Chapter VII

E-Partnership and Virtual Organizations: Issues and Options

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ABSTRACT

With the convergence of information technology and communication, the Internet has changed the way organizations communicate internally and externally, the way organizations are configured and the way organizations build partnerships. As a result, e-partnerships and virtual organizations become increasingly popular in today’s corporate world. This chapter aims to address issues of change and innovation associated with e-partnerships and virtual organizations. The chapter (i) discusses the advantages of e-partnerships and virtual organizations and the driving forces behind them; (ii) identifies issues and problems relating to the emergence of e-partnerships and virtual organizations; (iii) explores key factors for achieving the best performance and best results of e-partnerships and virtual organizations; and (iv) speculates future trends of the development of e-commerce and e-business which affects directly the viability of e-partnerships and virtual organizations. This author maintains that a total quality partnership approach holds the key to
success. The present study draws upon the current leading literature in the field and a case study of Amazon.com, one of the world largest on-line dealers and virtual enterprise with the most extensive e-networks and e-partnerships.

INTRODUCTION

With the convergence of information technology and communication, the Internet has changed the way organizations communicate internally and externally, the way organizations are configured and the way organizations build partnerships. The virtual organization, which is actually a network form of organization, is an innovation in organizational design and has changed the definitions, boundaries and forms of inter-organizational collaboration and partnerships. E-partnerships where business partners transact and communicate with each other mainly through electronic technologies are no longer a gimmick. Technology, particularly web-based resources and systems, are indispensable for the e-partnerships and virtual organizations.

Innovation and creativity are needed to construct new theories and knowledge base to help to sustain the innovative e-partnerships and virtual organizations. Today’s complex and volatile business world calls for changes and alternatives to the old and conventional paradigm of organizational design and new ways of doing business with others. Those who are adept at adapting to changes are the only winners. This chapter aims to address the issues of changes and innovation associated with e-partnerships and virtual organizations. The specific objectives of this chapter are:

- To discuss the advantages of e-partnerships and virtual organizations and the driving forces behind them;
- To identify issues and problems relating to the emergence of e-partnerships and virtual organizations;
- To explore key factors for achieving the best performance and best results of e-partnerships and virtual organizations; and
- To speculate on future trends of the development of e-commerce and e-business which affect directly the viability of e-partnerships and virtual organizations.

This author maintains that a total quality partnership approach holds the key to success. The total quality approach is based upon the principal components of Total Quality Management (TQM), namely, continuous im-
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