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Sayings and doings from a multilevel perspective on coopetition dynamics

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Abstract

A coopetition strategy entails simultaneous cooperation and competition between companies. There is little research focusing on the individual level, and in particular on cooperative and competitive activities. We attempt to fill this gap by approaching coopetitive dynamics from a strategy-as-practice perspective. In particular, we draw upon a cross-case study approach in order to unravel the nature and development of coopetitive practices related to sayings and doings of individuals at multiple levels. We specifically demonstrate that coopetitive dynamics are contingent upon the matching of sayings at the individual and relationship levels, with doings at a company level.

Key words: coopetition strategy, coopetition dynamics, strategy-as-practice, discursive practices

INTRODUCTION

Business networks consist of relationships with various degrees of cooperation and competition and these degrees may vary over time. The dynamics of cooperation and competition is related to cooptation and has been studied based on changes from competition to cooperation (see Dahl, 2014) or from cooperation to competition (Tidström and Hagberg-Andersson, 2012). There are however scarce research investigating the dynamics of competition over time based on cooperation and competition. Moreover, cooptation has mostly been researched at the firm level (e.g. Mariani, 2007), which implies a research gap concerning cooptation on an individual level.

Bengtsson and Kock (2014) call for more research concerning cooptation from a multilevel perspective. We know relatively little about mechanisms at the individual level underlying a competition strategy, and how these contribute to the emergence and development of the strategy over time. A practice perspective (e.g. Jarzabkowski, 2005; Whittington, 2006) to competition could thus be argued to address the development and utilization of practices by individuals, who are dealing with the simultaneity of cooperation and competition (see Dahl et al., 2016, forthcoming).

We apply a practice perspective to cooptation by approaching individual practices at the managerial level. We specifically go deeper into discursive practices and the interrelatedness with other practices, such as organizational and relational practices. In this manner, we respond to recent calls for in-depth investigations of cooptative strategies, such as taking a discursive approach to cooptation (Ritala and Tidström, 2014). We also offer empirical evidence on cooptative practices, and therefore build on recent conceptualizations of cooptation from a practice perspective (Dahl et al. 2016, forthcoming).

We approach cooptative practices in relation to what is said and done by, as well as between, competing parties. Doings and sayings (Schatzki, 2002) are often viewed to be related so that saying is a way of doing. Sayings are related to discursive aspects of practice such as talk and text, whereas doings are related to deciding or politicking. (Seidl and Whittington, 2014) In a cooptative context, we define sayings as activities that are not yet realized, such as plans and intentions, that are discussed, talked about and communicated, by individuals both at an intra- and inter-organizational level. We define doings as concrete cooperative or competitive activities taken by competing companies, which could be related to sayings, but could also diverge.

The aim of this paper is to improve our understanding of individual practices in the dynamics of cooperation and competition in business relationships. Focus lies on practice related to sayings and doings and the connection between these on different levels. We pay particular attention to sayings at the individual level, and the subsequent matching of these with doings on different levels. The research questions are as follows: What practices on different levels are involved in cooptation dynamics? How do these practices differ in different cooptation dynamics? The empirical part is based on a comparative case study in two different industries: the media industry and the manufacturing industry for vehicles.

The novelty of the study lies in the cross-case analysis, which contributes with deep level insights on the nature of cooperative practices on an individual level and how these develop over time. The findings of our study indicate that sayings and doings are interrelated at multiple levels, and that the matching of practices related to these two dimensions contributes to changes in cooperative dynamics over time. Seidl and Whittington (2014) argue that individual praxis and practices cannot be understood without relating them to the external context. Therefore, through the case-study approach, we also empirically recognize the context or external environment within which cooperation takes place.

THEORETICAL BACKGROUND

Cooperation from a strategy-as-practice approach

Cooperation is defined as a paradoxical relationship consisting of simultaneous cooperation and competition between two or more actors at any level of analysis (Bengtsson and Kock, 2014). Most of cooperation research focuses on a firm level perspective, while there are scarce studies concerning an individual perspective on cooperation. For example, Yami et al. (2008) argue that it is the individuals with their mental models (openness) and entrepreneurial spirit (ambition), who represent the origin of cooperative dynamic capabilities. Accordingly, in cooperation research there is a call for focusing on multiple levels of cooperation and especially on the individual level. The importance of taking on a multilevel approach to the strategy becomes visible in the fact that cooperation on an individual level may differ from the firm level cooperation strategy (Bengtsson et al., 2010).

We approach cooperation at multiple levels by focusing on practices, that is on the activities and what managers actually do (Vaara and Whittington, 2012; Whittington, 2006). The strategy-as-practice approach assumes that strategy becomes an activity, executed by social interactions between individuals at an inter-organizational level, as well as at an external level (Jarzabkowski et al., 2007; Whittington, 2006). Accordingly, strategies become something organizations and individuals do, rather than something an organization has (Jarzabkowski et al., 2007). (Dahl et al., 2016, forthcoming) conceptualize the emergence and development of cooperative practices as taking place through activities and interactions at the intra-, inter-, as well as environmental levels. Likewise, in this particular study, we focus on practices at multiple levels, as well as how these are interrelated and developed.

Practices related to sayings and doings on multiple levels

Practices can broadly be understood as various kinds of tools, and techniques, such as processes, meetings, workshops, and rituals (e.g. Mantere, 2005). The definition of practices might also be broadened to include more informal and emergent activities, which might have a substantial influence on strategy developments (Vaara and Whittington, 2012). Inherent in the practice approach also lies the assumption that it is individuals, who carry and utilize these practices. In this manner, individuals influence and realize strategies, both internally in organizations, as well as at an external level by drawing on these practices (Jarzabkowski et al., 2007; Vaara and Whittington, 2012; Whittington, 2006).

The main interest of the practice field thus lays in the daily strategic activities, as well as how these are performed by individuals (Vaara and Whittington, 2012). Since a cooperation

strategy also entails cooperative activities and interactions taking place between organizations, the possibility of unplanned actions and activities taking place and influencing the strategy must be taken into account (Yami et al. 2010). This could for example be illustrated by the inherent risks of opportunistic behavior from cooperating partners (e.g. Das and Teng, 2000; Dussauge et al., 2000). The importance of reciprocity and matching of actions between parties for the development of a cooperation strategy therefore comes into light. For example, Tidström and Hagberg-Andersson (2012) demonstrate that competitive acts by a partner in the past might have long-term effects for the development of a cooperative relationship.

A number of practice studies have taken an interest in the discursive aspects of strategizing, focusing on texts and speech in strategic work (for a full review of the practice field see Vaara and Whittington, 2012). In particular, the focus has been on how discourses might either impede or promote participation in strategy (Mantere and Vaara, 2008) based on how others', or own, participation is legitimized by individuals (Laine and Vaara, 2007; Mantere and Vaara, 2008). Previous research insights from implementing cooperation in organizations inform us that discursive abilities of managers are important (Bonel, Pellizzari and Rocco, 2008; Tidström, 2009). In this study however, we heighten the focus to the relationship level, in order to investigate the discursive practices utilized by managers on an inter-organizational level, and the matching with subsequent doings.

METHODOLOGY

The empirical study is based on qualitative case study research including two cases from different Finnish industries: the media industry (Case A) and the vehicles manufacturing industry (Case B). A qualitative case study approach was considered as most appropriate as the aim was to generate in-depth understanding (Eisenhardt and Graebner, 2007) about collaboration and competition on multiple levels. Case A involves three companies and Case B is related to two companies. The cases were purposefully selected in order to be able to carry out cross-case analysis between different kinds of industries. Higher-level managers were chosen as informants, because they were directly involved in the collaboration both on a strategic and practical level and therefore have the best knowledge about the studied phenomenon.

The empirical material was collected through interviews. In Case A, eight interviews were conducted in 2013 and seven in 2014. In Case B eight interviews have been carried out in 2000, 2004 and 2011. In both cases each informant was as far as possible interviewed several times, in a step-by-step manner, which increases the trustworthiness of the findings (Miles and Huberman, 1994).

The empirical material was analyzed based on content analysis (Miles and Huberman, 1994) with a focus on sayings and doings. Sayings were related to expressions such as "say", "speak", "discuss", "communicate" and "talk", whereas doings were related to verbs, such as "do", "happen", "stop" and "work". After the two cases had been analyzed separately, which also included the matching between the identified sayings and doings, the analysis shifted to comparing the two cases in terms of similarities and differences.

Description Case A

This case encompasses collaboration between three companies (Company A, B, and C) situated in the Finnish media industry, providing newspapers in the minority language Swedish. The companies together initiated inter-organizational collaboration, due to major changes in the industry that fundamentally changed competition on the market, as well as a worsening financial situation. The articulated aim of the collaboration was to allow the respective companies to individually save resources that could be directly applied to their core areas, in the end increasing chances of survival in the changing industry. In practice, the collaboration encompasses exchange of journalistic material between the companies (initiated in 2013), joint production of television and radio pages across the newspapers (in 2014), as well as joint distribution of newspapers in overlapping regions between two of the companies (2014). The case analysis is to a great extent focused on the exchange of material between the companies.

The collaboration involves formal meetings between managers of the three respective companies. During 2013 and 2014 the frequency of the meetings increased due to the escalation of change in the industry. Managers met to discuss on a general level where the industry was headed, and to try to work out how they could establish and increase cooperation between the companies. The companies have a history of strong competition. The radical change in the industry has however shifted former geographical boundaries for competition. Although competition between the companies is declining, they can still be regarded as competing with local news, as they all provide media in the minority language.

Description Case B

This case concerns the collaboration between two Finnish companies (Company X and Company Y) manufacturing chassis for lorries and trailers. The collaboration between the companies started in the beginning of 2000. The initiative for the collaboration was taken by the managing director (Informant X) from Company X, who had a desire of restructuring the industry from consisting of several competing companies with diversified product portfolios to collaborating companies with focused product portfolios that together are able to offer customer specific trailers. The collaboration between the companies involves continuous formal meetings where current issues within the industry, market trends and possibilities for cooperation are discussed. In practice, the cooperation between the companies is related to acting as buyers and sellers in relation to one another concerning parts of the companies' main offerings. Moreover, Company Y uses Company X's sales network on the Norwegian market. The competition between the companies is continuous, because they sell similar products to similar customers on the Finnish market.

PRESENTATION OF FINDINGS

Case A

The initial phase of competition

The initial phase of competition covers the emergent contacts between the companies before the first concrete actions for competition were taken in 2013, including previous attempts to compete. The companies have been competitors on the market through decades. In terms of

collaborative practices, no direct formal plans and decisions for “doings” between the companies can be found in the past. Indirect collaborations have existed, such as joint guidance on language use, organized by an industry member association. The contact between the companies occurred through a great extent in industry events, as well as meetings organized by the industry association. In addition, managers of the respective companies know each other through working together in the past.

During the 90’s, “sayings” connected to the potential for cooperation between the companies started to emerge. Informant a2 illustrates this time as competitive oriented, where competitive practices tied to the identity of newspapers hindered discussions from being realized. “Doings” were out of the question:

*I remember sitting in [place] and **speaking** very hatefully and judgmentally about these plans. It was the worst thing one could imagine!*

Competition between the companies was at this time still widespread, since the respective geographical boundaries between newspaper areas were overlapping. This was by the informants regarded as a hindering factor for cooperation. Through the interviews it became evident that during the following decades, discussions between the companies concerning cooperation started, but that competition was still apparent. Grounded in this, the “sayings” in inter-organizational meetings never seemed to become realized, which some managers felt disappointed by:

*It was **said** ‘yes’, Company A’s computer guys will take care of this [technical code]. And then we all went home and waited for them to create this. But then they started to invest a lot, and then it went that way that there was no longer interest in this mutual, this technical code, it was **never realized**. (Informant c2)*

This seemed to be the case in other times of discussion as Informant c2 continued:

*We always have good meetings and we always **reach** a lot of **decisions**, but then the implementation...[...]we have **agreed** so many times, and still nothing **happens**.*

This quotation perfectly illustrates a difference in sayings by individuals on a relational level, and doings by the companies. This was also the case experienced by other managers:

*Fifteen years ago one **talked** about why every single newspaper should **do** TV journals...and one could not **accomplish** that. (Informant b1)*

Concerning the balance between cooperation and competition in practice, managers were suspicious towards discussions of initiating collaborative practices, which was grounded in previous experiences of divergence in sayings and doings. This experienced divergence was also expressed between managers directly in the collaborative practices that started to increase at the same time as the situation in the industry started to worsen somewhere around 2010 and forward:

*And then I **said** that I am **not interested** in investing a lot of energy into little things that will eventually **not be realized**, as it was before. (Informant b1)*

To sum up the initial phase of cooptation, it is characterized by strong competitive practices, which could be argued as hindering the sayings by individuals on a relational level, to being realized into doings at the company level. One can also distinguish that this divergence between sayings and doings also in turn seem to have an impact on the perceptions of further doings by individual managers, contributing to inertia on the relational level. The emergence of discussions concerning collaborative practices seems to a great extent stem from the economic situation in the industry. After decades of discussions, the collaborative practice finally reached the stage of implementation in the mature phase.

The mature phase of cooptation

The second cooptative phase formally started in 2013 when representatives of the respective companies met in meetings organized through the member association, where they agreed to initiate a joint material exchange between the companies. The agreement thus stems from previous discussion in the initial phase between the companies concerning possibilities for cooperation. During this time the radical change in the industry escalated. Compared to decades ago, competition started to decline, mostly stemming from the fact that the companies started to focus on their core geographical areas.

On a relational level, the collaborative practice could be illustrated as both informal and formal. The practice is formal in the sense that the collaboration was communicated to the public through a press release, as well as agreed upon in a meeting. The companies also decided to meet on a regular basis to discuss cooperation. The practice is informal in the sense that besides the informal character of the discussion in the meetings, many of the managers have a long history of working together, and know each other, as well as meet frequently in other industry events. Certain managers were also perceived by the informants as key practitioners in initiating and advancing cooperation between the companies.

An informal dimension can also be seen on a practical level in the fact that no formal rules or regulations concerning the exchange were established, and that it is based on voluntariness between the companies. It was established that each company decides individually what material to share, and what to use. Moreover, the future realization of the “sayings” were rather open, where possibilities for changes along the way were assumed from the beginning:

*We **discuss** all the time new things that we could **do** together, and where we will end up I don't really know (Informant a2).*

It was however argued that the demand for a fit between sayings on a relational level and doings by the respective companies would change as the mature phase of cooptation progressed:

*When we elaborate the activity we will of course demand that each and everyone lives up to what one has **said** that one should **do**. (Informant a3)*

On a company level, when cooptation was initiated, the collaboration was communicated to employees through intranets and staff meetings. The sayings internally in the organizations did not however seem to be as continuous as on the relational level. This is seen in the fact that individual managers in some cases decided not to communicate the collaboration as a high priority, illustrated in the below quote:

*I have **communicated** the collaboration very little, as I have my hands full with communicating other collaborations to them [...] that they **learn to cooperate** internally first. (Informant b2)*

On a practical level the companies decided to exchange material that was not connected to local news, which still was regarded as competitive areas. The material that was exchanged therefore included general feature material with a timeless character. The decision was grounded in the poor future prognoses the companies shared, worsened by the economic conditions in the industry. This was also the developing factor for the cooperative dynamics, as the collaborative practices were perceived to vary with the development of the economy.

The competitive practice can be seen in the companies' respective decisions concerning what material to share or not to share. In comparison with the initial phase, the competitive practices were not seen as limiting the collaborative practices to take place. This stemmed from a sense of changing views of competition at an industry level, grounded in the insights that customers want local news, which is the companies' respective core areas. The collaborative and competitive practices would therefore not overlap, and relational and individual practices would therefore be divided between different types of journalistic material.

One of the informants (a2) even described the companies as having a shared view on the industry situation and the need for cooperation:

*[Informant company B] knows what I think about this. We **have** so much **contact** now and **discuss** a lot concerning these questions.*

The above quotation illustrates the fact that in the mature phase, there seemed to be a widespread view that competition between the companies was abandoned, connected to the increase in "sayings" at a relational level:

*One **speaks** a lot about cooperation. (Informant a4)*

This "interpretative" practice on the individual level became visible in many of the accounts, and even contributed to changed perceptions of the balancing of cooperation and competition. The initiated collaborative practice was approached by the informants as influencing future collaborative "sayings" and "doings" in a positive manner as a symbol that:

*We can **co-exist** and **discuss** and **accomplish** something together. (Informant b1)*

To sum up the mature phase, the informants were not experiencing a particular divergence between what was said and done in this phase, to a large extent influenced by the interpretative practice that the informants applied to the sayings in this phase, and to the doings to be realized in later stages. In terms of spreading information of the collaborative practice to employees, it seems to exist a divergence in sayings on a relational level, and sayings internally in the company.

The development so far in the case can be described as moving from individual practices, to a rapid and strong increase in relational practices. The development of the collaborative

practice was seen as dependent on the development of the industry; if the crisis escalated the collaborative practice would increase, and if the situation improved it would decrease.

The stagnation phase of coopetition

The stagnation phase of coopetition could be argued to follow during 2013 and 2014. The situation in the industry again worsened from the mature phase, visualized in a steadily decrease in subscribers and advertisers. During this phase some collaborative projects between the companies were successful, such as joint distribution of newspapers between two of the companies, as well as joint production of radio and TV pages. The mutual material exchange experienced at first a rise with successful exchanges. However, the informants, given the severed situation in the industry, did not experience this as fast enough. Many of the informants felt that in order to meet the change; the collaborative practices ought to be rapidly up scaled. The material exchange could therefore be argued to be characterized by inertia in this phase, contributing with frustration for managers. One informant even described the material exchange as stagnated and dormant.

The contact and discussions between managers of the respective companies also increased during this time. Parallel to this, the industry sayings started shifting even more, which was illustrated in increased discussions for example in the media concerning cooperation between the companies. Sayings were here related to statements of consultants and managers. One informant described the increase in sayings both on the relational and company levels:

*Now one **speaks** (emphasis) inside the companies, between the companies, how should we **work** in the future? How will we make the money last? Can we **cooperate**? (Informant a4)*

Changes in the collaborative practice also occurred from the mature phase, as more demands were posed on the companies' operational managers to contribute to the material exchange. This could be seen as a step towards getting the companies to equally contribute to the exchange. It became evident that the informants felt that the insight into the need for, and benefit from, collaborative practices had increased even more. Yet, the practice had not been realized as fast as expected by many of the informants. This was argued to be based on individual practices that took up most of the companies' resources and efforts:

*We always **say** when we have meetings that we **need to speed it up**. But I experience that when they come back home they have **forgotten** about it. Because we have so much other things. (Informant a3)*

This inertia could therefore illustrate the stagnation phase of coopetition, since it seemed hard to realize the doings on a company level that had been discussed and agreed upon in the relational sayings in the mature phase, and even in the initial phase. A similar situation to the past divergence between what was said and done therefore arose. Also, the division between collaborative and competitive practices that had been the topic of discussion for a long time still seemed to be discussed in the meetings in order to speed up coopetition:

*Why can't we **cooperate** much more if we still have own clients? And that is what we are **discussing** now, where should we **compete**? (Informant b3)*

The collaborative practice also started to move towards a more formalized character especially concerning the meetings between the companies, although this was not realized in practice yet. This is illustrated in the below quote:

*It is not dinner and golf that is on the agenda any more, now we have to really **gather** in workshops and **think** of how to move forward. (Informant b3)*

Since the situation in the industry worsened and the collaborative practices were experienced as hard to realize, many informants felt frustrated. Through the “interpretative” practice, the increase in sayings in the industry as well as relational level concerning cooperation was compared to individual practices drawn upon by other companies. This mismatch was approached as a source of inertia, leading to the stress and frustration felt by many of the informants that were involved in the collaborative practices.

The dynamics between the collaborative and competitive practices also changed in the stagnation phase. In contrast to the mature phase where an increase in relational practices was experienced, in the stagnation phase the relational practices still continued to increase at the same time as an increase in individual practices also took place. This could be argued to counterbalance the relational practices, and contribute to managers experiencing competition between the parties.

To sum up the stagnation phase, as illustrated in the above discussion, at a relational level, the informants experienced discrepancies of what was said and agreed upon in meetings, with what was actually done and accomplished by the respective organizations. In turn, this lack of doings was received by some informants as a symbol of competition, and thus became a source of frustration, since they were relying on the general sayings in the industry. The mismatch can therefore be seen between sayings on an industry level as well as on relational level, with doings on the company level. In this manner, a divergence of sayings and doings was again experienced, as in the initiation phase.

Case B

The initial phase of cooperation

The initial phase of cooperation between the companies took place in 2000-2003. The reason for starting to cooperate is found on a network level as Company X's Norwegian sales organization needed a larger variety of products, which could be accomplished by taking in Company Y's products. Moreover, an influencing aspect for initiating the collaboration is found on an individual level, as the managing director of Company X had a desire to restructure the industry so that each company would focus on a certain niche. Initial and formal face-to-face meetings between the companies included plans and sayings related to collaboration. On a relational level, the practice of collaboration can be described as informal and based on possibilities for “doing”.

*I try to sort this collaboration out by proceeding on these kinds of practical levels. We **write** no contracts, but we sit a couple of times and see if there are any possibilities for collaboration instead of competition or can we do something because both benefit from it... and if we find that there seem to be several areas, then we **decide** that ok, we will collaborate*

*and that is kind of the contract. And then one does not decide anymore, but then one is **doing**... (Informant X)*

On a company internal level, the information told about the inter-company collaboration was limited. This implies that the cooperation strategy to a large extent existed on an individual managerial level. According to Informant Y, he shortly informed the employees about the cooperation. Based on the quote here below, also internal information in Company X was limited.

*My goal with this cooperation, I have not yet dared to **tell** anyone... internally... is that we will **stop** manufacturing boxes.. (Informant X)*

On an organizational level, the companies decided to focus on manufacturing products that they were best at manufacturing. The decision on which products to focus on, was a natural consequence of the current product portfolio of the companies, which also becomes apparent from the quote below.

*When we started **talking** about changing a certain type of product to another type of product, because the major part of our production is related to the second type of product... it was rather easy for us to make the decision... (Informant Y)*

However, in practice there were situations when sayings according to plan and intention diverged with doings on a company level. This was for example when Company X sold five light boxes to Company Y's customer. According to informant X the reason for this is that he is unable to steer his sellers and customers. The seller got an approval from the informant and thereafter the boxes were sold. However, this was compensated the following year when Company X sold only one box to the same customer and Company Y sold most of the boxes to the same customer. Moreover, after this, Company X tried to focus on heavy boxes, and not on light boxes. The "compensation" practice on a relational level is related to doings, and it was apparent in several situations.

*... ok, then I **sell** eight boxes for you in Norway, which I did last week, and then they (Company Y) **say** that ok, then we buy doors from your factory... so then I received something in return, and one takes these practical steps step by step... (Informant X)*

*We will **sell** their products in Norway and they will **stop selling** their covered trailers (Informant X)*

In the beginning of the cooperation, the companies did not consider competitive practice by each other as negatively influencing the relationship. An explaining aspect for this was the intention of diminished competition in the future.

*Yes, we **talk** about it like, well, it occurred this time, and it is not worse than that because we realize that it is a question of time before we after all actually are not competitors anymore. (Informant X)*

As far as the balance of cooperation and competition in practice is concerned, there was a worry related to imbalance concerning sales on the Norwegian market. Informant Y was worried that the sales of Company Y's products in Norway would increase and become too dominant from the perspective of Company X.

*I also **asked** Informant X about this and he only laughed and **said** that it does not matter... (Informant Y)*

The findings of the study indicate that concerning doing cooperation on a relational level in practice, was not only dependent on the plans, intentions and sayings by individuals or companies, but the relational cooperative practice will be dependent on the economic market situation, how the customers and suppliers will perceive the collaboration. On an individual level, there was still a strategy for the future.

*According to my opinion the light boxes should look like Company Y manufactures them today and the heavy boxes should look like we manufacture them, so if these will be built on the same place then they would have to change their product...but that is maybe then phase three when we totally **stop** manufacturing our boxes... (Informant X)*

There were even talks about possible mergers between some of the companies.

*Informant Y **said** among other things that actually Company Y should belong to Company X.*

The reasons for this were that the companies were quite alike, and there would be good possibilities for synergies.

To sum up the initial phase of cooperation it is possible to conclude that sayings on individual and company level differed from doings on a company level. Moreover, in relation to compensation logic, doings from the perspective of one company influenced doings in the other company. The findings also indicate that there seems to be a better match between sayings and doings in situations when company practice is related to sayings on a relational level.

The mature phase of cooperation

The mature phase of cooperation took place in 2004 to 2008, and at this stage the differences with what had been said in the beginning and what was now the organizational and relational doings in practice was apparent. In comparison with the initial phase of cooperation, Informant X was now disappointed due to the fact that Company Y continued selling products that the company had said that they should not sell. According to Informant X it is problematic:

*“...if you have some form of basic formal or informal **agreement** and you feel that others break it”.*

According to Informant X, Company Y should stop manufacturing covered trailers in Finland and let Company X do this, as Company X sells many of company Y's products on the Norwegian market. Here, again, as in the initial phase, there is the thought of a practice of compensation. On the other hand Informant Y says that it is hard to increase market share on the Finnish market because it is so small and therefore each company needs its own strategy.

In fact, Company X was able to sell more of Company Y's products through its Norwegian sales organization, than it has expected from the beginning. In the initial phase of the cooperation, Informant X said that it did not matter, but in practice on a relational level it

mattered in this phase. Previously the collaboration between the companies in Norway was based on an oral agreement. However, in 2004 a written contract was signed and it stipulated the costs of Company Y to use Company X's sales organization. In 2005, Company X started focusing on accruing more benefit from allowing Company Y access to its Norwegian sales organization. Therefore, in 2005, Company X bought 30% of the Norwegian sales agency.

According to Informant Y the future of the collaboration practice between the companies is dependent on the situation on the Norwegian market, i.e. how many of both companies products will be sold through Company X's sales organization.

The stagnation phase of coopetition

This phase ranges from 2009 to 2011 and it starts with a recession on the market, which means that the companies are struggling with low sales volumes. This network level aspect influences the companies to changing their practices to more individually related, than relationally related. However, according to Informant Y, the companies stuck to their company-internal strategy of only manufacturing certain types of products and did not start to manufacture products that competed with the products of the other company, although the demand for the particular types of products increased in 2011.

As far as the relational practice is concerned, the companies now met fewer times a year than in the initial phase of the cooperation. In this phase they met about two times a year on a more informal basis. In practice the meetings are initiated by Informant X.

*We **talk** about our own issues, what is new and in what direction we are moving, we **call** each other and **buy and sell** products to and from each other. (Informant Y)*

According to Informant Y it is not that easy, if even necessary to share information with each other. The practice is that information is not shared but:

*We **talk** about sales and in what direction the market is moving.*

Informant Y says that the companies do not have a joint strategy, but that Company X has its own strategy and Company Y has its own strategy. According to Informant Y, the companies are not aware of each other's strategies, but that they "see them through practice".

*It is like this with cooperation, you have to take what **works** well. (Informant X)*

*The relational strategy has arisen through **practical actions** and meetings and what is possible to do and what is not... we **call and ask** how will it be, will you participate in the trade fair in Sweden... (Informant X)*

However, there are also sayings related to the relational practices. From the quotations below it is apparent that these sayings are of an influential nature.

*You just have to **argue** in favor of that what you believe in... (Informant X)*

*You are good at these large series, can one **tell** Company Y.(Informant X)*

Informant X, who from the beginning of the cooperation had aimed at more integrated cooperation practice on a relational level, was disappointed because Company Y had still not focused its product offerings in accordance with the informal agreement as it was perceived by Informant X. Company X has initiated cooperation with another company and sells more of this company's products in Norway than the products of Company Y. Moreover the company has increased its ownership in the Norwegian sales organization but did not tell Company Y about this.

The future of the collaboration between the companies is according to Informant Y, to a large extent dependent on the market situation and the development of the industry. As far as potential development of the collaboration on the Finnish market the same informant says:

*We have **discussed** that half for fun... (Informant Y)*

The saying of "discussion" indicates potential differing opinions between the companies, as discussion in practice is related to presenting the arguments in favor of your opinion.

DISCUSSION AND CASE COMPARISON

Based on the findings it is possible to conclude that sayings and doings related to competition vary over time and that they are interrelated on multiple levels. This is illustrated in figure 1.

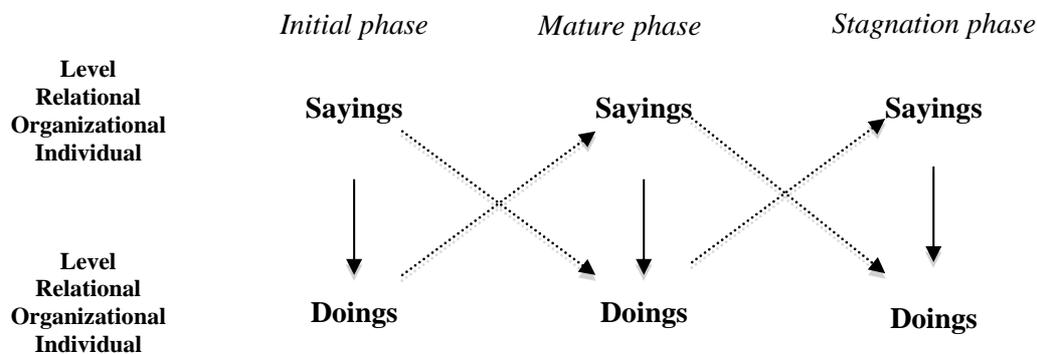


Figure 1: Interrelated sayings and doings on multiple levels

In the following sections the similarities and differences between the cases will be elaborated on.

Similarities between the cases

The two cases share a number of findings. These similarities allow us to offer an illustration of sayings and doings related to competition through the different stages. The illustration clearly shows that the matching of sayings and doings throughout the different stages of competition are interrelated. This time dimension indicates that sayings and doings in past

stages between coopting parties might have long-term consequences for the development of the dynamics of cooperative practices in future stages.

The similarities between the cases therefore indicate that the dynamics of cooperative practices take on certain characteristics, as well as develop and change over time, through the different stages described in the findings. First of all, the cooperative strategy between the companies seems in both cases to be informal and it is the managing directors of the companies that through individual strategizing both initiate and develop the strategy. Both cases also share the finding that the severed environmental conditions contributed to the initial meetings between managers, from which the strategy started. We therefore demonstrate how the external environment (Seidl and Whittington, 2014) as well as individual managers (Vaara and Whittington, 2012) together influences the emergence of practice dynamics.

The cases both reveal a clear divergence in sayings and doings in some of the cooperative stages. This can be seen both from the perspective of what is said by individuals in one company and what is done by the other company, and in relation to what is said by individuals in one company and the practice of that company. On a *company level*, doings diverging with *relational* sayings, tend to be influenced by external actors such as customers in case B, and the external environment in case A. These divergences could be assumed to become influential in future developments of cooperative dynamics, contributing to individual managers feeling disappointed.

It also becomes apparent from the case findings that doings on a *company level* are more influential in cooperation than sayings on an *individual level*. These doings can to a great extent serve as symbols for the cooperating partner. This can best be seen in the influence of compensating practices in Case B, where the doings of one company in a competitive direction influenced the doings of the other company in a competitive direction. Likewise in case A, the competitive doings of companies in the past contributed to other companies' hesitance in trusting sayings, as well as realizing cooperative doings, in the present. Moreover, silence on an individual and company level also seemed to matter in both cases. For example in Case A, experienced silence from another company in relation to doings that were experienced as agreed upon, influenced the view of individual managers on future possibilities for cooperation.

The above discussion suggests that a matching between sayings and doings between cooperating parties is influential for the development of the relationship and the practice dynamics. Concerning case B for example, there seems to be a better match between sayings and doings in situations when company practice is related to sayings on a relational level. Based on the above discussion we can therefore propose that the *individual* manager contributes to a great extent to the development of cooperative practice dynamics and a cooperation strategy, by taking on the role of an influential practitioner (Vaara and Whittington, 2012) through their individual sayings and doings, both at the relational level in inter-organizational meetings, as well as internally in the companies.

Derived from the case comparison, we are in addition able to suggest that the dynamics of cooperative practices also seem to follow external changes on the market, specifically of economic nature. This could be illustrated by the fact that the future of the collaboration was in both cases assumed to be dependent on the market, and on decreasing competition. Also, as the cooperative strategies progressed, the practices became more individually oriented in

parallel with worsened economic conditions. It should however be noted that in case A the relational practices also increased in parallel to the individual practices.

Differences between the cases

The two cases also differ in some aspects. Divergence between the cases shows that the dynamics of cooperative practices also take on contextual characteristics, shaped by the specific industry and relationship between companies. For example, concerning the frequency of meetings where inter-organizational discussions took place, the cases are different: as the industry situation worsened in both cases, the frequency of meetings and discussions increased in Case A, whereas it decreased in Case B. This can be explained by differences between industries, as well as differences in the extent of change taking place. Concerning Case A, it also became apparent that as the economic situation in the industry worsened, the cooperative strategy also seemed to move towards more formalization and planning.

When it comes to the relationship between the competing parties, in case A, the history of strong competition seemed to influence the view on both present and future doings even though sayings were clearly cooperative oriented, illustrated by the case specific interpretative practice. Some managers had difficulties in matching saying and doings in the present tense, with what was said and agreed upon and actually done, in the past. In Case B, the time difference between competitive doings of one company influencing competitive acts taken by the other company, illustrated by the compensating practice, was smaller. Moreover, the divergence between sayings on a relational level and doings on a company level that was experienced in the initial phase still seemed to prevail in the stagnation phase in Case A. This was however not the case concerning the companies in Case B, where the divergence was experienced in the mature phase. These case differences can hence be explained by the specific relationships, and the histories, between the different companies.

Lastly, another difference between the cases can be seen when it comes to “discussions” between the companies. Case B indicates possible differing opinions between the companies, whereas the interpretative practice drawn upon by managers in Case A indicates a shared view across parties.

CONCLUSIONS

The contribution of this study is twofold; firstly it contributes to academic research about competition and strategy-as-practice, secondly the findings have implications on a managerial level. From a theoretical perspective the findings of the study indicate that cooperative practices consist of sayings and doings at multiple interrelated levels. We further show that the formulation and development of cooperative practices depends on the matching of sayings and doings at multiple levels. Individual managers are also recognized as the driving force behind the practice dynamics. From a managerial perspective the findings show how important the matching of managerial activities at multiple levels is for the development of the dynamics of cooperative practices, and the cooperative strategy as a whole.

A limitation of the study is related to its work-in-progress nature, which implies a rather superficial presentation of earlier relevant literature and a somewhat general analysis of the empirical material. A logical step for future research is to deepen the analysis and integration

of the empirical material in this paper. Other relevant aspects for future research is to enrich our understanding of sayings and doings, as well as plans, written documents, intentions and aims related to competition from a practice perspective.

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