

Companies' Strategic Processes in International Business Networks

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Research Questions

Objects of the research: Swedish constructions companies and their partners in Russia

- What groups of factors influence network-level strategy and doing business in Russia
- How international strategy changes due to construction sector specifics
- What partners are needed to be successful on the Russian market

Methodology and data collection

- Methodology: case-analysis
- Main data source:
 - Structured in-depth interviews using 60-questions questionnaire
 - Companies' internal documents
 - Secondary Data from WEF, WB, Rosstat, Datamonitor etc.

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Literature review

Jarillo, Granovetter,
Miles & Snow, Moore,
Williamson, Ford,
Hakansson & Snehota,
Kogut, Dyer & Singh,
Moller & Rajala

*Network
theories*

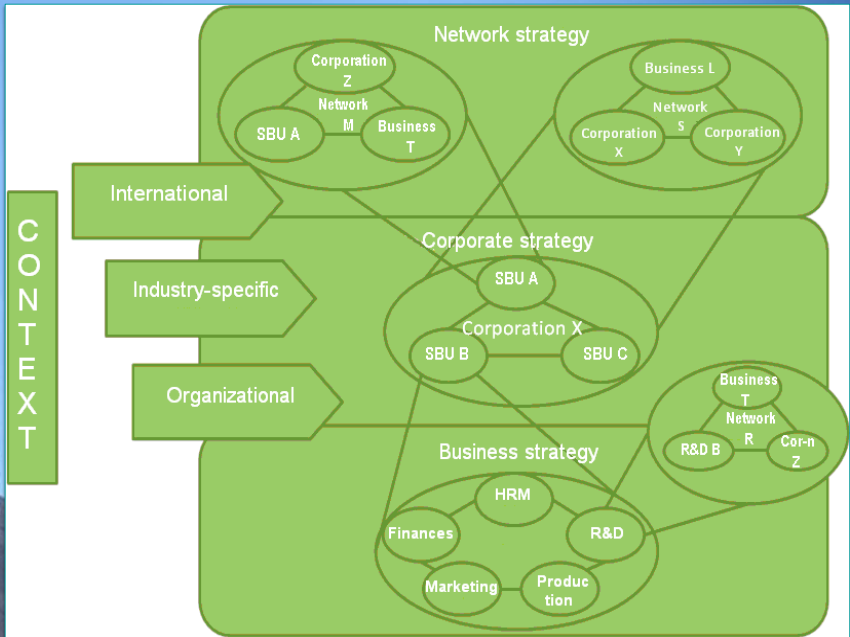
Dunning & Lundan,
Kotler, Prahalad & Doz,
Bartlett & Ghoshal,
Ghemawat, Meyer &
Estrin

*International
strategies*

**Lack in including inter-organizational connections into
international strategies**

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Network-level strategy



RESEARCH RESULTS

Factors, influencing network-level strategy (institutional context)

Russia

- Traditional industrial society
- Low firm-level of technology absorption
- Traditional market relations through contracts
- Poor integration into international processes

Finland

- Information society in Finland
 - Rapid innovation development
- Knowledge generation through new technologies
 - Development of network collaboration

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Factors, influencing network-level strategy (industry context)

- Project nature of business
- Choice of partners is realized on the first stage of projects
- It is difficult to change partners after a project start
- Project can involve different partners, both from a current network and outside it

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Barriers to developing network in Russia

- Different stages of economic development
- Differences in industry standards and regulations
- Non-transparent procedures of tenders
- High level of corruption and economic crimes
- Poorly developed net of SME
- Lack of trust from the Russian partners

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International strategies in the construction sector

Three of four companies adhere to **multinational strategy** with certain account of local features

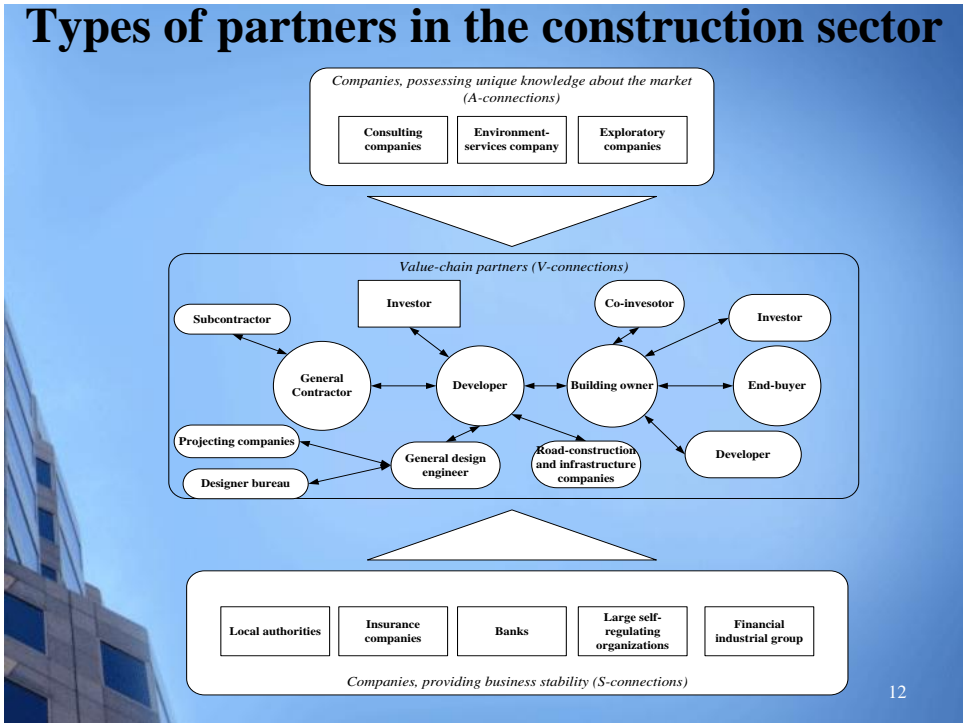
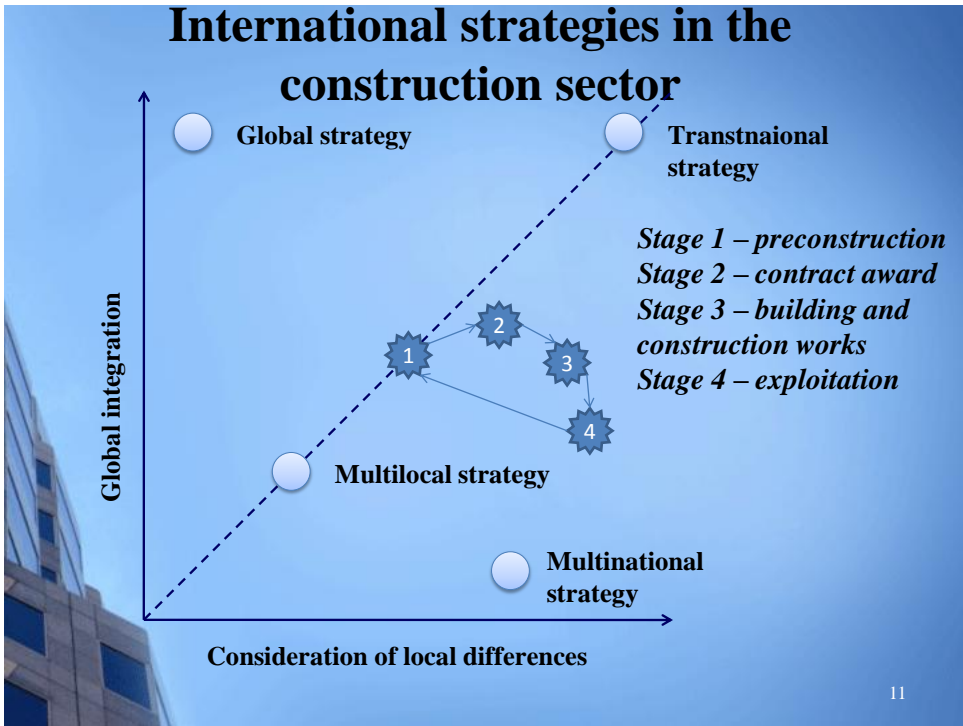
Arguments in favor:

- Peculiarities of the Russian law and business practice
- Project specify of the construction sector requires individual lead-up in business

Argument against:

- Total quality management requires the same standards in different business units

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Conclusions

- Choice of an international strategy and its implementation depend on institutional, cultural and local features.
- Network configuration depends both on context factors and presence of other divisions in the market
- Project specificity of the construction business limits customers' and suppliers' choice after the first stage
- Priority partnership relations are chosen according to companies' international strategy
- Degree of localization or globalization in international strategies changes depending on stages of the project
- Three different groups of partners can be defined

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THANK YOU FOR ATTENTION!

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