Chapter 12
Championing SME eCollaboration

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EXECUTIVE SUMMARY

Collaboration and eCollaboration are arguable necessities for firms in today's economic age. Gone are the times when a firm could stand alone in the market warding off the competitive pressures of rival firms. Today, just the competitive forces of globalization alone are significant drivers to enable collaboration amongst rivals. The advantages of collaboration and eCollaboration for SMEs are profuse, providing small firms a measure of economic security in a world in which many industries face hyper-competition, particularly from countries with very low costs of labor. In discussing the nature and advantages of eCollaboration, the need for an eCollaboration champion becomes apparent. This case discusses eCollaboration from the perspective of 70 Australia SMEs and presents a model for the successful championship. In so doing, it discusses the multiple roles a champion must embrace and the various issues and dilemmas that are contingent to these roles.

INDUSTRY BACKGROUND

It is becoming increasingly important for smaller organizations with similar or complementary capabilities to collaborate in order to survive in today's increasingly competitive global market place (Cheng, Love, Standing & Gharavi, 2006;

Lawson, Hol & Hall, 2007). In order to better understand the role of a successful facilitator of collaboration, research was undertaken in Sydney, Australia. The research was conducted amongst representatives from three different industry clusters:

- **A Defence Supply Network.** These are manufacturers and distributors of equip-

ment, goods and services supplied to maintain the ready state of the Australian Defence Forces. The need for these companies to collaborate is manifest as Defence is strategically moving from the situation of dealing with many suppliers to a preference to deal with only a few. As such there is increasing pressure being placed on these suppliers to join together in one form or another. There were 34 companies represented in this cluster. Most were SMEs with less than six employees. However, there were two larger companies (500+ employees) involved in the study. Most of these SMEs were also familiar with and had engaged in eCollaboration. As a result of this firms were able to extend to the research a wealth of information and experience.

- **An Information Technology Cluster.** This is a group of companies who provide technological services and equipment to other businesses – i.e. B2B. The majority of these businesses were in the position of wanting to collaborate, but not yet doing so and not really knowing how to begin. There is great scope for collaboration among this cluster as there is a lot of complementarity among the businesses. For example, some were producers of software, some hardware, and others of electrical services like installers and networking companies. There were 18 companies represented in this cluster. All were SMEs but were small with an average of 3.5 employees. Only around half of these SMEs were familiar with, or had used, eCollaboration. For example, one firm had extensive knowledge and had gained large amounts of economic value through their collaboration with other cluster members, while other SMEs were reluctant to indulge through their fear of sharing customers and customer information with 'competitors'.

- **A Marine Association.** There was more variety in this group of companies. They ranged from suppliers of marine products (e.g. boats suppliers and fishing products suppliers) to repairers (e.g. outboard engine repairers) to operators (e.g. tourism operators and fishing charters). The biggest inhibitor for successful collaboration among these companies was there profound lack of IT-based skills – a majority were reluctant to engage with even the most rudimentary of e-tools for collaboration. There were 12 companies represented in this cluster. All were SMEs with an average of 4.2 employees. Only a few of these companies were familiar with eCollaboration. Only one had actually engaged in eCollaboration, and while this was more of a taste than an actual enterprise, they had a positive experience by sharing web-based links, and co-bidding on projects through a utilisation of complementary products and services.

From these industry sectors 70 participants, from 64 companies, were engaged in focus group sessions. Each session was facilitated by an experienced moderator and a scribe. The size of each group was kept between eight and ten participants to encourage equal participation (Krueger 1998). Group consensus was not sought during the focus groups. Rather, each participant was encouraged to provide their individual opinion and experiences (Morgan 1997). The goal of each focus group was to allow candid discussion around a range of pre-organised topics.

THE VALUE OF E-COLLABORATION

Technology has done many things for small businesses. In one sense small business has been harmed through the advance of technology, which, from a competitive perspective, has

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