Chapter III

E-Partnership Strategy and Structure

Introduction: Taking a Strategic Management Approach

Now that the Internet bubble has seemingly burst, the days are gone when anyone with Internet and IT knowledge can run a successful e-business. Like other businesses, e-business also needs strategic management skills and traditional business sense. This author argues that the success of e-business requires a well-defined and well-formulated e-partnering strategy. A good e-partnering strategy can make a significant impact on business operations, customer relations and competitive market position of an organization, if it is implemented and executed successfully. E-managers must be able to think forward and strategically. Business partnership, in whatever form, has gone from being a peripheral tool of management to a centerpiece of corporate strategy and competitive advantage over the past decade (Bamford, Gomes-Casseres, & Robinson, 2003). This chapter studies e-partnership from a

strategic management perspective because e-partnership has become an important component of the strategy of many successful companies. From a strategic management perspective, e-partnerships should be strategic e-business alliances. Strategic management focuses on the process whereby managers develop and implement strategies for achieving strategic goals within existing conditions, in turn, helping organizations identify and achieve a competitive advantage. By resorting to a strategic management approach, this chapter helps in understanding the complex nature of e-partnering strategy formulation and implementation, which involves changes to existing business models and procedures. The chapter focuses on the strategy of e-partnering and its matching structures and delineates various worked examples of e-partnerships in today's e-business world, thereby providing a practical guide to e-partnering strategy formation and implementation.

Importance of Developing an E-Partnership Strategy

Strategy is often defined as large-scale action plans for interacting with the environment to achieve long-term goals (Bartol et al., 2001). It involves analyzing the environment of an organization, assessing its strengths and weaknesses, and identifying opportunities where the organization could develop a competitive advantage. Strategies have two essential characteristics: they are made in advance of the actions to which they apply, and they are developed consciously and purposely (Mintzberg, Quinn, & Voyer, 1995). Strategic planning helps organizations specify their goals and clarify their visions. Studies have found that companies having strategic management systems had higher financial returns than companies with no such systems (Robbins et al., 2003).

There is a general believe in the current literature that e-business allows a lesser degree of partnership planning because of the uncertainties and lack of knowledge associated with e-businesses (De Man & der Zee, 2002). Fox (1999) attempted to justify the belief, saying that in an e-business environment, "partnerships must move at Internet speed. There is no time to sit back, do a lengthy partner and market analysis, and develop and implement a highly defined go-to-market plan. In the e-business world, it is launch and learn or be left in the dirt" (p. 26). It is a well-known fact that many dotcom firms are not

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