

ABSTRACT

Cooperative relationships among firms are an area of research of interest to academicians and practitioners alike. Such cooperative relationships have evolved into a new form of business model known as *network*. This paper attempts to investigate the characteristics of a network and its implications such as benefits and risks from it. In a competitive world where survival depends on the abilities of firms to meet the needs of demanding consumers, an understanding of the dynamics of network is of paramount importance to firms wishing to deliver high value-added products.

The study applies a case-study approach and two firms were selected. This study focuses on buyer-supplier relationship network in which the two firms are involved. Research findings revealed that a networked business model displays high interdependence that requires constant supervision, controls and social interaction to meet the network objectives.

While there are evidences to indicate that firms participating in a network obtain beneficial outcomes, there are also risks to it. Research findings also indicated that a network could disintegrate if economic environment becomes unfavorable such as an economic downturn. This paper further revealed that while the rhetoric of cooperation is loud, adversarial behavior among firms in the network is lurking to a certain degree.