Chapter 13
Inter–Organization Partnership and Collaborative Work Tools

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ABSTRACT
When virtual organizations collaborate, many barriers exist that have the potential to block the integration and efficiencies of the partnership. Barriers can stem from the organizations having different cultural values or technical infrastructures. Analyzing two collaborating virtual organizations provides insight into success factors, lessons learned, management implications, and the role of collaborative work tools. This analysis focused on the critical success factors of the partnership and lessons learned after the implementation as well as how the role of management changed as a result of this inter-organizational partnership. The case was based on first hand observation of the author who had a role as a project manager who oversaw an inter-organizational project partnership between a high-tech company located in the United States and an offshore company located in India.

INTRODUCTION
The organizations used in this analysis included an offshore information technology company located in Bangalore, India (referred to as the offshore organization) and a global computer/media corporation (referred to as the directing organization) based in California. Due to confidentiality agreements, the organizations cannot be named, only referred to by a general description. The author of this chapter gained insight into the interactions between the two organizations while working directly with both organizations over a two-year period.

The offshore organization provided the directing organization with information technology resource supplementation which included services such as development, testing, and system sup-
port. The partnership had been in effect for over 7 years and had helped the directing organization keep its IT costs below industry standards. The offshore organization was considered part of the directing organization’s information technology department, although the resources were employed by the offshore organization.

Connecting distributed teams requires the virtual centralization of activity. The benefits of the virtual centralization of activity include easier manageability, a higher level of security, lower costs, scalability, and seamless integration of functions. The directing organization and the offshore organization had a shared infrastructure that supported the integration required to make the partnership a success.

BACKGROUND

Friedman (2007) referred to the recent phase of global expansion Globalization 3.0. In this phase of globalization, seven forces are identified. These seven forces have a direct correlation to collaboration and virtual teams; both of these factor prominently in the analysis of the seven forces. Friedman’s seven factors include uploading, outsourcing, insourcing, offshoring, supply-chaining, informing, and technology.

Uploading is short for the ability of communities to create information. Answers to questions prior to the information age were traditionally provided by experts. Technology has provided the ability to create a global community of collaboration; anyone can create content that can be accessed by the global population. Outsourcing is the process of taking a function, typically contained and repeatable, performed in one organization and transferring that same function to another organization. Offshoring is similar to outsourcing in the sense that functional work is provided by another organization. Offshoring is more than moving processes to another organization; offshoring involves moving or building a factory or production facility in another country. Friedman (2007) describes supply-chaining as a method of horizontal collaboration to create value. Insourcing occurs when an organization works with another to help enter the global markets with a focus on a local feel. Informing is the ability to find almost any kind of information via Internet search engines and removes the reliance on libraries, television, or other media.

Technology has a role in all of Friedman’s flatteners; however, Friedman identifies six technologies that enhance other flatteners. He refers to these six technologies as steroids. Computer advances allow for faster processing, storage, and manipulation of information. File sharing creates enormous databases where information and files can be shared between computers. Internet phone service digitizes voice communication by transmitting it over the Internet and makes voice communication practically free. Videoconferencing enables companies to meet with remote employees or partners and preserve the physical aspect of communication such as facial expressions and other non-verbal cues. Computer graphics enhance communications and interaction with sharper images. Lastly, wireless technologies and devices are prominent in technology today and are reshaping organizations.

Gratton and Erickson (2007) outlined a plan for ensuring that large and complex teams can work together successfully under the right conditions. Gratton and Erickson posited that characteristics such as virtualization, diversity, team size (over 20 members), and skill levels can undermine the success of a virtual organization. Gratton and Erickson provided eight factors that lead to success in virtual and collaborative teams. These eight factors are:

• Encouraging collaborative behavior through investments like open floor plans;
• Senior management demonstrating collaborative practices;
• Mentoring and coaching to build networks;