Chapter IV

How Should Enterprises Integrate?
From the Need to the Solution ...

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Abstract

While industrial companies have learned to establish added-value relationships and flows with their supply chain satellite companies, when they now face the new challenge of building relationships with other value chains, they suffer from the lack of existing know-how and expertise in meta-value chain operation and management (including methodologies, reference models, case studies, best practices, and business and ICT solution maps). Collaboration only becomes a competitive advantage for a meta-value chain when it leads to meta-value chain agility. While the customisation of the single value proposition has led to the need of mass customisation in productive processes, customising and continuously adapting an extended value proposition (EVP) is mainly achieved by reshaping the composition and geometry of the whole extended enterprise (EE) relying on dynamic and agile business models. This meta-value chain agility needs, in turn, to be based on extended organisational learning. This self and external awareness requires continuous assessment processes and models based on key performance indicators.
Introduction

Globalisation and enhanced national, European, and worldwide competitiveness have promoted the creation and consolidation of the so-called extended enterprises (EE), which transcend the single enterprise domain and builds meta-enterprises. These meta-enterprises can be broadly defined as networks of complementary companies that work jointly to provide more value to their customers and improve their human, knowledge, operational, and structural capitals.

Most existing EE have initially focused on reinforcing the links and flows between companies that are involved in the same value chain. However, the phenomenon has recently shifted towards the creation of EE that cross the barriers of a single value chain, and link different complementary value chains, thus building meta-value chains.

EE face the same customer challenges ever. One straightforward way they have to boost their added-value is to aggregate to their own value proposition those of other complementary value chains, building the so-called extended value proposition (EVP). At mid- and long-term, competitiveness will become more and more based on EVP added-value and agility.

The general perspective of this chapter is to address this new problem and, based on a new methodology and architecture, try to explain the major achievements to the present time, specifically about the new changes in the organisational dimensions, and to discuss future and emerging trends.

The objective of the chapter is to face issues like:

- Our customers want more and more each day. We can improve and extend our own products and services, but now they request us complementary products and services we have never been involved in and we have no control on.
- It is already difficult to plan, manage, and operate our own company, but now we need to plan, manage, and operate also all the other ones that are linked with it!
- What's currently the state of this order? Where is the product? Will we supply it on time?

The idea is to develop in the reader’s mind some kind of awareness to the new interorganisational integration.

Background

Growing internationalisation implies that the growth of the market economy has been increasingly relying on the expansion of the world market, rather than on domestic market (Fotopoulos, 2005). Thus, under conditions of growing internationalisation, the economy’s increasing growth depends on supply conditions, which in turn determines trade performance.

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