

CHARACTERISTICS OF FRANCHISE ENTERPRISES AS NETWORK ORGANIZATIONS

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Abstract:

Initiating cooperation among companies has resulted in practice in establishing network organizations¹. Obviously, not every instance of cooperation has to lead to such a result. It rather takes place in cases when several business entities cooperate. Usually one of these entities is given a superior role and then coordinates transfer of information and capital, both pecuniary and non-pecuniary, among other entities involved in the network. Then we have to do with subordinate networks. There are also various types of relations among the individual subordinate entities, to begin with formalized ones, and to end with loose market contacts. The structure of dependence among the participants in a network is different if the network is one in which coordinate partners are involved. In such a network the companies involved have similar position on the market and none of them is superior with respect to others. The main goal of this paper is analysis of franchise enterprises as network organizations.

Keywords: franchise, network organizations, cooperation

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