid

Fig.3 The coherence-convergence matrix

Strategic Coherence	High	<b>A</b> Strategical incongruity	<b>B</b> Strategical Coexistence
	Low	<b>C</b> Casual coexistence	<b>D</b> Strategical incongruity
		Low	High
		Convergence of strategical thought	

Source: our elaboration

strategic definition and reticular orientations that lead back to a unitary strategic pattern to follow on the medium-long term. In the case of a low convergence and a high coherency (square A) the risk is that solid strategic planning does not correspond to a similar strategic reticular orientation because of the missing representation of a shared market network. These situations can be typical of a business that undertakes policies of decentralization in a brief period, businesses that are excessively hierarchic where there are few internal communication processes or multibrand businesses that must take complicated strategic-managerial choices. In the latter prevails the tendency to undertake transversal reticular strategic orientation choices for the various brands independently

from the referred archetypes. The matrix identifies (square C) conditions of casual coexistence which lead back to situations of strategic coexistence that are destined to a brief life because they do not belong to a strategic planning process, but rather to emerging contingences.

## Methodologies of analysis and results from secondary sources

The analysis of the quantitative and qualitative dimensions of the productive decentralization phenomenon was, in a first phase, through research of secondary sources and in a second phase, through the accomplishment of emblematic cases (case analysis) of clothing firms. The search of secondary sources was obtained through contacts with national and international agencies/institutions (Ice, Italian Chambers of Commerce abroad) and with the analysis related to a time frame of two years (June 2003-June 2005) of digital database<sup>6</sup> specialized in the publication of economic news on production and distribution companies of the textile and clothing sector.

The *research of secondary sources* subject to continuous updates, has produced fragmented information on the decentralization phenomenon and has concentrated on the analysis of the choices of direct investments (acquisitions, opening of new production units) and production agreements (outsourcing) on behalf of the clothing firms. The sources available do not at the moment present precise information on the joint ventures stipulated between the firms of the sector for which we defer the analysis to the choices of strategic agreements taken by businesses object of case analysis.

Regarding the presence on foreign markets<sup>7</sup> the data gathered present an "aggregated" form of the sector and show how Italy is a country that invests much less in foreign markets than do other European and industrialized countries: the companies operating in the textile-clothing sector having a participation of Italian control in foreign countries are localized in Europe 41%, Central-Eastern Europe 17%, Eastern Asia 8.6% (including Japan, but only 2.8% for China). However, a research conducted by ISAE<sup>8</sup> (in May 2005) shows how for the sector we foresee a tendency in the next few years towards an increase in foreign investments in Eastern Europe, China, Romania and India. The reasons, according to the study, that push firms to adapt localized strategies lead back to the search of penetration advantages in new markets (market seeking) in agglomerated economies and conditions of favourable local social-economic exploitation.(low cost manpower, tax facilities, etc.).

With regard to outsourcing relationships the information gathered tends to make a distinction between the acquisition of a finished product (commercialized product) and the external workmanship done on materials supplied (industrialized product), generally known as the TPP (passive traffic improvement). From research carried out to this point the tendency for TPP production is mainly to refer to the closest production basins like Eastern Europe for Italy, North Africa for Eastern Europe and Mexico and the

<sup>6</sup> Il sole24 ore ([www.ilssole24ore.it](http://www.ilssole24ore.it)), Pambianco ([www.pambianconews.it](http://www.pambianconews.it)).

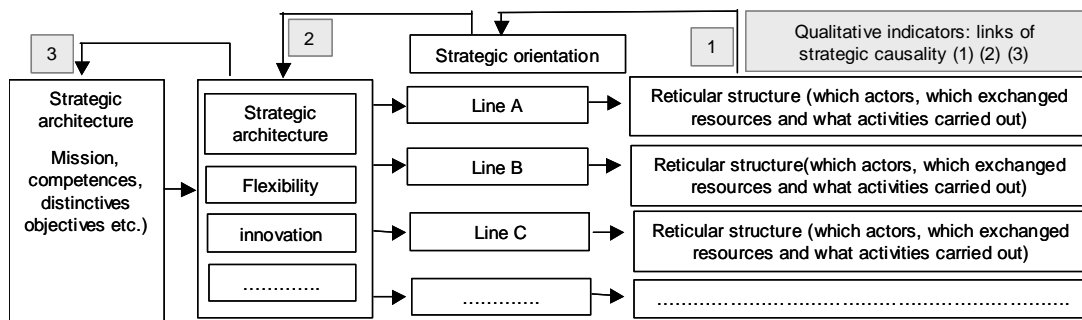
<sup>7</sup> Confindustria report 2004.

<sup>8</sup> ISAE (Institute of Economic studies and analysis)



Caribbean for the United States. Although many countries like Poland and China have gone from suppliers of industrialized products to producers of finished products, some nations of which Romania and Bulgaria continue to be TPP suppliers because of constraints (financial problems, importation taxes, etc.) in purchasing materials for production, also in the case of re-exportation. In any case the growing outsourcing push on a global level comes from the United States while in Europe the companies that have adopted it are Germany, Great Britain, Holland, Denmark and recently also France, Spain and Italy. The first countries of referral for Europe are those that are geographically the closest and can be distinguished into two areas: the first, as said earlier, includes all of Eastern Europe and works mainly in the TPP regime with businesses from all European countries, mainly Italy and Germany; the other includes the Mediterranean with distinctive positions. Tunisia and Morocco export to the United States and work mainly in TPP for Italian, French and Spanish companies; Turkey instead is a highly industrialized country with a complete supply chain and its main markets are in Germany and in Northern Europe but it is also increasing its presence in the United States.

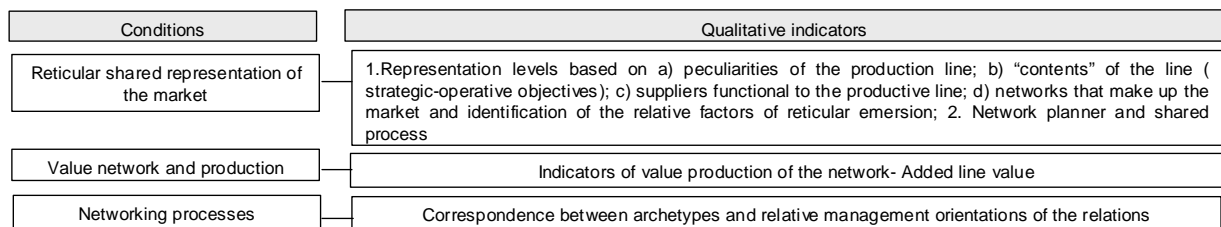
Fig. 4 Strategic coexistence



Source: our elaboration

While the research of secondary data has tried to set the dynamics of the phenomenon in object on an international level, the *case analysis* has focalized on the individualization of specific policies of decentralization of some Italian clothing firms and on the analysis of the presence of strategic coexistence among the decentralized networks.

Fig. 5 The convergence of strategical thought



Source: our elaboration

In particular in order to analyse the *reticular coexistence*, we have tried to reconstruct the links of causality between components of the strategic architecture, referred business archetype and reticular orientation. This analysis occurs according to the scheme in fig. 4, reconstructed with various business interlocutors in which each line can be considered as the "activator" of a reticular structure made up by actors with specific quali-quantitative profiles (dimensions, employees, turnover, strategic-operational objectives, etc.), resources (tangible and intangible) exchanged and activities carried out.

For the *convergence of the strategic thought*, we have tried first of all to verify the presence of a reticular representation of the market shared internally by the companies interviewed. The *qualitative indicators* used in the evaluation of this presence (fig. 5) are made up by four levels of market representation distinguishable in: a) peculiarities of the production line b) "contents" of the line (strategic-operational objectives) c) suppliers functional to the creation of the productive line d) networks that make up the market with identification of the relative factors of reticular emersion. A convergence of strategic thought supposes the "shared presence" at least at a managerial level of the *four steps of representation* of the market; this from an organizational point of view can require the presence of a "network planner". Secondly, we have tried to verify the use of countable measures able to determine the value generated by the single networks and thus, in the cases analyzed, of the single

lines of production as well as the presence of a shared language when managing relationships with the other companies of the network. The verification of this last condition supposes the ex-post reconstruction of a “correlation rule” between referral archetype and operative orientation followed by the networking process.

The cases carried out, of which we propose a reading functional to the objectives of the paper, have been singled out through indications of opinion leaders of the sector and concern Forall Pal Zileri, Valentino Fashion Group (Marzotto Group)<sup>9</sup> and Cooperation Alfa<sup>10</sup>, three Italian companies that stand out for the notoriety of their brands on an international level and for the quality and/or style orientation of their collections. Contact was made from a protocol of case analysis made especially for this research. In particular, our meetings were held with the Managing Director and Marketing Director in Forall Pal Zileri, the Director of Valentino Fashion Group in Marzotto and the Director of the Swiss production division Zeco Trading of Cooperation Alfa.

## **Decentralization choices in Forall Pal Zileri, Valentino Fashion Group and Cooperation Alfa**

Research shows the presence, inside the companies interviewed, of a mix of decentralized decisions. Forall Pal Zileri and Cooperation Alfa give way to mainly stable decentralized networks through a) direct investments (acquisitions, opening of new productive units) in order to develop and manage transferred processes of controlled know-how in markets that are different from the original market (b) outsourcing policies for the development of new lines and c) productive joint-venture agreements with foreign partners as an instrument to accede to new markets in which to create and/or develop its own brand notoriety with its own sales points network. Yet, while Cooperation Alfa tends to make direct investments as an indication of an evident interest to activate planned processes to generate new competences inside the owned productive units, Forall Pal Zileri decentralizes by highly recurring to mostly supply agreements (outsourcing of the industrialized and commercialized product); this indicates the emerging need in Forall Pal Zileri to follow, through the relationship with foreign suppliers, technical complementary and greater productive flexibility.

Valentino Fashion Group manages various brands having a high level of notoriety (Valentino, Hugo Boss, Missoni, Marlboro, Lebole, Principe, Trendy)<sup>11</sup> and makes up a very articulate group in which decentralization is synonymous to “structured outsourcing” in the forms of outsourcing of the commercialized product and industrialized product which translates into the implementation of a group of provisions policies finalized at following, in the medium-long term, a greater organizational-managerial flexibility, improved conditions of economic efficiency and a high level of specialization. Outsourcing in this case does not represent a decentralization choice but rather translates into a strategy of relationship management in which suppliers are able to create *stable* but at the same time *flexible* networks.

The analysis of the strategic coexistence, that we will deal with in the next paragraphs, gives us the possibility to reconstruct with greater detail the different decentralization policies of the businesses, object of case analysis, and to individualize the eventual relations between decentralized networks and strategic-operational choices in terms of product lines.

### ***The strategic reticular coexistence in Forall Pal Zileri and Valentino Fashion Group***

In Forall Pal Zileri and in Valentino Fashion Group there is a condition of *strategic coherency* because it is possible to individualize a mix of causality between strategic architecture (mission, objectives), strategic archetypes and reticular orientations.

In Forall Pal Zileri the strategic coherency (fig. 6) is connected to an evolutive course of the business based on constant development of the productive competences, greater value of its brand identity and

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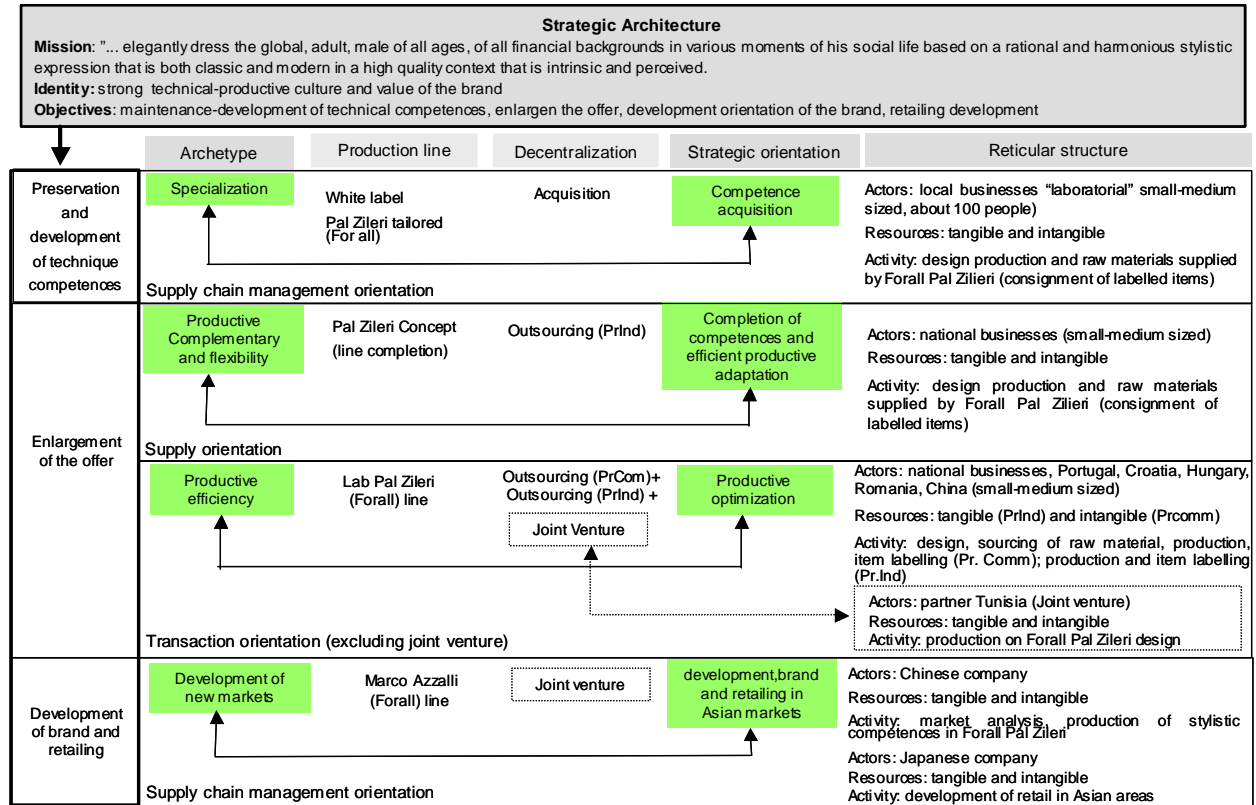
<sup>9</sup> Valentino Fashion Group (spa) is part of Marzotto Group and its internal division includes Valentino (Valentino prêt-à-porter, Valentino Men, Valentino Women, Valentino Accessories), Marlboro division and Lebole, Principe, Trendy and Missoni divisions.

<sup>10</sup> Marzotto (of which Valentino Fashion Group is part) has over 5,000 employees and a turnover of about 1.47 billion Euros, Forall Pal Zileri has about 820 employees and a turnover of about 109 million Euros, Cooperation Alfa has about 5,000 employees and a turnover of 650 million Euros. Cooperation Alfa is an important Italian clothing company who, for business discretion, prefers to remain anonymous.

<sup>11</sup> In this work we do not consider Hugo Boss and Missoni brands.

the need to enlarge its productive offer as an answer to the dynamics of emerging consumption in the sector. Maintenance and future development of the productive competences feed into an archetype based on *specialization*, characterized mostly by the White Label line and Pal Zileri Tailored line that has given way to a strategic network orientation functional to the development of productive competences. This orientation has determined the acquisition of local businesses, bearers of productive know-how.<sup>12</sup>

Fig. 6. Strategic coexistence in Forall Pal Zileri



Quality control is carried out internally at Forall Pal Zileri. The Marco Azzalli line should not be considered part of the Forall Pal Zileri offer. The latter contributes design only. All other activities (market analysis, production, store openings, etc.) are carried out by the partners.

Source: our elaboration on case analysis

The objectives of the *enlargement of the offer* instead make the business follow a greater flexibility and productive efficiency through outsourcing. In particular, in the case of the Pal Zileri Concept<sup>13</sup>, externalizing parts of production (outsourcing of the industrialized product) is mostly because of the desire to integrate the search of technical competences (technical-productive complementary) with a greater productive efficiency; this binomial is followed by addressing mostly small-medium sized local businesses that stand out for a high level of technical competence. For the Lab Pal Zileri line the search for a greater efficiency in the production process translates into reticular orientations aimed at production optimization. In this way, we see on the one hand a development of strategic agreements with efficient partners (joint ventures with Tunisian companies) and on the other, a continuous search (transaction oriented) for a multitude of identified suppliers based on the relation quality (service)-cost production. The development of *specific brands and retailing* in emerging markets has caused the company to activate relation processes in the forms of joint ventures, with a Chinese company and a Japanese company for the production and commercialization of the Marco Azzalli brand. In this agreement, Forall is responsible for designing the collection, the Chinese company is responsible for production and the Japanese company is responsible for the creation of a special commercial network in order to divulge the brand in Asian areas apart from China. The relationship with this partner has

<sup>12</sup> The White Line Label and the Pal Zileri Tailored line are characterized by a high level of hand made contents and are destined to dressing an adult male in various moments of his life (work, free time, ceremonies, etc).

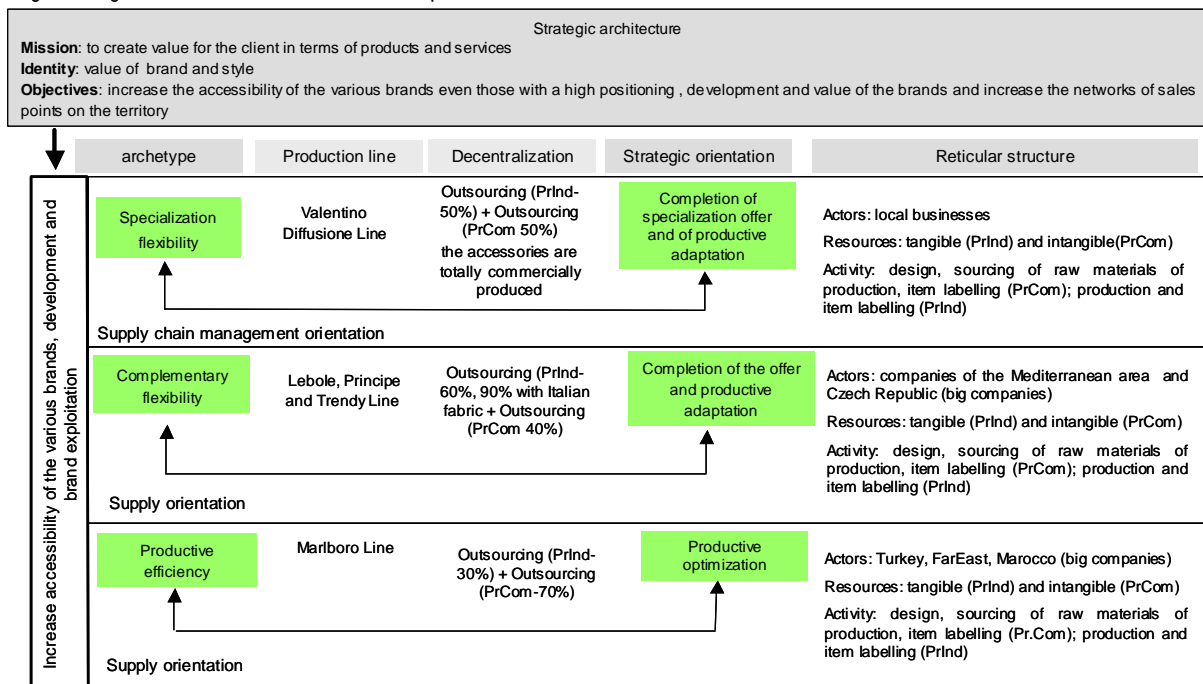
<sup>13</sup> The Pal Zileri concept includes products of complementary of the White Label line and Pal Zileri Tailored Line.

given Forall the possibility to make direct investments in eastern China with the opening of ownership sales points whose design and merchandising activity is carried out by Forall.

Valentino Fashion Group also presents a *strategic coherency* between objectives, archetypes and strategic orientation. In this case the condition of strategic coherency (fig. 7) is however strictly connected to the introduction of a *new way of conceiving the clothing product* in which the service component acquires a relevant role; this product concept pervades and joins the different lines of production and is the consequence of recent business restructuring processes from which the very business was generated.

Valentino Fashion Group was founded following the acquisition of the Valentino brand by Marzotto which had to integrate the new company – distinguished by a strong brand notoriety and by highly stylistic-creative products – into a pre-existing group that produced medium-low clothing of different brands (Lebole, Trendy, Principe, Marlboro) characterized by a good quality-price level and by a strong service component that we can summarize in an efficient and flexible logistic process; this component did not distinguish the Valentino products from the others at the moment of the acquisition. In this restructuring process there was an attempt to take advantage of the operative synergies generalized among the various brands in terms of supplying raw materials, planning and control trying to take advantage of the business brands and especially the Valentino brand products with a suitable quality-service binomial. The result is that the mission of the business translates into the capacity to create value for the customer in terms of products and services following a greater accessibility of the various brands (especially high level) and an expansion of retailing.

Fig. 7 Strategic coexistence in Valentino Fashion Group



Quality control is carried out internally in Valentino Fashion Group

Source: our elaboration from case analysis

This causes the company to search - in all relationships with the environment and for all the lines - a *strong specialization* and at the same time conditions of *productive flexibility and efficiency*. Decentralization implies “...a research activity, scouting, consciousness of what the world can do in the attempt to individualize suppliers that are able to make products while respecting the identifiable style of the various brands and conforming to prototypes sometimes created in the laboratories of the business where there is an intense activity of experimentation...” For Lebole, Principe and Trendy suppliers must be able to make products/accessories for which the business has a low know-how (offer complementary) and at the same time create - based on prototypes supplied by the business - products with a good quality/price ratio and easily adaptable to the evolutive dynamics of the demand (flexible with a supply orientation). In the case of the Valentino line, suppliers must be able to not only make but sometimes also “design” with the company (supply chain management orientation) products that have a strong stylistic-productive identity (specialization); in this way Valentino can

maintain/improve conditions of productive flexibility. The archetype of efficiency characterizes the Marlboro line for which the company looks to a restricted nucleus of suppliers (Turkey, Far East, Marocco) in order to establish continuative relation processes (supply orientation) and functional to following mainly an optimized productive process.

Valentino Fashion Group actives processes of decentralization giving way to the *creation of stable networks*, because mainly defined on *constructive relation orientations* (supply chain management and supply) but at the same time *dynamic* because not based on partnership relations with a strategic-contractual nature.

Tab. 8. Strategic convergence in Pal Zileri and Valentino Fashion Group (some qualitative indicators)

	Forall Pal Zileri	Valentino Fashion Group
Reticular representation of the market	The representation of the market follows a <i>sand glass process</i> and is created on the base of strategic-operational objectives of the productive lines. It begins with a confrontation between the analysis of the competitive environment (competition, customers, etc.) and the productive peculiarities of the business with the involvement of the various actors present inside the business (function marketing, brand manager, fashion coordinator); from this confrontation come the suggestions for the collection that are filtered through the "strategic perceived space" of the top management. The latter keeps in mind the past experiences and the basic strategic orientations of the business, verifies the proposals and makes its final decisions in terms of production line and suppliers.	The representation of the market follows a funnel process <b>and</b> builds productive lines on the base of strategic operational objectives; the brand managers, depending on the line, "dictate" product rules that are filtered on the one hand, through market knowledge of the commercial function and on the other, through productive knowledge belonging to the production function. In this way the contributions of the various actors (brand manager; representatives of the commercial and production function) converge in the definition of the new collection which are bases for proceeding to identify the possible suppliers.
	Representation levels based on: <b>a)</b> peculiarities of the production line <b>b)</b> "contents" of the line (strategic-operational objectives) and <b>c)</b> functional suppliers of the productive line	Representation levels based on: <b>a)</b> peculiarities of the production line; <b>b)</b> "contents" of the line (strategic-operational objectives) and <b>c)</b> functional suppliers of the productive line
Value networks and production	Pal Zileri + Sartoriale + Pal Zileri Concept = 64% of sale Lab Pal Zileri = 14% of sale Licence = 4% of sale	The overall consolidation is 1.728 billion Euros and an operational result of 195 million Euros and Net profit of 143 million Euros. In 2005, Hugo Boss contributes 1.309 billion Euros, Valentino gives 209, Marlboro and other brands (Lebole, Principe e Trendy) 266 million Euros.
	Turnover of product line	Turnover for product line
Networking processes	<ul style="list-style-type: none"> <li>• Specialization archetypes= supply chain management orientation</li> <li>• Complementary Architecture/productive flexibility = supply orientation</li> <li>• Productive efficiency archetypes = transaction orientation</li> </ul>	<ul style="list-style-type: none"> <li>• Specialization archetypes/flexibility = supply chain management orientation</li> <li>• Complementary archetypes/productive flexibility = supply orientation</li> <li>• Productive efficiency archetypes= supply orientation</li> </ul>

Source: our elaboration

From research carried out, less is instead the presence of *convergence of strategic thought* both in Pal Zileri and Valentino Fashion Group (fig. 8). Both companies show a representation of the market based on strategic-operational objectives of the production lines in referral in which we can identify the various suppliers but we cannot individualize the networks that make up the market and the specific factors of reticular emersion that justify their existence. The result is that the calculus of the added value produced by the various reticular structures that we have identified in the analysis of the condition of strategic coexistence is limited to the determination of the contribution of the overall turnover of the business of the single lines. This criterion could, we believe, be an efficient way to evaluate the economic value of each network even if in this context it loses the meaning of network value indicator because not it is analyzed on the basis of a reticular representation of the market.

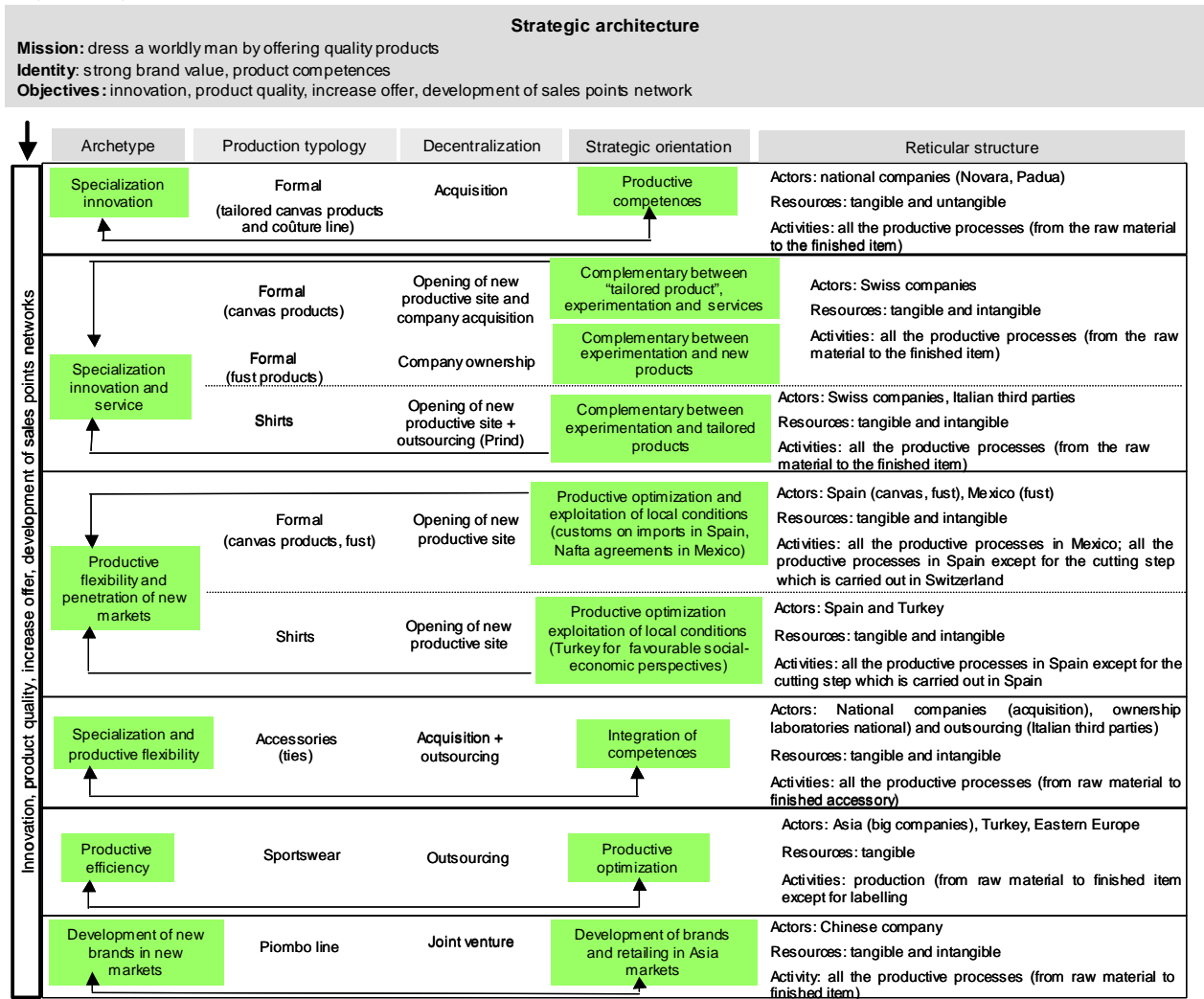
In Pal Zileri and Valentino Fashion Group there is however a *common language* for relation management whose sole presence however does not enable to justify the existence of conditions of strategic thought convergence. In Pal Zileri this language can be summarized into a positive correlation between the strategic complexity of the single archetype and the complexity of the relation orientation; in Valentino Fashion Group instead there is an orientation with greater strategic contents in the case of specialized archetypes and an orientation based on technical-operative integration having a tension on the cost-quality binomial for cases of archetypes based on the complementary-flexibility and those faced with archetypes defined on productive efficiency.

### ***The strategic reticular coexistence in Cooperation Alfa***

Cooperation Alfa is characterized, we believe, by a *strong reticular coexistence* in its components of strategic coexistence and intereticular convergence<sup>14</sup>.

The constant tension towards a condition of equilibrium between the *quality/innovation* research of the product and the pursuit of efficient conditions also inside the same line influences the individualization of the strategic archetypes and of the decisions linked to reticular orientation and thus on decentralization. As we can see from figure 9, the business defines its relations with the external environment based on the various archetypes also within the same line according to a temporal logic of reticular construction. The archetype of *specialization-innovation* characterizes the formal wear (canvas and haute couture products)<sup>15</sup> that originates and develops in Italy through the acquisition of Italian companies with whom there is a growth relation process of the technical-productive competences of the entire Group.

Fig. 9 Strategic coexistence in Cooperation Alfa



Source: our elaboration on case analysis

The search for a greater integration of innovation and services induces the business to open a new site in Switzerland giving way to tailored canvas products and to a laboratory of experimentation for the production of formal wear with furs. With this initial tension towards specialization emerges the

<sup>14</sup> The Cooperation Alfa product lines are the following 1) formal 2) coùture 3) la ZZ Cooperation Alfa 4) sportswear 5) knitwear. The formal line is the traditional line, the coùture line is a niche line made with exclusive materials (canvas) and presents a high content of hand made. La ZZ Cooperation Alfa is a fashion line destined to young people (aged between 30 and 40). These three lines are total look compared to the Sportswear line and the knitwear that make up at the moment clothing projects in act of completion. In the analysis that we will carry out we will refer to not so much the product line but to the typology of the product related to the interlocutor interviewed that has reconstructed the reticular structure of Cooperation Alfa apparel.

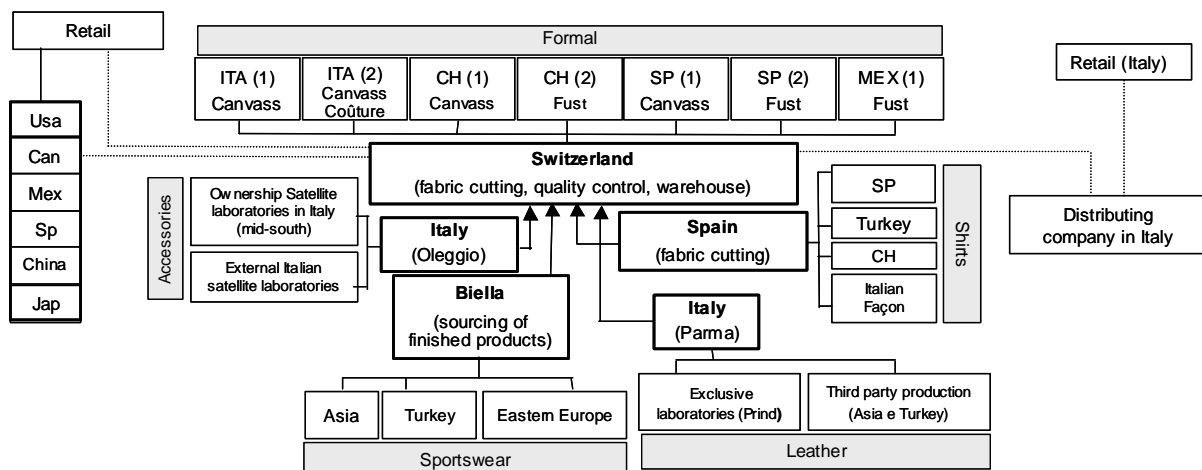
<sup>15</sup> The canvas product compared to the furs presents contents of greater hand making .

necessity of a *productive flexibility* and of *penetration in new markets* even if preserving the technical competences of the product. This *specialization-flexibility* binomial which is quite often present in the same typology (line) of products, translates into the decision of opening businesses of ownership in foreign countries in which to take advantage of the favourable conditions (customs on imports in Spain, Nafta agreements in Mexico, favourable economic-social perspectives in Turkey) to optimize the production process obtained on small lots; this choice has characterized the production of formal wear (canvas and furs) and shirts. The latter is produced in ownership businesses present in Spain, Switzerland, and Turkey. The *specialization* and *productive flexibility* also characterizes the production of accessories (ties) and leather products created in ownership businesses which resort mostly to Italian external enterprises and with them activates a process of integration and productive competences. The *increased offer* of the sportswear line production, induces the business to pursue conditions of productive efficiency through outsourcing processes of industrialized product with suppliers from Eastern Europe and Asia.

The delocalization of parts of the productive process in businesses in Eastern Europe and Asia generate in Cooperation Alfa the development of production models based on big lots. The business, in fact, in order to take advantage of the unit production costs that derive from relations with these suppliers finds itself managing large product volumes on which to effect interventions (labelling, formal personalisation, etc.). The development of *specific brands and retailing* in emerging markets has brought the business to activate relation processes, in the forms of joint ventures with a Chinese company that produces items not with a Cooperation Alfa brand but with the Piombo brand. This brand identifies male clothing products, designed in Italy, for the “business man” of the Chinese market.

Cooperation Alfa also has a condition of *convergence of the strategic thought*. The representation of the market follows a *reticular process* elaborated by the manager of human resources (management engineer) who is in direct contact with the top management, the marketing department and the production department. For every product typology it is possible to rebuild a business network that is coordinated with a main business. The reticular structure is the result of planning processes and is stable in its various components (formal, accessories and shirts), except for the sportswear product that has given way to a dynamic network which is in constant evolution (figure 10).

Fig. 10 The reticular representation of the market for Cooperation Alfa



Source: our elaboration from case analysis

Regarding the outerwear (capospalla), the leader is the Swiss businesses where the fabric is cut and is then sent to the Swiss, Spanish and Italian offices. For the shirts, the network is not based in Switzerland but Spain that has the raw materials warehouse, the sales department and the cutting stage. For the accessories and the leather products there is a formation of two distinct networks. Accessories are managed by a company in Oleggio (Italy) that realizes products having recourse to external satellite laboratories; the realization of leather products is coordinated by a company in Parma that has exclusive laboratories and suppliers in Turkey and Asia. The latter are involved in the production of line completion. Sportswear is managed by a company in Biella; the buying office of this



company effects sourcing activities of finished products addressing producers in Turkey, Asia and Eastern Europe. Cooperation Alfa's Swiss office is the central crucial point of the reticular system in which all the "productive traffic of the single networks" gathers. This office has the responsibility of managing the ownership and third party sales points located mainly in European countries (France, Austria, Germany, etc.). In the United States, Canada, Mexico, Spain, China and Japan the sales points are managed by local companies (one for each country) that are also the owners. These companies interact directly with the *Swiss office that is the only interlocutor* for all of the international branches. In Italy there is a company of the group that carries out activities of intermediation and interacts with the Swiss office; it is responsible for the management of the Cooperation Alfa sales points located on national territory of which it is owner.

In Cooperation Alfa, the analysis of the *reticular value* acquires its own intrinsic utility because it is based on a reticular representation of the market; this means that the business, based on the value of the product of the various networks, can be forced to acquire new choices in terms of productive decentralization affecting the morphology of the overall existing reticular structure. The language shared in the relation processes is based on a supply chain orientation in the case of archetypes oriented towards innovation, flexibility and innovation and on transaction orientations in the case of productive efficiency .

## Conclusion

In this study we have dealt with the productive decentralization theme analysing it according to a reticular structure. This approach is the result of empirical research carried out on important businesses of the Italian textile – clothing sector, supported by theoretical concepts that have emerged from studies on business strategies. In the companies analyzed there is for each productive line/product typology various reticular structures in relation to the specific objectives pursued. In this context we have dealt with the analysis of productive decentralization elaborating the concept of a strategic-reticular coexistence articulated in the ideological dimension (convergence of strategic thought) and in the analysis (strategic coherency).

From the business cases analyzed, Cooperation Alfa manifests strategic coexistence both in the ideological dimension and in the analysis because there are coherent reticular structures within the strategic architecture of the business that are planned, managed and controlled by management engineers from the human resource department. These have the responsibility to "build" a representation on the market, shared by the top management and with the other management departments. In Pal Zileri and Valentino Fashion Group instead there is no connection between the evident condition of strategical coherency and the condition of convergence of strategical thought. In Pal Zileri the absence of a convergence can be justified by the relatively recent choice to pursue decentralization choices especially in order to realize new production line. In Valentino Fashion Group instead prevails the tendency to take transversal strategic-reticular oriented decisions of the various brands independently from the referral archetypes. The result is that it is difficult to individualize specific factors able to justify the presence of reticular structures. In the three companies it is evident that reticular decentralization choices are made as regards of strategic coherency trying to find an equilibrium between specialization and productive flexibility. While in Cooperation Alfa this equilibrium is obtained through production in small ownership business lots that have planned processes of competence generation, in Forall Pal Zileri there is an attempt to rely on supply agreements (outsourcing of industrialized and commercialized product); the latter make up the central nucleus of the decentralization choices that Valentino Fashion Group follows in the various brands demonstrating in this manner to be more aligned with productive delocalization formalities of the business sector.

The research shows a greater coexistence in the case of planned and controlled networks as in Cooperation Alfa compared to Forall Pal Zileri and Valentino Fashion Group. It's interesting to wonder if in the case of *strategic coexistence* -complete in the two dimensions – there are more *efficient networks* with development prospects and survival or if these networks, due to the fact that they are less flexible, are destined to lose their morphology and transform when there are very relevant context changes (demand, competition, technology, etc.). In other words, we believe necessary to analyze if in a network of complex relations the maximum efficiency and effectiveness are obtainable in a controlled and planned context or in a dynamic and emerging context. It is therefore important not only to verify but also to refine the validity of the qualitative indicators of the concept of strategic coexistence presented but to also grasp through new qualitative-quantitative indicators products from future research, the existing correlation between the level of coexistence of the business performance with the intensity of the innovative processes in terms of capacity of reply to external changes and with

the development stage of the business structure. The analysis that we have carried out does not give us the opportunity to give a definite answer to the question that we find in the title of this paper but it permits us to individualize the conceptual instruments to start research processes of the productive decentralization phenomenon according to a strategic-reticular logic.

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