



COMPETITIVE GAINS IN BUSINESS COOPERATION NETWORK (BCN) OF THE STATE OF GOIÁS CONSTRUCTION MATERIAL

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ABSTRACT

This paper presents a mapping of a Business Cooperation Network of existing construction materials in the State of Goiás, in which it sought to identify the competitive gains. The results revealed that the existing gains in the studied network are: increased market power, generation of collective solutions, reduced costs and risks, capital accumulation, collective learning and collaborative innovation. In addition, the survey found that this network requires improvements in internal organizational instruments and not use all competitive advantages and interactions available for a cooperation network. Suggestions for improvements were presented, such as: Creating an Information Technology (IT) system that was adopted by all members. Create promotional brochures, marketing action, with equal prices for participants in the network stores. Add technical knowledge of architecture in every store, offering services of an architect (the centers have homes). Use the mark of BCN on the facade.

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INTRODUCTION

Network is studied in theory in different areas of knowledge. From the twentieth century, their study was developed due to the emergence of managerial capitalism. The concept strengthened by the need for cooperation between organizations. Relational arrangements were beneficial, as suggested by the study of [Brandenburger and Nalebuff \(1995\)](#). In recent decades, in the new economy, with the rise of new competition, cooperation between organizations is of great importance because of the difficulty for companies to meet the competitive demands alone. This study is motivated by the realization that the current socioeconomic contingencies can be addressed through the implementation of joint actions coordinated through Interorganizational Relations (RIO). The real possibility of establishing beneficial relationships between those involved is needed to achieve cooperation between organizations, whose foundation is: either all win or all lose together. In short, cooperation between organizations calls for common goals, clearly defined, and ways to reach them effectively. To [Balestrin and Verschoore \(2008\)](#), there are five competitive gains that facilitate the understanding of the results of cooperation networks, arising from the relationship that members may have.

They are: greater scale and market power; generation of collective solutions; reducing costs and risks; accumulation of capital; knowledge and collective learning and innovation ([Balestrin and Verschoore, 2008](#)). The objective of this work is to identify and analyze what are the competitive gains a Construction BCN the State of Goiás. So based on the above, this article is divided into five sections, in this present section presents besides the introduction, the definition of the research problem, the goal, the rationale and importance of the study and structure of this research. Section 2 presents the theoretical framework, with the formation of a conceptual and theoretical base, providing subsidies for the development of this study. Section 3 presents the method used and the technical and methodological procedures used for the study. Section 4 presents the analysis and discussion of the results obtained in the research. Finally, in section 5 shows the relationships identified between the constructs used and the case studied in the research.

Literature Review

Several networks development experiences are reported according [Balestrin and Verschoore \(2008\)](#). The Italian experience is called by [Bagnasco \(1977\)](#) by the end of Third Italy ([Bagnasco, 1977](#)). In the 1970s and 1980s, certain Italian cities grew, increasing the gap between northern and southern

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Italy. However, the north Italian managed to unite in industrial districts, representing clusters (competitive clusters) targeting regional developments. He graduated from the Third Italy. In this region are groups of small businesses that evolve and strengthen. The skills are transmitted and employees are encouraged to open their own businesses (Balestrin and Verschoore, 2008). Another cluster presented by Balestrin and Verschoore (2008) is the US, called Silicon Valley (Silicon Valley). It is located north of the State of California, and has a large concentration of companies operating in high-tech sectors (Balestrin and Verschoore, 2008). Companies sought positive externalities, factors that highlight this model. Emergence of new technological knowledge, concentration of talented engineers and scientists, sizeable funds arising from the Department of US Defense existence of a large group of venture capital firms and institutional leadership of Stanford University.

Valley started as a hardware center in the late 1930s, when Hewlett and Packard built a device that Walt Disney used in the movie *Fantasia*. In 1970 came the semiconductor companies that originated the name Silicon Valley. Subsequently, appeared in place startups, including Apple. The startup term for newly established and profitable companies began to be popularized in the 1990s is the act of getting something, as young and extremely innovative. The American experience is specified by extensive and successive investments in research by the US Army and also for integration into a technology and university center of high capacity and knowledge.

Combined with the Silicon Valley project also are sustainable entrepreneurship by offering capital and the support of venture capitalists. The supply of angel investor in a given project brought a spread of entrepreneurs on business plans and the inter-organizational strategies. In recent years, the region has become known for advertising companies, social networks and apps for smartphones. There is also the Japanese experience. After the Second World War, restructuring in Japan was imperative. Changes in social, educational and technological fields targeting a growth emerged in the country. They emerged structured conglomerates such as keiretsu, with the following characteristics: each has a commercial bank at its center, keeps chairman monthly councils as a forum for interaction between high-ranking member firms, keep projects executed between the participating teams. The keiretsu are business groups whose member companies work together with strategic purposes, especially with regard to international business.

No intervention of government in fostering cooperation in supporting initiatives and maintaining relationships. The keiretsus, organizational integration model, maintained the benefits of collective strategies established with zaibatsus, incorporating administrative improvements brought by Westerners. Zaibatsus is a term that defines the Japanese industrial and / or financial conglomerates. The Japanese government established the Small and Medium Enterprise Agency (SMEA), linked to the Ministry of International Trade and Industry (MITI) to coordinate and foster public support instruments.

Due to the state effort, thousands of companies unions emerged in Japan between 1950 and 1980. The acceleration of new forms of organizational arrangements came strongly from the 1970s, with the beginning of change in consumption patterns. The need to create more customized products has required the companies a high capacity for flexibility and adaptation to new patterns of consumption (4). This situation is difficult to achieve by the large companies, in which the economies of scale and vertical integration of its operations until then had been the foundation of their success.

In this fierce competition scenario, strategic alliances emerge as maintenance alternative competitiveness of organizations. The formation of hybrid organizational structures based on cooperation, it is strategic for monitoring the new dynamic of competition, benefiting those companies that were hitherto alone (Castells, 1999). With the growth of the economy, intensified the search for reorganizing productive factors and methods of business management, in order to match organizations with international standards of quality and productivity. Because of this, organizations adopt new forms of management and innovation in business processes. The micro and small companies have realized the need to modify its strategic activities in the market, seeking alternatives to strengthen the power of large corporations. Among these strategies is the formation of business networks, a current practice which aims to ensure the survival and competitiveness of these companies on the market (Amato Neto, 2008).

The constitution of BCNs is justified for several reasons, reflecting the differences in strategic objectives, market positions, as well as current and future actions of competitors. One of the motivations for network cooperation lies in the search for resources that the company still does not have, but that can be found on the network partners. In addition, in the case of companies holding such resources can be strategic share it with others. Alliances are a way to reduce risks and gain cohesion. It is essential to think the business and not the isolated activity of the company. The deal surpasses the limits of the company, referring to the competitive strategies, market, brand, partnerships with suppliers, clients and competitors, outsourcing, franchising, manufacturing, logistics, management and economic-financial areas (Casarotto and Pires, 2001).

MATERIALS AND METHODS

Malhotra (2001) states that a qualitative research provides better insight and understanding of the problem context, and is a methodology of small sample-based research. This type of study, this author provides valuable insights that allow achieve a qualitative understanding of the reasons and motives underlying the proposed problem (Malhotra, 2001). Exploratory studies provide more flexibility when searching for information on a given issue, aiming to make it clearer, and the construction of new ideas about the topic (Gil, 1999). This study also characterized as descriptive, as they have focused accurately describe the facts and given reality of phenomena (Triviños, 1987). He postulates that the descriptive work is not just restricted to the collection, sorting and classification of data, since this type of study also provides that establish relationships between variables.

The method used was the case study due to the fact of making a thorough analysis of the phenomenon of BCNs, focusing on a successful example in the state of Goiás, in more detail, including recording their history (Gil, 1999; Berto and Nakano, 2000). This work has empirical investigating a given phenomenon in a real contemporary context through in-depth analysis of a case study (Miguel, 2012).

Respondents BCNs are shown in Table 1, and are identified with the letter E.

Table 1. Interviewed

Code	Function
E1	President
E2	Associate
E3	Associate
E4	Associate
E5	Associate

To start data collection, meetings were requested through telephone contacts with administrators / managers to explain the nature of research and specifically identify the nature of the network. Following these contacts, meetings were scheduled for interviews, which effectively occurred with administrators / managers and four associates.

The interview took shape individual and not collective. The appearance description was observed, and each respondent heard the researcher about the confidentiality to be preserved. Some interviews took place on the same day and the other at different times. They were recorded by recorder with prior verbal authorization of respondents. Subsequently, they have been transcribed.

The questionnaire used the interviews had forty-seven questions. This instrument was developed by UNISINOS, of Porto Alegre, the Professional Master's Program in Management and Business, and according to the research of this University, in partnership with PUCGO was authorized their use. As this questionnaire, the answers were treated thoroughly in relation to four aspects: Strategy, Structure, Process and Outcome.

The topics that comprise the portions of questionnaire can be described as follows:

- The Strategy in cooperation network allows the identification and characterization as a form of organization. Examines whether the network has a strategic plan created in a process in which all members participated. This planning is known by all targets (performance indicators), and shows whether the members are aligned.
- The network structure has contractual instruments, which are spread among the members, allowing them to promote change through teams, meetings and advice. The composition of the councils and leaders seeking new arrangements for managing, sharing and linking up the size of all associates or individually. Leaders assume a posture of seeking the participation of all.
- The process with regard to internal and external routines is known to all members. They are questioned: If marketing

routines are used aiming at an improvement in the value chain; if there is external relationships in search of practices for brand awareness; if the brand of the network is perceived by each member, associated with this knowledge of the actions in progress and for which internal communication channels; if there are informal or formal communication vehicles; the administrative and financial process of the network is being used with management tools.

- Income these are the gains provided to members in respect of their establishment as well as the appearance quality of life. It asked whether: there were better negotiations; achieved better suppliers (in which case the associated costs could be reduced); They had access to new credit lines; They increased their bargaining power in financial and credit institutions; the associated improved their quality of life.

Therefore, we tried to get as much information as possible about what the BCN effectively contributed or not to the individual member.

Analysis and discussion of the results

BCN is a network of cooperation for retailers of building materials in the state of Goiás. In this network, the President was not interviewed because of your shop be located 220 kilometers from Goiania, located in the valley of St. Patrick.

Presentation and historical context

The network began in April 2008, with the union of six (6) shopkeepers, started meetings in an establishment that was formerly another network whose associated felt dissatisfied with some regulations required by the network which it participated. In this scenario decided to organize a group to start a new association of retail shops of building materials. The new association has grown and now has 30 members. The network manager is hired with a salary and also owns one of the establishments. The main reason that led to occur shopkeepers outputs of another network of cooperation and participate in this new was in relation to the identification of the store brand.

Members use the façade of the property with its original name, known in the neighborhood, with little information on the existence of a network. The network of retailers of building materials stores refers to itself as a central business membership base, formed by independent companies seeking joint solutions of economic interest. Seek to increase competitiveness and overcome challenges that alone would have difficulties and may have been unviable. They have associated the capital Goiânia and in several cities in the state of Goias.

Respondents' answers

Among the responses of five respondents, the most indicative were chosen according to the objectives of this research, avoiding repetitions. As for the objectives of the network were reported by members interviewed:

"Long-term goal: to assist, guide, instruct gather and business associates. Specific objectives: managing and advising businesses and services, plan and guide the implementation and adequacy of the associated visual aspects, customer service and service methodology. Meetings between manager and other board members once a month. Strategic planning is decided by the manager and the board."(E1).

"Strengthening of the members, through knowledge and preparation for conducting business. Planning is done together in monthly meetings. Everyone participates "(E4).

"In the long term, bring more partners to strengthen the network. Planning is decided by the board members. In monthly meetings, new partnerships issues are decided. Everyone can give opinion "(E5).

As for the involvement of members in planning, were reported by members interviewed:

"All members participate and there is room for suggestions of members." (E2).

"Everything is sent via e-mail, news, launches, innovations." (E3).

"The Board presents the strategy and the Assembly decides to approve or not, 50 + 1, the number of associates" (E4).

As for the answers on the network structure, have been reported by members interviewed:

"All network decisions are made within the assemblies. Outside the meetings the joints are made."(E1).

"The goal of the network is to make all decisions are in accordance with associates. However, managers have autonomy to some decisions "(E2).

"All decisions are collective. Regardless of what the president does not make decisions alone. It has centralized decision "(E5).

As for the internal network structure. The statute and other instruments are available for members. As if there are codes (ethics and manuals), have been reported by members interviewed:

"Yes, all the roles are defined within the statute." (E3).

"They are well outlined the functions, duties, powers. No change in status. They did code of ethics, but has the Regiment "(E4).

"There is a description of the roles in the statute. The network has fiscal and ethical advice. Managers take the information to the House."(E5).

On the internal structures of the network, switching to the formation of Network leaders were reported by members interviewed:

"The vote is the second in two years. There is more than one candidate because of the number of members to be small. The current president has said it wants more than one ticket for the next elections. Yes, of course there is concern about switching."(E1).

"Not necessarily that knowledge and ability are taken into account. For within the assemblies plates competing for positions are set. This concern is automatic because in the assemblies associates who have more aptitude for leadership are identified."(E3).

"It is observed that the older, more experienced is participating more in meetings and who have an interest to participate. There is a share of around 70% in the assemblies and everyone is entitled to suggestions."(E5).

As for the internal processes and routines that are used by the network (marketing, sustaining an identity, common image perception of associates). Asked about the communication routines between the members and the engagement of new members, were reported by members interviewed:

"Routines are individual for each store. The network has its routine follow-up of the stores in their negotiations. Negotiations with suppliers take place within the meetings. Regarding the expansion of members, interested in people who will add, not numbers. The BCN not work on the part of marketing. The identity of the merchant is preserved. The communication channels are e-mails and website. The board comes in contact with defaulters of meetings to verify the reason for absence."(E1).

"There are those predetermined routines, but these issues are decided during the meetings. Negotiations with suppliers is made within the association with all tenants. There are training courses for leaders, course of administrative routines, how to calculate and reduce cost and others. There is no marketing routine. As regards the layout and facade, each member follows a model like. The external routine is with the merchant association of building materials that exist in Goiás. It is objective of the network show the name of BCN. There is no sense of identity because it is not a goal of the network. The communication is done by phone, email and website."(E2).

"It will solve as they appear. Negotiations usually involve six of the board. Courses were held for employees and tenants, we made every six months. There is no marketing routine. No use facade that indicates that we are associated with a network. The Merchant's name is longer than the network. We do not make flyers with the name of BCN. It communication channels."(E4).

Asked about the results provided by the network to the associated companies, if there was a gain from learning if trade relations increased the negotiations were reported by members interviewed:

"Participation in the network provided learning because the network ends up giving support to members to remain competitive in the market. We had new customers, new ideas. The market requires infrastructure improvements."(E3).

Table 2. Results obtained in the case study

Increased market power	The increased market power has been identified in trade relations were expanded and established credibility with the community. It was found that the premises have been refurbished and are ready to face competition in search of survival in the building materials retail market. Its products marketed meet the community where they are located in different ways seeking to compete with the home centers that are in Goiania. The network will concentrate efforts and does not prevent freedom of strategic action of its members.
Generation of collective solutions	The generation of collective solutions was evident in conducting courses, which provided a progress for retailers who do not have access alone and store employees who qualified and made possible improvements in the establishment improving customer service.
Reducing costs and risks	Cost reduction and risk was found with increasing customer base and economies of scale in purchasing.
Accumulation of social capital	The accumulation of social capital was found in the feeling presented in belonging to a group. In addition, they are held annual gatherings stimulating intra- and inter-relationships and spreading trust among associates. It is noticed that there is a friendship between the members and the quality of life improved after participating in the network.
Collective learning	Collective learning is clear at meetings, where members seek to disseminate tacit knowledge, complemented by information provided by the directors and manager. The strategic organization is focused on directors and managers, members participating in regular meetings with decisions without feeling inhibited. The fact that the control board missing and get in touch with them highlights the integration and worry that everyone is kept informed of the actions taken by the leadership. There sharing information and knowledge. The meetings are held at a hotel in Goiânia, with structure and secretariat, snacks, professionalized environment. There is confidence in sharing information and knowledge.
Collaborative innovation	Collaborative innovation is visible in stimulating the concept and business processes and rapid responses to new needs for new products in the store.

"Learning market and product. Better negotiation with suppliers. With regard to deadlines and prices, advanced. There were no new product offering. There was no improvement infrastructure." (E4).

"We had new ideas, best trading conditions in all respects. Greater purchasing power, longer term and sponsorships. New products and new jobs." (E5).

Inquiries were made about reducing costs and risks for companies, were reported by members interviewed:

"It's better for purchases and sales." (E1).

"All costs have been improved." (E2).

"Best business transactions." (E4).

As for the increase in relations between members of the network have been reported by members interviewed:

"Yes, more and more these ties among members improve. An example is that if the goal has been achieved, there are awards. Another motivation mechanism are leisure meetings among the members." (E1).

"Yes, it's in the main loop network. Without it there is no network. The network makes socializing at the end of the year with all members." (E3).

"Yes, a lot. Take place monthly, semi-annual and annual meetings" (E5).

As for the results gains (gains or benefits) absorbed by the company, they were asked about expansion of revenues, increased profitability, increasing the number of employees, improved facilities, credibility of associated companies were reported by members interviewed:

"Yes, generally this growth is 20% to 30% per year. Improved infrastructure. Previously three employees and are now 16. The environment is now clean, well organized and air-conditioned. Improved for the community. Confidence in the business itself is always renewed. The quality of life improved even financially. Provided greater ability to run the business." (E2).

"Increased revenues, profitability increased. The number of employees decreases, however, those who are working are more qualified. There was no change in infrastructure. We acquire more confidence. The network has given us greater insight of business organization and, with this organization, the quality of life has improved" (E4).

"Increased revenues and, of course, profitability. An increase of employees and expansion of the retirement of the stores. Increased credibility with the community and with suppliers. Suppliers relied more and customers were loyal. Greatly increased self-confidence. The expansion of 30% to 50% of store sales and improved quality of life. Better growth prospects. Leisure increased." (E5).

Analysis of results

According to the competitive gains cited by the authors [Balestrin and Verschoore \(2008\)](#), were identified in the case study the following results, shown in Table 2. The survey found that the BCN works as a symmetrical network where businesses keep their independence. The network will concentrate efforts and does not prevent freedom of strategic action of its members.

Conclusion

This study aimed to identify and analyze what are the competitive gains a BCN preparation of the State of Goiás.

The study was limited to analyzing what are the gains in companies that are part of BCN studied, implying inability to generalize the results. The theoretical approaches that served as basis for the development of this research, along with the empirical findings found brought contributions to both the academic context as to the business environment. From a pragmatic point of view, this research can bring a useful contribution to people and organizations, we can count on this study to make decisions and undertake new actions.

Based on bibliographic study used as reference and the observations and analysis, suggest improvements to members of the Materials Shops Network such as:

Create an Information Technology (IT) system that was adopted by all members. Create promotional brochures, marketing action, with equal prices for participants in the network stores. Add technical knowledge of architecture in every store, offering services of an architect (the centers have homes). Use the mark of BCN on the facade.

To continue this research is suggested: The new studies in other BCNs.

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