Co-opetition: a source of international opportunities in Finnish SMEs.

Abstract

Purpose--The purpose of this paper is to study international opportunities gained through co-opetitive relations in small- and medium-sized enterprises (SMEs) as well as to examine the influence of different levels of co-opetition on international opportunities.

Design/methodology/approach--In order to achieve the purpose, multiple in-depth case studies are conducted in four SMEs.

Findings--The results reveal a paradigm shift in competition in an international context. Co-opetition has provided international opportunities for the case companies, though to varying degrees and character. Furthermore, international opportunities can be found in strong and weak cooperation-dominated relations as well as in equal relations between competitors. However, the different levels of co-opetition influence the characteristics of the international opportunities in terms of continuity and scope.

Research limitations/implications--The results highlight the importance of taking co-opetitive relations in general as well as the different levels of co-opetition within these relations into consideration when analyzing the exploration and exploitation of international opportunities in SMEs. The results are, however, limited by the number of cases analyzed and further research on a larger scale is needed in order to draw additional conclusions.

Practical implications--The influence of various co-opetitive relations found on international opportunities and competitiveness brings to light the value for companies to focus on and to develop these relations as well as to maintain a variety of cooperative relations with their competitors in the internationalization process.

Originality/value--The paper increases the knowledge on a yet largely unexplored, but significant topic, which is valuable both from a practical- and a research-oriented perspective.

Keywords Small to medium sized enterprises, International opportunities, Finland, Competitive strategy, Globalization

Paper type Research paper

1. Introduction

An increasing amount of internationalizing small- and medium-sized enterprises (SMEs) can be observed (Zain and Ng, 2006), although the internationalization process involves many new risks and challenges (Buckley, 1997; Zain and Ng, 2006). In addition, SMEs often have a limited amount of both tangible and intangible resources to use in this process (Buckley, 1997; George et al., 2005; Reuber and Fischer, 1997). Without sufficient resources, it can be difficult for the company to evaluate and successfully grasp international opportunities (Buckley, 1997); a crucial aspect, considering that the internationalization process begins with finding and seizing opportunities abroad (Hohenthal and Lindbergh, 2005). However, empirical results show that SMEs can offset their lack of resources in the internationalization process by cooperating and forming alliances (Lu and Beamish,