

5.1 Reasons for cooperation

Enterprises that are small and unsuccessful run the risk of being “gobbled up” by competitors. As a result, especially small businesses strive to grow. An enterprise can grow by using the following strategies: market penetration, market development, product development, or diversification[→]. This growth is also known as **organic growth**. Another way to grow is through cooperation.

→ P.103 Ansoff's growth strategies

In today's fast-moving world, collaborations have become increasingly common. This is due to many changing conditions (e.g., new technologies, market liberalization, integration of the European internal market¹) combined with increased competitive pressure. Many enterprises are in danger of being crushed under this competitive pressure if they do not cooperate in some way with another enterprise.

¹ Internal market: Demarcated economic area, characterized by the free movement of goods, services, people and capital, as well as a harmonized legal environment

5.2 Types of cooperation

The various cooperation options have different characteristics with regard to steps in the value chain, duration, and intensity.

Value chain

When considering a cooperation within a step in the **value chain**, both partners should consider how similar their products or services are. The following table shows this relationship.

² Complementary customer needs: The satisfaction of one need awakens new needs

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Direction of cooperation	Description, reason	Example Dr. Smith
Horizontal	Cooperation between partners in the same industry in pooling their competitive strength and dividing the competitive risks	Cooperation with another sports medicine physicians, for example, to share office premises
Vertical	Cooperation between partners from successive levels of goods and services to optimize the interfaces	Collaboration with a pharmaceutical company, for example, for the exclusive sale of certain drugs
Lateral	Cooperation between partners from different sectors to fulfill/satisfy complementary customer needs ²	Cooperation with a sports nutrition producer, for example, for the sale of sports nutrition in a doctor's office