Operations and Supply Chain Management

Pathak, Surya D., Zhaohui Wu, and David Johnston. "Toward a structural view of co-opetition in supply networks." *Journal of Operations Management* 32.5 (2014): 254-267.

Abstract: Co-opetition, or simultaneous competition and cooperation, in the supply chain management literature has been treated as a dyadic relational phenomenon where the buyer's strategy is considered to be the primary driver. In this paper, we move beyond the dyadic view and propose a theory of co-opetition in supply networks. We argue that as firms within a supply network interact over time to access, share, and transform resources, new ties between firms are formed and existing ties dissolve, giving rise to co-opetition dynamics at the network level. Taking a configurational approach, we employ the inter-related dimensions of ties between firm, firm-level task, network-level objective, and governance to specify four practical supply network archetypes that cover a wide range of economic activities. We then explain how coopetitive relationships may evolve in these supply network archetypes. Specifically, we discuss how relationships form or dissolve in these archetypes and how local structural changes lead to co-opetition dynamics at the network

Excerpt: "Micro-process of *tertius iungens* and dynamics of coopetition in supply networks: We apply Obstfeld's micro-process (2005) to describe how coopetition manifests as a network level phenomenon due to individual firms' relational decisions. In his analysis of the *tertius iungens* strategy, Obstfeld (2005, p. 122) postulated that when one node in a network begins to connect two otherwise disconnected nodes, new structural holes are generated in the network. The broker's action of connecting these nodes often elicits reciprocal responses from these two nodes leading to bridging of some of the new structural holes over time and creation of new ties in the net-work. Fig. 5 is an adaptation of Obstfeld's pictorial depiction of the structural evolution of a network in three phases."