

Business networks as condition for economic modernization of an enterprise

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The article reveals features of specific networks. Among the features can be noted the possibility for integration of sectoral and territorial characteristics, their combination and rational use of potential co-created infrastructure. Due to the possibility of replacing or new members joining, the network structure inherent structural mobility and more opportunities to join its efforts and benefits for small, medium and large businesses.

Often in the economic literature such terms as «business network», «distribution network» and «clusters» are identified. But there are significant fundamental differences between them. Thus, the distribution networks, like the business ones, are a form of economic relations, but they are based on an administrative mechanism grounded on the interlacing of ownership of the business and not on their independence. Distribution networks are the basis for trade networks constructing. The terms «business network» and «cluster» are similar in content, since they are integrated by the concept of «inter-company network», but «cluster» is based on formal contracts concluded to prevent opportunistic behaviour of participants, while

«business network» is based on voluntary association and can be both long term and short term.

The decision to create or joining the network is not always obvious. Despite its prevalence and rapid development, inherently intercompany partnerships contain a number of controversial moments. In particular, business network according to its characteristics acts simultaneously as the company and the market. Similarity to the enterprise appears in the similarity to coordinate strategic actions and collective decisions, and similarity to the market – in the competition mechanism of action within the network. Moreover, the desired result of inter-company integration may additionally affect: the nature of integration (static or dynamic), coincidence of strategic interests, sector or field of activity and so on.

The growing role of enterprise networks business development requires a deep and detailed study of the conditions, causes and consequences of joining them independent business units, as well as indicators to assess their performance, which should form the basis for further research.