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In *E--Commerce and V--Business, Business Models for Global Success* (Butterworth--Heinemann, Oxford, UK, 2001), Barnes and Hunt have selected a set of articles which together reinforce the not unfamiliar adage that the opportunities made possible by the rapidly changing environment are limited primarily by our ability to creatively alter our existing practices and perspectives. This theme is developed in two sections. The first section contains refreshingly specific sets of business recommendations with regard to emerging Internet opportunities. The second section addresses a much broader subject, the virtual organisation, and offers guidelines for establishing interfirm partnerships, again to capitalise upon these emerging prospects. The coherence of the second section suffers due to the elusiveness of the term ‘virtual organisation’. However, in keeping with U.S. Supreme Court Justice Potter Stewart’s famous recognition algorithm, ‘I know it when I see it,’ the authors present a number of case studies aimed at giving the reader a clearer understanding of virtual organisation issues. The case studies and examples used in both sections include firms based in Europe, Australia, and the USA, supporting the ‘borderless,’ global view of the book.

While the editors suggest that the book is intended for business students, each chapter is self-
-contained and includes summaries, allowing an even broader audience to sample those sections relevant to their interests.

**E--Commerce**

A central theme of the e--commerce chapters is that the firm must effectively and creatively use the Internet to augment its existing competencies, even while changing its practices and business models. The *effectiveness* of a firm’s web presence is examined through surveys conducted by Dutta and Segev, who find that firms generally have not yet moved beyond the concept of the web as an on-line brochure, and recommend that firms direct their attention to improving customer relationships through on--line services. A web effectiveness model, developed by Schubert and Selz, is organised around the information gathering, agreement, and settlement phases of a transaction. This model highlights the need for security, personalisation, and most insightfully, integration with the customers’ systems. Kannan, Chang, and Whinston discuss a firm’s *creativity* in the use of virtual communities to complement a firm’s on--line initiatives. The virtual community can add value through enhanced customer contact and information gathering activities, and the authors present an intermediation model for gathering such information when concerns of privacy are paramount. The often overlooked Internet potential for smaller businesses is advanced by Baldwin, Lymer, and Johnson. These authors discuss the current state of Internet use by smaller firms, and present an Internet impact model, which helps frame for the smaller firm how it might make the best use of the Internet.

The recognition of the firm’s need to adhere to its *core competencies* is developed in Loebbecke’s discussion of Rentrop Publishing, a German firm producing exclusive business literature for entrepreneurs. Faced with the threats and opportunities of the Internet, Rentrop chose to direct its efforts towards customisation, increased interactivity with customers, and search capabilities to complement its current competencies of content creation. Similarly,
Chircu and Kauffman present examples supporting their intermediation—disintermediation--reintermediation cycle. In this cycle, established firms respond to threats by pure--play e--intermediaries through the recognition and application of their existing strengths of expertise and client relationships, a strategy echoed recently by Porter (2001).

V--Business

The nature of firm boundaries and partnering has inspired many competing theories, so not surprisingly the theme of the second half of the book, the virtual organisation, is not presented with the precision of the previous chapters. Rather, each author struggles to present a definition for the term virtual organisation, with most, but not all, incorporating on--line technologies into their explanations. In some instances the definitions are so ambiguous as to encompass any economic activity not owned solely by a single firm, and the issues considered are so broad as to be relevant across functions and locations within a single organisation. Perhaps the definition is best anchored via the transaction, one that is neither singly--owned in any conventional sense (e.g., administratively or legally) nor conducted in an open, competitive market. Disappointingly, none of the authors weave into their writings the theoretical structural issues which impact interorganisational relationships, e.g., the Clemons, Reddi, and Row (1993) ‘move to the middle’ hypothesis. The primary argument for the need for the virtual organisation, and the reason the topic is included in this book, is once again the economy’s speed of change. This change results in opportunities that necessitate a responsiveness only effectively addressed through building partnerships rather than through making the effort to build in--house capabilities.

A message repeated throughout the book is that the focus on efficiency has distracted firms from developing value--creating opportunities to complement their core competencies. One untapped opportunity resides in the information sharing between partners. In particular, Li and Williams note that while firms appear to recognise the opportunities presented through
the use of interorganisational information systems, the expected resulting innovations have yet to manifest themselves. They identify three barriers which prevent effective partnering: resolving technical issues, understanding the nature of the firm, and developing a shared knowledge which exceeds the specifics of the data being shared. A valuable addition would have been an attempt to incorporate a theoretical explanation for this suboptimal performance, such as Bakos and Nault (1997).

These latter chapters rely on cases more so than the first section, mitigating to some extent the vagueness of the term virtual organisation. Johnston, Mak, and Kurnia present a case combining the themes of e-commerce and virtual organisation with their discussion of the Australian retail chain Coles Myer's novel solutions to assist smaller suppliers in becoming Internet-based EDI partners. This case demonstrates the authors' claims that for smaller partners to use Internet EDI, new and multiple methods of electronic document distribution must be provided. Sieber makes the argument through his example of Conceptware Consult that the use of partnering is most appropriate when knowledge of specifics, such as local conditions, is essential for conducting business, but the knowledge is not contained within the firm. Relevant additional readings concerning e-commerce and the virtual organisation can be found in the Fall 1998 special section of the International Journal of Electronic Commerce, edited by Theodore H. Clark.

While half of the chapters cite Chesbrough and Teece (1996) article on virtual organisations, none adopt its cautionary tones until Introna’s closing chapter. Introna claims that the type of exchange that must take place between firms to create real value can only arise from long term interaction, and that the trust required for non-trivial exchanges is unlikely to form through the type of partnerships discussed in the prior chapters.
Conclusion

While any selection of articles is vulnerable to the criticism of exclusion, an entry concerning the pricing and bundling of information goods would have been a significant addition for the e-commerce section (along the lines of Bakos and Brynjolfsson, 2000, and Shapiro and Varian, 1999). Similarly, a chapter explaining virtual organisation issues such as contracts, commitments, and costs of disbanding relationships would have enhanced the latter section. Most of the chapters are descriptive in nature rather than theoretical, demanding inductive rather than deductive efforts on the part of the reader. This makes the book more accessible for a larger audience but less significant for those familiar with the academic e-commerce literature. Overall, each author presents practical insights, and even those chapters suffering from a lack of clarity use cases in such a manner to make the entire book a relevant read for those trying to make sense out of the rapidly changing on-line world.
References


### Table 1. Key Cases and Lessons Learned

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<tr>
<th>Case</th>
<th>Lessons Learned</th>
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<tr>
<td>Krak, a Danish directory publisher</td>
<td>Enhance core efforts of business directory information through greater frequency of updates, custom modification of externally available information, and offering the ability to perform searches</td>
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<tr>
<td>Capital City Automobile Association, an Australian auto breakdown service</td>
<td>The existence of a central, powerful member of a virtual organisation can help facilitate organisation and exchange</td>
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<tr>
<td>KLM Distribution, Dutch subsidiary distributing spare airplane parts</td>
<td>The use of the Modular Network Design approach allows an abstraction from specific interfirm processes which in turn allows for a flexibility in dealing with the high variety of processes</td>
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