

Managing organizational and geographical complexity: on the 'positionality' of APS in global production networks

Overview

- 1. Introduction: theoretical background**
- 2. The spatiality of APS/GPN interactions: case-studies**
- 3. Conclusions**

Theoretical background (1)

Two lines of literature:

- Global Production Network approach
- APS and World City Networks

Problem:

Little or no cross-referencing → limits explanatory power

Basic assumption

Integration could enhance understanding of contemporary global economy

Overall objective:

Explore some of the potential benefits of this integration

Theoretical background (2): integration model

The positionality of APS in a GPN

Positionality?

Describes how different entities (i.c. APS firms and their clients) are positioned with respect to one another in space/time (Sheppard, 2002).

Three dimensions

1. Functional dimension
2. Governance dimension
3. Spatial dimension

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Three dimensions

1. Functional dimension
2. Governance dimension: facilitative vs. strategic
3. Spatial dimension

Theoretical background (2): integration model

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The spatiality of APS/GPN interactions: case-studies

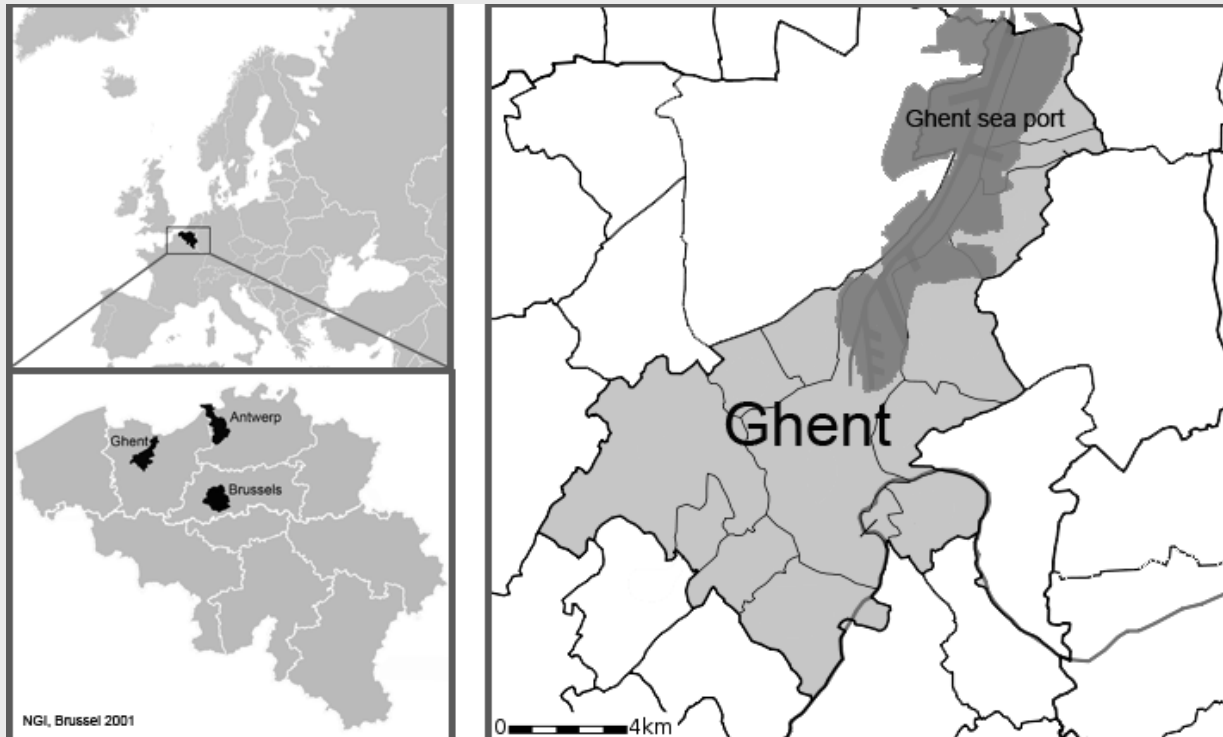
Research objectives:

- Study the spatial patterns of service procurement
- Identify the underlying processes

Two case-studies:

- 1 qualitative: automobile cluster in the Port of Ghent (Belgium)
- 1 quantitative: top-300 companies in Belgium

The spatiality of APS/GPN interactions (1): Port of Ghent



The spatiality of APS/GPN interactions (1): Port of Ghent

Methodology

- Semi-structured interviews with senior executives of automobile companies
 - main procurement mode (in-house vs. outsourced)
 - if outsourced: location of business partner, selection criteria, ...

Results

- Spatial patterns
- Underlying factors

The spatiality of APS/GPN interactions (1): Port of Ghent

	Intra-city	National inter-city		International inter-city		Total
Accountancy (audit)	5	Brussels	1			7
		Courtrai	1			
Insurance		Brussels	4	USA	1	7
		Antwerp	1	Karlsruhe	1	
Financial services	1	Brussels	4	Karlsruhe	1	6
Law	3	Brussels	2			6
		Antwerp	1			
Management consultancy	1					1
ICT	2			Gothenburg	1	4
				Oderzo	1	
Total	12	Brussels	11			
		Antwerp	2		5	31
		Courtrai	1			

The spatiality of APS/GPN interactions (1): Port of Ghent

Methodology

- Semi-structured interviews with senior executives of 5 companies
- 2 completed questionnaires

Results

- Spatial patterns
- Underlying factors
 - ✓ Intra-city links: spatial proximity
 - ✓ Inter-city links: reputation and expertise
 - ✓ International inter-city links with e.g. Gothenburg or Oderzo???

The spatiality of APS/GPN interactions (1): Port of Ghent

Methodology

- Semi-structured interviews with senior executives of 5 companies
- 2 completed questionnaires

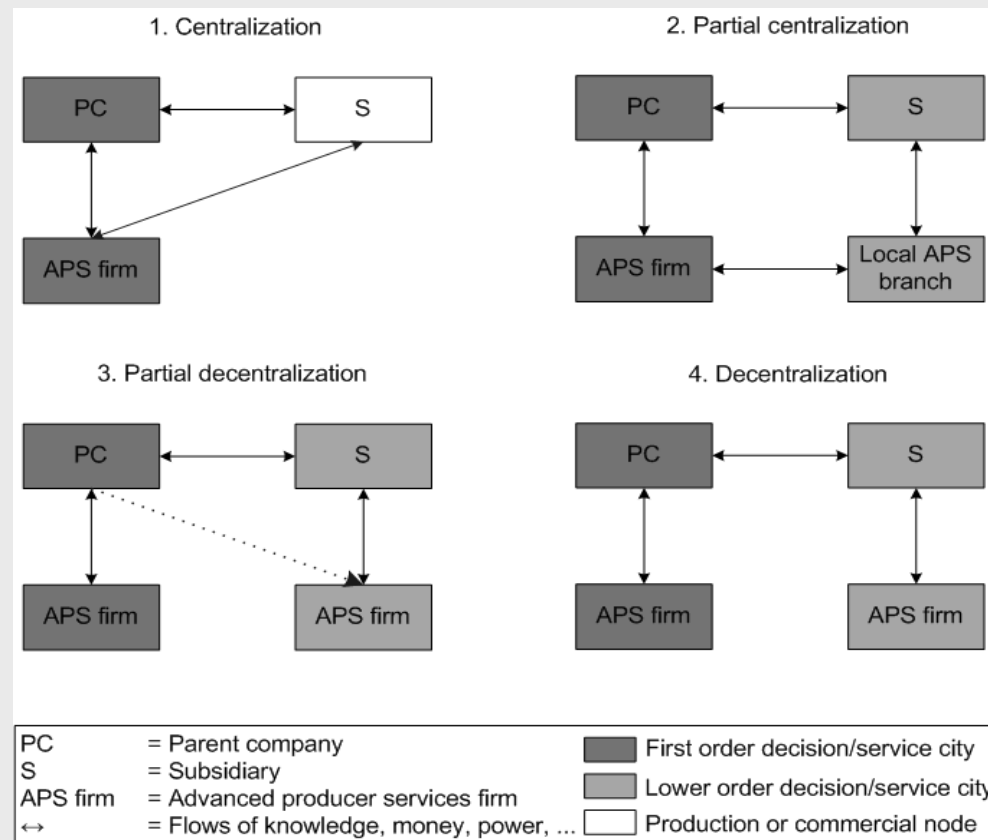
Results

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- Underlying factors
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imposed by parent company?

Four spatial models of service transaction links



The spatiality of APS/GPN interactions (2): Top-300 Belgian firms

Methodology:

- Large-scale email survey to top-300 companies in Belgium
- Dominant service procurement mode for 7 APS
- Response rate of 32%

Results:

- Spatial patterns
- Underlying factors

The spatiality of APS/GPN interactions (2): Top-300 Belgian firms

	Service has been used during last year of operation X = yes blank = no	Dominant procurement mode			
		<u>In-house</u>		<u>Outsourced</u>	
		Company	Parent company	<i>Main</i> partner	City
Accountancy (audit)					
Creditor bank					
Insurance					
Legal services					
Management consultancy					
Advertising					
ICT					

The spatiality of APS/GPN interactions (2): Top-300 Belgian firms

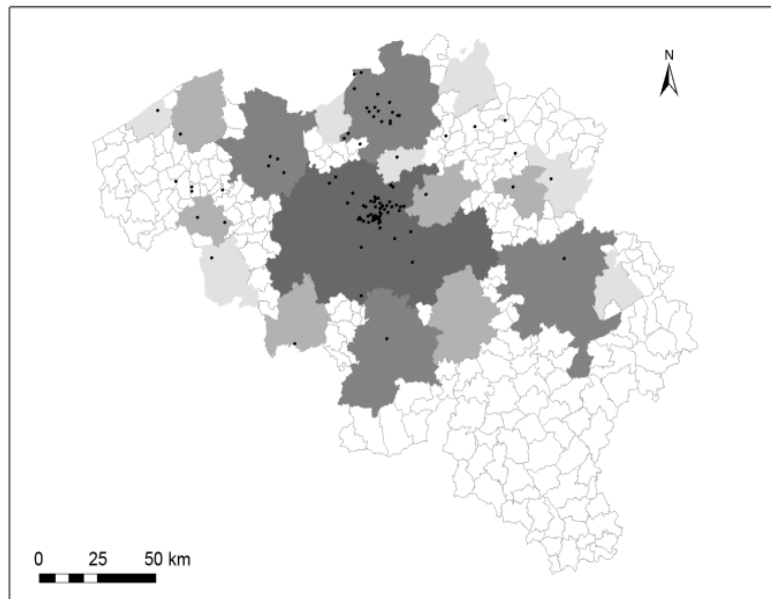
Methodology:

- Large-scale email survey to top-300 companies in Belgium
- Dominant service procurement mode for 7 APS
- R.R. 32%

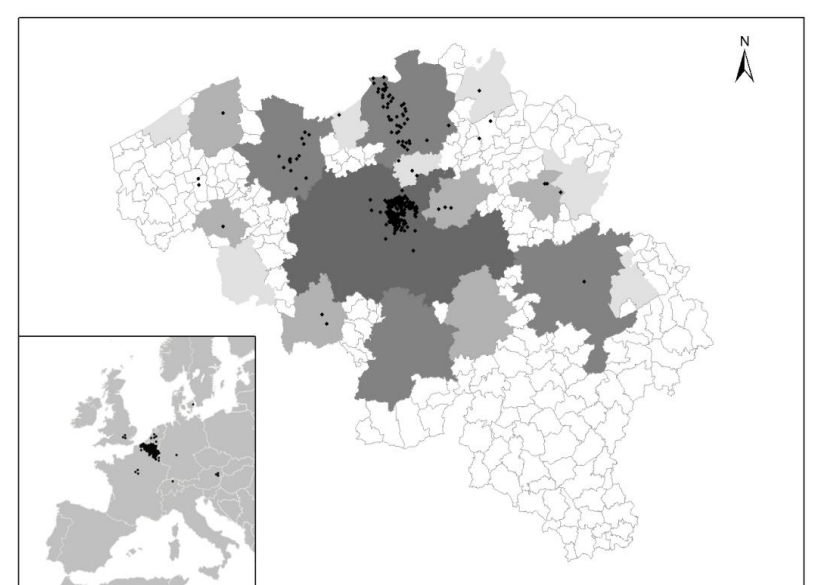
Results:

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- Underlying factors

The spatiality of APS/GPN interactions (2): Top-300 Belgian firms



Geographical distribution of user **firms**



Geographical distribution of service **links**

Decision cities	Antwerp	Beringen	Bornem	Bruges	Brussels	Charleroi	Geel	Genk	Ghent	Hasselt	Herentals	Izegem	Kortrijk	Leuven	Liège	Mechelen	Mons	Ostend	Roeselare	Tournai	Wielbeke	Total
Service cities																						
Amsterdam					1																	1
Antwerp	30	1	1		15		3		1					1		1						53
Bornem			1																			1
Bruges																			1			1
Brussels	31		3	2	165	1		1	9	2	1	5	8	1	3	2	1	3		3	4	245
Copenhagen		1																				1
Deurne	1																					1
Eindhoven					1																	1
Frankfurt																				1		1
Geel							1															1
Ghent	2				1				4			2	2			1		1		1		14
Hasselt	1									2												3
Kortrijk																				1		1
Leuven					1									1		1						3
Liège					1																	1
Lille																						1
London					2																	3
Luxemburg					2																	2
Maarssen	1																					1
Mechelen	1	1																				2
Mons																					1	2
New York					4																	4
Paris	2				1																	3
Roeselare	1			1																		2
Rotterdam					1																	1
Sint-Niklaas																1						1
Tokyo					1																	1
Turnhout							1															1
Utrecht					1																	1
Vienna		3																				3
Westerlo	1																					1
Zug									1													1
Total	71	6	5	3	197	1	5	1	15	4	1	7	10	3	3	6	4	4	2	5	5	358
% with Brussels	44	0	60	67	84	100	0	100	60	50	100	71	80	33	100	33	25	75	0	60	80	
% with Antwerp	42	17	20	0	8	0	60	0	7	0	0	0	0	33	0	17	0	0	0	0	0	

The spatiality of APS/GPN interactions (2): Top-300 Belgian firms

Methodology:

- Large-scale email survey to top-300 companies in Belgium
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Results:

- Spatial patterns
- Underlying factors
 - ✓ Dominance of Brussels: overall proximity, capital, world city status
 - ✓ International inter-city links

The spatiality of APS/GPN interactions (2): Top-300 Belgian firms

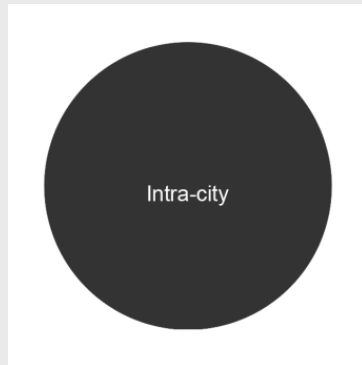
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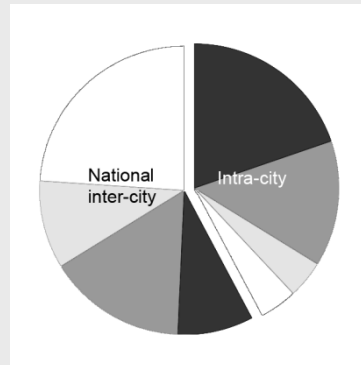
Results:

- Spatial patterns
- Underlying factors
 - ✓ Dominance of Brussels: overall proximity, capital, world city status
 - ✓ International inter-city links
 - ownership

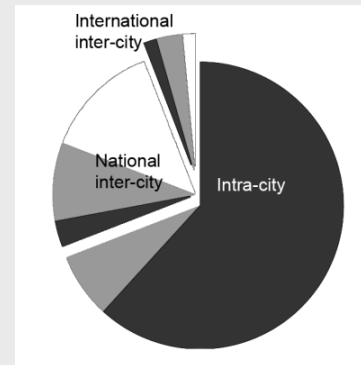
The spatiality of APS/GPN interactions (2): Top-300 Belgian firms



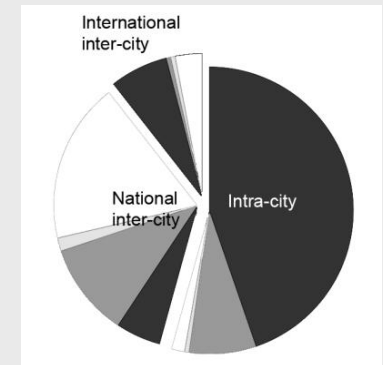
A.G.C.



Belgian owned



mixed



foreign owned

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 - ✓ Dominance of Brussels: overall proximity, capital, world city status
 - ✓ International inter-city links
 - location of parent company: 12/25 match

Conclusion

Spatiality of APS/GPN interactions is a complex and variegated function:

- quality-related variables
- space-related variables
- decision making related variables

Thank You!

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