

keep up a control over the performance development during the period of planning. The outputs of the project provided data for completion of the Diploma Thesis on the Faculty of Economics of the University of West Bohemia [9].

## Conclusion

The compliance between the dynamics of change of business environment and the tools of performance management based on strategy is today resolved using the process approach. The contemporary architecture of company processes allows more flexibility, however it is more demanding with respect to knowledge potential and empowerment of employees. Some companies apply flexible financial control in key sub-processes. However it remains extremely important how to grasp the formulated strategy, how to distribute it and integrate into company processes and how to ensure their synergies within the framework of existing managerial competencies.

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## Evolution of the Clustering Phenomenon in the Lithuanian Grain Sector

### Abstract

This paper provides an analysis of the clustering processes taking place in the potential clustering cores and indicates the specific features of the identified clustering phenomena. The study of the clustering phenomenon and identification of this process was carried out in the Lithuanian grain sector. The data was collected from four companies that could be named as potential clustering cores. One of these companies was characterized as carrying out most of its activities in accordance with the principles of the business cluster. Other one had only a few features of a cluster. The third one was identified as conforming to the corporate development principles, but is willing to join the cluster networks, and the last company, was found, is utterly autonomous and operates on the basis of the corporate development model in the market.

The research was oriented to explore the clustering phenomenon in the Lithuanian grain sector. In this paper the potential clustering resources were investigated and possible elements and specific features of the cluster phenomenon were identified. For achievement of this task, Structured Interview, designed for the investigation of the clustering phenomenon and its features; and Dialectic & Phenomenological Hermeneutic methods, selected for scientific interpretation of the provided answers, were used.

Facts found by this research, leads to the understanding that clustering can become the transitory activity of group of companies, which leads to the reinforcement of companies positions in the market up to the time when companies will be able to act independently. Based on research findings, networks of Lithuanian companies can be at least grouped: into genuine clusters, into groups of companies which temporarily behave as a cluster and into groups of companies which simulate clustering process.

### Key Words

clustering phenomenon, cluster, cluster core, grain sector

JEL Classification: L20, L25, Q13

## Introduction

Clusters are commonly defined as geographic concentrations of related companies and associated institutions operating in a certain field and joined by the information networks and the elements of the value (input) chain. The major focus is on the geographical concentration and interaction in a value (input) chain [1]. In studies two scenarios of the cluster evolution were considered: cluster formation by some dedicated

actions and natural emergence of them [3, 4, 6, 10, 13, 14, 18]. In most cases the possibility to form a cluster artificially is evaluated sceptically. However, Ch. Ketels argues that a cluster can be created but first should be estimated does the resources spent to create a cluster would generate an economic value [7]. Numerous cluster researches show that cluster creation is a time-consuming and costly process. Besides, there is a high failure rate and some risk that investment will not pay off and will create a requirement for the public financing.

Numerous researches focus on the fact that evolution of most clusters is a spontaneous and natural process [3, 4, 9, 10, 13, 14, 16, 18]. Mostly it is fostered by the market demand and entrepreneurial drive. Such way of grow potentially lead to stronger and more successful but drawn-out cluster formation. The exception can be the formation of cluster based on disarrangement of monopoly after which monopoly splits into several small and medium enterprises. These enterprises are commonly related by their culture which is inherited from monopoly. Such cultural similarity can cause the later clusterization of mentioned businesses and can faster the process of clusterisation.

Earlier also where observed that in most cases positive conditions for cluster evolving have been determined by the historic processes taking place in regions, countries and unions of countries, and such aspects as geographical location, intersection of trade routes, industrial development in particular regions, presence of universities and enterprises could serve as an core for a cluster and ensure new investment from the outside, etc. Some authors [18, 14, 10] suggest different conditions important for the successful cluster development: entrepreneurship, manpower, human resources, communications, learning, financial resources, concepts, laws, educational institutions, location. It is possible to identify the following interdependent aspects having direct impact on cluster evolution and development: policy formation, promoting the partnership between participants; empirical cluster studies; formation of the cluster-based policy [12].

In Lithuania the idea of clusterization firstly introduced by J. Činčikaitė and G. Belazarienė [1], ETC and KTU VSI [2], KTU VSI [5] and Č. Švetkauskas [15]. Their works was formed the starting position for the further studies of the clustering phenomenon in Lithuania. These and later studies [8] most often where focused on the possibilities of cluster development in industrial (wood, textile, etc.) and service (tourism) sectors.

The clusterization in the Lithuanian grain sector has been briefly outlined in the study prepared by the KTU VSI and VŠĮ ŽVI [8]. The study suggests that judging by the structure and operation principles some of the sector companies in the future may develop as clusters. However, the performed study was more like an overview; therefore no detailed information regarding the phenomenal features of clusterization in this sector has been given. Other authors do not provide a more in-depth analysis of the clustering perspectives in this sector either. Having in mind that this is an important sector in the Lithuanian agricultural industry it has been decided to analyze and describe the phenomenal features of possible clusters in greater detail.

*The research topic* is an exploration of clustering phenomenon in the Lithuanian grain sector.

*Objectives of the research* are investigation of potential clusterization resources and identification of possible elements and specific features of the clusterization phenomenon.

*Methodology of the research* – Structured Interview, designed for the investigation of the clustering phenomenon and its features, and Dialectic & Phenomenological Hermeneutic methods, selected for scientific interpretation of the provided answers.

## Methodology of the Research

In order to investigate the clusterization phenomenon the approach of the Structured Interview has been used. The questionnaire comprising 20 questions has been made up. The questions have been formulated in such a way that the analysis of the provided answers carried out by means of the Dialectic and Phenomenological Hermeneutic methods would result in information-bearing data. At the beginning 10 companies representing the Lithuanian grain sector have been invited to take part in the research. They have been selected according to their leadership in the field of sales and production. This selection has been based on the clusterization theory stating that namely these companies can become cluster cores or some kind corporate parents.

Previous studies have already shown that the cooperation of companies in such studies is listless. The most frequent refusals to participate in the studies were: too high self-esteem reasons, fear, distrust and inability to see the personal benefits. Similar excuses or their modifications have also been provided this time. Frequent reason for refusing to participate in the survey was a relatively high employment rate which was the reasoned by inability to find time to meet. There have been cases when a potential respondent promised to participate and asked for contact information, but later became unavailable even after receiving a reminder. In the course of the study were interviewed four companies<sup>1</sup>. A refusal to participate in the study, unwillingness to express own position on current business conditions and avoidance of co-operation in the investigation hypothetically described as a non preparation for clustering. This hypothetical conclusion where based on the results obtained from the exploratory research.

Since the study is phenomenological in nature, it can be concluded that even a single interview is scientifically meaningful knowing and describing a certain phenomenon. Classic qualitative research practice does not require the large test sample, but the large test sample can be treated as a classification and diversity criterion of the existing phenomena (Vaitkevičius, 2010). Therefore, in this research, a large sample size was not intended, especially when companies refuse to participate in the study methodologically also were valuable.

<sup>1</sup> Companies' names are not published in order to veil their strategic and competitive identity.

### 3.1 Qualitative Research Instrument and its Application Methodology

A Structured interview has been chosen for this research (see Table 1). If the sample is greater this type of interview can be processed applying the methods of statistical analysis. However, small samples also provide sufficient data for identifying the essential typological features of a phenomenon.

Questionnaire is designed as a tool to find out what the respondents know about clusterization phenomenon and to identify their readiness and openness to clustering process. These questions have been deliberately hidden in the context of other related matters. The mentioned respondent's characteristics have been judged not on the text provided as an answer to a particular question but on the combinations of respondent answers to appropriate questions, and on the form of the answer used (see Table 1). Text intention analysis and interpretation of the meaning interdependencies were done using Dialectic Hermeneutic method.

### 4. Preconditions for the Clusterization in the Grain Sector

Examination by the interview method the grain industry enterprises revealed that the largest grain processing companies equilibrate on the corporate and cluster development bound. This proves that the Lithuanian companies are ready to transform into more advanced business structures. Moreover, some of these companies operate under a simplified cluster model now. Their operating experience shows that currently in Lithuania the conditions are suitable for the formation of the cooperative structures that help to ensure long-term competitiveness and profitability for the companies.

Interviews revealed a positive attitude to the cooperation of companies, active search of new contacts, and their positive attitude to the external initiatives. It became evident that the companies are maintaining vertical and horizontal cooperation.

Some of the grain processing companies have taken the direction of the corporate development. It became evident from their focus to the search of new activities and from their investments in to the development. Furthermore, these companies operate not only in a grain processing area. They also have other activities which form two separate value chains: the production of breadstuffs, meat and dairy products. The value chains of mentioned companies are intertwined, because the owners of the companies are the same and they tend to connect all businesses into the one-piece value chain.

In this industry, the vertical integration is very common. It can be seen when grain Products Company open the bakery, set up or purchase agricultural companies, or contrary - the bakery purchases the mills. In this way they try to solve product quality issues and try to increase total profit.

**Tab. 1: Hypothetical Question Interpretations**

Questions	Implications in the Clusterization Research
What are the main economic difficulties that you face when performing your activities?	A respondent's answers to these questions indicate his/her readiness to monitor internal and operating environment, which is very important when delegating the function of the cluster core. If a company is unable to define its current positions, then how would it represent a merger of several companies? The readiness for the clusterization can be considered only if a company identifies itself in the environment, is able to define itself and can realistically evaluate its potential.
What are the main competitive advantages and disadvantages of your company?	These questions allowed evaluating the company's strategic potential. Companies, which negatively answers to the question what do they need cannot properly represent a cluster.
What are the main threats and opportunities for your business?	If answering to these questions respondents emphasize their personal initiatives it means that companies do not seek for cooperation opportunities when solving various problems. If respondents are of the opinion that all or almost all of the problems should be solved by the government, then it can be hypothetically stated that the companies cannot be characterized as particularly competitive what is necessary for a company representing the core of a cluster. If companies clearly realize what roles they, other market participants and the state should play when solving problems, it means they are ready for strategic actions and can rightly be assumed as suitable candidates to become the cores for a clusters.
Is the industrial sector, which is represented by your company (as well as providing services to this sector enterprises) is making enough efforts to increase its competitiveness?	These questions have been aimed to identify geographical features of a cluster. Ideally all the companies of the cluster should be concentrated in the same geographical location and be in a 2-10 km proximity to one another. We cannot eliminate the possibility that an evolving cluster can be regional or international in which case the companies would be located within the boundaries of a region, district, county, EU countries etc.
In what kind of activities, sectors or branches of industry your company reached an advantage comparing to its competitors?	These questions are aimed to define a cluster and to identify its distinctive features. The way the respondents answer to these questions helps to evaluate the maturity of the cluster and the state of its development. For a deeper analysis of these issues additional questions have been provided. If the answer was "no", the additional question was "Why not?", if the answer was "yes", the additional question was "What advantages and what disadvantages of this collaboration can you indicate?"
Is in the future your business shall to concentrate on other activities? Name what and why?	Using these questions has been studied business cooperativeness. It was assessed whether the industry companies is willing to cooperate, or avoid doing so. Also the cooperation maturity and orientation to the clusterization processes have been evaluated.
What is the national and regional government's contribution to resolving of the problems, and to industry modernization?	This question was intended to highlight the factors leading to companies' cooperativeness. Usually, companies incapable to develop in cooperative way are forced to cooperate. Although it may seem that such companies are forced to join dependent organizations that help to grow their business, or choose to expand fields of their activities if such a possibility exists. Such view and way of thinking definitely contradicts the concept of the clusterization.
How you recommend solve these problems, if they should be solved by sector companies?	
How the indicated problems could be solved, if in their solving should take part not only the companies representing the sector but also the national and regional government?	
Are your business far from your suppliers and customers?	
Do you need a lot of efforts to reach them?	
Does your company have business partners manufacturing analogous products, which could be sold as the production of your company, in case it would be necessary?	
Does your company have enough business partners capable to supply products and materials necessary for the manufacturing processes?	
Does your company have business partners that sell the products manufactured at your company?	
Does your company have business partners that create products for your company (new products)?	
Does your company have business partners that provide training for your companies employees?	
In which fields companies performing similar activities tend to cooperate, and in which do they tend to compete?	
Are in mentioned companies cooperative structures exist on common values, a sense of community, relationships based on trust and / or collective knowledge and expertise (know-how)?	
Would it be an opportunity, you would choose to extend your business on your own or in cooperation with your partners?	

Source: own

According to the survey, grain processing companies are well-informed and relatively good strategic position in the food processing sector holding companies. However, companies only sometimes talk about possibility to evolve under the cluster model. It can be seen from the fact that when talking about relations the companies tend to use the term *intermediary* rather than *partner*. Finally, the Phenomenological Hermeneutic analysis helped to explore the reasons of clusterization. These can be named as company's partial dependence from naturally developing cluster network. This means that although the company is not developing according to cluster model, but it can be a part of the cluster because the cluster purchases raw materials or services from it.

#### 4.1 Phenomenal clusterization features of First Company

Interview allowed exploration of phenomenological features of *First Company* such as positive attitudes to cooperation and the search for new contacts and a positive notion towards external initiatives.

During the conversation, it appeared that the company cooperates both vertically and horizontally. This suggests that it can act under the simplified cluster model which can be described more accurate only after additional studies.

*First Company* holds a clearly defined position within a conditional cluster. Their position can be described as an agent-intermediator, moreover, they also are currently the main risk takers. This statement does not mean that only the company takes risk, but in many cases company to its own business risk takes and the common financial risk also, i. e. *First Company* not only buys grain, but also grants loans to farmers. This can be proved by the following statement:

"...It is definitely much easier for us to get credit under the deposit structure than for the farmers. ...They themselves depreciate the land 50 percent and they give only 50-60 percent after all. So, how can the solvency emerge? That's why we have to finance all of this, after all, if we still want to sell something..."

Another important phenomenological feature which shows the clustering process is an agreement made between competitors and helping to sell goods at a better price. This is not a cartel agreement, when all the producers set the same price, but rather a reciprocal support and cooperation with the aim to collect the required amount of products:

"...It is impossible to load 50,000 tons at once. So, here 20 are mine, 20 there...and 10 more there...so, we put them together. The most important thing is to deal this before you sell and not to be forced to make an arrangement, which is often the case. The same customer secretly buys from one, second and third leaving the only option - to face the fact. So then it is a strained corporation. This is not a corporation on principle but...this is why you usually "lose the price" and so on. And when you know that it is possible for you to sell 50 units instead of selling 25, the difference is in the price. There isn't many who talks here, but we have a talk here..."

There is one more phenomenological feature that shows the progress of the clusterization processes and can be associated with the inclusion of new market players into the trading process. In this case this is educational institutions.

Although their debut was not successful, but the attempt shows the company's readiness to act in accordance with the principles of cluster and carry out a range of new cooperative initiatives.

Interviewer: *Are there any partners who help to raise the qualification of company's employees?*

Respondent: *... really, we've started with one last year. They were optimistic about the selling, marketing and so on. They said - we'll do here - will be nice. We were sceptic, but decided to take a shot.*

The representative, answering to the question "whether among all the mentioned companies are common values, a sense of community, relations based on trust or on collective knowledge?" emphasized, that industry companies rely on each other. These answers also show the emergence of the clustering phenomenon in this sector: *"... if there wouldn't be trust, at least in some fields, there wouldn't be any possibility to do anything, if to be honest. If you thought that something is going on behind your back, it won't be good. Therefore there has to be some kind of confidence..."* *"...There are no quarrels. No discussions about our connections in the newspapers, no slander, nobody sends the tax inspectorate. If there are no such things, I think there is cooperation..."*

This case analysis has shown that the business development model employed by the company corresponds to the principles of the cluster formation, although the company itself does not identify it as a formation of a cluster network. This shows that the cluster formation is closer neither to the natural nor to the forced process.

#### 4.2 Second Company as an indicator of the evolution of the market clustering phenomenon

In the meantime *Second Company* has taken a direction of the corporate development. It is a well-informed company occupying relatively advantageous strategic positions in the food industry sector. Chosen corporate way of development make this company exceptional among others performing similar activity. The proof is the fact, that the grain processing company also owns several poultry farms.

This company has previously been included into the clusterization study as a respondent. Therefore, this time it is being included not as an unfamiliar unit but as an indicator helping to see possible changes in the market that determine the declined relevance of the corporate development and the increased interest in the cluster formation. The study results show that this company still maintains its preferred direction and no marked changes indicating the need for the clusterization has been identified so far.

#### 4.3 The Third Company, as corporate and cluster development models coordination phenomenon in company's development process

The performed case analysis has shown that Third Company is balancing at the boundary of the corporate development and cluster formation. The assessment of the interview results revealed two alternative company development directions. One of them is the direction of corporate development. It is evidenced by the fact that the company is searching for new activities and making investments into their development. In spite of this the company sometimes considers the possibility to develop in accordance with the cluster model. It was difficult to determine whether the company is tending to operate according the cluster's philosophy, because such a model would be more suitable to further development, or this company just simulates the clustering.

Balancing on the bound appeared, when was compared the results of different groups of questions. According to the research results, questions that show indirect relationship with clustering phenomenon indicated the organization's declaratory position to develop according to the principles of corporate activity. When the representative start answering to the questions that have a direct link to the clustering phenomenon, company's position has changed to work according to the cluster approach. The issue was, perhaps the company is using a combination of development model, where in some markets company operate according to the logic of corporate development, while in others according to the cluster development. After a deeper analysis of facts revealed during the interview it has been determined that the basic model that the company follows is based on the logic of corporate development, while the presumptions about the clusterization could only be made because of the competence demonstrated during the interview. This proposition justifies the assertion, that the company with respect to the co-operative relations has been inclined to choose the mediator concept, but not a partner. Finally, the Dialectic Hermeneutic analysis helped to identify possible preconditions for the clusterization. These could include the realization of the company's reliance on the emerging cluster networks. It's a perception that company depends from the emerging cluster networks. The company can be treated as an integrated part of some cluster as it, e.g. supplies materials or provides services for a cluster, although the development of the company itself is not based on the cluster model: "...I think that the clusters and that they should find out, where we are trying something new added value to create, to create an "exportable" product, that's it...". Such intention demonstrate that this company tend to use the value created by a cluster, but do not try to create a value for a cluster. Based on the results of this study is difficult to say how many such companies are in supposed cluster, but one thing is clear, that such companies do not accelerate clustering process and do not guarantee clusters' longevity. Moreover, re-thinking of the results allowed to raise several questions: how much should be extended value chain between companies to name it as a cluster, and the circumstances, in which the cluster operate like a strategic business unit and with external companies maintain only customary commercial relations?

Third Company like other participants in the grain market prefer cooperation in the flour industry, but "compete in almost all other fields...". Some kind of passive

dependence to future clusters can be seen from the fact that the company already supplies products under the trademarks of other companies: "...our cooperation with the trading networks is more obvious as we provide them with the supply of production that is marked with their trademarks...". The evidence for the horizontal cooperation is provided by the following statements: "... we cooperate with suppliers of raw materials as I mentioned above, grain resellers, we are somewhat cooperate, as I said, with other areas of grain-processing companies, ... for whom we bought raw material and say we prepare it, clean it, dry it and we sell it to rapeseed oil manufacturers ...". "... we cooperate ... where we bought malted barley ... we are prepare them, we dry and clean it so that it could be used in the production of beer; ..., so, such co-operation takes place, this is where the grain-processing enterprises, which do not have any competition with the same products. In such place the co-operation is going ..."

The analysis of case showed that in the Lithuanian grain processing sector is one more notable clustering phenomenon - some enterprises in the cluster more the attendants, than genuine members of the cluster.

#### 4.4 Phenomenal clusterization features of Fourth Company

It has been determined that in general Fourth Company is already been functioning according to the clusterization model although it has some features of corporate development. This case has proved the potential of the Lithuanian companies to transform into relatively innovative business structures.

Company's knowledge about the market and its partnership also tells about its dependence to the cluster, but the company, its relationship with the environment and disposable network do not name as a cluster. Like in the previous example it shows the company's possible natural transformation into the cluster.

During the interview emerged the company's positive attitude into the co-operation. In particular, it has been clearly formulated in response to the last question (see tab. 1, 20<sup>th</sup> question). Representative of the company mentioned the "...Together with the partners... The scope is too large, other thing specific markets, where we work... impossible to physically bypass for only one ... this requires ... partners and or either us with them ... Together we have invested even ..."

The representative speaking on one of the main phenomenological features of the cluster, company's relationships with its partners, shared values, a sense of community, relationships based on trust and collective knowledge and competence also testify the fact that company operate on the basis of cluster philosophy. "Our relationships are certainly based on confidence. We work in cooperation. Sometimes we lend something to each other. This happens when we run short of raw material for example. There was a case when the dock workers went on strike in Germany and couldn't load the vessel and our partners had to produce fodder and there was no way out for them - it had to be produced because the animals had to be fed. Neither holidays nor strikes can be brought as an excuse

*the feed has to be given on time and that's it. So such things happen and we help each other. We share our experience, we lend raw material..."*

The company's functioning based on cluster philosophy reinforces the fact, that organizational behaviour is not only based on sole partnership or only competition. At the same time competition and cooperation with one and the same company are two simultaneous processes. Rationality, which is also one of the principle elements of a cluster phenomenon, was also found in company's thinking. This can best be illustrated by the answer to the question in what fields the companies performing similar activities tend to cooperate, and in what fields they tend to compete: *"In some fields such as aviculture the companies tend to cooperate. But of course they compete ... Sometimes we buy the raw material in cooperation with our competitors ... It is natural ... as large quantity makes up a single shipment which is delivered on a single vessel and you don't have to order smaller quantities that would be delivered in separate containers ... Hence the costs are smaller, both companies are offered a more favourable price and this is acceptable. But then these companies compete in the internal market ..."*

The initial company's cluster development stage shows its cooperation not only in such areas as raw material acquisition or joint logistics, but also in such as training. The organization sends its employees to study abroad or to the other companies' facilities in the EU: *"...trainings are being organized in various companies of the European Union. So the employees have a chance to gain practical experience in more advanced companies in order to deepen their knowledge and acquire better qualification..."*

The company's development in accordance with the cluster model is also shows the fact that the company has business partners creating new products. The advantage of such partnership has been explained in the following way: *"... we use the resources of the veterinary academy, of the various institutes, of German institutes, we use the European Union scientific basis not only the German, but the Holland also, in some areas we use their experience, and of course what we find attractive we try to take. The cons we are trying to figure out, and in our praxis we try not to apply them..."* Here needs to note that the phrase *"...the cons we are trying to figure out, and in our praxis we try not to apply them..."*, no matter the previous facts, shows that company possibly only takes care about itself and do not mention backward communication, which is very important for genuine clusters.

One more important cluster phenomenological feature of this company is the fact that it has several business partners manufacturing analogous products, which could be sold as the production of the company itself, in case it would be necessary. As an advantage it can be seen in situations that occur *"...if we cannot do something in time then we can buy what we need and compensate the demand"* although there is some disadvantage as well which is related to *"our concerns about the quality, the uncertainty whether the production will be as qualitative as ours..."*. It is important to emphasize that the identification of risks associated with the cooperation indicates the company's realization of advantages and disadvantages associated with the business model it employs; this definitely can be identified as one of the cluster phenomenological features. On other hand, open no-confidence in the relations demonstrates the company's orientation

to self-organisation. It means, that company still more oriented into corporative development than into behaviour under the cluster philosophy.

Company's as a cluster growth can be visible thru company's orientation to refuse some activities, which, in principle, is useless, but representative points out that not all of them, they are able to refuse.

This tendency became clear from the answer provided to the 2<sup>nd</sup> question (see tab.1): *"...advantages may be such that we becoming large, as far as possible ... in the grain sector, main disadvantage would be, our inability to fully give up the out-dated structure, when was normal to own everything ... : and services and the maintenance units and various service departments. ... however now we trying to limit our activities to those that are in direct relations with the production and leave all the service and maintenance works for other companies that could act on contractual basis..."*

## Conclusion

To sum up, the Fourth Company is the most progressive out of the all four companies, if to assess from the point of view of cluster development. The business model it employs has most features that are characteristic to the clustering phenomenon. Besides, its business model has all the principle features of an international cluster. The clustering model of the First Company slightly fall behind, as it still preserve some features of corporate development, although some evidence of clusterization process are visible. Third Company is a valuable example from the phenomenological viewpoint as its case show that the inclusion into a cluster is also possible for the company that take up a direction of the corporate development. This case require more profound considerations as no research or complex studies of such a phenomenon has been provided so far.

The question arises whether corporate company correspond to the cluster principles and is fully capable to represent a cluster. On the one hand the company that perform its activities in a professional way is a desirable partner within a cluster. But on the other hand the company employing the model of corporate development can have claims to strengthen its positions on account of the cluster and accept the value the cluster provides, and rather would limit owns activities to the supply of production and provision of services without any intentions to share other kind of value. Such companies' act in cluster raises a question about purpose of clustering. If earlier cluster was the phenomenon which described a type of companies' partnership, then now some of the clusters can be named as purposive groups of autonomous corporate companies, which try to raise their bargaining power temporarily acting under the network development model. If it so, then there is a risk that such clusters in some markets can become some kind of masked monopoly or oligopoly. The negative side of it is that such formations are difficult to control because of their informal nature, so this is a negative feature of cluster phenomenon.

Explored facts leads to the understanding that clustering regarding its conditional fetishism in the market can become the transitory activity of group of companies, which

leads to the reinforcement of companies positions in the market up to the time when companies will be able to act independently. Based on research findings, network of Lithuanian companies can be at least grouped: into genuine clusters, into groups of companies which temporally behave as a cluster and into groups of companies which simulate clustering process.

In order to confirm or reject any of these considerations a more detailed study of this phenomenon is required as it will help to identify the precise type of the companies' network and their relationship with the clusters.

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