Cooperation among the Competitors in International Cargo Transportation Sector: Key Factors to Success

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Subject(s): Economy
Published by: Kauno Technologijos Universitetas
Keywords: horizontal alliances; cooperation; key success factors; transport industry.

Summary/Abstract: The purpose of this paper is to explore how cooperation with competing companies can be achieved successfully. Although international cargo transport sector is chosen, guidelines should be applicable to other industries as well, because they are based on psychological factors, which are universal. The paper is scientifically novel because it: (1) focuses on horizontal alliances; (2) looks at international transport industry sector; (3) evaluates specifics of developing (Lithuanian) market; (4) looks at multi-company cooperation. The costs and management challenges in building successful cooperative projects are often much higher than anticipated. For example Bergquist et al. (1995), studied 75 diverse alliances in the United States, found that about 1 out of 3 had either failed outright, had to be radically restructured, or survived only because the partners could not extricate themselves. Research confirms that difficulties in creating successful alliances in part can be attributed to
differences between three strategic viewpoints that dominate world of business strategy: (1) Competitive paradigm, whereby companies gain competitive advantages in one of two ways – (a) by achieving advantageous position in an industry; (b) by developing and using core competences to offer better products and services (Prahalad, Hamel 1990; Wernerfelt, 1984; Porter, 1985). (2) Cooperative paradigm, whereby companies exist in a network of interdependent relationships fueled by desire of companies to gain collaborative advantages through strategic collaboration (Contractor, Lorange 1998; Hamel, Doz, Prahalad 1989; Kanter, 1994; Nielsen, 1988). (3) Syncretic paradigm, whereby competitive and cooperative strategies should be pursued simultaneously to achieve above average performance (Lado, Boyd, Hanlon, 1997). Managers subscribing to competitive paradigm, fail to notice benefits provided by cooperative or syncretic paradigms. Such view prevents them from cooperating altogether.
With growing competition in the transportation sector, involved companies should deploy new existing technologies and extensively improve the quality of their services to remain in the business. In this article, we'll find out what are the current trends in the transportation industry and which upcoming winning strategies will lead the entire transport sphere in 2020? The key to the success in the transportation business is offering the most cost-effective, flexible, and efficient services. Earlier we developed a service connecting cargo owners and cargo carriers in one system in order to complete mutually beneficial transactions on transportation of grains and oilseeds SmartSeeds. Our company also dealt with crafting an online ticket sales service for Busfor. Together with other factors, inefficient and high-energy-consuming transportation and production technologies kept the populations and land areas of these first permanent settlements small by modern standards. Technological innovations facilitated developing complexity and specialization in social organization. On the international level, national dependencies on international trade and travel have produced cooperative agreements and discourse on many transportation problems between otherwise hostile governments. In so doing, it clarifies the repeated convergence of interest in transportation among professionals in all the social sciences. Joel Smith. Transportation sectors throughout the world are powered by fossil fuels; these sectors draw on finite resources that are already dwindling, resulting in increased costs. Fossil fuel retrieval is becoming ever more environmentally damaging. It is now generally accepted that meeting the steadily increasing demand for energy in transportation sectors solely on the basis of conventional generation technologies puts an unacceptably high stress on the environment. In combination, these factors have led to a major impetus for renewable energy–based power generation during the preceding two to three d