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**Summary.** One of the forms of building competitive advantage is cooperation, often seen as a complex, multifaceted, consisting of a series of stages, process. The author, based on the example of a large production company, describes the issue of the selection of suppliers, which is a fundamental phase of the cooperation cycle, conditioning future success or failure of the project.

Key words: cooperation, selection of suppliers, selection of partners, process of cooperation.

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## TYPES OF INDUSTRIAL COOPERATION IN THE POL-MAKGENERAL PARTNERSHIP

В даний час співпраця між підприємствами стала ключовим питанням у будівництві та експлуатації конкурентної позиції. Це дозволяє збільшити ринкову владу і ефективність в той же час даючи можливість розвивати компетенції та виробничі ресурси. Великий вибір компаній сектора обробної промисловості дозволяє забезпечити різні форми співпраці, які відбуваються в діловій практиці.

**Ключові слова.** Співробітництво в галузі промислового, форми відносин, міжорганізаційна співробітництва.

**Introduction.** The processes of globalization already began in the mid-20th century and sparked the developing of new strategies for the expansion and maintenance of the competitive position on the increasingly growing market<sup>1</sup>. In addition to the commonly used idea of competitiveness, a new, alternative form of organization of production, called cooperationwas developed. The main advantages of cooperation strategies include: activity effectiveness, access to new skills, resources and increasing market power.

Currently, collaboration is a phenomenon commonly used for the realization of specific manufacturing processes. At this point, the key factor is to choose an appropriate form of cooperation. This allows extracting strategic partners from these less significant and accurately locate them in individual phases of the value chain.

<sup>&</sup>lt;sup>1</sup> S. Kaczyński, Konkurowanie czy kooperacja – drogą rozwoju przedsiębiorstw w XXI wieku, "Zarządzanie i Finanse", 2012, t.1, no 3, p. 163.

The purpose of this article is to identify and assess forms of interorganizational cooperation existing in business practice. To achieve the objective the method of the case studyof the Pol-MakGeneral Partnership company from Batorowonear Poznań, established in printing market, was used.

The classification of forms of companies cooperation. Currently, dealingwith other entities is not only in terms of competitiveness. Companies havebegan to see the potential in creating strands of strategic agreements<sup>2</sup>.

While there is interest in the subject by the scientific community, in the literature of the subject you will notice shortcomings in establishing a uniform concept of industrial cooperation. The term *cooperation* comes from the Latin word *co-operari*, which means to cooperate<sup>3</sup>. The general and basic definition of this concept is provided by the Foreign Words Dictionary, according to which the *cooperation* means collaboration, interoperability, and once it also meant cooperative movement<sup>4</sup>. By comparison, the New Lexicon describes cooperation as a process of collaboration between people, or companies in the process of production of goods and services<sup>5</sup>. A discrepancy, therefore can be noticed, whether cooperation is to be treated as a synonym of collaboration<sup>6</sup> or to refer to the production cycle and the creation of certain value<sup>7</sup>.

In this publication the author focused on the phenomenon of the production cooperation (industrial), which relies on the collaboration of enterprises with a view to the joint realization of the manufacturing process<sup>8</sup>.

Economic practice proves that companies operating on the market use many forms of cooperation, which leads to the formation of various forms of relationship. The most common types of cooperation are intersectoral partnerships, strategic alliances, joint ventures, long-term contracts, trade relationships, contracts of sale and delivery and the relationship of collaboration between the seller and the buyer<sup>9</sup>.

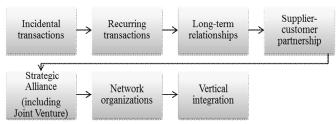


Figure 1. The scope of interorganizational relationships

Source: [18].

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<sup>&</sup>lt;sup>2</sup>J. Walas-Trębacz, *Kooperacja zewnętrzna w zarządzaniu przedsiębiorstwem*, "Zeszyty Naukowe Małopolskiej Wyższej Szkoły Ekonomicznej w Tarnowie", 2004, no nr 5, p. 146.

<sup>&</sup>lt;sup>3</sup>A. Bańkowski, Etymologiczny słownik języka polskiego, Wydaw. Naukowe PWN, Warszawa 2000, p. 792.

<sup>&</sup>lt;sup>4</sup>W. Kopaliński, *Podręczny słownik wyrazów obcych*, Oficyna Wydawnicza Rytm, Warszawa 2006, p. 422.

<sup>&</sup>lt;sup>5</sup>B. Petrozolin-Skowrońska, A. Dyczkowski, and Państwowe Wydawnictwo Naukowe, *Nowy leksykon PWN*, Wydawn Nauk. PWN, Warszawa 1998, p. 838.

<sup>&</sup>lt;sup>6</sup>I. Jaźwiński and A. Kiernożycka-Sobejko, *Kooperacja i konkurencja w rozwoju spoleczno-ekonomicznym w aspekcie międzynarodowej współpracy regionów*, "Nierówności Społeczne a Wzrost Gospodarczy / Uniwersytet Rzeszowski", 2006, no z. nr 8, p. 609

<sup>&</sup>lt;sup>7</sup>M. Strzyżewska, *Współpraca między przedsiębiorstwami - odniesienie do polskiej praktyki*, Szkoła Główna Handlowa - Oficyna Wydawnicza, Warszawa 2011, pp. 27–29.

<sup>&</sup>lt;sup>8</sup>W. Kopaliński, *Podręczny słownik wyrazyw obcych...*, op. cit., p. 422; M. Szymczak and H. Ambroziak-Wieckows, *Słownik języka polskiego PWN...*, op. cit., p. 944.

<sup>&</sup>lt;sup>9</sup>J. Macias, *Nowe formy relacji międzyorganizacyjnych przedsiębiorstw*, "Problemy Jakości", 2012, t.R. 44, nr 9, pp. 6–11.

The analysed problem is presented in an interesting way by Webster, describing the cooperative relationship as a ladder of interoperability (fig. 2). Companies, constantly aspiring to increase the efficiency of action, enter the following, more and more advanced stages of cooperation, using more and more administrative control and at the same timelimiting market checks<sup>32</sup>.

In conclusion, it should be noted that theliterature of the subject describesmany theories and concepts of business cooperation, but they have one common denominator. Well, there is a domineering belief,that any form of cooperation is dynamic and has an evolutionary nature – which means it transforms in time and is dependent on the current requirements of the entities, their level of development, the market situation and the adopted actionstrategy<sup>33</sup>.

Methodology of the carried out study and characterization of the analyzed entity. To realize the goal of the article, in February 2015there were carried out empirical studies using the method of case-by-case study. This method enables the initial insight, in reality, and the discovery of scientific problems for further study. The object of researchwas Pol-MakGeneral Partnership based in Batorowo near Poznań. The choice of this company was made knowingly taking into account two basic criteria:

- belonging to a group of large companies, characterized by a significant number of associates and a wide range of interorganizational links;
- long-term market presence who gave time theanalysed company time to develop the optimal, in the opinion of the Board of Directors, cooperative relationships<sup>32</sup>.

Research has been carried out in the form of a direct interview with the Director of Sales and Marketing. Pol-Makcompany started in 1986. It is a family business, run in the form of a general partnership. Today is one of the largest producers of ornamental bags, commemorative cards and decorative napkins. In addition, the company provides services in handling printing and flexographic printing. The plant is highly innovative and flexible in terms of technology and organization. At present, the company employs over 280 people.

**Management of interorganizational forms of cooperation.** Companies seeking to lower production costs, increase performance or make the production more flexible, often establish a cooperative relationship with a different character. The main factors affecting the start of cooperation include: relevance, necessity, asymmetry, efficiency, stability, reciprocity<sup>35</sup>.

The analized entity lists the existence of two main cooperation relationships. This is a long-term cooperation, lasting longer than two years and repetitive transactions in which we have to deal with the exchange of value between the parties, and the creation of preference and loyalty. Empirical studies show that the printing plant has about 100 active associates. It also declares that at least half of them are suppliers of strategic raw materials for further processing, semi-finished goods, semi-finished materials, delivery of spare parts for machinery equipment, distribution of products to maintain continuity of production processes (e.g. greases and oils) and additional products to support these processes (e.g. tools). Noteworthy is also the number of partners-customers, which is more than a hundred. In this case, these relationships are also long term and about 75% of the production is delivered to passive partners.

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 $<sup>^{32}</sup>$ F.E. Webster, *The Changing Role of Marketing in the Corporation*, "Journal of Marketing", 1992, t.56, no 4, p. 5.

<sup>&</sup>lt;sup>33</sup>I. Jaźwiński and A. Kiernożycka-Sobejko, *Kooperacja i konkurencja w rozwojuspoleczno-ekonomicznym w aspekciemiędzynarodowejwspólpracyregionyw...*, op. cit.;

<sup>&</sup>lt;sup>34</sup>POL-MAK operating on the Polishmarket since 1986.

<sup>&</sup>lt;sup>35</sup>C. Oliver, *Determinants of Interorganizational Relationships: Integration and Future Directions*, "The Academy of Management Review", 1990, t.15, no 2, pp. 242–246.

To analyze the phenomenon of cooperation author used the Webstercontinuum cooperative forms<sup>36</sup>. From this concept there have been selected three most important forms of cooperation, and then they were confronted with the economic practice.

The next type of cooperation is the *repetitive transactions*, where there is regularity and personalization of the transaction. One of the parties leads to match its offer to itsassociate's needs. This form of the interorganizationallinks functions on the basis of the general rules of law governing trade in goods. Recurring transactions are related to certain privileges in the form of discounts, convenient payment terms and loyalty programs. The test entity stressed that this kind of collaboration is the main form of cooperation in the company and it covers 40% of the total. This means that the company depends on creating ties of loyalty and preference.

A more developed form of cooperation is a *long-term relationship*. It is characterized by a longer time horizon and formalized relationships, often based on negotiated agreements. Parsed entity indicated that 40% of suppliers base its relations on this kind of cooperation, and it takes the form of creating special groups of eligible suppliers. Partners in the implementation of the contract must compete with each other mostly in terms of the price.

The fourth form of collaboration is *a strategic partnership* which is most commonly described as the realization of joint ventures. The parsed entity includes to this group about 20% of the suppliers, and stresses that over the years the company will seek to increase the number of partners in this group of associates. Pol-Makcompany applies partnership strategically in order to carry out close cooperation according to a predetermined schedule.

**Conclusions.** Nowadays, to maintain the competitive position without taking into account creating inter organizational relationships seems to be impossible. A major concern is the selection of an appropriate form of cooperation with suppliers as well as customers. The selection of the suitable ones allows of grouping sub contractors as key, strategic and those less important in the creation of value.

The Pol-Makcompany thanks to many years of experience and cooperation with a large number of contractors, shows effectively operating a network of subcontractors. Based on the Webster concept, there have been selected three types of relationships: clean transactions, repetitive transactions, long-term relationships and strategic partnership. In the course of empirical research, the company named the most frequently used forms of cooperation: repetitive transactions and long-term relationship (both types cover over 40% each of all deals with suppliers). The first one concerns the supply of industrial materials, auxiliary equipment, ancillary products, supporting production processes, as well as capital goods. The companyexplains that a big part of this form of cooperation is caused by the existence of relatively lower transactional costs, compared to other forms of cooperation. The second type of cooperation is long-term relationships, and they are important to test entity, due to the use of certified letters, which make suppliers to compete with each other in order to win the contract. The subject of the mentioned above contract is the supply of strategic raw materials and the products and services directly related to the production process. The research has shown that the strategic partnership has become increasingly important for the Pol-Mak company. The company aims to transfer part of the subcontractors from the repetitive transactions group to a higher level of cooperation, which is the strategic partnership.

<sup>&</sup>lt;sup>36</sup>F.E. Webster, *The Changing Role of Marketing in the Corporation...*, op. cit.

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**Summary.** Nowadays cooperation between enterprises has become a key issue in the construction and maintenance of the competitive position. It allows increasing market power and efficiency at the same time giving the opportunity to develop competencies and productive resources. The choice of a large company from manufacturing sector aims to provide forms of cooperation that occur in business practice.

Key words. Industrial cooperation, forms of relationship, interorganizational cooperation.