



Chapter IV

Technological Challenges and Issues Facing E-Partnerships

Introduction

As discussed in the previous chapters, e-partnerships have a number of advantages and benefits that can help organizations sustain and achieve their organizational goals in today's e-business world. "The rewards of a happy union can be both substantial and satisfying. But, just like marriage, the failure rate is alarmingly high" (Seligman, 2001, p. 34). Partnering companies often face the challenges of sharing customer information; integrating business, IT processes and systems; and aligning business models. As e-partnership has gained momentum, the difficult question posed to managers is not why e-partnerships are necessary, but how to make them work. Like e-business and e-commerce, e-partnership faces a range of issues relating to the use of Internet and IT technologies as well as the reliance on inter-organizational interfaces. The rapid development and advance of information and Internet technologies have triggered a whole range of possibilities for integration and alignment of systems among e-partners and supply chain members. For example, the

partnership between Exostar (an e-marketplace) and Federation (a software provider) provides trading partners of the e-marketplace with opportunities to securely exchange information in the key design and manufacturing process. Coordination of product data information including product engineering data both internally and across the supply chain is made possible in the Exostar e-marketplace. With Federation's software, Exostar's customers are able to securely and inexpensively interconnect and share engineering product data from their Product Data/Lifecycle Management (PDM/PLM) system with their partners and suppliers (Withrow & Brock, 2004).

E-partnership takes advantage of the current Internet-driven business environment which integrates the most advanced electronic technologies and the knowledge-based economy. Companies engaging in e-partnerships must participate in external business relationships by using computer interactions (Damanpour, 2001). Implementing e-partnership strategy can require many sophisticated technologies and systems such as EDI, XML, and eCRM. E-partners are thus confronted with the great challenge of re-engineering their IT strategies and resources and rethinking their ways of communication and doing business with e-partners. "Nearly 80% of organizations that have rushed to establish Web sites for online retailing have failed to invest in the purchasing and distribution systems that make delivery of their products possible" (Neef, 2001, p. 3). Web site or system failure is a common incident in e-business, which prompts the question: how many orders and how many customers have been lost because of this problem? System failure has a profound effect on e-business and e-business relationships, both in the short- and long-term. The tremendous complexity of information technologies has become a huge hurdle to companies embracing them, affecting their entire management strategy, process, structure and, most importantly, business bottom-line results. The main technological issues to be considered are associated with IT infrastructure, and managers' and operatives' knowledge and skills in e-business and e-commerce operations. The following constitutes some of the key technological issues facing e-partnerships.

- Interoperability of systems of e-partners;
- Accessibility, security and compatibility of inter-organizational information systems;
- Traffic in collaborative e-commerce activities;
- Sustained IT support and resources;

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