

## Chapter 3

# Global Collaborative Business

*I can't understand why people are frightened by new ideas. I'm frightened of old ones.*

John Cage (1912-1992)

### CHAPTER KEY POINTS

- Discusses the importance and relevance of collaboration in the context of a global business.
- Discusses which characteristics and traits of a collaborative global enterprise would make it successful.
- Discusses the strategic approach to global collaboration.
- Discusses the customer, supplier, employee and governance relationships for a global collaborative business.
- Discusses the various levels at which businesses collaborate.
- Discusses marketing issues in global collaborative business.
- Discusses the factors that affect and challenge the proposed collaborative business environment.

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## INTRODUCTION

This chapter starts with a discussion on global collaborative business. The initial discussion in this chapter is on why and how a global collaborative business is brought about. Our premise in the discussion in this chapter is that electronic collaboration is invariably associated with globalization. While an organization may not be specifically seeking global business, the moment the services of the organization are exposed on the Internet high-seas; it has to accept the possibility of trading independent of regional borders. The definition of globalization and collaboration between multiple organizations that interact with each other irrespective of geographical and time boundaries is a vital concept for all modern-day businesses. This concept is developed and expanded on in this chapter. While reiterating the basic importance of electronic and communications technologies in the emergence of this global collaboration, this chapter also underscores the challenges and risks associated with such a business. The discussion in this chapter forms the basis for understanding the models of collaborative business build later in Chapter 5.

## INTRODUCING GLOBAL COLLABORATIVE BUSINESS

A global business is the one that conducts its internal and external business processes irrespective of its geographical location. A global *collaborative* business is the one that collaborates with multiple other businesses with common interests, in order to provide for the needs of a customer, irrespective of their geographical location. This location-independence of collaboration is a critical ingredient towards globalization. A global collaborative business deals with global customers and global suppliers. Furthermore, a global collaborative business partners with other businesses that may themselves be spread out globally.

The Internet-based communications technologies have long been accepted as strategic to global businesses (Grove 1999, Gates 1999, Lan and Unhelkar 2005). These electronic communications technologies (Unhelkar 2008), further augmented by mobile technologies, provide unique opportunities for business collaborations.

As mentioned in chapter one, Gates expounded the concept of a digital nervous system (DNS) for an organization as an electronic-communication's based approach to creating the enterprise architecture and management of the business. The global collaborative business further extends and expands the concept of a digital nervous system to incorporate numerous business organizations. These global collaborative organizations not only manage their internal operational processes electronically, but also transition to electronic processes with external parties such as customers, suppliers, and competitors. This business use of the web that was presented in Chapter

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